Highlights

Performance Trends

In the third quarter as in the second quarter, performance changed little quarter-to-quarter: Courts and judiciary agencies continue to perform well, as do the Tourism Department and the Department of Transportation. Performance in the Children, Youth and Families Department, rated red for the first two quarters because the department provided no data, remain mostly in the red even with data. The department's notable exception is Juvenile Justice Services, which has low recidivism rates of 13 percent and 24 percent for youth released from field supervision and youth released from secure facilities, respectively. Nearly half of programs have yellow ratings, an indication they are close to hitting performance targets.

Among the findings in the quarterly report cards:

Education

Public Education Department, page 7. PED met targets for administrative operations, processing reimbursements within an average of 18 days and budget adjustments in 6.9 days, both below target times. However, the department did not complete any audits related to funding formula compliance, trailing its annual goal. Graduation rates rose to a 15-year high of 78 percent for the class of 2024, but academic proficiency remains low, with just 41 percent of graduates proficient in reading and 19 percent in math on the SAT. This highlights a need for improved alignment between graduation standards and academic outcomes.

Higher Education Institutions, page 10. New Mexico ranks second in the nation for state funding for higher education per student and has placed an emphasis on student success appropriations in recent years. Improving student retention should be a top priority of colleges and universities; New Mexico continues to lag the nation in student retention, never ranking higher than 46th over the past five years and ranking 49th or 50th over the past three years. Even for students who do complete a degree program, there is a lack of information on whether graduates are able to secure employment, wages for college graduates by field, and the number of students leaving the state after graduation.

Child Well-Being

Early Childhood Education and Care Department, page 12. The department reported mixed results for the third quarter of FY25. While the department did not meet targeted performance for families enrolled in Medicaid-funded home visiting, the department continued to increase enrollment from the previous fiscal year. Increased enrollment in this program has been a focused performance goal for the Legislature. The department also has several measures reported annually, including many related to prekindergarten and early learning readiness.

Children, Youth and Families Department, page 16. For the first time in FY25, CYFD submitted quarterly performance data. CYFD continues to struggle with caseworker turnover in Protective Services, which increased to 39 percent in the third quarter. Employee turnover likely impacts other performance trends in the state's child welfare system, including time to permanency. Meanwhile, the state's repeat maltreatment rate remains high. CYFD continues to meet a variety of juvenile justice performance measures, exceeding targets for recidivism rates. At the same time, the number of children in foster care and the number juveniles in secure juvenile justice facilities continues to increase, continuing the reversal of trends of the last decade.

Health

Health Care Authority, page 20. The state's Medicaid program continued to improve some of its performance in the first quarter, including infant well-child visits. For well-child visits, each Medicaid managed care organization (MCO) discussed a strategy to improve these measures, such as social media campaigns, text messages encouraging parents to schedule the visits, and meeting with providers on a regular basis. The measure is cumulative, and the department should meet the target by the end of the year given the current trend. In previous quarters, HCA directed MCOs to incentivize providers that offer after-hour and weekend appointments for child wellness visits, including immunizations. However, the count of well-care visits for children 3 to 21 was well below trend and the authority received a red rating for this measure.

Behavioral Health, page 25. In 2024, HCA reported New Mexico had 6,672 prescribing and 4,722 nonprescribing Medicaid behavioral health providers—down from 7,754 and 5,149, respectively. The total number of behavioral health encounters increased from about 2.5 million in 2020 to slightly over 3.3 million encounters in 2024. Approximately 75 percent of all people served were Medicaid managed care members, 19 percent were Medicaid fee-for-service members, and 6 percent were non-Medicaid beneficiaries. The top five behavioral health provider types were psychiatrists and other physicians; nurse/certified nurse practitioners (CNPs), which includes psychiatric certified CNPs; federally qualified health centers; licensed clinical social workers; and licensed professional clinical counselors.

Department of Health, page 27. While the agency's Public Health, Scientific Laboratory, and Facilities Management programs continue to turn in mixed results on performance, the Epidemiology and Response Program again fell short of the targets for all key performance measures. The Public Health Program continues reporting low performance for smoking cessation services but only slightly missed targets for overdose reversals and child immunization rates. Facilities Management continues to struggle with occupancy at state-run facilities, straining the program's finances. The Scientific Laboratory is hitting most of its targets but missed the target for blood alcohol tests from DWI cases, although it improved performance over last quarter.

Aging and Long-Term Services, page 30. The Aging and Long-Term Services Department (ALTSD) reported some improvement in performance during the third quarter of FY25. The Aging Network is on track to meet targeted performance for the hours of caregiver support for FY25, after struggling to meet prepandemic levels. However, performance on the repeat maltreatment substantiations by the Adult Protective Services Program slipped slightly on several measures. In the Consumer and Elder Rights Program, strong performance on all measures was offset by poor performance on the percent of calls to the Aging and Disability Resource Center answered by a live operator.

Economic Development

Economic Development Department, page 33. The Economic Development Department showed modest improvement in its performance measures in the third quarter. The number of jobs created through the agency's efforts—both total and in rural areas—increased significantly compared to the second quarter. However, the agency remains off track to meet its annual job creation targets. Despite falling short of target levels, the jobs reported as created by the agency to date have offered wages exceeding local averages, indicating that EDD-supported positions continue to provide higher-than-average compensation. Performance indicators for the Film Office remain below target, reflecting ongoing contraction in the national film industry driven by the prolonged impact of labor disputes and declining production volumes.

Tourism Department, page 36. The Tourism Department continued to show progress in its performance in the third quarter of FY25. The agency awards funding for its main programs at the beginning of the fiscal year, so the third quarter is focused on continuing the agency's work on national and local advertising campaigns and supporting grantees and partners. Notable highlights from the third quarter include publications highlighting New Mexico in various national papers, the launch and distribution of the agency's 2026 *Travel Adventure Guide*, and the launch of a new spring and summer advertising campaign.

Workforce Solutions Department, page 38. While employment in New Mexico has reached record levels, the state continues to experience a low rate of labor force participation that holds the state back. The Workforce Solutions Department (WSD) shows some progress in output measures related to employment services, but agency performance struggled in some areas related to core services in the unemployment insurance and labor relations programs. WSD's performance report card has moved to an interactive, online dashboard to allow the committee and the public to track trends over time.

Justice and Public Safety

Department of Public Safety, page 39. The Department of Public Safety advanced several strategic initiatives outlined in its FY25 budget, including implementing pay increases to address workforce shortages among officers and dispatchers. DPS continued working with the State Personnel Office and the Department of Finance and Administration to execute these changes and disburse law enforcement recruitment and retention resources statewide, while also working to improve staffing at both the state forensics laboratory and the Law Enforcement Academy in Santa Fe. Efforts to expand the law enforcement data analyst workforce continued, aimed at enhancing information accuracy and response times.

Corrections Department, page 43. The Corrections Department reported progress across key operational areas. Notably, the agency reduced vacancy and turnover rates among correctional officers at public facilities and improved staffing among probation and parole officers, contributing to a lower average caseload per officer. Recidivism declined for participants in treatment programs, and educational program participation continued to rise. After years of steady decline, the prison population appears to be stabilizing, with the average population slightly increasing by 0.7 percent compared to the prior year. This uptick, mainly among male inmates, aligns with increased admissions, particularly in the 2nd Judicial District, where more women are entering the system.

Courts and Justice, page 46. Positive performance trends within courts and justice agencies from the first half of FY25 have largely continued in the third quarter. Courts did not reach the performance target for clearance rates but positive trends in underlying factors, like time to disposition and the age of pending criminal cases, could reverse clearance rate performance if these trends continue. The Law Offices of the Public Defender maintained positive adjudication rates despite issues with recruiting and retaining attorneys, especially contract attorneys. District attorneys' performance measures regressed slightly but can be mostly attributed to districts dealing with chronic recruitment and retention issues. Treatment courts are being utilized more, but capacity remains significantly less than prepandemic levels, especially juvenile treatment courts, many of which have closed or have minimal participation. Treatment courts dealing with capacity and participation issues should investigate capacity expansion, marketing measures, and treatment court reconfiguration if utilization trends continue.

Natural Resources

Energy, Minerals, and Natural Resources Department, page 52. The Energy, Minerals and Natural Resources Department's (EMNRD) third-quarter performance measures were impacted by federal uncertainty and historic issues. The Oil Conservation Division's (OCD) orphan and abandoned well plugging program plugged just nine wells in the third quarter, for a total of 36 through three quarters. The State Forestry Division (SFD) treated 2,659 acres, a 5,000-acre difference between quarters, and is set to possibly miss its end-of-year target. Both cite being limited by federal funding and the subsequent uncertainty it creates with agency operations. The Energy, Conservation and Management Division (ECMD) also notes delays with receiving federal funds. EMNRD's overall budget for FY25 is $175.8 million, with over half of it (52.5 percent) composed of federal funds.

Office of the State Engineer, page 55. The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) have signaled they have reached a potential settlement in the Rio Grande Compact litigation. Originally set for a trial date June 9, the parties requested the special master to instead hold a hearing later this year, signaling a possible conclusion to the 11-year litigation is near. While the city of Las Cruces did not sign on the amicus curiae brief, negotiators remained confident a resolution could be reached. Negotiations regarding new methods of sustainable use for the Colorado River continue, with the aim of working to bank excess water in downriver reservoirs should increase usage be needed. New Mexico's cumulative debt under the Rio Grande Compact remained within acceptable margins of decline, though trends regarding the state's debt should be monitored. Roughly 21 thousand acre-feet of water is being stored as a safety test in El Vado Reservoir while a new rehabilitation design is being considered. Excavation of excess sediment in the Rio Chama from 2024 flooding has been complete while efforts to expand the river's channel capacity for Abiquiu Dam delivery continue.

