NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARDS: Second Quarter, FY22

Highlights

Performance Trends to Inform Budget Discussions

The New Mexico Accountability in Government Act (AGA) requires state agencies to provide quarterly performance reports on key measures and targets critical to agency operations. For the second quarter of FY22, few agencies showed improvements in performance or efficiency, and even fewer have quality action plans to improve outcomes. Using the LegisSTAT model, performance trends presented in these report cards can guide state budget hearings by emphasizing the most critical agency challenges and prompting concrete discussions about agency plans to address those challenges. Among the findings in the quarterly report cards:

LegisSTAT is an innovative process wherein the Legislature holds ongoing, data-driven conversations with agencies to understand
1) why certain performance trends are occurring,
2) what agencies' strategies are to address challenges, and
3) what agencies specific, near-term next steps are to address those challenges.

Education

Public Education Department, page 4. Most schools are conducting interim assessments this quarter but the department will not evaluate data until the end of FY22. Limited FY21 test data suggests math proficiency may have fallen as much as 10 percentage points during the pandemic. Schools have only spent 11.6 percent of federal emergency relief aid, and participation in state extended learning time programs remains mixed, likely exacerbating existing achievement gaps and projected slides from Covid-19 disruptions.

Higher Education Institutions, page 6. From 2010 to 2020, enrollment at New Mexico higher education institutions fell by 27 percent, more than double the 11 percent decline experienced nationally. The college going rate also fell from 72 percent of graduating high school students in 2010 to 61 percent in 2018. Moving forward, institutions should report more timely data on enrollments and completions to measure impacts of new programs, such as the opportunity scholarship, and the department needs to develop an action plan to improve outcomes.

Early Childhood Education and Care, page 9. The department added new measures in FY22 for early prevention and intervention programs such as home visiting; however the state did not collect data on prekindergarten programs during the pandemic. Programming decreased, as virtual prekindergarten sessions only averaged 30 minutes to 45 minutes.

Childcare assistance average monthly enrollment in FY22 is 16 percent below FY20 enrollment levels (from 20 thousand to 17 thousand children) and the cost per child has increased 19 percent (from $676 to $743 monthly). Though enrollment was lower, ECECD assumed the full-cost of care and continued waiving parent co-payments through the end of FY22 in addition to increasing rates beginning in July 2020.

Health

Department of Health, page 11. The department reported some improvements in performance but managing the state's Covid-19 response continues to negatively affect performance in other programs. Many state facilities with declining occupancy will experience operational funding strains if they are unable to reverse the trend. The program is developing a needs assessment at the facilities level to determine how to safely open more beds and is providing recommendations, such as a recruitment and retention campaign or case mix to ensure admitted patients will not require immediate increased staffing. The program reported an increase in third-party revenue collections, which is vital to the division's financial stability.

Aging and Long-Term Services, page 15. The department and the Area Agency on Aging are developing plans to establish Medicaid-funded adult daycare and other services; however, agency performance remains below pre-pandemic levels, with fewer investigations, referrals, callbacks, meals, and caregiver support hours provided.

Human Services Department, page 18. Most performance measures for the Medicaid Program appear to be lagging behind targets, including only 38 percent out of a targeted 88 percent of children receiving well-child primary care visits.

Labor force participation is in high demand at all levels, however, the Temporary Assistance for Needy Families (TANF) program reported 0.8 percent out of a targeted 37 percent of TANF recipients were ineligible for cash assistance due to work-related income. Notably, TANF participants had federal work participation requirements waived and were eligible for certain unemployment benefits through 2021.

Behavioral Health Collaborative, page 22. Expanding funding and access to behavioral health services through telehealth has increased behavioral health service provision. Community-based follow-up services improved for younger Medicaid members discharged from inpatient psychiatric hospitals but worsened for adults. Follow-up for members with alcohol or drug dependence and behavioral health services via telephone remain below targeted service levels. The report card continues to lack quarterly data that would help the state evaluate the effectiveness of behavioral health investments.

Justice and Public Safety

Children, Youth and Families, page 24. The 2022 Legislature increased FY23 general fund revenue to behavioral health nearly 21 percent and protective services 8 percent, expanding higher education social worker endowments by $50 million, and allocating an additional $20 million to develop more behavioral health provider capacity and take advantage of Medicaid and federal Title IV-E funding.

Shifting services from the back-end, after children have already been abused or removed to foster care, to front-end prevention, is becoming the national standard. The department performed well on the measure for in-home services or family support services preventing subsequent substantiated reports of maltreatment.

Courts and Justice, page 28. Caseloads for all justice partners continue to decline year over year, indicating there is not a significant “backlog” of cases delayed by public health closures. The courts reported key outcomes for time to disposition and drug court graduation rates on a quarterly basis for the first time in several fiscal years.

Department of Public Safety, page 32. Significant raises for state police officers and increased funds for recruit schools are expected to grow the workforce in coming years. Vacant positions and staff turnover have decreased the forensic laboratory’s productivity in recent years, but significant investments and more opportunities for upward mobility among laboratory staff may help resolve some of these issues. Forensic laboratory efficiency impacts clearance rates at law enforcement agencies statewide, which have been falling substantially in recent years.

Corrections Department, page 35. Inmate populations at New Mexico’s prisons continue to decline. The department reports improvements in several areas, including a drop in offender recidivism due to technical parole violations. The agency continues to struggle with high vacancy rates among correctional officers, and second-quarter reductions in vacancies do not appear to indicate a downward trend. LFC staff remain unable to fully contextualize improvements in recidivism and offenders held on in-house parole as a result of ongoing issues in the department’s reporting on these key metrics.

Natural Resources

Energy, Minerals, and Natural Resources, page 39. The department is executing large forestry, state parks, and abandoned well projects funded with nonrecurring appropriations during the special and regular sessions. Progress on these projects will require separate reporting, as current performance measures do not capture this type of capital improvement effort. A current example of such an accomplishment is remediation of the Carlsbad brine well. The void has been filled and the project is now in the final stages of cavity depressurization, surface restoration, and monitoring plan development, among other tasks.

Office of the State Engineer, page 42. The ten highest priority publicly-owned, deficient dams in the state have estimated rehabilitations costs of at least $109 million. Dam owners are responsible for correcting deficiencies to their dams, but often require financial and technical assistance to do so. The Legislature appropriated $10 million for statewide dam rehabilitation in 2022 and several dams have existing capital outlay funds.

Environment Department, page 45. The Environment Department executed 31 new funding agreements for drinking water, wastewater, and stormwater infrastructure projects this quarter and disbursed $5.8 million to communities, bringing total water infrastructure investments for the first half of FY22 to $14.8 million.

Economic Development

Economic Development and Tourism, page 48. The department focused on rural job creation, after outcomes in rural areas of the state lagged overall job creation in FY21. The department awarded just over $2 million in LEDA funds in the second quarter, creating approximately 338 jobs at a cost of $5 thousand per job.

Workforce Solutions Department, page 53. New Mexico’s unemployment rate improved to 5.8 percent; however, labor force participation rates have not recovered to pre-pandemic levels. The state’s average labor force participation has trailed the national rate by 4 percent and Colorado by nearly 10 percent since 1999.

Compared to other states in the region, New Mexico's labor force participation by educational attainment level is competitive for workers with a bachelor's degree or higher but much less competitive for workers with less than a high school diploma. For example, for those with less than a high school diploma, 70 percent of Coloradans were in the labor force while only 55 percent of New Mexicans were.

General Government

General Services Department, page 57. The department reports a deterioration in the financial position of major risk funds. Despite nonrecurring appropriations to stabilize the health benefits funds, a continued freeze in rates is leading to shortfalls, which will lead to significant rate increases or plan changes in the future. Although much of the state workforce continues to telecommute, the state is still leasing office space in private facilities. The department should develop a comprehensive plan to right-size agency facilities and consolidate agencies into state-owned facilities.

State Personnel Office, page 61. Although compa-ratios for employees on the general salary schedule are significantly above target, the executive pay plan is likely to increase ratios even further by focusing recently-approved pay increases on the general salary schedule; employees on occupation-specific salary schedules will receive a smaller raise. The move will likely lead to increased compaction within pay bands.

Taxation and Revenue Department, page 63. The department remained on track to meet annual target for collections of outstanding balances but fell short of the target for collectible audit assessments again this quarter. MVD call center wait times decreased by almost half, from nearly 12 minutes to 6 minutes 23 seconds, and in-office wait times also decreased, from 8 minutes to 7 minutes. The agency is also making progress on the number of tax protest cases resolved, with 829 total cases resolved, or about 54 percent of the total target number for FY22.

Investments, page 67. Markets remained strong, although gains slowed due to increased market volatility caused by rising and sustained inflation, unpredictable oil prices, and the lingering pandemic. Despite increasing instability, continued economic recovery sustained above-target returns. Generally, the state's risk-averse investments, which maintain one of the lowest allocations to equities within the peer group, performed better than peer funds in the near-term as public equities cooled after years of growth. The state's funds tend to underperform or perform around the median in the long-run.

Infrastructure

Department of Transportation, page 69. Since 2019, the state has authorized $1.3 billion in nonrecurring transportation and the department has done well managing projects. However, the condition of New Mexico's roads is deteriorating and the department faces rising costs and supply-chain challenges at a time when both state and federal governments are investing heavily in transportation infrastructure. Although the state will see increases in federal formula funds, there are opportunities for competitive funding, which the department should consider to finance high-priority projects. Traffic fatalities are on the rise and ridership on the Rail Runner remains low.

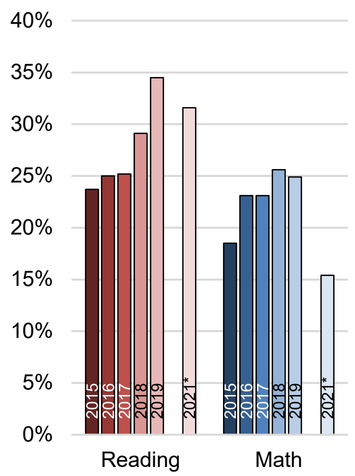
Information Technology Projects, page 72. Of the projects reviewed this quarter, five are considered low risk, seven are moderate risk, and only one is high risk. The high-risk project—the statewide broadband program—continues to experience cost expansions, delays to project schedules and other risks related to program implementation and lack of planning.

Moderate risk projects include the Human Services Department's Medicaid management information system replacement and Children, Youth and Families Department's child welfare information system replacement, which showed progress after receiving federal approvals for project planning and budget documentation.

ACTION PLAN

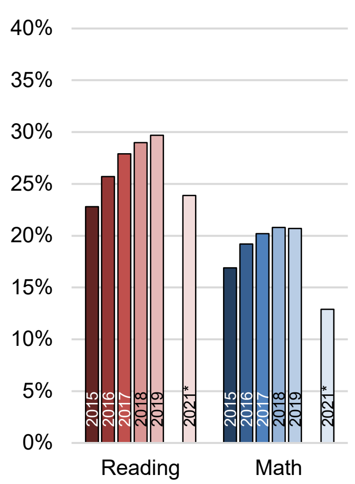
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

New Mexico 4th Grade EOY Proficiency Rates



*Not a representative sample; only 10.3 percent of fourth graders tested in 2021
Source: PED

New Mexico 8th Grade EOY Proficiency Rates



*Not a representative sample; only 9.5 percent of eighth graders tested in 2021
Source: PED

Public Schools

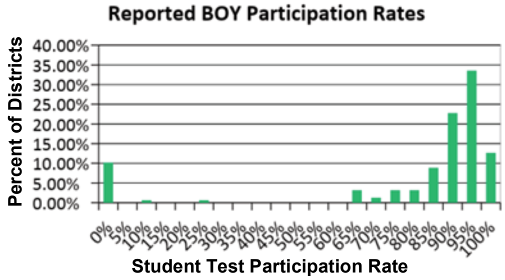
Recent studies of student academic performance across the nation indicate overall student achievement has suffered, particularly in math proficiency and for at-risk and younger student populations. The Northwest Evaluation Association (NWEA) reported student achievement across the country at the end of FY21 was 3 percentage to 6 percentage points lower for reading and 8 points to 12 points lower for math compared to pre-pandemic levels. Another study by McKinsey & Company found students were four months behind in reading and five months behind in math by the end of FY21. A sample of New Mexico's FY21 assessments and prior LFC evaulations on learning loss suggest student achievement suffered during the pandemic as well; however, the state has yet to release data on any student performance in the last two years.

Interim Assessments

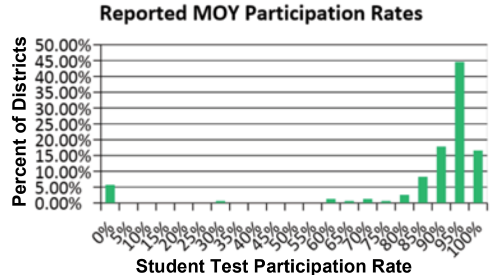
In November 2021, the Public Education Department (PED) directed all school districts and charter schools serving students in third through eighth grade to administer FY22 middle-of-year (MOY) and end-of-year (EOY) assessments for math and reading. The directive allows schools to use a local or state-provided interim assessment and reinstates statewide testing after PED waived two years of assessments. PED will partner with the Center for Assessment to evaluate test results, establish a benchmark of student learning, and determine growth scores for FY22.

PED's deadline for FY22 test data submission is June 30, 2022; however, preliminary reports show 70 percent of districts and charters administered an interim assessment with substantial participation (at least 90 percent of students assessed) at the beginning (BOY) of FY22. Additionally, about 80 percent of districts and charters had substantial participation for MOY interim assessments.

Reported BOY Participation Rates



Reported MOY Participation Rates

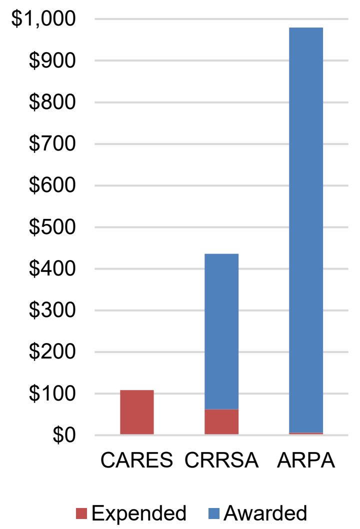


As PED establishes new baseline data for student performance in FY22, the department should benchmark results with PARCC test scores taken prior to the pandemic. Crosswalking new baseline data with prior test results could help PED determine which students have fallen behind academically, standardize measurement across different tests, and prioritize appropriate interventions to schools with the highest needs.

Federal Emergency Relief Funds

According to the U.S. Department of Education, New Mexico has spent $176.8 million, or 11.6 percent, of the $1.5 billion in federal emergency relief (ESSER) aid to schools as of March 2022. Prior analysis of spending priorities for the first round of ESSER aid

New Mexico Federal ESSER Grants
(in millions)



Source: U.S. Department of Education

FY22 K-5 Plus and Extended Learning Time (ELT) Participation

The 30 Districts with the Highest:	K-5 Plus or ELT
At-Risk Index	17
Special Education Population	14
English Learner Population	22
Native American Population	18
2019 Reading Scores	10
2019 Mathematics Scores	9

The 30 Districts with the Lowest:	K-5 Plus or ELT
At-Risk Index	9
Special Education Population	15
English Learner Population	7
Native American Population	17
2019 Reading Scores	22
2019 Mathematics Scores	21

(referred to as CARES funding at $108.6 million) showed about two-thirds of expenditures were related to educational technology and sanitation purchases. Over 40 percent of budgeted expenditures for the second round of ESSER aid (also known as CRRSA funding at $435.9 million) also appeared to be educational technology and sanitation purchases. New Mexico schools have yet to dip into the third, and largest, round of aid (ARPA funding at $979.8 million) but have until September 2024 to spend ARPA ESSER funds.

The substantial infusion of federal aid to schools will likely contribute to growth in school cash balances, which totaled $449 million in carryovers from FY21 (about 15 percent of school operating dollars). School cash balances will like grow again at the end of FY22, given PED's mid-year state equalization guarantee distribution of $21.4 million for employer retirement contributions and $60 million for unit value increases.

Extended Learning Time

Participation in the state's evidence-based calendar extension initiatives, K-5 Plus and Extended Learning Time (ELT) programs, remains mixed. Although the lowest-performing third of school districts were more likely to extend their school year than the highest third of performers in FY22, many districts continue to forgo participation in either program. Previous LFC evaluation reports on student learning during Covid-19 recommend schools extend calendars to recover instructional time lost during school closures. The voluntary nature of the two programs, however, creates the risk of exacerbating existing achievement gaps, especially if high-performing districts extend school calendars while low-performing districts maintain existing calendars.

Public Education Department

PED averaged 226.7 FTE in the second quarter of FY22, maintaining an average vacancy rate of 20.5 percent. Despite high reported vacancies, particularly in school finance divisions, the department ramped up data validation audits of funding formula components during the quarter and met targets for processing requests for federal reimbursements from schools.

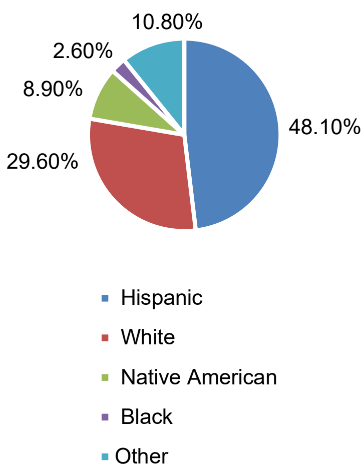
Budget: $14,531.9 **FTE: 285.2**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
4th grade reading proficiency	No Report	31.6%†	34%	No Report	No Report		R
8th grade reading proficiency	No Report	23.9%†	34%	No Report	No Report		R
4th grade math proficiency	No Report	15.4%†	34%	No Report	No Report		R
8th grade math proficiency	No Report	12.9%†	34%	No Report	No Report		R
Students funded in K-5 Plus Schools	15,949	14,242	N/A*	8,699	8,334		R
Students funded in Extended Learning Time Programs	83,293	141,622	N/A*	142,656	139,067		Y
Average days to process federal reimbursements	31	40	24	19	24		G
Data validation audits of funding formula	12	24	35	2	18		G
Program Rating	R	R					R

†FY21 proficiency rates are not representative samples, given only 10 percent of students voluntarily participated in testing
*Measure is classified as explanatory and does not have a target.

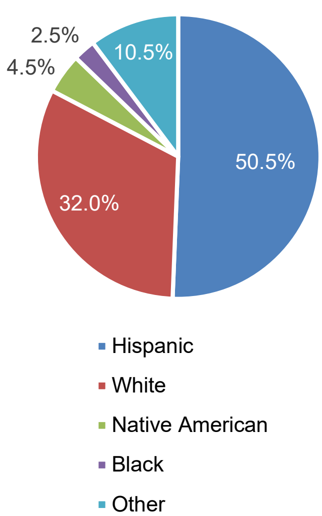
ACTION PLAN

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

Enrollment by Ethnicity
(Fall 2020)



Percent of Bachelor's Degree Awards by Ethnicity, 2020-2021



Higher Education Institutions

New Mexico is the fourth-poorest state in the nation with a median income of $25,881, well below the national median of $31,133. Increasing educational attainment has been proven to increase incomes and improve quality of life for graduates. In 2019, the median earnings of those with a bachelor's degree ($55,700) were 39 percent higher than those with an associate's degree ($40 thousand) and 59 percent higher than those with only a high school diploma. Increasing the populace's income is good for New Mexico. It workforce makes the state a more attractive place to bring new business and economic development opportunities.

Higher Education Institutions (HEIs) have a critical role to play in providing an affordable, high-quality education to students and providing them the support they need to complete studies undertaken. As noted during the LFC's LegisSTAT hearing on higher education in October 2021, HEIs face several significant challenges, including low college-going rates and student difficulties in completing degrees within 150 percent of the normal time. In New Mexico, college-going rates have fallen from 72 percent of graduating high school students in 2010 to 61 percent in 2018. The U.S. average college-going rate over this same time has remained relatively stable and was 64 percent in 2018. New Mexico has lower retention rates than the U.S. average for four-year schools.

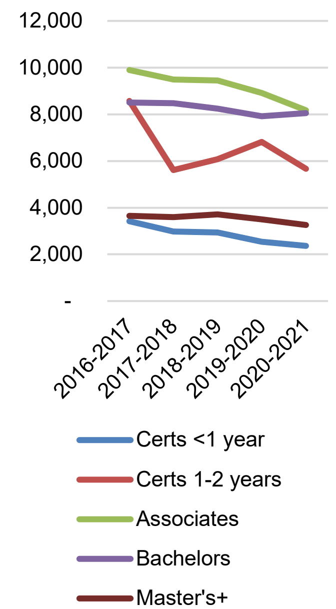
The Legislature has voiced concern about declining enrollment for several years. The 2021 and 2022 General Appropriation Acts (GAA) include language stating that any institution whose enrollment has declined more than 50 percent over the past 5 academic years shall work with the Secretary of the Higher Education Department "on a plan to improve enrollment, collaborate or merge with other institutions, [and] reduce expenditures". Additionally, for FY23, the GAA includes language stating that 1 percent of the additional 3 percent in new appropriations to HEIs is dependent on institutions submitting an enrollment plan to the Higher Education Department.

Given current enrollment declines and graduation rates that are significantly lower than the national average, HEIs and HED will need to place increased emphasis on planning and tracking progress in enrollment and degree completions. HEIs have expanded reporting to provide the LFC and DFA with more current enrollment, workload, and completion data. The additional data provide a clearer view of the higher education environment, but there is still room for improvement, particularly regarding measures to better understand barriers to enrollment, retention, and on-time completion.

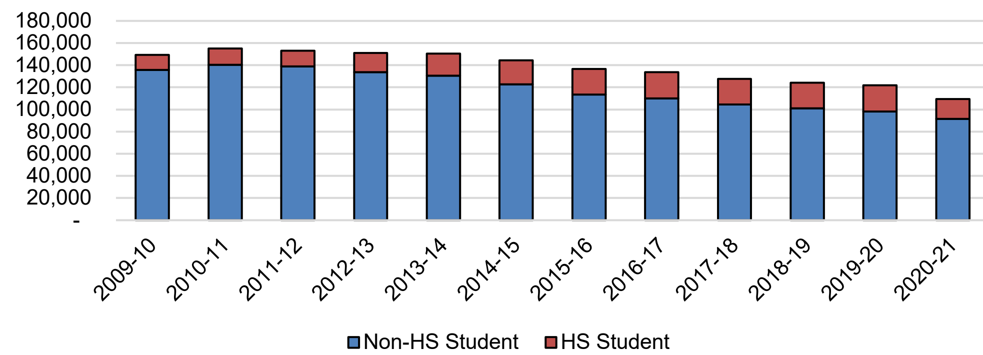
Enrollment

Enrollment at New Mexico's 24 public colleges and universities has declined since its peak in 2010. Nationally, enrollment fell by 11 percent over this time, but New Mexico enrollment declined by 27 percent. The enrollment reduction came even as high school graduation requirements pushed more students into higher education institutions. In 2009, the state began requiring all high school students to take an advanced placement or honors course, distance learning course, or dual credit to graduate. The result was a sizeable increase in dual credit enrolment in New Mexico colleges. In the 2010 school year, 8.9 thousand high school students took dual-credit courses at HEIs, accounting for 5.8 percent of total enrollment. By the 2019 school year, 16.6 thousand students were taking dual credit courses accounting for 14 percent of total enrollment.

Post Secondary Awards by Type



HEI Enrollment Headcount Including High School Concurrent Enrollment and Dual Credit



Six-Year Graduation Rate for 2016 Cohort	
UNM	49%
NMSU	50%
WNMU	29%
ENMU	34%

Awards

A common graduation rate performance measure is the percent of students who complete a four-year degree within 150 percent of the normal graduation time. This is also known as the six-year graduation rate. According to the National Center for Education Statistics, New Mexico students have lagged the nation on this metric for decades. For cohorts of students beginning their studies between 1996 and 2014, the most recent period for which national data are available, the graduation rates for New Mexico students were between 9 percent and 15 percent lower than the national average. Data reported by HEIs on the 2015 cohort who graduated in fall 2021 show rates are largely similar to the historical trend. The comparatively low graduation rates result in many students taking on debt that does not yield an award or lead to increased earnings.

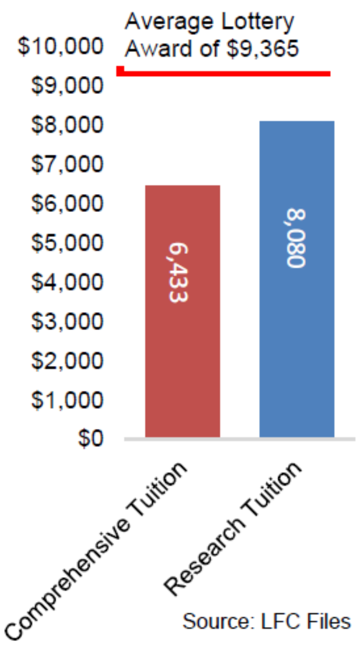
New Mexico HEIs conferred 27.5 thousand certificates or degrees in the 2020-2021 academic year. This represents a decrease of 19.2 percent from the 34 thousand reported in the 2016-2017 school year. HEI's reported 7,359 awards for the 2021 fall semester, as shown below. Intuitions usually confer most of their degrees in the spring semester.

Summary of Fall Semester Awards by Institution Type

	Degree Awarded				
Institution Type	**Certificates <2 years**	**Associate's**	**Bachelor's**	**Master's**	**Doctoral**
Research	-	2	1,319	641	171
Comprehensive	-	156	691	495	-
Branch	318	469	-	-	-
Community College	1,910	1,187	-	-	-
Total	**2,228**	**1,814**	**2,010**	**1,136**	**171**

The mix of awards has also changed. In the 2016-2017 academic year, certificates for programs lasting less than two years made up 35 percent of total awards. By the 2020-2021 academic year, these certificates accounted for 30 percent of total awards. Conversely, the proportion of bachelor's degrees to total awards increased from 25 percent to 29 percent over this same period. The increase in the proportion of bachelor's degrees is significant, as this award type is most strongly associated with improved employment and higher earnings for recipients.

Tuition versus Financial Aid By Institution Type, 2021



Source: LFC Files

Nonrecurring Higher Education Appropriations
(in millions)

Facility Demolition	$3.5
Nursing faculty endowment	$30.0
Teaching faculty endowment	$50.0
Opportunity scholarship	$63.0
High-demand work-study	$20.0
Native American studies endowment	$5.0
School of Public Health- UNM	$10.0
School of Public Health- NMSU	$5.0
Department of Agriculture	$5.0
Lottery Tuition Fund	$130.0
Applied research matching grants	$45.0
Teacher preparation and affordability	$20.0
Teacher loan repayment	$5.0

Affordability

Tuition and fees faced by New Mexico students are lower than the national median, as are the net price of education. Net price is the total cost of attendance (including tuition, books, supplies, fees, room and board, and other expenses) minus any federal or state aid or scholarship. While tuition is lower for both two- and four-year institutions, the tuition and fee costs for two-year institutions are less than half of the national average while students at four-year institutions pay between 1 percent and 40 percent less than the national average.

Institution Type	2019-20 tuition and fees median	2018-19 net price median
4 year	**$8,260**	**$12,665**
NM Tech	$8,156	$14,908
UNM	$7,875	$11,368
NMSU	$7,087	$9,930
Eastern	$6,450	$10,338
Highlands	$6,318	$10,617
Western	$6,306	$11,909
Northern	$4,952	$6,703
2 year	**$3,984**	**$7,174**
Mesalands	$2,004	$8,113
SFCC	$1,755	$8,519
CNM	$1,650	$4,424
San Juan	$1,546	$7,075
Clovis CC	$1,376	$4,961
NMJC	$1,320	$5,940
Luna	$962	$3,895

With existing low tuition and high federal and state aid, many students are already well supported when it comes to tuition and fees, especially those in bachelor's degree programs. To illustrate, even in past years, when the lottery scholarship only covered 70 percent or less of tuition, the average financial aid package offered to students at New Mexico's four-year colleges has been more than enough to cover tuition and fees.

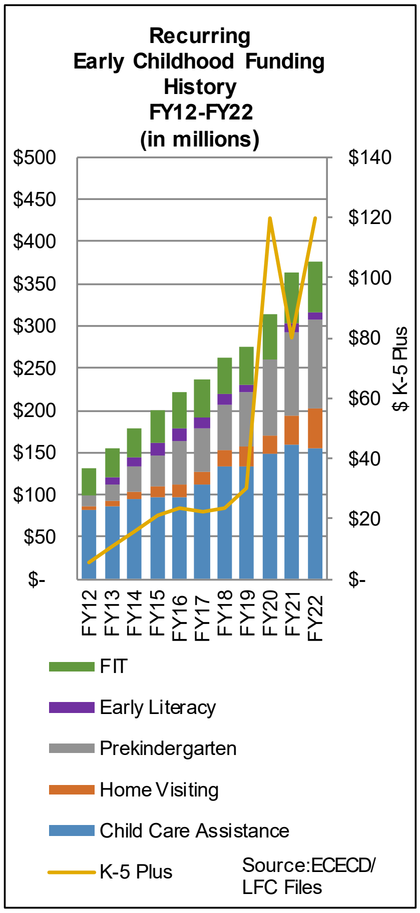
Next Steps

The Legislature made a number of nonrecurring appropriations to the Higher Education Department and HEIs for specific programs. The effectiveness of these programs will need to be monitored to determine the need, if any, for future funding. Specifically, additional reporting will be needed to assess the impact of increased financial aid offered through the opportunity scholarship and whether HEIs are successful in expanding programs using endowment funds.

PERFORMANCE REPORT CARD
Early Childhood Education and Care
Second Quarter, Fiscal Year 2022

ACTION PLAN

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



Additional Home Visiting Measures New Mexico should consider reporting:

- Reduction in emergency room visits
- Fewer hypertensive disorders of pregnancy
- Fewer closely-spaced subsequent pregnancies
- Decreases in prenatal cigarette smoking
- Greater employment for the mothers

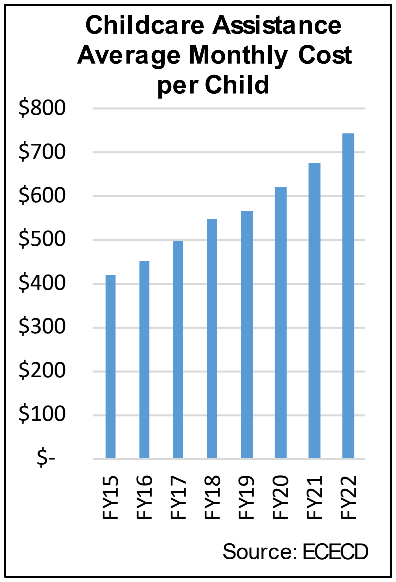
Early Childhood Education and Care

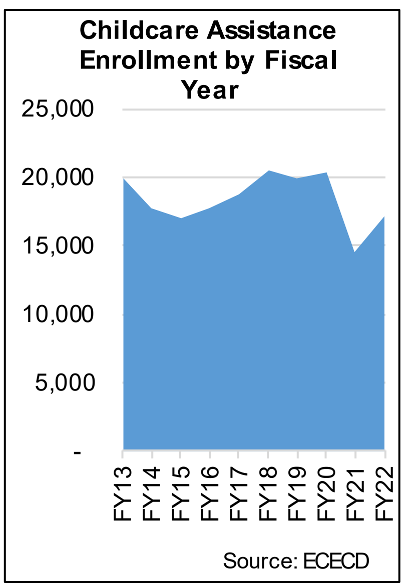
The Early Childhood Education and Care Department (ECECD) added several additional measures in FY22 for early prevention and intervention programs such as home visiting. Home visiting is one of the state's cornerstone programs to improve long-term outcomes for children and families by providing in-home support, screening, and referrals. Many home visiting programs continued virtual services during FY21 but are shifting to hybrid delivery models that include both in-home and virtual visits. Nationally, researchers and home visiting programs are studying the shifting delivery models of home visiting programs in order to confirm quality and outcomes.

