

Performance Trends

Just eight programs are rated red this quarter, a sign that most agencies are hitting targets or close to hitting targets. However, the nearly half of programs in the yellow suggests performance for some programs is marginal and missing the targets in future quarters is a risk.

Third-quarter performance changed little from the second quarter, an indication that annual ratings will mostly be the same. The Protective Services Program at the Children, Youth and Families Department continues to underperform, with persistent caseworker turnover a major factor. However, Facilities Management at the Health Department is seeing improvements after many years of struggling with low patient counts and quality of care concerns. The State Engineer and departments of Energy, Minerals and Natural Resources, Tourism, Corrections, and Taxation and Revenue continue to hit most targets.

Although a topic throughout the interim, agencies are quickly approaching the July 16 deadline for proposing FY28 program and performance measure revisions to LFC and the Department of Finance and Administration, making the next six weeks a crucial time to address concerns with structural issues.

Among the findings in the quarterly report cards:

Education

Public Education Department, page 7. Recent national comparisons of state test performance place New Mexico in last place and far below grade levels reported a decade ago. Larger school districts are switching from a five-day school week to a four-day school week to generate additional funding from the school formula, creating additional childcare needs on the fifth day.

Higher Education Institutions, page 9. New Mexico ranked 2nd in the nation for overall higher education funding in FY25 but continues lagging the nation in retention and graduation rates. Over the past 10 years, the state has ranked 12th in the nation for increasing funding for higher education but has experienced a slight decrease in student retention over this period. Only 5 states had less growth in student retention than New Mexico between 2015 and 2024.

Child Well-Being

Early Childhood Education and Care Department, page 11. The Early Childhood Education and Care Department (ECECD) reported mixed results for the third quarter of FY26. The department also has several measures reported annually. Many of the annual measures relate to prekindergarten and early

learning readiness. The department has experienced increases in the number of families enrolled in Home Visiting, a positive sign, because increased enrollment in this program has been a focused performance goal for the Legislature.

In fall 2025, ECECD removed income eligibility requirements and waived copayments for childcare. At the close of FY25, enrollment increased to around 31 thousand, with an average annual cost per child of \$10.8 thousand. As of the third quarter of FY26, average enrollment was close to 45 thousand and the average annual cost per child was \$12.2 thousand.

Children, Youth and Families Department, page 15. The Children, Youth and Families Department (CYFD) improved performance on some important measures during the third quarter but continues to struggle to meet targets in critical areas. Although repeat maltreatment decreased by 1.4 percentage points, the rate remains well above the national average. The state's rate of maltreatment in foster care, which has increased dramatically over the past year, continued to climb in the third quarter. Caseworker turnover in Protective Services, however, improved, decreasing to about 33 percent, a reduction of about 8 percent relative to the first quarter of the fiscal year, which increased to 39 percent in the third quarter. Within juvenile justice services, performance

on a number of measures remained strong, although recidivism for youth released from secured detention increased.

Health

Health Care Authority, page 19. The state’s Medicaid program continued to improve on infant well-child visits, one of its most important performance measures, reaching 58 percent in the third quarter. Timely prenatal care remained weak, holding at 64 percent against an 80 percent target, and its full-year rate has trailed the national average by about eight points. The authority stated that failure to meet the established target for these measures results in a monetary penalty based on a managed care organization’s (MCO) annual payment rate. The authority has implemented quarterly monitoring intended to improve outcomes by reviewing the interventions MCOs put in place, and MCOs are required to provide detailed action plans with their quarterly submissions.

Behavioral Health, page 25. For the third quarter, the share of Medicaid inpatient psychiatric stays with a community-based follow-up within seven days was 34 percent, below the 51 percent target and the national average of about 40 percent. The drop from the prior quarter reflects a new calendar-year with count resetting rather than a decline in care, as the prior year closed at near 46 percent. The division reports adult follow-up remains a larger challenge than youth follow-up.

Department of Health, page 27. While the agency’s Public Health, Scientific Laboratory, and Epidemiology and Response programs continue to turn in mixed results on performance, the Facilities Management program improved performance in the third quarter of FY26. The Facilities program continues to report increased census across its state-run facilities. The Scientific Laboratory program fell short on its measure for processing and returning environmental samples for chemical contamination, citing the Get the Lead Out testing program as a contributing factor due to the influx of samples received. The Public Health program continues reporting low performance for child immunization rates. The Epidemiology and Response program reports decreases in the turnaround time for the processing of death certificates.

Aging and Long-Term Services, page 30. The Aging and Long-Term Services Department (ALTSD) reported some improvement in performance during the third quarter of FY26. The Aging Network has already exceeded its target for number of hours of caregiver support provided and the percent of older New Mexicans receiving congregate and home-delivered meals who are assessed with “high” nutritional risk. However, the department is off track to meet its target for the number of hours of senior volunteers. ALTSD reports increased performance in its Adult Protective Services program in the third quarter. The percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation have decreased from the second quarter, though the program has seen an increase of repeat cases in FY26 compared to FY25.

Economic Development

Economic Development Department, page 33. The Economic Development Department’s performance varied across programs in the third quarter. The agency exceeded its annual targets for jobs supported through the Local Economic Development Act and rural job creation. All jobs are expected to offer wages above local and statewide averages, reflecting the agency’s emphasis on higher-paying jobs. However, the Job Training Incentive Program is not on track to meet its annual target of training 2,000 workers, and business recruitment efforts through the New Mexico Partnership remain below expectations. Film remains the agency’s weakest area. Although production activity increased from the previous quarter, performance remains well below annual targets and far below FY22’s peak levels. The continued decline raises questions about whether the state’s current film incentives and support programs remain the most effective approach to achieving economic development goals.

Tourism Department, page 36. The Tourism Department demonstrated steady progress across most performance measures during the third quarter. While leisure and hospitality employment growth in New Mexico has lagged the national trend, this likely reflects a leveling off following the state’s faster post-pandemic recovery and comparatively slower overall job growth. Aside from leisure and hospitality employment, NMTD is on track to meet its targets across all other performance measures, including

amount of earned media generated, number of participants in the New Mexico True certified program, and advertising revenue collected by the *New Mexico Magazine*.

Workforce Solutions Department, page 38. Mirroring national trends, New Mexico's unemployment rate increased, reaching 4.9 percent in April 2026. The Workforce Solutions Department (WSD) shows some progress in output measures related to unemployment insurance, meeting targets for customer service waiting times. However, the agency continues to struggle to complete application reviews and payment initiation in a timely manner. Further, although WSD met performance targets for a number of employment services measures, the agency has not meaningfully increased the number of registered apprentices in training or enrolled a large number of individuals in federally funded training programs. Doing so is important for increasing labor force participation in the state, a metric on which New Mexico chronically lags national averages.

Justice and Public Safety

Department of Public Safety, page 42. State Police force strength remained stable, averaging 631 officers through the third quarter, with DPS projecting 634 for FY26. NMSP continued improving intelligence-led policing through records management system upgrades and added data analyst capacity. Traffic enforcement and DWI saturation patrols remained above year-to-date targets, though commercial motor vehicle inspections continued to lag. Statewide law enforcement support showed mixed results. National Incident-Based Reporting System participation improved but remained below FY25 levels, raising concerns about statewide crime data quality. The forensic laboratory exceeded its case completion target and reduced the sexual assault kit backlog from 1,419 in FY25 to 282 by the third quarter. However, the backlog remains above the target of zero.

Corrections Department, page 46. Correctional officer vacancy rates declined, including a drop in public facility vacancies to 15.9 percent, while the prison population remained relatively stable. Recidivism improved overall, falling to 36.4 percent by the third quarter, and education participation continued to increase, with 79 percent of eligible inmates enrolled in educational, cognitive, vocational, or college programs. Probation and parole

officer vacancies also declined to 9 percent, while high-risk offender contacts by probation and parole officers met the 95 percent target.

Courts and Justice, page 49. Performance trends in New Mexico's courts and criminal justice agencies for the third quarter of FY26 were mixed. While some court metrics have shown strain as criminal case filings rebound to prepandemic figures, the district courts continue to whittle down the number of pending criminal cases. Treatment court utilization has recovered from FY25 lows; however, significant disparities in participation and costs between program types and judicial districts persist, with juvenile treatment courts in particular struggling with utilization. Ongoing recruitment and retention challenges affecting both prosecutors and public defenders, combined with substantial differences in attorney workloads and staffing levels across judicial districts, continue to underscore uneven criminal justice capacity throughout the state.

Natural Resources

Environment Department, page 56. The negative performance of multiple of the Environment Department's (NMED) programs has persisted through three quarters of the fiscal year. Additionally, the performance measure tracking what percent of the state's population is being served safe and health drinking water plummeted from 91 percent in the first quarter to 67.4 percent in the third. While the department notes this is due predominantly to a backlog of violations it is sorting through, it nonetheless is a data point to be closely monitored. The significant investment by the Legislature to address NMED's staffing and retention issues has reversed some of the agency's lingering issues, but the agency has an estimated 230 vacant FTE and up to \$5.4 million in vacancy savings, indicating the agency has significant room to grow and utilize expanded funding. Collaboration among LFC, the Department of Finance and Administration, and NMED was needed to address the agency's decision to cancel food inspections due to budget misalignment. Entering the final quarter of the fiscal year, and with an eye toward FY27, NMED needs to look at not only improving its performance but also effectively administering the significant recurring and nonrecurring funding the Legislature has invested in the agency.

Energy, Minerals, and Natural Resources Department, page 60. Through the third quarter of FY26, the Energy, Minerals and Natural Resources Department (EMNRD) is on track to meet all of its performance measures by the end of the fiscal year. The Healthy Forests program has already exceeded its target for wildland firefighter training and is slated to treat beyond its target 14,000 acres. The Oil Conservation Division's consistent recruitment and retention issues resulted in high levels of inspections as well as plugging 32 wells in the third quarter, the most it has plugged in nearly two years. The lone potentially worrying trend to the agency's high performance was the visitation levels for the state's parks. While not the fault of the program, it is a worrying sign to have two quarters below 700,000 visitors and a projected lower turn out for the fourth quarter. While the program has seen lower visitation in the third quarter historically, it will need nearly 2.2 million visitors in the fourth quarter to reach its target for the year.

Office of the State Engineer, page 63. The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) continue negotiations on the Colorado River Basin with implications for New Mexico's delivery obligations. Statutory deadlines for finding agreement between upper and lower basin states have passed but discussions are ongoing. The U.S. Supreme Court has ruled to finalize the settlement between *Texas v New Mexico*. OSE and ISC will now utilize the funding appropriated by the Legislature to comply with the settlement, beginning with the development of a water rights purchase program. The settlement dictates that the state must retire 18,200 acre-feet of groundwater in the Lower Rio Grande below Caballo Reservoir. The settlement provides flexibility to the state in how it can accomplish this and gives a timeline of 10 years to complete the decrease. In addition to implementation of the settlement, OSE is also requesting a change in one of its Litigation and Adjudication program's performance measures so it can better illustrate the work of the program and has continued to perform consistently on nearly all of its performance measures.

General Government

General Services Department, page 65. The General Services Department reports continued deterioration of funds managed by the Risk

Management Division, driven by large civil rights claims against several state agencies and institutions of higher education. GSD reports the state's public liability fund is projected to close the fiscal year without reserves. Special appropriations to ensure the solvency of the fund were approved by the Legislature but will only cover a portion of the fund's losses.

State Personnel Office, page 66. Recent pay increases and stabilization of the broader job market helped to improve key metrics related to the state's personnel system, but high turnover and the continued growth in the number of positions within state agencies led to continued high vacancy rates. While retention has improved from lows in 2022 and 2023, more than 30 percent of new employees leave state service within one year of joining.

Taxation and Revenue Department, page 67. The Tax Administration Program received 688,833 income tax returns, and 677,485 were successfully accepted, or 98.3 percent, while 11,348 returns were corrected due to errors or issues. Third quarter assessments totaled \$192.7 million, of which \$37.1 thousand was less than 90 days old, \$5.2 million was in protest, \$150.8 thousand was in bankruptcies, and \$9 million was abated. This leaves a collectible balance of \$178.4 million, of which \$91.6 million has been collected. This results in a collection percentage of 51.4 percent. The Motor Vehicle Division participated in four outreach events to help individuals experiencing homelessness by providing identification services.

Infrastructure

Department of Transportation, page 70. The Department of Transportation's (NMDOT) annual road condition survey for 2025 showed an increase in the number of lane miles maintained by NMDOT that are in poor condition, although the conditions on New Mexico's interstate highways have improved. The number of fatalities on New Mexico's roads remain higher than the national average.

Information Technology Projects, page 71. Information technology project trends for the third quarter of FY26 remain the same as in the second quarter. Agencies continue making progress in obtaining functional systems. The Health Care Authority's Medicaid management information

system replacement project and the New Mexico Corrections Department’s electronic health record project are on track to officially close out by the end of FY266 with as fully functional. The Children, Youth and Families Department’s child welfare

system maintains its updated system utilization date of August 2026.

Report Card Rating Rubric

Green	Yellow	Red
Agency has met the quarterly target or is on track to meet the annual target.	Agency slightly missed the target or is off track for meeting the annual target.	Agency failed, or is likely to fail, to meet the target or failed to provide data.

Fine Tuning

- Did the agency provide the data? How reliable is the data? Is the collection method transparent?
- Does the measure gauge a core function of the agency? Is the measure a good gauge of effectiveness?
- Does the agency use the information internally? Does the agency have a plan to maintain or improve performance?

Department/Program	Q2	Q3	
Early Childhood Education and Care Department			
Family Support and Intervention	Y	Y	
Early Education, Care and Nutrition	Y	Y	
Prekindergarten (reported annually)			
Policy, Research, and Quality	G	G	
Children, Youth and Families Department			
Protective Services	R	R	
Juvenile Justice Services	Y	Y	
Behavioral Health Services	Y	Y	
Public Education Department			
Department Operations	Y	Y	
Department of Health			
Public Health	Y	Y	
Epidemiology and Response	G	Y	↓
Scientific Laboratory	G	Y	↓
Facilities Management	Y	G	↑
Aging and Long-Term Services			
Consumer and Elder Rights	Y	G	↑
Adult Protective Services	G	G	
Aging Network	Y	Y	
Long-Term Care	Y	Y	
Health Care Authority			
Medical Assistance	Y	Y	
Income Support	Y	Y	
Child Support Enforcement	Y	Y	
Developmental Disabilities Support	Y	Y	
State Health Benefits	Y	Y	
Health Improvement	Y	Y	
Behavioral Health			
Behavioral Health	Y	Y	
Courts and Justice			
Administrative Support	Y	Y	
Special Court Services	Y	Y	
District Attorneys	Y	Y	
Public Defender	G	G	
Department of Public Safety			
Law Enforcement	Y	Y	
Statewide Law Enforcement Support	Y	Y	
Corrections Department			
Inmate Management and Control	G	G	
Reentry	Y	G	↑
Community Offender Management	G	G	
Energy, Minerals and Natural Resources			
Energy Conservation and Management	G	G	
Healthy Forests	G	G	
State Parks	G	G	
Mine Reclamation	G	G	
Oil and Gas Conservation	Y	G	↑

Department/Program	Q2	Q3	
State Engineer			
Water Resource Allocation	Y	G	↑
Interstate Stream Commission	G	G	
Litigation and Adjudication	Y	Y	
Environment Department			
Water Protection	Y	Y	
Environmental Protection	G	G	
Environmental Health	R	R	
Resource Protection	R	R	
Economic Development Department			
Economic Development	Y	Y	
Technology and Innovation	G	G	
New Mexico Film Office	R	R	
Outdoor Recreation	Y	Y	
Tourism Department			
Marketing and Promotion	G	G	
New Mexico Magazine	G	G	
Tourism Development	Y	Y	
Workforce Solutions Department			
Employment Services	Y	Y	
Unemployment Insurance	R	Y	↑
Labor Relations	Y	Y	
Program Support and Workforce Invest.	Y	Y	
General Services Department			
Risk Management Funds	R	R	
Facilities Management	R	R	
State Purchasing	R	R	
Transportation Services	G	G	
State Printing	G	G	
State Personnel System			
Human Resource Management	Y	Y	
Taxation and Revenue Department			
Tax Administration	G	G	
Compliance Enforcement	G	G	
Motor Vehicle	G	G	
Program Support	Y	Y	
Property Tax	Y	Y	
Department of Transportation			
Project Design and Construction	G	G	
Highway Operations	Y	Y	
Modal	R	R	
Program Support	G	G	

Programs with a Rating Upgrade	6
Programs with a Rating Downgrade	2
Total Q3 Green Ratings	26
Total Q3 Yellow Ratings	35
Total Q3 Red Ratings	8

ACTION PLAN

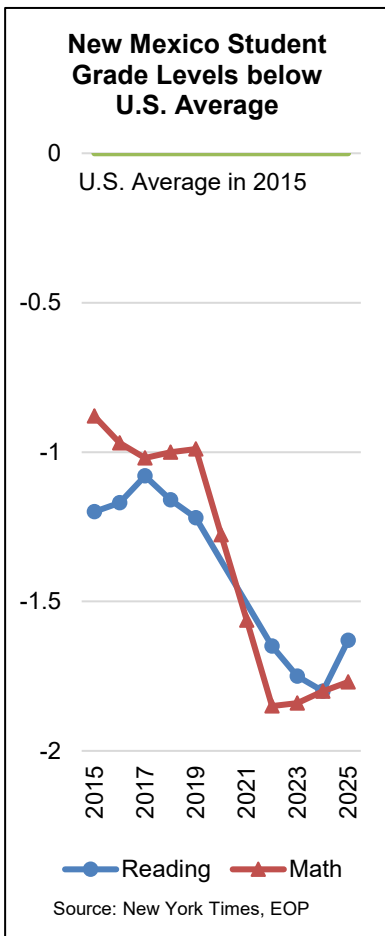
Submitted by agency? Yes
 Timeline assigned? Yes
 Responsibility assigned? No

Public Schools

The Public Education Department (PED) reported stable performance for the third quarter. Recent national comparisons of state test performance place New Mexico in last place and far below grade levels reported a decade ago. And larger school districts are switching from a five-day school week to a four-day school week to generate additional funding from the school formula, creating additional childcare needs on the fifth day.

Learning Rates

Stanford University’s Educational Opportunity Project (EOP) released an analysis of U.S. student test scores between 2022 and 2025, finding New Mexico scored poorly and had lower learning rates than the national average. EOP aligns state-level test data, including New Mexico’s own MSSA assessment, to the national test (NAEP) to compare trends across states using a uniform benchmark. New Mexico’s low performance reflects both the 2024 NAEP results, where the state ranked last on all tests, and recent MSSA test scores showing student achievement improving on reading since 2024. The next NAEP test in 2026 will allow EOP to recalibrate scores and include the first cohort of fourth graders who attended in-person elementary school after the pandemic.



Measure	New Mexico	Mississippi	Massachusetts
Average Test Scores	-1.69 grades below U.S. average	-0.49 grades below U.S. average	+0.47 grades above U.S. average
Learning Rates	-3.9% learned each grade relative to U.S.	-13.0% learned each grade relative to U.S.	-1.2% learned each grade relative to U.S.
Trend in Test Score	+0.022 change in test scores each year	+0.049 change in test scores per year	+0.013 change in test score per year
Trend in Learning Rate	-0.041 change in learning rates each year	-0.021 change in learning rates each year	+0.005 change in learning rates each year

Source: The Educational Opportunity Project at Stanford University

Compared to Massachusetts, the state with the highest national test scores, New Mexico is notably worse in all EOP metrics aside from higher average test score improvements. This improvement is due largely to recent growth in reading test scores on New Mexico’s own MSSA test. When compared to Mississippi, a state with a similar enrollment level and poverty rate, New Mexico is still behind in all measures, except for learning rates, which suggests New Mexico students are getting closer to a full year’s worth of learning between third grade and eighth grade each year than students in Mississippi. However, New Mexico’s learning rate trend is worse, suggesting the amount of learning growth each year is deteriorating at a faster rate. While low-income students in New Mexico have a higher learning rate (12 percent) than most other states and are showing an improvement in scores, they are still very far behind (2.02 grades below on average test scores) and are losing more ground each year (0.058 decline in learning rate trend).

Learning Time

Approximately 25 thousand students currently attend school in a district or charter school with a four-day school week calendar, with more scheduled to transition to the

**Districts and Charters
Switching to a
Four-Day School Week**

FY26

Clayton
Cuba
Dexter
Deming
Estancia
Hagerman
Portales
Truth or Consequences
Tularosa

Cesar Chavez Community
Coral Community
Digital Arts and Technology
Dream Diné
Explore Academy

FY27

Dulce
Espanola
Las Vegas
Lovington
Pojoaque
Silver City

four-day school week in FY27. Following a governor veto of budget language prohibiting new four-day school week schedules in the General Appropriation Act of 2024, the number of districts and charters on a four-day school week has reportedly increased from 61 entities in FY24 to 74 entities in FY26. According to PED, 84 entities will be requesting a four-day school week in FY27.

While many districts noted switching to a four-day school week would improve teacher retention, increase student attendance, and reduce costs, research on districts switching to a four-day school week suggests the change has little, if any, effect on teacher retention or cost savings. Studies also find the switch to a four-day school week can have a negative impact on student achievement, particularly in urban areas and when total instructional time decreases because of the transition.

Some districts switching to a four-day school week plan to leverage the availability of universal childcare assistance from ECECD to cover childcare needs on the fifth day, while generating additional K-12 Plus program units from maintaining the same total number of contract days. This incentive of switching to a four-day school week to generate more funding is particularly pronounced for schools on a five-day school week that have a calendar with less than 180 days, as additional formula funding is only generated for the days exceeding 180.

In contrast, schools on a four-day school week can generate additional units by providing more than 155 days, eliminating the need to add more total contract days while allowing these schools to generate more funding by moving to four days a week. Left unaddressed, the state may be inadvertently incentivizing the switch to a four-day school week to generate more formula funds at public schools while creating unnecessary demand for childcare services on the fifth day.

Department Operations

PED continues to report stable processing times for federal reimbursements and budget adjustments; however, recent reported formula audits have shot up to 188 audits completed, which is due to a change in the definition of the measure. It is unlikely the department has completed 188 on-site audits—historically less than 30 each year—due to having only three auditors on staff. At 188 audits, the count of nearly all districts and charters in the state, this figure likely represents a completion rate for data validations or accreditation checks done at the department rather than in the field.

Budget: \$26,263.7 FTE: 360.0	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Average days to process federal reimbursements	35	16	22	19	20	19	G
Average days to process budget adjustments	7.8	7.8	6	7	9	7	Y
District and charter funding formula audits	30	15	30	0	188	188	Y
Initiative funding awarded by September 30	53.7%	85%	95%	9%	82%	82%	R
Program Rating	Y	G		Y	Y		Y

*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

New Mexico continues to lead the nation in funding for higher education, ranking second overall in state and local appropriations per student. The state currently ranks first in the nation for per-student funding for two-year institutions and fourth in the nation for four-year institutions. The significant state investment reflects policymakers' focus on economic and social development. Despite these investments, overall educational attainment of New Mexicans remains near the bottom of national rankings and lags nearly every surrounding state.

Population with Four Year+ Degree

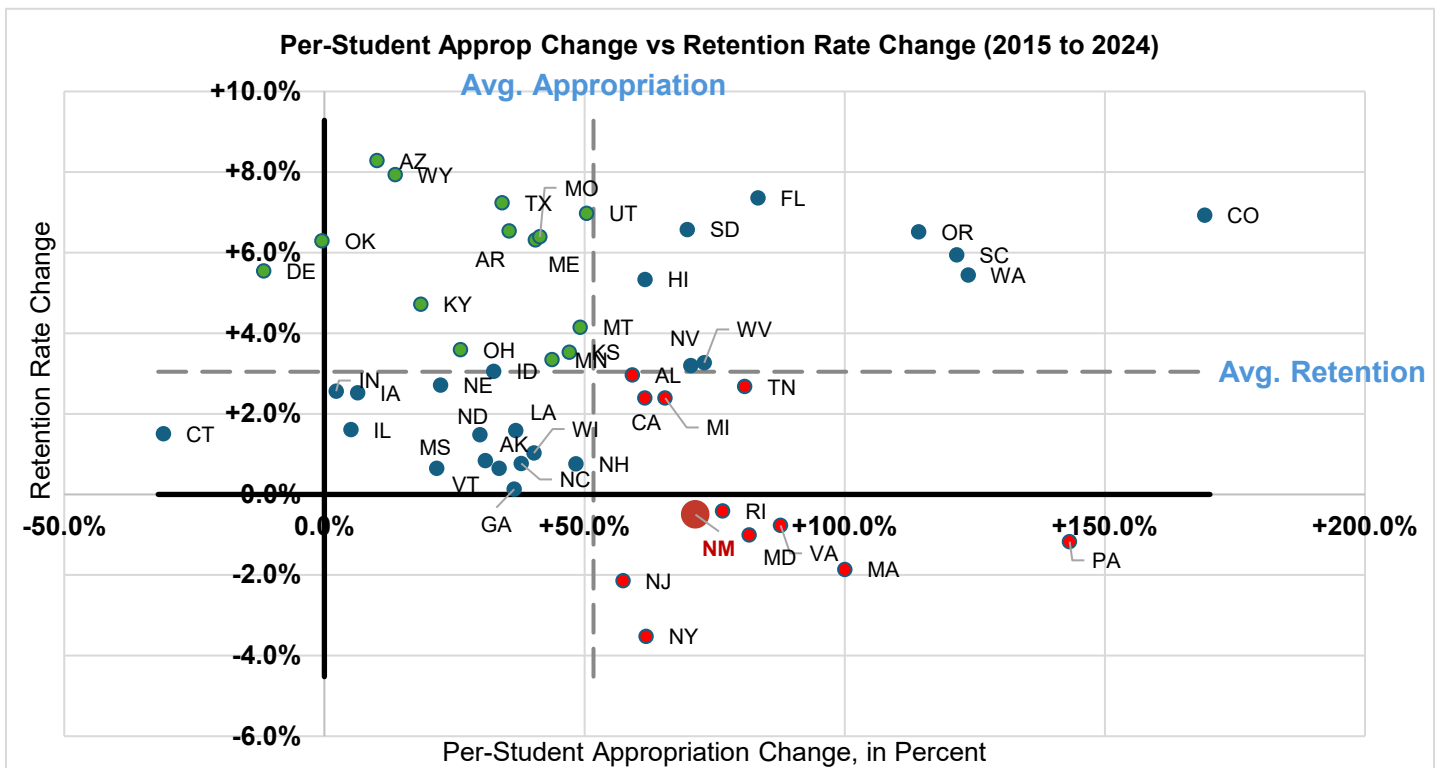
Arizona	33%
Colorado	46%
New Mexico	31%
Oklahoma	29%
Texas	34%
U.S. Avg.	38%

Source: U.S. Federal Reserve

However, measuring the impact of higher education is more complicated than an examination of graduation and retention rates. While these metrics are the primary focus, much of the actual impact of education should be measured by post-completion employment and wage outcomes for students. Post-completion data is not readily available from uniform national sources, creating significant gaps in our understanding of the impact of higher education attainment. Further, the existing data on graduation and retention focuses on first-time, full-time students, which omits many two-year students. These are critical blind spots in the understanding of higher education performance.

Appropriations, Graduation, and Retention

Retention is a strong predictor of graduation, and graduation is highly correlated to post-completion employment and wage outcomes; those who graduate college are more likely to be employed and receive higher salaries than people without a college credential. Therefore, the LFC analysis focuses on retention as a key indicator of performance. The table below charts the changes in state appropriation on the horizontal axis and retention rates on the vertical axis to show how New Mexico compares with other states over the past decade in terms of funding and results for four-year colleges.



Retention by Institution

	2015	2024
ENMU	57%	62%
NMHU	52%	50%
NM Tech	75%	77%
NMSU	74%	73%
NNMC	55%	52%
UNM	80%	76%
WNMU	51%	58%

Source: IPEDS

The analysis shows New Mexico both investing more than other states but also experiencing lower retention rates. Over the past 10 years, New Mexico increased appropriations by 71 percent, with only 12 states increasing funding at a faster rate. At the same time, student retention, an early predictor of graduation rates, fell slightly relative to a decade ago but was significantly less than the national state average increase of 3 percent. Only six states had lower performance on retention over this time.

National data suggests that many of the reasons students drop out of college are nonfinancial; the Lumina Foundation found, for current students, the most common reasons cited for thinking of discontinuing college were emotional stress (55 percent) and mental health (47 percent). Cost of college was cited as a barrier to completion by 29 percent of respondents nationwide.

The Legislature has recognized these barriers and for several years has made recurring appropriations for student support that may be used at the discretion of the recipient college. Additionally, in 2025, the Legislature created a \$20 million, three-year pilot program to provide nonrecurring increases to four-year institutions that are able to improve their retention rates. Higher education institutions must now determine how best to deploy these resources to improve outcomes for students.

State/Local and Total Revenue per Student, by Sector

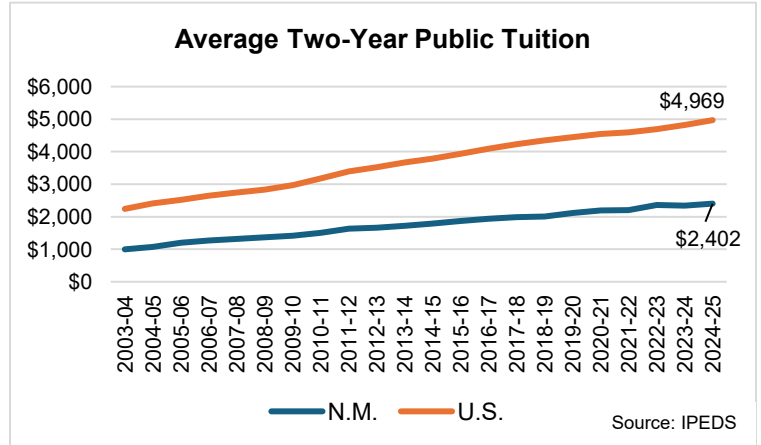
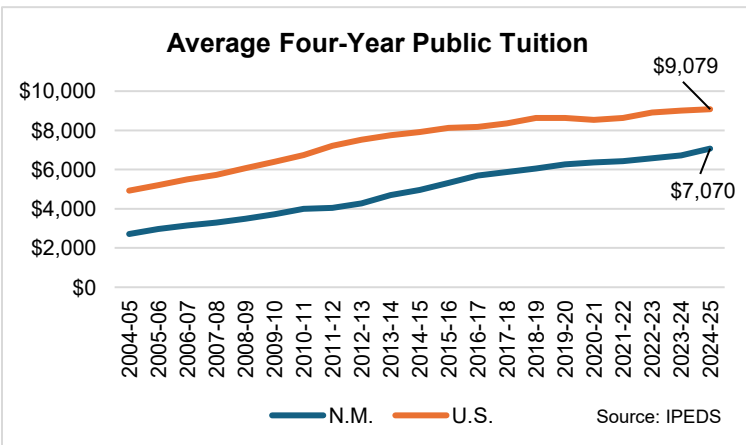
New Mexico		
	2-Year	4-Year
State Rev.	\$19,954	\$21,043
Rank	1	4
Total Rev.	\$21,611	\$25,628
Rank	1	11
U.S. Avg		
	2-Year	4-Year
State Rev.	\$11,096	\$11,151
Total Rev.	\$13,722	\$21,508

Source: SHEEO

The available data show the four-year sector must make significant improvements in retention and graduation rates to close the education attainment gap. However, less is known about the two-year sector. The state will be challenged to create a consistent framework to assess outcomes and drive future investment decisions.

