



**New Mexico Office of
the State Auditor**

Fiscal Year 2028 Budget Request

October 21, 2026

Auditor Joseph M. Maestas, PE, CFE

Introduction



OSA's resources are inconsistent with its responsibilities, creating higher risks for taxpayers and public accountability.

The State's Fiscal Watchdog



OSA's Divisions and Programs provide essential financial oversight services with statewide public importance:



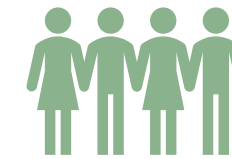
**Statewide
Financial Audit
Oversight**



**Special
Investigations &
Statewide
Hotline**



**Conservatorship
Oversight**



**Small Local
Public Bodies
Assistance**



**Government
Risk Analysis &
Insights**

Expansion Request: Small Local Public Bodies Assistance



*Restored
compliance
for 375 sLPBs*



*Completed
+1,200
compliance
certifications*



*Identified 84
new sLPBs*

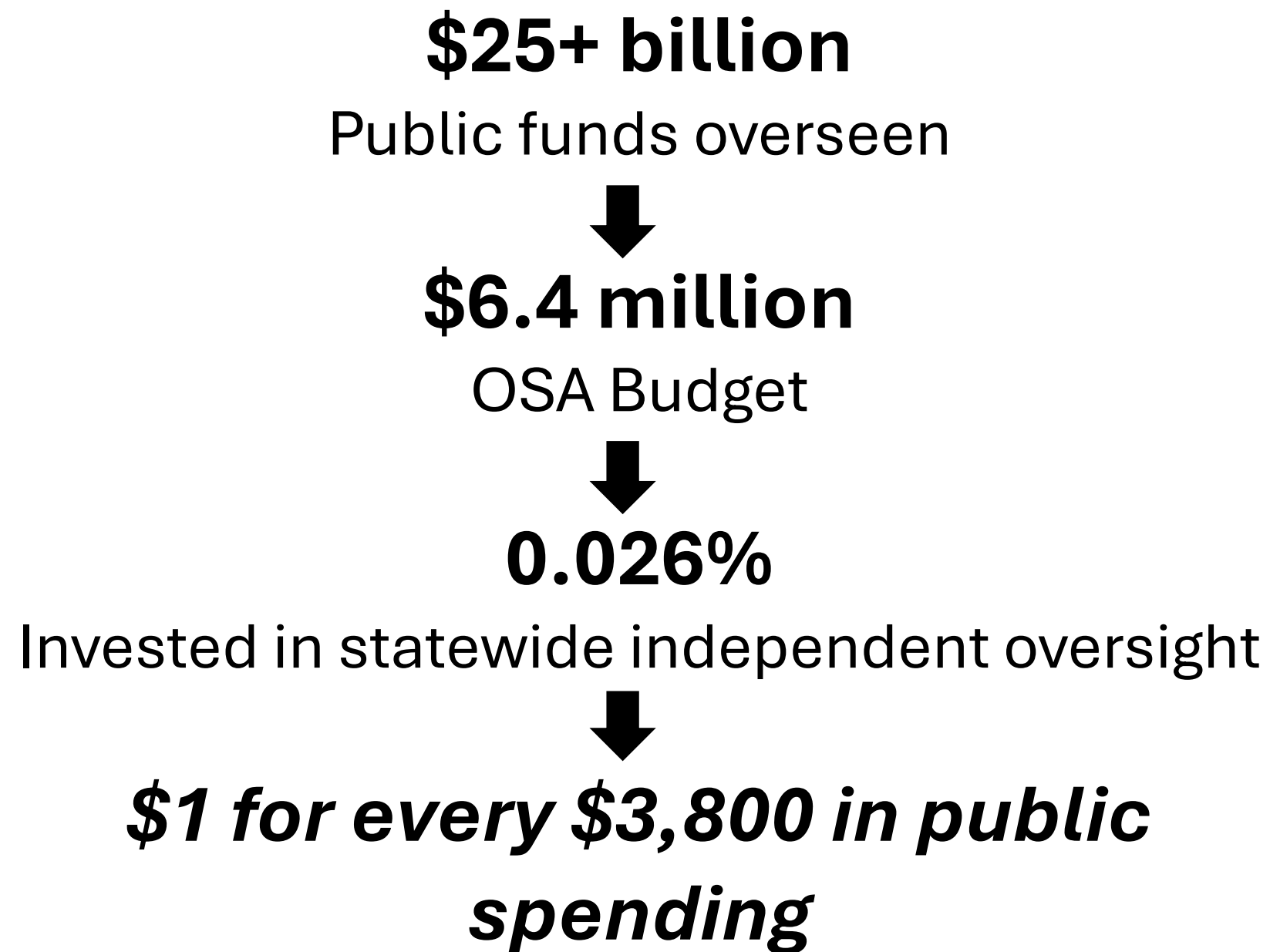


*\$2.5 million
appropriated →
nearly \$15 million
unlocked for newly
compliant sLPBs*

\$6 unlocked for every \$1 appropriated

- Despite gains, current program capacity does not meet demand for support
- **Special appropriation:** \$1,000,000 to continue existing services
- **Expansion:** \$308,482 to fund 3 positions for expansion into **permanent Local Government Support Program**