Family Support and Intervention

The program—composed primarily of the Family, Infant, Toddler (FIT) developmental disabilities intervention program, Families First case management program, and home visiting parental education and supports program—reported meeting quarterly performance targets for families demonstrating progress in positive parent-child interactions and children receiving regular well-child visits. These measures monitor home visiting progress in supporting new families to attain health and developmental goals for young children. The program also reported only 146 families were enrolled in Medicaid-funded home visiting, well below the performance target of 2,000. Medicaid-funded home visiting allows the state to receive federal revenues to grow state services. Additionally, ECECD reported the program funded and on-boarded three new programs. To date, seven programs are part of Medicaid-funded home visiting serving eleven counties (San Juan, Rio Arriba, Bernalillo, Torrance, Quay, Curry, Roosevelt, Chaves, Lea, Otero, and Dona Ana).

Budget: $66,707.5 **FTE:** 40	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Women in Families First and home visiting and eligible for Medicaid that access prenatal care in the first trimester	NA	NA	74%	86%	88%		G
Women who are pregnant when they enroll in home visiting and Families First who access postpartum care	NA	NA	39%	61%	62%		G
Parents in the New Mexico home visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions	44%	74%	65%	72%	72%		G
Eligible infants and toddlers with an individual family service plan for whom an initial evaluation, assessment and individual family service plan meeting were conducted in the 45-day timeline	NA	NA	100%	92%	91%		Y
Children enrolled in home visiting for longer than six months that receive regular well child exams as recommended by AAP	NA	NA	75%	84%	85%		G
Families enrolled in Medicaid funded home visiting	NA	NA	2,000	127	146		R
Children participating in the family infant toddler program for at least six months who demonstrate substantial increase in their development	NA	NA	72%		Reported Annually		
Program Rating	G	G					Y





Early Education, Care, and Nutrition

The Early Education, Care and Nutrition Program, primarily composed of childcare assistance, and the Family Nutrition Bureau, met all but one performance targets. 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. As of January, average enrollment rose to over 17 thousand and the average monthly cost to $743. Average monthly enrollment is FY22 is 16 percent below enrollment in FY20 while the cost per child has increased 19 percent. Though enrollment was lower, ECECD assumed the full-cost of care and has continued as a result of waiving parent co-payments through the end of FY22 in addition to increased rates beginning in July 2020. These new rates were informed by a cost estimation model developed by the department.

Budget: $465,429.0 **FTE:** 152	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Licensed childcare providers participating in Focus tiered quality rating and improvement system	NEW	NEW	45%	51%	50%		G
Licensed childcare providers participating in Focus tiered quality rating and improvement system at the 4- and 5-star level	47%	52%	40%	40%	39%		Y
Infants and toddlers participating in the childcare assistance program enrolled in high-quality childcare programs (4 and 5 star)	NA	NA	40%	62%	62%		G
Program Rating	G	G					G

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

Public PreK

During the pandemic, all public school and most private school prekindergarten programs were forced to close in-person programs and conduct programs virtually. In spring 2021, virtual class sessions lasted on average approximately 30 minutes to 45 minutes, depending on children's ability to remain attentive and parents' ability to assist and support their children in remote learning. The pandemic also resulted in the programs being unable to assess children and provide the data. In FY21, ECECD contracted for 13,608 prekindergarten and early prekindergarten slots.

Budget: $49,856.5 **FTE:** 0	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Children in the state-funded New Mexico prekindergarten program (public and private) for at least six months showing progress on the school readiness spring preschool assessment tool	No Report	No Report	94%		Reported Annually		
Children enrolled for at least six months in the state-funded New Mexico prekindergarten program who score at first step for K or higher on the fall kindergarten observation tool	No Report	No Report	85%		Reported Annually		
Program Rating	R	R					

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

ACTION PLAN

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

Department of Health

The Department of Health (DOH) reported some improvements in performance on targets across the agency during the second quarter of FY22 but focus on managing the state's Covid-19 response also continues to result in declining performance for other department programs.

Public Health

The Public Health Program continues to be a cornerstone of the state's response to the Covid-19 pandemic. Given the significant size of the program's response to the pandemic and statewide closures, the program has reported declining performance on tobacco cessation services. Additionally, successful overdose reversals per client enrolled in the DOH Harm Reduction Program trends were lower than targeted performance. A recent LFC report found drug overdoses and alcohol-related deaths in New Mexico reached all-time highs in 2020, even though the state has tripled spending on substance use treatment since 2014. In FY16, New Mexico enacted legislation to reduce barriers in providing naloxone to individuals at highest risk of experiencing an opioid overdose. DOH reported in FY21, challenges in providing services as a result of federal funding no longer being available for the harm reduction program and the pandemic's impact on staffing. DOH also believes this measure is likely an undercount of opioid overdose reversals as it is based on self-reporting when individuals return to receive a refill.

Budget: $181,884.1 **FTE:** 783	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of preschoolers (19-35 months) who are indicated as being fully immunized	63%	65%	65%	67%	67%		G
Percent of NMDOH funded school-based health centers that demonstrate improvement in their primary care or behavioral health care quality improvement focus area	50%	73%	95%	Reported Annually			
Percent of female clients ages 15-19 seen in NMDOH public health offices who are provided most or moderately effective contraceptives	86%	88%	63%	84%	82%		G
Percent of New Mexico adult cigarette smokers who access cessation services	2.6%	1.9%	2.6%	0.6%	0.5%		R
Number of successful overdose reversals per client enrolled in the NMDOH Harm Reduction Program	3,444	2,572	2,750	1,035	904		Y
Program Rating	Y	R					Y

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

Epidemiology and Response

The Epidemiology and Response Program (ERD) also plays a key role in the state's response to the pandemic, including case investigations of individuals who test positive for Covid-19 and contact tracing of individuals with direct exposure to Covid-19. The program did not meet a majority of performance targets. However, ERD reported most pharmacies in the state are continuing to dispense naloxone, an important tool for substance use treatment and support in the state. DOH also reported the decline in cities and counties with Access and Functional Needs (AFN) plans was largely a result of local emergency managers who were primarily focused on vaccine distribution efforts.

Budget: $118,065.7 **FTE:** 341	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Percent of death certificates completed by Bureau of Vital Records and Health Statistics within 10 days of death	61%	50%	50%	53%	51%		G
Rate of drug overdose deaths per 100,000 population*	Not Reported	Not Reported	N/A	Reported Annually			
Percent of retail pharmacies that dispense naloxone	95%	88%	85%	88%	87%		G
Percent of opioid patients also prescribed benzodiazepines	11%	11%	5%	10%	Not reported		R
Rate of alcohol-related deaths per 100,000 populations*	Not Reported	Not Reported	N/A	Reported Annually			
Percent of cities and counties with Access and Functional Needs (AFN) plans that help prepare vulnerable populations for a public health emergency	5%	65%	33%	10%	5%		R
Program Rating	Y	R					Y

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

DOH reported the current department falls prevention program is fragmented. Although all facilities have falls prevention programs, DOH lacks a comprehensive program that would allow best practices to be shared. The program would facilitate information sharing and standardize protocols. It is their intention to put together a program within the next 90 to 120 days and reach the goal of reducing the number of falls to meet the standard.

Facilities Management

The global pandemic has affected the intake and capacity of the facilities management program (FMD) which provides services for mental health, substance abuse, long-term care, and physical rehabilitation in both facility and community-based settings. Many of the state facilities with declining occupancy will also experience significant operational funding strains if they are unable to reverse the trend. To increase census, the program is developed a needs assessment at the facilities level to determine how to safely open more beds which provided recommendation such as developing a recruitment and retention campaigns and case mix to ensure admitted patients won't require immediate increased staffing. However, the program reported an increase in third-party revenue collections, which is vital to FMD's financial stability.

Budget: $167,287.2 **FTE:** 1,930	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Percent of eligible third-party revenue collected at all agency facilities	81%	92%	95%	77%	98%		G
Number of significant medication errors per 100 patients	0.2	0.6	2	0.4	0		G
Percent of long-term care residents experiencing one or more falls with major injury	5.3%	4%	3.5%	4.2%	4.1%		R

Percent of beds occupied	NA	NA	75%	50%	51%		R
Percent of patients educated on MAT option while receiving medical detox services	NA	NA	90%	80%	85%		Y
Percent of Medication Assisted Treatment (MAT) inductions conducted or conducted after referrals on alcohol use disorders	NA	NA	65%	82%	72%		G
Percent of Medication Assisted Treatment (MAT) inductions conducted or conducted after referrals on opiate use disorders	NA	NA	65%	81%	67%		G
Number of Narcan kits distributed or prescribed	NA	231	180	56	67		Y
Percent of medical detox occupancy at Turquoise Lodge Hospital	68%	70%	75%	71%	67%		Y
Program Rating	Y	Y					Y

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

The Scientific Laboratory (SLD) believes the program may experience an increase in testing requests as the New Mexico begins sales for recreational marijuana.

The Developmental Disabilities Supports program reported a drop in employment is due to several factors such as guardian and IDT members have provided information on returning to work "when it is safe to do so". The mask mandate was also a factor as many clients do not tolerate wearing a mask. However, the program hopes to report increase performance in third and fourth quarters.

Scientific Laboratory

The Scientific Laboratory (SLD) provides a wide variety of laboratory services to programs operated by numerous partner agencies across the state of New Mexico. The program met its targeted performance for the second quarter, but should consider adding additional quarterly performance reports. The SLD Toxicology staff analyze samples for blood alcohol concentration (BAC) and drugs to determine cause of impairment in drivers, as well as Office of Medical Investigator (OMI) samples for carboxyhemaglobin.

Budget: $14,825.2 **FTE:** 190	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases that are completed and reported to law enforcement within 30 calendar days	91%	99%	95%	99%	98%		G
Program Rating	Y	G					G

Developmental Disabilities Supports

DOH reported a decline in the number of individuals receiving services in the Developmental Disabilities (DD) and Mi Via Medicaid waivers programs. The program reported there were 4,604 individuals on the waiting list for waivers. Of those individuals, 501 have placed their allocation on hold, meaning these individuals were offered waiver services and chose to remain on the waiting list, for now. In FY21, the number of individuals on the waiting list decreased. However, the program is working to enroll more individuals from the waitlist as the state plans to eliminate the wait list and enroll all individuals in services in the next few fiscal years. In November, DDSD sent out 520 letters to individuals on the wait list to enroll in services, of which 291 are in progress or have started services.

Budget: $174,908.1 FTE: 188	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Number of individuals on the Developmental Disabilities Waiver waiting list*	4,743	4,669	N/A	4,174	4,604		
Number of individuals receiving Developmental Disability Waiver services*	4,934	5,111	N/A	5,088	5,022		
Percent of Developmental Disabilities Waiver applicants who have a service plan and budget within 90 days of income and clinical eligibility	96%	97%	95%	100%	96%		G
Percent of adults of working age (22 to 64 years), served on the DD Waiver (traditional or Mi Via) who receive employment supports	28%	18%	27%	16%	9%		R
Percent of Developmental Disabilities Waiver providers in compliance with General Events timely reporting requirements (2-day rule)	87%	83%	86%	83%	87%		G
Program Rating	Y	Y					Y

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

Health Certification Licensing and Oversight

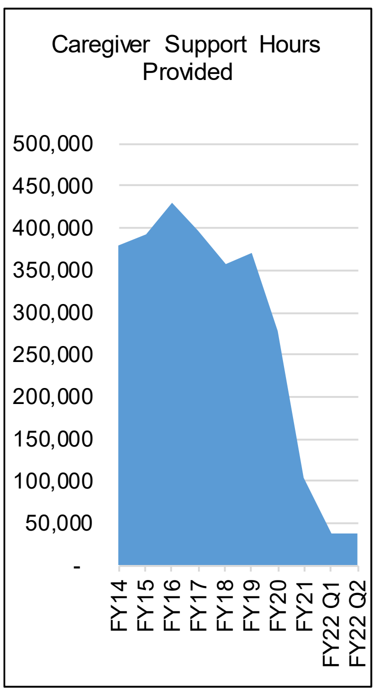
The Health Certification, Licensing, and Oversight Program met a majority of performance measures targets in the second quarter of FY22. The program did not report on the rate of abuse or re-abuse for individuals on the Developmental Disabilities and Mi Via waivers, but plans to report annually.

Budget: $14,371,1 FTE: 182	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Rate of abuse for Developmental Disability Waiver and Mi Via waiver clients*	12.8%	5.5%	N/A	Reported Annually			
Rate of re-abuse for Developmental Disabilities Waiver and Mi Via Waiver clients*	8.5%	6.1%	N/A	Reported Annually			
Percent of abuse, neglect, and exploitation investigations completed within required timeframes	82%	96%	86%	99%	94%		G
Percent of (acute and critical care) health facility survey statement of deficiencies (CMS form 2567/state form) distributed to the facility within 10 days of survey exit	75%	71%	85%	95%	100%		G
Percent of Nursing Home citation(s) upheld as valid when reviewed by the Centers for Medicare and Medicaid Services (CMS) and through informal dispute resolution	86%	90%	90%	100%	100%		G
Program Rating	Y	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



Aging and Long Term Services

The Aging and Long-Term Services Department (ALTSD) continued to miss a significant portion of its targets during the second quarter of FY22 but did show some improvement. Its mission is to serve older adults and adults with disabilities so that 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 FY21, the Aging and Disability Resource Center (ADRC) began answering calls with a live operator again. During the second quarter of FY22, ADRC received 9,023 calls, an average of 150 per day, on trend with the close of FY21 but lower than pre-pandemic levels. Since the first quarter, ALTSD filled 2 vacant FTE to answer more calls live. Additionally, the program is exploring an upgrade to the call system to alleviate the issue of abandoned calls, allowing immediate callbacks instead of calls going to voicemail.

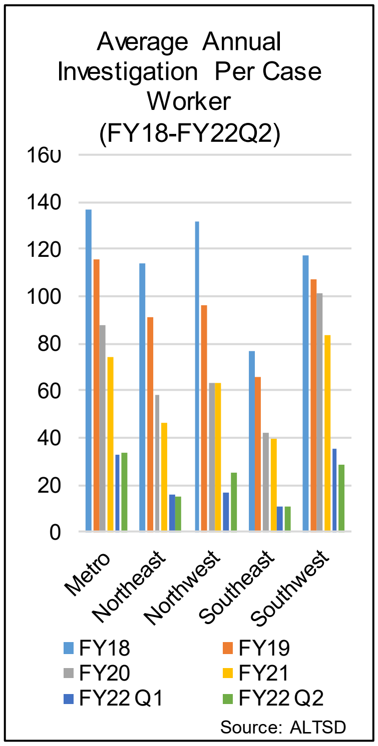
Budget: $5,000.7 **FTE:** 48	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator	55%	44%	90%	55%	47%		R
Percent of residents who remained in the community six months following a nursing home care transition	82%	84%	90%	83%	80%		Y
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	N/A	99%	80%	84%	57%		R
Percentage of facilities visited monthly	N/A	18%	40%	28%	28%		R
Percent of ombudsman complaints resolved within sixty days	100%	93%	97%	100%	97%		G
Program Rating	R	Y					Y

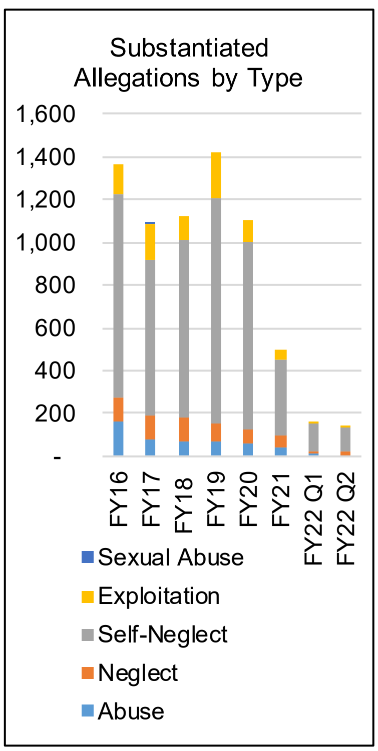
*Measure is classified as explanatory and does not have a target.

Adult Protective Services

The Adult Protective Services Program (APS) began reporting repeat maltreatment substantiations within six months of a previous substantiation of abuse or neglect in FY21. This performance measure assists the state in assessing the effectiveness of the program in preventing maltreatment. In the second quarter of FY22, the program reported no instances of repeat maltreatment. Additionally, the program reported an increase in the number of investigations. The program met the performance target for priority investigations, making face-to-face contact quickly. APS plans to increase outreach events. Previously, the department was providing outreach through virtual platforms but is now returning to a regionally based outreach approach.

PERFORMANCE REPORT CARD
Aging and Long Term Services
Second Quarter, Fiscal Year 2022





Budget: $13,848.1 **FTE:** 128	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	5,494	4,355	6,150	1,332	1,273		Y
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%	99%	99%	99%		G
Percentage of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	N/A	3.7%	5%	0%	0%		G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	205	132	141	31	28		R
Percentage of contractor referrals in which services were implemented within two weeks of the initial referral	80%	64%	99%	34%	69%		Y
Number of referrals made to and enrollments in home care and adult day care services as a result of an investigation of abuse, neglect, or exploitation.	N/A	89	600	69	60		R
Percentage of priority two investigations in which a caseworker makes initial face to face contact with the alleged victim within prescribed time frames	95%	99%	95%	98%	98%		G
Program Rating	R	Y					Y

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

Aging Network

The Aging Network did not meet targeted performance for the hours of caregiver support for second quarter of FY22 and continues to fall below pre-pandemic levels. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. These services are provided by area agencies on aging, contract providers, and the New Mexico chapter of the Alzheimer's Association. The agency reported the Covid-19 pandemic and executive emergency declarations closed adult daycare centers, and the remaining services were affected by the stay-at-home and social-distancing orders. The department reported the number of hours of caregiver support were 13,673 hours of respite care, 8,204 of adult day care, 12,432 hours of homemakers, and 3,769 hours of other support services. Additionally, the department and the Area Agency on Aging are developing a plan to establish Medicaid funded adult daycare and other services. This could significantly increase both funding resources and services availability of adult daycare services by senior centers statewide.

PERFORMANCE REPORT CARD
Aging and Long Term Services
Second Quarter, Fiscal Year 2022

Budget: $43,415.5 **FTE:** 15	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Percentage of older New Mexicans receiving congregate, and home delivered meals through Aging Network programs that are assessed with “high” nutritional risk	N/A	16%	15%	13%	29%		G
Number of hours of services provided by senior volunteers, statewide	957,031	607,258	1,700,000	156,235	204,734		Y
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	N/A	1,135	50	133	110		G
Number of meals served in congregate, and home delivered meal settings	N/A	5,141,387	4,410,000	922,422	1,068,797		R
Number of transportation units provided	N/A	68,180	637,000	25,582	28,523		R
Number of hours of caregiver support provided	278,513	104,730	444,000	38,244	38,079		R
Program Rating	R	Y					Y

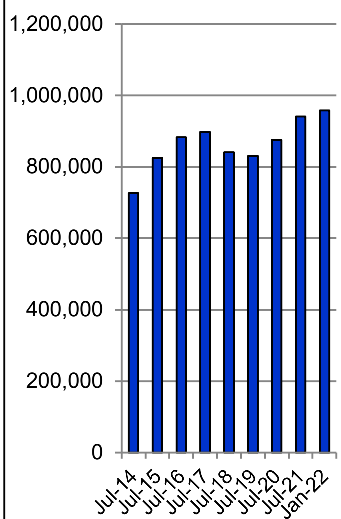
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Human Services Department
Second Quarter, Fiscal Year 2022

ACTION PLAN

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

Total Medicaid Enrollment



Source: HSD
October 2021 Projection

The Medicaid caseload in January 2022 was 957,659 individuals, a 5.6 percent increase over a year ago. The count of Medicaid recipients increased by 3,168, or 0.3 percent, over December.

In January 2022, 385,394 children were on Medicaid, an increase of 7,776, or 2.1 percent, over January 2021. The number of children on Medicaid increased by 390 members, or 0.1 percent, from December to January.

The Human Services Department's Medicaid Program enrolls almost 50 percent of New Mexicans making it the largest per capita Medicaid Program in the country. Medicaid managed care organizations (MCOs) receive per member per month payments for most of these enrollees regardless if they access services. Most of the performance measures for the Medicaid Program appear to be lagging behind the targeted trend for the second quarter including only 38 percent out of a targeted 88 percent of children receiving well-child primary care visits.

Labor force participation is needed at all levels in the state, however, the Income Support Division's Temporary Assistance for Needy Families (TANF) Program reported 0.8 percent out of a targeted 37 percent of TANF recipients were ineligible for cash assistance due to work-related income. Notably, TANF participants had federal work participation requirements waived and also were eligible for certain unemployment benefits through 2021.

Pandemic-Related Enrollment and Funds. The pandemic, unemployment, and federal policy greatly affect the Medicaid program's enrollment, utilization, costs, and health outcomes. In March 2020, the Families First Coronavirus Response Act (FFCRA) was enacted and included a 6.2 percent increase in the regular Medicaid matching rate. States receiving the 6.2 percentage point increase are required to continue Medicaid eligibility for any individuals enrolled as of March 18, 2020, or enrolled during the public health emergency which extends through April 16, 2022, unless the individual voluntarily terminates eligibility or is no longer a resident of the state. Between March 2020 and January 2022, Medicaid enrolled over 120 thousand new members, for a total near 960 thousand.

HSD Scorecard. In October 2020, the Human Services Department's (HSD's) website added a performance "scorecard." The scorecard provides comparative annual data on Medicaid MCO contract management performance measures and provides some high level data on the performance of HSD programs and services. Examples include how MCOs compare with ensuring follow-up appointments, child support payments collected, and percent of follow-up appointments with mental health practitioners. Some of the dashboard's performance measures are included in the LFC quarterly performance report cards.

Medical Assistance Division

The Medicaid Program received a red rating for the second quarter based on performance continuing to fall short of targeted levels. The Medical Assistance Division (MAD) notes it is working in collaboration with MCOs towards improving the value and range of Medicaid services to ensure that every qualified New Mexican receives timely and accurate benefits.

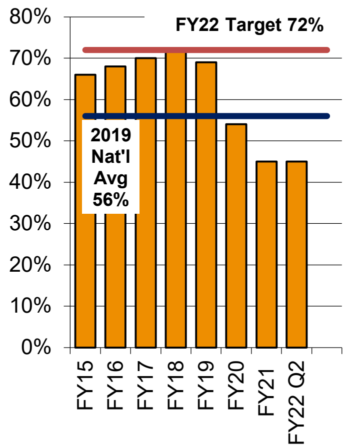
The data reported for several Medicaid performance measures are an MCO aggregate percentage from claims data of encounters that occurred during the quarterly reporting period. The quarterly totals are based on a cumulative calendar year. The calendar year data reported in several performance measures are an MCO aggregate percentage from annual audited Healthcare Effectiveness Data and Information Set (HEDIS) reports.

The performance measure, "infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months" is a new measure created by National Committee for Quality Assurance in 2020, which captures at least one comprehensive well-child visit with a doctor for members ages three to 21 years. HSD added the well-child measure as a Medicaid MCO tracking measure in FY22.

MCO strategies to improve well-child visits include increasing outreach calls; instituting value-based contracts with providers; creating a reward program for well-child visit compliance; offering assistance with scheduling appointments and transportation; and implementing a member texting campaign.

Home Visiting. MAD reports the Centennial Home Visiting Program (CHV) was established in 2020. CHV services are provided in a home setting to young children, children with special health care needs, and to the parents and primary caregivers of those young children. The CHV's goals are to improve maternal and child health, promote child development and school readiness, encourage positive parenting, and connect families to support in their communities. MAD requires the prenatal and postpartum performance measures and redefined the penalty structure to identify an established target rate for each year. Each MCO is expected to meet the CY2021 HSD established target of 80.7 percent. Failure to meet this target will result in monetary penalties.

Children in Medicaid Receiving Annual Dental Visit



Source: HSD Quarterly Report

The Supplemental Nutrition Assistance Program (SNAP) caseload in January 2022 was 289,392, an 11 percent increase over a year ago, and an increase of 6 cases, or 0.3 percent, over December.

The Temporary Assistance for Needy Families (TANF) caseload was 13,240 in January 2022, an increase of 4.3 percent from a year ago, and an increase of 139 cases, or 1.1 percent, above December.

Budget: $6,351,758.6 **FTE:** 215.5	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**Rating**
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months*	52%	51.6%	N/A	53%	54%	Y
Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year*	33%	67.2%	88%	30%	38%	R
Children ages 2 to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	54%	49.5%	72%	45%	50%	R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	4.9%	6.7%	<5%	8%	8%	R
Hospital readmissions for adults 18 and over within 30 days of discharge	9.3%	No Report	<8%	9%	11%	R
Emergency room use categorized as non-emergent per one thousand Medicaid member months*	61%	50%	50%	51%	53%	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*	72%	No Report	83%	57%	56%	R
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was >9 percent during the measurement year	54%	No Report	86%	75%	67%	R
Program Rating	Y	Y				R

*Measures are Healthcare Effectiveness Data and Information Set (HEDIS) measures, which represent a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. HSD uses a rolling average; the most recent unaudited data available includes the last quarters of FY21 and the first quarters of FY22. The data for HEDIS measures is preliminary and will be finalized in June 2022.

Income Support Division

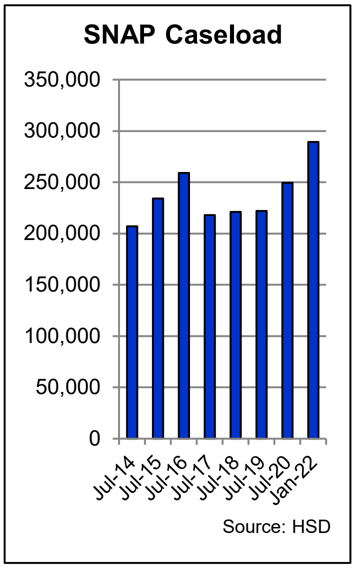
The Income Support Division (ISD) TANF and Supplemental Nutrition Assistance Program (SNAP) caseloads continue to rise. ISD reported the performance measure, “TANF recipient’s ineligible for cash assistance due to work-related income,” reflects adults whose new employment income exceeded Temporary Assistance for Needy Families (TANF) guidelines. Unemployment continues to decline in New Mexico but less than 1 percent of TANF recipients were ineligible for cash assistance due to work-related income. It should be noted TANF recipients remained eligible for certain unemployment benefits through September 2021 possibly affecting their labor market participation.

Many TANF participants have significant barriers which prevent full workforce participation and require more intense case management to help alleviate the barriers. Often participants are unable to keep their scheduled appointments which prolongs engagement in work program activities. Often participants cannot be contacted because their phone numbers or addresses have changed. The federal Administration for Children and Families allows states to reduce its targeted work participation rate based on additional state and local expenditures on low-income programs that impact TANF related goals.

The Workforce Solutions Department (WSD) is partnering with ISD to establish employment placements for TANF Career Link Program and Wage Subsidy Program participants. WSD started a campaign called “Ready NM” with access to training, education and employment resources that can assist TANF participants.

Budget: $1,080,047.7 **FTE:** 1,133	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	98.8%	98.6%	96%	98%	97.6%	G
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	98.8%	98.5%	98%	98%	97.5%	Y
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	14.1%	7.6%	37%	3%	0.8%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	28.2%	3.5%	52%	3.1%	No Report	R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	24.3%	4.2%	37%	1.8%	No Report	R
Program Rating	Y	R				R

The federal government measures a state's success in administering the TANF program using the work participation rate. This measure is reported based on the federal fiscal



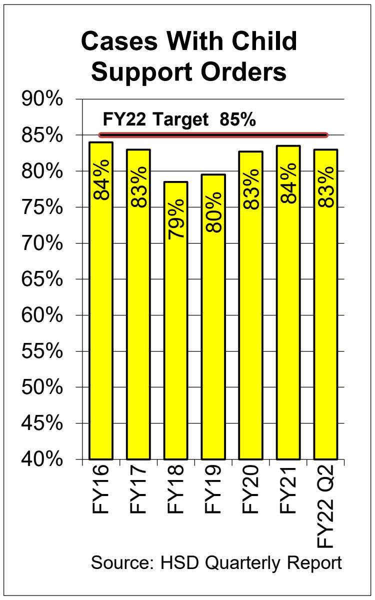
HSD partnered with the Workforce Solutions Department (WSD) to provide work program case management services to mandatory TANF participants. WSD assists TANF participants with gaining the skills, experience, and resources to help improve the family’s financial stability and enable them to find employment and receive living wages.

However, WSD had to learn all the TANF rules and regulations and experienced staffing issues. ISD received several federal waivers to help families during the peak of the pandemic such as automatic extensions on certifications and waived interviews. New Mexico also opted to pause all work program noncompliance on households for nonparticipation. The number of mandatory TANF recipients also increased while in this pandemic, resulting in a larger caseload for WSD to manage.

year. Due to the way in which the information is gathered and validated, there is a quarter delay in the reporting.

Child Support Enforcement Division

The Child Support Enforcement Division (CSED) reported it is engaged in modernizing the program to set accurate child support obligations based on the noncustodial parents ability to pay; increase consistent, on-time payments to families; move nonpaying cases to paying status; improve child support collections and incorporate technological advances and evidence-based standards that support good customer service and cost-effective management practices. These modernization efforts were tested in pilot offices and have since been implemented statewide beginning in February 2022. CSED is expecting performance to improve with these efforts



CSED reported its child support collections are not on track to meet the FY22 target of $145 million for the year. The decrease in collections began in September 2021 when many non-custodial parents lost unemployment benefits, which were being collected as part of wage withholding payments. The third quarter of each fiscal year sees an increase in payments due to federal and state tax interceptions. With the implementation of Laws 2021, Chapter 20 (Senate Bill 140, Child Support Changes), CSED is setting orders based on the new guidelines and reviewing cases for possible modifications for right-sized court orders that the non-custodial parents can pay on a more consistent basis. Total dollars collected per dollars expended is a federal fiscal year performance measure. CSED expected to see a drop in this measure due to several IT expenditures for modernization projects, the largest of which is the Child Support Enforcement System (CSES) mainframe replatform project, which was implemented in February 2022.

Budget: $32,794.2 **FTE:** 370	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	Rating
Noncustodial parents paying support per total cases with support orders	51.7%	55.7%	58%	55%	51%	R
Total child support enforcement collections, in millions	$156.1	$147.4	$145	$33.6	$29	R
Child support owed that is collected	58.7%	60.9%	60%	59%	56%	R
Cases with support orders	83.2%	83.5%	85%	84%	83%	R
Total dollars collected per dollars expended	$3.44	$2.90	$4.00	No Report	No Report	R
Noncustodial parents paying support to total cases with support orders	New	New	N/A	$129	$113	Y
Program Rating	R	Y				R

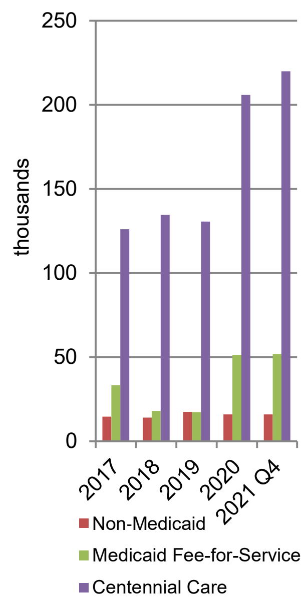
Note: Children with paternity acknowledged or adjudicated are reported in the federal fiscal year.

PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Second Quarter, Fiscal Year 2022

ACTION PLAN

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

Individuals Served Annually in State-Funded Substance Abuse or Mental Health Programs



Source: HSD

LFC Progress Report: Addressing Substance Use Disorders

In August 2021, an LFC progress report recommended the state
- Improve prevention and early intervention programs to address the underlying causes of substance abuse, including poverty and childhood trauma; and
- Improve the quality of behavioral healthcare, boost access, increase financial incentives, and build a workforce that better represents the state's cultural and racial demographics.

The Human Services Department's (HSD's) Behavioral Health Services Division (BHSD) and Behavioral Health Collaborative (BHC) are working to improve access to behavioral health services and outcomes. Expanding funding and access to behavioral health services through telehealth has increased behavioral health service provision. Performance measures meeting the targets for the second quarter include "percent of adults on Medicaid with depression receiving medication," "Medicaid members ages 6 to 17 discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days," and "number of individuals served by substance use or mental health programs administered by BHC and Medicaid."

The division is performing less effectively on measures relating to "Medicaid members 18 and older discharged from inpatient psychiatric hospitalization receiving community-based follow-up at seven days," "percent of emergency department visits for Medicaid members ages 13 and older with alcohol or drug dependence who receive follow-up at seven and 30 days," and "persons receiving behavioral health services via the telephone." The report card only includes performance measures with quarterly data although BHSD added additional performance measures that provide annual or biannual data. However, lacking quarterly data makes it difficult in the near term to determine if the state's behavioral health investment is effectively serving New Mexicans.

Existing Problem

New Mexico suffered from among the poorest substance use and behavioral health outcomes in the country even before the Covid-19 pandemic further exacerbated anxiety, depression, and substance use. In New Mexico, 19 percent of adults experience mental illness, and as of 2019, New Mexico had the highest suicide rate in the nation, a rate of 24.1 per 100 thousand people compared with the national rate of 13.9. BHSD reports over 60 percent of adults with moderate mental illness and over 30 percent of adults with serious mental illness in the past year did not receive treatment.

The U.S. Centers for Disease Control and Prevention reports in 2019 New Mexico had the 12th highest drug overdose death rate in the United States. New Mexico's drug overdose death rate, 30.4 per 100 thousand population, was 40 percent higher than the U.S. rate. New Mexico's alcohol-related death rate, 73.8 per 100 thousand population, was over 100 percent higher than the U.S. rate of 35.1. About two out of three drug overdose deaths in New Mexico in 2019 involved an opioid, and the methamphetamine death rate grew 2.4 times higher than in 2015. The fentanyl-involved death rate in 2019 was seven times greater than in 2015.

Behavioral Health System of Care

As of October 2021, BHSD reports there were 6,295 prescribing and 4,057 non-prescribing Medicaid behavioral health providers in New Mexico. To improve behavioral health access during the pandemic, New Mexico Medicaid managed care organization (MCOs) and non-Medicaid programs allowed behavioral health providers to bill for telephone visits using the same rates for in-person visits. In FY20, 22,575

Spanish Language Campaign to Combat Opioid Overdoses

The Human Services Department's Behavioral Health Services Division and Office of Substance Abuse Prevention launched a Spanish language campaign to combat opioid misuse in Hispanic communities. "¡El Opio Drama!" includes a six-part series of animated 30-second telenovela-style programming aimed at bridging multi-generational gaps within Spanish speaking households. The campaign included paid advertising on Spanish language television networks such as Telemundo and Univision, websites, social media and community-focused outlets. In addition to increasing public awareness about the dangers of opioid abuse and providing information in Spanish on the safe use, storage and disposal of opioids, the campaign aimed to reduce stigmas and myths associated with opioid addiction.

According to the federal Substance Abuse and Mental Health Services Administration, 75 percent of people addicted to opioids began taking the drugs with a prescription.

Unintentional drug overdoses accounted for almost 86 percent of drug overdose deaths from 2015 to 2019 in New Mexico, according to the Department of Health. Forty-five percent of those accidental overdoses were caused by prescription opioids, and 33 percent by heroin. Of those preventable deaths, nearly 40 percent were of Hispanic males and 18 percent were Hispanic females.

One of the most cited barriers to prevention, treatment and recovery from opioid abuse in Hispanic and Latino communities has been the lack of effective bilingual educational resources. "¡El Opio Drama!" emphasized opioid overdose prevention tactics presented in Spanish. Since the video series launched on YouTube, it received over 700,000 views.

unduplicated members were served through telehealth services; however, in FY22 telehealth services declined in rural and frontier counties.

Two major initiatives for BHSD that increased the number of persons receiving behavioral health services were federal emergency Covid-19 grants from the Federal Emergency Management Agency (FEMA) and the Substance Abuse and Mental Health Services Administration (SAMHSA). The grants enhanced access to care for individuals with serious mental illness (SMI), serious emotional disturbance (SED), substance use disorder (SUD), those with co-occurring SMI/SED and SUD, and other individuals with less severe disorders requiring care as a result of Covid-19.

A dedicated crisis line was also created for healthcare practitioners. Priorities are to train and provide ongoing coaching to providers on evidence-based practices that can be delivered via telehealth; enhance the statewide crisis and access line; screen, assess and serve the health workforce; implement peer recovery supports; and support the network of crisis response, including telepsychiatry.

BHC Budget: $756,044.1	**BHSD FTE:** 53	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**Rating**
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication		40.6%	38.3%	35%	42%	43%	G
Medicaid members ages 6 to 17 discharged from inpatient psychiatric hospitalization stays of 4+ days who receive follow-up community-based services at 7 days		43.2%	53.7%	51%	53%	56%	G
Medicaid members ages 18 and older discharged from inpatient psychiatric hospitalization stays of 4+ days who receive follow-up community-based services at 7 days		43.2%	53.7%	51%	39%	33%	R
Increase in the number of persons served through telehealth in rural and frontier counties*		308%	68.8%	N/A	-10%	-12%	Y
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care		8.9%	10.8%	5%	9.5%	4.6%	G
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid		273,198	200,932	172,000	200,932	287,866	G
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 seven days and 30 days		14.3% 7 day; 21.8% 30 day	13.3% 7 day; 19.7% 30 day	25%	13.6% 7 day; 20.7% 30 day	14% 7 day; 21% 30 day	R
Persons receiving telephone behavioral health services in Medicaid and non-Medicaid programs		NEW	NEW	60,000	33,934	43,655	R
Program Rating		R	R				Y

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

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

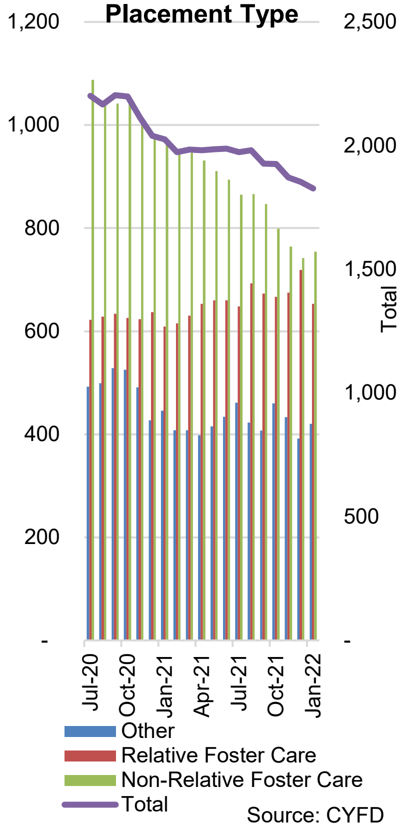
ACTION PLAN

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

Kevin S., et al. V Blalock and Scrase
Lawsuit Settlement

The Lawsuit against CYFD alleged:

- Systemic failures resulting in harm to children in foster care,
- Lack of stable placements,
- Behavioral health needs unmet,
- No trauma sensitive system, and
- Little behavioral health capacity.



Source: CYFD

The 2022 Legislature invested heavily in the Children, Youth and Families Department (CYFD). Some of the investments were supported because of their transformational promise. Appropriations include increasing FY23 general fund revenue to behavioral health nearly 21 percent and protective services 8 percent, expanding higher education social worker endowments by $50 million, and allocating an additional $20 million to CYFD and HSD to develop more behavioral health provider capacity to take advantage of Medicaid and federal Title IV-E funding. From severance tax bonds, the department will also receive close to $20 million to purchase a field services building in Santa Fe, upgrade facilities statewide, and construct a sub-acute residential facility, a therapeutic group home, and an intermediate care facility. However, some of these projects were not requested, were un-vetted, and may not be evidence based.

Protective Services

Transparency. Public transparency regarding child deaths is a long standing concern to the Legislature and others. Some transparency issues are within the department's control and others are not. For example, during the 2022 legislative session the department was asked about the number of child deaths in 2020 and the department responded with a memo saying they would provide the information when the National Child Abuse and Neglect Data System (NCANDS) released its annual report. However, when the CYFD memo was sent, the NCANDS report was already available. The department also has not released data regarding the circumstances of child deaths publicly since at least 2015, making it difficult for the Legislature and other stakeholders to weigh in on policy changes that could make a difference. Making the situation more difficult, the federal government is slow in reporting and just released benchmarked data in January.

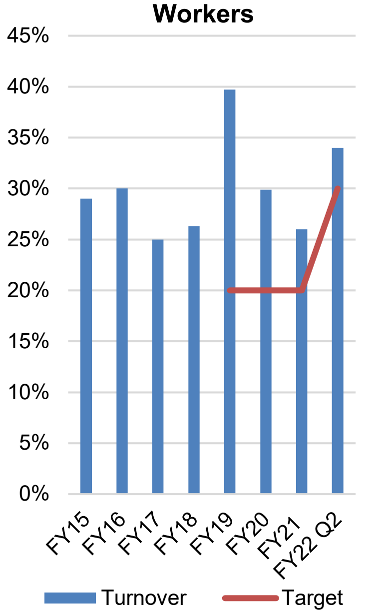
Preventive services. Shifting services from the back-end, after children have already been abused or removed to foster care, to front-end prevention, is becoming the national standard. The department performed well on the measure for in-home services or family support services preventing subsequent substantiated reports of maltreatment. In-home services, are one example of front-end services helping to prevent the abuse of children. The department is also currently engaged in a differential response pilot program called Family Outreach and Community Engagement (FORCE) as required by 2020 legislation. The caseload of FORCE has been steadily growing from a total of 14 referrals and 1 accepted participant in January 2021 to 86 referrals and 25 participants in February 2022. It is early to draw conclusions, but the program is evidence-based and should help prevent and reduce cases of abuse.

Staff turnover and developing the workforce. CYFD Protective Service worker turnover rates ranged between 26 percent and 31 percent over the last two years. Casey Family Programs says turnover rates below 10 to 12 percent are optimal. To improve Protective Services' workforce development, recruitment, and retention, the LFC recommended and the Legislature adopted 7 percent across the board salary increases and invested $50 million to expand higher education teaching endowments to get more social workers trained and into the field. A Kevin S. lawsuit settlement co-neutral report found that on the requirement that the department create a workforce development plan, the department's plan was unresponsive because the state does not want to set a caseload standard for caseworkers. If a standard were set, the department would be able to better plan for the number of individuals it needs in each geographical area of the state.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

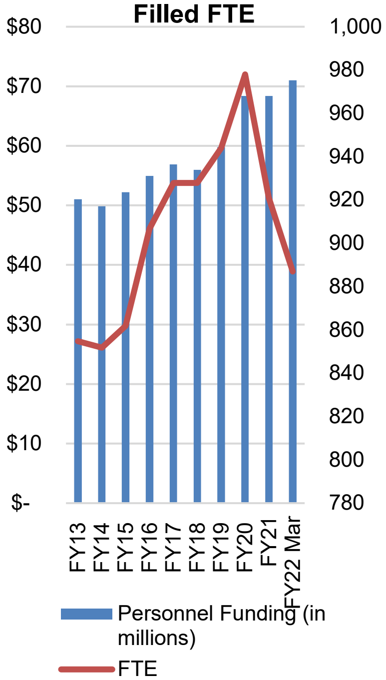
PERFORMANCE REPORT CARD
Children, Youth and Families Department
Second Quarter, Fiscal Year 2022

Turnover Rate for Protective Services Workers



Source: CYFD Quarterlty performance report

Protective Services Personnel Appropriations and Filled FTE

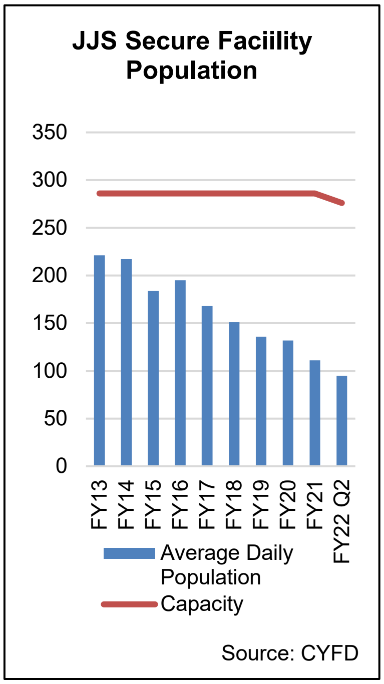


Source: CYFD OpBud and SPO Tool Report

Budget: $179,905.2 **FTE:** 1,081	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Children in foster care who have at least one monthly visit with their caseworker	96%	98%	50%	97%	97%		G
Children in foster care for more than 8 days who achieve permanency within 12 months of entry into foster care	29%	30%	30%	32%	33%		G
Children in foster care for 12 to 23 months at the start of a 12-month period who achieve permanency	40%	40%	35%	38%	41%		G
Children in foster care for 24 months, or more, at the start of a 12-month period who achieve permanency	34%	41%	32%	42%	39%		G
Children who were victims of a substantiated maltreatment report during a 12-month period who were victims of another substantiated maltreatment allegation within 12 months of their initial report	14%	14%	9%	14%	14%		R
Families with a completed investigation that participated in family support or in-home services and did not have a subsequent substantiated abuse report within 12 months	New	New	20%	79%	79%		G
Foster care placements currently in kinship care settings	36%	42%	35%	46%	48%		G
Indian Child Welfare Act foster care youth who are in an appropriate placement	New	73%	35%	62%	61%		G
Initial relative placement that transition to permanency or are still stable after 12 months	74%	78%	25%	74%	75%		G
Rate of maltreatment victimizations per one hundred thousand days in foster care	12.6	14.7	8	15.1	11		R
Serious injuries with prior protective services involvement in the last year	New	New	26%	48%	70%		R
Average statewide central intake call center wait time in seconds	15	27	180	27	36		G
Children who enter care during a 12-month period and stay for >8 days, placement moves rate per 1,000 days of care	5.8	5.6	4	6.2	6.5		R
Turnover rate for protective service workers	30%	26%	30%	31%	34%		R
Program Rating							Y

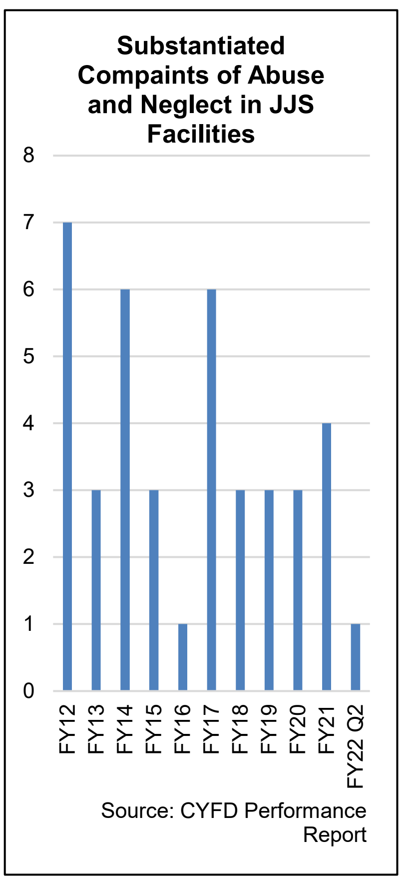
Juvenile Justice Services

While physical assaults in Juvenile Justice Services (JJS) facilities are significantly down, the percent of Native American youth supervised in the community who are in an appropriate placement as required by the federal Indian Child Welfare Act (ICWA) and the Kevin S. settlement, was close to targeted levels for the first and second quarters.



Native American youth have been shown to have better outcomes when in culturally appropriate placements. When asked about this measure, the department feels the measure could have been worded better to communicate the increase in the number of tribal notifications for placement. In quarter 2, 130 ICWA youth were referred for services with tribes being notified 98 times but only responding to the notification 13 times.

Budget: $71,969.8 **FTE: 807**	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Physical assaults in Juvenile Justice Facilities *(target is annual; quarterly numbers are cumulative)*	287	224	<285	32	64		G
Eligible juvenile justice involved youth that are participating in fostering connections	New	New	60%	40%	54%		Y
JJS clients who successfully complete formal probation.	94%	90%	85%	91%	86%		G
Recidivism rate for youth discharged from active field supervision.	20%	18%	20%	17%	17%		G
Recidivism rate for youth discharged from commitment.	41%	33%	55%	27%	33%		G
Clients with improved math scores	68%	No data	56%	N/A	48%		R
Clients with improved reading scores	41%	No data	56%	N/A	44%		R
Substantiated complaints by clients of abuse and neglect in JJS facilities.	3	2	5	0	1		G
Turnover rate for youth care specialist.	18%	18%	21%	23%	25%		R
Youth being formally supervised by field services currently in kinship care settings	New	17%	35%	17%	15%		R
Indian Child Welfare Act Youth formally supervised in the community who are in an appropriate placement.	New	61%	90%	84.1%	85%		Y
Program Rating							Y



Behavioral Health Services

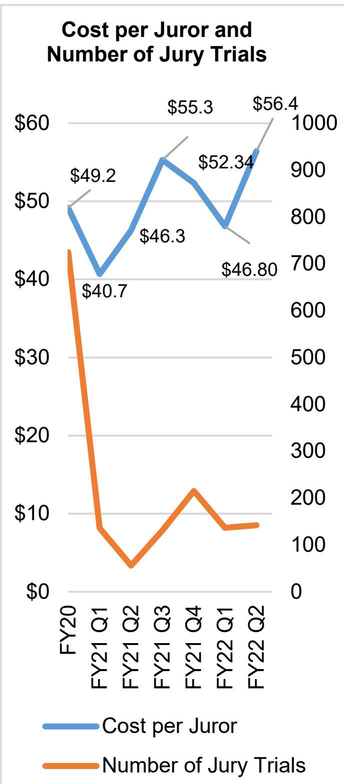
Behavioral Health Services reported 100 percent of infants receiving a recommendation for family reunification from a mental health team not being referred back to protective services. This quarter, 105 infants were served but none were recommended for reunification. The program's action plan is to support the community of practice through clinical consultation and increase competency in the delivery of child parent psychotherapy (CPP). The percent of youth receiving services from community behavioral health clinicians did not meet the target of 75 percent and has remained stagnant for the last two years. The program's action plan is to fill vacancies and to work with community providers to build rapport. However, the department's action plan did not change for at least the past two years and the program should look at different strategies to improve performance on the measure.

Budget: $45,658.8 **FTE:** 117	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Infants served by infant mental health teams with a team recommendation for unification who have not had additional referrals to protective services	94%	70%	90%	0%	100%		G

Children and youth in department custody who are placed in a community-based setting	New	90%	70%	89%	89%	G
Clients enrolled in multisystemic therapy who demonstrate improvement in mental health functioning	91%	92%	75%	95%	90%	G
Domestic violence program participants who agree they have strategies for enhancing their safety.	New	0%	80%	94%	90%	G
Domestic violence program participants who agree that staff and advocates regularly discuss their safety needs, including specific things they can do to keep themselves safe	New	95%	80%	89%	93%	G
Increase in supportive or independent housing options for youth ages 16-21 years from baseline FY20 levels	New	15%	20%	25%	25%	G
Department-involved youth in the estimated target population who are receiving services from community behavioral health clinicians	64%	65%	75%	67%	67%	R
Program Rating						Y

ACTION PLAN

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



All criminal justice partners saw a significant decrease in cases in FY20 due to the Covid-19 pandemic, and though advocates and agencies feared FY21 would bring a sharp increase in "backlogged" cases, jury trials and caseloads for public defenders and prosecution attorneys remained low throughout FY21 and half way through FY22.

Since the district attorneys and the Public Defender Department (PDD) joined the Administrative Office of the Courts (AOC) in a comprehensive report card format, the unequal reporting of data across the criminal justice system has become apparent. District attorneys lack critical performance measurements, and have not provided action plans where outcomes are poor. PDD has improved dramatically in the quality and consistency of reporting for in-house attorneys but continues to struggle with contract attorney reporting and outcomes.

Courts

Administrative Support. While cases disposed as a percent of cases filed is at 100 percent, indicating courts are working to clear dockets more quickly than cases pile up, the average time to disposition for criminal cases was 220 days. Additionally, the age of active cases was 320 days, well above the national benchmark of 180 days, meaning New Mexico courts struggle to provide timely justice.

The average cost per juror and number of jury trials held slightly rose from the first quarter, as district, metro, and statewide courts try to manage the high cost of holding in-person trials in compliance with the judiciary and executive public health orders. The average interpreter cost per session remains well below the target, but agency analysts warn the figure may be artificially low due to the continued low number of court hearings. Courts held just over half the trials held pre-pandemic in FY21, and the number of trials held in the second quarter of FY22 does not indicate courts are holding significantly more trials more than two years later.

Budget: $13,169.1 **FTE: 49.8**	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Average cost per juror	$49.17	$54.82	$50.00	$46.8	$56.42		G
Number of jury trials for metro, district, and statewide courts*	725	533	N/A	137	142		
Average interpreter cost per session	$117.07	$63	$100	$57	$62		G
Age of active pending criminal cases in days	NEW	364	180	320	320		R
Days to disposition in criminal cases	NEW	207	180	220	220		R
Cases disposed as a percent of cases filed	123%	135%	100%	101%	100%		G
Program Rating	Y	Y		Y			Y

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

Special Court Services. The Legislature has prioritized treatment courts in the last several years, and AOC reported specialty court outcomes quarterly for the first time in several years, in part due to new drug court reporting software funded by the Legislature. The agency also voluntarily reported quarterly enrollment in drug and DWI court programs, which were slightly up from the first quarter.

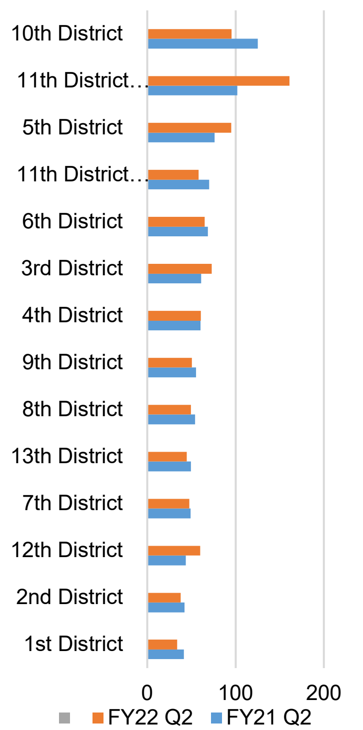
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Courts and Justice
Second Quarter, Fiscal Year 2022

Budget: $12,061.5 **FTE:** 32	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Cases to which CASA volunteers are assigned*	2,413	2,430	5,000	431	292		
Monthly supervised child visitations and exchanges conducted	11,698	11,211	11,000	3.331	2,386		G
Average time to completed disposition in abuse and neglect cases, in days.*	85	161	N/A	181	181		
Recidivism rate for drug-court participant	14%	18%	12%	12%	11%		G
Recidivism rate for DWI-court participants	6%	10%	9%	5%	5%		G
Graduation rate for drug-court participants*	51%	61%	70%	64%	58%		
Graduation rate for DWI-court participants*	76%	78%	80%	78%	85%		
Cost per client per day for all drug-court participants*	$25.39	$29	N/A	$25	$32		
Program Rating	Y	R			G		G

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

Attorney Caseloads Year-over-Year



Source: AODA

Statewide Judiciary Automation. AOC began reporting on new measures for the first quarter of FY20 to better gauge the success of the Statewide Judiciary Automation Program. Last year, complications with the Odyssey case management system caused times per service call to increase sharply. Previous targets, which measured call times in hours regardless of difficulty, were unattainable. The new measures track responses and resolutions to customer service requests in days, and AOC surpassed the target for the second quarter.

Budget: $11,564.3 **FTE:** 12	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Average time to resolve calls for assistance, in days Measure	NEW	0.33	1	.08	.08		G
Program Rating		G		G	G		G

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

District Attorneys

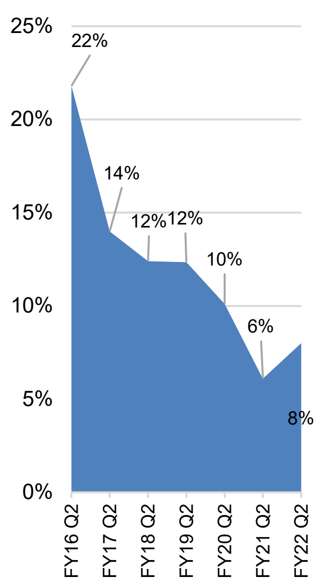
The district attorneys adopted new performance measures for FY22 that examine elements of the agency's work outside of prosecution, such as pretrial detention motions and referrals to alternative sentencing treatments, but did not submit outcomes for the measures in the quarterly report. This effectively blocks the Legislature from tracking criminal justice reform implementation in real-time. Attorney workload for nearly every district continues to fall below pre-pandemic levels and national best practice. No single prosecution office had an average attorney caseload at or above the national best practice of 170 cases per attorney.

Budget: $188,605.5 **FTE:** 305	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Average cases handled per attorney	264	205	170	70	68		G
Number of Cases Referred for Screening*	73,256	73,386	N/A	14,853	14,343		
1st District	5,888	4,985	N/A	1,157	933		
2nd District	24,859	21,806	N/A	4,615	3,735		

	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
3rd District	1,878	5,244	N/A	1,098	986		
4th District	1,888	1,734	N/A	486	486		
5th District	7,510	7,163	N/A	1,451			
6th District	2,737	2,621	N/A	552			
7th District	2,107	1,747	N/A	406			
8th District	2,005	1,758	N/A	372			
9th District	3,150	2,840	N/A	530			
10th District	902	670	N/A	191			
11th Division I.	5,298	5,128	N/A	990			
11th District Div. II	2,603	2,279	N/A	564			
12th District	2,936	2,850	N/A	602			
13th District	5,803	5,647	N/A	1,327			
Average cases referred into pre-prosecution diversion programs*	287	No Report	No Report	No Report			R
Program Rating	Y	R					R
*Measure is classified as explanatory and does not have a target.							R

Public Defender

Year over Year Vacancy Rates



Source: PDD

Like other criminal justice partners, PDD has difficulties recruiting and retaining legal professionals in rural areas. PDD implemented geographical pay differentials and expanded recruitment tactics, which has steadily decreased the agency's historically high vacancy rate and in turn reduced attorney caseloads. The vacancy rate, while still low, increased in the second quarter of FY22 for the first time in several years. The department attributes high turnover rates to competition within state agencies as courts and district attorney offices ramp up recruitment efforts.

PDD did not meet the target for total reduced charges in felony, misdemeanor, and juvenile cases. According to the agency, this is largely due to the dramatic change in how the criminal justice system operated during the Covid-19 pandemic, where limited in-person contact decreased the ability of attorneys to effectively communicate with clients and increased the likelihood that defendants accepted unfavorable plea deals for fear of contracting the virus in detention.

PDD currently does not require contract attorneys to regularly close cases in the case management system, likely resulting in underreporting and contributing to poor outcomes for contract attorneys. PDD began a pilot program in 2019 to compensate contract attorneys hourly on designated cases, receiving additional funds in the 2020 legislative session and flexibility to use funds for the same purpose. Many of the early pilot cases will be resolved in FY22, and will provide data linking the compensation rate for contract attorneys and case outcomes. This data will be critical to the agency, as 18 counties with no public defender office rely solely on contract attorneys.

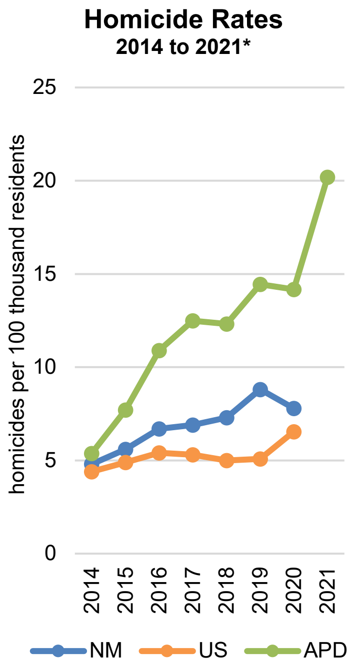
Budget: 55,488 **FTE: 439**	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	63%	48%	70%	42%	40%		R
In-house attorneys	77%	51%	70%	45%	40%		R
Contract attorneys	20.6%	40%	70%	43%	38%		R

Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	8,003	8,003	5,000	4,988	1,391		G
In-house attorneys	6956	4,570	4,000	3,818	988		G
Contract attorneys	1047	1,742	1,000	1,170	403		G
Cases assigned to contract attorneys*	35%	36%	N/A	32%	34%		
Average time to disposition for felonies, in days*	268	223	N/A	290	358		
In-house attorneys*	243	235	N/A	235	308		
Contract attorneys*	293	248	N/A	350	408		
Cases opened by Public Defender Department *	54,607	56,403	N/A	13,939	12,945		
In-house attorneys*	40,074	35,993	N/A	8,953	7,981		
Contract attorneys*	21,220	20,410	N/A	4,986	4,964		
Program Rating		G					Y

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

ACTION PLAN

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



*Data for 2021 is not yet available for New Mexico or the U.S.

Source: FBI, City of Albuquerque

DPS received $11.3 million in nonrecurring special appropriations during the 2022 legislative session, including $9 million for state police vehicles. The Legislature also appropriated $28 million in capital outlay funds for DPS facilities, with $20 million dedicated to build a new state police facility in Albuquerque.

Department of Public Safety

Concerns over crime in Albuquerque were a focus of the 2022 legislative session, with data from the Albuquerque Police Department indicating increases in violent crime in 2021, including a record number of homicides. However, policymakers are often forced to make decisions without the benefit of timely data on statewide crime trends. Legislation passed in the 2022 session requiring law enforcement agencies to report these data and the near-completion of the Department of Public Safety's (DPS) National Incident-Based Reporting System (NIBRS)—set to complete by the end of the fiscal year—should provide additional insight in future years.

The 2022 General Appropriation Act (GAA) provides DPS with an FY23 operating budget that represents a 15.2 percent increase in general fund appropriations compared with FY22, a total increase of almost $20 million (including the GAA's statewide employee compensation package), and includes significant pay increases for state police officers, substantial increases in training, and expanded resources for police oversight. DPS will also receive large nonrecurring appropriations, including significant funding for vehicles and facilities.