State Investment and Affordability

Significant state investments in higher education have allowed colleges to keep tuition costs low and maintain broad access to higher education. According to the College Board, New Mexico had the second-lowest tuition and fees for two-year colleges and the ninth-lowest tuition and fees for four-year colleges. Federal tuition and fee data show that New Mexico four-year institutions charge 22 percent less in tuition and fees than the national average, but this gap has narrowed over time. Twenty years ago, New Mexico four-year institutions charged 43 percent less than the national average. Tuition at New Mexico two-year colleges is half of the national average, and the gap between New Mexico colleges and the national average has been stable over the past 20 years.



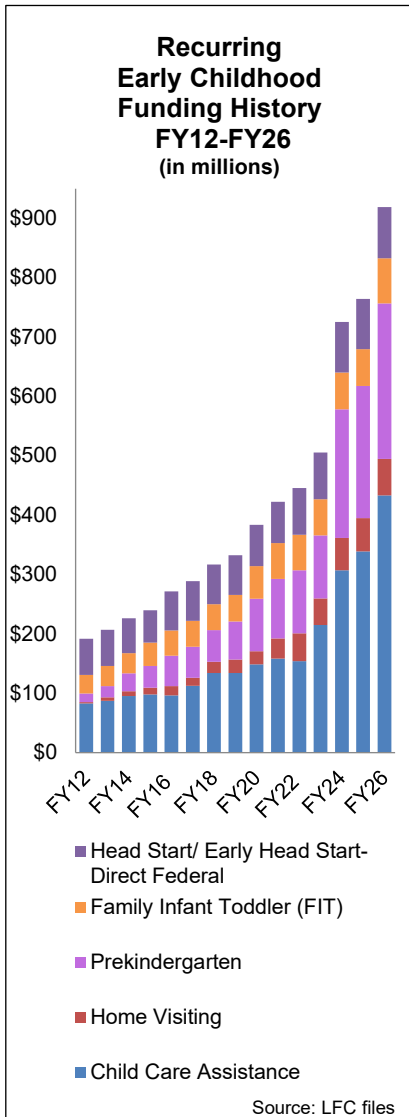
ACTION PLAN

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

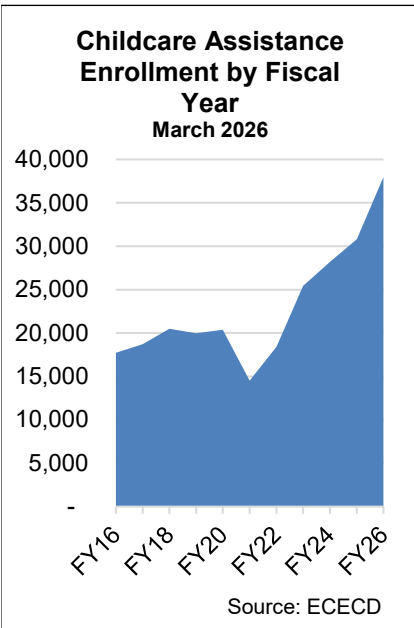
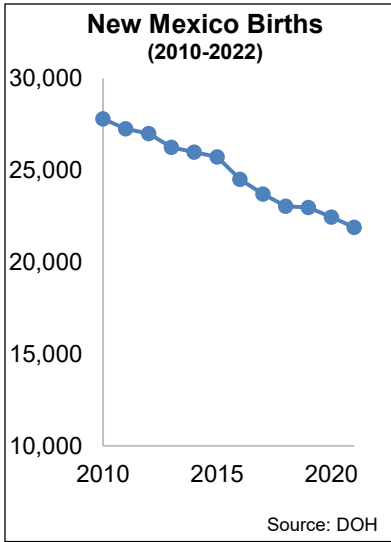
The Early Childhood Education and Care Department (ECECD) reported mixed results for the third quarter of FY26. The department also has several measures reported annually. Many of the annual measures relate to prekindergarten and early learning readiness. The department has experienced increases in the number of families enrolled in Home Visiting, a positive sign, because increased enrollment in this program has been a focused performance goal for the Legislature.

Family Support and Intervention

The program, primarily consisting of the Family, Infant, Toddler (FIT) developmental disabilities intervention program, the Families First case management program, and the Home Visiting parental education and support program, reported mixed results for performance targets and did not meet targeted performance for pregnant women enrolled in home visiting who access postpartum care. The program has reported an enrollment of 4,169 families in the Medicaid-funded Home Visiting program, a marked increase from last fiscal year. Increasing family enrollment in Medicaid-funded home visiting has been a policy priority of Legislature. If implemented well, in combination with other child welfare interventions, certain home visiting models, such as Nurse Family Partnership, Health Families America, and SafeCare Augmented, could help the state reduce child maltreatment.



Budget: \$107,212.1 FTE: 65	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of families enrolled in Medicaid Home Visiting	402	1,467	1,250	2,425	2,789	4,169	G
Average annual number of home visits per family	22	23	22	Reported Annually			
Percent of children enrolled in home visiting for longer than six months that receive regular well child exams as recommended by the American Academy of Pediatrics	91%	91%	93%	91%	91%	92%	Y
Percent of parents participating in the New Mexico home-visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions as demonstrated by the state-approved, evidence-based screening tool	82%	83%	82%	82%	84%	87%	G
Percent of women enrolled in Families First who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy	90%	86%	80%	62%	63%	73%	Y
Percent of children making significant improvement annually in social emotional skills, knowledge and skills and appropriate behavior	Not Reported	78%	75%	79%	77%	78%	G
Percentage of women that are pregnant when they enroll in home visiting who access postpartum care	New	80%	90%	79%	80%	80%	Y
Percent of eligible infants and toddlers with individual family service plans for whom an initial evaluation and initial assessment and an initial individual family service plan meeting	94%	97%	100%	Reported Annually			



Budget: \$107,212.1 **FTE:** 65

were conducted within the forty-five-day timeline

Percent of home visiting families with face-to-face visits, monthly*

Percent of families enrolled in Families First by the twenty-eighth week of pregnancy

Percent of families enrolled in home visiting by the twenty-eighth week of pregnancy

Percent of families enrolled in home visiting that receive safe sleep education and supporting materials and follow the recommended safe sleep practices

Percent of pregnant women enrolled in home visiting who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy

Percent of women who are pregnant when they enroll in Families First and access postpartum care

Percent of Comprehensive Addiction and Recovery Act families connected to agency services and supports

Percent of children performing at categorical age expectations annually, to include positive social and emotional skills, knowledge and skills and appropriate behavior

Percent of families enrolled in Families First prenatally

Percent of (at risk) children participating in the FIT program for at least six months who demonstrate substantial increase in their development as measured by the early childhood outcomes tool in: positive social-emotional skills (including social relationships), acquisition and use of knowledge and skills (including early language/communication), and use of appropriate behaviors to meet their needs

Program Rating

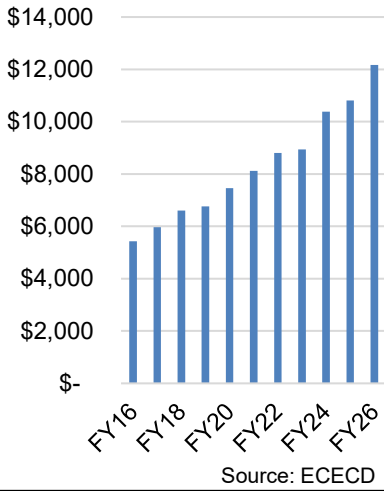
	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
were conducted within the forty-five-day timeline							
Percent of home visiting families with face-to-face visits, monthly*	91%	94%	95%	95%	96%	96%	G
Percent of families enrolled in Families First by the twenty-eighth week of pregnancy	65%	62%	80%	Not Reported	Not Reported	Not Reported	R
Percent of families enrolled in home visiting by the twenty-eighth week of pregnancy	75%	44%	30%	42%	42%	42%	G
Percent of families enrolled in home visiting that receive safe sleep education and supporting materials and follow the recommended safe sleep practices	82%	79%	83%	81%	83%	84%	G
Percent of pregnant women enrolled in home visiting who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy	93%	92%	94%	92%	92%	92%	Y
Percent of women who are pregnant when they enroll in Families First and access postpartum care	100%	47%	95%	99%	99%	99%	G
Percent of Comprehensive Addiction and Recovery Act families connected to agency services and supports	New	45%	60%	49%	46%	47%	R
Percent of children performing at categorical age expectations annually, to include positive social and emotional skills, knowledge and skills and appropriate behavior	New	New	80%	46.9%	48%	48%	R
Percent of families enrolled in Families First prenatally	New	New	80%	66%	46%	38%	R
Percent of (at risk) children participating in the FIT program for at least six months who demonstrate substantial increase in their development as measured by the early childhood outcomes tool in: positive social-emotional skills (including social relationships), acquisition and use of knowledge and skills (including early language/communication), and use of appropriate behaviors to meet their needs	New	New	78%	75.2%	77%	77%	R
Program Rating							Y

*Measure is classified as explanatory and does not have a target.

Early Education, Care and Nutrition

The Early Education, Care and Nutrition Program is primarily composed of Childcare Assistance, the Family Nutrition Bureau, and prekindergarten. Prior to the pandemic, Childcare Assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. However, in fall 2020, enrollment declined significantly to 15 thousand. In FY21, average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to \$676, or \$8,117 annually. At the close of FY22, monthly enrollment had increased to nearly 22

**Childcare Assistance
Annual Cost per Child
March 2026**



thousand, and the average monthly cost was \$734, or \$8,810 annually. In fall 2025, ECECD removed income eligibility requirements and waived copayments. At the close of FY25, enrollment had increased to around 31 thousand, with an average annual cost per child of \$10.8 thousand. As of the third quarter of FY26, average enrollment was close to 45 thousand and the average annual cost per child was \$12.2 thousand.

Budget: \$490,642.8	FTE: 179	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of infants and toddlers participating in the childcare assistance program enrolled in childcare programs with four- or five-stars		65%	69%	75%	71%	71%	71%	Y
Average monthly copay as a percentage of monthly income		New	0%	7%	No Copay			
Average length of time enrolled in months for families receiving childcare assistance		18	18	18	17	18	18	G
Percent of children attending full-time childcare, defined as thirty hours or more a week		73%	72%	75%	81%	77%	96%	G
Percent of enrolled families at or below two hundred percent of the federal poverty level		New	New	70%	66%	58%	52%	R
Program Rating		Y	Y					Y

Policy, Research and Quality

The Policy, Research and Quality Program reported meeting two of four targeted performance measures. The program’s primary purpose is to manage initiatives to improve the quality of early childhood education and care programs and professional development support for providers. The program also provides data assessment and support in addition to policy development for the department. The program leads the state’s childcare tiered quality rating and improvement system, Focus.

Budget: \$37,275.6	FTE: 36	FY24 Actual	FY25 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of early childhood professionals, including tribal educators, with degrees and/or credentials in early childhood related fields		77%	76%	77%	Reported Annually			
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system		65%	66%	68%	68%	70%	70%	G
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level		62%	65%	65%	67%	71%	72%	G
Number of early infant mental health professionals trained and onboarded		15	21	25	Reported Annually			
Percent of early childhood professionals receiving support from infant early child mental health consultants		30%	34%	30%	Reported Annually			
Program Rating		R	G					G

Prekindergarten

Performance measures for the program are reported annually. New Mexico PreK, an early education program for 3- and 4-year-olds, currently serves over 17 thousand children. Despite certain obstacles to expansion, New Mexico has made substantial strides in ensuring sufficient funding is in place to guarantee all 4-year-olds have access to some form of early education through programs such as Childcare Assistance, New Mexico PreK, or the federal Head Start program. New Mexico ranks 5th in spending on prekindergarten, 7th for providing access to 3-year-olds, and 11th in access for 4-year-olds, according to the National Institute for Early Education Research (NIEER). As of FY26, the state appropriated over \$238 million on prekindergarten and early prekindergarten statewide.

Budget: \$238,173.6 FTE: 17	FY24 Actual	FY25 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of children who were enrolled for at least six months in the state-funded prekindergarten program who score at first step for kindergarten or higher on the fall observation kindergarten observation tool	49%	50%	80%				Reported Annually
Percent of children participating in public and private state-funded New Mexico prekindergarten program for at least six months showing measurable progress on the school readiness spring preschool assessment tool	91%	91%	92%				Reported Annually
Percent of children who participated in prekindergarten for at least nine months who are proficient in math in kindergarten	52%	54%	75%				Reported Annually
Percent of children who participated in the prekindergarten program, for at least nine months, who are proficient in literacy in kindergarten	51%	51%	80%				Reported Annually
Program Rating	R	Y					

ACTION PLAN

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

During the third quarter of fiscal year 2026, the Children, Youth and Families Department (CYFD) demonstrated improvement in some areas while the agency continued to struggle to meet critical performance targets. New Mexico’s reported rate of repeat maltreatment decreased by 1.4 percentage points—a notable improvement—but remained over 14 percent, well above the national average. The state’s rate of maltreatment in foster care continued to climb, reaching 19.5 incidents of maltreatment per 100 thousand days in foster care. Although the state has enacted legislation and significantly increased appropriations for evidence-based approaches to reduce and prevent maltreatment, such strategies have largely not yet been implemented. In the third quarter of FY26, the number of children in foster care remained over 2,000 monthly, an increase from prior years. While the department continues to face challenges recruiting and retaining a professional social-worker workforce, turnover in Protective Services improved once again during the third quarter to about 33 percent, a reduction of about 8 percent relative to the first quarter of the fiscal year. Within juvenile justice services, although populations in secure facilities continue to be high relative to previous years, performance on a number of measures remained strong.

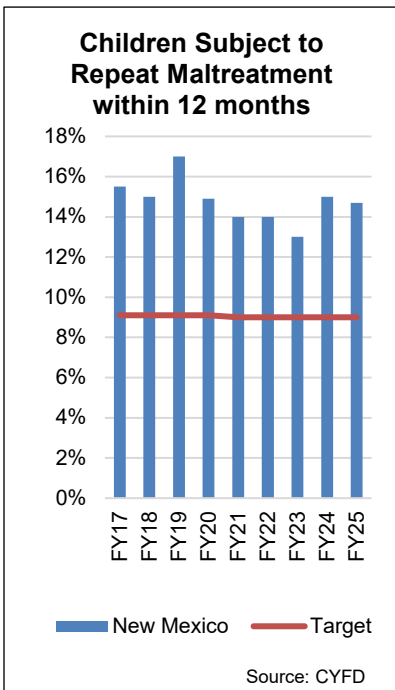
Protective Services

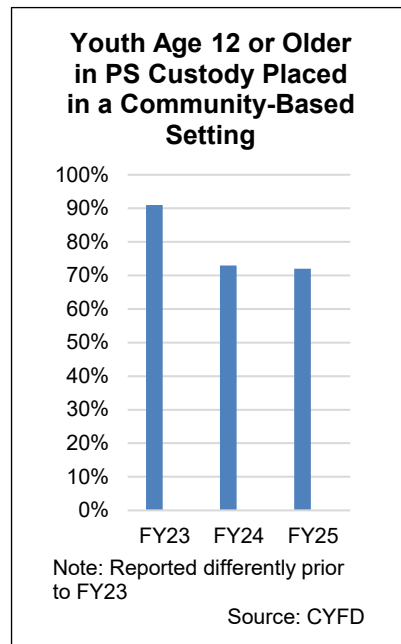
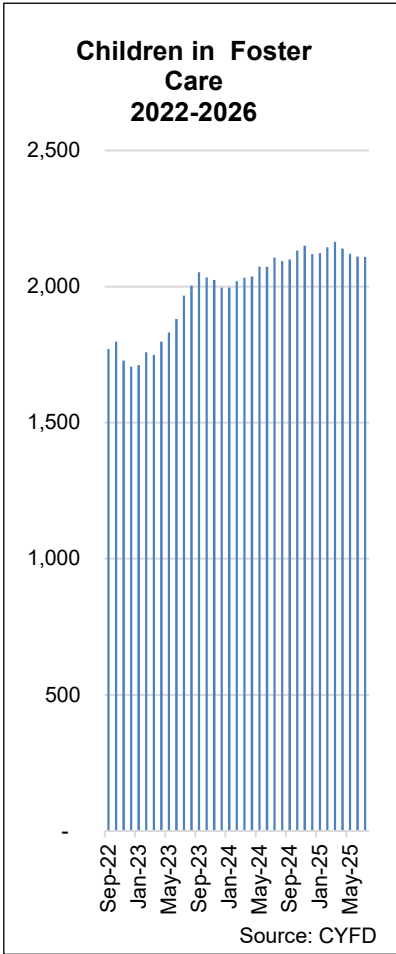
Prevention. Prevention and early intervention are key to reducing maltreatment and repeat child maltreatment, and several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. In the past five years, CYFD preventive services expenditures have grown significantly, though these expenditures remain a small share of all Protective Services spending. In September 2025, CYFD received approval of a revised plan submitted to the federal government for reimbursement for prevention services and the plan became effective October 1, 2025. Provision of two included services, Motivational Interviewing and SafeCare, are now eligible for federal reimbursement.

Repeat maltreatment rates decreased to 14.2 percent in the third quarter of the fiscal year, a meaningful improvement relative to performance in recent years but well above the national benchmark of 9 percent. The repeat maltreatment measure is an indicator of how successfully CYFD is facilitating families’ engagement in secondary prevention and intervention services. The greatest opportunity to intervene and prevent repeat maltreatment exists near the initial case, and the repeat maltreatment data reflects organization practice roughly a year prior. Of concern, after remaining relatively stable in FY23 and FY24, maltreatment in foster care increased by over 20 percent in FY25 and has continued to increase in FY26. In the third quarter, that rate continued to climb, reaching over 19.5 instances per 100 thousand days in foster care. CYFD has not identified the root cause of the dramatic increase in maltreatment in care.

To address maltreatment, CYFD requires a professional social worker workforce, but the department continues to struggle to recruit and retain Protective Services staff. Although turnover remains well above target, in the third quarter of FY26, the agency demonstrated continued improvement relative to the beginning of the fiscal year, decreasing the turnover rate to 33.3 percent.

Foster Care. The number of children in foster care in New Mexico steadily declined from FY17 to FY23, when the trend reversed. In the third quarter of FY26, over 2,200





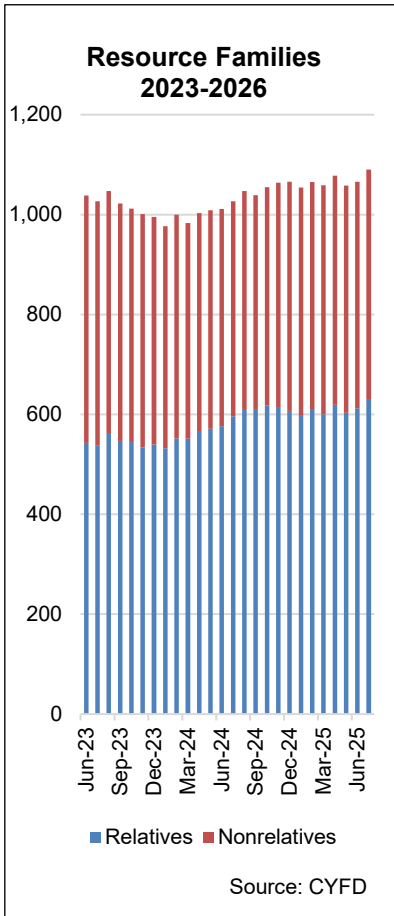
children were in state care. The state continues to underperform on placement stability and achieving permanency, although New Mexico performs well with regard to placing youth with kin. CYFD has continued to struggle with complying with the requirements of the *Kevin S.* settlement, including recruitment of resource (foster) homes. For the first three quarters of FY26, CYFD did not report the number of foster youth placed in the least restrictive community-based placement.

Budget: \$230,995.7	FTE: 1,179	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q2	FY26 Q3	Rating	
Maltreatment								
Percent of children in foster care who have at least one monthly visit with their case worker*		86%	80%	95%	85.3%	68.6%	R	
Children who were victims of a substantiated maltreatment report who were victims of another substantiated maltreatment allegation within twelve months of their initial report		15%	15%	9%	15.6%	14.2%	R	
Rate of maltreatment victimizations per one hundred thousand days in foster care within a rolling twelve month period		10.0	12.4	8	17.9	19.5	R	
Families that participated in in-home services or family support services and did not have a subsequent substantiated report within the next twelve months		74%	82%	80%	76.8%	88.7%	G	
Fatalities or near-fatalities in a rolling twelve-month period that had protective services involvement in the twelve months preceding the incident		57%	34%	15%	55.5%	26.7%	R	
Average statewide central intake call center wait time, in seconds		76	78	50	24	16	G	
Foster Care								
Turnover rate for protective services workers		34%	37%	25%	37.4%	33.3%	Y	
Of the children who enter care during a 12-month period and stay for greater than 8 days, placement moves rate per 1,000 days of care		8.1	7.9	4.75	8.2	7	R	
Children in foster care more than eight days who achieve permanency within twelve months of entry into foster care		34%	32%	42%	25%	24.3%	R	
Children removed during a rolling twelve-month period who were initially placed with a relative or fictive kin		32%	36%	43%	37.8%	45.6%	G	
Children in foster care for twenty-four months or more at the start of a twelve-month period who achieve permanency within twelve months		25%	24%	30%	27.5%	27.9%	Y	
Foster care placements currently in kinship care settings		48%	47%	42%	43.7%	45.6%	G	
Children in foster care for twelve to twenty-three months at the start of a twelve-month period who achieve permanency within those twelve months		34%	24%	44%	25%	23.7%	R	
Eligible youth who enrolled in Fostering Connections upon emancipation from foster care		81%	84%	95%	87.3%	90.3%	Y	
Youth age twelve or older in protective services custody who are placed in a less restrictive, community-based setting		85%	72%	73%	Not reported	Not reported	R	
							Program Rating	R

*Measure is classified as explanatory and does not have a target.

Juvenile Justice Services

Over the last decade, the number of youths incarcerated in secure juvenile justice facilities has steadily decreased from the state’s peak as CYFD has implemented evidence-based practices. However, during FY24, the number of youths in secure Juvenile Justice Services (JJS) facilities began increasing, from an average census of 80 in FY23 to 120 at the beginning of FY26. This increase may be due, in part, to changes CYFD has made to override a validated risk assessment tool and an increase in the number of youths charged with violent crimes, particularly in the 2nd Judicial District. While referrals to JJS increased in the last few years, referrals remain well below pre-pandemic levels and historical state highs. Average daily census remains below capacity in the state’s two secure juvenile justice facilities, the Youth Diagnostic and Development Center in Albuquerque and the J. Paul Taylor Center in Las Cruces. Several metrics reflected positive trends, including completion rates for formal and informal probation and recidivism and educational outcomes for youth in secured facilities.

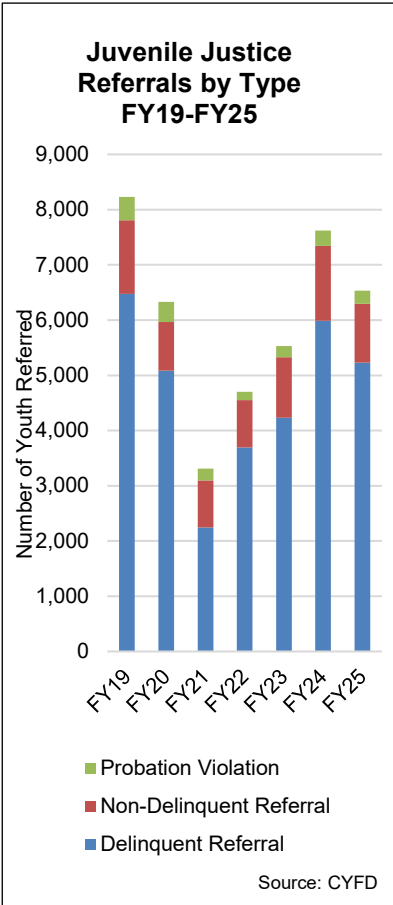


	Budget: \$82,322.6	FTE: 736.5	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q2	FY26 Q3	Rating
Turnover rate for youth care specialists			34%	27%	25%	26.3%	32%	Y
Percent of clients who successfully complete formal probation			90%	91%	93%	90.6%	92.1%	Y
Percent of clients who successfully complete informal probation			91%	91%	85%	88.2%	92.3%	G
Percent of clients successfully completing term of supervised release			Not reported	73%	78%	69%	76.5%	Y
Number of substantiated complaints by clients of abuse or neglect in juvenile justice facilities			0	5	3	0	1	G
Percent of youth discharged from active field supervision who did NOT recidivate within two years			87%	85%	80%	82.6%	86.9%	G
Rate of physical assaults per one thousand days youth spent in facilities			5.5	5.1	3.8	2.4	2.5	G
Percent of discharged from a secure facility who did NOT recidivate in the following two-year period			66%	72%	55%	80%	46.2%	Y
Youth served by juvenile justice who are placed in a less-restrictive, community-based setting			94%	94%	94%	93.7%	93.7%	Y
Percent of clients reviewed at 40 days			Not reported	95%	92%	97.7%	88%	Y
Youth aged seventeen and older at time of discharge from a secure facility who obtained a diploma or GED while at the facility			74%	74%	50%	83%	N/A	
Program Rating			R	Y				Y

*Measure is classified as explanatory and does not have a target.

Behavioral Health Services

Within the Behavioral Health Program, performance on key measures related to supporting children’s access to care fell below performance targets. Most notably, in the third quarter of FY26, only 42.2 percent of Protective Services-involved youth received consultation from a community behavioral health clinician, well below target and a



reduction relative to first and second quarter performance. In 2022, the Legislature appropriated \$20 million for start-up costs for behavioral health providers to establish evidence-based services that would be eligible for Medicaid or federal Title IV-E (foster care) funding. After being unspent for several years and reauthorized for FY25, less than \$5 million of the appropriation was ultimately spent for the intended purpose.

Budget: \$53,109.2

FTE: 123

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q2	FY26 Q3	Rating
Infant mental health program participants showing improvement developmentally through clinical assessment and observation	93%	89%	95%	90.4%	91.8%	Y
Domestic violence program participants who agree or strongly agree that because of their participation in the program as a parent, they have a better understanding of the impact that domestic abuse or violence can have on children	96%	94%	90%	95.2%	95.7%	G
Domestic violence program participants who agree or strongly agree that staff and advocates regularly discuss their safety needs, including specific things they can do to keep themselves safe	92%	93%	90%	89.2%	92.2%	G
Clients enrolled in multisystemic therapy who demonstrate improvement in one or more behavioral health outcomes	92%	93%	90%	85.9%	89.1%	Y
Percent of protective services-involved youth in the target population who receive consultation from a community behavioral health clinician	15%	48%	75%	42.5%	42.2%	R
Percent of juvenile-justice involved youth in the estimated target population who have received consultation from a community behavioral health clinician	63%	72%	85%	78.9%	82.1%	Y
Program Rating	Y	Y				Y

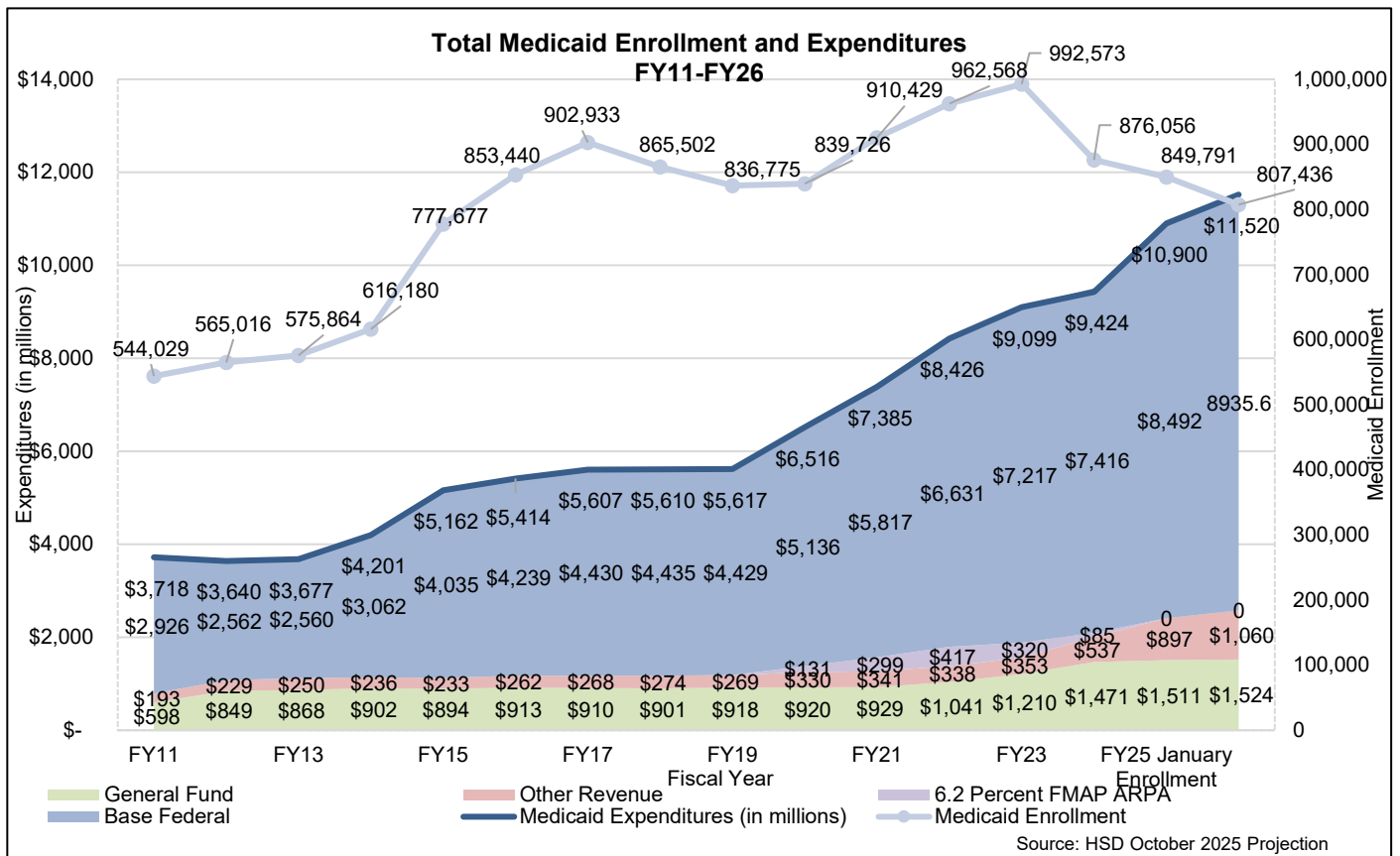
*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

Despite looming federal cuts expected to further mount later in the decade, New Mexico is positioned to advance, thanks to the investments of the past five years. The state has emerged as a leader in compensating providers, hospitals, and others by dedicating billions to provider rate increases. Rural health is in an unprecedented position, with hundreds of millions in expansion and stabilization grants, while behavioral health is being reshaped through significant new funding and sweeping legislative reforms. Similarly, investments in services for the disabled and elderly have improved access to in-home and community services for these populations. These investments are new, and while New Mexico continues to underperform the nation on health outcomes, particularly for substance use, and might be making inefficient use of its public healthcare system, the payoff should be seen in coming years.