Environment Department, page 57. Consistently lagging performance trends from the first and second quarters of FY25 continued in the third quarter for the Environment Department's (NMED) regulatory programs, despite NMED funding having grown by $20 million, or 188 percent over 10 years. These results are due to a mixture of external and internal issues, such as implementation of new databases, new permitting and regulation programs for surface water and groundwater discharge, and the reshuffling of personnel to address lagging programs. Additionally, the Solid and Hazardous Waste Division's persistent issues with staff recruitment and retention continued to hinder performance. These issues, coupled with NMED's agencywide issues with recruitment and retention, resulted in deteriorating performance. NMED suggests the department needs significant additional funding to address its staffing and retention issues, and potential federal funding cuts to natural resource protection funding could hinder agency operations. The Legislature should continue to monitor NMED performance and ensure the increased investment in core processes is implemented effectively.

General Government

General Services Department, page 61. The General Services Department reports continued deterioration of funds managed by the Risk Management Division, driven by large civil rights claims against several state agencies and institutions of higher education. GSD reports the state's public liability fund is projected to close the fiscal year without reserves. Special appropriations to ensure the solvency of the fund were approved by the Legislature but will only cover a portion of the fund's losses.

State Personnel Office, page 65. Recent pay increases and stabilization of the broader job market helped to improve key metrics related to the state's personnel system, but high turnover and the continued growth in the number of positions within state agencies led to continued high vacancy rates. While retention has improved from lows in 2022 and 2023, more than 30 percent of new employees leave state service within one year of joining.

Taxation and Revenue Department, page 66. During the third quarter of FY25, the Taxation Revenue Department received 667,407 personal income tax returns for 2024 and processed 656,007, a 98 percent processing rate. The Audit Compliance Division of the Tax Administration Program has a collectable balance of $1.2 billion and has collected $227.3 million, or 18.8 percent of the FY25 collection goal. The total FY25 reduction in the fiscal year beginning accounts receivable is $928.3 million or 48.6 percent, bringing the total balance to $982.6 million. The Tax Fraud Investigations Division has seen some progress in judicial districts taking white-collar investigations. The Motor Vehicle Division is currently working on the development of an online testing program. This program would allow customers to take a written driver's license exam remotely, which TRD believes would decrease MVD office congestion and improve accessibility of MVD services for rural residents.

Infrastructure

Department of Transportation, page 69. The Department of Transportation (NMDOT) reported deterioration in the quality of New Mexico's roads between 2022 and 2023. While most roads and bridges remain in fair or better condition, the number of miles of poor roadways has spiked from previous years, returning closer to historic averages.

Information Technology Projects, page 70. Information technology project trends for the third quarter of FY25 remain the same as the second quarter. Agencies continue making progress in obtaining functional systems. The Health Care Authority's Medicaid management information system replacement project went up in its project status ranking, now at an overall rating of yellow, up from red. The Children, Youth and Families Department's child welfare system is now expected to have system functionality in early 2026, a change from last quarter's reporting of system usage in late 2025. The child welfare system still maintains the same closeout date of late 2027.

Investments

Fund Performance, page 82. The value of New Mexico's combined investment holdings grew by $1.4 billion quarter-over-quarter, to an ending balance of $88.5 billion. For the year, funds increased by $7 billion, or 8.6 percent. Over the last five years, the state's combined investment holdings grew $39 billion, or 78.9 percent. When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's risk-averse investments generally performed better than peers over the quarter and in the one-year period but worse in the five- and 10-year periods.

Report Card Rating Rubric

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

Fine Tuning

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

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

Department/Program	Q1	Q2	
State Engineer			
Water Resource Allocation	G	G	
Interstate Stream Commission	Y	Y	
Litigation and Adjudication	G	G	
Environment Department			
Water Protection	Y	Y	
Environmental Protection	R	R	
Environmental Health	Y	Y	
Resource Protection	R	R	
Economic Development Department			
Economic Development	R	R	
Film	R	R	
Outdoor Recreation	G	G	
Tourism Department			
Marketing and Promotion	G	G	
New Mexico Magazine	G	G	
Tourism Development	Y	G	↑
Workforce Solutions Department			
Employment Services	Y	Y	
Unemployment Insurance	Y	Y	
Labor Relations	Y	Y	
Program Support and Workforce Invest.	Y	Y	
General Services Department			
Risk Management Funds	R	R	
Facilities Management	Y	Y	
State Purchasing	R	R	
Transportation Services	G	G	
State Printing	G	G	
State Personnel System			
Human Resource Management	Y	Y	
Taxation and Revenue Department			
Tax Administration	Y	Y	
Compliance Enforcement	Y	Y	
Motor Vehicle	G	G	
Program Support	Y	Y	
Property Tax	Y	Y	
Department of Transportation			
Project Design and Construction	G	G	
Highway Operations	G	G	
Modal	R	R	
Program Support	G	G	

Programs with a Rating Upgrade 2
Programs with a Rating Downgrade 1

Total Q3 Green Ratings 23
Total Q3 Yellow Ratings 33
Total Q3 Red Ratings 11

PERFORMANCE REPORT CARD
Public Education Department
Third Quarter, Fiscal Year 2025

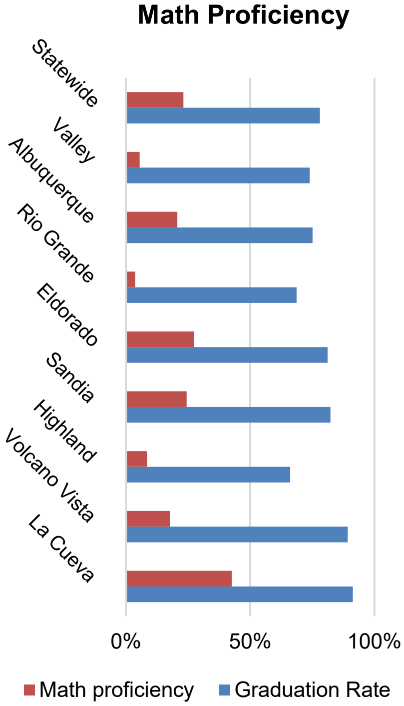
ACTION PLAN

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

School Name	Graduation Growth	Gradu-ation Rate
La Cueva High	11.5% points	91%
Highland High	10.8% points	66%
Valley High	8.0% points	74%
Volcano Vista High	6.9% points	89%
Eldorado High	6.7% points	81%
Sandia High	6.7% points	82%
Rio Grande High	5.7% points	69%
Albuquerque High	5.1% points	75%

Source: PED

Graduation vs. SAT Math Proficiency



Source: PED, LFC Files

Public Schools

The Public Education Department (PED) exceeded operational performance targets in key areas this quarter, including reimbursement processing and budget adjustment requests. However, the department did not conduct any audits of districts or charter schools related to funding formulas and program compliance, putting it behind on its annual goal. PED also released graduation data showing the class of 2024 achieved a 15-year high graduation rate of 78 percent. Yet academic outcomes remained low: Only 41 percent of graduates were proficient in reading and 19 percent in math. This widening divide between graduation and academic readiness highlights the continuing challenge of preparing all students effectively for college and careers.

Student Outcomes

Graduation Rates. New Mexico's four-year graduation rate for the class of 2024 reached 78 percent—the highest in 15 years—up 1.3 percentage points from the year before. In a memo from April, PED highlighted the 10 local education agencies with a class of 300 or more that had the highest graduation growth in 2024. Eight are in Albuquerque, including La Cueva High, which rose 11.5 percentage points to a 91.3 percent graduation rate, and Volcano Vista High, which increased by 6.9 points to 89.2 percent. PED attributes these gains to targeted strategies, such as early warning systems, close monitoring of student performance, supports for economically and socially challenged communities, and career technical education (CTE) programs.

Despite rising graduation rates, academic proficiency remains low. According to PED's accountability data, 41 percent of public school students who graduated in 2024 were proficient in evidence-based reading and writing on the SAT taken in 11^{th} grade, and 19 percent were proficient in math. Although PED labels SAT data as a proficiency measure on NM Vistas and elsewhere, the department contends that "college readiness" is a more accurate term, given the SAT's role as a predictive tool rather than a true proficiency test. The distinction is valid. While the SAT suggests strong proficiency in core academic areas, it was not designed to assess whether students meet set benchmarks for proficiency. The College Board states that students who meet SAT benchmarks have a 75 percent chance of earning at least a C in first-semester, credit-bearing college courses.

For this report card, the eight Albuquerque high schools highlighted by PED—La Cueva, Volcano Vista, Highland, Eldorado, Sandia, Rio Grande, Albuquerque, and Valley—were selected for deeper analysis to better understand the relationship between graduation rates and academic proficiency.

In math, the contrast is notable. La Cueva, one of the state's top-performing schools, had a 91 percent graduation rate, but just 43 percent of students were proficient in math. Volcano Vista had a similarly high graduation rate (89 percent) but only 18 percent proficiency. The pattern is even more striking at Highland (66 percent graduation, 8 percent math proficiency), Rio Grande (69 percent graduation, 4 percent math proficiency), and Valley (74 percent graduation, 6 percent math proficiency).

Reading shows a similar disparity. While La Cueva again stands out with 70 percent of students proficient, this is still a 21-point gap compared to the graduation rate, and other schools show even more significant disparities. Rio Grande High and Valley High both graduated more than two-thirds of their students, but had reading proficiency rates of 21 percent and 30 percent, respectively. These results suggest rising graduation rates alone may not fully capture student readiness for college or careers.

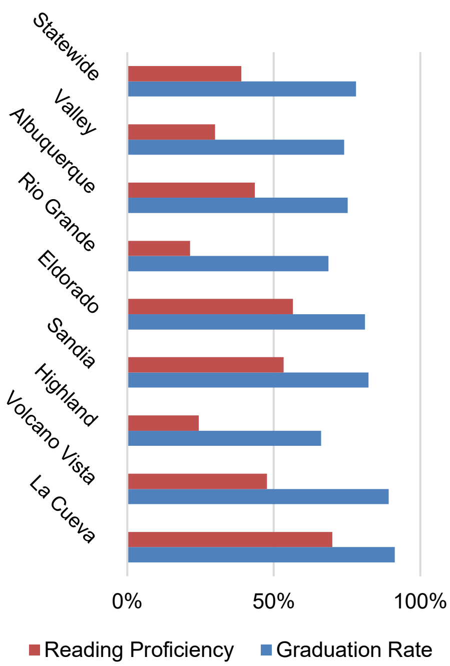
This disconnect has real consequences. While most New Mexico high school graduates who enroll in public colleges do not require remedial coursework, nearly 40 percent do. Nationally, remediation is one of the strongest predictors of college dropout, raising questions about how well diplomas reflect readiness for postsecondary success.