Law Enforcement Program

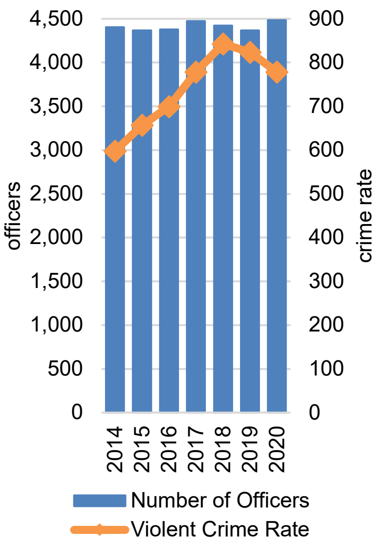
Operations. DPS is on track to meet or exceed its targets for DWI enforcement operations and commercial motor vehicle inspections in FY22. However, in the second quarter of FY22, the New Mexico State Police (NMSP) cut the number of DWI enforcement operations conducted by its officers by almost half. DWI arrests remained relatively steady with the first quarter but remain far below average quarterly arrests in FY18, FY19, and FY20. Preliminary data from the Department of Transportation indicate alcohol-involved traffic fatalities may have fallen over the course of FY21 and the first half of FY22, suggesting reduced arrests may be indicative of reduced DWIs rather than enforcement issues.

Manpower. DPS reports an average vacancy rate of 10.8 percent among NMSP officers over the second quarter of FY22, the first decrease after three quarters of increased vacancies. With expanded recruit schools and restarting lateral schools, DPS projects state police force strength will grow to 694 officers by the end of FY23, a 4 percent vacancy rate and the highest number of officers employed since at least FY16.

NMSP's fall recruit class graduated 16 officers in December, a graduation rate of only 41 percent, lower than any prior recruit school since FY16 and significantly lower than the average graduation rate of 67 percent between FY16 and FY21. NMSP's spring recruit class began in February with 17 recruits (two of whom have already dropped out), and the agency has received 33 applications for a lateral school that will begin in May.

During the 2022 legislative session, the Legislature made significant investments to recruit and retain high-quality law enforcement officers, both within NMSP and at local law enforcement agencies. In addition to creating two new programs to distribute $55 million in recruitment and retention payments, lawmakers increased state police pay by almost 16 percent, bringing the average NMSP officer's salary to an estimated $81.5 thousand. The GAA also provided $2 million for NMSP to expand its recruit and lateral schools beginning in FY23.

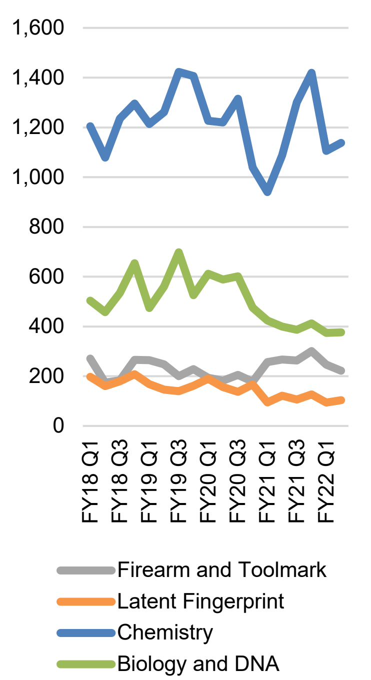
Law Enforcement Officers Employed* and Crime Rates in New Mexico



*Includes officers employed by municipal police departments, county sheriffs' offices, and NM State Police.

Source: FBI, LEPF distributions (DFA), NMSP manpower projection (DPS), LFC files

Case Receipts by Type



Source: DPS

At the close of the second quarter, DPS projected a surplus in the personnel category of $7.7 million at the end of FY22, including $6.5 million in the Law Enforcement Program. These vacancy savings could be employed to provide recruitment and retention payments or pay increases beginning in FY22.

Budget: $130,679.2 **FTE:** 1,059.3	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
DWI checkpoints conducted	123	231	150	77	39		G
DWI saturation patrols conducted	1,933	2,290	3,000	937	523		Y
Commercial motor vehicle safety inspections conducted	68,378	76,269	90,000	26,036	20,615		G
Misdemeanor and felony arrests*	New	6,844	N/A	2,083	1,619		
DWI arrests*	1,647	1,272	N/A	358	342		
Commissioned state police officer vacancy rate*	New	8.7%	N/A	11.2%	10.8%		
Commissioned state police officer turnover rate*	New	6.44	N/A	2.34	2.17		
Graduation rate of the New Mexico State Police recruit school*	New	71%	N/A	N/A[1]	41%		
Program Rating	G	Y					G

*Measure is classified as explanatory and does not have a target.
1. No state police recruit school graduated in the first quarter.

Statewide Law Enforcement Support

Forensic Laboratory. The forensic laboratory's Latent Print and Chemistry units completed more than 100 percent of cases received this quarter, reducing those units' outstanding case backlogs by 80 percent and 19 percent, respectively. With only 30 cases outstanding, the Latent Print Unit is poised to completely eliminate its backlog in the third quarter.

After becoming fully staffed in the last quarter of FY21, the Firearm and Toolmark Unit substantially improved its case completion rate in the first quarter of FY22, but this quarter the unit saw its productivity cut in half. On the other hand, after losing two staff members in July, the Biology Unit's completion rate dropped significantly in the first quarter of FY22; however, this quarter the unit completed 100 more cases than in the prior quarter. While vacancies have historically impacted the laboratory's productivity, turnover also significantly effects case completions, as new scientists may require extensive training before they can be as productive as more experienced staff.

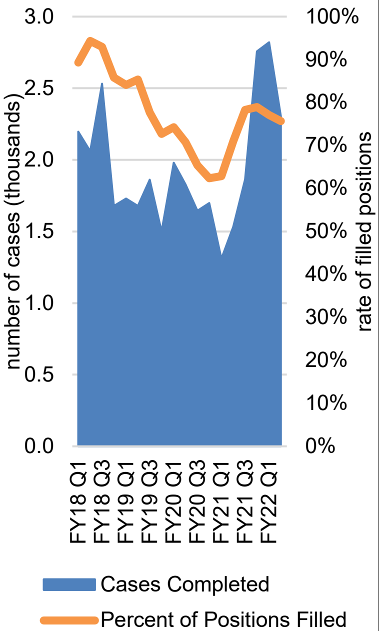
Department of Public Safety
FY22 Q2 Forensic Cases Received and Completed

Unit	Cases Received	Cases Completed	Completion Rate	Pending Cases	Scientist/ Technician Vacancy Rate
Firearm and Toolmark	222	115	52%	1,785	0%
Latent Print	103	220	214%	30	33%
Chemistry	1,138	1,610	141%	2,024	15%
Biology	376	358	95%	1,590	27%

Source: DPS, State Personnel Office organizational listing report

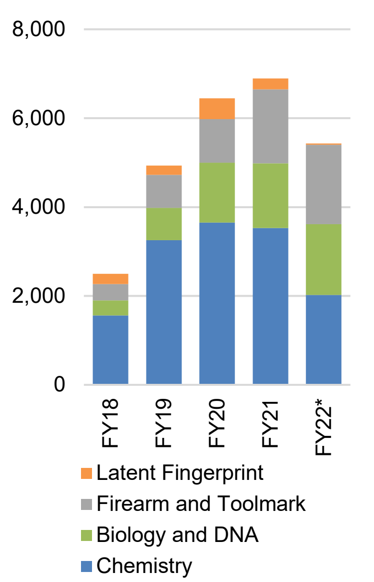
PERFORMANCE REPORT CARD
Department of Public Safety
Second Quarter, Fiscal Year 2022

Forensic Lab Case Completions vs. Percent of Positions Filled



Source: DPS, LFC files

Forensic Laboratory Backlog



*As of FY22 Q2.
Note: Backlog is as of the close of the fiscal year for FY18 - FY21.

Source: DPS, LFC files

Retention is therefore a high priority for the laboratory. Almost $600 thousand in recurring general fund appropriations in the GAA support reducing laboratory backlogs by adding support staff and increasing forensic scientist and technician compensation. One of the agency's goals is to add higher level forensic scientist positions to provide more options for career advancement among laboratory staff and improve retention.

Law Enforcement Academy Board. The Law Enforcement Academy Board (LEAB) began the second quarter of FY22 with 63 outstanding complaint cases, received 10 new cases over the course of the quarter, and adjudicated 23 cases, an adjudication rate of 230 percent resulting in the reduction of the board's outstanding cases by 13. The GAA provides an increase of almost $700 thousand for the board's operations, giving LEAB an annual budget of just over $1 million.

Significant changes to law enforcement officer training and certification are set to take place in FY24 under legislation passed during the 2022 session. Chapter 56 (House Bill 68), an omnibus public safety bill, splits the two functions of LEAB—training and certification—into two separate entities and implements new basic and in-service training requirements for law enforcement officers and dispatchers.

Substantial investments in training and oversight capacity accompany these changes. LEAB's $1 million operating budget is anticipated to transfer to the new Law Enforcement Certification Board in FY24, and the New Mexico Law Enforcement Academy (overseen by the new Law Enforcement Standards and Training Council) will receive a $200 thousand distribution from the law enforcement protection fund (LEPF) beginning in FY23 to design and provide new training programs. State police will receive a nonrecurring appropriation of almost $900 thousand for advanced training initiatives in FY22 and FY23 (in addition to expanded funding for recruit and lateral schools), and LEPF distributions to local law enforcement agencies (which can be used for training) are set to increase significantly in FY23 (under legislation passed in 2020) and 2022 legislation will further increase those distributions in FY24.

Beginning in FY24, LEPF distributions will be contingent on law enforcement agencies complying with statutory reporting requirements, and DPS received $100 thousand in recurring funds to support agencies needing assistance to meet these requirements.

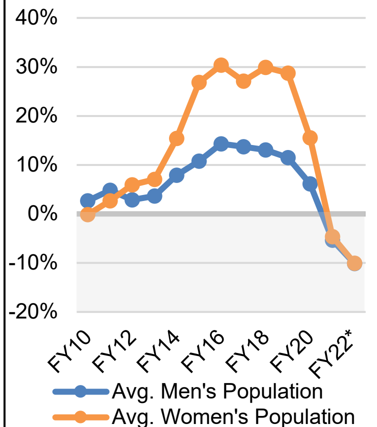
Budget: $22,026.7 **FTE:** 157	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Forensic firearm and toolmark cases completed	80%	37%	100%	96%	52%		R
Forensic latent fingerprint cases completed	65%	150%	100%	202%	214%		G
Forensic chemistry cases completed	93%	103%	100%	193%	141%		G
Forensic biology and DNA cases completed	73%	93%	100%	69%	95%		Y
Forensic scientist and forensic technician vacancy rate*	New	22.9%	N/A	22.4%	24.5%		
Complaint cases reviewed and adjudicated by the New Mexico Law Enforcement Academy Board* [1]	43%	194%	N/A	105%	230%		
Program Rating	Y	G					Y

*Measure is classified as explanatory and does not have a target.
1. LFC, DFA, and DPS agreed to change the methodology for calculating this measure in FY22 Q2 and recalculated historical data displayed here using the same methodology.

ACTION PLAN

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

New Mexico Prison Population
Indexed to FY09



*FY22 average as of January 2022.

Source: NMSC, LFC files

Corrections Department

In the second quarter of FY22, the Corrections Department (NMCD) continued to see its inmate population fall, while reporting improvements in several areas, including offender recidivism, including recidivism due to technical parole violations. Although the agency reports vacancy rates among correctional officers also decreased this quarter, vacancies remain high and these declines do not appear to reflect an ongoing trend. Errors in the agency's prior reporting and continued issues in reporting results in accordance with LFC and DFA direction create difficulties in analyzing some areas of NMCD's performance.

Prison populations have fallen every month in FY22 to date, continuing downward trends that began in October 2018. In January 2022, New Mexico's prisons held an average of 5,667 inmates (5,141 men and 526 women), a decrease of 0.3 percent compared with December 2021 and 5.6 percent lower than January 2021. Total population in January fell 4.2 percent below the Sentencing Commission's most recent population projection. Since September 2018, prison populations have fallen 23.4 percent, a reduction of 1,730 inmates.

Inmate Management and Control

NMCD reported improved vacancies among correctional officers in both public and private prisons in the second quarter of FY22, with vacancy rates in public facilities dropping 5 percentage points compared with last quarter and falling 13 percentage points in private facilities. However, the decrease in public correctional officer vacancies appears largely due to the timing at which these data were collected, while monthly reports from the State Personnel Office show correctional officer vacancies show little change in overall trends. Over the first half of FY22, correctional officer vacancies averaged about 28 percent across all public facilities.

The transition of Northwest New Mexico Correctional Facility, now called Western New Mexico Correctional Facility South (WNMCF-S) from private to public operation and its consolidation with the Western New Mexico Correctional Facility North (WNMCF-N) also allowed NMCD to eliminate a number of vacant, duplicative positions (primarily administrative roles) that can be fulfilled by staff at WNMCF-N, reducing overall vacancy rates at the facility, although these improvements were not fully realized during the second quarter. WNMCF-S ended the second quarter with a vacancy rate of 44 percent among noncustody

Programming Spotlight: RDAP Mindfulness Pilot Project

NMCD is partnering with the University of Colorado's National Mental Health Innovation Center to develop a pilot project deploying virtual reality tools to teach inmates in the residential drug abuse program (RDAP) emotional regulation skills to improve wellbeing, mental health, reentry, and life skills. The agency hopes these skills will reduce offenders' violent behavior towards themselves and others.

While mindfulness and mediation programs have been used in other residential treatment settings to address social anxiety and behavior modification, this would be the first pilot in a prison setting. The department has invited the University of New Mexico to join the project to convene an institutional review board to help define protocols for research and data collection to evaluate the pilot's effectiveness.

Other states (including Alaska, Colorado, and Pennsylvania) have employed virtual reality tools to help inmates reenter the community by allowing them to 'experience' environments outside of prison prior to release, such as halfway houses and grocery stores, as well as engage in mock job interviews.

This effort is part of a larger initiative from NMCD to identify programs and practices that have shown success in noncorrectional settings, pilot them within prisons, and assess their effectiveness to identify which programs to expand and continue long term.

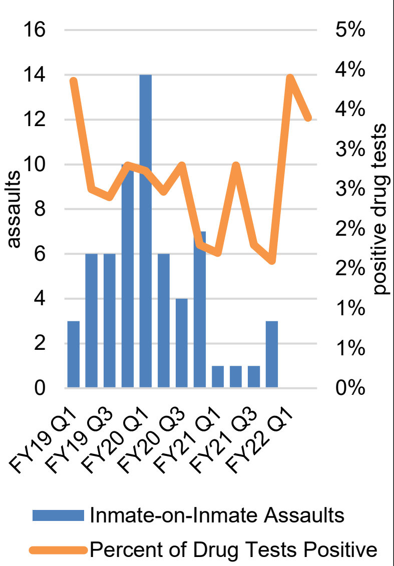
NMCD expects to begin its mindfulness pilot project this summer with about 10 to 15 inmates participating.

Hepatitis C Treatment

This quarter NMCD treated 169 inmates for hepatitis C with an 86 percent treatment success rate, bringing the total number of inmates treated since the agency began its concentrated effort to eliminate the disease from prisons to 618, about 23 percent of the total infected population housed in New Mexico's prisons.

The department has expended $8.6 million of the total $22 million appropriated for this purpose, as well as $5.2 million from its operating budget. During the 2022 legislative session, the special appropriation was extended through FY23. If treatment continues at current rates, NMCD is on track to treat about 73 percent of the infected population by the close of FY23; it may be necessary to extend the appropriation for an additional one to two years to fully complete the project.

Inmate-on-Inmate Assaults and Drug Use



Source: NMCD

positions and 25 percent among custody positions, but by March those rates had fallen to 28 percent and 11 percent, respectively.

Overall recidivism rates reached their FY22 target this quarter, falling 3 percentage points compared with the first quarter of FY22. Recidivism due to new offenses increased 1.7 percent this quarter after increasing 0.5 percentage points in the prior quarter, but recidivism due to technical parole violations fell an additional 3 percentage points after dropping 5 percentage points last quarter, reflecting significant and somewhat sustained improvement.

In the first quarter of FY21, NMCD reported its overall three-year recidivism rate had been reported incorrectly since 2016 due to a database error, and in August 2021 the agency further reported that several prior years' performance reports had excluded absconders when calculating recidivism rates for technical parole violations, although the measure is defined to include absconders. The agency corrected these issues in FY21 and FY22 reports, but has not yet been able to provide historical results for comparison. NMCD reports it is working to audit parole files and calculate corrected historical data, but has not provided an estimate of when it expects that audit to be complete.

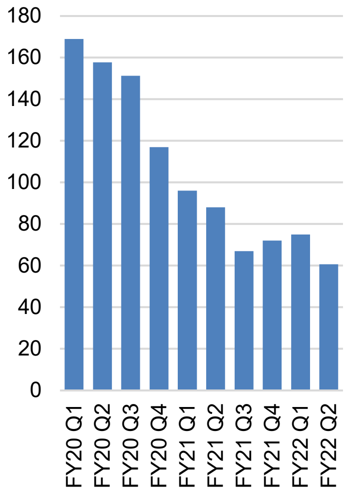
NMCD reports one serious inmate-on-staff assault and no serious inmate-on-inmate assaults occurred this quarter, continuing a trend of record low assaults that began in FY21. Although NMCD attributes this improvement to reduced drugs in facilities as a result of Covid-19 mitigation efforts, drug use among inmates rose significantly in the first two quarters of FY22 compared with FY21, with the average positivity rate of randomly-administered drug tests averaging 3.7 percent in the first half of FY22 compared with 2 percent over the course of FY21. Prior analysis has also shown no obvious correlation between reported assaults and drug test positivity rates.

Budget: $278,234.1 **FTE:** 1,995	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Recidivism							
Prisoners reincarcerated within 36 months[1]	54%	44%	42%	42%	39%		Y
Prisoners reincarcerated within 36 months due to new charges or pending charges	12%	14%	15%	14%	15%		G
Sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction[2]	2%	6%	3%	0%	0%		G
Residential drug abuse program graduates reincarcerated within 36 months of release*	21%	22%	N/A	21%	23%		
Prison Violence							
Inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	31	6	15	0	0		G
Inmate-on-staff assaults resulting in injury requiring off-site medical treatment.	7	3	0	0	1		Y
In-House Parole							
Release-eligible female inmates still incarcerated past their scheduled release date[3]	7.7%	0.6%	6%	0.9%	1.5%		Y
Release-eligible male inmates still incarcerated past their scheduled release date[3]	6.4%	1.4%	6%	1.4%	1.1%		Y

Covid-19 in Prisons

As of March 10, there were 115 active Covid-19 cases in New Mexico's prisons, the majority of which (68) were at Guadalupe County Correctional Facility.

Estimated Number of Release-Eligible Inmates Incarcerated Past Release Date by Quarter



Source: NMCD, LFC files

Staffing						
Vacancy rate of correctional officers in public facilities	31%	27%	20%	31%	26%	Y
Vacancy rate of correctional officers in private facilities	46%	25%	20%	44%	28%	R
Education						
Eligible inmates enrolled in educational, cognitive, vocational and college programs	62%	41%	68%	29%	41%	R
Participating inmates who have completed adult basic education*[4]	77%	5%	N/A	3.5%	4.2%	
Percent of eligible inmates who earn a high school equivalency credential[4]	77%	5%	80%	3.5%	4.2%	R
Number of inmates who earn a high school equivalency credential	134	118	150	20	24	R
Health						
Standard healthcare requirements met by medical contract vendor	87%	90%	100%	94%	95%	Y
Random monthly drug tests administered to at least 10 percent of the inmate population that tests positive for drug use*	2.5%	2%	N/A	3.9%	3.4%	
Program Rating	R	R				Y

*Measure is classified as explanatory and does not have a target.
1. Measure's yellow rating reflects outstanding reporting issues; see Data Quality Concerns, below.
2. Result for FY22 Q1 was reported incorrectly on that quarter's report (as 9 percent) and was corrected in the FY22 Q2 report.
3. Measure's yellow ranking reflects outstanding reporting issues; see Data Quality Concerns, below.
4. NMCD reported this measure had previously been miscalculated and changed the calculation for FY21 but did not provide corrected historical reports. Previously, both measures were calculated as the pass rate of the high school equivalency (HSE) test; now, both are reported as the percent of inmates enrolled in adult basic education who pass the HSE test and therefore earn the credential.

Community Offender Management

Data Quality Concerns

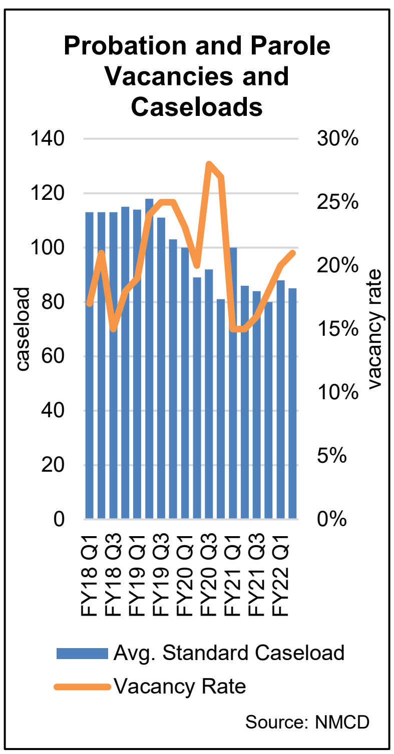
A number of issues in NMCD's quarterly reporting lead to concerns regarding overall data quality in the reports that have been outstanding for several months. Specific issues are outlined below.

Measure(s)	Issue(s)
Prisoners reincarcerated within 36 months	In the first quarter of FY21, NMCD reported its overall three-year recidivism rate had been reported incorrectly since 2016 due to a database error that erroneously counted all intakes to the parole system as prison admissions for purposes of calculating reincarceration rates. The agency has corrected this issue, but because it has not provided corrected historical data on this measure, it is unclear if FY21's recidivism results represent an increase or decrease from previous years. NMCD reports it is working on recalculating annual results for its three-year recidivism rate measure but has not yet provided results.
Release eligible male and female inmates still incarcerated past their scheduled release date	NMCD reported this measure had previously been miscalculated and changed the calculation for FY21 but did not provide corrected historical reports. LFC and DFA analysts believe NMCD's altered calculation is incorrect (the original calculation is correct), but NMCD has not revised its reports for FY21 or FY22 despite explicit direction to do so.
Prisoners reincarcerated within 36 months due to technical parole violations	In August 2021, NMCD reported several prior years' performance reports had excluded absconders when calculating recidivism rates for technical parole violations, although the measure is defined to include absconders. The department included absconders in its FY21 reports but had not informed LFC of this change. As a result, it is not possible to compare FY21's 30 percent recidivism rate for technical violations to prior years' performance, and it is not clear if this an increase or decrease.

PERFORMANCE REPORT CARD
Corrections Department
Second Quarter, Fiscal Year 2022

FY22 Budget Adjustments

At the beginning of FY22, NMCD transferred $9.5 million from the other category to personnel ($9.4 million) and contracts ($85 thousand) within its Inmate Management and Control Program to account for the transfers GCCF and WNMCF-S from private to public operation. In December 2021, the agency transferred $12.5 million from the personal services and employee benefits category to the contractual services ($2.7 million) and other ($9.8 million) categories to reallocate vacancy savings, effectively reversing its earlier transfer. In March 2022, the department transferred an additional $7.5 million from personnel due to vacancy savings, reallocating $250 thousand to contractual services and $7.2 million to the other category.



Vacancy rates among probation and parole officers rose an additional percentage point this quarter after increasing 2 percentage points in the first quarter of FY22, and in the second quarter these rates exceeded their FY22 target. This is the fourth quarter in a row in which NMCD has reported an increase in vacancies for these positions, which the agency attributes to retirements and attrition to other law enforcement agencies that offer significantly higher salaries, such as the Albuquerque Police Department and federal law enforcement agencies.

For the fourth quarter in a row, recidivism rates at the women's recovery center improved, this quarter falling to its lowest rate (10 percent) since the agency began reporting on this measure in FY18. NMCD credits this improvement to the initiation of new, evidence-based programs, including trauma-informed programming specifically intended for women. Unfortunately, the men's recovery center saw its recidivism rate rise this quarter, remaining relatively consistent with prior years.

Budget: $38,379.6 **FTE:** 363	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Prisoners reincarcerated within 36 months due to technical parole violations[1]	13%	30%	15%	26%	23%		R
Graduates from the women's recovery center who are reincarcerated within 36 months	25%	27%	20%	17%	10%		G
Graduates from the men's recovery center who are reincarcerated within 36 months	23%	28%	20%	22%	25%		R
Average standard caseload per probation and parole officer	91	88	100	88	85		G
Contacts per month made with high-risk offenders in the community	96%	94%	97%	96%	98%		G
Vacancy rate of probation and parole officers	25%	16%	20%	20%	21%		Y
Program Rating	R	R					Y

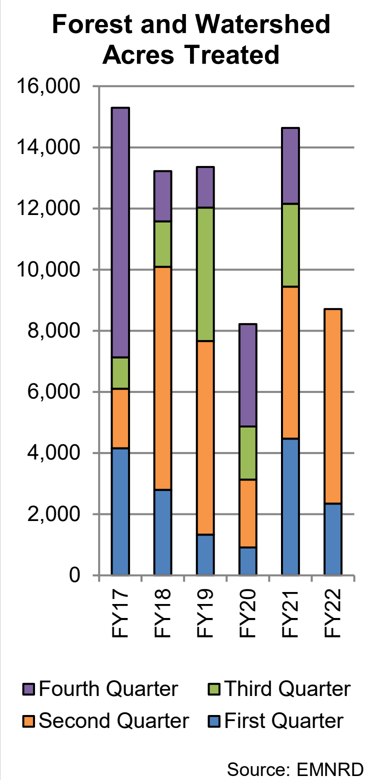
1. Measure has outstanding reporting issues; see Data Quality Concerns, above.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Energy, Minerals and Natural Resources Department
Second Quarter, Fiscal Year 2022

ACTION PLAN

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



An agreement between EMNRD, New Mexico Highlands University, New Mexico State University, and the University of New Mexico establishes a reforestation center to recover areas burned by severe wildfires. More than 300 million seedlings are needed to fill the current backlog of burned areas, and the agreement sets a goal of producing 5 million seedlings per year. The partners will expand the seed collection program, prepare seed storage facilities, and conduct a feasibility study of sites to locate the new nursery, research, and training center. The collaboration will result in production and planting of trees resilient to a warmer and drier climate.

In the second quarter of FY22, the State Forestry Division continued to have success with forest and watershed treatment, important for mitigating the damage done during wildfire season. The State Parks Division had a good quarter in terms of park visitation, relative to other years when fewer New Mexicans have ventured outdoors for hiking and camping in winter weather, or when parks were closed due to the Covid-19 pandemic. Meanwhile, in the Oil Conservation Division, vacancies are limiting the number of inspections completed and severe degradation of abandoned well sites are slowing down reclamation efforts.

The Legislature made large investments in the Energy, Minerals and Natural Resources Department (EMNRD) with federal Covid relief funding and other nonrecurring revenue. Expenditures will be closely monitored in FY22 and future years to ensure the agency is meeting expectations to implement high-impact infrastructure investments, particularly state park repairs and upgrades, and natural resource remediation, such as orphan well plugging and forest treatment.

Healthy Forests

The Healthy Forests program, also known as the State Forestry Division (SFD), holds wildland firefighter trainings throughout the state primarily between October and April. The division worked on establishing new contract agreements with trainers in the second quarter and scheduled more than 60 training courses for quarter three. Traditional classroom training will be held at locations throughout the state, and SFD will also offer virtual training that was developed in response to the Covid-19 pandemic.

Unseasonably dry weather allowed for an above-average pace of forest and watershed treatment in the second quarter, and SFD is now on course to meet its FY22 performance target. Program staff also completed new project selections and encumbered purchase orders for project contractors so that this pace can continue through the winter. However, SFD expects an early and severe fire season might hinder projects towards the end of the fiscal year.

Budget: $16,278.7 **FTE:** 77	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Nonfederal wildland firefighters provided training	1,229	1,229	1,500	23	127		G
Acres treated in New Mexico's forests and watersheds	8,213	14,637	14,500	2,343	6,370		G
Program Rating	Y	Y					G

State Parks

In the first quarter of FY22, state park visitation outperformed FY21 Q1 visitation by 49 percent, despite drought conditions that reduced recreational opportunities at state parks lakes and reservoirs. In the second quarter, typically the least popular time of year for state parks, visitation numbers took their usual dip but still significantly outperformed FY21. Self-generated revenue per visitor measures sales of day-use and camping passes or permits divided by the recorded number of visitors each quarter.

Budget: $24,173.5 FTE: 234.7	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Number of visitors to state parks, in millions*	3.9	4.4	N/A	2.1	0.6		G
Self-generated revenue per visitor, in dollars	1.04	$0.65	$0.94	$0.76	$1.16		G
Program Rating	Y	Y					Y

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

Nonrecurring Funds Appropriated in Special and Regular Sessions 2021-2022

Purpose	Amount
Forest and watershed treatment, restoration; wildfire readiness	$35 million
State park improvements	$20.5 million
Community energy efficiency development block grant program	$10 million
Orphan well reclamation	$3.5 million
State park expansion	$350 thousand
Vehicle and radio replacements	$250 thousand

During the 2021 second special session, the Legislature appropriated a total of $23.5 million to EMNRD from the federal American Rescue Plan Act funding that was transferred to the state general fund. $20 million was appropriated to plan, design, construct, improve, renovate, furnish, and equip state parks. $3.5 million was appropriated for orphan and inactive well planning, identification, and program implementation. The agency will have until the end of FY25 to expend the appropriations.

During the 2022 regular session, $20 million was appropriated to the forest land protection revolving fund, of which $7 million was appropriated to EMNRD for use in FY22-23. Forestry received an additional $10 million in capital outlay funding for watershed restoration and $5 million for wildfire prevention and readiness.

Mine Reclamation

The Mining Act and the Surface Mining Act require that mines obtain a permit including an approved reclamation plan and financial assurance that would allow the state to complete reclamation if the company owning the mine fails to do so. In the second quarter of FY22, 65 of the 66 mines managed by the program were in compliance with this requirement.

Budget: $8,120.0 FTE: 32	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	100%	99%	97.5%	100%	99%		G
Program Rating	G	G					G

Oil and Gas Conservation

The Oil Conservation Division (OCD) approved 95.6 percent of drilling permits within 10 business days in the second quarter of FY22, allowing most operators to conduct business without unnecessary delays. Only 23 applications to drill took longer than 10 days out of the 515 the division approved, an improvement from last quarter. Orphan well-plugging was slow in the first two quarters of FY22 and OCD is unlikely to meet its annual target. Program staff report the recent well sites have been in worse than usual condition with defective casing and casing collapses causing additional rig time and cementing to properly remediate the wells. The increased time and materials required, plus the effects of inflation, have significantly increased cost of well-plugging to roughly $70.5 thousand per well.

The OCD has the additional responsibility of overseeing the Carlsbad brine well remediation project, which is not captured in the division's performance measures. After a pause in operations beginning July 2020, additional funding was secured from the state general fund, state road fund, and local governments, allowing site work to resume in September 2021. Sand backfilling was completed in mid-February, and remaining tasks include: cavity depressurization, demobilization, surface restoration, monitoring plan development, and implementation and receipt of a final report from the contractor confirming, among other things, that risk to surface and groundwater have been addressed. OCD anticipates reporting, demobilization, depressurization, and surface restoration to be completed in Summer 2022.