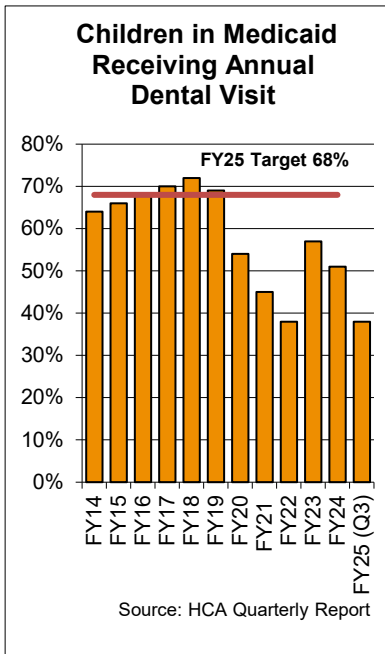
Budget Planning. For FY27, the Health Care Authority received funding to increase rates for personal care services, occupational therapists, residential services for people with developmental disabilities, increased utilization in the Developmental Disabilities Support Division, additional funding to maintain the Supplemental Nutrition Assistance Program (SNAP) supplemental benefits for the elderly and disabled, and more for SNAP administration to respond to upcoming federal budget cuts. In addition, the agency received funding to backfill federal subsidies on the health insurance exchange, additional insurance marketplace affordability, and to cover immigrants losing Medicaid coverage. With these investments oversight is more important now than ever.



Medical Assistance

To date, according to the state’s financial database, SHARE, the Health Care Authority has spent \$1.2 million of the \$188.2 million appropriated during the 2025 regular session for capacity building for the criminal justice Medicaid waiver, for building capacity for housing providers for people experiencing homelessness, for food for women with high-risk pregnancies and people on the community benefit, or to provide medical respite for the homeless. However, the agency that it is well on its way to fully expending these appropriations, with some of the appropriations included in managed care rates for 2026 or otherwise being encumbered.

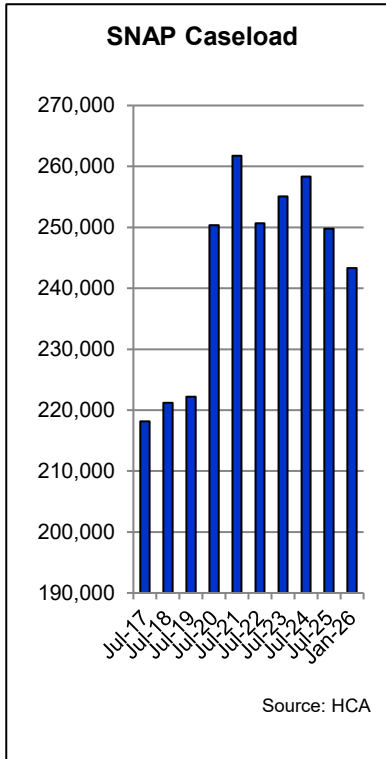
The state’s Medicaid program continued to improve on infant well-child visits, one of its most important performance measures, reaching 58 percent in the third quarter. Timely prenatal care remained weak, holding at 64 percent against an 80 percent target, and its full-year rate has trailed the national average by about eight points. The authority stated that failure to meet the established target for these measures results in a monetary penalty based on a managed care organization’s (MCO) annual payment rate. The authority has implemented quarterly monitoring intended to improve outcomes by reviewing the interventions MCOs put in place, and MCOs are required to provide detailed action plans with their quarterly submissions.



	Budget: \$11,289,326.7	FTE: 223.5	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months* †			66%	64%	N/A	32%	48%	58%	G
Children and adolescents ages 3 to 21 enrolled in Medicaid managed care who had one or more well-care visits during the measurement year †			45%	48%	63%	10%	22%	39%	R
Percent of members under 21 years of age who received a comprehensive or periodic oral evaluation with a dental provider †			51%	53%	53%	13%	33%	48%	G
Hospital readmissions for children ages 2 to 17 within 30 days of discharge			8%	7%	<5%	5%	6%	6%	Y
Hospital readmissions for adults 18 and over within 30 days of discharge †			9%	9%	<8%	11%	11%	10%	R
Emergency department use categorized as nonemergent care			57%	57%	55%	57%	57%	57%	Y
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization †			78%	77%	80%	65%	64%	64%	Y
Program Rating									Y R Y

*Measure is classified as explanatory and does not have a target.

†Measure is from the national health effectiveness data and information set (HEDIS) and is reported on a calendar year, cumulatively, and two quarters behind the state fiscal year. ^A lower rate indicates positive improvement.



Income Support

The Income Support Division (ISD) met both of its timeliness targets and one of its three work participation targets in the third quarter. The division enrolled 98 percent of expedited SNAP cases within seven days and processed 99 percent of regular SNAP cases within 30 days, both above the federal standard of 95 percent. Two-parent families meeting federal work requirements climbed to 68 percent, above the 60 percent target. The broader measure covering all families receiving Temporary Assistance for Needy Families remained well short at 20 percent against a 45 percent target.

States have never been required to pay a share of the cost of SNAP benefits. The newly created state match requirement, established in the recently passed federal reconciliation bill, is tiered based on how high a state’s payment error rate is. Based on current spending trends, New Mexico’s matching rate could be anywhere between nothing and \$173 million. The new match starts with the beginning of federal fiscal year (FFY) 2028 on October 1, 2027.

Because the size of any future match is tied to the state’s payment error rate, the division’s work to bring that rate down carries direct fiscal impact. The division reported it is adding quality checks to its eligibility system to prompt caseworkers on policy, expanding weekly caseworker training to identify staff who need support, and realigning its internal review with the federal quality control review so error trends surface within 30 days rather than after the federal process’s roughly four-month lag. It attributed much of the recent error growth to clients readjusting to interview and verification requirements after pandemic-era waivers expired, compounded by a relatively new workforce.

Budget: \$1,528,374.1	FTE: 1060.0	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days		74%	98%	98%	98%	99%	99%	G
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days		84%	97%	97%	97%	97%	98%	G
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income		1%	8%	37%	7%	10%	8%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements		12%	25%	60%	14%	23%	68%	G
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements		7%	13%	45%	12%	13%	20%	R
Program Rating		R	Y					Y

*Measure is classified as explanatory and does not have a target.

Child Support Services

Third-quarter collections totaled \$33 million, about 2 percent higher than the same quarter last year, and average monthly support collected per child rose to \$162, reflecting the seasonal effect of tax refunds. The division credited its employment referral program, through which about 40 percent of referred parents found work and 73 percent began paying support afterward, as a driver of more consistent payments. The division also reported its cost-effectiveness ratio, dollars collected for each dollar spent, declined in FY25, which it attributed to system modernization costs, a shrinking caseload, and lower monthly obligations set to match parents’ actual income. The measure has been falling nationally as well.

Budget: \$48,182.0 FTE: 340.0	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Noncustodial parents paying support per total cases with support orders*	51%	52%		52%	52%	52%	
Total child support enforcement collections, in millions	\$119	\$119	\$120	\$27	\$27	\$33	R
Child support owed that is collected	59%	60%	65%	60%	60%	60%	Y
Cases with support orders	83%	83%	85%	84%	85%	85%	G
Total dollars collected per dollars expended	\$2.18	\$2.05		Annual			
Average child support collected per child*	\$129	\$137		\$133	\$131	\$162	
Program Rating	Y	Y					Y

*Measure is classified as explanatory and does not have a target.

Developmental Disabilities Support Division

This is the second year the Developmental Disabilities Support Division reported on the authority’s performance report since it moved from the Department of Health in July 2024. The share of waiver applicants with a service plan and budget in place within 90 days of eligibility recovered to 95 percent in the third quarter, meeting the target after slipping to 70 percent in the second quarter. Eight of the 163 people who began services during the quarter waited longer than 90 days, which the division attributed in part to case managers submitting required monthly reports late, and it is tightening oversight of that reporting. The division also reported that recurring funding from the 2025 session ended its reliance on annual appropriations to clear the waiver waiting list, and it had offered services to all eligible applicants as of May 2025. Employment supports remained a weak point, with 8 percent of working-age waiver participants receiving them against a 20 percent target, a gap the division is working to close through outreach and a renewed agreement with the state’s vocational rehabilitation division.

Budget: \$324,452.3 FTE: 195.0	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of home visits	11,461	15,330		Annual			
Number of individuals on the home and community-based waiver waiting list*	111	194		Annual			
Number of individuals receiving home and community-based waiver services*	7,522	8,395		Annual			

Percent of adults between ages twenty-two and sixty-two served on a developmental disabilities waiver (traditional or mi via) who receive employment supports	9%	8%	20%	8%	8%	8%	R
Percent of home and community-based waiver applicants who have a service plan and budget in place within ninety days of income and clinical eligibility determination	76%	90%	95%	98%	70%	95%	G
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)	92%	91%	90%	93%	94%	94%	G
Program Rating	Y	Y					Y

*Measure is classified as explanatory and does not have a target.

Division of Health Improvement

The division scored well on the abuse rate for developmental disabilities and Mi Via waiver clients, which stayed near 1 percent, and it completed 98 percent of abuse, neglect, and exploitation investigations on time. The share of waiver clients receiving wellness checks as part of the quality management bureau’s audit remained far below target in the third quarter at 2 percent against an 18 percent target. The division noted this figure counts only clients in residential settings and understates its total contacts, but infrequent checks remain a concern because they reduce the chance of detecting abuse. Results were mixed on the division’s facility oversight measures in the third quarter. Nursing home survey citations upheld by federal reviewers recovered to 100 percent, up from 40 percent in the second quarter, and seven surveys reviewed during the quarter drew civil monetary penalties of more than \$213 thousand. Timeliness of distributing survey findings to acute and continuing care facilities fell to 42 percent, down from 77 percent, which the division tied to the departure of its quality assurance manager and a temporary review process in place until the position is filled.

Budget: \$11,289,326.7 FTE: 223.5	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of nursing home survey citation(s) resulting in a potential sanction by CMS that was upheld when reviewed by CMS	96%	100%	91%	60%	40%	100%	G
Percent of acute and continuing care facility survey statement of deficiencies distributed to the facility within ten days of survey exit	No Report	52%	88%	58%	77%	42%	R
Percent of abuse, neglect, and exploitation investigations completed according to established timelines	80%	97%	96%	96%	97%	98%	G
Abuse rate for developmental disabilities waiver and mi via waiver clients**†	7.3%	0.06%		1%	1%	1%	
Developmental disabilities support division clients receiving wellness checks per year as part of the audit conducted by the quality management bureau		10%	18%	3%	2%	2%	R
Program Rating	R	R					Y

*Measure is classified as explanatory and does not have a target.

† Measure also includes Supports Waiver and Medically Fragile waiver programs.

State Health Benefits

In FY25, spending on prescription drugs in the program increased by \$83.7 million, a 122 percent increase over the prior year. The increase is concerning because it will eventually lead to increased premiums for state and local employees and their employers. Now that the state pays 80 percent of health insurance premiums across the board for state employees, increased premiums will lead to an increased need to fund the program with general fund revenue within state agency budgets. The authority is working toward implementing reference-based pricing, switching pharmacy benefits managers, and aligning local public body premiums with actuarially developed rates to support the long-term financial stability of the program. By the third quarter, generic drug fills had recovered to 85 percent, just above the 84 percent target, though the authority noted that benefit design still steers some members toward higher cost brand drugs because co-pay assistance programs leave them little out-of-pocket cost. The share of available appointments filled at the Stay Well health center rose to 99 percent in the third quarter, up from 86 percent in the second.

Budget: \$518,353.5 FTE: 0	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of state health plan members who designate the stay well health center as their primary care provider*	2,162	2,578		2,713	2,779	2,399	
Number of visits to the stay well health center*	7,815	7,385		1,660	1,791	1,923	
Percent change in the average per-member per-month/total healthcare cost†	No Report	17%/8%		Annual			
Percent of available appointments filled at the stay well health center*	74%	92%		Annual			
Percent of state health plan members with diabetes receiving at least one hemoglobin A1C test in the last 12 months†	49%	62%/46%	86%	31%/81%	42%/87%	20%/86%	Y
Percent of state group prescriptions filled with generic drugs within 3 percent of public-entity-peer rate as reported by pharmacy benefits manager	56%	84%	84%	85%	81%	85%	G
Program Rating	R	R					Y

*Measure is classified as explanatory and does not have a target.

†Measure reported as Blue Cross Blue Shield/Presbyterian Health Services

ACTION PLAN

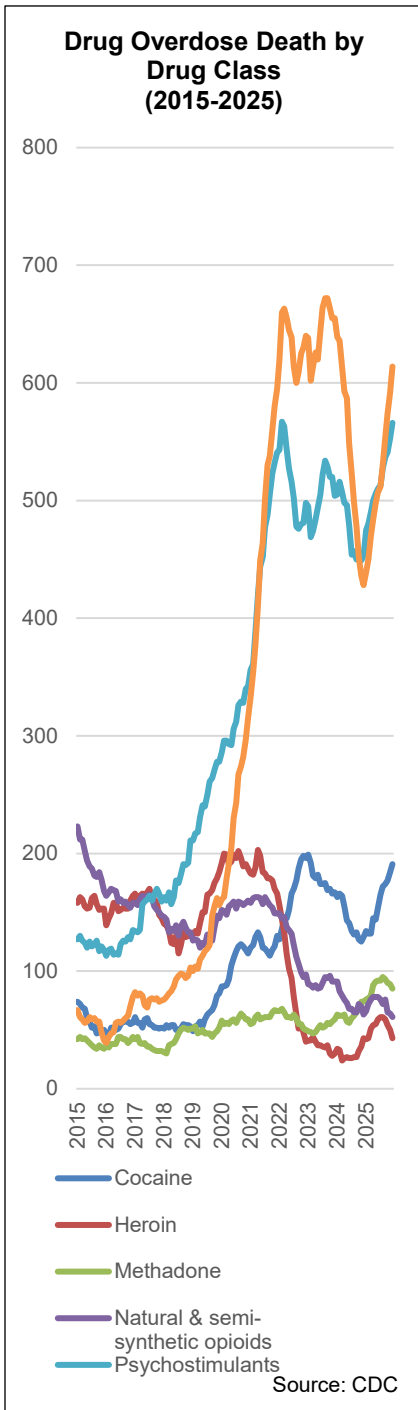
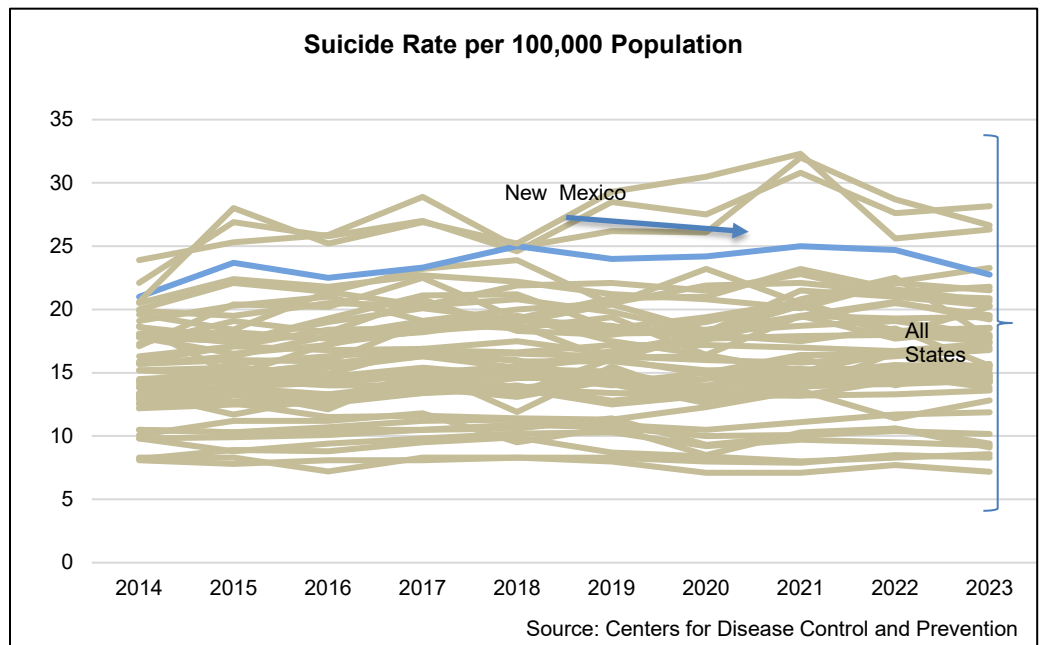
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

The September 2025 LFC *Medicaid Accountability Report* found that outcomes remain the same or have worsened since the last *Medicaid Accountability Report (2023)*, despite the large influx of both state and general funds appropriated to Medicaid. Around \$90 million from all funds in rate increases were approved in the last three years. LFC staff completed analysis of the 20 most used behavioral health codes by Medicaid patients in the state and compared New Mexico’s rates to Medicare’s rates, as well as to Medicaid rates in Arizona, Colorado, Oklahoma, and Utah. Except for three cases, New Mexico consistently had higher rates than any of the other states—sometimes by significant margins. For example, New Mexico reimburses outpatient family psychotherapy rates at 50 percent higher than Medicare and up to 363 percent higher than those in neighboring states.

In 2025, the Legislature eliminated the Behavioral Health Collaborative and replaced it with a new Behavioral Health Executive Committee, led by the Health Care Authority, charged with reviewing and approving regional plans, establishing funding strategies and structures, monitoring and tracking deliverables and expenditures, and establishing management strategies (HCA). The law also requires the Administrative Office of the Courts to complete sequential intercept mapping, to improve regional understanding of needs and gaps at the nexus of behavioral health and crime. LFC—in coordination with HCA—developed an initial set of evaluation guidelines for behavioral health services for adoption and implementation of regional plans. The General Appropriation Act of 2025 includes significant amounts to carry out the provisions of the law—with over \$565 million appropriated for behavioral health in nonrecurring funding.

Additionally, agencies serving behavioral health needs are budgeted to spend \$1.1 billion in FY25, with \$987 million of that in the Health Care Authority. These agencies received about \$407 million in nonrecurring funding from 2023 through 2025 sessions, but trends in most substance-related deaths or suicides remain high.

Existing Problem

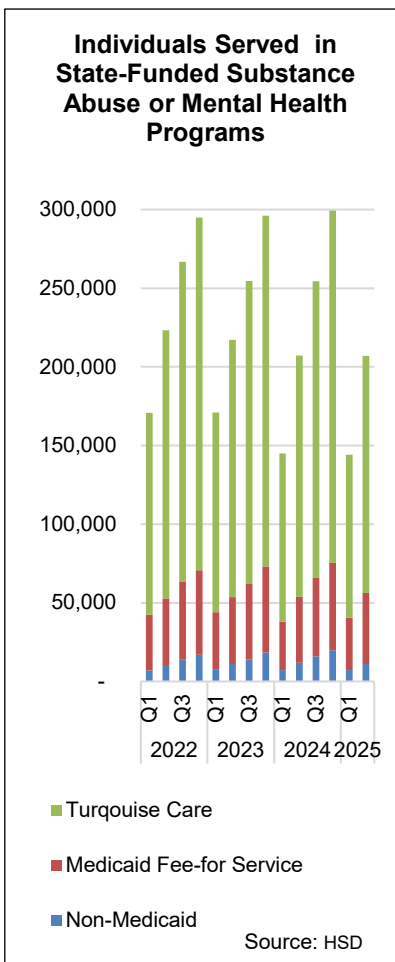
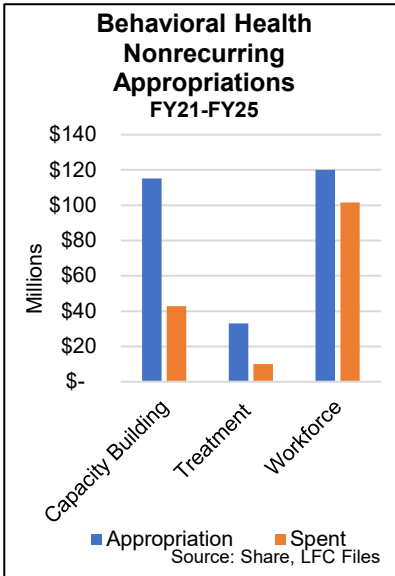


As of 2023, New Mexico had the fifth highest suicide rate in the nation, a rate of 22.8 per 100 thousand people. KFF also reported 31 percent of New Mexicans with anxiety or a depressive disorder in 2022 had an unmet need for counseling or therapy, while the federal government reported the percentage of New Mexicans with their need for mental health professionals met was 18.2 percent compared with the 28 percent nationally.

Behavioral Health System

In 2024, the total number of behavioral health encounters increased from about 2.5 million in 2020 to slightly over 3.3 million encounters in 2024 for both Medicaid and non-Medicaid. Approximately 75 percent of all people served were Medicaid managed care members, 19 percent were Medicaid fee-for-service members, and 6 percent were non-Medicaid beneficiaries. The top behavioral health provider types were psychiatrists and other physicians; nurse nurse practitioners (CNPs), which includes psychiatric certified CNPs; federally qualified health centers; licensed clinical social workers; and licensed professional clinical counselors.

For the third quarter, the share of Medicaid inpatient psychiatric stays with a community-based follow-up within seven days was 34 percent, below the 51 percent target and the national average of about 40 percent. The drop from the prior quarter reflects a new calendar-year with count resetting rather than a decline in care, as the prior year closed at near 46 percent. The division reports adult follow-up remains a larger challenge than youth follow-up.



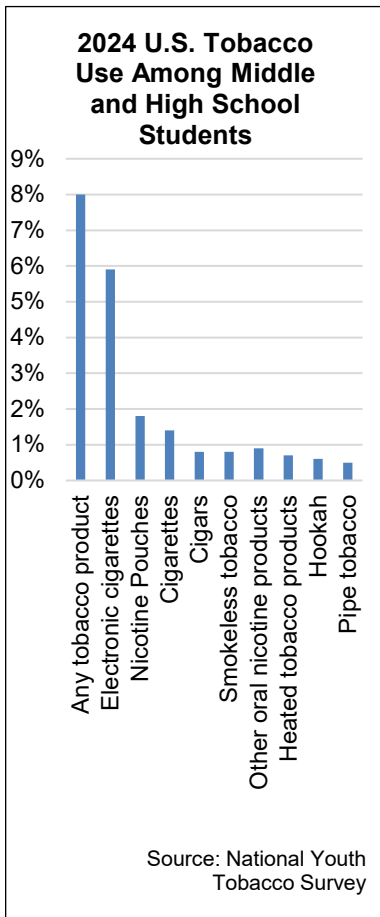
	Budget: \$936,542.0	FTE: 0	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication			45%	47%	42%	53%	54%	45%	G
Medicaid members discharged from inpatient psychiatric hospitalization stays who receive follow-up community-based services at seven days			42%	34%	51%	42%	44%	34%	R
Persons served through telehealth in urban, rural, and frontier counties for behavioral health			73,054	73,823	50,000	34,527	50,445	63,658	G
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care			11.9%	13%	5%	14%	15%	8%	R
Individuals served annually in substance use or mental health programs administered by the Health Care Authority			207,259	207,020	210,000	249,726	286,354	138,165	R
Emergency department visits for Medicaid members ages 13 and older with a principal diagnosis of alcohol or drug dependence who receive follow-up visit within 30 days			32%	34%	54%	36%	39%	38%	R
Program Rating			Y	Y					Y

*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

According to the U.S. Centers for Disease Control and Prevention, tobacco product use remains the leading cause of preventable disease and death in the United States. In 2022, 49.2 million (19.8 percent)—or nearly 1 in 5—adults reported current tobacco product use.



Department of Health

The Department of Health (DOH) reported mixed performance across the agency for the third quarter of FY26. Although broader social factors play a significant role in shaping these outcomes, the department retains responsibility for programmatic interventions that can influence access, prevention, and treatment. DOH’s ongoing efforts focus on strengthening public health infrastructure and community-based initiatives to address these challenges.

Public Health

The Public Health Division reported mixed performance during the third quarter. Smoking cessation programs reflect national trends: in FY25, DOH spent \$2.93 per smoker with a 0.92 percent reach, compared to the national averages of \$3.03 and 0.95 percent reach. The department reports a decline in the percentage of immunized preschoolers, consistent with national trends observed following recent federal changes to immunization guidance. Laws 2026, Chapter 42, allows DOH to establish its own childhood immunization recommendations, which the state previously followed guidance from the federal Centers for Disease Control and Prevention and the American Academy of Pediatrics. Though immunization rates among preschool-aged children have declined, DOH reports that 93.2 percent of kindergarteners are fully immunized, a rate the department expects will place New Mexico at the high end of coverage nationally once CDC data are released. The department will continue its vaccination education and outreach efforts to help ensure access to vaccination services statewide. Meanwhile, the department continues to report increases in the number of successful overdose reversals in the harm reduction program and already exceeded its target for the year, which may potentially be undercounted.

Budget: \$271,853.9 FTE: 837.5	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of school-based health centers funded by the department of health that demonstrate improvement in their primary care or behavioral healthcare focus area	96%	66%	96%		Reported Annually		
Percent of New Mexico adult cigarette smokers who access New Mexico Department of Health cessation services	0.9%	0.9%	3.5%	0.3%	0.3%	0.3%	R
Number of successful overdose reversals in the harm reduction program	3,153	5,447	3,000	1,458	1,573	1,681	G
Percent of preschoolers ages nineteen to thirty-five months indicated as being fully immunized	72%	67.2%	75%	64.7%	63.8%	61.7%	R
Percent of female department of health's public health office family planning clients, ages fifteen to nineteen, who were provided most- or moderately effective contraceptives	84%	83.7%	88%	86.5%	86.7%	83.8%	G
Program Rating	R	R					Y

Epidemiology and Response

The Epidemiology and Response Division fell short on the number of death certificates registered within 10 days of death, which may in part be due to death investigations conducted by the Office of the Medical Investigator (OMI) taking up to 90 days to certify a cause of death, in addition to pathologists at OMI leaving the office. The division reports that 89.9 percent of the deaths OMI certified exceeded the 10-day mark for issuance of a death certificate, though OMI follows ruling that allows for 90 days to certify a cause of death, potentially impacting the office’s ability to meet the 10-day target. When looking at processing death certificates where OMI was not involved, 65 percent of death certifications were completed within 10 days of death during the third quarter, exceeding the performance target. The Bureau of Vital Records and Health Statistics has been working with OMI’s new technological interface to potentially improve timeliness with issuance of death certificates.

Participating Sentinel Hospitals
Alta Vista Regional Hospital
Christus St. Vincent Regional Medical Center
Cibola General Hospital
Eastern New Mexico Medical Center
Taos Holy Cross Medical Center
Presbyterian Espanola Hospital
San Juan Regional Medical Center

Source: DOH

Budget: \$70,227.4 FTE: 371	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis	228	232	284	84	62	62	G
Percent of death certificates completed by bureau of vital records and health statistics within ten days of death	56%	53%	60%	58%	55%	48%	R
Percent of hospitals with emergency department-based self-harm secondary prevention programs	2.7%	2.7%	8%	17%	17%	17%	G
Program Rating	R	R					Y

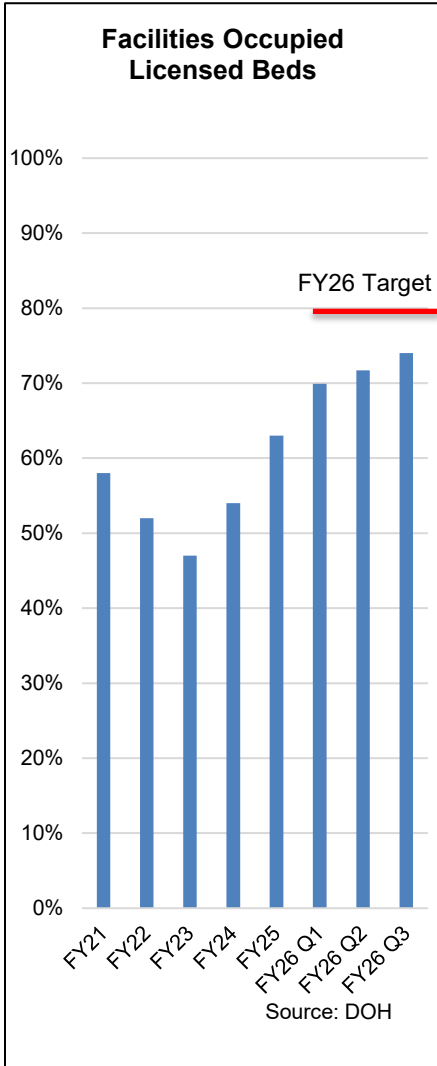
Scientific Laboratory

The Scientific Laboratory Division fell short on one measure, citing the Get the Lead Out testing program as a contributing factor to not meeting the third quarter target due to the large influx of samples received. In addition to the lead testing program for schools and daycares, the division has also started receiving surface water samples, with DOH noting surface water samples are more complex than other environmental samples and can require more time to process.

Budget: \$20,080.1 FTE: 139	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within thirty calendar days	99%	100%	90%	100%	100%	100%	G
Percent of public health threat samples for communicable diseases and other threatening illnesses that are completed and reported to the submitting agency within published turnaround times	97%	95%	95%	92.7%	97.4%	97.0%	G
Percent of environmental samples for chemical contamination are completed and reported to the submitting agency within sixty calendar days.	72%	66%	90%	91%	84%	58%	R
Program Rating	R	Y					Y

Facilities Management

The Facilities Management Division has seen improved performance from this same time last year across all of its facilities, such as the increase of the percentage of licensed beds occupied across state facilities. Since the beginning of FY26, the department has increased its facilities' population by almost 6 percent and is on track to meet its annual target of 80 percent occupancy. The division reports, while 100 percent of patients were offered naloxone kits, there was a slight decrease of the percent of patients who received the kits, due to patients choosing to not accept the kits, with patients not accepting the kits typically leaving detox programs early against medical advice.



	Budget: \$205,591.8	FTE: 1,913.5	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of medication-assisted treatment utilized in the management of alcohol-use disorders while at turquoise lodge hospital			100%	100%	65%	98%	97.3%	97%	G
Percent of medical detox occupancy at Turquoise Lodge Hospital			28%	21.6%	80%	24.2%	25%	53%	Y
Percent of medication-assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital			100%	100%	92%	100%	100%	100%	G
Percent of patients educated on medication-assisted treatment options while receiving medical detox services			100%	100%	100%	100%	100%	100%	G
Percent of patients eligible for naloxone kits who received the kits			100%	83.7%	95%	98.8%	100%	93%	G
Percent of licensed beds occupied			55%	60.9%	80%	69.9%	71.7%	74%	Y
Percent of eligible third-party revenue collected at all agency facilities			88%	80.9%	94%	89.9%	75%	95%	G
Number of medication errors causing harm per one thousand patient days within identified categories			0	0	0	0	0	0	G
Percent of medication assisted treatment utilized in the management of alcohol use disorders while at New Mexico Rehabilitation Center			NEW	NEW	65%	83%	100%	88%	G
Percent of medication assisted treatment utilized in the management of opioid use disorders while at New Mexico Rehabilitation Center			NEW	NEW	92%	100%	100%	95%	G
Program Rating			R	Y					G

ACTION PLAN

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

Aging and Long-Term Services Department

The Aging and Long-Term Services Department (ALTSD) reported similar performance for the third quarter of FY26 compared to the beginning of the last quarter. ALTSD is on track to meet the targets for most of its measures. The department’s mission is to serve older adults and adults with disabilities so they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

Consumer and Elder Rights

During the third quarter of FY26, the Aging and Disability Resource Center (ADRC) received 8,233 calls, of which 93 percent were answered by a live operator. For the percentage of customers satisfied with their call to the ADRC, the departments reports that it will follow up with constituents who identify as being neutral or less than satisfied to incorporate their feedback in ADRC workflow. The Consumer and Elder Rights Program maintained visiting all 283 long-term care facilities throughout the fiscal year. ALTSD reports an increase in the percent of ombudsman complaints resolved within sixty days from the prior quarter, with the third quarter reporting aligned with prior-year actual spending.