LFC economic analyses suggest significant long-term financial benefits when more students graduate; each additional high school graduate in New Mexico can generate approximately $303 thousand in net lifetime benefits. However, many of these benefits are tied to graduates' ability to succeed in the workforce—not simply their possession of a diploma.

Experts emphasize the need for aligned accountability systems—ones that connect graduation requirements to proficiency standards and college readiness. Improving the alignment between graduation requirements and proficiency standards could help better address academic disparities, particularly among at-risk groups such as Native American students, English learners, and students with disabilities, who consistently graduate but show lower levels of academic proficiency compared to their peers.

For example, PED highlights one of the biggest improvements in graduation rates was among English learner (EL) students, with 77.5 percent graduating—a 2.6 percent increase from 2023. However, a gap remains between graduation rates and academic proficiency. At Albuquerque High, for instance, while 74 percent of EL students graduated, only 3 percent were proficient in math. Highland and Rio Grande also showed EL graduation rates above 70 percent, yet math proficiency for EL students at these schools was just 4 percent and less than 2 percent, respectively. This pattern extends to reading, highlighting a persistent misalignment between graduation outcomes and academic readiness for EL students. These findings suggest a need to further examine how graduation practices align with students' mastery of essential academic skills.

Graduation vs. SAT Reading Proficiency



Source: PED, LFC Files

Martinez-Yazzie Lawsuit

At the end of April, 1st Judicial District Court Judge Matthew Wilson found PED is still not meeting its constitutional duty to provide an adequate education to at-risk students, as required under the *Martinez-Yazzie* decision. The court ruled PED is not in compliance with the final judgment and ordered the department to develop a new, detailed plan to address the deficiencies. Judge Wilson emphasized that the responsibility for leading this effort lies with PED, not LESC, as the plaintiffs had requested. However, LESC will support PED in the planning process. Wilson stated the plan should serve as a guide for both the legislative and executive branches, especially when making difficult budget decisions that must withstand political and economic changes.

Court-Ordered Timeline

July 1, 2025: With assistance from LESC, PED must identify an outside expert or consultant to help develop the plan.

October 1, 2025: A draft plan outlining the essential elements of a constitutionally sufficient and uniform education for at-risk students must be completed.

November 3, 2025: The final version of the plan must be submitted to the court for review.

December 1, 2025: Deadline for plaintiffs to file objections. Defendants have 15 days to respond, followed by another 15-day period for plaintiffs to reply.

Source: LFC Files

Department Operations

In the third quarter, PED maintained an average of 18 days to process reimbursements, remaining below the 22-day target. This consistency, despite increased reimbursement requests, suggests improved efficiency. The average time to process budget adjustment requests (BARs) also improved, dropping from 8.2 days in Q2 to 6.9 days in Q3, within the 10-day target. However, no audits were completed in Q3, with five of the 30 planned for the year completed to date.

Budget: $24,917.9 **FTE:** 354	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Average days to process reimbursements	38	35	22	13	18	18	G
Average days to process budget adjustments	7.2	7.8	10	6.8	8.2	6.9	G
Data validation of funding formula components	12	30	30	0	5	0	R
Initiative funding awarded by September 30	95.6%	53.7%	95%	85%	85%	85%	Y
Program Rating							Y

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Higher Education Institutions
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

Population with Four Year+ Degree

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

Source: U.S. Federal Reserve

Retention by Institution

	2019	2023
ENMU	63%	62%
NMHU	55%	57%
NM Tech	77%	77%
NMSU	75%	75%
NNMC	61%	61%
UNM	77%	73%
WNMU	59%	54%

Source: IPEDS

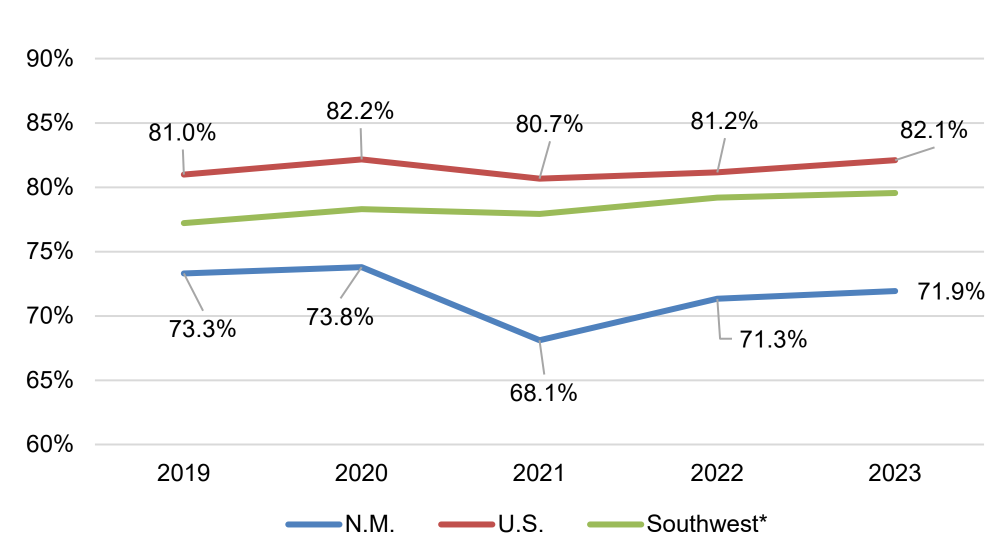
New Mexico is a national leader in college affordability, providing tuition-free access to higher education for the vast majority of students. Additionally, the Legislature expanded tuition assistance to noncredit workforce credential programs at two-year colleges. Despite these investments, overall educational attainment of New Mexicans remains near the bottom of national rankings and lags every surrounding state with the exception of Oklahoma.

New Mexico ranks second in the nation for state funding for higher education per student and has placed an emphasis on student success appropriations in recent years. Higher education institutions must now determine how best to deploy these resources to improve outcomes for New Mexico students.

National research by the Lumina Foundation found that financial concerns are the top barrier preventing adults without a degree from pursuing further education—55 percent cited cost, and 38 percent pointed to work obligations. In contrast, among currently enrolled students, the primary challenges to staying enrolled are nonfinancial: 55 percent cite emotional stress and 47 percent cite mental health, while only 29 percent mention cost. Notably, 52 percent of Hispanic students reported difficulty remaining enrolled, the highest among racial groups surveyed.

This dynamic suggests the state's financial aid programs are likely to be attractive to prospective students but may not address the barriers to retention cited by enrolled students. Additional resources should be targeted to helping enrolled students address widely cited stress and mental health concerns, as well as providing more flexible access to courses. Improving student retention should be a top priority of colleges and universities; New Mexico continues to lag the nation in student retention, never ranking higher than 46th in the nation over the past five years and ranking 49th or 50th over the past three years.

Four-Year Retention Rate Comparison



*Includes: AZ, CO, NM, OK, TX, UT

Source: IPEDS

State and Local Higher Education Funding Per Full-Time Student

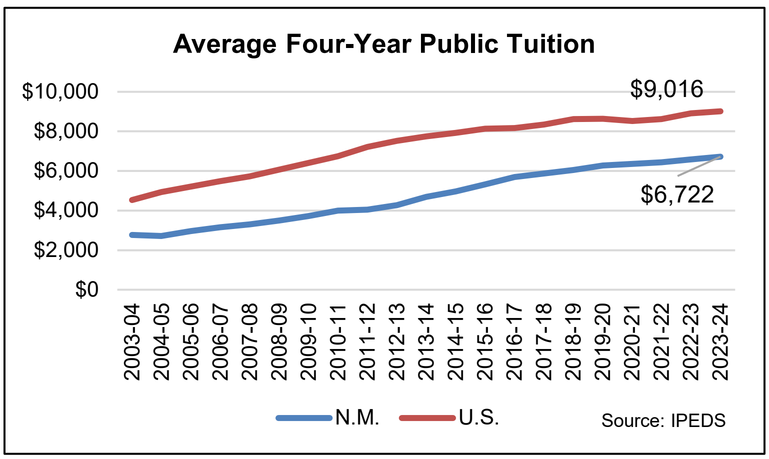
State	2018	2023
AZ	$6,454	$7,103
CO	$4,990	$6,603
NM	***$13,371***	***$21,953***
NV	$8,870	$8,590
OK	$8,025	$8,500
TX	$9,145	$10,335
UT	$8,857	$10,956
US Avg.	**$9,162**	**$11,040**

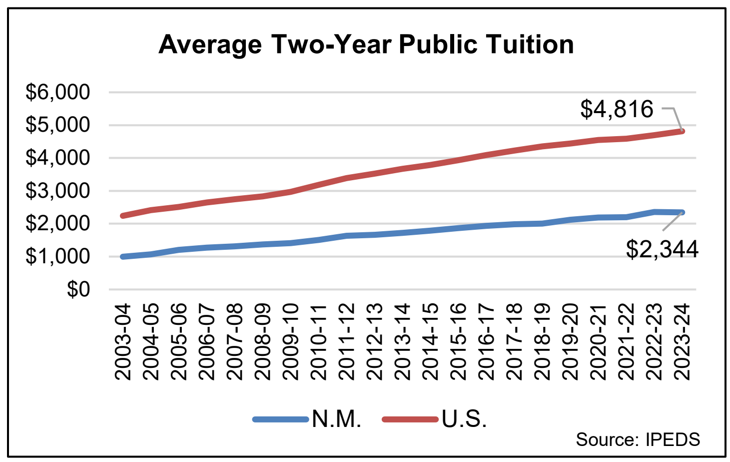
Source: SHEEO

State Investment and Affordability

According to the State Higher Education Executive Officers association, New Mexico ranked second for state and local government appropriations per full-time-equivalent student and sixth for total revenue per student in FY23. The significant state investments in higher education have allowed colleges to keep tuition costs low and maintain broad access to higher education.