Budget: $11,221.5 **FTE:** 72	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Inspections of oil and gas wells and associated facilities showing compliance with permits and regulations	36,852	35,757	31,000	5,971	7,399		Y
Application to drill permits approved within 10 business days	94.6%	87.6%	95%	85.5%	95.6%		G
Abandoned oil and gas wells properly plugged	36	49	50	4	7		R
Violations issued*	2,176	3,174	N/A	1,182	830		
Program Rating	G	Y					Y

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

Renewable Energy and Energy Efficiency

The purpose of the Renewable Energy and Energy Efficiency program, also called the Energy Conservation and Management Division (ECMD), is to develop and implement effective clean energy programs, renewable energy, energy efficiency and conservation, alternative transportation and fuels, and safe transportation of radioactive waste. ECMD also provides technical assistance and information to the renewable energy industry for ongoing, potential, and proposed projects.

ECMD administers five clean energy tax credit programs for renewable energy production, solar market development, sustainable buildings, agriculture biomass, and biodiesel facilities. In the first and second quarters of FY22, the Tax Incentives program that reviews and certifies tax credit applications was staffed by just 1 FTE, compared with its usual three. This caused some delays in credit application processing. ECMD also completed technical reviews of an unusually high volume of clean energy projects this quarter, primarily consisting of higher education capital outlay applications.

Budget: $3,248.8 **FTE:** 19	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Applications for clean energy tax credits reviewed within 30 days	90%	88%	90%	84%	87%		Y
Number of clean energy projects to which the division provided information and technical assistance*	143	226	N/A	79	200		G
Program Rating	G	Y					Y

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

PERFORMANCE REPORT CARD
Office of the State Engineer
Second Quarter, Fiscal Year 2022

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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

Publicly Owned Dams in Need of Rehabilitation: 10 Highest Priority Dams

Dam Name	Purpose	Estimated Rehab Cost
Cimarroncito Dam	Water Supply	$16M or more
Fenton Lake Dam	Recreation, Wildlife	$18M or more
Bear Canyon Dam	Irrigation, Recreation	$8M or more
Eagle Nest Dam	Irrigation	$10M or more
Nichols Dam	Water Supply	$5M or more
McClure Dam	Water Supply	$5M or more
Bluewater Dam	Irrigation	TBD
Alto Lake Dam	Water Supply	$10M or more
Lower Vallecito Dam	Irrigation	$7M or more
Lake Maloya Dam	Water Supply	>$30M

Source: OSE

The Dam Safety Bureau keeps a list of publicly owned dams that are of sufficient size to be regulated by OSE, are considered high-hazard potential dams, have auxiliary spillway capacity that is less than 70 percent of the regulatory requirement, and are deficient based on safety criteria with a condition rating of unsatisfactory, poor, or fair. The table above shows the top 10 dams from that list. According to LFC's most recent quarterly capital outlay report, OSE has $13.9 million in unspent capital outlay funding for dam construction and rehabilitation. Another $10 million for statewide dam rehabilitation was appropriated to OSE during the 2022 legislative session.

Leadership at the Office of the State Engineer (OSE) hopes to refocus the agency's priorities on big-picture planning and investments that can mitigate the impact of water scarcity on New Mexico's residents and economy. Recommendations for the agency's 50-year water plan are expected to come out of a new water policy and infrastructure task force in July.

Water Resource Allocation

The purpose of the Water Resource Allocation Program (WRAP) is to provide for administration, distribution, protection, conservation, and development of the state's surface water and groundwater resources, including the implementation of active water resource management. WRAP has an internal goal to keep the number of backlogged water rights permit applications under 500, which it has maintained so far in FY22.

The program met its target for applications processed per month in the first quarter, but lagged in the second quarter. Program staff have reported the same reason for low performance on this measure since FY18: diversion of staff to illegal water use investigations and between 30-40 vacant positions. Clearly, the strategy of the past five fiscal years has failed to rectify this problem. LFC staff have recommended the agency consider a reorganization of WRAP or reclassification of its positions to make recruitment easier and better meet the program's workload demands.

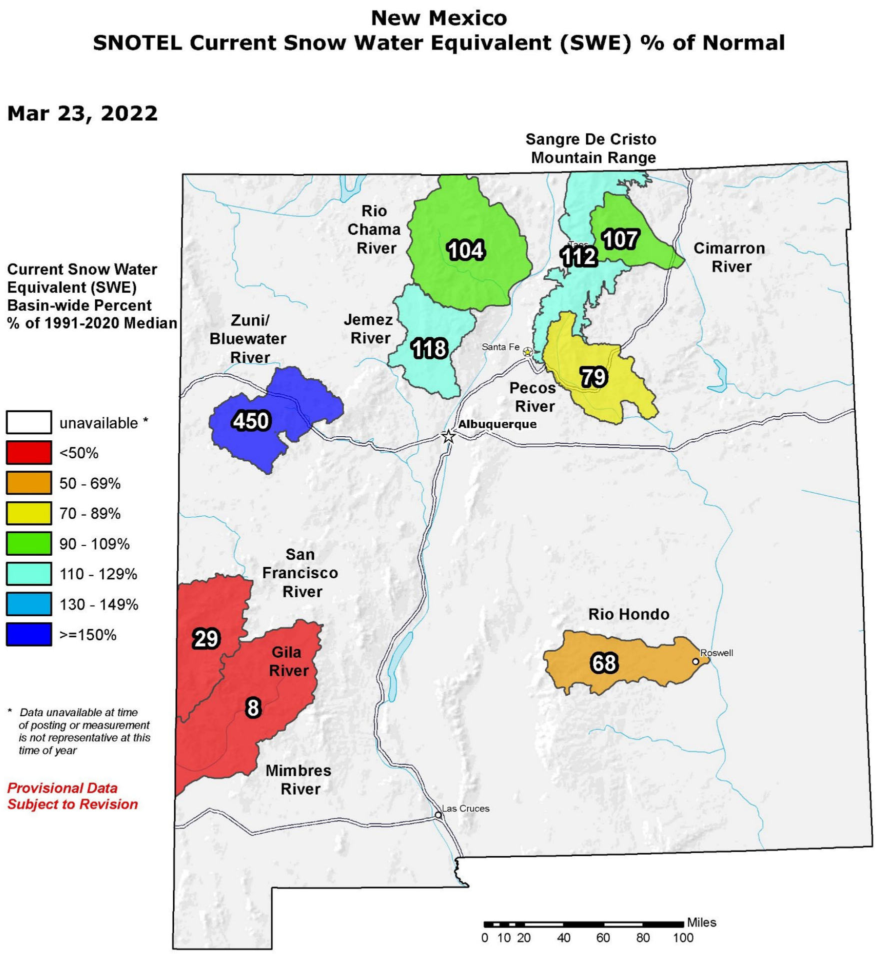
Written notice of a dam's condition, including any deficiencies and potential issues, is a required component of dam safety inspections conducted by the Dam Safety Bureau in WRAP. The performance measure related to the number of these notices issued indicates the number of publicly-owned dams with problematic inspection findings. OSE should reconsider the target for this measure, or whether this measure is valuable at all, as it currently implies a higher number of deficient dams is an indicator of success.

Budget: $15,153.5 **FTE:** 171	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Unprotested and unaggrieved water rights applications backlogged*	502	522	N/A	489	492		G
Unprotested water rights applications processed, per month	39	30.5	40	41	25		R
Transactions abstracted annually into the water administration resource system database	20,432	24,029	20,000	9,429	6,566		G
Notices issued to owners of publicly-owned dams notifying them of deficiencies or issues	58	78	45	0	2		R
Program Rating	Y	Y					Y

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

Interstate Stream Compact Compliance

The purpose of the Interstate Stream Compact Compliance and Water Development Program is to ensure New Mexico's continued compliance with its interstate stream compacts, resolve federal and interstate water issues, develop water resources and stream systems in an environmentally sound manner, and plan for the future use of water to ensure maximum sustained beneficial use of available water resources.



The snow water equivalent percent of normal represents the current snow water equivalent found at selected Snow Telemetry (SNOTEL) sites in or near the basin compared to the average value for those sites on this day. SNOTEL is an automated, near-real-time data collection network that provides mid to high elevation hydroclimatic data from mountainous regions of the western United States.

Source: United States Department of Agriculture, Natural Resources Conservation Service

The Pecos River Compact report for water year 2020, issued on June 28, 2021, included an annual debit to New Mexico of 4,700 acre-feet, resulting in a cumulative Pecos River Compact credit of 161.6 thousand acre-feet. OSE attributes New Mexico's cumulative credit in large part to investments the State made in implementing the 2003 Pecos Settlement Agreement, such as purchasing water rights and constructing and operating two augmentation wellfields. The agency received a special appropriation of $1 million for this purpose for use in FY21-22. As of now, the agency is expecting to come close to meeting the delivery obligation for Water Year 2021, which will be reported on by the river master by July 1, 2022.

New Mexico's Rio Grande Compact Engineer Advisor reports New Mexico under-delivered by approximately 31,000 acre-feet in 2021, resulting in a calculated accrued debit of 127,100 acre-feet.

Rio Grande Compact litigation with Texas is in mediation and New Mexico's legal and technical teams are optimistic about reaching a settlement while continuing to prepare for trial.

Budget: $12,037.7 **FTE:** 44	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	166.3	161.6	>0	161.6	161.6		G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre feet	-38.8	-96.3	>0	-96.3	-96.3		R
Cumulative New Mexico unit fund expenditures, in millions*	$20.1	$22.1	N/A	N/A	$22.0		
Program Rating	G	G					Y

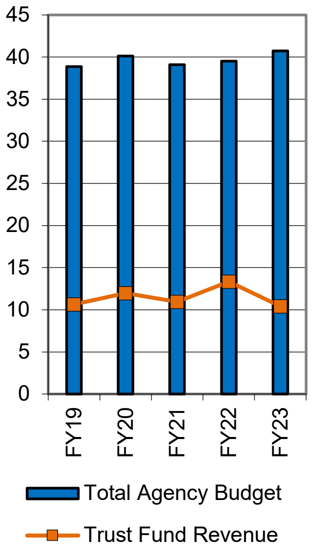
*Measure is classified as explanatory and does not have a target.

Litigation and Adjudication

The two Litigation and Adjudication Program (LAP) measures track progress toward the completion of the adjudication of water rights in New Mexico. The percentage of water rights that have judicial determinations represents the percentage of water rights that have been determined by court orders entered in all water rights adjudication suits to date. It is not expressed as a percentage of all water rights that have been and will be adjudicated in the future, as that number cannot be accurately ascertained before adjudication suits are filed in the future for areas yet to be adjudicated. This measure is therefore affected not only by the ongoing entry of new judicial determinations, but also by the opening of new adjudication suits or sections of adjudications.

LAP staff report that offers to defendants in adjudications are currently low because activity in the Lower Rio Grande Bureau has a disproportionate effect on the measure; adjudications in other parts of the state are mostly in earlier stages or are correcting existing subfiles rather than initiating new offers. Program staff also noted that while this performance metric is useful, they hope to engage with LFC to develop an additional measure that captures a broader picture of adjudication progress.

Share of Agency Operating Expenses Supported by Trust Fund Revenue (in millions)



Source: LFC Files

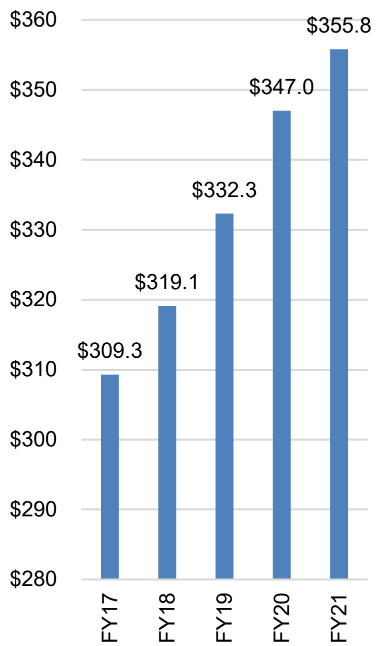
Budget: $7,201.7 **FTE:** 58	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Offers to defendants in adjudications	444	381	325	38	60		Y
Water rights that have judicial determinations	76%	76%	74%	76%	76%		G
Program Rating	G	G					G

PERFORMANCE REPORT CARD
Environment Department
Second Quarter, Fiscal Year 2022

ACTION PLAN

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

Clean Water State Revolving Fund Ending Net Position FY17-21 (in millions)



Source: Office of the State Auditor

Through the clean water state revolving fund (CWSRF), local communities secure affordable financing for a wide range of projects. Communities benefit from CWSRF loans to finance essential wastewater, storm water, and solid waste projects at interest rates between 0 percent and 1 percent. These construction projects add revenue to local economies and improve quality of life through effective environmental infrastructure.

The performance of the Environment Department (NMED) continues to be mixed, with most below-target performance results associated with low inspection rates. Because these low rates are primarily associated with vacancies and the Covid-19 pandemic, LFC expects to see improved performance in FY22-23 resulting from significant budget increases to fill positions, as well as a return to normal operations as the state transitions out of a public health emergency. LFC is particularly interested in how FY22-23 budget increases are implemented and the impact on associated performance measures to ensure the Legislature's intent in providing the agency with additional funding is carried out.

Water Protection

Drinking Water. Approximately 1.9 million New Mexicans or 90 percent, received drinking water that met all health-based standards in the second quarter of FY22. NMED continues to express concern that this data point is misleading due to the reduced number of onsite sanitary surveys conducted by the Drinking Water Bureau over the past two years due to Covid-19 concerns. Agency staff expect to identify more non-compliance occurrences as inspections ramp up to their usual frequency. While NMED has worked to develop virtual inspection capability, the agency reports it lacks the necessary technological equipment to successfully perform these virtual inspections. Additionally, many of the smaller mutual domestic systems and small municipalities lack technical expertise and equipment to participate in virtual inspections.

Starting this year, NMED changed which data is used in the calculation of this measure to include all uncorrected violations rather than only new violations identified. This reduced the reported performance on this measure from prior fiscal years.

In FY21, NMED was forced to reduce testing for drinking water contaminants due to the depletion of the water conservation fund, which derives revenue from fees on public water systems and supports the sampling and analysis of drinking water in small and rural communities. Legislation to increase this fee to keep up with program costs was vetoed by the governor, and as a result, additional services will be discontinued, potentially worsening water quality as communities struggle to afford the tests needed to identify contaminants.

Surface and Ground Water Inspections. Of the 20 surface water permittee inspections the Surface Water Quality Bureau planned to complete in FY22, six were performed in the second quarter. Nine additional inspections or inspection reports were in progress at the end of the second quarter. The bureau curtailed inspections at the direction of the U.S. Environmental Protection Agency (EPA) out of concern for the health and safety of the regulated community and EPA contractor staff who perform the inspections.

The number of groundwater permittees increased from 589 to 593 in the second quarter, and the Ground Water Quality Bureau conducted 20 inspections. Inspections typically occur at sites requiring immediate attention due to complaints, failures, or other causes outside normal operations. To optimize resources, staff make additional inspections of nearby systems to increase efficiency in travel planning and time in the field.

Water Infrastructure. This new measure reports the number of funding agreements executed each quarter for drinking water, wastewater, and stormwater infrastructure projects supported by capital outlay funding, the clean water state revolving fund

(CWSRF), or the Rural Infrastructure Program. These projects are managed by NMED's Construction Programs Bureau (CPB) and improve ground and surface water quality and increase access to reliable and safe drinking water across New Mexico. In the second quarter, agreements were executed for 29 capital outlay projects, one CWSRF loan, and one Rural Infrastructure Program project. The CPB disbursed $5.8 million to communities for 75 projects this quarter, bringing total water infrastructure investments for the first half of FY22 to $14.8 million.

Budget: $30,576.4 **FTE:** 184.3	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Percent of the population served safe and healthy drinking water	97%	97%	92%	94%	90.4%		Y
Surface water permittees inspected	NEW	NEW	10%	15%	30%		G
Ground water permittees inspected	47%	19%	65%	4%	3%		R
New water infrastructure projects	NEW	NEW	75	40	31		G
Community water system violations corrected as a result of NMED assistance	NEW	NEW	500	39	69		Y
Program Rating	Y	G					Y

Resource Protection

NMED inspected two solid waste or medical facilities this quarter, or 4 percent of the 45 active, permitted facilities, which is below the pace needed to meet the annual target. The Solid Waste Bureau recently filled 2 FTE, which is expected to increase the number of inspections in FY22, but infectious waste generator inspections and illegal dumping investigations, which are not reported on, were prioritized in the second quarter.

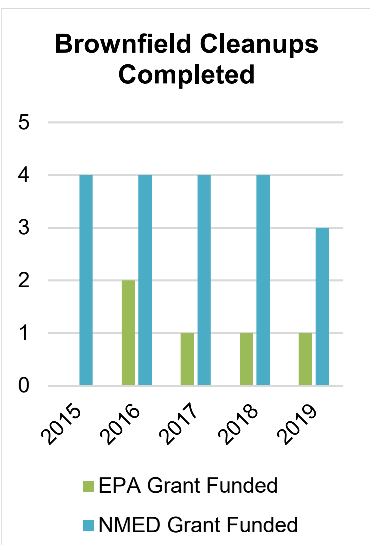
Of the 2,330 facilities in the EPA database that tracks regulated hazardous waste handlers, NMED inspected 18 this quarter. The agency also inspected six hazardous waste facilities not included in the database and, therefore, not counted in the performance measure. The FY22 general fund appropriation to NMED included an increase of $200 thousand to fill inspector vacancies in this program. LFC will monitor whether this investment coincides with additional in inspections in the remainder of FY22.

Budget: $16,651.1 **FTE:** 142.3	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Completed cleanups of petroleum storage tank release sites that require no further action*	NEW	NEW	1,938	1,946	1,946		
Ratio of underground storage tank (UST) cleanups to total leaking USTs remaining	NEW	NEW	20:944	6:873	0:944		Y
Solid and infectious waste management facilities inspected	NEW	NEW	85%	20%	4%		Y
Hazardous waste facilities inspected	NEW	NEW	2%	1%	1%		Y
Program Rating	Y	G					Y

* FY22 target is a baseline rather than a goal, so this measure was not given a rating.

Nonrecurring Appropriations to NMED, 2021-2022 Special and Regular Sessions

River Stewardships Program	$11.5 million
Eastern New Mexico Rural Water System	$10 million
Emerging contaminants initiatives	$525 thousand
Interstate ozone pollution	$450 thousand
Superfund and uranium mine site cleanup	$400 thousand
Radiation Control Bureau	$300 thousand
Surface water discharge permitting program	$250 thousand



A brownfield is a property whose expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Source: Environmental Council of the States Results Project

Environmental Protection

The Environmental Protection Division inspected 49 X-ray machine registrants and radioactive material licensees this quarter out of 1,710 registrants and licensees total. The agency reports additional funding is needed to sufficiently train and equip staff to perform inspections, but a budget increase for the Radiation Control Bureau was not requested in FY22 or FY23. In the Air Quality Bureau, NMED reports a vacancy rate of more than 50 percent was the cause of only eight inspections being completed in the second quarter.

Budget: $28,466.1 **FTE:** 281.5	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Ionizing/non-ionizing radiation sources inspected	NEW	NEW	85%	2.4%	3%		R
Air emitting sources inspected	NEW	NEW	50%	1%	1%		R
Percent of the population breathing air meeting federal health standards	NEW	NEW	95%	97%	99%		G
Program Rating	G	G					Y

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Economic Development Department
Second Quarter, Fiscal Year 2022

ACTION PLAN

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

LegisSTAT Pilot Agency

The New Mexico Economic Development Department (NMEDD) participated in the Legislative Finance Committee's first LegisSTAT panel, a new hearing format hyper-focused on performance metrics and agency action plans.

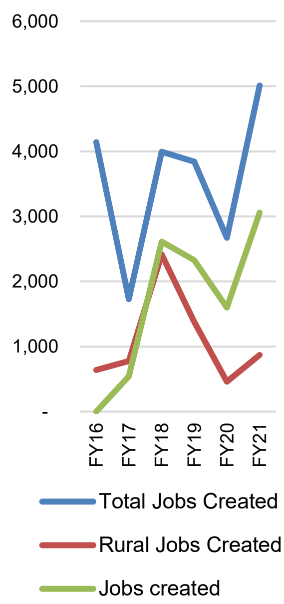
The agency addressed the department's role in creating jobs in the state. The department will be asked to update members on recovery metrics in future appearances before the committee including:

-Jobs created through Local Economic Development Act (LEDA) funds

--Rural Jobs Created

-Department return on investment from LEDA grants

EDD Job Creation FY16 to FY21



*Data for measure \not collected until FY17

Source: EDD, LFC

The Economic Development Department (EDD) received a 19 percent recurring general fund increase during the 2022 Legislative session, in addition to nonrecurring appropriations totaling $100 million between the 2021 second legislative session and 2022 regular session. The department has an opportunity to use this influx of funds, along with its newly-released 20 year plan, to improve its quarterly outcomes and economic growth in the state. In the second quarter of FY22, the department, encouraged by the Legislature, focused on creating jobs in rural New Mexico which lagged overall job creation throughout FY21.

Economic Development

The department saw significant increases in rural job creation, with 519 jobs created in the second quarter versus only 70 is the first. The department awarded state assistance to four companies in rural communities, including WTEC Energy in Chamberino, Pecos Valley Production in Roswell, PESCO in Farmington, and X-Bow Launch Systems in Socorro. The agency's action plan notes there is still work to do to increase job opportunities in rural New Mexico. EDD requested, and the Legislature supported, 6 new FTE to amplify rural economic development efforts in FY23, and the department will continue to prioritize these areas through the remainder of FY22.

LEDA and JTIP. The Economic Development Division awarded two companies just over $2 million in Local Economic Development Act (LEDA) funds in the second quarter of FY22, creating 338 jobs at a cost of about $5 thousand per job. Wind Turbine & Energy Cables Corp. (WTEC Energy) manufactures wire cable that powers both solar and wind energy units. The New Jersey-based company is expanding to Chamberino, where it will operate a steel-wire manufacturing facility at the former Alpo pet food processing plant. The company is investing $21 million to refurbish the facility and has been approved for $2 million in LEDA support for 315 new jobs. The second award when to Earth Traveler Teardrop Trailer LLC (Earth Traveler), which manufactures ultra-lightweight teardrop camping trailers, to expand its production capacity and space in Santa Fe. The company is making a capital investment of $1.3 million and was approved for $37 thousand in LEDA support for 23 jobs.

For the Job Training Incentive Program (JTIP), the JTIP board approved 26 companies in the fourth quarter, 11 of which were new to JTIP, bringing 719 new jobs at an average wage of $20.34 per hour. Of the new jobs, 157 were high wage, of which 135 were located in urban areas with at least a $60,000 annual salary, and 29 located in rural areas including Sunland Park, Roswell, Farmington and Socorro with at least a $40,000 annual salary. The board also approved 16 internships at an average wage of $21.56 per hour. The department reports $11.2 million in available JTIP funds.

As a part of its strategic plan EDD shifted efforts to attracting companies that offer competitive wages, moving away from low-wage high-volume jobs such as call centers (the department notes there have been 0 call center projects in FY22.) While the agency surpassed the target for wages of jobs created in excess of prevailing local wages by $17 thousand, the average annual wage of new jobs created by the department fell slightly below the target of $47 thousand, and well below the first quarter average of $88 thousand.

One Time Economic Development Funding at a Glance

(dollars in thousands)

Purpose	2021 Second Special Session	2022 Regular Session
Outdoor Equity Fund	3,000	
Trails + Grants	7,000	
Film Academy		40,000
Local Economic Development Act		50,000
Venture Capital Investment Fund		35,000
Federal Grants Administration	435	3,500
Local grant managment		1,500
Opportunity Enterprise Fund		70,000
Job Training Incentive Program		6,000
Subtotal	**10,000**	**201,000**
Grand Total		**216,435**

Source: LFC Files

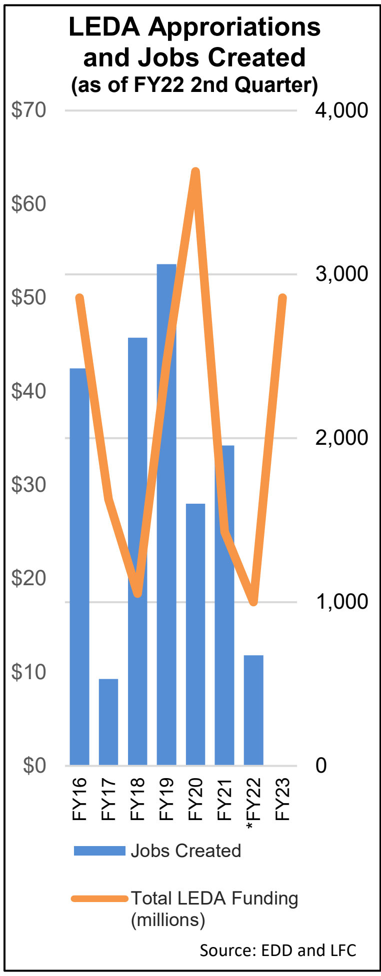
Budget: $10,277 FTE: 25	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Jobs created due to economic development department efforts	2,670	5,012	4,000	887	926		G
Rural jobs created	460	871	1,320	70	519		G
Average wage of jobs created due to economic development department efforts (in thousands)	NEW	$70.6	$47.5	$88.7	$44.2		Y
Jobs created through business relocations facilitated by the New Mexico partnership	812	147	2,250	16	0		R
Potential recruitment opportunities submitted by the New Mexico Partnership	33	60	60	16	15		R
Wages of jobs created in excess of prevailing local wages	NEW	$24,948	$5,000	$41,857	$22,000		G
Private sector investment in MainStreet districts, in millions	$24.57	$58	$30	$5.8	$15.6		G
Number of company visits to New Mexico for projects managed by the New Mexico Partnership	New	9	12	9	5		G
Private sector dollars leveraged by each dollar through Local Economic Development Act	27:1	128:1	20:1	17:1	11:1		Y
Jobs created through the use of Local Economic Development Act funds	1,600	3,058	3,000	337	338		Y
Workers trained by Job Training Incentive Program	2,202	3,356	1,900	737	750		G
Program Rating	Y	Y		Y	Y		Y

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

New Mexico Film Office

The COVID-19 pandemic brought film and television production to a standstill in March 2020, and production re-started in September 2020. Productions ramped up quickly at the close of FY21 and continued momentum at the start of FY22, but worker hours fell in quarter two. Direct spending by the film industry also decreased, with only $51 million in the second quarter. The department notes that for film in particular, data often lags, and the department estimates it will still meet the FY22 target as data continues to be updated.

Budget: $747.1 **FTE:** 8	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Direct spending by film industry productions, in millions	$257.3	$624	$530	$391	$51.05		R
Film and media worker days	266,604	514,580	300,000	384,981	23,308		Y
Total gross receipts paid by film industry productions, in millions	NEW	$30.6	$20	$20.03	$24.87		G
Program Rating	Y	Y					G



Outdoor Recreation

The Outdoor Recreation Division's goal is to ensure all New Mexicans share in the public health, environmental, and economic benefits of sustainable outdoor recreation. The two-person division focuses on a few key impact areas: economic development, promotion of outdoor-recreation assets, conservation, and education and public health programs.

The division began accepting grant applications for the "Trails +" outdoor infrastructure grants in early March. The 2022 grant cycle will have two award tiers, one for local projects with awards ranging from $25 thousand to $150 thousand, and one for regional projects with awards ranging from $150 thousand to $500 thousand. The Outdoor recreation division received a total of $10 million for outdoor recreation grants in the second special session of 2021, including $7 million for these Trails + grants, and $3 million for outdoor equity grants.

Budget: $482.2 FTE 2	**FTE:** 8	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
New outdoor recreation jobs created by the outdoor ecreation division*	40	9	N/A	6	27		
Outdoor recreation projects funded or lead by the utdoor recreation division*	11	9	N/A	0	29		
Program Rating							G

ACTION PLAN

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

LegisSTAT Pilot Agency

The New Mexico Tourism Department participated in the Legislative Finance Committee's first LegisSTAT panel, a new hearing format hyper-focused on performance metrics and agency action plans.

The agency addressed key economic recovery indicators, including visitation rates and leisure and hospitality employment rates. The department will be asked to update members on recovery metrics in future appearances before the committee, including:

- Return on Investment (ROI) from various marketing initiatives
- Change in leisure and hospitality employment
- Amount of earned media generated in millions

Tourism Department

With the state's peak tourism season (April-August) right around the corner, tourism sector job growth steadily recovering, and a nearly 15 percent budget increase on the horizon for FY23 in addition to $15 million in one-time money appropriated during the second special session of 2021, the Tourism Department (NMTD) is positioned to make real impact in an industry that took seemingly endless hits throughout the pandemic. The department's action plan states it will continue to use data to grow quarterly gains in leisure and hospitality employment, maintain its high earned media outcomes, and navigate the constantly changing marketing industry to strengthen and grow the bruised sector, which makes up approximately 7 percent of the state's total economy.

Marketing and Promotion

While tourism is still down approximately 6,300 jobs compared to 2019, year over year recovery trends continue in a positive direction. The department reports 19.5 percent more jobs in the sector in the second quarter of FY22 year over year, and 1,700 more jobs compared with last quarter. These increases put New Mexico within a percentage point of national average in leisure and hospitality job recovery.

Additionally, the department participated in the ongoing LegisSTAT hearing format, wherein agencies consistently respond to specific metrics to gauge economic recovery. In response to an August LegisSTAT hearing where members questioned how the department could collaborate with state and local organizations to recover the tourism sector workforce, the department collaborated with the New Mexico Small Business Development Center to provide counseling and resources to save 2,000 tourism related jobs this fiscal year. NMTD also partnered with the Department of Workforce Solutions to launch a website showcasing all leisure and hospitality jobs in the state. Businesses may post jobs for free and the site is promoted regularly to both employers and prospective employees.

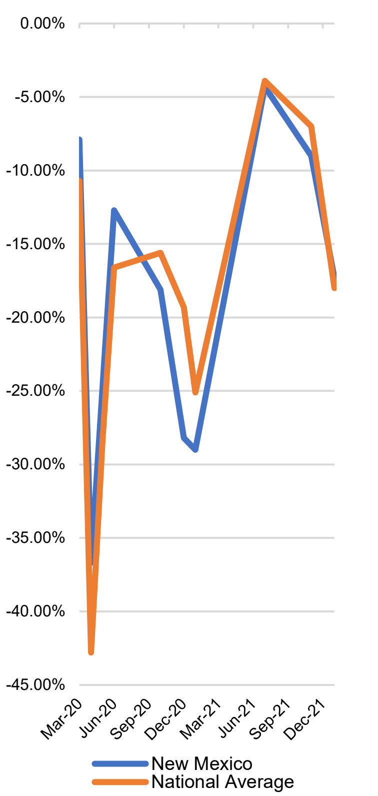
Budget: $14,795.1 **FTE:** 16 **Measure**	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Year over year change in New Mexico leisure and hospitality employment	-27.5%	-14%	3%	21%	19.5%		G
Change in total digital engagement	New	16.8%	3%	0.9%	-20%		R
Amount of earned media value generated in millions	New	$1.7	$1.0	$0.8	$1.6		G
Program Rating	R	Y					Y

The department leveraged pandemic-related closures to significantly grow its social media presence in FY21, but digital engagement fell in the first and second quarters of FY22. The agency offers several explanations for decreased engagement, most notably that new platform algorithms tend to boost "incendiary" or "controversial" posts. For example, the department found advertisements with masked individuals were gaining traction because of arguments among users in the comments, not tourism content. The agency's strategic plan addresses this directly, noting that the department made a deliberate shift in posting neutral but engaging content. For other media, the department is already on track to exceed the $1 million target after achieving $775 thousand in earned media in the first quarter of FY22 for various news sports and magazine features.

NMTD focuses on data for tourism revitalization, and hosts a public economic recovery dashboard on its website. The dashboard features data from various sources on visitor spending, vaccination rates, small business performance, and hotel occupancy rates. This tool enables legislators and members of the public to track the efficacy of marketing and promotion spending, and the department should consider continuing the dashboard post-pandemic in addition to including relevant measures its quarterly reports.