Budget: \$6,301.1 FTE: 55	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator	70%	64%	90%	94%	91%	93%	G
Percent of calls to the Aging and Disability Resource Center that are resolved in a single contact	99%	93%	90%	78%	82%	78%	Y
Percent of customers satisfied with the outcome of their call to the Aging and Disability Resource Center	97%	93%	90%	82%	85%	81%	Y
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	93%	99%	92%	100%	100%	100%	G
Percent of facilities visited monthly	56%	68%	40%	100%	100%	100%	G
Percent of ombudsman complaints resolved within sixty days	100%	99%	99%	98%	87%	99%	G
Program Rating	Y	Y					G

*Measure is classified as explanatory and does not have a target.

Adult Protective Services

The Adult Protective Services Program reported 5,334 investigations of abuse, neglect, or exploitation for the first half of FY26, trending similarly to the 5,258 investigations reported this time last year. ALTSD reports the program is projected to meet or surpass its FY26 target of annual investigations. The department states, while the program is

effective in providing timely intervention and harm reduction, additional APS investigators will be needed as reports and case complexity grow. While the percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation have decreased from the second quarter, the program has seen an increase of repeat cases in FY26 compared to FY25. The program will work on strengthening harm reduction strategies to support long-term client safety and reduce repeat involvement, in addition to targeted training and effective protective plans.

Budget: \$16,098.1 FTE: 130	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of Adult Protective Services investigations of abuse, neglect or exploitation	7,632	6,915	6,150	1,860	1,675	1,799	G
Percent of emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	100%	98%	98%	100%	G
Percent of repeat abuse, neglect or exploitation cases within six months of a substantiation of an investigation	0.5%	0.3%	2%	0.8%	1.3%	0.51%	G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	438	384	180	88	94	94	G
Percent of contractor referrals in which services were implemented within two weeks of the initial referral	71%	69%	80%	66%	69%	73%	Y
Number of referrals made to enrollments in home care and adult daycare services resulting from an investigation of abuse, neglect or exploitation	248	68	400	70	75	72	G
Percent of priority two investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed time frames	99%	98%	98%	99%	99%	98%	G
Percent of consumers for whom referrals were made who accessed services and remained in a community setting for six or more months	95%	95%	90%	100%	97%	95%	G
Program Rating	Y	Y					G

*Measure is classified as explanatory and does not have a target.

Aging Network

The Aging Network has already exceed its target for number of hours of caregiver support provided and the percent of older New Mexicans receiving congregate and home-delivered meals who are assessed with “high” nutritional risk and is on track to meet the target for number of transportation units provided. However, the department is

off track to meet its target for number of hours of senior volunteers. ALTSD states it will provide Older Americans Act eligibility training and expand targeted outreach to increase client registration, as well as collaborate with the Area Agencies on Aging for a coordinated workplan to increase senior volunteer participation.

Budget: \$58,350.4 FTE: 29	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of older New Mexicans receiving congregate and home-delivered meals through Aging Network programs that are assessed with "high" nutritional risk	20%	25%	17%	28%	29%	30%	G
Number of hours of services provided by senior volunteers, statewide	454,772	602,853	745,000	111,572	145,460	148,940	R
Number of outreach events and activities to identify, contact and provide information about aging network services to potential aging network consumers who may be eligible to access senior services but are not currently accessing those services	986	745	800	178	167	225	Y
Number of meals served in congregate and home-delivered meal settings	4,020,390	4,430,000	4,430,000	1,021,120	1,171,371	1,040,067	G
Number of transportation units provided	265,565	286,470	300,000	75,518	80,181	77,647	G
Number of hours of caregiver support provided	222,922	264,906	167,000	66,139	64,631	71,807	G
Program Rating	Y	Y					Y

*Measure is classified as explanatory and does not have a target.

Long-Term Care Division

The Long-Term Care Division, re-established in FY26, has only one performance measure, previously reported under the Consumer and Elder Rights Program. The department reports slight increases in the third quarter of FY26, noting a 70 percent rise in client calls, expanded program and services training, and increased staffing capacity. The program expanded community transition units to a total of nine during this quarter, with expanded education, outreach, and technical assistance to nursing facilities to come, particularly in rural areas of the state.

Budget: \$7,894.3 FTE: 28	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of residents who remained in the community six months following a nursing home care transition	99%	94%	90%	84%	77%	79%	Y
Program Rating	New for Program	New for Program					Y

*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

Economic Development Department

The Economic Development Department’s (EDD) performance varied across programs in the third quarter. The agency exceeded its annual targets for jobs supported through the Local Economic Development Act (LEDA) and rural job creation. All jobs are expected to offer wages above local and statewide averages, reflecting the agency’s emphasis on higher-paying jobs. However, the Job Training Incentive Program (JTIP) is not on track to meet its annual target of training 2,000 workers, and business recruitment efforts through the New Mexico Partnership remain below expectations.

Film remains the agency’s weakest area. Although production activity increased from the previous quarter, performance remains well below annual targets and far below FY22 peak levels. The continued decline raises questions about whether the state’s current film incentives and support programs remain the most effective approach to achieving economic development goals.

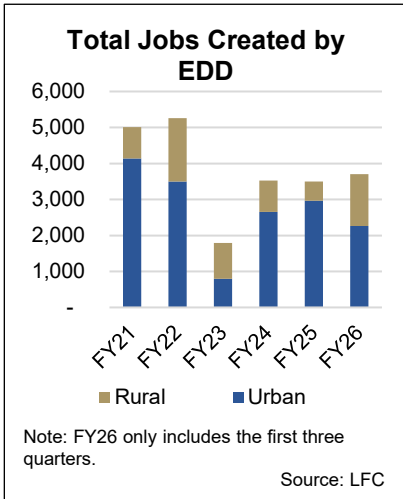
Creating Economic Opportunities

During the third quarter, the agency supported 22 companies with funding and expects to create 1,239 jobs through those efforts, of which 151 would be in rural New Mexico. Over that same time period, the state of New Mexico did not gain any nonfarm jobs. The agency reports the anticipated annual wage for those jobs is \$80.6 thousand, which exceeds average local wages by \$26.4 thousand, indicating the agency is prioritizing high-wage jobs.

Infrastructure. In the third quarter, EDD awarded \$12.5 million through LEDA to benefit five companies, which expect to create 954 jobs. With this most recent quarter, the agency has met its annual target for jobs created with the support of LEDA. The estimated average wage for these jobs is \$79.6 thousand. The average cost per job for LEDA in the third quarter was \$13.1 thousand.

Job Training. The Job Training Incentive Program board approved funding for 18 companies and 398 trainees during the third quarter. In the first three quarters of FY26, the board has approved training funds for 1,132 workers, placing the program below the pace needed to meet its annual target of 2,000 workers trained. JTIP supported training levels have fluctuated significantly in recent years, ranging from a high of 3,356 workers in FY21 to a low of 1,255 in FY23. This quarter, the average hourly wage for approved positions was \$39—approximately 35 percent higher than the statewide average wage. The average JTIP cost per job in the third quarter was \$23.2 thousand.

Business Recruitment. The New Mexico Partnership reported 575 projected jobs from four company announcements during the third quarter, bringing the FY26 total to 606 jobs. While this was the strongest quarter of the fiscal year, the organization remains well below its annual target of 2,250 jobs. The Partnership also facilitated 11 company site visits and engaged with 13 prospective businesses during the quarter, bringing FY26 totals to 28 site visits and 42 company engagements. Since FY21, the New Mexico Partnership has engaged with an average of 61 prospective companies annually, or approximately 15 per quarter.



LEDA Awards

Third Quarter, FY26

Company	Jobs	Awards (in thousands)
Green Power Motor Company	340	\$5,000
TD's Brew & BBQ	14	\$150
Blue Pony Energy	107	\$2,000
AeroVironment	450	\$5,000
Endurance Technologies, Inc.	43	\$325

Source: EDD

Applications Opened for Trade Port Districts

EDD opened applications for trade port district designations under the 2025 Trade Ports Development Act, which received a \$50 million appropriation to support large-scale logistics and industrial hubs. An advisory committee will review applications, with final designations made by the secretary.



	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Budget: \$18,574.8 FTE: 56							
Number of jobs created due to economic development department efforts	3,523	3,499	4,000	1,776	689	1,239	G
Number of rural jobs created due to economic development department efforts	871	537	1,320	974	315	151	G
Average wage of jobs created due to economic development department efforts	\$56,684	\$87,838	\$50,000	\$97,705	\$109,105	\$80,632	G
Number of jobs created through business relocations facilitated by the economic development partnership	1,995	1,016	2,250	31	0	575	R
Number of jobs created through the use of LEDA funds	2,356	2,712	3,000	1,597	500	954	G
Number of workers trained by JTIP	2,359	1,487	2,000	355	376	398	Y
Average hourly wage of jobs funded by JTIP*	\$30.74	\$25.28	NA	\$26.61	\$39.0	\$40.0	G
Program Rating	Y	Y					Y

*Measure is classified as explanatory and does not have a target.

Technology and Innovation Network Advisory Board

The Technology and Innovation Network (TIN) Advisory Board held its first meeting and reviewed draft rules for the research, development, and deployment (RD&D) fund. The board provided feedback that will be incorporated before the rules are released for a 30-day public comment period. The rules establish a framework for administering future funding opportunities, including provisions for multi-year projects and reduced matching requirements for certain applicants.

Technology and Innovation

During the third quarter, the Technology and Innovation Office (TIO) awarded \$5.2 million to seven organizations through its innovation and entrepreneurship grant programs, including two awards through the Innovation Hubs program and five awards through the Entrepreneurship Programming Support program.

TIO also reported \$13.2 million in follow-on investment raised by two companies that previously received TIO funding or technical assistance. This included \$4 million in debt financing raised by Spiritus to support continued growth and \$9.1 million secured by UbiQD, consisting of \$8.3 million in Series B funding and an \$800 thousand loan from Los Alamos County. These investments are used as indicators of the longer-term impact of its innovation and commercialization support programs.

Federal Funding for Healthy Food Financing Initiative

The Economic Development Department secured a \$1.6 million federal subaward through the Healthy Food Financing Initiative to support small- and mid-scale food retailers in New Mexico. The funding will help expand business capacity and provide financing support through a partnership led by Vida Mejor and several state and nonprofit organizations.

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Budget: \$6,289.0 FTE: 9							
Number of grants awarded by TIO*	NA	NA	NA	6	19	7	G
Dollars of follow-on investment in technology-based companies as a result of TIO programs, in millions	\$128.2	\$174.2	\$2	\$1.1	\$0	\$13.2	G
Federal grant dollars awarded as a result of TIO efforts* **	NA	NA	NA	\$0	\$0	\$0	R
Program Rating							G

*Measure is classified as explanatory and does not have a target.

**Measure was created in FY26. No awarded federal dollars to date this fiscal year.

Outdoor Recreation

Outdoor Infrastructure. In the third quarter, EDD awarded \$6 million to 39 organizations for outdoor infrastructure projects. The awards are expected to support an estimated 288 jobs in construction, planning and design, and maintenance. In the first

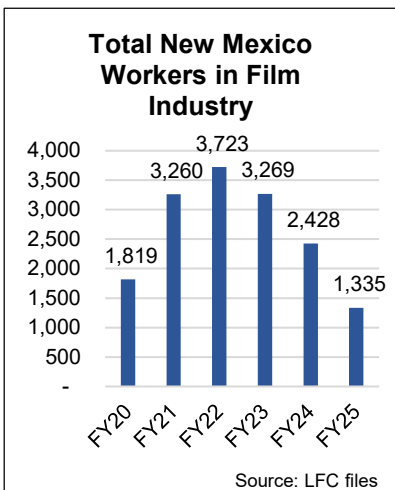
LFC Film Tax Expenditure Assessment

LFC economists recently analyzed economic development tax credits. The film production tax credit was the fourth-largest economic development tax expenditure in FY25 and accounted for 17 percent of all economic development tax expenditures between FY23 and FY25. While the credit generated some economic activity—adding an estimated 8 cents to the state economy for every \$1 spent—it produced an estimated annual revenue return of negative 94 percent. The report also identified the credit's partial expenditure cap as a significant fiscal risk, with annual expenditures projected to range between \$100 million and \$200 million from FY26 through FY30.

Summary of LFC Economic Impact Analysis of Film Production Tax Credit

Economic return on investment	8%
Return in revenue	-94%
Average cost per job	\$131,000

Source: LFC files



three quarters of FY26, the Outdoor Recreation Division (ORD) has awarded \$11.2 million to 64 projects statewide.

Youth Education. In the third quarter, ORD awarded \$1.8 million to 62 outdoor education programs, which are expected to connect approximately 22.3 thousand youth to outdoor experiences. This second funding round completes FY26 Outdoor Equity grant awards. Altogether, ORD awarded nearly \$4 million through the Outdoor Equity program in FY26, supporting outdoor recreation opportunities for an estimated 44.6 thousand youth statewide.

Budget: \$1,248.2 FTE: 4	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of new outdoor recreation jobs created by ORD*	667	1,123	NA	30	105	288	Y
Number of outdoor recreation projects funded or led by ORD*	104	79	NA	7	18	39	Y
Number of youth to participate in ORD outdoor education programs	36,269	10,987	NA	22,316	0	22,293	G
Program Rating	G	G					Y

*Measure is classified as explanatory and does not have a target.

Film

Film production activity increased slightly in the third quarter compared with the second quarter but remains well below the level needed for the agency to meet its annual film-related performance targets. This fiscal year is shaping up to be another one of the agency's weakest years for film performance, which the agency attributes to broader industry contraction and increased competition from international production markets.

While the agency is on track to slightly outperform FY25, that benchmark provides limited context because FY25 represented the lowest level of film activity in several years. Most film-related performance measures peaked in FY22 and have generally declined since then. Given the sustained downturn, the agency and Legislature may want to reevaluate the state's approach to supporting the film industry, including whether existing incentives and programs remain aligned with the state's economic development goals and are producing the desired returns on investment.

Budget: \$1,925.0 FTE: 10	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of film and media worker days	339,266	211,640	500,000	123,311	22,215	61,519	R
Estimated direct spending by film industry productions, in millions	\$740.4	\$323.2	\$700	\$168.7	\$58.8	\$87.8	R
Total wages paid by film industry productions to New Mexico residents, in millions	\$98.7	\$57.7	\$130	\$29.6	\$5.8	\$14.8	R
Median wages paid by film industry productions to New Mexico residents	\$76,449	\$70,822	\$62,000	\$62,428	\$67,840	\$61,672	G
Total gross receipts taxes paid by film industry productions, in millions	\$17.3	\$18.5	\$35	\$9.5	\$3.3	\$5.0	R
Program Rating	G	R					R

*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

Tourism Department

The Tourism Department (NMTD) demonstrated steady progress across most performance measures during the third quarter. While leisure and hospitality employment growth in New Mexico has lagged the national trend, this likely reflects a leveling off following the state’s faster post-pandemic recovery and comparatively slower overall job growth. Aside from leisure and hospitality employment, NMTD is on track to meet its targets across all other performance measures.

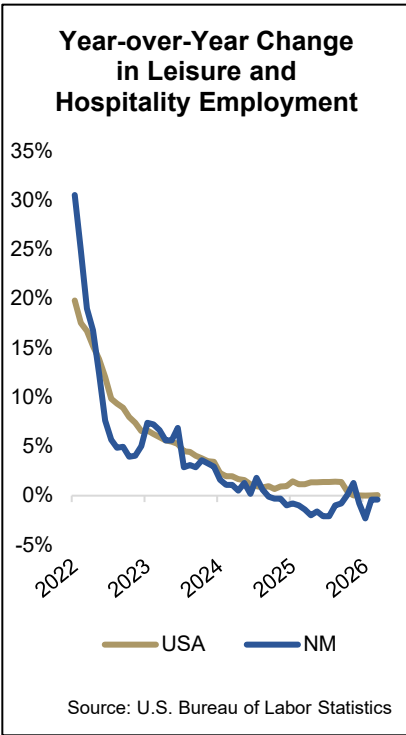
Marketing and Promotion

Employment in Leisure and Hospitality. Employment in New Mexico’s leisure and hospitality sector declined by 1 percent in the third quarter compared with the same period last year. For FY26 to date, sector employment is down 0.7 percent, while national leisure and hospitality employment has grown by 0.5 percent. The decline in New Mexico may reflect a leveling off following the state’s rapid post-pandemic recovery, which outpaced national job growth in the sector. In contrast, national employment gains are likely in larger metropolitan areas and regions with continued population growth.

Advertising. NMTD concluded its winter advertising campaign at the end of February. The campaign featured mountain biking in Doña Ana county and snow sports in the state. At the time of the report, the agency did not have reporting from the winter campaign. NMTD also launched a spring and summer campaign in early March. This summer’s advertising features a farm-to-table chef in Albuquerque, a bike racer at the Tour of Gila, and Fire Spirit dancers from the Zozobra event held in Santa Fe.

Earned Media. NMTD generated \$23 million in advertising value during the third quarter of FY26, bringing the fiscal year total to \$65.5 million. During the quarter, the department secured 120 media placements in leisure travel outlets, including 31 placements in international publications. Notable coverage included a *New York Times* feature highlighting New Mexico’s Route 66 attractions as part of its list of 52 places to visit in 2026 and a *National Geographic* article showcasing the state’s dark-sky tourism opportunities.

Budget: \$ 22,184.3 FTE: 15	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Year-over-year change in New Mexico leisure and hospitality employment	2.8%	-1.7%	2%	-1.8%	-0.4%	-1.0%	R
Amount of earned media value generated in millions	\$23.6	\$5.5	\$15	\$5.7	\$36.8	\$23.0	G
Open email rate of NM True eNewsletters	28%	29%	18%	29%	27%	27%	G
Program Rating	G	G					G



Effectiveness of NMTD’s Advertising Campaigns

The Tourism Department spent \$44 thousand to evaluate the effectiveness of its 2025 advertising campaign, which included \$18.8 million in paid media. The study found that 15.8 percent of travelers recalled seeing an NMTD advertisement and estimated the campaign influenced about 1 million trips to New Mexico. Travelers reported spending an average of \$1,900 per visit, and repeated exposure to advertisements increased the likelihood of travel by 12.1 percent. Findings were based on a survey of 1,900 travelers across the department’s seven marketing regions.

Average Trip Spending by Visitors in New Mexico

Lodging/accommodations	\$668
Food & beverage	\$346
Attractions	\$220
Retail	\$222
Entertainment	\$78
In-state transportation	\$141
Total trip spending	\$1,719

Source: SMARInsights Media Evaluation and Advertising Effectiveness, NMTD

Tourism Development

Destination Forward Program. The Destination Forward grant program awarded \$1.9 million to 16 tourism infrastructure projects in FY26, up from 10 projects funded in FY25. The program supports a broad range of tourism-related infrastructure, including signage, parking facilities, bicycle and pedestrian improvements, public art, and visitor amenities. Awards ranged from \$22.3 thousand to \$350 thousand. Projects include a \$257.5 thousand award to the city of Albuquerque for a new exhibit at the Anderson Abruzzo International Balloon Museum and a \$350 thousand award to the village of Santa Clara for construction of pedestrian and bicycle pathways.

Awards are announced at the beginning of each fiscal year. The agency already closed the application cycle for FY27 awards. Destination Forward is funded by a nonrecurring appropriation.

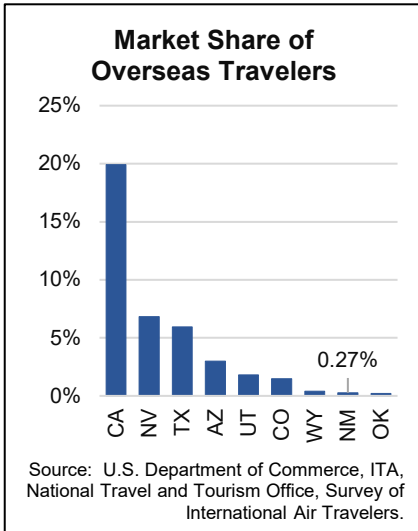
New Mexico True Certified. NMTD maintained 513 participants in the New Mexico True Certified program in the third quarter. Certified participants are allowed to use the New Mexico True brand to promote local products and experiences.

Budget: \$ 3,405.4 FTE: 17	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of meetings or events conducted with Native American tribes and pueblos	72	112	75	18	11	21	Y
Number of participants in New Mexico True certified program	475	488	410	505	513	513	G
Program Rating	G	G					Y

New Mexico Magazine

New Mexico Magazine generated \$76 thousand in revenue in the third quarter, below its quarterly target of \$85 thousand. Despite this shortfall, average quarterly revenue over the first three quarters of FY26 reached \$105.6 thousand, exceeding the target by more than \$20 thousand. Content during the quarter included a joint January and February issue featuring winners of the magazine’s 27th annual photo contest and a statewide winter travel guide, followed by a March issue highlighting Route 66 destinations and events ahead of the route’s centennial celebration.

Budget: \$3,109.3 FTE: 10	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Advertising revenue per issue, in thousands	\$79	\$119	\$85	\$140	\$101	\$76	G
Program Rating	G	G					G



ACTION PLAN

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

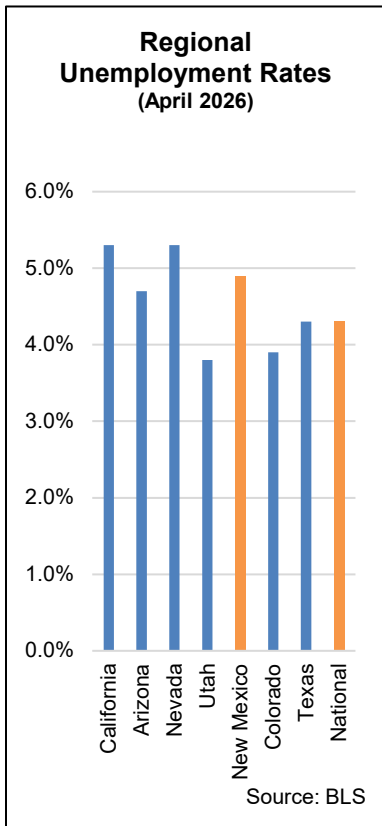
Over the past year, New Mexico’s unemployment rate has increased from 4.3 percent to 4.9 percent. The increase mirrors shifts in the broader U.S. economy. However, the share of the state’s working age population participating in the labor force remains persistently low, which constrains economic development and expansion. During the third quarter of FY26, the state’s labor force participation rate (LFPR) of 57.2 percent remained about 5 percentage points below the national average. LFC has previously estimated the state would need an estimated 40 thousand additional individuals between the ages of 20 and 54 working or looking for work to meet the national average.

Strategies to address both unemployment and labor force participation include programs to engage those who are not participating in the labor force and training and support for unemployed workers to find employment. In recent years, WSD’s strategy has focused on moving upstream to prevent young adults from ever becoming disengaged or unemployed. Though the long-term results of this strategy are not yet known, an LFC report recently found that the state is failing to effectively reach its large disengaged youth population. The agency has also become involved in initiatives outside of its primary mission, such as managing affordable housing funding beginning in late FY25. Meanwhile, WSD has struggled to deliver some services immediately within the agency’s mission effectively, including timely distribution of unemployment benefits, engaging those who are not participating in the labor force, and timely investigation and resolution of labor claims.

Employment Services

The department’s Employment Services Program plays a key role in addressing low LFPR and developing a plan to bring more working-age adults into the labor force. The program oversees the state’s network of America’s Job Center New Mexico offices (formerly Workforce Connections Centers) and operates several programs related to the federal Workforce Innovation and Opportunity Act (WIOA). An April 2024 LFC evaluation concluded WSD’s job assistance offices are underutilized and have limited impact on employment outcomes.

The agency has struggled to meet performance targets related to participation in WIOA programs, and in the third quarter of FY26 performance remained below target serving only 810 individuals. In the digital era, WSD will likely need to find ways to reach people who are not coming into its physical offices to increase the state’s labor force participation and reduce unemployment. The agency recently conducted a survey to inform efforts to reach the disengaged population and increase labor force participation.



Budget: \$49,251.5	FTE: 333	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Adults								
Average six-month earning of individuals entering employment after receiving employment services in an America’s Job Center New Mexico location		\$19,493	\$19,812	\$16,250	\$17,867	\$17,534	\$16,940	G
Individuals receiving employment services in an America’s Job Center New Mexico location		67,545	83,756	21,875/quarter	22,656	22,423	26,416	G
Individuals accessing the agency’s online Job Seeking portal		83,123	91,997	29,500/quarter	21,661	21,228	21,418	Y

Unemployed individuals employed after receiving employment services in an America's Job Center New Mexico location	65%	68%	60%	64%	67%	58%	Y
Unemployed individuals who have received employment services in an America's Job Center New Mexico location retaining employment after six months	63%	65%	65%	54%	68%	61%	Y
Average change in six-month earnings of working individuals after receiving employment services in an America's Job Center New Mexico location	\$2,217	\$2,016	\$3,000	\$1,227	\$787	\$2,192	R
Audited apprenticeship programs deemed compliant	80%	No audits done	75%	75%	80%	No audits done	N/A
Apprentices registered and in training	2,565	2,645	2,150	2,685	2,617	2,711	G

Veterans

Average six-month earnings of unemployed veterans after receiving employment services in an America's Job Center New Mexico location	\$21,386	\$20,275	\$18,500	\$19,471	\$21,497	\$21,159	G
Recently separated veterans entering employment	55%	57%	55%	57%	58%	55%	G
Unemployed disabled veterans entering employment after receiving employment services in an America's Job Center New Mexico location	53%	56%	60%	49%	50%	50%	Y
Recently separated veterans retaining employment after six months	51%	52%	55%	53%	54%	55%	G

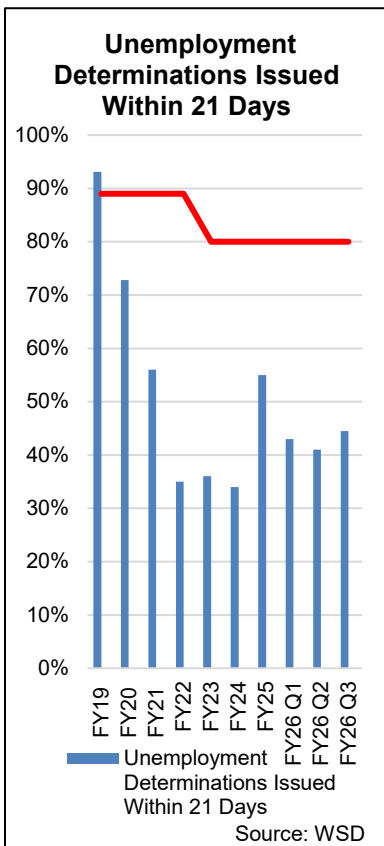
Program Rating

	Y	Y	Y
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Unemployment Insurance

During the third quarter of FY26, New Mexico's unemployment rate increased to just under 5 percent, an employment trend seen nationwide. The agency significantly improved customer service waiting times during the quarter, meeting performance targets. However, the department continued to struggle to meet unemployment insurance claims performance targets, including timely determinations and initiation of payments. As unemployment rates increase, it remains critical for WSD to process and provide benefits to eligible claimants in a timely manner.

Budget: \$14,247.30 FTE: 148	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Eligible unemployment insurance claims issued a determination within twenty-one days from the date of claims	34%	55%	80%	42.5%	41.3%	44.5%	R
First payments made within 14 days after the waiting week	65%	69%	87%	65.5%	71.3%	74.2%	R
Accuracy rate of claimant separation determinations	40%	80%	75%	75.9%	76.7%	80%	G
Average waiting time to speak to a customer service agent in the	13:55	15:21	14:00	20:37	24:23	12:30	G



Unemployment Insurance Operation Center to file a new unemployment insurance claim, in minutes

Average waiting time to speak to a customer service agent in the

Unemployment Insurance Operation Center to file a weekly certification, in minutes

14:54 15:26 14:00 17:59 22:42 10:43 **G**

Program Rating

R **R** **Y**

Labor Relations

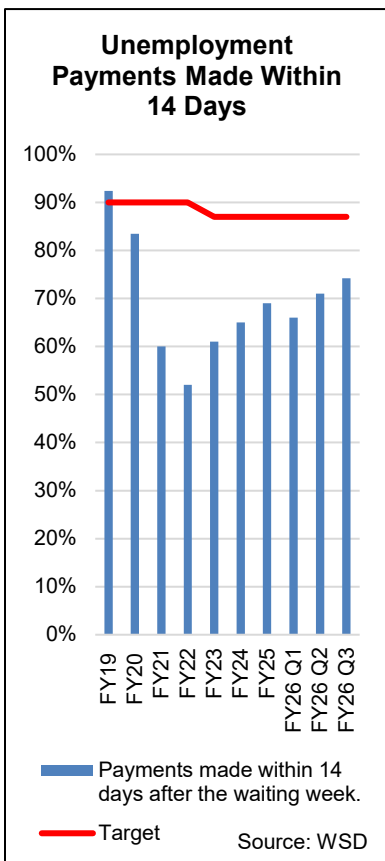
In November 2023, the Labor Relations Division received an adverse ruling in the case of *Olivas v. Nair* in the 1st Judicial District, which ruled the Labor Relations Division must issue wage and hour determinations in 90 percent of decisions within 120 days of receipt. Despite funding to meet these conditions appropriated in FY25, the Wage and Hour Bureau only issued a determination in 3 percent wage claims within 270 days in FY25. During the third quarter of FY26, the department’s performance decreased to 29 percent and remains well below target. To improve performance, the Wage and Hour Bureau has been restructured with three additional supervisors, an intake team that reviews cases eligible for early decisions, and an inflow team focused on ensuring new cases do not exceed the 270-day threshold.

Budget: \$6,429.0 FTE: 62.5	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Average number of days for the human rights bureau to investigate a claim and issue a determination	202	232	240	325	331	329	R
Discrimination claims investigated and issued a determination by the human rights bureau within one year	100%	100%	75%	100%	100%	100%	G
Total public works projects inspected and public works payroll audited within one year	105%	99%	80%	87%	100%	100%	G
Non-settled wage claims investigated and issued a determination by the wage and hour bureau within two hundred and seventy days	25%	3%	90%	13%	41%	29%	R
Program Rating	Y	Y					Y

Program Support and Workforce Investment

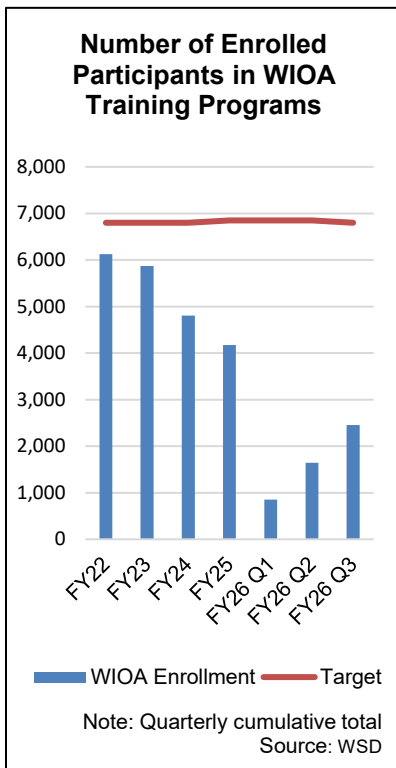
WSD implements programs through the local workforce development boards related to the federal Workforce Innovation and Opportunity Act (WIOA). The federal program aims to assist job seekers in accessing employment, education, training, and support services to succeed in the labor market and to help employers meet their workforce needs.