According to the College Board, New Mexico had the second-lowest tuition and fees for two-year colleges and the 10th-lowest tuition and fees for four-year colleges. Federal tuition and fee data show that New Mexico four-year institutions charge 34 percent less in tuition and fees than the national average, but this gap has narrowed over time. Twenty years ago, New Mexico four-year institutions charged 64 percent less than the national average. Tuition at New Mexico two-year colleges is half of the national average, and the gap between New Mexico colleges and the national average has increased by 4 percent over the past 20 years.





State and Total Revenue per Student, by Sector

New Mexico		
	2-Year	**4-Year**
State Rev.	$14,811	$24,222
Rank	6	2
Total Rev.	$16,281	$28,995
Rank	12	5
U.S. Avg		
	2-Year	**4-Year**
State Rev.	$10,488	$10,238
Total Rev.	$13,061	$20,373

Source: SHEEO

Since the creation of the lottery scholarship, the state has focused on improving educational attainment by increasing access. However, while the state has ranked significantly higher in the proportion of residents with some college but no credential, the proportion of degree holders continues to lag the nation.

Recognizing this trend, the Legislature directed funding to support both high-demand workforce needs, such as nursing and social work, and provided specific funding to all institutions for student support. Higher education institutions report spending the funding primarily on basic needs initiatives, such as food pantries and to expand access to student mental health services.

Tracking postgraduation outcomes has been a challenge for colleges and universities, and there is a lack of information on whether graduates are able to secure employment, wages for college graduates by field, and the number of students leaving the state after graduation. Moving forward, higher education institutions should place additional emphasis on determining student outcomes and creating strategies to help students better transition from college to career.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

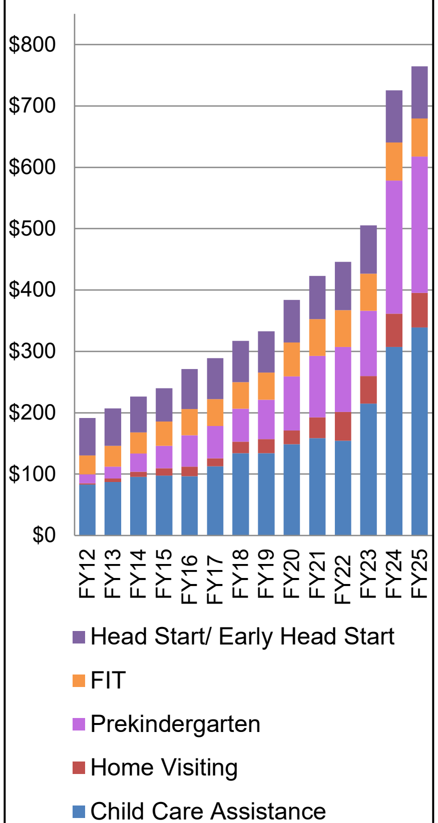
PERFORMANCE REPORT CARD
Early Childhood Education and Care Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

The Early Childhood Education and Care Department (ECECD) reported mixed results for the third quarter of FY25. The department also has several measures reported annually. Many of the annual measures related to prekindergarten and early learning readiness. While the department did not meet targeted performance for families enrolled in Medicaid-funded home visiting, the department continued to increase enrollment from the previous fiscal year. Increased enrollment in this program has been a focused performance goal for the Legislature.

Recurring Early Childhood Funding FY12-FY25
(in millions)



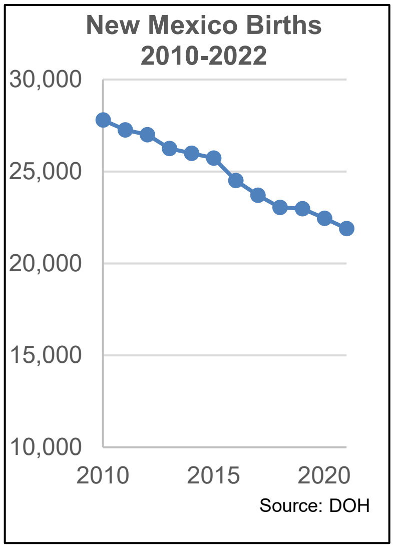
Source: ECECD/ LFC Files

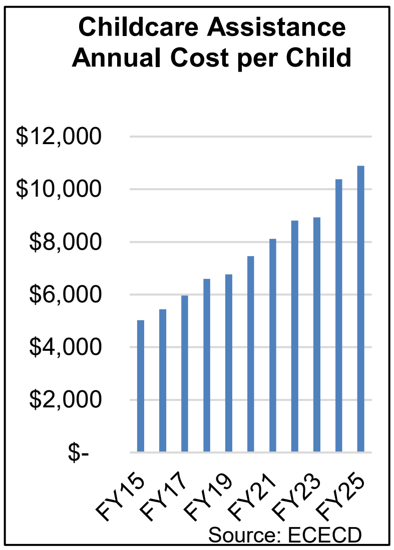
Family Support and Intervention

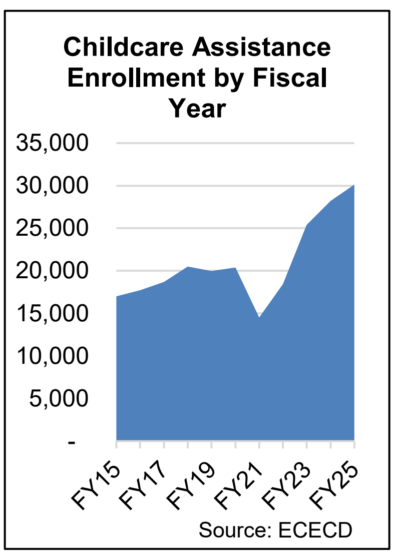
The program, primarily consisting of the Family, Infant, Toddler (FIT) developmental disabilities intervention program, the Families First case management program, and the Home Visiting parental education and support program reported mixed results for performance targets and did not meet targeted performance for pregnant women enrolled in home visiting who access postpartum care. The program has reported an enrollment of only 823 families in the Medicaid-funded home visiting program, below the performance target of 1,250 but an increase above the 796 previous fiscal year. Increasing family enrollment in Medicaid-funded home visiting has been a policy priority of Legislature. If implemented well, in combination with other child welfare interventions, certain home visiting models, such as Nurse Family Partnership, Health Families America, and SafeCare Augmented, could help the state reduce child maltreatment.

Budget: $78,0616.6 **FTE:** 58	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of families enrolled in Medicaid Home Visiting	440	402	1,250	727	823	1,198	G
Average annual number of home visits per family	19	22	20		Reported Annually		
Percent of children enrolled in home visiting for longer than six months that receive regular well child exams as recommended by the American Academy of Pediatrics	88%	91%	90%	91%	91%	91%	G
Percent of parents participating in the New Mexico home-visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions as demonstrated by the state-approved, evidence-based screening tool	79%	82%	80%	85%	85%	84%	G
Percent of women enrolled in Families First who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy	90%	90%	93%	82%	90%	85%	R
Percent of children making significant improvement annually in social emotional skills, knowledge and skills and appropriate behavior	New	Not Reported	78%	78%	78%	78%	G
Percentage of women that are pregnant when they enroll in home visiting who access postpartum care	New	New	90%	81%	79%	81%	R
Percent of eligible infants and toddlers with individual family service plan for whom an initial evaluation and initial assessment and an initial	93%	94%	100%	96%	96%	97%	Y

PERFORMANCE REPORT CARD
Early Childhood Education and Care Department
Third Quarter, Fiscal Year 2025







Budget: $78,0616.6 **FTE:** 58	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
individual family service plan meeting were conducted within the forty-five-day timeline							
Percent of home visiting families with face-to-face visits, monthly	New	91%	NA	94%	93%	93%	
Percent of families enrolled in Families First by the twenty-eighth week of pregnancy	New	65%	80%	42%	88%	77%	R
Percent of families enrolled in home visiting by the twenty-eighth week of pregnancy	New	75%	30%	46%	46%	43%	G
Percent of families enrolled in home visiting who receive safe sleep education and supporting materials and follow the recommended safe sleep practices	New	82%	80%	75%	80%	81%	G
Percent of pregnant women enrolled in home visiting who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy	New	93%	80%	92%	92%	92%	G
Percent of women who are pregnant when they enroll in Families First and access postpartum care	New	100%	75%	44%	44%	53%	R
Program Rating	R	Y					Y

Early Education, Care and Nutrition

The Early Education, Care and Nutrition Program is primarily composed of Childcare Assistance, the Family Nutrition Bureau, and prekindergarten. Prior to the pandemic, Childcare Assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. However, in fall 2020, enrollment declined significantly to 15 thousand. In FY21, average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to $676, or $8,117 annually. At the close of FY22, monthly enrollment had increased to nearly 22 thousand, and the average monthly cost was at $734, or $8,810 annually. In April 2022, ECECD announced Childcare Assistance income eligibility would increase to 400 percent of the federal poverty level (FPL) and all copayments would be waived. At the close of FY24, enrollment had increased to around 29 thousand, with an average annual cost per child of $10,379. As of the third quarter of FY25, average enrollment was close to 30.1 thousand and an average annual cost per child of $10.9 thousand.