Tourism Recovery Metrics		
	February 2020	February 2021
Travel Spending*	-67.1%	-11%
Drive Market Visitors*	-54%	-4%
Passengers Deplaned At Albuquerque International Sunport	20,313	122,931
Hotel Occupancy rates*	25.9%	40.3%
*percentage increase (decrease) compared with FY19		

Retail and Recreation Visitation throughout Covid 19



Source, NMTD

New Mexico Magazine

New Mexico Magazine did not reach its target for advertising revenue per issue, in part because the agency reduced the number of issues from 12 to 10 per year, with the first two quarters having less issues than quarters three and four. The agency also notes it has shifted much of its readership and advertising to online rather than in print, and will work with LFC and state budget division to formulate new, more appropriate measures to gauge actual revenue. The magazine's digital engagement reaches more than 200 thousand visitors per month across various platforms.

Budget: $3,231.9 **FTE:** 10 **Measure**	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Advertising revenue per issue, in thousands	$75	$182.2	$80	$65	$64		Y
Program Rating	G	G		Y			Y

Tourism Development Program

The program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants. The program made collaboration with Native American partners a priority in recent years, hiring a full-time cultural heritage coordinator in late FY20. The New Mexico True Certified program continued to grow in the second quarter of FY22, and helped businesses weather the pandemic through creating holiday gift guides and various road trip guides. NMTD notes that the New Mexico True certified program has quadrupled since its creation in 2014, and projects continued growth as more businesses realize its branding potential.

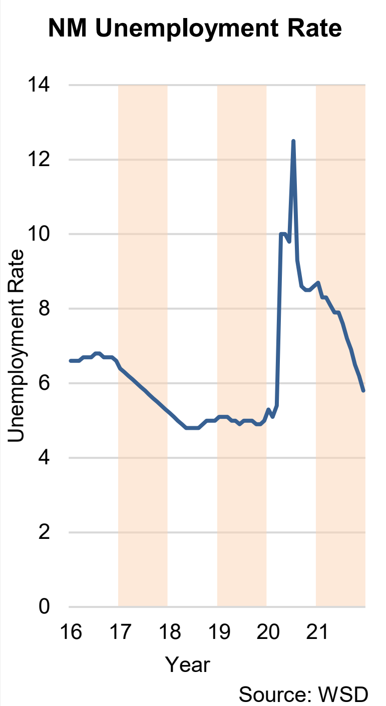
Budget: $2,305.8 **FTE:** 18 **Measure**	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Number of meetings or events conducted with Native American entities	NEW	21	16	12	6		G
Number of participants in New Mexico True Certified Program	NEW	414	250	450	452		G
Program Rating		G		G			G

Workforce Solutions

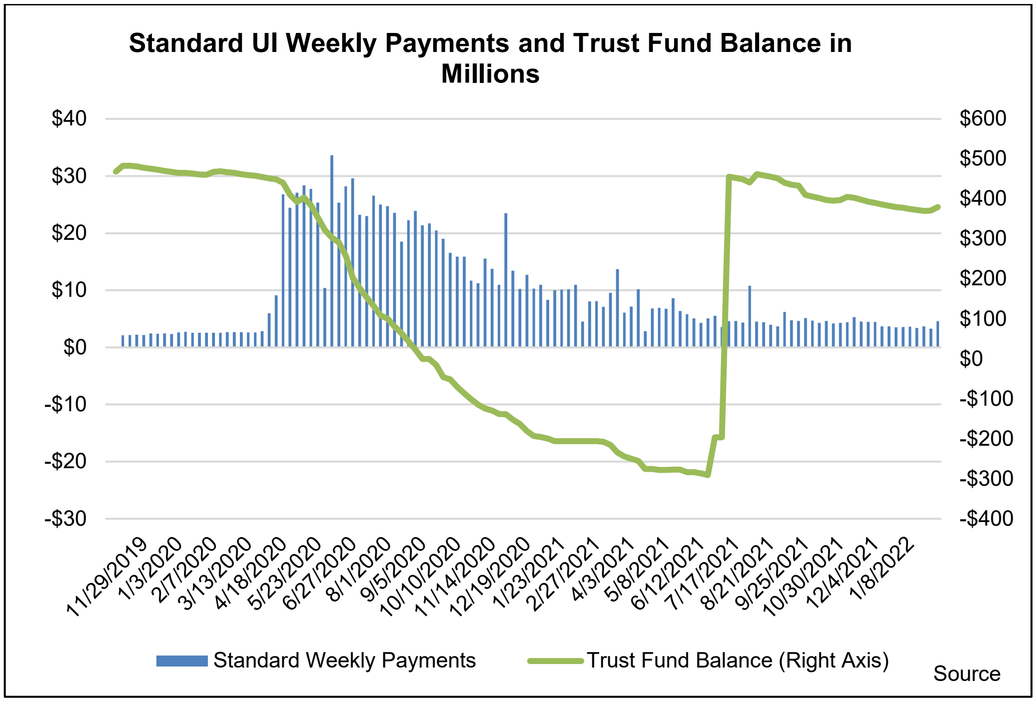
ACTION PLAN

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

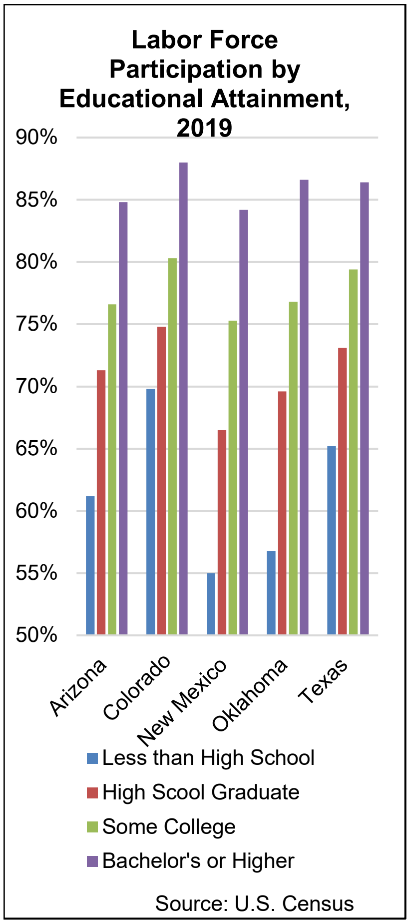
Across sectors, the state is in need of every worker it can get, especially teachers, nurses, and social workers. Because of this, improving participation in the labor force is a key strategic goal for the state to recover from the pandemic and meet long-term needs. According to the U.S. Bureau of Labor Statistics, low labor force participation rates cause rising dependency ratios because fewer workers are available to support those who do not work, higher tax rates because of a shrinking base, and slower economic growth because fewer people are working. While unemployment rates recently improved, labor force participation has not recovered to pre-pandemic levels, trailed national employment expectations well before the pandemic, and continues to trail in the recovery. The state's labor force participation trailed the national rate by 4 percent and Colorado by nearly 10 percent on average since 1999.

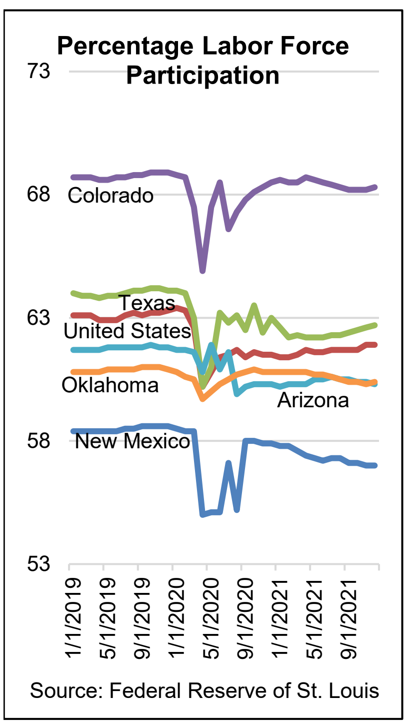


With the pandemic possibly winding down, the Workforce Solutions Department (WSD) continues undergoing historic changes. As of the February 2022, federal pandemic unemployment insurance programs largely ended in September 2021 and weekly claims dropped from about 100 thousand to 12.5 thousand, with further claims decreases expected as the 13 week extended benefits program runs its course. To meet the needs of pandemic related unemployment claims and the need to continue rebuilding the state's labor force, between October 2020 and October 2021 the Unemployment Insurance and Employment Services Programs added nearly 300 new positions above the 500 positions authorized in the FY22 budget, a 60 percent increase. However, in February, the federal government announced a new waiver to allow states to forgive unemployment overpayments when the overpayment was not the individual's fault. The department should start looking for ways to repurpose some of these temporary staff.



During the 2021 legislative Session, the Legislature set aside $600 million of funding through the American Rescue Plan Act (ARP) to pay off federal loans and replenish the unemployment trust fund. The governor vetoed this funding but then allocated a similar amount to the trust fund to restore balances.





Unemployment Insurance

Since March 2020, the program paid out more than $3.5 billion in unemployment benefits and is continuing to pay for 13 weeks of extended benefits. In May 2021, LFC published an unemployment insurance spotlight evaluation and estimated the state had paid about $250 million in benefit overpayments since the start of the pandemic.

In an effort to address overpayment issues and reduce call center wait times, the department hired more than 100 call center staff. Some of the staff were repurposed contact tracers from the Department of Health (DOH) and others were brought on as exempt staff through the governor's office. However, since the federal government instituted the overpayment waiver, the workload of these staff should have been reduced. The department may want to start looking at how to repurpose these staff to meet performance targets for the three measures not met below.

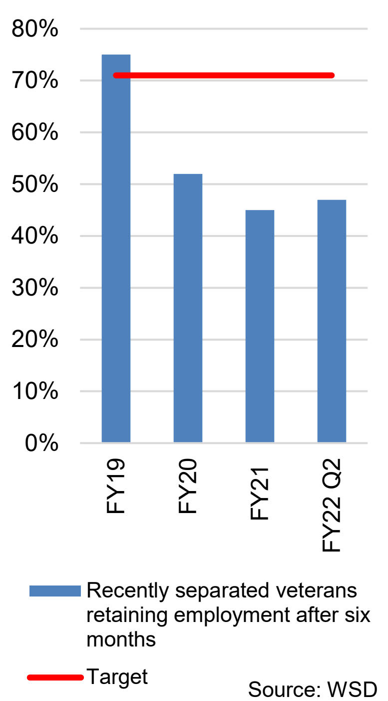
Budget: $14,107.4 FTE: 164	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Eligible unemployment claims issued a determination within 21 days from the date of claim.	73%	55%	89%	34%	28%		R
Percent of all first payments made within 14 days after the waiting week.	84%	60%	90%	61%	47%		R
Accuracy rate of claimant separation determinations.	N/A	53%	91%	50%	53%		R
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a new unemployment insurance claim, in minutes.	24:48	18:69	18:00	5:27	5:41		G
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes.	18:48	16:55	15:00	6:13	9:08		G
Program Rating							Y

*Measure is explanatory and has no performance target.

Labor Relations

In 2021, the Legislature passed the Healthy Workplaces Act requiring employers within the state to provide sick leave of one-hour per 30-hours worked with earned sick leave carrying over from year-to-year with the maximum total carryover not to be less than 64-hours. The department is required to investigate complaints related to the act, which may significantly increase investigations. For the measure on discrimination claims investigated and issued a determination, the department says the bureau handling the claims is fully staffed. The department expects that it will meet or exceed the target of 75 percent by the end of the year.

Recently Separated Veterans Retaining Employment



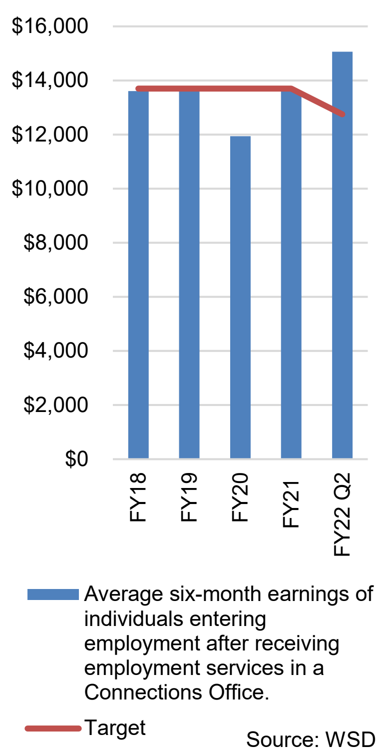
Budget: $2,947.4 FTE: 41	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Investigated claims issued an administrative determination within 90 days.	17%	14%	85%	59%	64%		Y
Total public works projects inspected.	New	0%	80%	45%	81%		G
Discrimination claims investigated and issued a determination within two-hundred days.	New	27%	75%	17%	28%		R
Program Rating							R

Employment Services

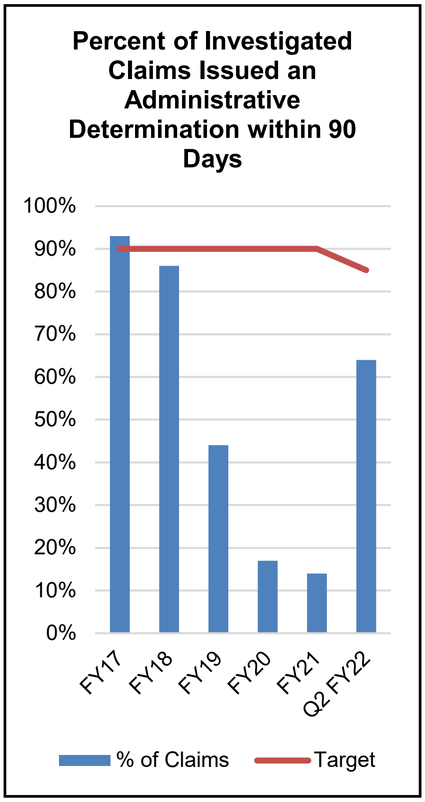
U.S. and New Mexico labor force participation rates continue to diverge, with New Mexico's rate decreasing and the U.S. rate increasing. National data suggests women are returning to the workforce in greater numbers, driving much of the national recovery. State level workforce participation rates by sex are only available through 2019, but women may not be returning to the workforce in New Mexico as quickly as they are elsewhere in the U.S., explaining some of the divergence. The department says that contributing factors for individuals not returning to work may be the health risks associated with the ongoing Covid-19 pandemic, childcare responsibilities, limited flexibility, availability of employers to offer telework, and a desire for higher wages. The department says they are conducting a study to determine why people are not returning to the workforce and that they are working with ECECD to identify childcare deserts and address them.

Because federal Temporary Assistance for Needy Families program relocated from the Human Services Department (HSD) to WSD, FTE in the program increasing from 149 in the FY22 operating budget to 368 in FY23, a 147 percent increase. Most of the new positions are interns, career counselors, and recruiters. When the wage employment and training program was at HSD, the Income Support Program primarily contracted the program to SL Start New Mexico which worked with TANF recipients to help them find work through career counseling and internships while clients received training or education. According to Workforce Solutions, instead of contracting the program out, the department is operating the program internally, explaining the substantial increase in FTE. Interns will work for state agencies or the private sector and will be paid with TANF funds by the state. The department expects it could hire as many as 200 interns.

Six-Month Earnings After Receiving Employment Services



Budget: $22,505.4 FTE: 149	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office.	$11,936	$13,594	$12,750	$14,321	$15,060		G
Recently separated veterans entering employment.	49%	47%	50%	42%	44%		R
Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office.	44%	47%	50%	38%	44%		R



Individuals receiving employment services in a Connections Office.	91,743	107,366	100,000	23,417	12,947	R
Unemployed individuals employed after receiving employment services in a Connections Office.	67%	57%	60%	43%	50%	R
Individuals that have received employment services in a Connection Office, retaining employment services after six months.	69%	57%	75%	48%	52%	R
Recently separated veterans retaining employment after six months	52%	45%	71%	45%	47%	R
Average six-month earnings of unemployed veterans entering employment after receiving veterans' services in a Connections Office.	$9,478	$14,193	$17,000	$17,801	$21,558	G
Average change in six-month earnings of working individuals after receiving employment services in a Connections Office.	New	No report	$1,500	$1,790	$1,458	Y
Audited apprenticeship programs deemed compliant.	New	67%	75%	No Reviews	No Reviews	R
Total number of individuals accessing the agency's online Job Seeker portal.	New	293,837	125 thousand	47,100	20,740	G
Apprenticeships registered and in training	New	1,837	1,500	1,835	1,833	G
Program Rating						Y

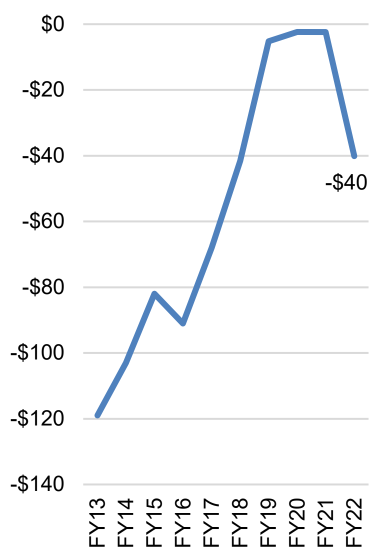
ACTION PLAN

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

Operations of the General Services Department (GSD) continue to be affected by the Covid-19 pandemic, from volatility in health insurance claims payments to the ability of the agency to conduct scheduled preventive maintenance at state facilities. Troublingly, the department reports a mounting deficit in the agency's largest program, Employee Group Health Benefits. Performance data indicate medical expenses are increasing faster than projected while premiums have not increased to match expenses to revenues. Under these conditions, the department will be challenged to contain costs in FY22. Improved health benefits performance reporting is vital to provide insight into cost drivers, care quality, and employee satisfaction with the benefits offered.

While the department did include an improvement action plan in the quarterly report submitted to LFC, the plan did not assign timelines or responsibilities. Without these concrete steps, it is difficult to assess the department's response to and effectiveness in addressing areas of concern.

Net Position of Major Risk Funds
(in millions)



Source: GSD and LFC Files

Risk Management Funds

The financial position of a fund is determined by dividing the current assets by the current liabilities. Overall, the financial position of the three funds is only 71.1 percent, with projected assets short of projected liabilities by $40 million. In FY21, assets were short of liabilities by only $2 million. Although all funds remain above the 50 percent target, this represents a significant pullback in a single year, warranting additional monitoring. Changes were driven mostly by the public liability fund, with a reduction in projected assets of $16 million and an increase in projected liabilities of $16 million versus FY21. While GSD did not provide an explanation for why the fund's financial position worsened, the department did note the Risk Management Division was in the process of developing an improvement action plan for the public liability fund.

Budget: $100,427.9 **FTE:** 0.0	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Projected financial position of the public property fund*	736%	523%	N/A	379%	463%		G
Projected financial position of the workers' compensation fund*	60%	61%	N/A	54%	60%		G
Projected financial position of the public liability fund*	103%	112%	N/A	73%	62%		Y
Program Rating	G	G					Y

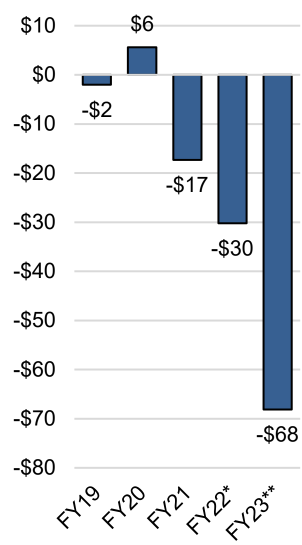
*Measure is classified as explanatory and does not have a target.

Group Health Benefits

The Employee Group Health Benefits Program has been in a persistent deficit position for the past several years. Despite the shortfalls, the department has not increased health insurance rates for participating employees resulting in mounting shortfalls. Although the Legislature authorized a 5 percent rate increase for FY23, the governor vetoed funding for the increase, stating there would be no premium increase for FY23. In FY22, the Legislature authorized $25 million in nonrecurring appropriations to stabilize the fund, but despite this intervention GSD projects shortfalls will grow.

While the Covid-19 pandemic reduced program costs at the outset of the pandemic, as illustrated by reduction in the per-member, per-month (PMPM) cost of health benefits in FY20, the easing of restrictions resulted in increasing PMPM costs in FY21. For the second quarter, GSD notes cost increases were particularly high due to members meeting deductibles for the calendar year, increasing claim costs paid by the fund. Should the rate increase continue, it is likely the year-end shortfall of the health benefits fund will be greater than the currently-projected $35.3 million. The financial position of the health benefits fund makes cost containment an even more pressing concern. While progress has been made in filling appointments at the Stay Well Health Center, the cost savings, if any, are unknown.

Health Benefits Fund Balance
(in millions)



*Projected; includes $25 million in special appropriations
**Projected; assumes no rate increase

Source: LFC analysis of GSD data

Budget: $412,936.0 **FTE:** 0.0	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Change in average per member per month total healthcare cost	-2.5%	5.9%	<5%	7.3%	23.1%		R
Year-end fund balance of the health benefits fund, in millions*	NEW	-$17.3	N/A	-$24.9	-$35.3		R
Annual loss ratio for the health benefits fund	NEW	NEW	98%		Annual		
State group prescriptions filled with generic drugs	87.2%	86.5%	80%	87%	87%		G
Percent of available appointments filled at the stay well health center*	NEW	50%	N/A	90%	87%		G
Percent of eligible state employees purchasing state medical insurance*	NEW	81%	N/A		Annual		
Rate per one thousand members of emergency department use categorized as non-emergent*	NEW	21.8	N/A	24.4	33		
Program Rating	G	R					R

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

Facilities Management

The Facilities Management Division (FMD) is responsible for maintaining 6.8 million square feet of state-owned and leased space. Recently, GSD has prioritized moving employees from leased space to state-owned facilities; however, the state continues to lease 2.5 million square feet of private space. Efforts to consolidate state agencies and reduce leased space have been hampered by uncertainty about the future space needs of the state workforce, with space occupied on a daily basis reduced due to telework. Specifically, the lack of a consolidated set of criteria governing telework eligibility led to agencies pursuing differing strategies resulting in inconsistencies in estimated amount of space needed to house staff.

FY22 Leased and State-Owned Office Space by Square Foot and FTE

Department	Leased Space	Rent	State-Owned Space	State-Owned Space Per FTE (Target 215)	Total Space
Human Services Department	716,989	17,045,290	61,456	325	778,445
Children, Youth & Families Department	419,432	8,593,213	282,759	361	702,191
Department of Health	274,835	4,315,346	245,776	180	520,611
Corrections Department*	73,273	1,386,037	299,424		372,697
Taxation and Revenue Department	184,566	4,239,764	149,838	289	334,404
Department of Environment	120,490	2,273,294	70,975	343	191,465
Workforce Solutions Department	25,163	475,187	162,160	375	187,323
Department of Public Safety	63,007	516,839	64,858	511	127,865
State Engineer	63,251	924,009	50,706	268	113,957
Regulation and Licensing Department	24,188	392,655	65,687	205	89,875
Total	**1,965,193**	**40,161,634**	**1,453,639**	**279**	**3,418,832**

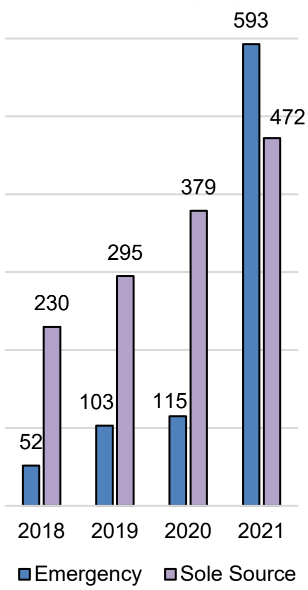
FMD reports 86 percent of scheduled preventive maintenance activities were completed on time, recovering from lower-than target results in FY21 and the first quarter of FY22. There were seven new leases entered into in the second quarter and three met space standards. One CYFD facility was granted an exemption. FMD reports there was $42.3 thousand in utility savings from green energy initiatives. In August 2019, FMD began a $32 million project to reduce energy use in state facilities, estimated to save at least $1.1 million per year. The program generated savings of less than $300 thousand in FY21, and while prior experience showed a spike in the third quarter, the program is on track to generate less in savings than in FY21.

Several agencies have recently located to new facilities in Santa Fe, which was not considered by the Legislature during the FY23 budget process. FMD should consider developing a strategy for effectively utilizing state facilities in Santa Fe.

Budget: $15,481.2 **FTE:** 148	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Capital projects completed on schedule	96%	88%	90%	95%	90%		G
Preventive maintenance completed on time	75%	48%	80%	56%	86%		G
New office leases meeting space standards	93%	100%	85%	80%	50%		R
Amount of utility savings resulting from green energy initiatives, in thousands*	NEW	$281.4	N/A	$31.5	$42.3		
Program Rating	G	Y					Y

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

Number of Sole Source and Emergency Procurements



Source: GSD

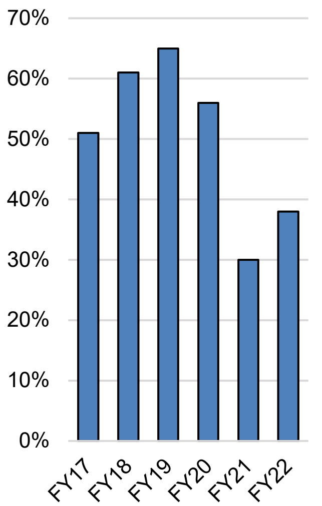
State Purchasing

The program reports 76 out of 77 executive agencies had designated chief procurement officers in the second quarter and stated 98 of 109 procurements submitted to the program for approval were completed within the target timeframe. Additionally, the program met the target for timely contract review. While administrative performance is encouraging, the program continues to face difficulties in basic reporting. For example, the program estimates only 21 percent of revenue due to the state from purchases of goods on affected pricelists has been remitted. Furthermore, the estimate is not based on actual purchases tracked by the program, but rather on vendor self-reporting. The program has an opportunity to greatly improve reporting and tracking of agency purchasing.

Budget: $2,298.2 **FTE:** 29	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Agencies with certified procurement officers	92%	95%	90%	99%	99%		G
Procurements completed within targeted timeframes	NEW	NEW	80%	100%	90%		G
Revenue generated through pricelist purchases, in thousands*	NEW	$2,988	N/A		Annual		
Percent of estimated payments received from vendor sales	NEW	NEW	80%	31%	21%		R
Percent of invitations to bid awarded in 90 days of assignment	100%	64%	90%	80%	100%		G
Average number of days for completion of contract review	NEW	8.1	<5	5	4.7		G
Program Rating	Y	G					G

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

Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

Transportation Services

Although the Legislature recently appropriated $1.3 million for GSD to replace state vehicles, agencies continue to underutilize vehicles, with only 38 percent of leased vehicles being used daily or for at least 750 miles per month. Although the agency states daily vehicle use will increase as state government begins to return to normal business operations, the agency may need to consider the impact of increased telework arrangements, which have the potential to permanently alter normal business operations. Additionally, even prior to pandemic-induced stay-at-home orders, vehicle use was below the 70 percent target level. While the proportion of vehicles used 750 miles per month or daily is well below the target level, the program is rated yellow as the performance is directly related to Covid-related restrictions that are outside of agency control.

Budget: $9,426.5 **FTE:** 31	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Vehicle operational cost per mile	$0.48	$0.49	$0.59		Annual		
Vehicles used 750 miles per month	56%	30%	70%	39%	38%		R
Program Rating	Y	Y					Y

State Printing

The State Printing Program reports some recovery in sales from the downturn caused by the Covid-19 pandemic, although the program continues to be challenged by reduced demand. The program continues to see expenditures exceeding revenue, but the agency anticipates increased revenue in the third quarter as a result of the legislative session. The program generally orders materials in the first two quarters of the fiscal year and then invoices for printing in the third and fourth quarters. The program is rated yellow as the poor performance was driven by factors outside agency control.

Budget: $2,038.9 **FTE:** 9	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Revenue exceeding expenditures	5%	-0.6%	5%	-76%	-34%		R
Percent of printing jobs delivered on time	99%	100%	99%	100%	100%		G
Sales growth in revenue	8.6%	-11%	20%	-42%	34%		G
Program Rating	Y	Y					Y

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
State Personnel Office
Second Quarter, Fiscal Year 2022

ACTION PLAN

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

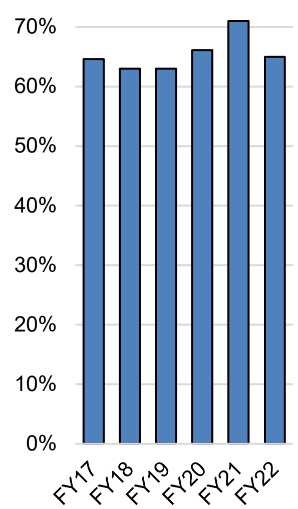
Competition in the labor market has increased, with employers, including state government, left scrambling to retain current employees, let alone fill vacant positions. Due to difficulties in recruiting and retaining qualified employees, the Legislature authorized 3 percent mid-year pay increases for state employees in FY22, with an additional 4 percent increase for FY23. However, staff remain concerned with plans to implement the pay increases that focus primarily on current earnings rather than attempting to strategically allocate pay increases in a way to best to reduce turnover and vacancies in high-need positions. Additionally, the lack of a uniform policy regarding teleworking arrangements could make state employment appear less attractive.

At SPO's request, a number of measures are classified as explanatory, meaning they do not have performance targets. However, ratings were given based, in part, on prior year performance.

Budget: $3,835.1 **FTE:** 44	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Classified service vacancy rate	21%	19.9%	N/A*	22.3%	22.8%		Y
Average days to fill a position from the date of posting	56	50.5	N/A*	72	70		R
Average state classified employee compa-ratio	103%	103.4%	100%	104.9%	104.1%		R
Average state classified employee new-hire compa-ratio	100%	98.6%	N/A*	101.6%	102.6%		R
New employees who complete their first year of state service	66%	71%	N/A*	60%	65%		Y
Classified employees voluntarily leaving state service	12%	13%	N/A*	5.5%	4.5%		R
Classified employees involuntarily leaving state service	2%	1.6%	N/A*	0.4%	0.5%		Y
Number of hires external to state government	NEW	1,996	N/A*	621	788		G
Program Rating	Y	Y					R

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

New Employees Completing One Year Probation Period

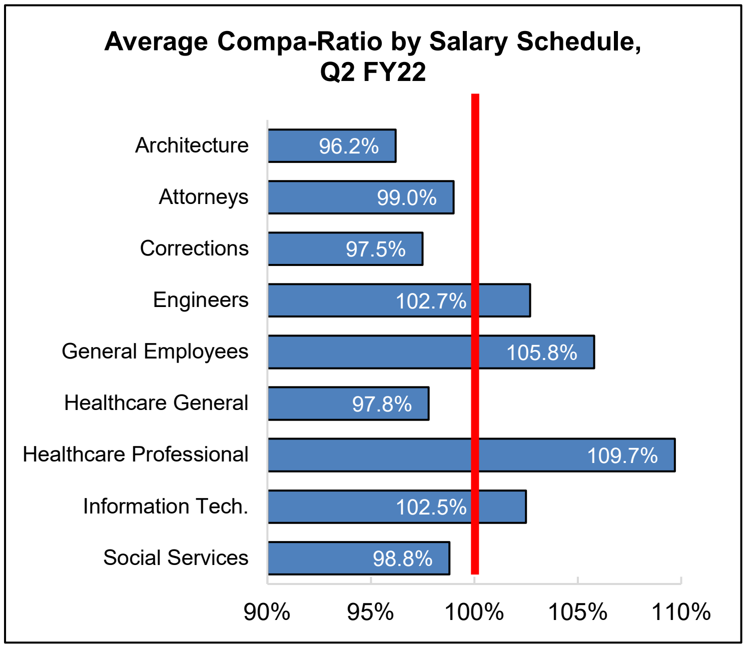


Source: SPO

The State Personnel Office (SPO) reports the classified service vacancy rate is 22.8 percent, up from the 22.3 percent reported in the first quarter. Fewer employees in their first year of state service are completing their probationary period than in FY20 or FY21, with 65 percent completing in the second quarter. Additionally, it is taking state agencies 70 days to fill vacant positions, 21 days longer than the FY21 average. It is unclear if the increase in time to fill positions is related to a lack of applicants, disruptions in the hiring process at the agency level, or a combination of factors.