Although performance within the programs exceeds a number of the associated targets, participation in WIOA training programs has declined in the last several years and remains below target for FY26. Further, previous LFC analysis of program performance compared to other state WIOA programs in the dislocated worker, youth, and basic career services programs has generally ranked in the lowest fifth percentile over the last five years.



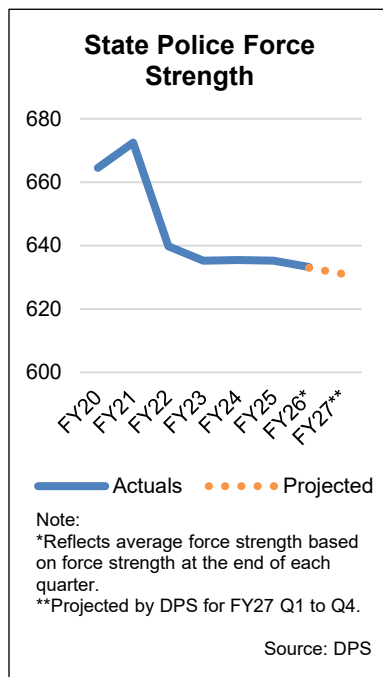
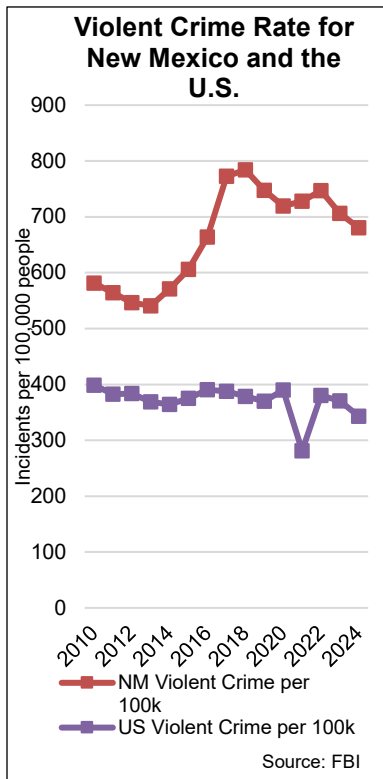
After decreasing in the previous quarter, youth employment in the state increased to 67 percent in the third quarter of FY26. However, the number of youth participating in WIOA programs remained low during the third quarter of the year, with only about 120 youth participating.

Budget: \$ 46,924.5 FTE: 116	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Youth							
Youth who are employed in the state	72%	62%	71%	68%	50%	67%	Y
Number of enrolled youth participants in WIOA training programs	13,323	1,509	1,450	112	108	123	R
Title I youth program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from a WIOA program	72%	65%	70%	74%	63%	70%	G
Title I youth program participants who are in education and training activities, or in unsubsidized employment, during the fourth quarter after exit from a WIOA program	68%	68%	70%	68%	66%	68%	Y
Adults							
Participants who are in unsubsidized employment during the second quarter after exit from a WIOA program	79%	79%	77%	77%	78%	80%	G
Median earnings of participants who are in unsubsidized employment during the second quarter after exit from a WIOA	\$9,421	\$9,826	\$8,650	\$8,950	\$8,902	\$9,443	G
Participants who are in unsubsidized employment during the fourth quarter after exit from a WIOA program	77%	78%	78%	78%	82%	78%	G
Participants enrolled in an education or training program, excluding those in on-the-job training, who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from a WIOA program	70%	65%	70%	69%	75%	72%	G
Number of adult and dislocated workers receiving supplemental services of WIOA as administered and directed by the local area workforce board	2,802	2,378	2,863	1,063	1,006	951	Y
Number of enrolled participants in WIOA training programs	4,804	4,175	6,850	852	795	810	R
Reemployment Services and Eligibility Assessment program participants exhausting unemployment insurance benefits	46%	48%	47%	48.7%	48.3%	48.7%	Y
Reemployment Services and Eligibility Assessment program participants reemployed	56%	56%	54.5%	55.8%	56.2%	56.1%	G
Program Rating	Y	Y					Y



ACTION PLAN

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



The Department of Public Safety (DPS) began implementing many of the programmatic and structural changes outlined in its FY26 budget. Having received funding for pay increases to appropriately pay state police officers based on their years of service, increase dispatcher pay, and reduce vacancies, DPS partnered with the State Personnel Office to implement these changes. The agency also continued to add staff for the new Law Enforcement Standards and Training Council and the Law Enforcement Certification Board. Workforce issues are pervasive across the criminal justice system, leading to reduced enforcement of crimes and slower adjudication of cases. DPS worked to reduce vacancies in several key areas, while working with the Department of Finance and Administration to continue rolling out funding from the law enforcement protection fund to other law enforcement agencies throughout New Mexico.

Law Enforcement Program

The State Police (NMSP) continued working to reduce crime and the fear of crime in New Mexico by conducting enforcement activities, partnering with other law enforcement agencies, and investigating criminal activity throughout the state.

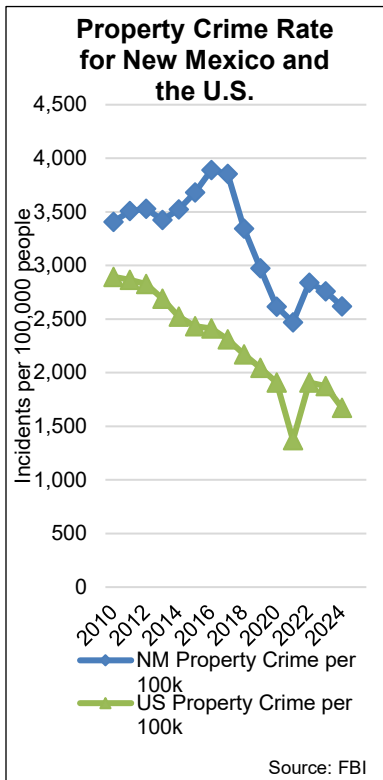
Operations. The Law Enforcement Program improved the quality of actionable crime data and intelligence by implementing a new records management system (RMS) and integrating multiple agencies' RMSs into its intelligence-led policing project. NMSP is also working to hire additional data analysts who do not require a law enforcement certification to improve the speed and accuracy with which it processes and disseminates information to criminal justice partners and other agencies.

Since FY24, NMSP has been reporting on clearance rates for crimes investigated by the criminal investigations bureau, broken out by crime type. Although cases can take multiple quarters, sometimes several years, from assignment to closure and clearance, this will provide a helpful window into agency operations and efficiency. While it is still too early to see trends, over the coming years, this will give the Legislature a helpful window into which types of crime most severely affect public safety in New Mexico.

Manpower. State Police averaged 635 officers in FY25 and 631 so far in FY26, for a 13 percent overall vacancy rate. However, after accounting for retirements, terminations, and resignations, NMSP expects to have an average of 634 commissioned officers in fiscal year 2026.

Budget: \$187,462.0	FTE: 1,065.25	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Motor Vehicle Safety								
Number of data-driven traffic-related enforcement projects held		3,781	4,747	4,000	1,647	1,424	1,322	G
Number of driving-while-intoxicated saturation patrols conducted		3,030	3,468	3,000	943	764	621	G
Number of driving-while-intoxicated arrests*		2,277	2,072	N/A	437	498	527	
Number of New Mexico State Police misdemeanor and felony arrests*		7,044	7,018	N/A	2,434	2,759	2,212	
Number of commercial motor vehicle safety inspections conducted		122,768	107,804	125,000	24,702	25,716	24,396	Y

Budget: \$187,462.0 FTE: 1,065.25	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of commercial driver and vehicle-out-of-service violations issued*	15,087	14,590	N/A	4,420	4,062	4,468	
Number of motor carrier safety trainings completed*	13	25	N/A	9	24	15	
Number of proactive special investigations unit operations to reduce driving-while-intoxicated or alcohol-related crimes*	1,521	782	N/A	193	173	233	



Investigations							
Number of investigations conducted by criminal investigation bureau agents*	464	514	N/A	95	82	88	
Percent of total crime scenes processed for other law enforcement agencies*	30.6%	30%	N/A	31.8%	23.8%	13.3%	
Number of drug-related investigations conducted by narcotics agents*	536	609	N/A	233	151	199	
Number of illegally possessed firearms seized as part of criminal investigations*	70	71	N/A	54	72	20	
Number of violent repeat offender arrests by the fugitive apprehension unit*	401	335	N/A	173	96	131	
Clearance rate of crimes against persons investigated by the criminal investigations bureau*	71.8%	128.8%	N/A	136%	95.9%	104.6%	
Clearance rate of crimes against property investigated by the criminal investigations bureau*	55.2%	97.1%	N/A	57.6%	52.9%	307.3%	
Clearance rate of crimes against society investigated by the criminal investigations bureau*	38%	43.6%	N/A	79.7%	36.5%	120.4%	
Clearance rate of homicide cases investigated by the criminal investigations bureau*	100%	94.4%	N/A	75%	75%	83.3%	
Total cases investigated by the New Mexico State Police*	3,140	2,766	N/A	3,719	3,607	3,568	
Other Law Enforcement Activity							
Percent of total New Mexico State Police special operations deployments for other law enforcement agencies	38%	33.1%	N/A	21.7%	25.3%	35.1%	
Number of crisis intervention cases handled*	327	284	N/A	84	44	105	
Number of governor-ordered special deployment operations conducted*	7	10	N/A	4	3	3	
Number of man-hours spent on governor-ordered special deployment operations*	18,381	15,660	N/A	6,315	8,548	2,132	
Recruitment and Retention							
Graduation rate of the New Mexico state police recruit school*	54%	65.5%	N/A	86.7%	60%	61.3%	
Turnover rate of commissioned state police officers*	8.2	7.1	N/A	3.2	1.3	6.9	
Vacancy rate of commissioned state police officers*	12%	12%	N/A	13.3%	11.9%	13%	
New Mexico state police transportation inspector vacancy rate*	10.2%	9.5%	N/A	6.6%	9.2%	5.3%	

Budget: \$187,462.0 FTE: 1,065.25	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
New Mexico state police dispatcher vacancy rate*	23.1%	16.6%	N/A	16.3%	10%	11.3%	
Program Rating	G	Y		Y			Y

*Measure is classified as explanatory and does not have a target.

Statewide Law Enforcement Support Program

The Statewide Law Enforcement Support program made early progress toward fulfilling its performance goals for FY26. DPS worked with multiple other law enforcement agencies to validate and begin reporting to the National Incident-Based Reporting System (NIBRS), including bringing NMSP into the reporting system. However, a precipitous drop in the percentage of agencies reporting is particularly concerning. Finally, the Law Enforcement Academy continued to support the standards and training council and the law enforcement certification board.

Crime Reporting. DPS reports the percentage of law enforcement agencies reporting data to NIBRS declined from 85.3 percent at the end of FY25 to 71.2 percent by the end of the third quarter of FY26. This reporting is intended to help public safety and judicial agencies make more data-driven decisions and to keep New Mexico off the list of states for which the FBI has been unable to estimate crime data. The lack of reporting had previously made it impossible to accurately understand crime trends in the state, as 2021 marked the first year the FBI’s national crime statistics relied solely on information provided via NIBRS. While DPS previously saw many more agencies reporting, this is worth watching through FY26, because continued low reporting rates could put the state at risk of exclusion from FBI crime estimates.

Law Enforcement Academy. In addition to conducting training for both law enforcement officers and dispatchers, the academy supported the Standards and Training Council as it developed administrative rules on training requirements, curricula and methods, professional development programs, and performance standards for law enforcement and public safety dispatchers. In FY25, the Law Enforcement Academy brought in a new director who worked with the Standards and Training Council to update the training curriculum and hire staff; however, turnover and administrative challenges have plagued the process, slowing the rollout of new standards. The academy is also working to finish its buildout of a new training track and complete several deferred maintenance projects in between academy classes.

Forensic Laboratory. The forensic lab in Santa Fe saw its vacancy rate decrease from 40 percent in FY24 to 15.8 percent in FY26. An increase in the number of sexual assault examination kits not completed within six months of receipt was a troubling development at the close of FY24, which worsened throughout FY25. Still, the agency made steady progress toward reducing the backlog in FY26 from 1,419 to 282.

Budget: \$36,692.4 FTE: 224	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Crime Reporting							
Number of crimes against persons reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	23,752	42,358	N/A	6,517	5,897	5,112	

PERFORMANCE REPORT CARD

Department of Public Safety
Third Quarter, Fiscal Year 2026

Budget: \$36,692.4 FTE: 224	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of crimes against property reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	49,459	98,198	N/A	10,377	9,679	7,744	
Number of crimes against society reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	10,303	16,103	N/A	2,311	2,398	2,113	
Percent of law enforcement agencies reporting to the National Incident Based Reporting System*	76.3%	85.3%	N/A	37.3%	55.1%	71.2%	Y
Number of expungements processed*	383	474	N/A	105	97	134	
Law Enforcement Academy							
Percent of non-state police cadets who graduated from the law enforcement academy through certification by waiver*	98.1%	94.4%	N/A	89.5%	100%	0%	
Percent of non-state police cadets who graduated from the basic law enforcement academy*	75.2%	63.7%	N/A	80%	78.2%	81.3%	
Graduation rate of telecommunication students from the law enforcement academy*	98.8%	100%	N/A	75.8%	85%	100%	
Law Enforcement Certification Board							
Percent of complaint cases reviewed and adjudicated annually by the New Mexico Law Enforcement Certification Board*	48.6%	47.5%	N/A	5.1%	4.4%	9.1%	
Number of complaint cases adjudicated*	54	12	N/A	2	2	2	
Number of complaint cases received*	111	67	N/A	39	45	22	
Average age of outstanding complaint cases at the close of the fiscal year, in days*	230.8	310.5	N/A	69	69	69	
Average time to adjudicate complaint cases, in days*	300	466	N/A	95	95	95	
Number of certifications issued	535	567	600	109	311	0	G
Forensics Laboratory							
Percent of forensic cases completed	94.9%	91.1%	100%	92.1%	103.8%	121%	G
Number of sexual assault examination kits not completed within 180 days of receipt of the kits by the forensic laboratory	259	1,419	0	668	583	282	R
Forensic scientist and forensic technician vacancy rate*	40.1%	21.9%	N/A	15.8%	15.8%	17.2%	
Program Rating	Y	Y		Y			Y

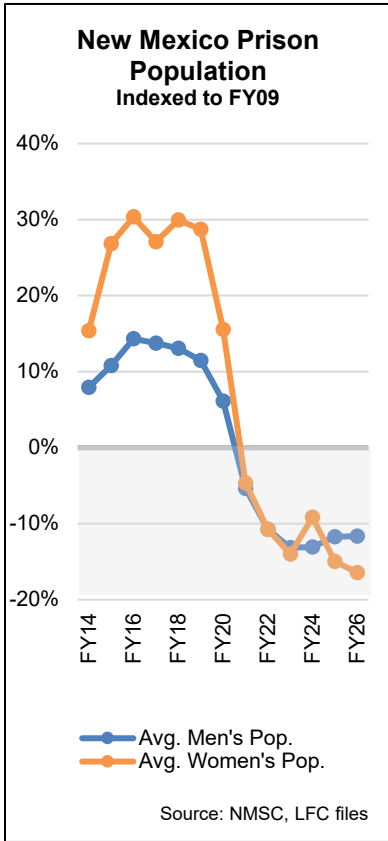
*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

Corrections Department

The Corrections Department (NMCD) made early progress toward several of its performance targets in FY26. The agency successfully reduced vacancy rates and turnover among correctional officers at public facilities and saw a decrease in recidivism for participants in treatment programs, even as participation rates increased. The agency continued the trend of increasing the percentage of people in prison participating in educational programs. NMCD reduced vacancy rates among probation and parole officers and saw the average number of cases per officer decline. Prison populations appear to be leveling off after several years of consistent decline.



Inmate Management and Control

The state's inmate population has plunged since 2018, falling more than 23 percent between FY19 and FY25. Recent increases in admissions for new offenses suggest the population is likely to stabilize in the near future. The New Mexico Sentencing Commission's October 2025 prison population projection estimated the total prison population would average 6,068 over FY26, but actual data show an average of approximately 5,621, a 0.4 percent increase from FY25.

Staffing. Low populations enabled NMCD to adjust facility occupancy to align with staffing levels despite high vacancy rates. However, this has not been possible at all facilities. About 25.3 percent of the agency's total positions were unfilled as of April 2026. Public correctional officer vacancies declined by approximately 7 percent to 15.9 percent, while private correctional officer vacancies were reported at 0 percent now that the Lea County Correctional Facility has closed.

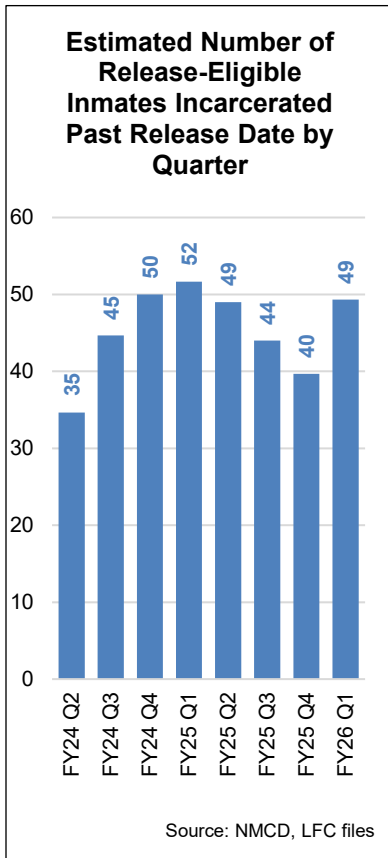
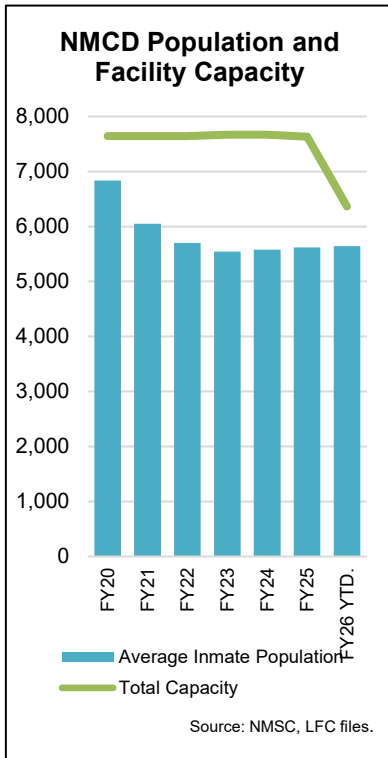
Budget: \$301,956.9	FTE: 1,852	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Staffing								
Vacancy rate of correctional officers in public facilities.		29.7%	26.9%	25%	22.6%	16.7%	15.9%	G
Vacancy rate of correctional officers in private facilities		31.9%	28.6%	25%	0%	0%	0%	G
In-House Parole								
Average number of male inmates on in-house parole		39.2	41.9	65	45.3	42.3	53.67	G
Average number of female inmates on in-house parole		1.9	2.0	10	1.0	1.3	0.67	G
Prison Violence								
Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment		13	7	10	3	5	1	Y
Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment		2	1	4	0	0	0	G
Health								
Percent of random monthly drug tests administered to at least 10 percent of the inmate population that test positive for drug use*		2.1%	2.7%	N/A	3.7%	4.3%	8%	
Percent of standard healthcare requirements met by the medical contract vendor		98%	93%	90%	90%	94%	99%	G
Program Rating		Y	Y					G

Reentry

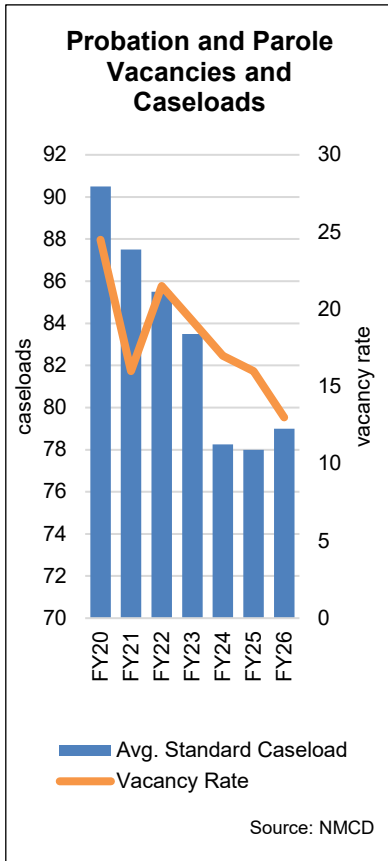
Recidivism. The three-year recidivism rate of offenders released from NMCD’s custody decreased from approximately 40 percent in FY25 to an average of roughly 37 percent in the third quarter of FY26. Recidivism due to new offenses rose slightly to 18 percent. Recidivism rates for participants in the recovery center programs during FY23-FY26 are expected to reflect lower recovery center populations due to Covid-19, potentially leading to higher recidivism numbers. However, recovery center populations are gradually increasing, with both the women's and men's recovery centers nearing capacity. The number of individuals enrolled in these programs began to rise following the resumption of normal court operations and the subsequent increase in admissions to these specialty programs.

Programming. One of the highlights of the past few years for NMCD was its success in maintaining the number of eligible students who completed adult basic education and in achieving a record number of students who earned their high school equivalency credential. The agency remained committed to increasing the availability of these programs in its facilities, and the results indicate these efforts have been largely successful. However, progress slowed somewhat at the midpoint of the fiscal year. It remains on track to meet the agency’s FY26 target.

NMCD focuses on providing evidence- and research-based programs for all individuals in its custody. However, a 2024 study of the inmate classification system used by NMCD cited evidence of over-classification of some inmates based on the availability of medical and behavioral health services at certain facilities. LFC previously raised concerns about completion rates among participants in certain evidence-based programs, which can be affected by disparities in the availability of programming and services across facilities. NMCD recently adjusted its classification policy based on recommendations from this study; these changes should enable more appropriate placement of certain inmates. LFC staff are working with the agency to monitor progress and better understand the impact of these changes.



	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Budget: \$22,074.5 FTE: 130							
Recidivism							
Prisoners reincarcerated within 36 months	39.2%	39.8%	40%	37.3%	36.7%	36.4%	G
Prisoners reincarcerated within 36 months due to new charges or pending charges	17.9%	17.7%	18%	17.8%	16.4%	18%	G
Prisoners reincarcerated within thirty-six months due to absconding	13.2%	14.1%	13%	13.2%	10.6%	11%	Y
Prisoners reincarcerated within 36 months due to technical parole violations	21.2%	8.1%	9%	6.3%	9.7%	7.4%	G
Percent of sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	3%	0%	5%	0%	2%	0%	G
Percent of residential drug abuse program who are reincarcerated within 36 months of release*	26%	31%	N/A	33%	19%	37%	
Graduates from the men's recovery center who are reincarcerated within 36 months*	19%	27%	23%	5%	31%	33%	G
Graduates from the women's recovery center who are reincarcerated within 36 months*	23%	25%	23%	11%	18%	17%	G



Budget: \$22,074.5 **FTE:** 130

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Education							
Percent of eligible inmates enrolled in educational, cognitive, vocational, and college programs	68%	74%	60%	56%	69%	79%	Y
Number of students who earn a high school equivalency credential	236	266	185	86	61	65	G
Percent of eligible students who earn a high school equivalency credential	75%	76%	75%	66%	72%	78%	Y
Program Rating	Y	Y		Y			Y

*Measure is classified as explanatory and does not have a target.

Community Offender Management

Vacancy rates among probation and parole officers declined to 9 percent in the third 36 percent of absconders were apprehended in the third quarter of FY26, a 6-percentage-point improvement over FY25. Research suggests offenders with unstable employment or housing and those struggling with substance use disorder are more likely to abscond.

Budget: \$41,792.5 **FTE:** 359

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Average standard caseload per probation and parole officer	76	78	88	77	77	80	G
Percent of contacts per month made with high-risk offenders in the community	N/A	89%	95%	96%	95%	95%	G
Vacancy rate of probation and parole officers	17%	16%	18%	16%	13%	9%	G
Percent of absconders apprehended	27%	35%	30%	38%	32%	36%	G
Program Rating	Y	G		G			G

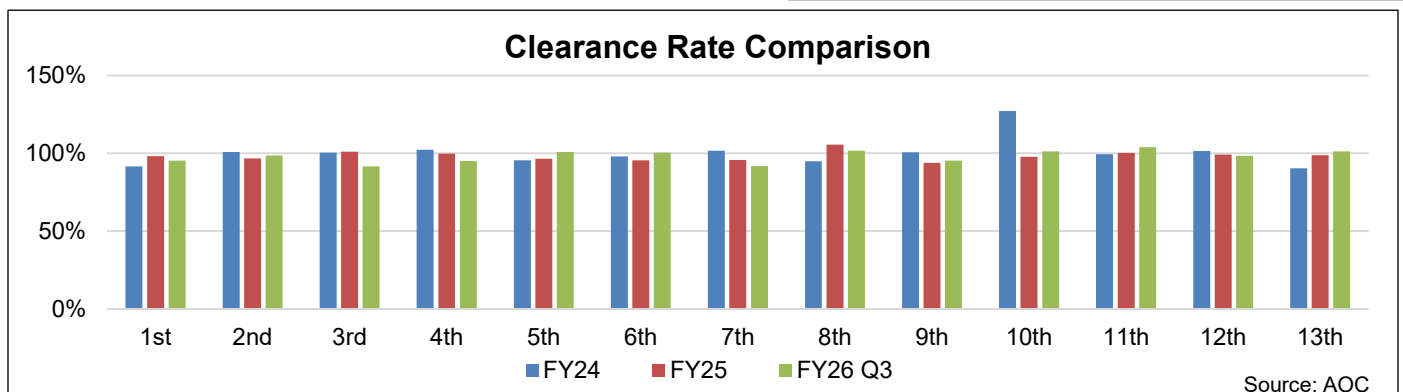
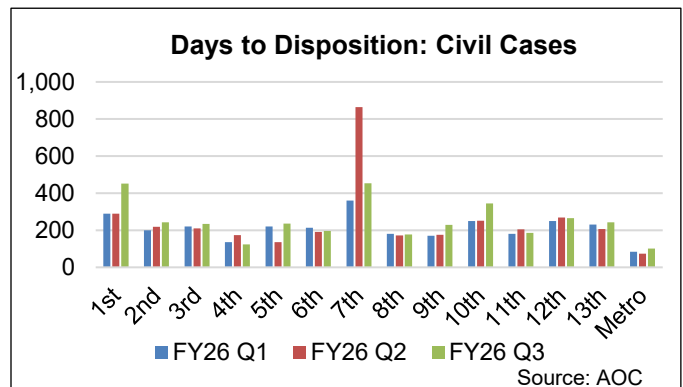
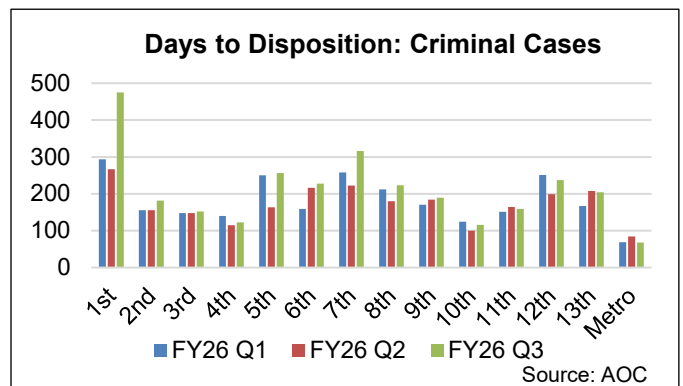
Performance trends in New Mexico’s courts and criminal justice agencies for the third quarter of FY26 were mixed. While some court metrics have shown strain as criminal case filings rebound to prepandemic figures, the district courts continue to whittle down the number of pending criminal cases. Treatment court utilization has recovered from FY25 lows; however, significant disparities in participation and costs between program types and judicial districts persist, with juvenile treatment courts in particular struggling with utilization. Ongoing recruitment and retention challenges affecting both prosecutors and public defenders, combined with substantial differences in attorney workloads and staffing levels across judicial districts, continue to underscore uneven criminal justice capacity throughout the state.

ACTION PLAN

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

Courts

Administrative Support. The average time to disposition for criminal cases in district court increased to 217 days for the third quarter of FY26. After district courts ended FY25 with an average of 197 days, this figure declined to 185 in the first quarter before beginning to trend upwards. The third-quarter result significantly exceeds National Center for State Courts standards that aim to dispose of most cases within six months. The three district courts already under Supreme Court-mandated case management orders—the 2nd, 3rd, and 8th—respectively had average times to disposition of 156, 148, and 212 days. The 1st Judicial District Court, which proposed similar case management rules starting this past quarter, was the site of mixed performance outcomes. The district’s average time to disposition for criminal cases was 475 days, more than twice the statewide average. However, the district court’s number of active pending criminal cases has steadily decreased from 1,652 at the end of FY25 to 1,305 after the third quarter of FY26. This continues a positive trend for statewide district courts, having dropped the number of pending criminal cases down 16 percent from the end of FY24. The district’s age of active pending criminal cases also paces the state at 1,334 days but is down slightly from 1,346 in quarter two. Statewide, the average for age of active pending criminal cases decreased from 363 days to 357 days between quarters.

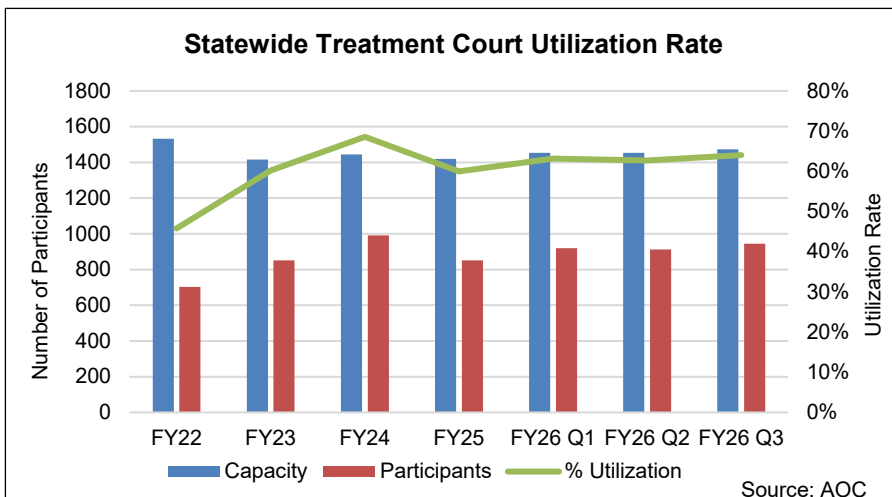


	Budget: \$21,717.3	FTE: 65.3	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Average cost per juror			\$66.3	\$67.1	\$55	\$64.35	\$70.45	\$73.27	R
Number of jury trials for metro, district, and statewide courts*			689	683	N/A	187	172	184	
Average interpreter cost of session			\$76.2	\$75.1	\$185	\$58.24	\$83.25	\$77.39	G
Percent of supervised defendants who make all scheduled court appearances*			73%	74%	N/A	65%	77%	77%	G
Percent of supervised defendants who are not charged with a new offense during the pretrial stage*			73%	74%	N/A	78%	77%	78%	Y
Age of active pending criminal cases in days			276	354	180	352	363	357	R
Days to disposition in criminal cases			221	197	180	185	190	217	Y
Cases disposed as a percent of cases filed			100%	97.9%	100%	93.2%	100.3%	98.3%	Y
Program Rating			Y	G					Y

*Measure is classified as explanatory and does not have a target.