Ongoing Oversight Challenges



Increasing Complexity

+

Increasing Pressure

+

Limited OSA Capacity

=

Higher Risk to New Mexico

Current Challenges



Unable to fill authorized positions

- OSA lacks budget flexibility to fill 9 vacancies of 41 approved FTE positions (22%)

Only 4 staff to investigate increasing complaints of fraud, waste, & abuse from across the state

- 78% increase from FY25 to FY26; record intake in Q1 FY27
- Active caseload of ~350; growing backlog

Only 3 staff for expanding conservatorship oversight demands

- ~\$800,000 (12%) of base budget; no dedicated funding
- Record number of court hearings
- Oversight demand increasing as New Mexico's population ages

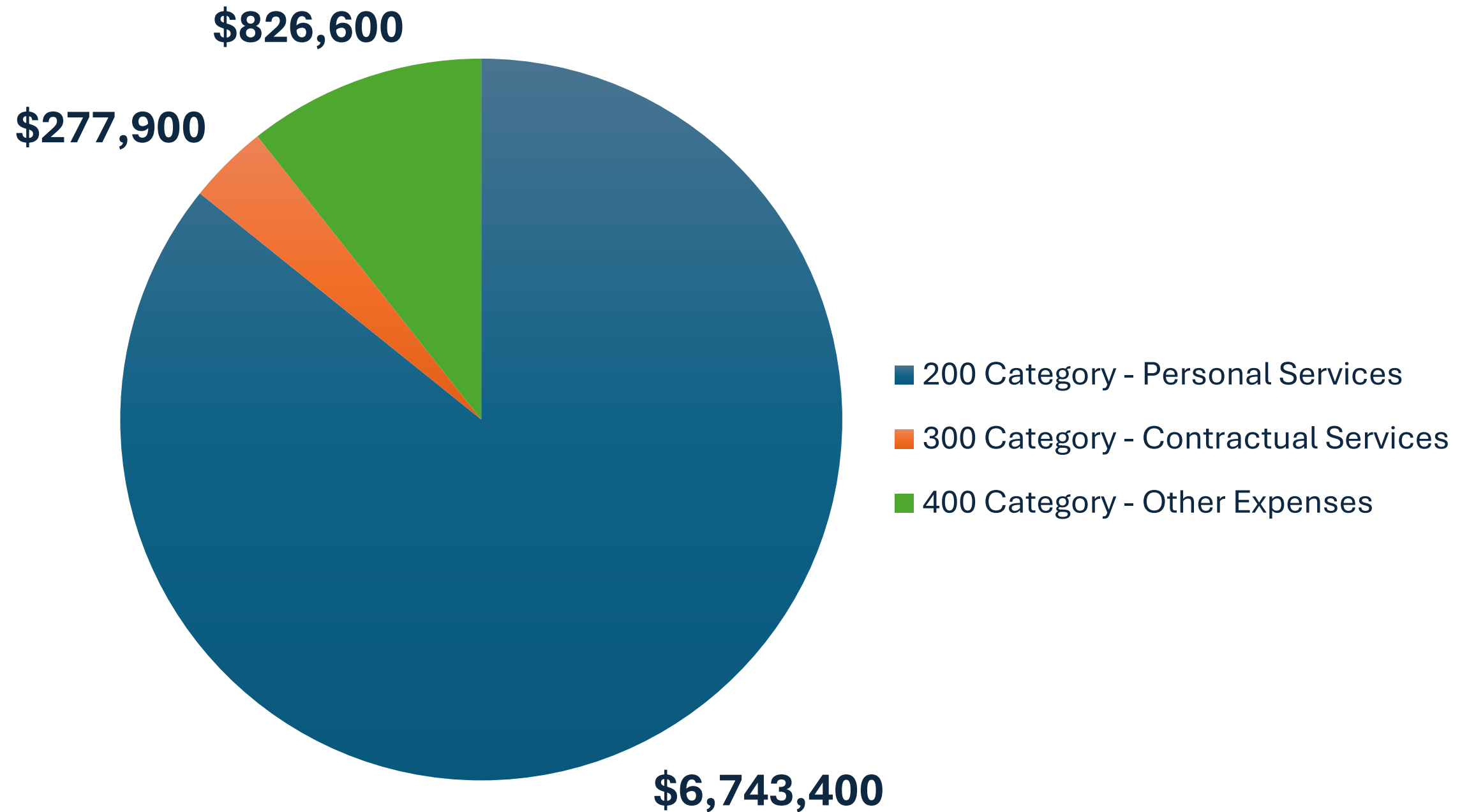
Low compensation

- ~50% of staff compensated below appropriate placement levels, creating recruitment and retention challenges

FY28 General Appropriation Request



FY28 Total Budget Request by Category



Requested FY28 Increases:

- ↑ \$2,879,300 (200 Category)
- ↑ \$56,600 (300 Category)
- ↑ \$184,495 (400 Category)

Total Increase: \$3,120,395



200 Category – Increase of \$2,879,300

Fill 9 approved FTEs currently vacant due to budgetary constraints: \$1,100,687

Add positions to augment core functions (8 total): \$902,292

Appropriate placement: \$494,312

Expand sLPB assistance (3 positions): \$308,482

Benefits increase and Longevity Pay: \$36,147

Internship program: \$37,380



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Thank you!

State Auditor

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