SPO's quarterly report does not include information on salary competitiveness or turnover by job type, but measures of compa-ratio, or salary divided by midpoint of salary range, continue pointing to salary inadequacy for some employees. While compa-ratio for occupation-specific salary schedules are generally competitive, the average compa-ratio is 105.8 percent for employees on the general salary schedule and 109.7 percent for healthcare professionals. However, the executive pay plan prioritizes increases to employees on the general salary schedule, rather than for occupations with a specialized salary schedule, and to those employees with a low compa-ratio. This will result in raising already high compa-ratios for employees on the general salary schedule for the fourth quarter.

Although SPO issued a model non-mandatory telework in June 2021, decision making regarding telework and return-to-office policies have largely been left to agencies, leading to inconsistencies that could drive turnover among employees who prefer a telework arrangement to seek out agencies with more flexible telework policies. According to SPO staff, current policies do not allow agencies to hire explicitly for remote workers, something the state may need to consider if telework arrangements persist in the private sector and high-quality job candidates prioritize these arrangements over other considerations.



New hire employees are being brought in at 102.6 percent of midpoint, suggesting the salary range is not competitive. The lack of specific information on the causes of turnover, job types affected, and increased hiring times is troubling. SPO committed to working with the LFC to provide metrics monitoring the state’s competitiveness, but additional metrics have yet to be presented to the LFC.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Taxation and Revenue Department
Second Quarter, Fiscal Year 2022

ACTION PLAN

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

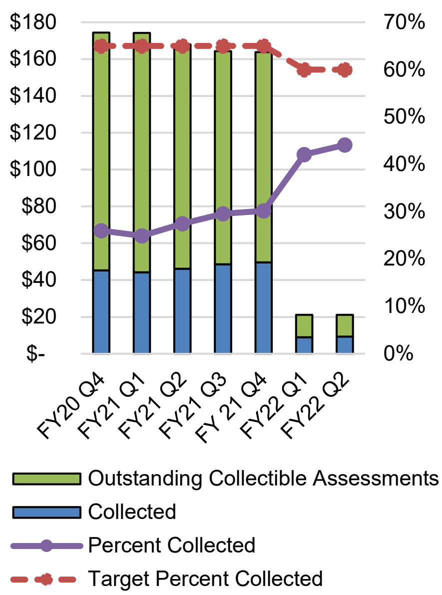
For the second quarter of FY22, the Taxation and Revenue Department (TRD) remained on track to meet its annual target for collections of outstanding balances but fell short of its target for collectible audit assessments again this quarter, in part due to limitations in reporting business taxes. In the Property Tax program, though sales resumed this quarter, the division prepared for three additional sales that were cancelled.

Call center wait times in Motor Vehicle Division (MVD) decreased by almost half this quarter, from nearly 12 minutes to 6 minutes 23 seconds. In-office wait times also decreased from 8 minutes to 7 minutes. Both MVD offices and TRD district offices are open by appointment only with 30 of 32 offices having consistent same-day availability. As part of a continued effort to increase performance while ensuring the safety of customers, MVD also began implementing a mobile ticketing system for guests to check in remotely without pulling a physical ticket.

No cases were opened or referred to prosecutors in the second quarter in the Compliance and Enforcement program. Reported delays and cancellation of cases resulting from Covid-19 continues to impact the bureau's ability to open and refer cases. Five cases scheduled for trial this quarter were postponed until summer of 2022 due to court delays in scheduling hearings.

Regarding tax protest cases, the agency is on track to meet the target number of tax protest cases resolved. The cumulative total of cases resolved is 829 cases in FY22, or about 54 percent of the agency's total target number of cases for the current fiscal year.

Collections as a Percent of Collectible Audit Assessments (in millions)



Note: For FY22, measure only includes non-business taxes, which may result in underreporting for the measure this quarter.

Source: TRD

Tax Administration

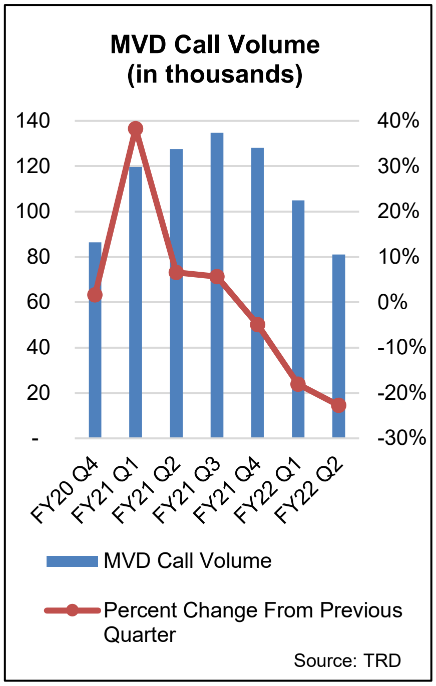
In the second quarter, the agency collected $50.1 million, or 4.7 percent, of the $1 billion total collectible balance. For the first and second quarters of FY22 and fourth quarter of FY21, assessments totaled $23.8 million, of which $70 thousand is in protest and $2.7 million has been abated. This leaves a collectible balance of $21 million, of which $9.3 million has been collected, for a collection percentage rate of 44.1 percent. Due to delays in resolving issues with the reporting function for business taxes, the agency reported progress on the measure excluding those taxes in FY22 first and second quarters.

Although still below the agency's target of 60 percent, the department modified the measure for FY21 to account for the 90-day protest period, during which time assessments cannot be collected. Likely as a result of that change, performance on this measure has continued to improve since last quarter. Reports only include non-business taxes, but that will likely be updated in the third quarter.

Budget: $20,099.4 **FTE:** 344

Measure	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	19%	17.6%	25%	3.4%	4.7%		R
Collections as a percent of collectible audit assessments generated in the current fiscal year	26%	30.3%	60%	42.1%	44.1%		Y
Program Rating	Y	Y					Y

*Target is cumulative

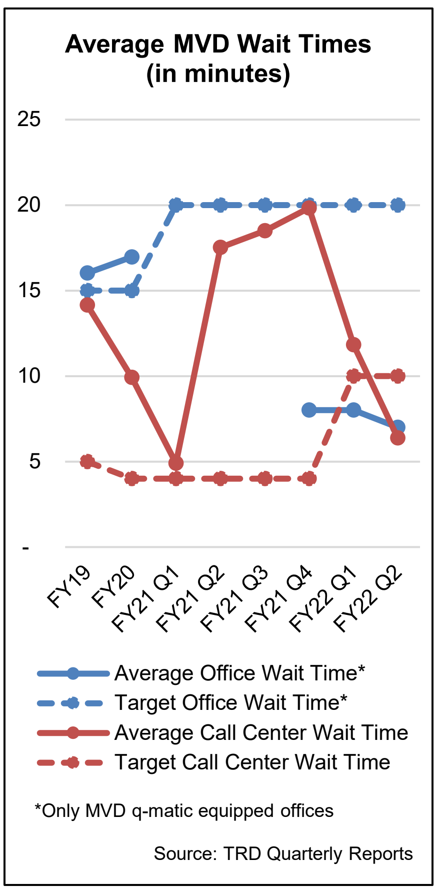


Motor Vehicle

The Motor Vehicle Program continued to decrease office wait times this quarter, from 8 minutes to 7 minutes for "q-matic" equipped offices. During the second quarter, field offices continued operating on an appointment only basis with up to 100 percent staffing in almost all offices but also began offering same-day appointment capabilities. MVD notes 30 out of 32 field offices consistently have same day appointment availability. MVD also began implementing a mobile ticketing system for guests to check in remotely without pulling a physical ticket as part of a continued effort to increase performance while ensuring the safety of customers.

The average wait time at the MVD call center decreased again this quarter by almost half, from just under 12 minutes to 6 minutes and 23 seconds. MVD call center volume has decreased to a level similar to the end of FY20, seeing roughly 81 thousand total calls this quarter. MVD customers are also successfully utilizing online renewal capabilities for anyone over the age of 79 and interlock driver licenses. MVD is reinforcing training in the field to decrease errors and cut down on transaction times and is also working on process improvements for offices that receive more than the average amount of customers, which skew the wait time measure upwards. Further, MVD does not collect data on call quality or wait times in contracted partner offices, which would be beneficial to track.

The share of registered vehicles with liability insurance slightly decreased but overall remains relatively flat with previous quarters. MVD is exploring options to increase compliance among all jurisdictions and demographics and notes continued erroneous and late reporting from insurance companies.



Budget: $37,607 **FTE:** 331

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Registered vehicles with liability insurance	90.6%	91.4%	93%	91.5%	91.3%		Y
Average wait time in "q-matic" equipped offices, in minutes	16:29	8:00	<20:00	8:00	7:00		G
Average call center wait time to reach an agent, in minutes	9:55	15:11	<10:00	11:50	6:23		G
Program Rating	Y	Y					Y

Compliance Enforcement

In the Compliance and Enforcement program, no cases were opened or referred to prosecutors in the second quarter, resulting in a zero percent result this quarter (though the cumulative total for FY22 remains at 50 percent). The Tax Fraud Investigations Bureau recently transitioned to a new case management system, requiring additional staff training and data entry. Reported delays and cancellation of cases resulting from Covid-19 continues to impact the bureau's ability to open and refer cases. The number of tax investigations opened annually is small, causing this measure to fluctuate each quarter. Due to the Covid-19 pandemic, the courts experienced a delay in scheduling hearings and five cases scheduled for trial this quarter were postponed until summer 2022. Therefore, the percentage of successful prosecutions in relation to the total investigations prosecuted remains at zero percent.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

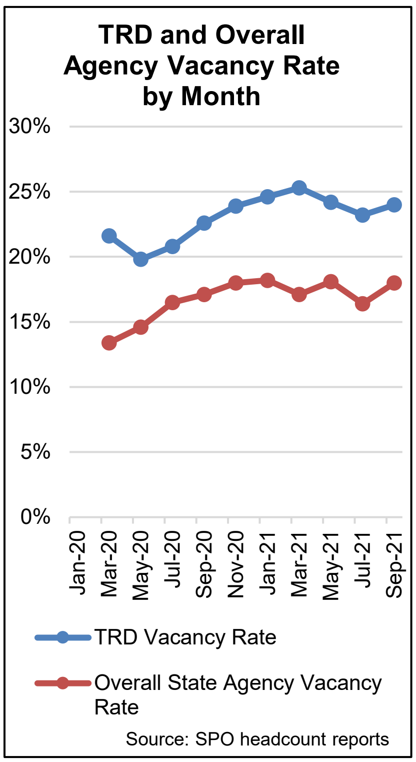
PERFORMANCE REPORT CARD
Taxation and Revenue Department
Second Quarter, Fiscal Year 2022

Budget: $1,634 **FTE:** 21

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	114%	67%	85%	50%	0%		Y
Successful tax fraud prosecutions as a percent of total cases prosecuted*	100%	100%	N/A	0%	0%		
Program Rating	G	Y					Y

*Measure is explanatory and does not have a target

Property Tax



The Property Tax Division (PTD) collected and distributed to counties $1.7 million in delinquent property taxes in the second quarter and recovered 2.7 percent of total delinquent property taxes, a decrease from the previous quarter. Though sales resumed this quarter, PTD prepared for three additional sales that were cancelled because newspapers failed to publish all three consecutive weekly notices for each property under auction and system problems in a third county.

Every July 15th, county treasurers submit delinquency lists to PTD. PTD researches these properties to collect delinquent taxes either through direct contact with the property owners, installment agreements or tax sales. Because most PTD statutes are based on calendar rather than fiscal years, the agency benchmarks the most recent list.

Budget: $5,297.7 **FTE:** 39

Measure	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Delinquent property tax collected and distributed to counties, in millions	$10.4	$10.7	$30.0	$3.4	$1.7		R
Percent of total delinquent property taxes recovered	18.7%	18.7%	15%	3.9%	2.7%		Y
Program Rating	Y	Y					R

Program Support

The department is on track to meet its performance target for number of tax protest cases resolved in FY22 but has seen a slight decrease, resolving 345 cases in the second quarter. The cumulative number of cases resolved is 829 cases, or about 54 percent of the total target number for FY22.

The state distributes more than $1.9 billion in revenues from gross receipts taxes to local governments each year. Following a 2018 lawsuit filed by local governments alleging the state had mishandled tax distributions to New Mexico counties, TRD announced terms of a $50 million settlement agreement for the sharing of gross receipts taxes.

The department submitted a figure of 100 percent for internal audit recommendations implemented, meeting the FY22 target. TRD notes that one of four internal audit FTE positions were vacated this quarter and have not been listed for re-hire. Despite the vacancies, TRD reports six audit recommendations were carried from the first quarter of FY22, four were implemented in the second quarter and two are due in the fourth quarter.

TRD intends to build business process improvement capacity within its divisions, allowing the internal audit team to refocus its efforts on internal audits while still providing support on internal controls. While business process improvement is an important agency-wide goal, it may not be the best measure of internal audit performance. TRD may wish to consider a separate performance measure to gauge progress on internal controls.

Budget: $9101.4 **FTE:** 103	**FY20**	**FY21**	**FY22**	**FY22**	**FY22**	**FY22**	
Measure	**Actual**	**Actual**	**Target**	**Q1**	**Q2**	**Q3**	**Rating**
Tax protest cases resolved	1,744	1,550	1,525	484	345		G
Internal audit recommendations implemented	94%	100%	92%	88%	100%		G
Program Rating	Y	G					G

Investment Performance Quarterly Report, Second Quarter, FY22

- Markets remained strong through the second quarter of FY22, although gains slowed due to increased market volatility caused by rising and sustained inflation, unpredictable oil prices, and the lingering pandemic. Despite increasing instability, continued economic recovery sustained above-target returns. Generally, the state's risk-averse investments performed better than peer funds in the near-term, although they tend to underperform or perform around the median in the long-run.

THIS REPORT details the comparative investment performance of the three investment agencies: the Educational Retirement Board (ERB), the Public Employees Retirement Association (PERA), and the State Investment Council (SIC), which manages the land grant permanent fund (LGPF) and the severance tax permanent fund (STPF).

Agency performance and market environment information are derived from the investment performance reports submitted by PERA, ERB, and SIC.

Investment Performance Highlights

- For the year ending December 2021, the value of New Mexico's combined investment holdings for the pensions and permanent funds grew by $9.2 billion, or 15.9 percent, to an ending balance of $67.2 billion. Over the last five years, the state's combined investment holdings grew $20 billion, or 42.4 percent.
- One-year returns remain strong, though lower than the previous two quarters, ranging from 13.6 percent (STPF) to 21.4 percent (ERB). Average investment returns over the last ten years ranged from 8.9 percent (STPF) to 9.8 percent (ERB).
- All funds outperformed their targets for every period, when annualized.[1]
- When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's investment funds perform unevenly. ERB's private equity returns of 59.3 percent supported top quartile rankings for the quarter and the year, though ERB's rankings for all other periods remain near or below the median. The STPF performed near or in the lowest quartile for all periods, including last for 3-year returns. The LGPF has rankings in every quartile, including in the top quartile for the quarter and the year, the bottom quartile for 3-year returns, and the third quartile for 5- and 10-year returns. PERA has no top quartile rankings and ranks in the bottom quartile for 3-, 5-, and 10-year returns due to their risk-averse investing strategy.

Returns as of December 31, 2021 (Net of Fees)[1]

	PERA		ERB		LGPF		STPF	
Returns (%)	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**
Quarter	4.16	3.98	4.68	3.75	4.65	4.16	3.64	3.30
1-Year	**16.37**	13.04	**21.42**	15.48	**17.06**	16.53	**13.60**	13.13
3-Year	**12.63**	12.65	**13.95**	13.31	**13.49**	13.85	**11.39**	12.83
5-Year	**9.67**	8.94	**11.13**	10.72	**10.57**	10.55	**9.25**	9.99
10-Year	**8.96**	8.54	**9.79**	9.19	**9.65**	9.55	**8.87**	9.28

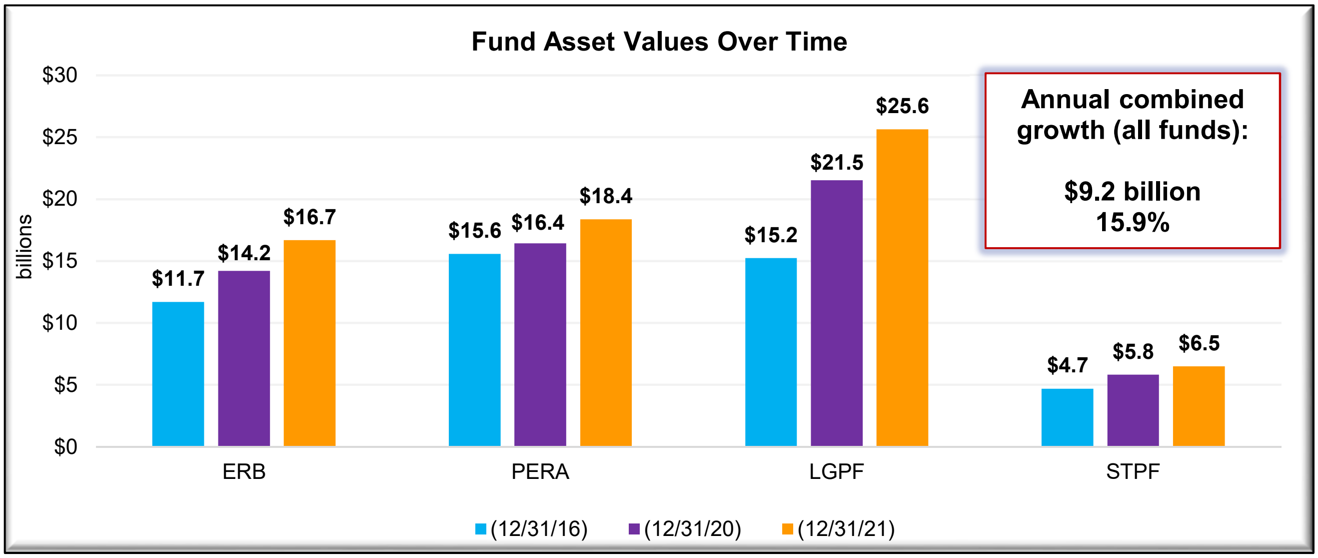
Note: bold indicates returns that exceed the fund's long-term target. Quarterly data is not annualized.

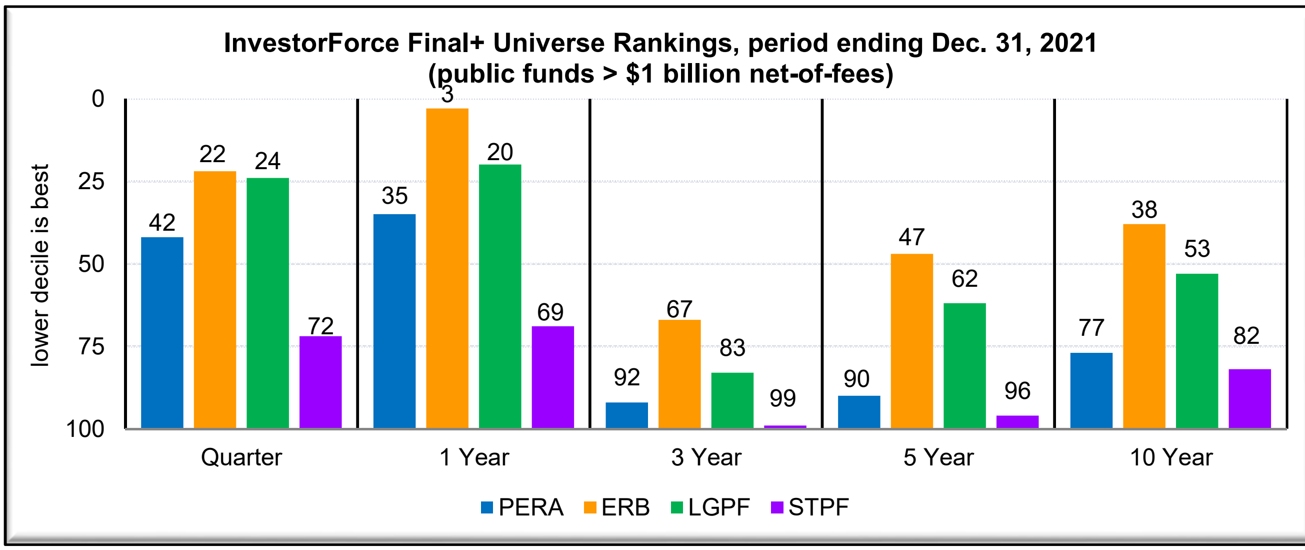
[1] The funds' long-term return targets are 7.25 percent (PERA), 7 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

Investment Agency Performance Dashboard

Quarter Ending December 31, 2021

This report detail the comparative investment performance of the three investment agencies: the Educational Retirement Board (ERB), the Public Employees Retirement Association (PERA), and the State Investment Council (SIC) which manages the land grant permanent fund (LGPF) and the severance tax permanent fund (STPF).





Risk Profiles, Five Years Ending 12/31/21, Net of Fees				
Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	6.1	6.7	8.0	7.9
Sharpe Ratio**	1.6	1.2	1.1	1.0
Beta***	0.3	0.4	0.4	0.4

*measures variability from the mean return; higher is more volatile

**higher numbers indicate higher return-to-risk level; a good ratio is 1 or better

***represents the volatility of the portfolio versus the S&P 500. Beta = 1: portfolio moves with the market. Beta < 1: portfolio is less volatile than market. Beta > 1: portfolio is more volatile than the market.

Aggregate Value of New Mexico Investment Holdings

$67.2 billion

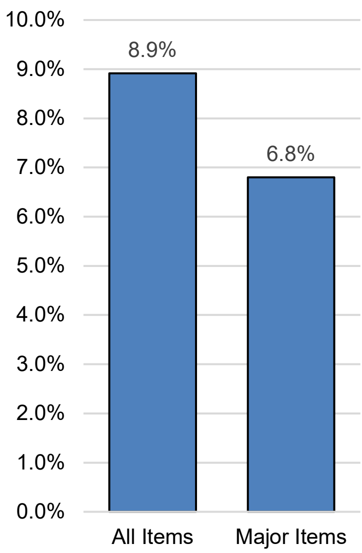
Source: Agency Investment Reports

PERFORMANCE REPORT CARD
Department of Transportation
Second Quarter, Fiscal Year 2022

ACTION PLAN

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

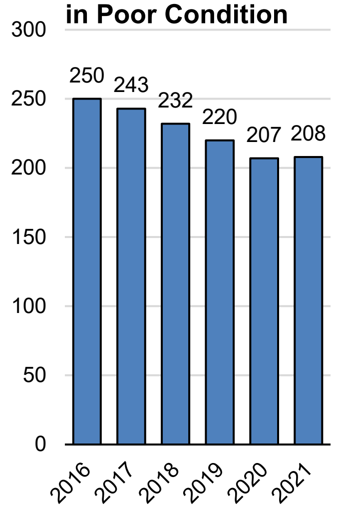
DOT Unit Price Increases
CY2020 to CY2021



Note: Average price increases were weighted by total quanity used in 2021

Source: DOT Average Unit Bid Prices

New Mexico Bridges in Poor Condition



Source: FHA, National Bridge Inventory

In recent years, the Legislature has made significant nonrecurring appropriations to the Department of Transportation (DOT) for road construction and maintenance in response to deteriorating road conditions as pavements age and maintenance funding is insufficient to maintain or improve the condition of the transportation network. DOT has done well managing projects as illustrated in the department's consistent ability to complete projects on-time and on-budget. The supplemental performance information, attached to this report, includes additional information on the significant nonrecurring investments made by the Legislature.

Project Design and Construction

In order to judge the performance of the department's project planning and execution, measures covering the ability of the department to plan and complete projects on-time and within budget are tracked. The department reports actual project costs came in $1.8 million above budgeted amounts, lower than the target of 3 percent. This indicates the department is doing well in planning projects, estimating costs, and managing projects to bid on-time.

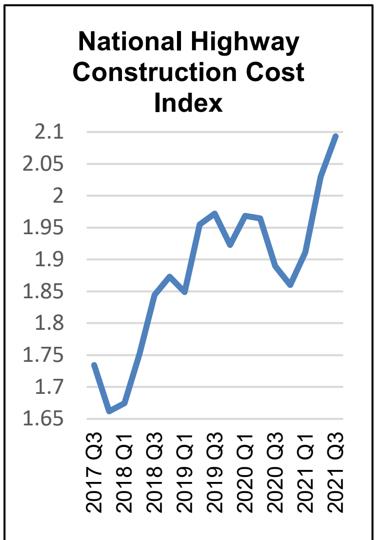
Budget: $613,837.9 **FTE:** 368	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Projects put out for bid as scheduled	75%	77%	67%	100%	93%		G
Projects completed according to schedule	92%	94%	88%	100%	88%		G
Final cost-over-bid amount on highway construction projects	1%	1.8%	3.0%	-0.3%	1.9%		G
Program Rating	G	G					G

Highway Operations

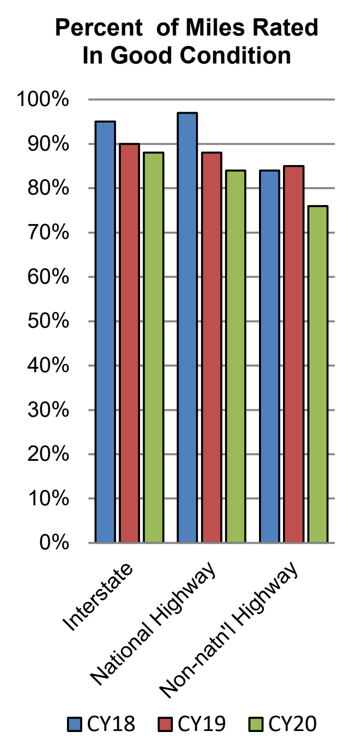
Maintenance crews surpassed the FY22 target for roadway preservation during the second quarter, completing 1,304 miles of pavement preservation, for a year-to-date total of 3,335, nearly 12 percent above the fiscal year target. Maintenance activity typically slows in the second and third quarters as crews transition to cold-weather operations before rebounding in the fourth quarter. Mild winter weather and nonrecurring funding provided by the Legislature may allow the department to significantly exceed the target once again in FY23.

Bridge Condition. DOT reports most bridges in the state are in fair condition, with 60.1 percent of deck area in fair condition, the second of four condition ratings; 35.7 percent was in the top or "good" condition, while 4.2 percent was in the third rating or "poor condition." DOT did not report any deck area in the fourth classification, known as "severe." For 2021, federal National Bridge Inventory reported 5.2 percent of deck area nationally was in poor condition, 50.9 percent was in fair condition, and 43.9 percent was in good condition. New Mexico was ranked 23rd for the least amount of deck area in poor condition.

DOT reports during the second quarter there was a net decrease of 2 bridges classified in "poor" condition. The department notes a need to continue investing in bridges, as the average age of bridges is 53 years. DOT estimates $120 million per year is needed for preventative maintenance, rehabilitation, and bridge replacement, including bridge projects on major interchanges.



Economic data shows construction costs increasing significantly in calendar year 2021, including road construction costs. Preliminary data from the Federal Highway Administration shows a 10.9 percent year-over-year increase in road construction costs nationally.



Budget: $277,882.6	**FTE:** 1,829.7	**FY20 Actual**	**FY21 Actual**	**FY22 Target**	**FY22 Q1**	**FY22 Q2**	**FY22 Q3**	**Rating**
Statewide pavement miles preserved		3,970	3,852	3,000	2,031	1,304		G
Bridges in fair condition or better, based on deck area		96%	96%	90%	96%	96%		G
Program Rating		G	G					G

DOT assesses all New Mexico roads each calendar year using a Pavement Condition Rating (PCR) score to measure roadway condition. For calendar year 2020, road condition data show New Mexico roadways deteriorated significantly from the prior year with lane miles in deficient condition increasing 54 percent year-over-year. Calendar year 2021 data will not be available until May 2022.

A PCR score of 45 or less indicates a road in poor condition. In 2020, the average PCR score for the state was 54.9, down from 57.4 the prior year. The annual decline of 2.5 shows that current funding is insufficient to maintain, let alone improve, the condition of New Mexico roadways. Additionally, because there are so many lane miles in fair condition with PCR scores less than 50, it is likely that, without significant investment, lane miles in poor condition will continue to see rapid growth.

Between 2016 and 2020, the proportion of roadways in poor condition increased from 17.4 percent to 23.8 percent. However, road conditions vary significantly by district; in 2020, district 2 had the worst average condition with 28 percent or roads in poor condition while district 6 had the best condition with 10.2 percent of roads in poor condition.

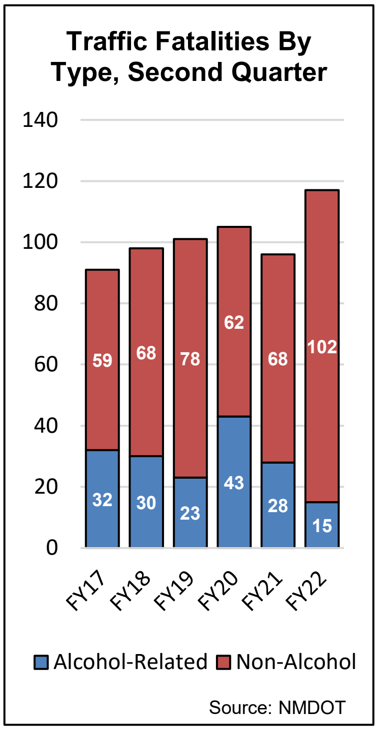
CY20 Road Condition Survey	**CY17 Actual**	**CY18 Actual**	**CY19 Actual**	**CY20 Target**	**CY20 Actual**	**Rating**
Interstate miles rated fair or better	93%	95%	90%	>90%	88%	Y
National highway system miles rated fair or better	89%	97%	88%	>86%	84%	Y
Non-national highway system miles rated fair or better	79%	84%	85%	>75%	76%	G
Lane miles in poor condition	4,606	3,783	4,420	<5,425	6,805	R
Program Rating	G	G	G			Y

Modal

Total fatalities increased 29 percent from the second quarter of FY21. The increase may be related to increasing traffic as people begin driving more following Covid-related reduction in travel. While reported alcohol-related fatalities are down from the second quarter of FY21, the data are preliminary and are often revised up as medical reports become available. DOT revised first quarter reports up by 64 percent, from 22 to 36. Pedestrian fatalities and unbelted fatalities remain persistently high. Park and ride and rail runner service was curtailed as a result of stay at home orders and remote work for state agencies. While rail runner ridership is increasing as workers return to the office, park and ride use remains flat with the first quarter and significantly lower than historic levels.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Transportation
Second Quarter, Fiscal Year 2022

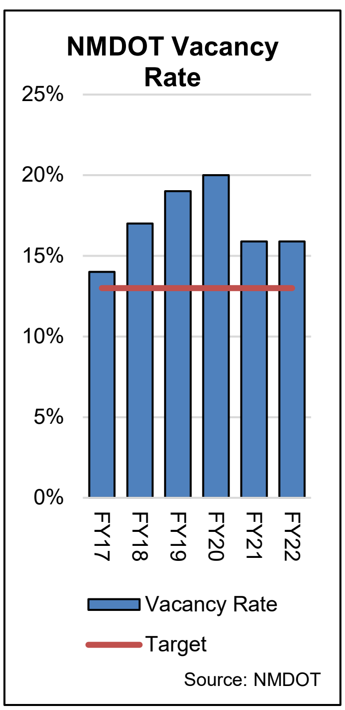


Budget: $78,498.1 FTE: 118	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Traffic fatalities	424	411	<357	140	117		R
Alcohol-related traffic fatalities	176	113	<125	36	15		G
Non-alcohol-related traffic fatalities	248	298	<232	118	102		R
Occupants not wearing seatbelts in traffic fatalities	158	171	<133	60	46		R
Pedestrian fatalities	83	76	<72	29	31		
Riders on park and ride, in thousands	175	53.6	235	22.3	22.3		R
Riders on rail runner, in thousands*	516	40.9	N/A	70.9	72.4		
Program Rating	R	R					R

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

Program Support

The department received exemptions from the statewide hiring freeze and has maintained a stable staffing rate even as vacancy rates across the state increase. The department is on track to experience fewer than 90 injuries and fewer than 35 injuries in work zones. The department notes injuries resulted in no lost days of work.