District court clearance rates decreased from 100.3 percent in the second quarter of FY26 to 98.3 percent in the third. At 97.7 percent, this was also the first quarter of FY26 where magistrate courts accrued a backlog. While the number of pending criminal cases in district court have declined quarter-to-quarter, one factor in the clearance rate changes is the growing civil burden since the end of the pandemic. The number of active pending civil cases statewide was 44,812 at the end of FY24, 47,687 at the end of FY25, and 50,399 after the third quarter of FY26. In addition to the expansion of behavioral health services and competency cases, the increase is tied to an uptick in “Contract/Debt & Money Due” filings. These figures, however, remain well-below the regular prepandemic highs of 70 thousand-plus pending civil cases, and just over half the FY17 peak of 87,804.

Special Court Services. The statewide treatment court utilization rate for the third quarter of FY26 was 64 percent, still below the FY24 high of 69 percent but an improvement over previous quarters and the FY25 figure of 60 percent. Driven by the addition of a Mental Health court in San Miguel, treatment court capacity and participation both increased this past quarter. Utilization, however, remains uneven between program types. Juvenile treatment courts are consistently underutilized, with only 18 participants and capacity for 85 in the third quarter. This marks the third consecutive quarter with a utilization rate below 25 percent for the juvenile courts; in FY25, they only barely surpassed that mark with 26 participants. Two of New Mexico’s four juvenile treatment courts have utilization rates below 20 percent, and the juvenile court with the



highest rate boasts 15 openings and six participants. On the other hand, adult drug and DWI courts have respective utilization rates of 70 and 79 percent for the third quarter. While the drug court utilization rate is down slightly from the second quarter, both figures are notable improvements from the FY25 totals of 67 and 69 percent.

Districts Under Capacity

District	Type	County	Capacity	Participants	Utilization
1 st	DWI	Santa Fe	30	2	7%
2 nd	Veterans	Bernalillo	40	6	15%
3 rd	Juvenile	Doña Ana	20	1	5%
7 th	Adult	Torrance	15	3	20%
12 th	Veterans	Otero	10	2	20%
13 th	Juvenile	Cibola	25	4	16%

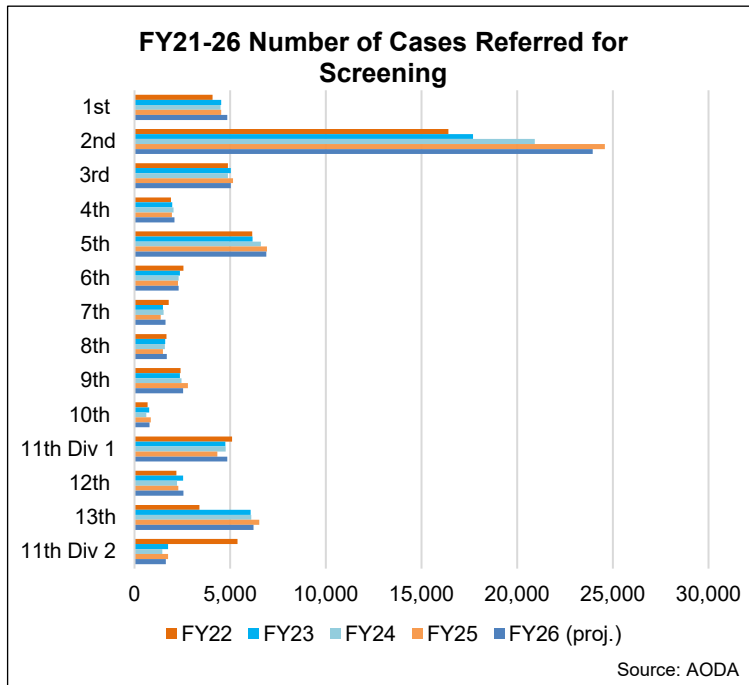
Districts Over Capacity

District	Type	County	Capacity	Participants	Utilization
1 st	Adult	Rio Arriba	15	23	153%
1 st	DWI	Rio Arriba	15	19	127%
2 nd	Young Adult	Bernalillo	60	82	137%
6 th	Adult	Grant	15	20	120%
11 th	DWI	McKinley	15	18	120%
11 th	DWI	San Juan	25	30	120%

While treatment court recidivism has decreased year-to-year and remains below the Corrections Department’s rates, improved recidivism and graduation numbers have been accompanied by a consistent increase in costs. The cost per-client per-day for drug court participants was \$37.40 in FY23 and \$34.10 in FY24 before jumping to \$64.30 in FY25. In the third quarter of FY26, the cost was \$70.60 per-client per-day, more than twice the FY24 figure. Costs, like the utilization rates, are inconsistent between program types. With only one court statewide, the family treatment court type led with a cost-per-client per-day of \$234.40. The juvenile courts’ cost decreased from \$221.50 in the second quarter to \$169 in the third, still well-above the statewide average. There also remains substantial variation in costs among judicial districts. With the recent addition, the 4th judicial district has three treatment courts and an average cost-per-client-per-day of \$23.20. The 11th district comes in at second lowest with a district-wide average of \$33.40 per-client-per-day. On the other end of the spectrum, the per-client-per-day cost for treatment courts in the 3rd district is \$142.70. The variation in costs appears to be a result of differences in utilization rates, regardless, it is significant a rural district like the 11th is able to manage costs more efficiently than its urban peers. Treatment court staff have also indicated the state judiciary is working to eliminate treatment court fees, building on 2023’s Chapter 184 and similar legislative efforts to reform fines and fees.

Budget: \$28,818.0	FTE: 49.0	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Cases to which CASA volunteers are assigned*		436	708	N/A	499	483	467	
Monthly supervised child visitations and exchanges conducted*		10,129	10,374	N/A	2,559	2,301	2,301	G
Average time to completed disposition in abuse and neglect cases, in days		161	182	153	153	205	220	R
Recidivism rate for drug-court participants		11.8%	15.7%	12%	8.1%	8.7%	9.7%	G
Recidivism rate for DWI-court participants		8.1%	9.8%	12%	5.6%	8.5%	9.6%	G

	Budget: \$28,818.0	FTE: 49.0	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Graduation rate for drug-court participants*			61.0%	55.4%	N/A	55.7%	49.8%	64.9%	
Graduation rate for DWI-court participants*			66.8%	76.3%	N/A	70.6%	62.5%	72.4%	
Cost per client per day for all drug-court participants*			\$34.1	\$64.3	N/A	\$64.7	\$69.7	\$70.6	R
Program Rating			Y	G					Y

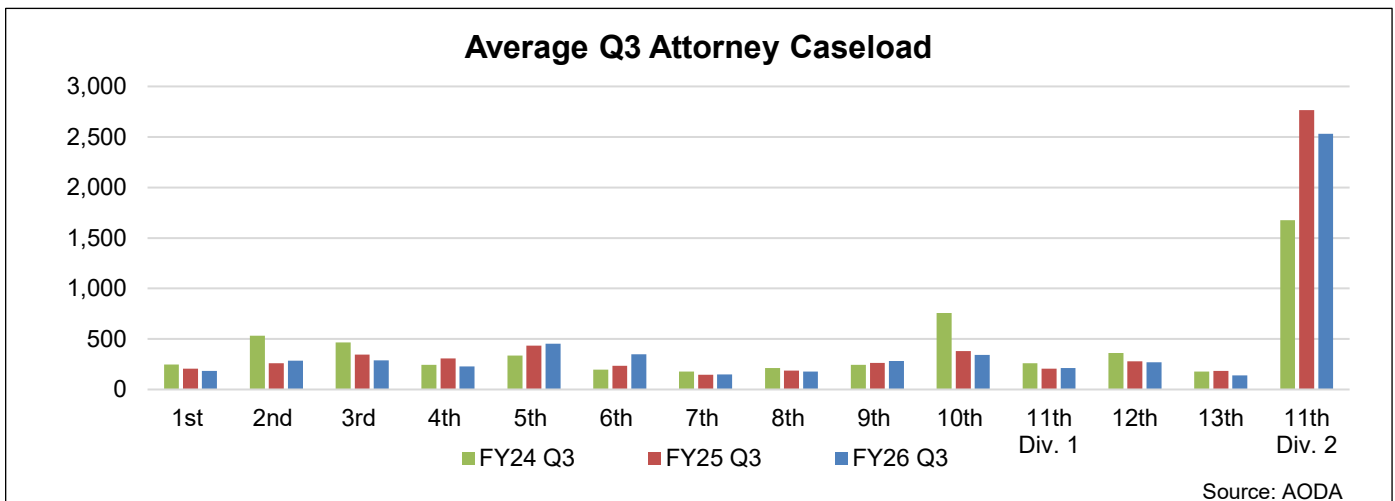


District Attorneys

Recruitment and retention issues continue to burden the judicial system, and the district attorney offices are no exception. Some offices, particularly in rural areas, have attempted to recruit attorneys to work remotely. With recent pay increases for executive branch attorneys and employees at the Attorney General’s office, staffing concerns for the district attorneys warrant considerable attention. The district attorney workload is also heavily impacted by law enforcement, both positively and negatively, either as a result of cooperation with local prosecution or indirectly from unilateral initiatives. Both law enforcement and the local district attorney’s office have benefited from the National Guard presence in Rio Arriba, where two guardsmen attorneys and requisite support staff have helped to prosecute misdemeanor DUI cases. In the 2nd judicial district, “Operation Triple Beam-Shadow Break” joined the district attorney’s office

with the FBI, the U.S. Marshalls Service, and a variety of local and state agencies to prosecute repeat offenders.

Stabilizing after a pandemic-era lull, LFC projects FY26 referrals to district attorney offices will come in at 67,328: slightly above the FY25 total of 66,831 but well short of the 73,133 received in FY19. The distribution of referrals remains uneven, and the 2nd Judicial District Attorney’s office led with 6,537 referrals received in the third



quarter of FY26 after finishing with 24,649 in FY25. The 10th received just 168 referrals for the third quarter. Some offices note the referrals are coming directly from law enforcement agencies and may not reflect an increase in viable cases.

District attorneys began reporting attorney caseloads in FY24, and these figures vary considerably among jurisdictions. The 11th Judicial District, Division 2, district attorney resigned halfway through the quarter, and the office remains a significant outlier with 2,531 cases per attorney. Remedies pursued by the new district attorney, appointed by the governor in early April, must be carefully scrutinized. In addition to Division 2, the 5th, 6th, and 10th district attorney offices all had over 340 cases per attorney. For the second consecutive quarter, the 7th, 8th, and 13th district attorney offices occupied the low end of the spectrum with respective average attorney caseloads of 136, 169, and 174. Some district attorney offices, notably the 2nd and the 7th, have been able to effectively distribute the attorney workload even with year-to-year increases in case referrals. The 1st's district attorney office ended the first quarter with 241 cases per attorney but has since brought that figure down to 187. The office's number of cases referred for screening has not significantly changed this fiscal year, and while the guardsmen attorneys are playing a supporting role, the timing and magnitude of this improvement suggests the 1st has become more efficient in response to the new trial deadlines. The office will receive the first portion of a \$4.2 million appropriation for a case management team beginning next fiscal year, and the legislature and judiciary will be monitoring for any further changes.

The New Mexico Statewide Automated Victim Notification System (NMSAVIN) has been nonoperational for almost two years now. As flagged in an LFC program evaluation, prosecutors are statutorily responsible for victim notification, and district attorney offices across the state employ about 90 victim-witness advocates. The Administrative Office of the District Attorneys previously anticipated restoring NMSAVIN near the beginning of 2026, and in the meantime district attorney offices have been contacting victims directly, but this critical tool remains offline.

Budget: \$107,819.9	FTE: 1,037	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of Cases Referred for Screening*		61,982	66,831	N/A	17,751	15,991	17,064	
1 st District		4,504	4,534	N/A	1,260	1,022	1,122	
2 nd District		20,929	24,659	N/A	6,838	6,213	6,537	
3 rd District		4,875	5,158	N/A	1,122	1,242	1,256	
4 th District		2,037	1,962	N/A	506	438	486	
5 th District		6,603	6,927	N/A	1,773	1,576	1,706	
6 th District		2,300	2,270	N/A	592	482	487	
7 th District		1,526	1,422	N/A	410	366	436	
8 th District		1,591	1,493	N/A	443	342	401	
9 th District		2,451	2,798	N/A	690	625	586	
10 th District		616	850	N/A	249	212	168	
11 th District Division I.		4,771	4,338	N/A	1,117	892	1,242	
11 th District Division II.		1,461	1,807	N/A	444	457	424	
12 th District		2,217	2,283	N/A	675	681	684	
13 th District		6,101	6,543	N/A	1,632	1,443	1,529	

Program Rating

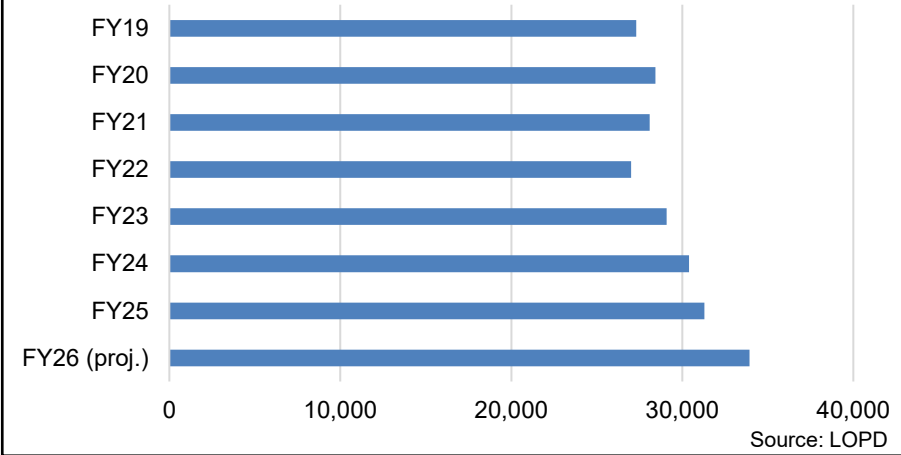
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*Measure is classified as explanatory and does not have a target.

In-House and Contract Attorney Felony Cases Opened by Fiscal Year

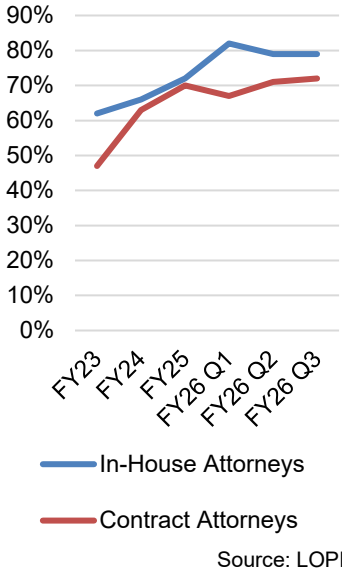


Public Defender

The Law Offices of the Public Defender (LOPD) reports the same issues with recruitment and retention as its criminal justice partners. Consistent with the above agencies, difficulties in recruiting contract attorneys and staff in rural areas are particularly pronounced, but for LOPD these issues are amplified by the lack of public defender offices in five of the state’s thirteen judicial districts. The almost complete absence of communication from the former district attorney in Gallup severely impacted one of the eight districts with a public defender office and contributed

to an attorney vacancy rate of 88 percent in FY25. LOPD on-boarded one new attorney in Gallup this past quarter and has since brought that figure down to 71 percent. The Alamogordo office lost several employees at the start of FY26 and currently has a vacancy rate of 18 percent, an improvement over the first two quarters but still above the agency average of 12.5 percent. The agency-wide average attorney vacancy rate crept up to 17.8 percent from 17 percent between quarters, and LOPD indicates they have shifted resources to recruiting non-attorney staff amid ongoing challenges to pull from a shrinking attorney pool. LOPD has also focused on recruiting externs using public attorney workforce capacity building funds. The agency reports considerable success in garnering interest at law schools and has placed 33 externs across the state since FY24, with another 11 due to work over the summer. The agency received a non-recurring appropriation for FY27 to continue this program.

Cases Resulting in Reduction of Originally Filed Charges



Like the courts and district attorneys, there are significant workload differences for the public defenders between judicial districts. For the third quarter, in-house LOPD attorneys were assigned an average of 49 additional felony cases. In the 12th judicial district, the three LOPD attorney FTE received 97 cases, for an average of about 32 cases per attorney. In the 2nd, there were 4,968 felony assignments for an average of 63 cases per in-house attorney. One of the 5th’s offices had an alarming average of 71 new felony assignments for its seven in-house attorneys. Higher felony caseloads, combined with the limited number of attorneys to handle cases, are of grave concern as felony cases are more complex and require more time and resources, including substantially higher volumes and costs of discovery.

Contract attorneys face a unique set of challenges due to the larger percentage of felony cases. Complex cases like murder often have multiple co-defendants and a need for contract attorneys to avoid conflicts of interest. The pre-pandemic average of murder cases assigned to contract attorneys was about 80 per year. That number shot up to 201 in FY22 and now hovers around 190 per year. Requests for proposals from contract attorneys also averaged around 100 per year, but LOPD had just 80 submissions in 2025. Reflecting the difficulties in recruiting contract attorneys, the percentage of cases assigned to contractors has dipped from a high of 37 percent in FY23 to 29 percent in the third quarter of FY26. Currently, contract attorneys may

request hourly complex case compensation in addition to base rates. LOPD submitted a five-phase budget request to eventually expand hourly compensation to all contract attorneys, and the agency received funding for the first phase through the government results and opportunity fund. Other states have moved to restrict the use of flat fees for contract defense attorneys, and over a dozen now solely use hourly rates for indigent defense.

Performance for in-house and contract defense attorneys continues to show disparities. This gap, however, has narrowed in FY26, with contract attorneys improving their percentage of cases resulting in sentence reductions from 67 percent in the first quarter to 72 percent in the third, while the same metric for in-house attorneys declined from 82 percent to 79 percent. For contract attorneys, the increase could be an indication of how well they are logging case outcomes, so this figure should be monitored for future changes. Again, there is significant variance in the performance measures between offices. For in-house attorneys in the third quarter, the percentage of cases resulting in sentence reductions ranged from 88 percent in Colfax, Union, and Taos to 59 percent in Gallup. The reported percentage of sentence reductions for contract attorneys ranged from 92 percent in the 10th judicial district to 37 percent in Gallup. Improved coordination with a new district attorney in Gallup will hopefully lead to improved outcomes.

	Budget: \$77,155.0	FTE: 516	FY24	FY25	FY26	FY26 Q1	FY26 Q2	FY26 Q3	Rating
			Actual	Actual	Target				
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges			65%	72%	65%	78%	77%	78%	
In-house attorneys			66%	72%	65%	82%	79%	79%	
Contract attorneys			63%	70%	65%	67%	71%	72%	
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment			28,523	32,477	15,000	9,126	9,878	9,837	
In-house attorneys			20,173	24,122	N/A	7,196	7,563	7,705	
Contract attorneys			8,350	8,355	N/A	1,930	2,315	2,132	
Cases assigned to contract attorneys*			34%	33%	N/A	31%	31%	29%	
Average time to disposition for felonies, in days*			313	279	N/A	241	298	268	
In-house attorneys*			229	259.6	N/A	189	213	263	
Contract attorneys*			399	301.8	N/A	293	385	270	
Cases opened by Public Defender Department*			61,046	61,621	N/A	19,090	17,314	18,056	
In-house attorneys*			39,145	39,971	N/A	12,931	11,973	14,580	
Contract attorneys*			21,901	21,650	N/A	6,159	5,341	3,476	
Program Rating									

*Measure is classified as explanatory and does not have a target.

The negative performance of multiple of the Environment Department’s (NMED) programs has persisted through three quarters of the fiscal year. Additionally, the performance measure tracking what percent of the state’s population is being served safe and health drinking water plummeted from 91 percent in the first quarter to 67.4 percent in the third. While the department notes this is due predominantly to a backlog of violations it is sorting through, it nonetheless is a data point to be closely monitored. The significant investment by the Legislature to address NMED’s staffing and retention issues has reversed some of the agency’s lingering issues, but the agency has an estimated 230 vacant FTE and up to \$5.4 million in vacancy savings, indicating the agency has significant room to grow and utilize expanded funding. Collaboration among LFC, the Department of Finance and Administration, and NMED was needed to address the agency’s decision to cancel food inspections due to budget misalignment. Entering the final quarter of the fiscal year, and with an eye toward FY27, NMED needs to look at not only improving its performance but also effectively administering the significant recurring and nonrecurring funding the Legislature has invested in the agency.

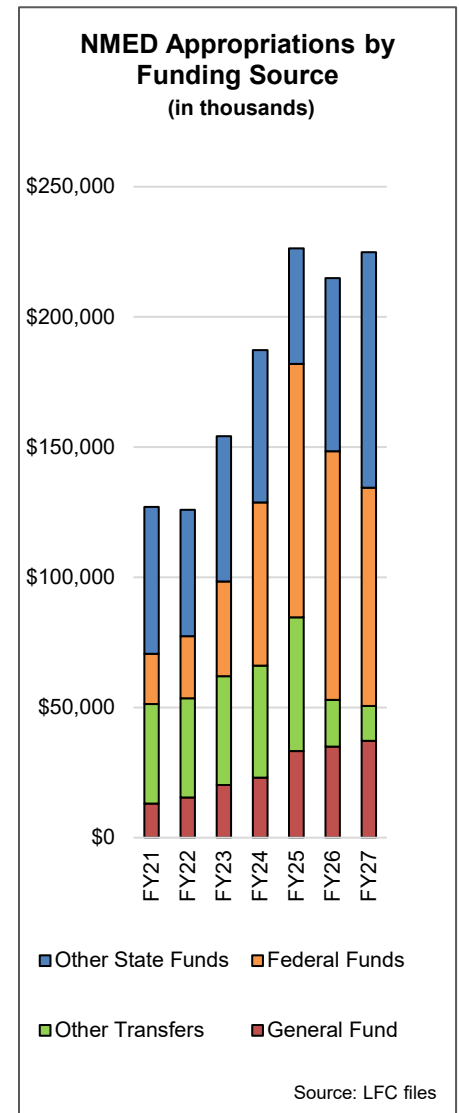
Water Protection

Amendments to the state Water Quality Act enacted in 2025 granted primacy to NMED to administer a National Pollutant Discharge Elimination System program, in effect moving control of all discharge into the state’s surface water and groundwater from the federal government to the state’s water quality agency. Creation and implementation are underway and will continue to take shape, pending approval of a permitting program from the Water Quality Control Commission. The Water Protection Division (WPD) continues to assist communities seeking to develop internal capacity to use state and federal funding for infrastructure improvement and water resource management.

In the third quarter of FY26, the program’s Surface Water Protection Bureau inspected five of the 20 annual required inspections, resulting in a 25 percent inspection rate. The program has already exceeded its FY26 target and has more inspections slated for the final quarter of the year. The Groundwater Quality Bureau inspected 39 permits, or roughly 5.6 percent of its FY26 target, the same amount it inspected in the second quarter. Due to this, the bureau is set to miss its groundwater inspection target for FY26. The bureau attributes this to a mixture of vacant inspector positions, the multiple tasks inspectors carry out, and the prioritization of new permit inspections versus working through backlogs. The percentage of the state’s population served safe and healthy drinking water increased from 57.8 percent for the second quarter to 67.4 percent in the third. The bureau notes the increase is due to the clearing through of the backlog of water protection violations. The measure is subject to the amount of water protection violations the bureau submits and the bureau noted it had submitted a significant amount in the second quarter and has submitted more in the third. Due to the volatility of the measure, and its sensitivity to fluctuations from administrative backlogs and individual violations, updating the accuracy of the measure and potentially creating a new, more accurate one could provide policy

ACTION PLAN

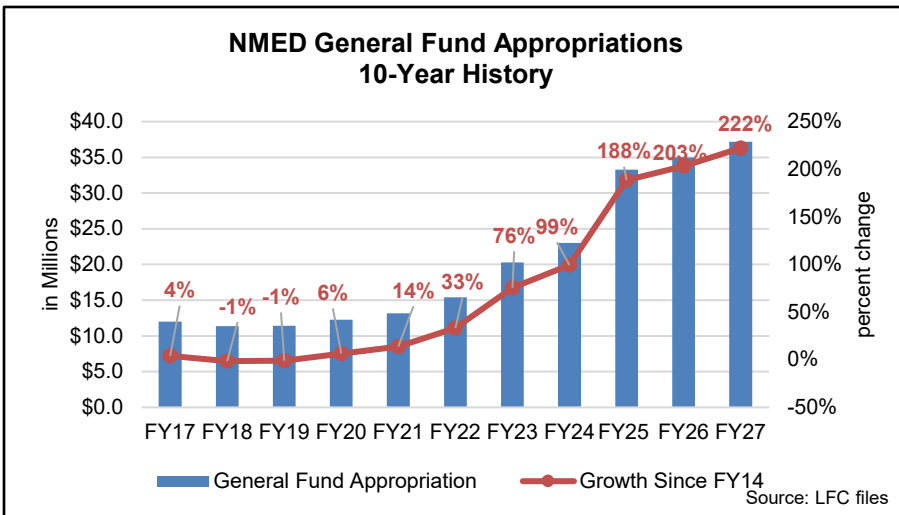
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes



makers and the public with clearer information about the quality of the state’s water. The Construction Program’s Bureau initiated 107 new water infrastructure projects, totaling roughly \$117.8 million, and is on pace to exceed its FY26 target.

Budget: \$62,511.4 **FTE:** 191.3

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of the population served safe and healthy drinking water	89.5%	94.7%	98%	91%	57.8%	67.4%	R
Percent of surface water permittees inspected	100%	40%	100%	50%	35%	25%	G
Percent of groundwater permittees inspected	30.6%	9.2%	65%	6.7%	5.7%	5.6%	R
Number of new water infrastructure projects	175	148	115	39	107	44	G
Program Rating	G	Y					Y



Resource Protection

The Resource Protection Division (RPD) has continued to be far behind its target for all three of its performance measures in all three quarters of the year. RPD historically has issues with recruitment and retention, specifically its Solid and Hazardous Waste bureaus, resulting in persistent low ratings.

In the third quarter of FY26 the Petroleum Storage Tank Bureau (PSTB) issued no further action (NFA) status for five sites. NFA status signifies compliance with remediation standards, assuring no significant risk of harm to public health or

the environment at the site. Notably, NFA status determinations are fluid throughout the year, based on specific site conditions, staffing levels, and the availability of funding from the corrective action fund. PSTB noted \$3.5 million of proposed work is pending approval.

The Hazardous Waste Bureau (HWB) monitors 2,557 hazardous waste generators in the state, though this number changes frequently. HWB has up to four positions focused on compliance, and the positions are each slated to inspect 350 facilities in FY26. This is two fewer personnel than in FY24. The relatively few personnel inspecting facilities resulted in the bureau only inspecting 1.2 percent of the hazardous waste sites in the state in the third quarter of FY26. The program will more than likely not meet its FY26 target. Multiple years of consistent low performance, unique among all of the natural resource agencies, should be met with concern and therefore evaluated to see if New Mexico can utilize new practices to monitor its hazardous waste facilities.

Budget: \$18,653.4 **FTE:** 143.3

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of completed cleanups of petroleum storage tank release sites that require no further action	2,041	972	2,050	9	0	5	R
Percent of solid waste facilities and infectious waste management facilities inspected	98.8%	34.8%	95%	13%	22.2%	26.7%	R

Budget: \$18,653.4 FTE: 143.3

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of hazardous waste facilities inspected	3.7%	.5%	12.5%	1.1%	1.3%	1.2%	R
Program Rating	R	R					R

Environmental Protection

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, NMED’s regulatory compliance programs continually struggle to meet targets for the percentage of applicable entities inspected. NMED notes these consistent issues have been improved through record investment from the Legislature over the past several years, and efforts by the agency to streamline its organizational structure.

The Air Quality Bureau (AQB) noted in the third quarter of FY26 that 95.6 percent of the state’s population was breathing air meeting federal health standards, though this is without Bernalillo County, due to it monitoring its own air quality and is separate from the reporting AQB does. The bureau noted there were four days where monitoring noted fine particulate matter, resulting in the slight reduction. The state has 20 air monitoring stations, with the majority surrounding Las Cruces and others scattered around the state. The bureau is on track to meet its performance target for inspection of ionizing and non-ionizing radiation sources (x-ray machines and x-ray producing machines), inspecting a total of 14.3 of the 20 percent FY26 target. The bureau noted its high inspection percentage for air emitting sources was due to a large portion of its backlog of sourced permits being worked through.

Budget: \$18,320.1 FTE: 121.8

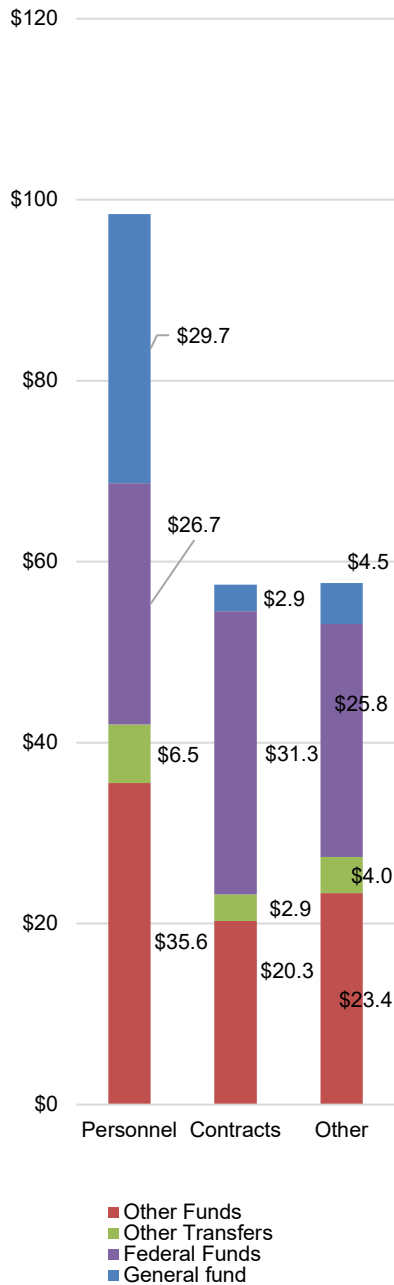
	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of ionizing and non-ionizing radiation sources inspected	16.8%	1.9%	20%	8.8%	2.8%	2.7%	Y
Percent of air emitting sources inspected	32.2%	8.5%	32%	110%	40%	290%	G
Percent of the population breathing air meeting federal health standards	99.9%	78.3%	99%	86.6%	100%	95.6%	G
Program Rating	Y	Y					G

Environmental Health

The Occupational Health and Safety Bureau, within the Environmental Health Division (EHD), conducts hundreds of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau, which inspects approximately 1 percent of all workplaces each year, found 43.2 percent of employers did not meet occupational health and safety requirement for at least one standard in the third quarter, below its FY26 target for the first time this year.

Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. However, the same inspectors cover

Portion of FY27 Budget Categories by Revenue Type
(in millions)



Source: LFC files

restaurants, food manufacturers, pools, and spas. In late April, the Environment Department stopped food inspections due to a budget misalignment of around \$600 thousand. After meetings with DFA, LFC, and the Environment Department, staff have identified existing resources that can be used for their Food Safety Bureau, and food inspections will continue. Using the tools outlined to NMED by DFA and LFC, the bureau will be able to cover its operation costs for the remaining two months of the fiscal year. NMED has agreed to utilize the solution.

Bureau staff currently have a compliance and enforcement workload of approximately 313 facilities per inspector, at the high end of the federally recommended range of 280-300 retail inspections per inspector—a narrower role than EHB’s. The bureau conducted 1,398 inspections in the third quarter of the year, a number it has consistently hit each quarter, but is still behind its goal of averaging 1,950.

Budget: \$16,219.3 **FTE:** 156

	FY24 actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of employers that did not meet occupational health and safety requirements for at least one standard compared with the total number of employers	67.1%	60.5%	55%	73.6%	85.2%	43.2%	Y
Percent of restaurants and food manufacturers inspected	80.5%	21.3%	90%	86.7%	81.6%	77%	Y
Percent of new or modified liquid waste systems inspected	91%	53.2%	89%	50.9%	54.4%	50.9%	R
Program Rating	Y	Y					R

ACTION PLAN

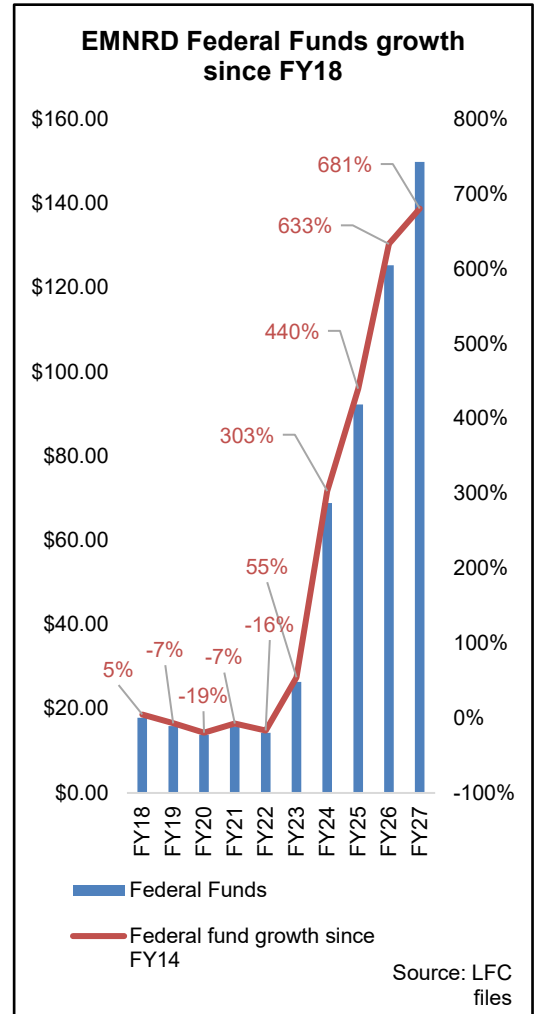
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Through the third quarter of FY26, the Energy, Minerals and Natural Resources Department (EMNRD) is on track to meet all of its performance measures by the end of the fiscal year. The Healthy Forests program has already exceeded its target for wildland firefighter training and is slated to treat beyond its target 14,000 acres. The Oil Conservation Division’s consistent recruitment and retention issues resulted in high levels of inspections as well as plugging 32 wells in the third quarter, the most it has plugged in nearly two years. The lone potentially worrying trend to the agency’s high performance was the visitation levels for the state’s parks. While not the fault of the program, it is a worrying sign to have two quarters below 700,000 visitors and a projected lower turn out for the fourth quarter. While the program has seen lower visitation in the third quarter historically, it will need nearly 2.2 million visitors in the fourth quarter to reach its target for the year.

Healthy Forests

Wildland Firefighter Training. The Healthy Forests program has exceeded its performance target for number of nonfederal wildland firefighters provided training in the third quarter of FY26. The program attributes this is due to not only the historically low snowpack and the subsequent increased risk for wildfires in the state, but also due to volunteer, county, and municipal fire departments sponsoring their staff to receive wildland firefighting training. The capacity for the expanded training is generated by consistent legislative funding to the program, as well as multiple streams of federal subsidies.

Forest and Watershed Treatment. In the third quarter of FY26, Healthy Forests treated 4,887 acres, bringing its third quarter total to 12,052 acres treated, indicating the program is well on the path to exceed its fiscal year target. Due to the expansion community mitigation buffer treatments to nonfederal lands (expanded due to House Bill 175), the program was able to thin 357 acres around Ruidoso Downs, with plans for more treatment and thinning work slated. The program noted it predicts treatment work will receive fewer federal dollars as Inflation Reduction Act and Infrastructure Investment and Jobs Act funding expires. Further work continues on how to reduce treatment costs as well as providing forestry contractors across the state clearer guidance on funding levels throughout the transition of fiscal years.

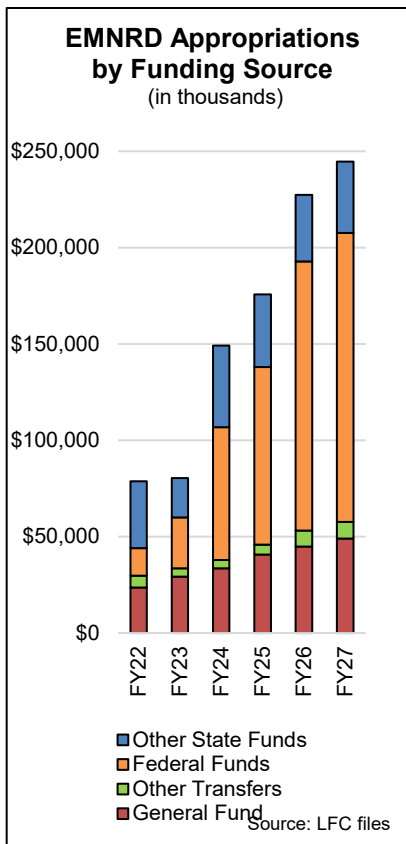


Budget: \$62,818.4 FTE: 145

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	3,012	2,149	1,500	6	130	1,701	G
Number of acres treated in New Mexico's forest and watersheds.	13,954	19,931	14,500	2,306	4,859	4,887	G
Program Rating	Y	G					G

Energy, Conservation and Management

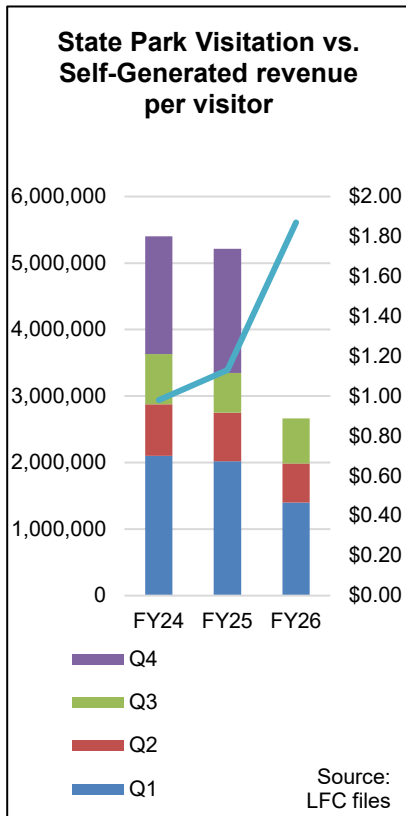
The Energy Conservation and Management Division (ECMD) continued to receive increased applications for the New Solar Market Development Tax Credit, receiving 1,215 in the third quarter of FY26. The division approved 925 of them, returned or rejected 290, and distributed \$2.8 million in incentives. The division is also updating its inventory of all alternative energy projects, in addition to continuing work on a new “state quadrilinear energy” plan. ECMD also received 161 applications for the energy conserving products credit and 178 applications improvements to its online application portal to ensure citizens are aware of the tax credits that exist and which they are eligible for.



Budget: \$36,407.8	FTE: 34	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of completed applications for clean energy tax credits reviewed within 30 days of receipt		99%	99%	95%	99.8%	100%	100%	G
Program Rating		Y	G					G

State Parks

State Parks visitation for the third quarter of FY26 was 677.5 thousand, well off pace to meet the program’s FY26 goal. As in the second quarter of the fiscal year, the low level of visitors did not impact the self-generated revenue, with the program seeing its highest level yet with \$2.12 per visitor. Regardless of this, the low visitation results in reduced revenue for the program. The agency notes revenue is also impacted by the issuing of new free-day use passes to all New Mexico from October 1st to April 31st, as well as new free state park pass program for veterans. Lower visitation for the third quarter of the year is a common trend, though fourth quarter visitation could be impacted by the state’s heavily trafficked reservoirs seeing lower visitation due to historically low water levels.



Budget: \$38,449.9	FTE: 241.41	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of visitors to state parks		5.4 million	5.2 million	4.75 million	1.4 million	587.6 thousand	677.5 thousand	Y
Amount of self-generated revenue per visitor, in dollars		\$0.93	\$1.14	\$1.0	\$0.72	\$1.86	\$2.12	G
Program Rating		Y	G					G

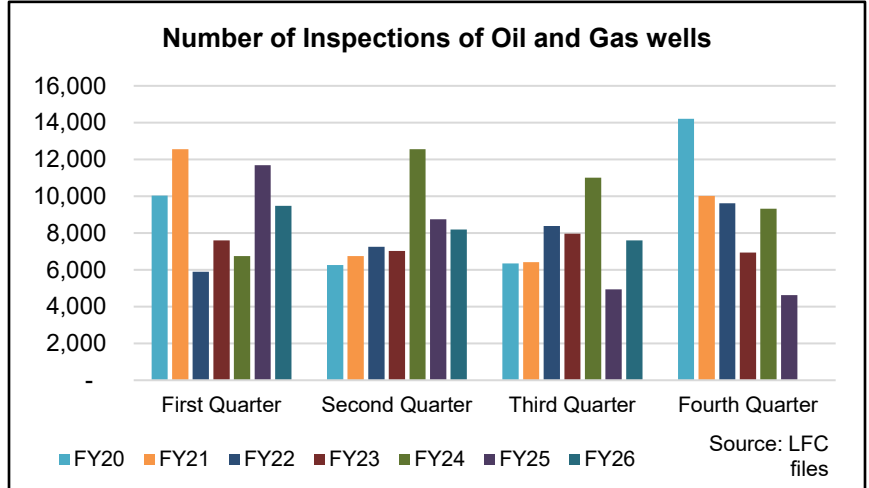
Mining and Minerals

Coal and Mining Act Compliance. The Coal and Mining Act programs both require financial assurance for permitted mines. For the third quarter of FY26, the coal program had five coal mines that received a total of 11 actual inspections. All five coal mines were 100 percent covered by financial assurance. The mining act reclamation program manages 64 mines, of which 59 have adequate financial assurance posted to cover the cost of reclamation. Combined with the coal program, this translates to 100 percent compliance.

Budget: \$14,916.3	FTE: 33	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of permitted mines with approved reclamations plans and adequate financial assurance posted to cover the cost of reclamation.		99%	99%	98%	96%	96%	100%	G
Program Rating		G	G					G

Oil Conservation

The Oil Conservation Division (OCD) issued a total of 1,942 violations across the state’s oil-producing basins during routine inspections in the third quarter of FY26. OCD increased its pace of inspections after three consecutive years of decline while also implementing new inspection protocols. OCD inspected 7,609 oil and gas wells in the first quarter of FY26, with the program on pace to meet its inspection target for the year. Each of the previous figures are significantly improved from the end of last year. Due to a high performing third quarter, OCD is on track to meet its FY26 target for plugging abandoned wells. The program plugged 32 in the third quarter, bringing the total to 47. The program notes it has the necessary funds to meet its target, with a mixture of federal funding as well as high reserves in the Oil Reclamation Fund. The program has eight active plugging rigs, and the program is negotiating a replacement rig price with the state’s Purchasing Division to provide access to a wider pool of plugging vendors.



There are up to 700 orphaned wells on the agency’s list for plugging, each with varying levels of degradation and complexity. The complexity and age of wells results in wild fluctuation between time to plug and reclaim them properly, thus resulting in higher costs. EMNRD’s Oil Reclamation Fund, the fund which the agency utilizes for portions of its operating budget and for plugging well and which recently had its tax distribution increased, sits at \$81.9 million, up from \$68.7 million last year. The State Land Office and the Oil Conservation Commission have separately heard applications to increase the financial assurances required by well owners, though it is unclear as to if and when those new rules could take place.

Budget: \$66,193.9 **FTE:** 86

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of inspections of oil and gas wells and associated facilities.	39,640	30,000	30,000	9,473	8,199	7,609	G
Number of abandoned wells properly plugged.	105	42	70	9	6	32	Y
Number of violations issued with associated administrative penalties*	5,138	6,474	-	1,973	1,524	1,942	
Program Rating	Y	Y					G

*Measure is classified as explanatory and does not have a target.

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) continue negotiations on the Colorado River Basin with implications for New Mexico’s delivery obligations. Statutory deadlines for finding agreement between upper and lower basin states have passed but discussions are ongoing.

The U.S. Supreme Court has ruled to finalize the settlement between *Texas v New Mexico*. OSE and ISC will now utilize the funding appropriated by the Legislature to comply with the settlement, beginning with the development of a water rights purchase program. The settlement dictates the state must retire 18,200 acre-feet of groundwater in the Lower Rio Grande below Caballo Reservoir. The settlement provides flexibility to the state in how it can accomplish this and gives a timeline of 10 years to complete the decrease. In addition to implementation of the settlement, OSE is also requesting a change in one of its Litigation and Adjudication program’s performance measures so it can better illustrate the work of the program and has continued to perform consistently on nearly all of its performance measures.

Water Resource Allocation

In the third quarter of FY26, the Water Rights Division increased its average number of water rights processed per month to 30, though it is still roughly 14.3 percent off its target of an average of 35 processed for the fiscal year.

The Water Rights Abstract Bureau, responsible for populating and maintaining the WATERS database, is 5,699 behind its target for FY26, processing 3,141 water rights transactions in the third quarter of the fiscal year, not the 3,750 needed to meet its target of 15,000 transactions. The bureau notes that it is likely to miss its transaction target for FY26, though this is due to the complexity of the Roswell Artesian Basin, one of the oldest declared basins in the state. The Dam Safety Bureau inspected 37 dams in the third quarter of the year, and more are scheduled for inspection in the fourth quarter of FY26.

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Budget: \$21,960 FTE: 192							
Number of unprotested and unaggrieved water right applications backlogged*	395	1,359	N/A	293	332	334	G
Average number of unprotested new and pending applications processed per month	31.5	30.5	35	24	25	30	Y
Number of transactions abstracted annually into the water administration technical engineering resource system database.	13,501	25,015	15,000	3,572	2,588	3,141	Y
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues	113	54	45	2	6	37	G
							G

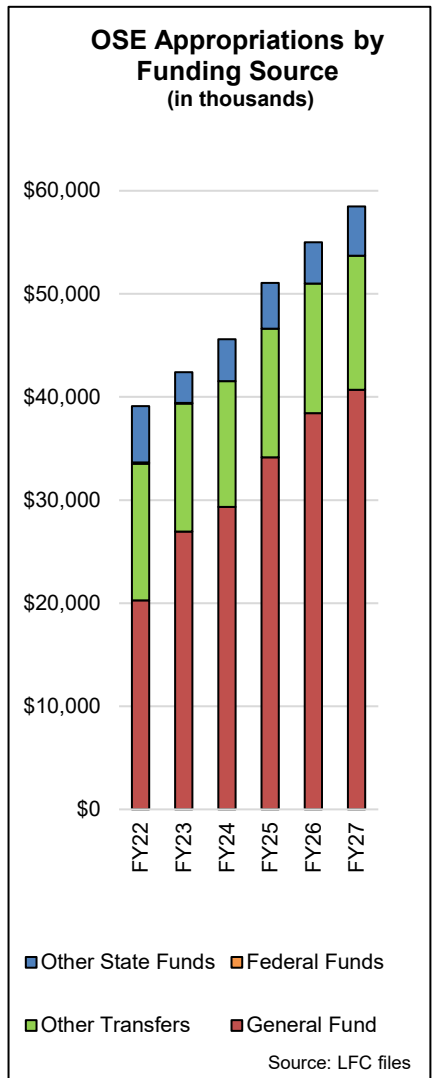
*Measure is classified as explanatory and does not have a target.

Interstate Stream Commission

ACTION PLAN

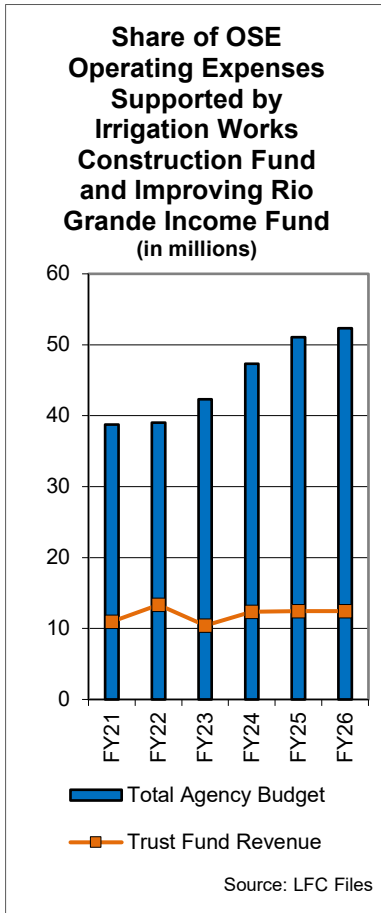
- Submitted by agency? Yes
- Timeline assigned? Yes
- Responsibility assigned? Yes

OSE Appropriations by Funding Source
(in thousands)



The state’s cumulative Pecos River Compact credit has remained positive for the majority of the year, with the state still holding a 22,000-acre-foot debit and, thus, bringing the cumulative credit to 126,000.

New Mexico’s Rio Grande Compact cumulative delivery deficit increased by 8,000 acre-feet over the past three quarters of FY26. While still below the target of 150,000 acre-feet, the increase is a worrying trend. If the state were to go over the 150,000 acre-foot deficit limit and potentially tip even deeper towards a 200,000-acre-foot deficit, the state could be liable for further litigation and would need to account for the deficit potentially through water calls and payments. The Interstate Stream Commission does have multiple projects across the Rio Grande that aim to address the deficit, such as channel restoration and watershed maintenance, though these operations will be hindered due to the historically low snowpack the state and the river’s headwaters have experienced. OSE is also planning a metering order for the Middle Valley of the river, to monitor the groundwater pumping and to enforce accurate water right usage.



Budget: \$15,095.10 **FTE:** 68

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Cumulative New Mexico Unit fund expenditures, in millions of dollars*	\$22.6	\$23.1	N/A	N/A	\$23.2	N/A	G
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	148.2	126	161.6	126	126	126	Y
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet	-121.5	-124	-150	-124	-131.5	-132	Y
Program Rating	G	Y					G

Litigation and Adjudication

The Litigation and Adjudication Program (LAP) has met its FY26 adjudication target of 300 in the third quarter of FY26. With additional adjudication work slated for the fourth quarter, and the program exceeding its target for the past three years, a change in target should be considered.

The agency is requesting the shuttering of the performance measure that tracks the percent of all water rights with judicial determinations, noting the agency does not believe the measure delivers a complete picture of the program’s progress. The agency has begun tracking a new performance measure, which tracks the number of cases docketed in its hearing unit, and has requested this new measure will replace the former measure. Adding additional information, such as reporting on how much water the state uses each year, and tracking could give the Legislature new and different information on the operations and success of the program, though a new measure should be phased in before any measures are removed.

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Budget: \$8,966.3 FTE: 68							
Number of offers to defendants in adjudications	406	328	300	191	52	95	G
Percent of all water rights with judicial determinations	76.9%	66.6%	76%	66.8%	66.8%	66.9%	Y
Program Rating	G	G					Y

ACTION PLAN

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

The General Services Department (GSD) reports it has fewer assets reserved to settle claims made against state agencies and local public bodies. Large civil rights claims against several state agencies and institutions of higher education have led to increased rates and reduced fund balance and the department reports the fund is projected to close the fiscal year without reserves.

Risk Management

The department’s Risk Management Division oversees the state’s shared risk pools, including the public property fund, the workers compensation fund, and the public liability fund. The department reports fund assets fell to \$11.8 million in the third quarter, below the \$81.2 million in the second quarter, but in line with the \$11.2 held at the close of FY25. Estimated liabilities have spiked in recent years as the agency changed accounting methods away from a pay-as-you go method to a reserve method, recognizing growing liabilities to the state.

Facilities Management

The Facilities Management Division (FMD) reports only 76 percent of scheduled preventive maintenance activities were completed on time. While performance has improved since last year, it remains below target. The agency reports an inability to keep up with preventive maintenance due to a shortage of staff. The agency met performance targets for on-time completion of capital projects.

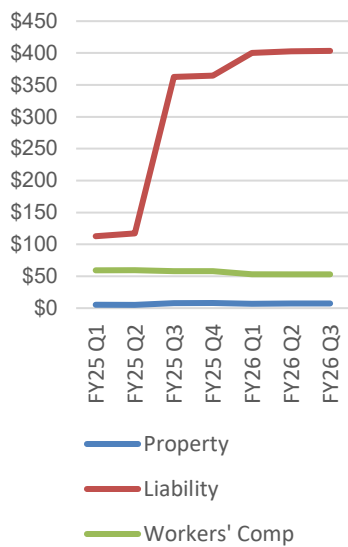
Other Programs

The department reports only 70 percent of procurements were completed within the targeted timeframe, but the State Purchasing Division is successful at completing contract review within target. Over the long term, state agencies have improved their vehicle utilization, with nearly all leased vehicles used daily or for at least 750 miles per month, above the target of 70 percent. The State Printing Program reported revenue is exceeding expenses and the agency is on track to cover costs for the fiscal year.

Assets of Risk Management Fund



Liabilities of Risk Management Funds



	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Projected financial position of the public liability fund*	16%	-22%	N/A	-13%	-3%	-3%	R
Annual loss ratio for the public liability fund	1.43	1.21	1.00	1.46	1.46	1.46	R
Capital projects completed on schedule.	94%	96%	90%	98%	98%	100%	G
Preventive maintenance requirements completed on time.	67%	78%	90%	83%	93%	76%	Y
Percent of procurements completed within targeted timeframes	81%	67%	80%	70%	75%	70%	Y
Program Rating: Risk Management	R	R		R			R
Program Rating: Facilities	R	R		R			R
Program Rating: Purchasing	G	G		R			R
Program Rating: Transportation	R	Y		G			G
Program Rating: Printing	G	G		G			G

*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

[SPO Performance Dashboard](#)



Employee Retention

According to SPO, only 65 percent of new employees complete their probationary period. If retention patterns do not change, more than 1,000 of the 3,268 people hired in FY25 will not complete their one-year probation.

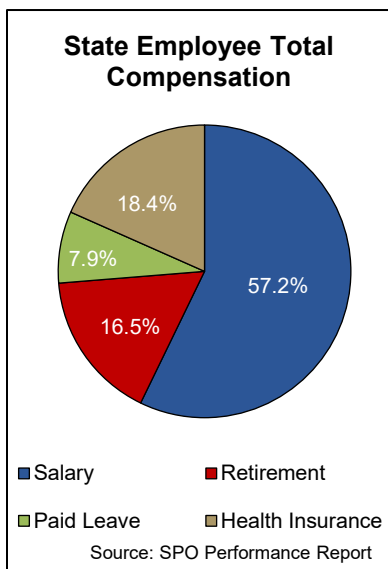
To reverse trends, SPO has encouraged agencies to take advantage of SPO-led management training courses and other resources. Research shows positive relationships with managers are key to retaining employees and encouraging a productive workforce.

Recent investments in state employee compensation have helped to improve key metrics related to the state’s personnel system, including improvements in the time it takes most agencies to fill positions, but high turnover and the continued growth in the number of positions results in continued high vacancy rates. While retention has improved from lows in 2022 and 2023, more than 30 percent of new employees leave state service within one year of joining.

As of April 1, 18,540 people were employed in the classified service, nearly 2,000 more people than were employed at the end of FY21, but the vacancy rate reported by the State Personnel Office (SPO) remains largely unchanged due to significant increases in the number of new positions created. At the end of FY21, there were 16,583 classified employees, with a vacancy rate of 19.9 percent, while SPO reports the current vacancy rate is 19.7 percent. This illustrates the need of many agencies to reevaluate existing positions on their current organization chart to ensure vacant positions align with agency hiring priorities.

While agencies have been successful at attracting candidates from outside state government, the state must work on retaining these new employees to lower vacancy rates. SPO reports agencies have made significant inroads in reducing the time it takes to fill a position, dropping from 72 days in the first quarter of FY23 to 61 days in the third quarter of FY26. SPO has prioritized working with agencies to reduce the time-to-fill metric. A 2025 data brief from the Society for Human Resource Management noted most employers took 44 days to fill nonexecutive positions, but large employers typically took 60 days to fill nonexecutive positions.

Providing competitive compensation packages to state employees is key to improving recruitment and retention. On average, total compensation for state employees topped \$128 thousand in FY26, an increase of 13 percent from FY25, due in large part to an increase in the state’s share of employee health insurance benefits. Beginning in FY26, the state will cover at least 80 percent of employee health premiums, with larger subsidies available for low-income workers. As a result, state employees see a relatively high share of their compensation offered through fringe benefits. State employees receive nearly 40 percent of their total compensation through benefits, compared with 30 percent for workers in the private sector, based on national data.



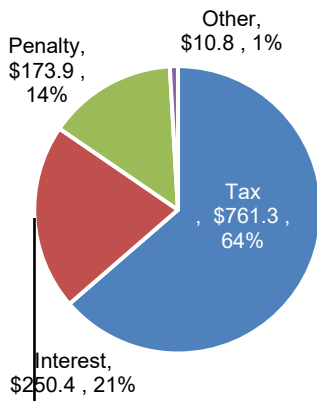
Budget: \$4,960.6	FTE: 44	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Average number of days to fill a position from the date of posting*		64	64	N/A	63	58	61	G
Classified service vacancy rate*		22.7%	21.6%	N/A	20.5%	19.8%	19.7%	R
Percent of classified employees who successfully complete the probationary period*		64%	68%	N/A	68%	66%	65%	R
Average classified service employee total compensation, in thousands*		\$108.1	\$113.4	N/A	\$127.4	\$127.6		Y
Program Rating		Y	Y					Y

*Measure is classified as explanatory and does not have a target.

ACTION PLAN

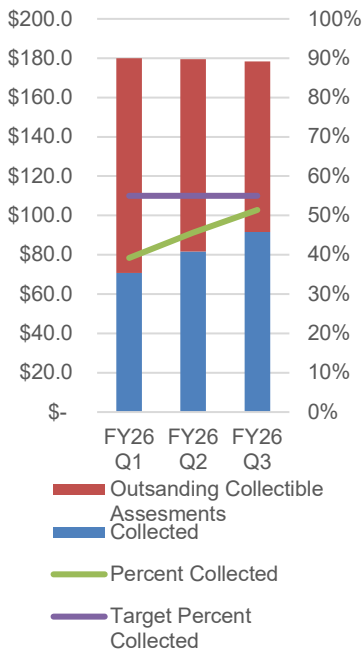
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Outstanding Current Tax Amounts by Category
\$1.2 Billion Total (in millions)



Source: TRD

Collections as a Percent of Collectible Audit Assessments



Source: TRD

During the third quarter of FY26, the Taxation and Revenue Department (TRD) continued working on improving the percentage of registered vehicles with liability insurance, worked on expanding online services for the Motor Vehicle Division, and completed 756 tax protest cases. The Audit and Compliance Division of the Tax Administration Program has a collectable balance of \$1.2 billion and only collects one out of every five dollars for its FY26 collection goal. The Motor Vehicle Division participated in four outreach events to help individuals experiencing homelessness by providing identification services. The Tax Administration Program received 688,833 income tax returns, and 677,485 were successfully accepted, or 98.3 percent, while 11,348 returns were corrected due to errors or issues.

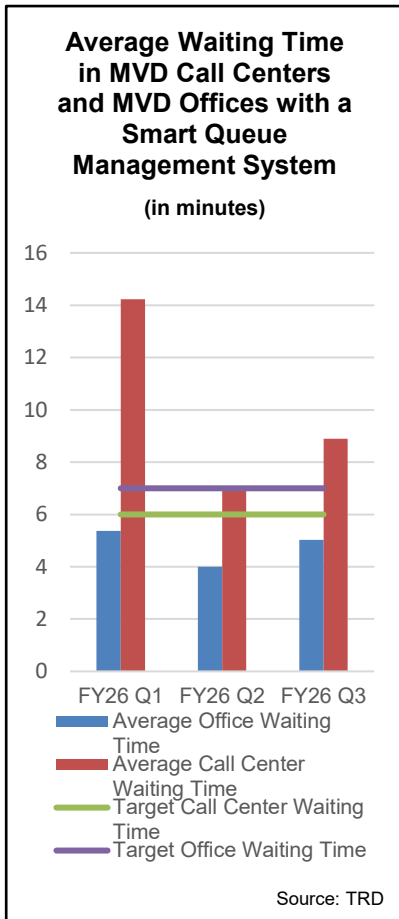
Tax Administration

The Audit and Compliance Division (ACD) creates collection goals centered on return on investment (ROI) measures. For the third quarter of FY26, the division is on track to achieve its ROI goal of generating \$13 for every dollar spent. ACD has collected \$248.8 million of the \$304 million collection goal tied to the ROI measure. The collectible balance from the prior fiscal year is \$1.2 billion, of which ACD has collected \$220.5 million, or 19.2 percent. The total FY26 reduction in the fiscal year beginning accounts receivable is \$1 billion, or 52.3 percent, bringing the balance to \$930 million. Assessments are deemed uncollectible by statute if cases are in protest, bankruptcy, deactivated, or less than 91 days old. Third-quarter assessments totaled \$192.7 million, of which \$37.1 thousand was less than 90 days old, \$5.2 million was in protest, \$150.8 thousand was in bankruptcies, and \$9 million was abated. This leaves a collectible balance of \$178.4 million, of which \$91.6 million has been collected. This results in a collection percentage of 51.4 percent.

Budget: \$23,322.3 FTE: 340.6	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Percent of collectible balances outstanding from the end of the prior fiscal year that are collected	23%	21%	23%	10.2%	15.7%	19.2%	G
Percent of collectible audit assessments generated in the prior fiscal year that are collected	48%	41%	55%	39.2%	45.6%	51.4%	G
Program Rating	Y	Y					G

Compliance Enforcement

The Internal Investigations Bureau of the Tax Fraud Investigations Division (TFID) opened eight cases and completed five cases within the 60-day timeframe. The remaining three cases are actively being worked on and are expected to be completed next quarter. During the third quarter of FY26, TFID had two tax investigation cases referred to prosecution and currently has 59 total cases with a pending and active status. TFID has six open investigations that will require in-depth analysis, subpoena returns and investigative action from outside agencies. There are also 30 preliminary investigations that require additional review before being assigned as an open case. TFID is currently in the process of hiring one deputy director, one state investigator and one attorney. TFID is hoping that the attorney will obtain special prosecutor authority to help district attorney's prosecute tax cases. District attorneys prioritize prosecuting violent crimes, which means tax-related cases take a longer time to complete.