Budget: $380,195.9 **FTE:** 157	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of infants and toddlers participating in the childcare assistance program enrolled in childcare programs with four- or five-stars	58%	65%	75%	69%	68%	70%	R
Average monthly copay as a percentage of monthly income	New	New	7%	0%	0%	0%	G
Average length of time enrolled in months for families receiving childcare assistance	New	18	12	19	19	19	G
Percent of children attending full-time childcare, defined as thirty hours or more a week	New	73%	75%	76%	67%	68%	R

Budget: $380,195.9 **FTE:** 157	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of enrolled families at or below one hundred twenty-five percent of the federal poverty level	New	42%	70%	43%	40%	40%	R
Program Rating	R	Y					Y

Policy, Research and Quality

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

Budget: $37,275.6 **FTE:** 36	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of early childhood professionals, including tribal educators, with degrees and/or credentials in early childhood related fields	Not Reported	77%	50%		Reported Annually		
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system	64%	65%	60%	65%	66%	66%	G
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level	60%	62%	60%	64%	63%	66%	G
Number of infant early child mental health professionals trained and onboarded	New	15	15	19	21	21	G
Percent of early childhood professionals receiving support from infant early child mental health consultants	New	30%	10%	37%	33%	34%	G
Program Rating	R	G					G

Prekindergarten

Performance measures for the program are reported annually. New Mexico PreK, an early education program for 3- and 4-year-olds, currently serves over 17 thousand children. Despite certain obstacles to expansion, New Mexico has made substantial strides in ensuring sufficient funding is in place to guarantee all 4-year-olds have access to some form of early education through programs such as Childcare Assistance, New Mexico PreK, or the federal Head Start program. New Mexico ranks 14th in spending on prekindergarten, 13th for providing access to 3-year-olds, and 13th in access for 4-year-olds, according to the National Institute for Early Education Research (NIEER). As of FY25, the state appropriated over $222 million on prekindergarten and early prekindergarten statewide.

PERFORMANCE REPORT CARD
Early Childhood Education and Care Department
Third Quarter, Fiscal Year 2025

Budget: $238,173.6 **FTE:** 17	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of children who were enrolled for at least six months in the state-funded prekindergarten program who score at first step for kindergarten or higher on the fall observation kindergarten observation tool	New	49%	80%				
Percent of children participating in public and private state-funded New Mexico prekindergarten program for at least six months showing measurable progress on the school readiness spring preschool assessment tool	92%	91%	92%		Reported Annually		
Percentage of children who participated in the prekindergarten, for at least nine months, that are proficient in math in kindergarten	63%	52%	75%				
Percentage of children who participated in the prekindergarten program, for at least nine months, that are proficient in literacy in kindergarten	60%	51%	80%				
Program Rating	R	Y					

PERFORMANCE REPORT CARD
Children, Youth and Families Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

Submitted by agency?	No
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.

A settlement agreement committed CYFD to improve Protective Services caseloads, increase the number of resource (foster care) and community-based placements, expand access to children's behavioral health services, among other commitments.

After not submitting performance data in the first and second quarters, the Children, Youth and Families Department (CYFD) submitted data for the agency's quarterly performance measures.

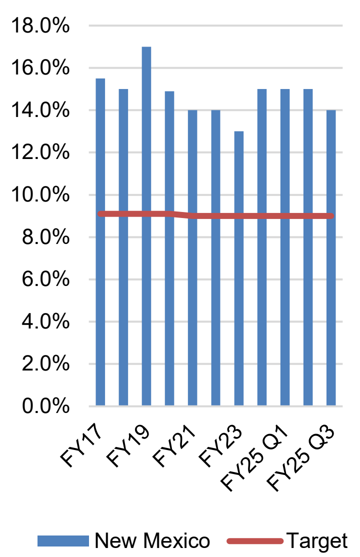
CYFD continues to struggle with caseworker turnover in Protective Services, which increased to 39 percent in the third quarter. Employee turnover likely impacts other performance trends in the state's child welfare system, including time to permanency. Meanwhile, the state's repeat maltreatment rate remains high. CYFD continues to a variety of juvenile justice performance measures, exceeding targets for recidivism rates. At the same time, the number of children in foster care and the number juveniles in secure juvenile justice facilities continues to increase, continuing the reversal of trends of the last decade.

Protective Services

Prevention. Prevention and early intervention are key to reducing maltreatment and repeat child maltreatment, and several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. Repeat maltreatment is a key measure of the success of the system's intervention, once maltreatment is identified. In FY24, the state's rate of repeat maltreatment increased to 15 percent, and in the third quarter of FY25 the state's repeat maltreatment rate was 14 percent, significantly higher than the national benchmark of 9 percent. The repeat maltreatment measure is an indicator of how successfully CYFD is facilitating families' engagement in secondary prevention and intervention services.

Previous LFC reports have noted New Mexico is missing out on federal revenue to fund evidence-based programs to prevent and reduce child maltreatment because New Mexico does not have an approved Family First Prevention Services Act plan. CYFD has submitted multiple plans for federal review and approval, the most recent of which was submitted in late 2024. The timeline for review and federal decision remains unknown.

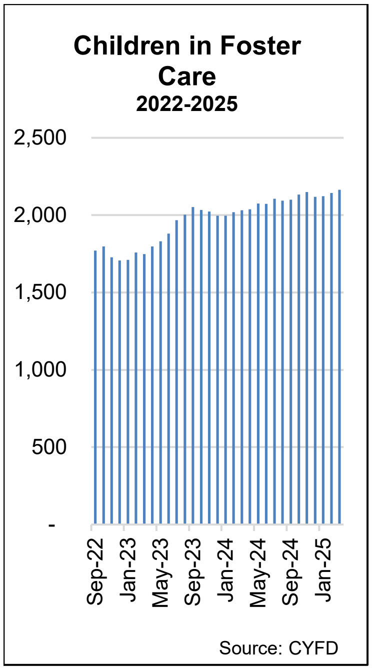
Children Subject to Repeat Maltreatment within 12 Months

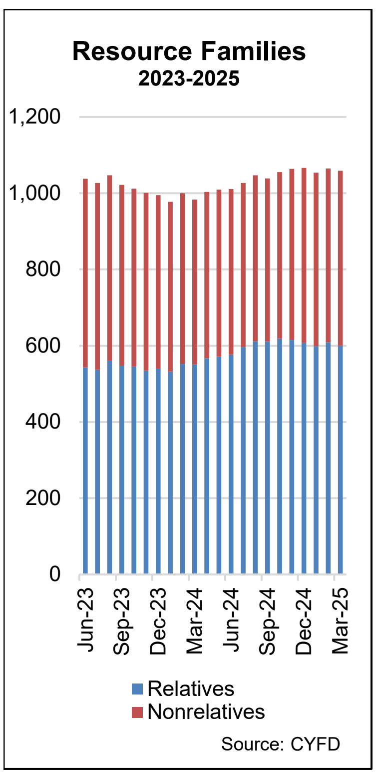


Source: CYFD

Foster Care. The number of children in foster care in New Mexico steadily declined from FY17 to FY23, when the trend reversed, and the number of children in foster care began to steadily increase. In March 2025, 2,164 children were in care. Children staying in foster care for longer periods of time may contribute to the growing number of children in foster care, because third quarter data indicates only 33 percent of children who enter care reach permanency within one year. Time-to-permanency measures have worsened, which may contribute to increasing numbers of children in care. Shorter time-to-permanency is associated with better outcomes and well-being for children in foster care.

Budget: $230,995.7 **FTE:** 1,179	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Maltreatment							
Percent of children in foster care who have at least one monthly visit with their case worker*,	92%	86%	N/A	87%	83%	75%	NA
Children who were victims of a substantiated maltreatment report who were victims of another substantiated maltreatment	14%	15%	10%	15%	15%	14%	R





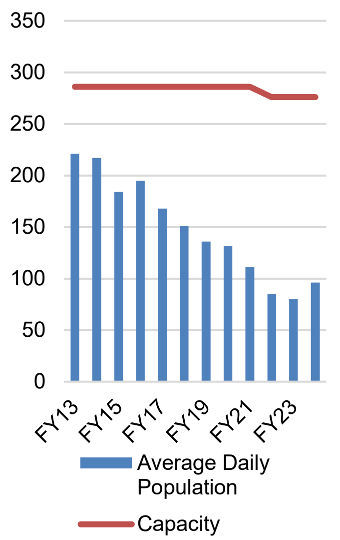
allegation within twelve months of their initial report							
Rate of maltreatment victimizations per one hundred thousand days in foster care within a rolling twelve month period	10.2	10.0	8.5	12.00	11.63	12.00	R
Families that participated in in-home services or family support services and did not have a subsequent substantiated report within the next twelve months	80%	74%	80%	89%	82%	78%	Y
Fatalities or near-fatalities in a rolling twelve-month period that had protective services involvement in the twelve months preceding the incident**	Reported differently	57%	15%	32%	34%	Not reported	R
Average statewide central intake call center wait time (in seconds)**	29	76	50	58	86	105	R
Foster Care							
Turnover rate for protective services workers	37%	34%	25%	35%	37%	39%	R
Of the children who enter care during a 12-month period and stay for greater than 8 days, placement moves rate per 1,000 days of care	7.6	8.1	4.1	8.2	8.0	7.8	R
Children in foster care more than eight days who achieve permanency within twelve months of entry into foster care	33%	34%	42%	33%	32%	33%	R
Children removed during a rolling twelve-month period who were initially placed with a relative or fictive kin	New	32%	45%	35%	37%	37%	Y
Children in foster care for twenty-four months or more at the start of a twelve-month period who achieve permanency within twelve months	31%	25%	30%	24%	25%	24%	R
Foster care placements currently in kinship care settings	52%	48%	42%	48%	50%	48%	G
Children in foster care for twelve to twenty-three months at the start of a twelve-month period who achieve permanency within those twelve months	34%	34%	44%	30%	24%	22%	R
Program Rating	R	R					R

*Explanatory measure does not have a target
**Annual measure: agency stopped reporting quarterly

Juvenile Justice Services

Over the last decade, the number of youths incarcerated in secure juvenile justice facilities has steadily decreased from the state's peak as CYFD has implemented evidence-based practices. However, during FY24, the number of youths in secure Juvenile Justice Services (JJS) facilities increased, from an average census of 80 in FY23 to an average census of 114 in the first half of FY25. While referrals to JJS increased in the last few years, referrals remained below prepandemic levels according to the most recent data CYFD has published. For all three quarters of FY25, the rate of clients successfully completing formal probation has trended below FY23 and FY24 performance. Meanwhile, CYFD continues to outperform recidivism rates. In particular, 87 percent of youth discharged from active supervision do not recidivate within two years.