Budget: $43,856.7 FTE: 252.8	FY20 Actual	FY21 Actual	FY22 Target	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Vacancy rate in all programs	20.4%	15.9%	13.0%	15.8%	15.9%		Y
Employee injuries	54	35	90	19	5		G
Percent of invoices paid within 30 days	93%	93%	90%	93%	93%		G
Employee injuries occurring in work zones	13	11	35	10	2		G
Program Rating	G	G					G

IT Project Status Report – FY22 Second Quarter

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 (ex. A project moved from red to yellow)	⇨ Overall project status is stable or shows no change in risk status from the previous quarter.	⇩ Overall project status has declined since last quarter (ex. A project moved from green to yellow)

DoIT-led Projects

Y ⇨ The **P25 public safety radio project** ($39.1 million; 98.7 percent expended/encumbered) will replace and upgrade public safety radio equipment statewide for an estimated total cost of $170 million. Project kick-off in Sandoval County is complete and has finalized procurements for the Southwest expansion project. However, phase 2 completion has been pushed to January 2023, an additional 6 months, due to supply chain delays. The agency made progress in spending and encumbering available funding and has continued with regular project advisory committee meetings to address project risks.

Y ⇨ DoIT's **cybersecurity project** ($7 million; 72.2 percent expended) aims to monitor and address state cybersecurity risks. Project closeout is planned for June 2023 but cyber risk management is ongoing, and DoIT monthly scanning has improved the state's cybersecurity posture in recent years. DoIT remains concerned with a lack of statutory authority, which may be limiting its ability to meet the current stated goals of the project and creating a uniform process for oversight and compliance. While DoIT has identified this as a risk, the agency is in the process of requiring state agency participation in a statewide risk assessment.

Y ⇨ DoIT's **rural broadband project** ($10 million; 35.7 percent expended) aims to maximize statewide availability of broadband with a particular focus on rural areas. The department brought on an advisor this quarter to support establishment of the broadband office, which should complement the outcomes of this project.
The creation of the new broadband office should not have a direct bearing on the project direction since most of the funding is already obligated, and DoIT continues to provide technical assistance to entities seeking broadband funding and implementation.

R ⇨ New 2021 legislation funded roughly $111 million for a new **statewide broadband program** ($111.6 million; 0 percent expended) within DoIT and the new Office of Broadband Access and Expansion, not including other broadband investments within other agencies. LFC staff will track and monitor program progress and spending separately from the rural broadband project. The program remains on hold and funds have yet to be allocated to projects, as a director was hired late this quarter. The Connect New Mexico Council held its first meeting in January 2022, which should provide needed direction and help reduce overall program risk. The office should prioritize development of both a spending plan and a 3- to 5-year broadband deployment plan once staffed. The agency also received 3.5 additional FTE to support the office in FY23, which should contribute to improved planning and implementation efforts.

Executive Agency IT Projects

G

The State Land Office's **royalty administration and revenue processing system (RAPS) project** ($11.9 million; 92.6 percent expended) will replace the agency's existing royalty system. The agency successfully completed phase one, converting the old system to a new technical architecture. Percent interest enhancements went live in November and are working as expected. Contract negotiations for accounting modules should not cause any significant delays and the agency is finalizing contracts for renewable energy leases. SLO has also identified additional functionalities for other lease types.

Y

The Human Services Department's (HSD) **child support enforcement system replacement (CSESR) project** ($18.5 million; 54.3 percent expended) which aims to replace the legacy child support application, is estimated to cost a total of $65.6 million. The system needed additional testing and remediation time, so the agency moved go-live from January to February 2022. The release was successful and the overall project should still be completed in March 2025, with integration with the Medicaid management information system planned for 2024. The technical architecture review committee approved a cloud-based approach for the project in December 2021.

Y

HSD's **Medicaid management information system replacement (MMISR) project** ($218.1 million; 64.9 percent expended)**,** which will replace the legacy MMIS application, is supported by a 90 percent federal participation match at a total estimated cost of $346.3 million. HSD received final federal approval for all project aspects, including project collaborations with the Children, Youth and Families Department. Once contract amendments are approved for a cloud-based approach, the agency will re-baseline the schedule. Schedule risks remain high due to delays and risks inherent with multi-agency projects, but federal approvals for remaining project costs and planning documents resulted in improved risk status this quarter.

Y

The Children, Youth and Families Department's **comprehensive child welfare information system (CCWIS) project** ($25.5 million; 34.1 percent expended) intends to replace the old family automated client tracking system, or FACTS, for a total project cost of $45.3 million. CYFD and HSD received final federal approval of multi-agency planning and budget documents. Due to the approval, the overall project risk continues to decline in independent verification and validation reports and have resulted in an improved risk rating this quarter. Expenditures are being validated, creating differences in reported actuals this quarter.

Y

The Correction's Department's **offender management system replacement project** ($15.5 million; 87.9 percent expended) will replace the 15-year old legacy client server. The total amount appropriated includes $1.3 million contributed to the project out of the agency operating budget. The agency is prioritizing critical bug fixes prior to go-live and reports an improving success rate for system tests. However, due to these tests, final go-live is pushed to June 2022, which is 3 months later than initially planned.

G

The Department of Public Safety's (DPS) **records management system (RMS) project** ($7.4 million; 28.7 percent expended) will provide public safety agencies with a new data repository. The schedule accommodates the computer-aided dispatch project. Network upgrade delays at DoIT delayed progress this quarter and DPS reports a potential few-month delay to both projects to accommodate full data migration efforts. DPS decided to include an evidence module in the new system, also creating a small delay. Changes to contracts may be needed, which poses some risk. However, the agency continues to meet with relevant stakeholders to manage these risks and continues with staff training in advance of go-live.

G

DPS's **computer aided dispatch (CAD) project** ($3 million; 23 percent expended) will implement a new computer aided dispatch system, as the current system is no longer supported. The project schedule is concurrent with the records management system project, but both projects are at risk of delay due to data migration and the addition of an evidence module. DPS received approval for a few-month project extension in January 2022. Progress continues to be made on securing a vendor for the emergency dispatch software, with the request for proposals having closed this quarter and additional training taking place with relevant stakeholders.

The Higher Education Department's **longitudinal data system (LDS) project** ($11.0 million; 25.9 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico's education and workforce data. In November, the project certification committee certified release of an additional $730 thousand and the project moved into the planning phase. The public-facing website went live in February 2022 (risenm.gov), with plans for the full data platform to go live in April 2023. The technical architecture review committee approved the proposed cloud-based platform. The agency received a $1 million appropriation during the 2022 legislative session, will receive $2 million in congressionally-directed funds, and plans to pursue additional funding through the federal Statewide Longitudinal Data System grant program in federal FY23.

The Regulation and Licensing Department's **permitting and inspection software modernization project** ($7.3 million; 50.7 percent expended) will replace the legacy system Accela. The Manufactured Housing Division and Construction Industries Division phases has been closed out within budget and the Boards and Commissions Division phase is underway with only small delays. Go-live dates have been moved by a month, however the overall project end date remains estimated for July 2022. The project remains under budget and, if able to continue progress on deployment of the planned boards, the project will meet intended functionality as the agency moves to closeout.

Nonrecurring IT Appropriations

During the 2021 2nd Special Legislative Session, DoIT was appropriated nearly $123.1 million in federal funding from the American Rescue Plan Act of 2021 to plan, design, construct, renovate and equip broadband, including alternative and satellite broadband, statewide. Then, during the 2022 Legislative Session, the department was appropriated an additional $20 million for broadband and cybersecurity, including adequate funding to develop a digital equity plan.

DoIT also received a requested $26 million in severance tax bonding funds to continue supporting the P25 public safety radio upgrade project.

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Second Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	9/27/18
Est. End Date	6/30/24
Revised	4/05/27
Est. Total Cost	$150,000.0
Revised	$170,000.0

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.

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) continues to make progress on the P25 public safety radio upgrade project. The project's large cost and reliance on capital appropriations poses the biggest risk but the agency has made progress in spending available appropriations and have continued meeting with the project advisory committee on a regular basis to address project risks.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	Y	Y	Y		Y
Schedule	Y	Y	Y	Y		Y
Risk	R	Y	R	R		R
Overall Rating	R	Y	Y	Y		Y

Budget

Total available funding includes $1.3 million from the equipment replacement fund, $1.5 million repurposed from another DoIT project, and $8 million from Laws 2021. DoIT reports spending or encumbering almost 99 percent of available funding. Laws 2022 appropriated additional capital outlay funding to support the project in FY23 and subsequent years.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$39,164.3	$0.0	$39,164.3	$38,658.1	$506.2	98.7%

Schedule

DoIT remains on track to meet the extended project timeline despite capital budget constraints and reports that phase 2 activities are underway. However, phase 2 completion has been pushed to January 2023, an additional 6 months, due to delays in receiving equipment and other supplies. The agency has completed the project kick-off in Sandoval County and finalized procurements for the Southwest expansion project.

Risk

DoIT reports the potential for deployment delays due to supply chain disruption, including a possible 10 month delay in receiving generators. However, the agency notes these delays should not affect the overall project cost or timeline yet. Greenfield builds for phase 2 areas, including Sandoval County, are underway.

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Second Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	11/26/18
Est. End Date *Revised*	6/30/20 6/30/23
Est. Total Cost	$7,000.0

Project Description:

The Enterprise Cybersecurity project will establish a framework and foundation for the state's cybersecurity structure, including identifying tools for compliance monitoring and cybersecurity management, and implement an enterprise cybersecurity operations center system.

Enterprise Cybersecurity (EU) Project

Overall Status

Cyber risk management is ongoing, and DoIT monthly scanning has improved the state's cybersecurity posture in recent years. A reported upcoming statewide risk assessment will formally identify security risks and provide an opportunity to increase awareness, establish contingencies, and identify recovery solutions relating to cybersecurity. DoIT remains concerned about the sustainability of cybersecurity efforts across all state agencies without changes to administrative code and a recurring cyber budget.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	Y	Y	Y		Y
Schedule	Y	Y	Y	Y		Y
Risk	R	R	R	R		R
Overall Rating	R	Y	Y	Y		Y

Budget

The total project budget is currently certified. DoIT received $1 million in both FY22 and FY23 in the contractual services category for on-going cybersecurity activities, which are included in the operating budget. New Mexico may potentially recieve federal cybersecurity funds allocated in recent federal legislation, but total allocations are currently unknown.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$7,000.0	$0.0	$6,951.1	$5,017.3	$1,933.8	72.2%

Schedule

Cybersecurity upgrades and management will be an ongoing priority for the agency, but project-specific activities are expected to close out in June 2023. The agency should continue to review project timelines and proposed goals to ensure alignment of project activities and overall agency operational goals.

Risk

DoIT continues monthly vulnerability scanning efforts but is concerned with a lack of statutory authority, which may be limiting its ability to meet the current stated goals of the project and creating a uniform process for oversight and compliance. While DoIT has identified this as a risk, the agency is in the process of requiring state agency participation in a statewide risk assessment as part of establishing the Security Operations Center.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Second Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	6/1/19
Est. End Date	6/30/23
Est. Total Cost	$10,000.0

Project Description:

The New Mexico Rural Broadband Project will maximize availability of broadband connectivity across the state's rural areas.

New Mexico Rural Broadband Project

Overall Status

DoIT is supporting efforts for broadband expansion through a $10 million certified project, as well as through operational initiatives. Current DoIT employees are filling dual roles to support the project and the agency will receive an additional 3.5 FTE in FY23 to support the broadband office, which should improve overall capacity for planning and implementation of broadband projects.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	G	G	G		G
Schedule	Y	Y	Y	Y		Y
Risk	Y	Y	Y	Y		Y
Overall Rating	Y	Y	Y	Y		Y

Budget

DoIT reconciled project spending last quarter and reports spending just over 43 percent of available project funds. Including encumberances, nearly 80 percent of available funds are obligated. Additional funding appropriated in the 2021 and 2022 legislative sessions, such as capital outlay funding and other broadband funds, will not be part of the $10 million total budget but will be monitored seperately.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$10,000.0	$0.0	$10,000.0	$4,341.8	$5,658.2	43.4%

Schedule

The project is estimated to complete in 2023, but the department's role in supporting broadband will continue beyond the scope of this project as the administrative support for the Office of Broadband Access and Expansion. The department brought on an advisor this quarter to support establishment of the broadband office, which should complement the outcomes of this project.

Risk

DoIT continues to provide technical assistance to entities seeking broadband funding and has convened the first meeting of the Connect New Mexico Council to help further project planning. DoIT notes all rural broadband projects are on track and provided additional spending information this quarter. The creation of the new broadband office should not have a direct bearing on the project direction since most of the funding is already obligated, but DoIT should coordinate between the two initiatives to prioritize investments and meet project goals.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Second Quarter, Fiscal Year 2022

OVERVIEW

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

Project Description:

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

Statewide Broadband Program

Overall Status

The Office of Broadband Access and Expansion (OBAE) is leading the statewide broadband program, reported seperately from the certified rural broadband project. These efforts continue to be rated red pending clearer direction for the program. Once staffed, the office should prioritize development of both a spending and a 3- to 5-year broadband plan. The agency received 3.5 FTE to support office operations in FY23, which should improve program planning and implementation efforts.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	NEW	R	R	R		R
Schedule	NEW	Y	Y	Y		Y
Risk	NEW	Y	Y	Y		Y
Overall Rating	NEW	R	R	R		R

Budget

Details of a spending plan, required for some appropriated funding, are in development. The office plans to prioritize shovel-ready investments using available funds. Additional funding may be received from federal organizations, but total allocations are not currently known.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$128,307.7	TBD	$128,307.7	$0.0	$128,307.7	0.0%

[1] Program funding includes $28.3 million to DoIT and $100 million to the connect New Mexico fund to be provisioned by the OBAE.
* The program funding does not include capital funding from the rural broadband project and is reported as a separate program.

Schedule

As a result of hiring delays, the program does not have established timelines for completing the required broadband and digital equity plans, however the office received funding for FY23 for this purpose. Broadband expansion will likely be an ongoing, long-term priority for OBAE and DoIT more generally; therefore, this program does not have an established schedule at this time.

Risk

The program remains on hold and funds have not been allocated to projects, as the advisor was hired late this quarter. The Connect New Mexico Council held its first meeting in January 2022, which should provide needed direction and help reduce overall program risk.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
State Land Office
Second Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	9/5/18
Est. End Date	6/30/20
Revised	4/05/22
Est. Total Cost	$10,000.0
Revised	$11,850.0

Project Description:

The Royalty Administration and Revenue Processing System (RAPS) project is intended to replace the existing Oil and Natural Gas Administration and Revenue Database (ONGARD) system with a new, modern solution, including royalty, oil & gas and related accounting functions. Replacement will be delivered in two separate systems: RAPS and the Taxation and Revenue Department's severance tax system.

ONGARD Replacement—Royalty Administration and Revenue Processing System (RAPS) Project

Overall Status

The State Land Office (SLO) team continues to manage risk adequately, and the project should meet full system functionality on closeout despite previous schedule delays for phase 1. Phase 2 activites will begin next quarter, primarily focusing on percent interest enhancements and other added functionalities not available within the previous system. The project is rated green overall, or low risk, for this quarter.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	G	G	G	G		G
Schedule	Y	Y	Y	G		G
Risk	Y	G	G	G		G
Overall Rating	Y	G	G	G		G

Budget

The agency was certified for release of $548 thousand from the project certification committee (PCC) in December to begin phase 2 activities. The agency reports spending 92 percent of available appropriations but requested additional project funding for FY22 and FY23 during the 2022 legislative session.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$11,850.0		$11,850.0	$10,972.4	$877.6	92.6%

[1]Appropriations are from the state lands maintenance fund.

Schedule

Percent interest enhancements went live in November and are working as expected as of December. Contract negotiations for accounting modules should not cause any significant delays to the project schedule, and SLO is finalizing contracts for renewable energy leases. Schedule risks continue to remain manageable and, as a result, the overall schedule status has improved as the agency moves into phase 2 of the project.

Risk

SLO finished requirements gathering for the renewable energy leases module. Percent interest calculations, which were not available in the old system, served as a successful proof of concept for the new system's added functionality. SLO has identified additional trespass royalty in-kind capabilities to track revenue from production occurring without an existing lease, which was also not possible in the old system.

OVERVIEW

Project Phase	Implementation
Start Date	12/18/13
Est. End Date	6/30/19
Revised	6/30/24
Est. Total Cost	$65,581.9

Project Description:

The Child Support Enforcement System (CSES) Replacement project will replace 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.

Child Support Enforcement System (CSES) Replacement Project

Overall Status

For the Child Support Enforcement System (CSES) replacement project, the Human Services Department (HSD) continues to monitor schedule risks, which pose the biggest risk to the project primarily relating to integration with HSD's other IT project, MMISR. The agency plans to move the CSES system to the cloud, which they have also done with ASPEN, the legacy system, resulting in efficiency improvements, such as reduced staff wait time for eligibility determinations.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	G	Y	Y	Y		Y
Schedule	Y	Y	Y	Y		Y
Risk	Y	Y	Y	Y		Y
Overall Rating	Y	Y	Y	Y		Y

Budget

HSD requested additional funding for the project in FY23. HSD reports validating amounts spent to date with DoIT to ensure no expenditure overages versus certified and released funds. Currently, $12.2 million has been certified for release by PCC, of which the agency reports spending just under $10.1 million, or half of all appropriated funds.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$5,143.4	$13,384.30	$18,527.7	$10,055.5	$8,472.2	54.3%

Schedule

The agency identified a need for additional testing and remediation time before going live and pushed the planned go-live from January to February 2022. However, this delay should not impact the overall project schedule. Integration with MMIS is still planned for 2024, so delays to one project may negatively affect the other, and both should be monitored for additional slippage.

Risk

The project will use a cloud environment, an approach approved by the technical architecture review committee in December. Inherent risks exist for cloud environments, including the need for enhanced security and data redundancy.

OVERVIEW

Project Phase	Implementation
Start Date	12/18/13
Est. End Date	12/30/21
Revised	8/31/26
Est. Total Cost	$221,167.8
Revised	$346,319.8

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 (MMISR) Project

Overall Status

Schedule risks remain high for the Human Services Department's (HSD) Medicaid management information system replacement project due to delays and inherent risks with multi-agency projects, but federal approvals for remaining project costs and planning documents resulted in improved risk status this quarter.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	G	R	R	Y		Y
Schedule	R	R	R	R		R
Risk	R	R	R	Y		Y
Overall Rating	R	R	R	Y		Y

Budget

HSD received final approval from the federal partners for all project aspects, resulting in improved risk and budget status for the project because federal funding can now officially be released and the state is at a lower risk of supplementing federal funding. The agency requested an extension of existing project funds and additional funds for FY23 during the legislative session.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$21,931.7	$196,165.1	$218,096.8	$141,623.9	$76,472.9	64.9%

Schedule

Once contract amendments are approved for moving to the cloud, the agency plans to re-baseline the schedule. Previous delays with the system integrator and pending federal approval resulted in substantial delays to the project. The agency received federal approval, so delays should not be further exacerbated but may still negatively affect other agency projects and activities, so schedule risk remains high.

Risk

All aspects of the advanced planning document have been approved by the federal partners, including proposed collaborations with the child welfare system replacement project at CYFD. Due to the approval, the overall project risk continues to decline in independent verification and validation reports and have resulted in an improved risk rating this quarter.

INFORMATION TECHNOLOGY REPORT CARD
Children, Youth and Families Department
Second Quarter, Fiscal Year 2022

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

OVERVIEW

Project Phase	Implementation
Start Date	9/1/17
Est. End Date	10/31/22
Revised	TBD
Est. Total Cost	$36,000.0
Revised	$45,352.2

Project Description:

The Comprehensive Child Welfare Information System (CCWIS) replacement project will replace the legacy Family Automated Client Tracking System (FACTS) with a modular, integrated system to meet the federal Administration on Children and Families (ACF) requirements.

Comprehensive Child Welfare Information System (CCWIS) Replacement Project

Overall Status

Overall risk status for the Children, Youth and Families Department's (CYFD) child welfare information system replacement project has been reduced to reflect improvements to leadership, vision, and overall procurement strategy this quarter. New leadership has provided the needed direction and governance structure for the project to move forward. The project will focus on child welfare and children's behavioral health functionality and will no longer include the juvenile justice scope, which will simplify and streamline the project moving foward.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	R	R	Y		Y
Schedule	R	R	R	R		R
Risk	R	R	R	Y		Y
Overall Rating	R	R	R	Y		Y

Budget

CYFD and HSD received final approval of advanced planning documents and the project cost allocation methodology, reducing the project's risk status this quarter. Project expenditures differ from previous reports due to improved categorization of some historical actuals and additional forensic analysis being conducted on project expenditures this quarter.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$13,000.0	$7,242.6	$25,511.2	$8,701.8	$16,809.4	34.1%

Schedule

Late approvals from the federal partner, resulting from issues with the sole-provider procurement processes, have exacerbated project delays, but recent approval of advanced planning documents should help mitigate future delays. The project schedule will be revised and presented for approval to PCC in March 2022.

Risk

Independent verification and validation reports indicate decreasing risk to the project resulting from CYFD's decision to implement a competitive procurement strategy. The agency's request for proposals for a new vendor and the business requirements have been submitted to the federal partner for final approval before release.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Corrections Department
Second Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	5/1/15
Est. End Date	6/30/19
Revised	3/31/22
Est. Total Cost	$14,230.0

Project Description:

The Offender Management System replacement project will replace the legacy client server offender management system with a commercial-off-the-shelf (COTS), web-based solution. The COTS solution has 17 modules associated with agency requirements.

Offender Management System (OMS) Replacement Project

Overall Status

The New Mexico Corrections Department (NMCD) continued to perform system patches and prioritize fixing critical bugs for the offender management system replacement project. The project schedule should be monitored for future delays but the overall direction of the project remains positive. Training that will take place over an estimated 3 month period should improve system roll out amongst staff and other users despite small delays.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	G	G	G	G		G
Schedule	R	Y	Y	Y		Y
Risk	Y	Y	Y	Y		Y
Overall Rating	Y	Y	Y	Y		Y

Budget

The project is fully funded and the agency has not requested additional funding for the project in FY23. The total cost remains at an estimated $14.2 million, but additional funds for service level agreements and maintanence for the system were added to the project through operating funds and business area contributions, increasing the total available funding to $15.5 million.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$14,230.2		$15,541.2	$13,667.0	$1,874.3	87.9%

[1]Amount includes $1.3 million contributed from business areas and the agency operating budget.

Schedule

An additional patch was released in December 2021 and another release of the system occurred in January 2022. The agency is prioritizing critical bug fixes prior to go-live and reports an improving success rate for system tests. However, due to these tests, final go-live is now scheduled for June 2022, 3 months later than initially planned with a 3-month training period to follow. These delays should allow for adequate testing and training time, which helps ensure proper functionality.

Risk

Data conversion was completed this quarter. The agency continues to mitigate risk through frequent testing and training. Despite anticipated delays, the project remains on track and has already implemented some maintenance agreements to ensure the system can be evaluated and monitored for functionality upon completion.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Public Safety
Second Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Implementation
Start Date	5/10/16
Est. End Date	6/30/21
Revised	6/30/23
Est. Total Cost	$7,3813

Project Description:

The Records Management System (RMS) project will replace various nonpayer record storage with an integrated records management system to provide law enforcement and other public safety agencies with a single repository of data available to support day-to-day operations, reporting, and records and data analysis.

Records Management System (RMS) Project

Overall Status

The Department of Public Safety (DPS) continues to manage budget risks, but potential delays increase risk for the Records Management System (RMS) and Computer Aided Dispatch (CAD) projects, a related DPS project. Go live for the CAD and RMS projects was planned for September 2022, with a post-production timeframe planned through June 2023, but these dates will likely shift next quarter once project changes are approved.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	Y	G	G	G		G
Schedule	Y	Y	Y	Y		Y
Risk	Y	Y	G	G		G
Overall Rating	Y	Y	G	G		G

Budget

The project is currently within budget and the agency did not request additional funding for FY23. The agency reported additional spending this quarter totaling just over $83 thousand. Budget status remains low risk as the project is currently fully funded.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$7,381.3		$7,381.3	$2,115.2	$5,266.1	28.7%

Schedule

The project schedule includes accommodations for the computer-aided dispatch (CAD) project. However, the agency reports a potential few-month delay to both projects to accommodate full data migration. DPS decided to include an evidence module in the new system, rather than keeping it within the old system, which also contributed to the proposed delay.

Risk

Risks associated with accommodating two IT projects simultaneously are being managed via combined weekly meetings with both project core teams. Changes to contracts may be needed to accommodate the evidence module, which poses some level of risk. However, the agency continues to meet with relevant stakeholders to manage these risks and continues with staff training on the system in advance of go-live.

OVERVIEW

Project Phase	Implementation
Start Date	9/23/20
Est. End Date	12/21/21
Revised	3/1/23
Est. Total Cost	$3,000.0

Project Description:

The Computer Aided Dispatch (CAD) project will implement a new computer aided dispatch system, as the current system is no longer supported. The CAD system is used to dispatch 911 calls, map call locations, provide automatic vehicle location and provide National Crime Information Center access.

Computer Aided Dispatch (CAD) Project

Overall Status

DPS plans to go live with the Computer Aided Dispatch (CAD) and Record Management System (RMS) projects simultaneously. The agency reports continued discussion with other states and departments for feedback and lessons learned. Contract changes or schedule delays resulting from inclusion of an evidence module should be monitored to ensure impact on project is minimal.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	NEW	NEW	G	G		G
Schedule	NEW	NEW	Y	Y		Y
Risk	NEW	NEW	G	G		G
Overall Rating	NEW	NEW	G	G		G

Budget

The project is currently within budget, with all funding currently certified by PCC. DPS reports spending an additional $157 thousand since last quarter, having spent almost one quarter of total appropriations. The agency did not request additional funding for FY23.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$3,000.0		$3,000.0	$690.6	$2,309.4	23.0%

Schedule

The project schedule is concurrent with the Records Management System (RMS) project, with both projects at risk of delay due to the time required for full data migration and addition of the evidence module within the new system. The agency will seek approval for a few-month project extension in January.

Risk

Risks associated with accommodating two IT projects simultaneously are being managed via combined weekly meetings with both project core teams. The agency is making progress on securing a vendor for the emergency dispatch software, as the request for proposals closed this quarter and additional training will take place with relevant stakeholders in the IT, police, and case management fields.

INFORMATION TECHNOLOGY REPORT CARD
Higher Education Department
Second Quarter, Fiscal Year 2022

OVERVIEW

Project Phase	Planning
Start Date	8/27/20
Est. End Date	6/30/24
Est. Total Cost	$11,030.0

Project Description:

The New Mexico Longitudinal Data System project will implement data-warehouse, produce policies and processes, and provide training to comprehensively aggregate and match New Mexico's education and workforce data into a single cloud data platform.

New Mexico Longitudinal Data System (NMLDS) Project

Overall Status

The Higher Education Department (HED) plans to execute an independent verification and validation contract next quarter to meet DoIT requirements and provide additional project oversight. Budgetary risk in future quarters may escalate if the agency cannot secure additional federal or external funding. However, the agency will receive a requested $2 million in congressional funds and is planning for additional funding through the federal Statewide Longitudinal Data System grant program in federal FY23.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	NEW	NEW	G	G		G
Schedule	NEW	NEW	G	G		G
Risk	NEW	NEW	Y	Y		Y
Overall Rating	NEW	NEW	G	G		G

Budget

The agency was certified for release of $730 thousand by PCC in November, for a total certified budget of $1.2 million. HED entered into a memorandum of understanding with the Early Childhood Education and Care Department regulating $500 thousand of federal CRRSA Act funds transferred to the project and will receive congressionally-directed funds for an additional $2 million.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$675.0	$500.0	$1,204.3	$312.1	$892.2	25.9%

[1]Amount includes $5.6 thousand from the Department of Workforce Solutions and $23.7 thousand from the Higher Education Department. The $500 thousand federal appropriation is from the Early Childhood Education and Care Department.

Schedule

The agency was certified to enter the planning phase in November and reports creating a project schedule that will be baselined after the planning phase. The agency went live with the public-facing website in February 2022 and plans to go live with the cloud-based data platform in April 2023.

Risk

HED will need to host personally identifiable information in the system, which poses security risks that must be adequately monitored and managed to ensure protection of personal data. HED received approval from the technical architecture review committee for a cloud-based system, which should improve this risk, with contingencies requiring a risk assessment prior to the release of the data platform.

OVERVIEW

Project Phase	Implementation
Start Date	5/23/18
Est. End Date	7/31/22
Est. Total Cost	$7,297.0

Project Description:

The Permitting and Inspection Software Modernization project will modernize and replace the agency's existing legacy permitting and inspection software, Accela.

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) has completed the Manufactured Housing Division phase and Construction Industries Division (CID) phase of the Permitting and Inspection Software Modernization project within budget. The Boards and Commissions Division (BCD) phase is underway with only small delays. The project remains under budget, and, if progress continues on deployment of the planned boards, the project will meet intended functionality as the agency moves to closeout.

Measure	FY20 Rating	FY21 Rating	FY22 Q1	FY22 Q2	FY22 Q3	Rating
Budget	NEW	G	G	G		G
Schedule	NEW	Y	Y	Y		Y
Risk	NEW	Y	Y	G		G
Overall Rating	NEW	Y	Y	G		G

Budget

The project remains within budget of total appropriated funds and within budget for the current phase. The agency did not submit requests for funding in FY23, as the agency anticipates the project to complete by the end of July 2022.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$7,297.0		$7,297.0	$3,697.2	$3,599.8	50.7%

Schedule

The project schedule has been revised and re-baselined for a longer period of user acceptance testing, and go-live dates have been moved out by one month. However, the overall project end date is still anticipated for the end of July 2022, and the project continues to progress as planned with the BCD phase.

Risk

The agency went live with the CID project phase on October 2, 2021, and reports the module to be working as expected. For the BCD phase, despite vendor issues, testing is in progress for the initial six boards and commissions and training is being developed. The agency has deployed the counseling and therapy, accountancy, psychology and social work, and real estate boards or commissions as of January 2022. Deployment of additional boards, including dentistry and physical therapy, are planned for upcoming quarters and should be completed by project closeout.