	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Budget: \$2,454.2 FTE: 22							
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	41%	30%	30%	52%	55%	47%	G
Successful tax fraud prosecutions as a percent of total cases prosecuted*	100%	100%	99.2%	N/A	N/A	N/A	G
Program Rating	Y	G					G

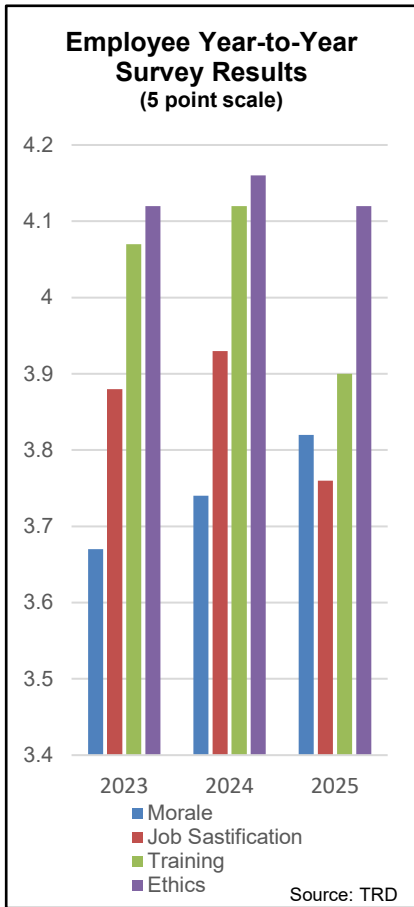
Motor Vehicle

The Motor Vehicle Division (MVD) reported the average call center waiting time to reach an agent has increased by almost two minutes. MVD explains longer waiting times are a result of the call center vacancy rate increasing to 25 percent from the 17 percent vacancy rate recorded in the second quarter of FY26. In response, the division has prioritized filling all open positions and currently has two call center agents in training. Average waiting times in offices with a smart queue system have also increased but are still below the target of five minutes and twenty-two seconds. It should be noted MVD’s customer satisfaction score was at 91 percent for the quarter, which means customers are still satisfied with the services MVD provides. MVD also saw the percentage of registered vehicles with liability insurance remain at 94 percent, reinforcing the effectiveness of MVD staff working with their vendors to communicate with customers about the importance of having liability insurance. MVD is also working on expanding its online service offerings by adding disabled plate and Purple Heart plate renewals.

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Budget: \$61,142.9 FTE: 331							
Registered vehicles with liability insurance	90%	90%	95%	91%	94%	94%	G
Average waiting time in offices equipped with a smart queue management system, in minutes	4:50	7:14	7:00	5:22	4:00	5:02	G
Average call center waiting time to reach an agent, in minutes	4:19	6:16	6:00	14:17	7:00	8:54	Y
Program Rating	Y	G					G

Property Tax

The Property Tax Division (PTD) conducted two meetings with its software vendor, Catalis, and TRD’s IT department to review two new processes for county delinquent property uploads and the layout of PTD’s collection software. The division is on pace to reach its target for the total amount of delinquent property tax collected and has collected \$10.6 million for FY26, or 96.4 percent of its target. PTD held two delinquent property auctions in January and only one in March. The division explained that auctions and collections are typically smaller in the third quarter, and the division already has employees looking through county delinquent property lists to hold more auctions in the fourth quarter.



Budget: \$7,502.8 FTE: 41	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Amount of delinquent property tax collected and distributed to counties, in millions	\$10.80	\$11.70	\$11.00	\$3.2	\$4.3	\$3.1	G
Percent of total delinquent property taxes recovered	17%	15%	17%	4%	3.5%	3.4%	Y
Program Rating	Y	G					Y

Program Support

During the third quarter of FY26, the Legal Services Bureau (LSB) reported 756 of 1,258 tax protest cases were resolved. These 756 resolved tax protest cases increased LSB's total resolved cases to 1,539 for FY26, which is 88.6 percent of the division's end-of-year target of 1,738. Program Support can send protest cases to the Administrative Hearings Office (AHO) for specialized hearings, and LSB has 20 open cases at AHO.

The Office of Internal Oversight (OIO) currently has three internal auditor positions vacant, which impacts the internal audit team's efforts to implement internal audit recommendations. As of the third quarter, OIO had two audits, one special project, and two procedures carried over from the second quarter of FY26 and had one audit, seven special projects, and one procedure assigned for the third quarter of FY26. OIO reported nine total internal control audits, projects, and procedures in process for the third quarter.

Budget: \$13,305.4 FTE: 102	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Number of tax protest cases resolved	1,593	1,763	1,738	533	250	756	G
Percent of internal audit recommendations implemented	92%	100%	92%	67%	100%	100%	G
Program Rating	G	G					Y

ACTION PLAN

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

[NMDOT Performance Dashboard](#)



Department of Transportation (NMDOT) reported deterioration in the quality of New Mexico’s roads, with the number of lane miles in poor condition rising from 7,080 in 2024 to 7,307 in 2025. While most projects are put to bid and completed on time and on budget, road construction costs have climbed and remain 40 percent higher than in 2020, according to national data.

Project Design and Construction

NMDOT reported all projects were let to bid as scheduled in the third quarter, above the agency’s target of 75 percent. Maintaining a consistent letting schedule is important for timely completion of planned projects. Final costs for construction projects were 8.8 percent below the initial bid amounts, bringing the overall fiscal year to 4 percent below bid. In the third quarter, the agency saved \$7.2 million on bid amounts and completed 78 percent of projects on time.

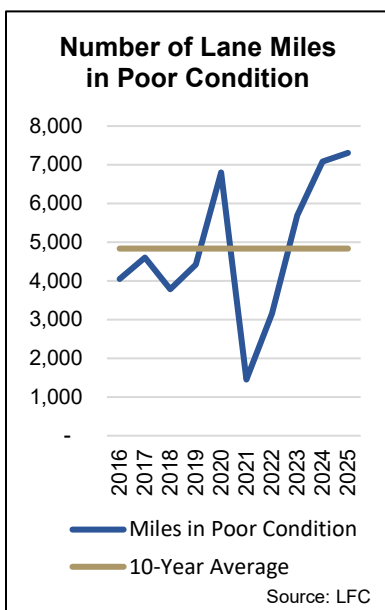
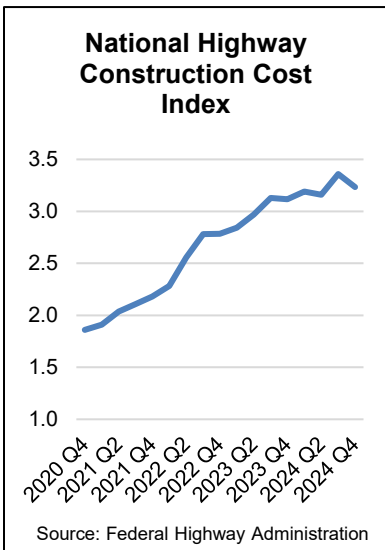
Highway Operations

NMDOT’s annual road survey for 2025 showed fewer road miles in fair or better condition, apart from interstate highways, which showed improvement. Year-to-date, NMDOT has maintained 2,097 miles of pavement, more than half of the number needed to meet the target of 3,500. But maintenance activity is typically reduced in the third quarter and FY26 performance is below FY24 and FY25, with 3,024 miles and 2,723 miles, respectively. Only 84 percent of interstate miles and 70 percent of non-interstate miles were rated fair or better. Overall, the number of bridges rated in better than poor condition remains better than the target of 95 percent.

Modal

NMDOT reports a total of 100 traffic fatalities in the third quarter, although the department typically revises this number upward as it receives additional data. Initial first quarter reports for FY26 were 92, while updated numbers showed 115 fatalities. According to the Insurance Institute for Highway Safety, New Mexico has the ninth worst rate of traffic fatalities, at 1.55 deaths per 100 million vehicle miles traveled in 2023. If New Mexico were able to reduce that rate to the national average, 83 fewer deaths would occur annually on New Mexico’s highways.




	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q1	FY26 Q2	FY26 Q3	Rating
Projects completed according to schedule	85%	94%	88%	88%	88%	78%	G
Statewide pavement lane miles preserved	2,966	3,888	3,500	1,049	846	176	Y
Lane miles in poor condition	5,696	7,080	4,000	Annual Measure			R
Traffic fatalities	410	431	400	115	118		R
Program Rating: Project Design and Const.	G	Y		G	G		G
Program Rating: Highway Operations	G	Y		Y	Y		Y
Program Rating: Modal	R	R		R	R		R
Program Rating: Program Support	G	G		G	G		G





For the third quarter of FY26, most project statuses remained the same as at the beginning of the fiscal year. The Children, Youth and Families Department’s New Mexico Impact Project maintains its red ranking due to continuous project delays. Agencies continue making progress in obtaining functional systems.



Project Status Legend

G	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
Y	Project has potential risk to scope, cost, schedule, or deliverables; independent verification and validation (IV&V) or LFC staff has identified one or more areas of concern needing improvement.
R	Significant issues limit success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed.

Status Trend	 Overall project status has shown improvement this quarter (example: a project moved from red to yellow)	 Overall project status has declined since last quarter (example: a project moved from green to yellow)	 Overall project status remains the same
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DoIT-Led Projects



- 




The **P25 public safety radio project** (\$121.1 million; 81.9 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated total cost of \$170 million. The agency has 43 confirmed subscribers, including school and local police, fire departments, and other various federal and state safety agencies. Phase two deployment is currently advancing in Albuquerque/Bernalillo County, staying on schedule to finish in 2027.
- 


2021 legislation created a new **statewide broadband program** (\$966.2 million appropriated; 12.1 percent expended) within DoIT and the new Office of Broadband Access and Expansion (OBAE). OBAE has grown to 23 full-time employees. The office received federal approval for \$382 million of its \$675 million federal Broadband Equity, Access, and Deployment dollars to 17 entities for 31 infrastructure projects, including satellite; OBAE recently published its three-year plan in January 2026.

Executive Agency IT Projects

- 


The Health Care Authority's (HCA) **child support enforcement system modernization (CSES)** project (\$32.9 million appropriated; 54.4 percent expended) is intended to modernize the agency’s legacy child support system. The project is now estimated to cost \$74 million, a reduction from the \$109 million estimated budget from the prior year. The Legislature reauthorized \$13.7 million in unspent balances from previously appropriated funds for FY27.
- 


HCA’s **Medicaid management information system replacement (MMISR)** project (\$427.6 million appropriated; 90.2 percent expended), which started in December 2013, will replace the legacy MMIS application and is supported by a 90 percent federal funding match, at a total estimated cost of \$534 million in nonrecurring funds alone. The project has seen substantial delays—with the completion date pushed back seven years to the end of FY26, alongside project overruns. HCA will close the project June 2026.
- 


The Children, Youth and Families Department’s **comprehensive child welfare information system (CCWIS)** project (\$75.6 million appropriated; 75.9 percent expended), now the **New Mexico**

Impact Project, is intended to replace the old Family Automated Client Tracking System, or FACTS. Costs have recently tripled from \$32 million to \$90.4 million. The department is expecting the system to be functional by August 17, 2026.



The Corrections Department's (NMCD) **electronic health records project** (\$8.6 million appropriated; 99.2 percent expended) is intended to replace the existing paper healthcare records system with an electronic-based system that will integrate and exchange information across systems. The end date has changed to June 2026, two years later than the initial planned end date.



DPS's **intelligence-led policing project** (\$9.5 million appropriated; 62.8 percent expended) will implement a new system to incorporate the needed data and analytics functions to generate valuable intelligence to more efficiently direct law enforcement resources in a proactive rather than reactive approach. DPS reports phase one of the project, now in two phases, is near completion, and phase two will finish by June 2028.



The Higher Education Department's (HED) **longitudinal data system** (LDS) project (\$16.4 million appropriated; 71.6 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico's education and workforce data for a total estimated cost of \$16.4 million. HED expanded the timeline to 2026 to accommodate additional project phases, posing a substantial risk.



The Regulation and Licensing Department's (RLD) **permitting and inspection software modernization project** (\$20 million appropriated; 93.1 percent expended) will replace the legacy system Accela. RLD has certified \$7.1 million for all phases of the project. The accelerated timeline is regarded as the highest current risk but does not significantly impact the project.

OVERVIEW

Project Phase	Implementation
Start Date	9/27/18
Est. End Date	6/30/24
Revised	6/30/27
Revised	6/30/30
Est. Total Cost	\$150,000.0
Revised	\$170,000.0
Revised	\$190,000.0

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) continues with deployment plans for its public safety radio project, with 78 confirmed agency subscribers, including school and local police, fire departments, and other various federal and state public safety agencies. As of April 2026, there are 101 sites online providing 65 percent total geographic mobile radio coverage.

Project Description

The P25 digital statewide public safety radio system upgrade project will upgrade and replace public safety radio equipment and systems with digital mobile communications for public safety organizations.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	Y	Y	Y	Y	Y	Rating
Schedule	G	Y	Y	Y	Y	Rating
Risk	Y	Y	Y	Y	Y	Rating
Overall Rating	Y	Y	Y	Y	Y	Rating

Budget

In December 2025, DoIT certified its \$20 million severance tax bond appropriation from Laws 2024, of which \$9 million has been designated for Motorola to expand 20 sites within 36 months. DoIT will use \$5.8 million to replace end-of-life microwave equipment within the next year. The department is slated to receive \$20 million in severance tax bonds in FY27.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$121,164.2	\$0.0	\$121,164.2	\$99,267.3	\$21,896.9	81.9%

Schedule

The agency is on track with its current deployment schedule, planned through 2027. Phase two deployment is advancing. However, because the project is a multi-year, multi-phase project, funding availability and the potential for deployment delays will continue to play a role in DoIT's ability to maintain its current project schedule.

Risk

The large capital cost and long-term deployment schedule continue to pose some level of risk, which has been manageable as the agency continues to work on various expansion projects. There is potential for deployment delays due to ongoing chain supply disruptions. The P25 advisory committee continues to meet on a regular basis and the agency keeps holding subscriber user group meetings, reducing risk.

P25 Full Subscribers*
Los Lunas School Police
Office of Superintendent of Insurance
Doña Ana County (Fire and Sheriff)
Rio Rancho Police Department
State Parks
TRD Tax Fraud Investigations Division
City of Santa Fe
Doña Ana County Office of Emerg. Management
BNSF Railroad Police
Peralta
Belen
Valencia County Fire
Department of Transportation
Eddy County (in deployment)
New Mexico District Attorney's Office
Attorney General's Office
Corrections Department
Children, Youth and Families Department
Rio Rancho (in deployment)
Sandoval County (in deployment)
Los Lunas
Tijeras Fire Dept.
U.S. Marshal Service
Bernalillo County
U.S. Bureau of Alcohol, Tobacco and Firearms
New Mexico State University
Albuquerque
Spaceport America
State Police

*Does not include all partner organizations

Source: DoIT

OVERVIEW

Project Phase	Implementation
Start Date	7/1/21
Est. End Date	Ongoing
Est. Total Cost	TBD

Statewide Broadband Program

Overall Status

The Office of Broadband Access and Expansion (OBAE) released its updated three year statewide broadband plan in January 2026 and received federal approval for a portion of the \$675 million federal Broadband Equity, Access and Deployment (BEAD) grant program, with 31 grants awarded for 17 entities.

Project Description

The Statewide Broadband Program will support the implementation and expansion of broadband statewide, including use of funds from the Connect New Mexico fund.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	R	R	Y	Y	Rating	Rating
Schedule	Y	Y	Y	Y	Rating	Rating
Risk	Y	Y	Y	Y	Rating	Rating
Overall Rating	Y	Y	Y	Y	Rating	Rating

Budget

In January 2026, OBAE was federally approved for the use of \$382 million for 31 projects of its \$675 million BEAD grant funding. For FY27, the office requested an extension of its \$124 million appropriation to the Connect New Mexico fund, of which \$13.7 million remains unobligated.

Budget Status Overview
(in thousands)

State	Federal	Total Available Appropriated ¹	Spent to Date	Balance	Percent of Appropriations Spent
\$165,927.6	\$800,311.8	\$966,239.4	\$116,960.4	\$849,279.0	12.1%

¹ State funding includes Connect New Mexico, capital outlay, and other DoIT funds. Federal funding includes \$675 million from BEAD, \$123 million from ARPA funds, \$1.5 million in CARES Act funding, and \$745 thousand from Digital Equity grants. Spent to date amounts do not include encumbrances.

Schedule

OBAE has been making progress on awarding Connect New Mexico fund dollars and federal BEAD dollars. The office continues to award grants, such as recent planning grants to New Mexico tribes and pueblos and student connect grants to rural counties, such as Hidalgo.

Risk

OBAE is experiencing leadership changes, posing an overall risk. Recent legislation establishes a new low-income telecommunications assistance program to cover telecommunications services for eligible low-income households. Eligible households include those receiving need-based assistance through the Health Care Authority, households that include an at-risk student pursuant to the *Yazzie/Martinez* litigation, or those meeting eligibility requirements for the federal Lifeline program.

OVERVIEW

Project Phase	Planning
Start Date	12/18/13
Est. End Date	6/30/19
Revised	6/28/27
Revised	10/30/29
Est. Total Cost	\$65,581.9
Revised	\$76,700.0
Revised	\$109,161.0
Revised	\$74,619.6

Child Support Enforcement System Modernization Project

Overall Status

The Health Care Authority (HCA) is modernizing its more than 20-year-old child support enforcement system (CSES). The decade-old project originally started as a full system replacement, but per recent federal guidance, HCA is moving toward a whole system modernization instead. HCA is using previous work for the replacement to move forward with its new modernization efforts.

Project Description

The child support enforcement system modernization project (CSES) will modernize the more than 20- year-old child support enforcement system with a flexible, user-friendly solution to enhance the department's ability to comply with and meet federal performance measures. The project receives a 66 percent federal match for nonrecurring costs.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	R	R	R	R	R	Rating
Schedule	R	R	R	R	R	Rating
Risk	R	R	R	R	R	Rating
Overall Rating	R	R	R	R	R	Rating

Budget

Due to recent federal recommendations to change the project from a system replacement to a modernization effort, the total project cost was reduced from last year's estimated total cost of \$109.1 million to \$74.6 million. The Legislature reauthorized a little over \$13 million of prior year funding from the project for continuation in FY27.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$13,418.6	\$19,448.0	\$32,866.6	\$17,904.6	\$14,962.0	54.5%

Schedule

The project is now expected to close out in 2029, 16 years after the project start date. The federal Office of Child Support Services recommended the agency modernize the legacy system as opposed to replacing it, which should realize benefits sooner. LFC staff received a demo of the project's process in November 2025.

Risk

Prior changes to the schedule and the increased budget have created risks to the project. Due to federal guidance to modernize, scope changes and data integration of previously collected information pose the biggest risks to the project at this time. HCA has since reduced the total project budget from \$109.1 million to \$74.6 million: \$27.2 million already appropriated for phase one of the project with the remaining \$47.3 million request for FY27 for phase two, which would include artificial intelligence-supported decision making, though no new funding was appropriated by the Legislature.

OVERVIEW

Project Phase	Implementation
Start Date	12/28/13
Est. End Date	12/30/21
<i>Revised</i>	8/31/26
<i>Revised</i>	1/14/27
<i>Revised</i>	6/29/26
Est. Total Cost	\$221,167.8
<i>Revised</i>	\$346,319.8
<i>Revised</i>	\$418,317.6
<i>Revised</i>	\$533,804.4

Project Description

The Medicaid management system replacement project will replace the current Medicaid management information system (MMIS) and supporting applications, including the Medicaid information technology architecture, to align with federal Centers for Medicare and Medicaid Services (CMS) requirements.

Medicaid Management Information System Replacement Project

Overall Status

The Health Care Authority (HCA) experienced several substantial delays and increases in the project budget. HCA is preparing for certification from the federal Centers for Medicare and Medicaid Services (CMS) for various modules to move into the maintenance and operations phase. HCA will close the project June 29, 2026.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	Y	Y	Y	Y	Y	Rating
Schedule	R	Y	Y	Y	Y	Rating
Risk	R	R	R	Y	Y	Rating
Overall Rating	R	Y	Y	Y	Y	Rating

Budget

HCA has certified all funding through the Project Certification Committee as of May 2025, bringing the total amount available for the project to \$427.6 million. The overall project is now expected to cost \$533.8 million just in nonrecurring costs alone. HCA received \$10 million during the first special legislative session in summer 2025 for information technology changes following new federal House Resolution 1 Medicaid eligibility requirements.. The agency needs federal approval of its advanced planning document before it can use its special session funding along with its federal match, which HCA is close to submitting the use of special session funds for federal review.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$42,757.6	\$384,214.9	\$428,322.7	\$386,363.5	\$41,959.2	90.2%

Schedule

The agency will be going to the project certification committee to formally closeout the project at the end of FY26. Six MMISR modules are live, with the Data Services module waiting for federal certification from CMS with its dashboards to go live by the end of June 2026. Various modules are moving towards maintenance and operations, and with federal approval, will shift the federal match of 90 percent for nonrecurring functions to 75 percent for HCA's recurring operating budget. LFC staff received a system demonstration in April 2026.

Risk

The functionality for the Financial Services module is the biggest risk to the project. Prior testing issues for this module have been resolved, and HCA does not note any new risk surrounding the implementation of the module.

OVERVIEW

Project Phase	Implementation
Start Date	9/1/17
Est. End Date	10/31/22
Revised	6/30/25
Revised	11/05/27
Est. Total Cost	\$36,000.0
Revised	\$71,068.0
Revised	\$82,000.0
Revised	\$90,410.2

Project Description

The comprehensive child welfare information system (CCWIS) replacement project, also known as the New Mexico Impact Project, will replace the legacy Family Automated Client Tracking System (FACTS) with a modular, integrated system to meet federal Administration on Children and Families requirements.

The simplified cost allocation approved by federal partners designates 39.55 percent of total project costs as shared Medicaid costs, eligible for a 90 percent federal match, while the remaining 60.45 percent of costs qualify for a 50 percent federal match from the federal Administration on Children and Families.

New Mexico Impact Project

Overall Status

The Children, Youth and Families Department (CYFD) is on track to close the comprehensive child welfare information system replacement project by November 2027, with system functionality anticipated by August 2026. Risk remains high given new project delays and leadership changes.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	Y	Y	Y	Y	Y	Rating
Schedule	Y	R	R	R	R	Rating
Risk	Y	Y	R	R	R	Rating
Overall Rating	Y	Y	R	R	R	Rating

Budget

The total project budget is \$90.4 million, an increase of \$60.4 million from initial cost estimates. CYFD received an additional \$8 million in state fund for the project from the 2026 legislative session, which will be available for expenditure in FY27. The department sent its most recent as-needed advanced planning document for federal approval outlining various project and budget changes for the project.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding ¹	Spent to Date	Balance	Percent of Appropriations Spent
\$38,363.5	\$37,328.4	\$75,691.9	\$57,512.0	\$18,179.9	75.9%

¹\$9.3 million in prior historical funds are expended, expired, or inactive, \$8.8 million from Medicaid revenue from the HCA.

Schedule

The new go-live date for the project is August 17, 2026. The system was intended to be functional at the end of 2025, which was later revised to early 2026, and now will launch later in the year. LFC staff received a system demonstration by the developmental vendor RedMane in September 2025, with additional demonstrations in December 2025. The New Mexico Impact Project team and LFC staff continue to meet monthly.

Risk

The project management office continues conducting weekly risk reviews to mitigate the risks to the project. However, schedule and organizational readiness are the project's biggest risks. While CYFD does not cite concern, federal review process changes may pose a future risk to the project.

OVERVIEW

Project Phase	Implementation
Start Date	7/1/21
Est. End Date	6/30/24
Revised	9/30/24
Revised	5/31/25
Revised	6/30/26
Est. Total Cost	\$6,783.0
Revised	\$8,663.0

Project Description

The electronic health records (eHR) project will replace the existing paper healthcare record system at the Correction's Department to allow systems to integrate and exchange patient information among providers and improve continuity of care for New Mexico's roughly 5,700 inmates.

Electronic Health Records Project

Overall Status

The Corrections Department (NMCD) has been certified for the implementation phase of the electronic health records (eHR) project in August 2023. The agency is expecting a new close-out date of June 2026. However, the biggest risk to the project is the interface with the department's offender management system.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	G	G	G	G	G	Rating
Schedule	G	Y	Y	G	G	Rating
Risk	Y	G	G	G	G	Rating
Overall Rating	G	G	G	G	G	Rating

Budget

The department has certified all funding through the project certification committee. NMCD is close to spending all project funds and is not expected to revert funding. As the project begins to close, the anticipated recurring cost for maintenance and operations is approximately \$500 thousand.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$8,663.0	\$0.0	\$8,663.0	\$8,498.5	\$164.5	98.1%

Schedule

The project end date changed from June 2024 to May 2025 to now June 2026, with the department stating that the closeout date will allow full integration with its legacy offender management system and health information exchange (OMNI) system with the EHR application. NMCD states its women's and men's facilities are currently operating with the eHR project as of September 2024. Enhancements of the Medicaid 1115 waiver are scheduled for late spring 2026.

Risk

NMCD fully implemented its legacy OMNI system into its new offender management network information system in December 2025, crucial for the success of the eHR project. According to NMCD, data integration for the offender management system is expected to be completed by spring 2026, with the department's legacy system set to be sunset shortly thereafter.

OVERVIEW

Project Phase	Implementation
Start Date	4/28/22
Est. End Date	6/30/23
Revised	6/30/25
Revised	6/30/27
Revised	6/30/28
Est. Total Cost	\$6,210.0
Revised	\$9,300.0
Revised	\$16,119.8

Project Description

The intelligence-led policing project will integrate collected data from several existing systems into a central repository that will leverage data analytics, artificial intelligence, and data visualization for more efficient and more comprehensive investigations and policing efforts.

Intelligence-Led Policing

Overall Status

The Department of Public Safety (DPS) is contracting with the New Mexico Institute of Mining and Technology Institute for Complex Additive Systems Analysis, Amazon Web Services, and Peregrine, through Carahsoft, for its intelligence-led policing project. DPS reports the two-phased project will finish by June 2028.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	G	Y	Y	Y	Y	Rating
Schedule	Y	Y	Y	Y	R	Rating
Risk	G	Y	Y	Y	Y	Rating
Overall Rating	G	Y	Y	Y	Y	Rating

Budget

The agency has certified \$9.5 million for the project. In addition to an updated nonrecurring budget of \$16 million, DPS expects a recurring cost of \$4.3 million a year starting in FY28 to maintain the system. DPS certified \$4.5 million at the Project Certification Committee in May 2025. The department will receive an additional \$2 million for the project for FY27.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$9,585.0	\$0.0	\$9,585.0	\$6,027.1	\$3,557.9	62.8%

Schedule

Phase one was expected to be completed by June 2025, with the second phase to follow. As of February 2026, phase one was not complete, but the department was preparing to transition to the next phase. DPS split phase two into phase two (a) and phase two (b), despite the project initially starting as one whole phase. DPS reports that to date 20 law enforcement agencies (LEAs) are have signed agreements with DPS; however, only 11 of these LEAs are sharing data with the remaining nine still at varying stages of integration. The department anticipated data sharing for 17 LEAs by the end of FY25. At the beginning of the fiscal year, DPS was still planning to finish the project by the end of FY27 (June 2027), but has since revised the end date to the end of FY28 (June 2028).

Risk

The agency continues to address data governance concerns with partner organizations. The agency is planning a proof of concept prior to implementing the system statewide, which should improve risk and allow for additional testing and training internally prior to moving into phase two. The biggest risks posed to the project are different data integration solutions and data governance.

OVERVIEW

Project Phase	Implementation
Start Date	8/27/20
Est. End Date	6/30/24
Revised	9/20/26
Est. Total Cost	\$9,930.0
Revised	\$14,100.0
Revised	\$16,400.0

New Mexico Longitudinal Data System

Overall Status

The Higher Education Department (HED) is citing a new budget and schedule changes to accommodate the other project phases, posing risk. Phase two was scheduled to start in August 2024; however, project delays have caused the project to be stagnant. HED is splitting phase two into phase two (a) and phase two (b).

Project Description

The New Mexico longitudinal data system project will comprehensively aggregate and match New Mexico's education and workforce data into a single cloud data platform. Partner agencies include the Early Childhood Education and Care Department, the Public Education Department, the Department of Workforce Solutions, and the Division of Vocational Rehabilitation.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	R	R	R	R	Y	Rating
Schedule	R	R	R	R	R	Rating
Risk	R	R	R	R	R	Rating
Overall Rating	R	R	R	R	R	Rating

Budget

HED has certified a total of \$14.9 million through the Project Certification Committee but has been appropriated \$16.4 million across state and federal funding, which should cover the project's revised estimated cost should there be no new scope changes or project delays. The department is slated to receive a \$500 thousand special nonrecurring appropriation for system maintenance and operations in FY27. HED projects a \$2.6 million balance from appropriated funds once the project is complete.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$10,679.2	\$5,755.6	\$16,434.8	\$11,775.2	\$4,659.6	71.6%

Schedule

HED split phase two into phase two (a) and phase two (b). The department closed its contract for work on phase two (a), while it still completes remediation work to fix phase one identified issues under a seven month no-cost engagement, with remediation anticipated to be complete by May 2026. After remediation is complete, HED will work on its data request portal for non-partner agency users to request access to the longitudinal data system.

Risk

Remediation work of phase one deliverables while moving forward with phase two (a) of the project poses risk on the project. Data quality and a lack of a clear data governance plan also pose project risk.

OVERVIEW

Project Phase	Implementation
Start Date	5/23/18
Est. End Date	9/30/23
Revised	6/30/24
Revised (Phase Five)	6/30/26
	\$7,297.0 (BCD Phase)
Est. Total Cost Revised	\$9,418.6 (BCD and ABC Phases)

Project Description

The permitting and software modernization project will modernize and replace the agency's existing legacy and permitting software, Accela.

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) completed phase four and is commencing work on phase five of its permitting and inspection software project. So far, RLD has completed incorporation of its elevators program into the system, and will use its own developers for the remaining three programs that fall under the last project phase.

Measure	FY24 Rating	FY25 Rating	FY26 Q1	FY26 Q2	FY26 Q3	FY26 Rating
Budget	G	Y	Y	Y	Y	Rating
Schedule	G	Y	Y	Y	Y	Rating
Risk	G	Y	Y	Y	Y	Rating
Overall Rating	G	Y	Y	Y	Y	Rating

Budget

As of February 2026, RLD has certified \$17.3 million for the project. The department has received a total of \$20 million in appropriations, mostly from its own fund balance; however, in September 2025, the department decreased its project budget by \$2.7 million due to a depleted fund balance in its mortgage regulatory fund.

Budget Status Overview¹
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$17,239.3	\$0.0	\$17,239.3	\$16,063.1	\$1,176.1	93.1%

¹ The total available funding reflects original appropriations from House Bill 2 and does not include the depleted fund balance in the mortgage regulatory fund, from which the project is primarily financed from.

Schedule

Due to budget constraints, RLD will close out the project by June 2026 once phase five is complete without incorporating functions for its Finance Industries Division. By June 2026, the department will have finished work for its carnival rides insurance, crane operators safety, and Athletic Commission programs.

Risk

All project risks have been closed in coordination with RLD leadership for phase four. The adjusting of scope while onboarding a new contractor poses some risk to the project, as well as decreasing the project's budget due to depleted funds.