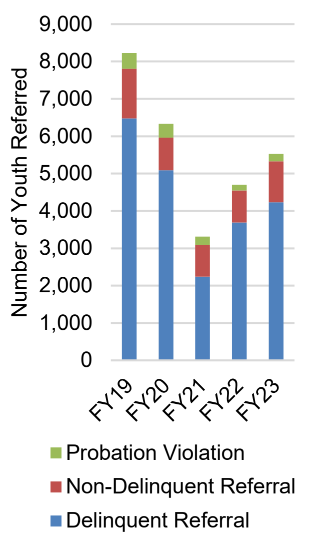
JJS Secure Facility Population



Source: CYFD

Budget: $82,322.6 **FTE:** 736.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Turnover rate for youth care specialists	42%	34%	21%	25%	28%	27%	Y
Percent of clients who successfully complete formal probation	93%	90%	93%	89%	86%	87%	Y
Percent of clients who successfully complete informal probation	Not reported	91%	80%	92%	90%	90%	G
Percent of clients successfully completing term of supervised release	Not reported	Not reported	78%	94%	56%	71%	Y
Number of substantiated complaints by clients of abuse or neglect in juvenile justice facilities	4	Not reported	3	2	0	1	G
Percent of youth discharged from active field supervision who did NOT recidivate within two years	Reported differently	87%	80%	85%	84%	87%	G
Rate of physical assaults per one thousand days youth spent in facilities	Reported differently	5.5	3.75	6.30	4.51	5.18	R
Percent of discharged from a secure facility who did NOT recidivate in the following two-year period	Reported differently	66%	55%	77%	74%	76%	G
Youth served by juvenile justice who are placed in a less-restrictive, community-based setting	New	94%	93%	93%	94%	95%	G
Percent of clients reviewed at 40 days	0%	Not reported	92%	97%	86%	100%	G
Program Rating	R	Y					Y

Juvenile Justice Referrals by Type FY19-FY23

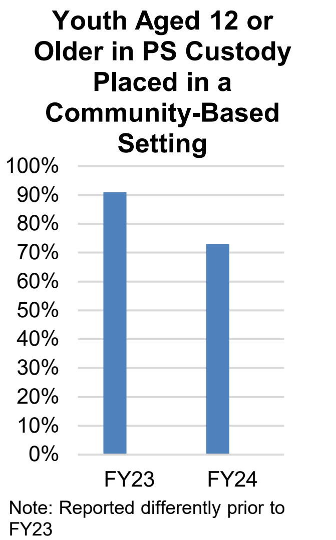


Source: LFC analysis of CYFD data

Behavioral Health Services

Within the Behavioral Health Program, performance on several measures related to supporting children to access care, including services recommended by a Child Adolescent Needs and Strengths (CANS) assessment and behavioral health consultations for youth in foster care, fell well below performance targets. In FY24, the department received $963.4 thousand to establish three more community behavioral health clinician teams, but the department struggled to hire clinicians and used the funding for other purposes. The department also transferred more than $1 million in its personnel budget into other spending categories at the beginning of FY25.

Budget: $53,109.2 **FTE:** 123	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Children with at least one electronic benefit transfer service need identified in their CANS assessment who have accessed that service, to include placements that correspond with the recommended level of care	103%	Not reported	65%	0%	0%	0%	R
Infant mental health program participants showing improvement developmentally through clinical assessment and observation**	NA	93%	95%	90%	91%	89%	Y



Domestic violence program participants who agree or strongly agree that because of their participation in the program as a parent, they have a better understanding of the impact that domestic abuse/ violence can have on children**	94%	96%	90%	91%	94%	94%	G
Youth aged twelve or older in protective services custody who are placed in a less restrictive, community-based setting**	91%	85%	73%	Not reported	Not reported	Not reported	NA
Domestic violence program participants who agree or strongly agree that staff and advocates regularly discuss their safety needs, including specific things they can do to keep themselves safe	90%	92%	95%	97%	97%	88%	Y
Clients enrolled in multisystemic therapy who demonstrate improvement in one or more behavioral health outcomes	89%	92%	90%	96%	93%	93%	G
Percent of protective services-involved youth in the target population who receive consultation from a community behavioral health clinician	66%	15%	75%	45%	48%	52%	R
Percent of juvenile-justice involved youth in the estimated target population who have received consultation from a community behavioral health clinician	Reported differently	63%	75%	74%	72%	71%	G
Program Rating	Y	Y					R

**Annual measure: agency stopped reporting quarterly

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Health Care Authority
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

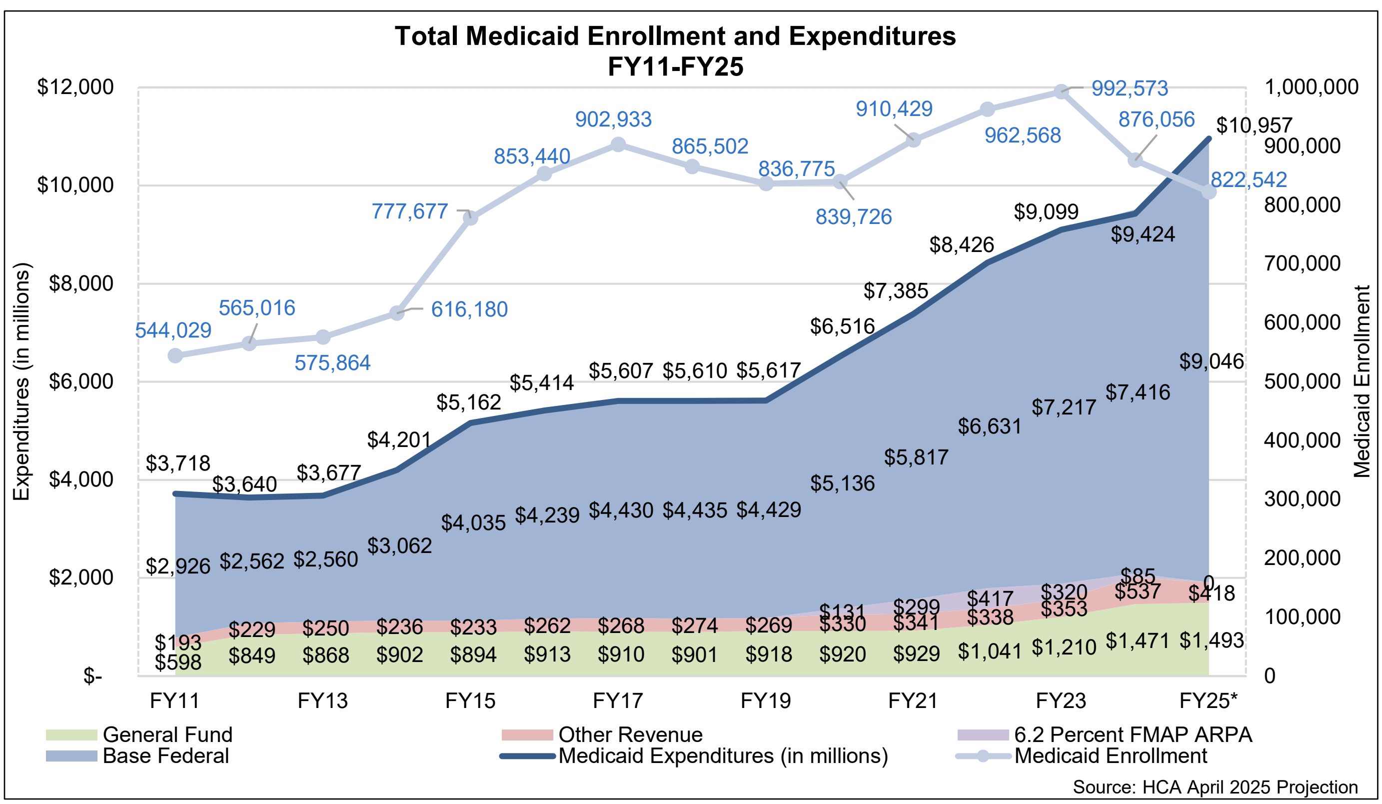
The Legislature invested significantly in Medicaid over the last decade, including hundreds of millions in the past five years for provider rate adjustments, with the most significant increases scheduled for FY25, including more than $1 billion for hospitals. With 38 percent of the state's population enrolled in the Health Care Authority's (HCA) Medicaid Program, ensuring rate adjustments reach the intended providers and improves access is a major lever for the state to improve health outcomes overall. Given the investment, performance is marginally improving, and the state should maintain an expectation of more improvement over the next two years.

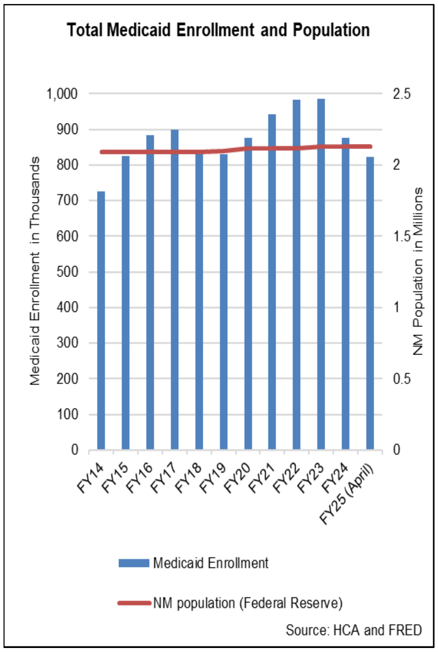
With these investments, the Legislature is expecting to see improvements in access to care through the expansion of managed care organization (MCO) networks, more well-care visits, and improved provider recruitment and retention.

Projecting Future Needs. The Health Care Authority's enrollment dashboard indicates 822,542 individuals were enrolled in Medicaid in April 2025, 75 thousand fewer individuals than the department's September 2024 projection. The FY25 budget was largely based on a higher January 2024 estimate of 938.2 thousand enrollees. In the future, to ensure funds are allocated appropriately, HCA will need to work with LFC to develop more consensus around its enrollment projections.

Medical Assistance

The state's Medicaid program continued to improve some of its performance in the first quarter, including infant well-child visits. For well-child visits, each MCO discussed a strategy to improve these measures, such as social media campaigns, text messages encouraging parents to schedule the visits, and meeting with providers on a regular basis.



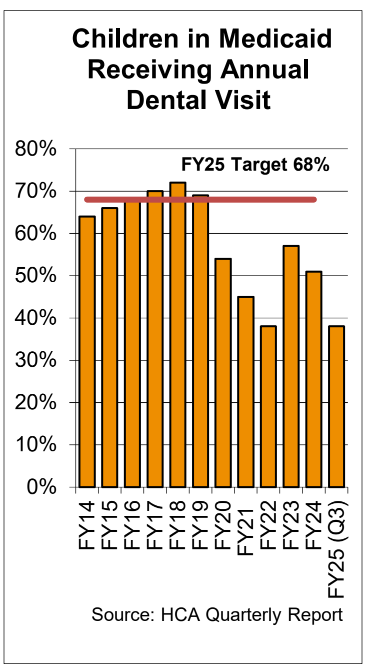


The measure is cumulative, and the department should meet the target by the end of the year given the current trend. In previous quarters, HCA directed MCOs to incentivize providers that offer after-hour and weekend appointments for child wellness visits, including immunizations. However, the count of well-care visits for children 3 to 21 was well below trend and the authority received a red rating for this measure.

Budget: $8,885,408.9 **FTE:** 222.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months* **	63%	66%	N/A	35%	47%	59%	G
Children and adolescents ages 3 to 21 enrolled in Medicaid managed care who had one or more well-care visits during the measurement year**	44%	45%	60%	9%	17%	33%	R
Percent of members under 21 years of age who received a comprehensive or periodic oral evaluation with a dental provide**	57%	51%	68%	20%	45%	38%	R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	7%	8%	<5%	6%	7.5%	7.2%	R
Hospital readmissions for adults 18 and over within 30 days of discharge**	9%	9%	<8%	9%	12%	9%	Y
Emergency department use categorized as nonemergent care	57%	57%	50%	57%	57%	57%	R
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**	80%	78%	80%	62%	62%	63%	R
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was >9 percent during the measurement year**	52%	52%	65%	81%	67%	66%	G
Program Rating	R	Y					Y

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

**Measure is from the national health effectiveness data and information set (HEDIS) and is reported on a calendar year, cumulatively, and two quarters behind the state fiscal year. FY25's Q1 column is reporting CY24's first quarter data.

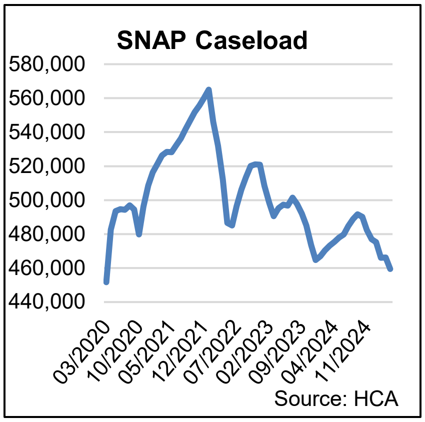


Income Support

The Income Support Division (ISD) fell short of all but one performance target. However, performance is trending in the right direction. Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads continue to be a drag on the authority's performance, even though the caseloads are nearing prepandemic levels. The federal government requires enrolling 95 percent of expedited cases within seven days. For the third quarter, ISD enrolled 97 percent of expedited SNAP cases within seven days, an improvement from 84 percent in the prior year. ISD hired contract staff to work on Medicaid recertifications and applications to allow ISD staff to work on SNAP applications and recertifications to improve expedited timeliness. Using this method, ISD is slated to increase the overall timeliness in SNAP. However, improvement is still needed for TANF performance measures.

Projected Cost of SNAP Proposed Federal Changes	
Error Rate	Projected Cost to NM
<6% Error	$57 million
6-8% Error	$173 million
8-10% Error	$231 million
>10% Error	$288 million

Source: LFC Files



Importantly, SNAP currently has a 14 percent error rate—meaning the authority is either under- or over-paying receipients. The House approved federal reconciliation bill, if the authority maintains its 14 percent error rate, the state will be responsible for paying $288 million additional for SNAP, due to new guidelines.

Budget: $1,356,920.9 **FTE:** 1,060	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	38%	74%	98%	91%	95%	98%	G
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	64%	84%	98%	94%	96%	97%	Y
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	7%	1%	37%	8%	8%	8%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	12%	12%	60%	28%	12%	14%	R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	10%	7%	45%	11%	11%	11%	R
Program Rating	R	R					Y

Child Support Services

The Child Support Services Division (CSSD) is modernizing the program to set accurate child support obligations based on the noncustodial parent's ability to pay, alongside increasing consistent and on-time payments to families, moving nonpaying cases to paying status, improving child support collections, and incorporating technological advances that support good customer service and cost-effective management practices. CSSD expected performance to improve with these efforts and the program nearly met the target for child support owed that is collected and the percentage of cases with support orders. However, total dollars collected is trending lower when compared to FY24.

Budget: $42,953.9 **FTE:** 340	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Noncustodial parents paying support per total cases with support orders*	51%	51%		52%	52%	53%	
Total child support enforcement collections, in millions	$121	$119	$120	$27.7	$27.6	$31.6	R
Child support owed that is collected	58%	59%	65%	59%	60%	59%	R
Cases with support orders	84%	83%	85%	83%	83%	84%	Y
Total dollars collected per dollars expended	$2.46	$2.18	$3.00	Annual	Annual	Annual	

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Average child support collected per child*	$124.5	$129		$125	$126	$148	
Program Rating	R	Y					Y

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

Developmental Disabilities Support Division

This is the first year the division reported on the authority's performance report since it moved from the Department of Health in July 2024. For the third quarter, the division did not meet the target for the number of individuals receiving employment services nor did it reach the target for the number of individuals who have a service plan and budget in place. In fact, the percent of individuals who have a service plan and budget in place fell from 91 percent to 88 percent between the first quarter and the third quarter of FY25.

Budget: $271,411.3 **FTE:** 195	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of home visits	6,881	11,461	19,458		7,325	12,658	R
Number of individuals on the home and community-based waiver waiting list*	1,909	111		NA	474	710	
Number of individuals receiving home and community-based waiver services*	6,766	7,522		NA	8,057	8,271	
Percent of adults between ages twenty-two and sixty-two served on a developmental disabilities waiver (traditional or mi via) who receive employment supports	10%	9%	14%	8%	8%	8%	R
Percent of home and community-based waiver applicants who have a service plan and budget in place within ninety days of income and clinical eligibility determination	88%	76%	95%	91%	89%	88%	R
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)	90%	92%	87%	91%	92%	90%	G
Program Rating	R	Y					Y

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

State Health Benefits

According to the HCA, the 20 percent across-the-board increase in premiums for state health benefits is actuarially sound and will not require a supplemental appropriation for FY26 to ensure solvency within the state health benefits fund. In FY27, the state will have to determine whether to continue using health care affordability fund revenues to cover the new provisions or include the increased costs to agencies within their base budgets. The authority is working toward implementing reference-based pricing, switching pharmacy benefits managers, and working to collect the local public body share of the shortfall to reduce the costs to the state.

Budget: $479,368 **FTE:** 9	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of state health plan members who designate the stay well health center as their primary care provider*		2,162		2,294	2,397	2,485	
Number of visits to the stay well health center*		7,815		1,786	2,228	1,704	
Percent change in the average per-member per-month/total healthcare cost**		TBD	4%	13%	6%	-10.4%	R
Percent of available appointments filled at the stay well health center*		74%		94%	97%	90%	
Percent of state health plan members with diabetes receiving at least one hemoglobin A1C test in the last 12 months**		49%	86%	No Report/ 89%	No Report	No Report	R
Percent of state group prescriptions filled with generic drugs within 3 percent of public-entity-peer rate as reported by pharmacy benefits manager		56%	83%	84%	Not Report	86%	R
Program Rating	R	Y					R

*Measure is classified as explanatory and does not have a target.
**Measure reported as Blue Cross Blue Shield/Cigna

Division of Health Improvement

This is the first year the Division of Health Improvement (DHI) is reported on the authority's performance report since it moved from the Department of Health in July 2024. During the third quarter of FY25, HCA met all performance targets under DHI, having significantly improved on the percent of facility deficiencies distributed within ten days of survey exit.

Budget: $22,093 **FTE:** 197	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of nursing home survey citation(s) resulting in a potential sanction by CMS that was upheld when reviewed by CMS	97%	96%	>90%	100%	100%	100%	G
Percent of acute and continuing care facility survey statement of deficiencies distributed to the facility within ten days of survey exit			>85%	72%	82%	93%	G
Percent of abuse, neglect, and exploitation investigations completed according to established timelines	95%	80%	>95%	98%	99%	96%	G
Abuse rate for developmental disabilities waiver and mi via waiver clients*†	5.8%	7.3%		1.1%	1.6%	0.8%	G
Program Rating							G

*Measure is classified as explanatory and does not have a target.
† Measure also includes Supports Waiver and Medically Fragile Waiver

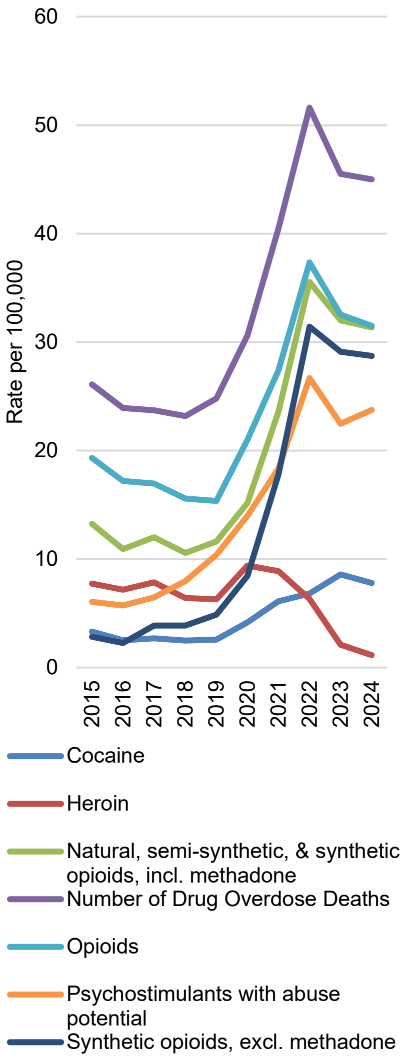
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Behavioral Health
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

New Mexico Overdose Death by Substance March 2015-March 2024 (Provisional)



*Categories are not mutallly exclusive

Source: Centers for Disease Control and Prevention

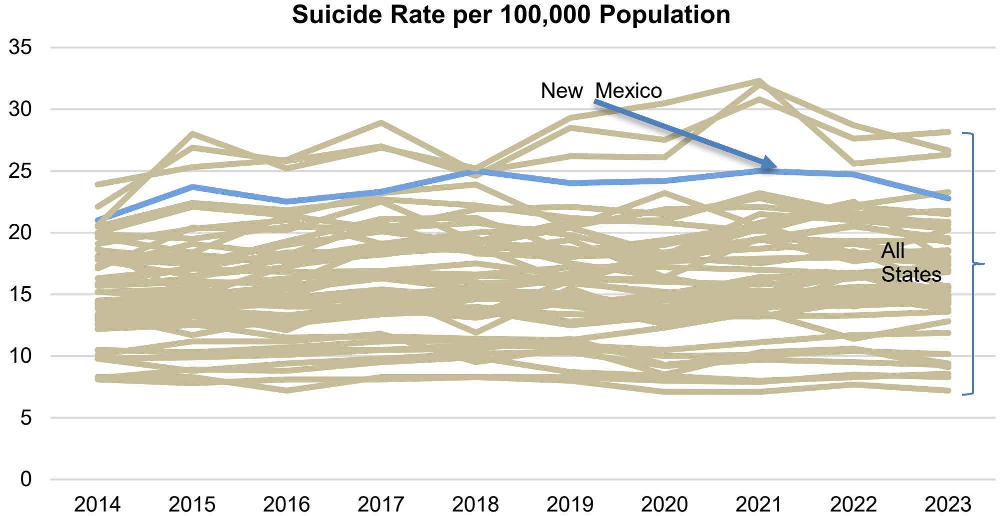
Starting in July, after little progress and no meetings in over one year, the Behavioral Health Collaborative will cease to exist. A new Behavioral Health Executive Committee will be charged with approving new behavioral health regions, reviewing and approving regional plans, establishing funding strategies and structures based on regional plans, monitoring and tracking deliverables and expenditures, and establishing management strategies led by a project manager at the Health Care Authority (HCA). The law also requires the Administrative Office of the Courts to complete sequential intercept mapping, which works to understand how to improve behavioral health access. LFC—in coordination with HCA—is required to develop an initial set of evaluation guidelines for behavioral health services for adoption and implementation of regional plans. The General Appropriations Act of 2025 includes significant amounts to carry out the provisions of the law—with over $565 million appropriated for behavioral health in specials.

The August 2023 LFC progress report *Addressing Substance Use Disorders* found efforts to expand treatment have not kept pace with the increased magnitude of substance use needs. Overdose deaths nearly tripled between 2013 and 2024 and have not returned to prepandemic levels. Behavioral Health Collaborative agencies are budgeted to spend $1.1 billion in FY25, with $987 million of that in the Health Care Authority. Additionally, collaborative agencies received about $407 million in nonrecurring funding from the 2023 through 2025 sessions. Despite these investments, trends in most substance-related deaths or suicides remain high.

Existing Problem

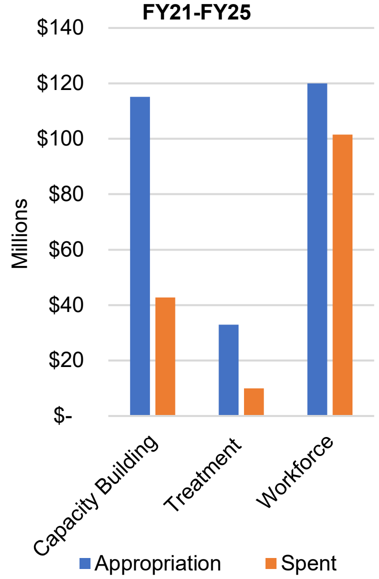
Mirroring national trends, drug overdose deaths decreased in the state from an all-time high of 1,040 in 2021 to 800 in 2024—potentially due in part to the state expanding the use of overdose drug availability. In 2023, according to Kaiser Family Foundation data, about 36 percent of adults in New Mexico reported anxiety or a depressive disorder. Concurrently, as of 2023, New Mexico had the fifth highest suicide rate in the nation, a rate of 22.8 per 100 thousand people. Kaiser also reported 31 percent of New Mexicans with anxiety or a depressive disorder in 2022 had an unmet need for counseling or therapy, while the federal government reported the percentage of New Mexicans with

Suicide Rate per 100,000 Population



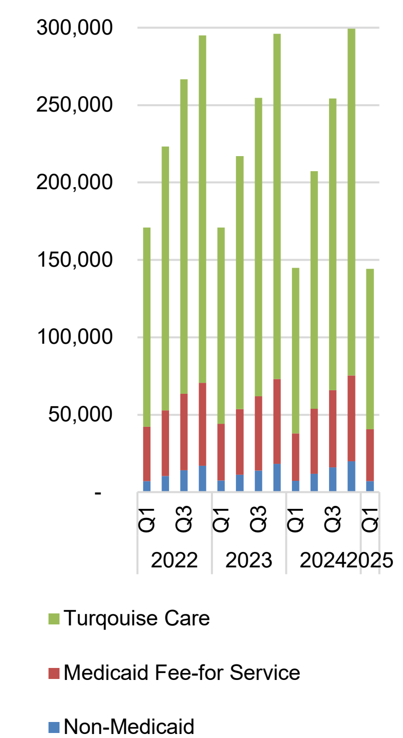
Source: Centers for Disease Control and

Behavioral Health Nonrecurring Appropriations
FY21-FY25



Source: Share, LFC Files

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



Source: HCA

their need for mental health professionals met was 18.2 percent compared with the 28 percent nationally. Youth report less depression and substance use with more supports in place.

Behavioral Health System

In 2024, HCA reported New Mexico had 6,672 prescribing and 4,722 nonprescribing Medicaid behavioral health providers—down from 7,754 and 5,149 respectively. The total number of behavioral health encounters increased from about 2.5 million in 2020 to slightly over 3.3 million encounters in 2024. Approximately 75 percent of all people served were Medicaid managed care members, 19 percent were Medicaid fee-for-service members, and 6 percent were non-Medicaid beneficiaries. The top five behavioral health provider types were psychiatrists and other physicians; nurse/certified nurse practitioners (CNPs), which includes psychiatric certified CNPs; federally qualified health centers; licensed clinical social workers; and licensed professional clinical counselors.

For FY25 the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days fell dramatically compared to the previous two quarters and was below the target of 51 percent. The division reports community follow-up with the adult population is a larger challenge than with the youth population. HCA reports the MCOs continue to develop interventions to maintain and improve performance on this measure.

Budget: $938,947 **FTE: 5**	**FY23 Actual**	**FY24 Actual**	**FY25 Target**	**FY25 Q1**	**FY25 Q2**	**FY25 Q3**	**Rating**
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	43%	45%	42%	52%	53%	44.7%	G
Medicaid members discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	35%	42%	51%	41%	41%	27%	R
Number of persons served through telehealth in urban, rural, and frontier counties for behavioral health	48,718	73,054	35,062	36,270	51,025	64,239	G
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	10%	11.9%	5%	13.6%	11.8%	7.9%	R
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	217,126	207,259	210,000	253,251	298,706	144,158	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 30 days	34%	32%	54%	32%	35%	30%	R
Program Rating	R	R					Y

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

PERFORMANCE REPORT CARD
Department of Health
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

The Department of Health (DOH) reported mixed performance across the agency for the third quarter of FY25. State health indicators, particularly those related to substance use disorders, have contributed to overall declines in the health outcomes of at-risk populations in the state. Despite ongoing efforts, significant challenges remain in addressing the social factors that exacerbate these issues. DOH continues to focus on implementing interventions and community health initiatives aimed at improving public health infrastructure and access to care.

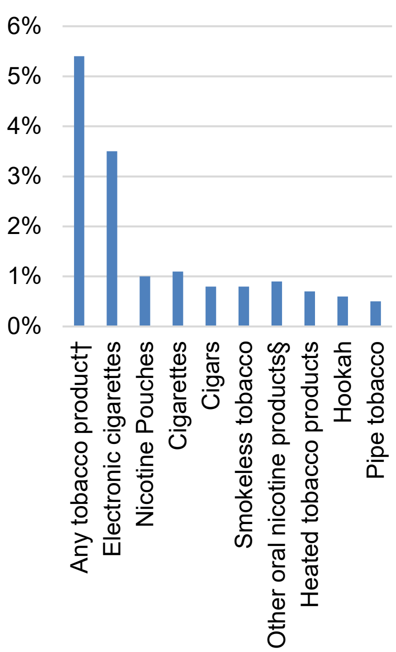
According to the U.S. CDC, tobacco product use remains the leading cause of preventable disease and death in the United States. In 2022, 49.2 million (19.8 percent)—or nearly 1 in 5—U.S. adults reported current tobacco product use.

Public Health

The Public Health Program continues reporting low performance for smoking cessation services. Research consistently shows comprehensive tobacco cessation programs can significantly reduce smoking rates and lead to better long-term health. Addressing these gaps is a priority. The U.S. Centers for Disease Control and Prevention (CDC) reports approximately 67 percent of adult smokers expressed a desire to quit, and about 53 percent attempted to quit in the past year. However, only 8 percent were successful.

Additionally, the program did not meet targeted performance for overdose reversals, a harm reduction program. Drug harm reduction is a public health approach aimed at minimizing the negative health, social, and legal impacts associated with drug use. The program has begun implementing medication-assisted treatment (MAT) for substance use disorders in public health offices statewide to increase treatment access. LFC is expected to publish a report evaluating the approach in 2025.

2024 US Tobacco Use Among Middle and High School Students



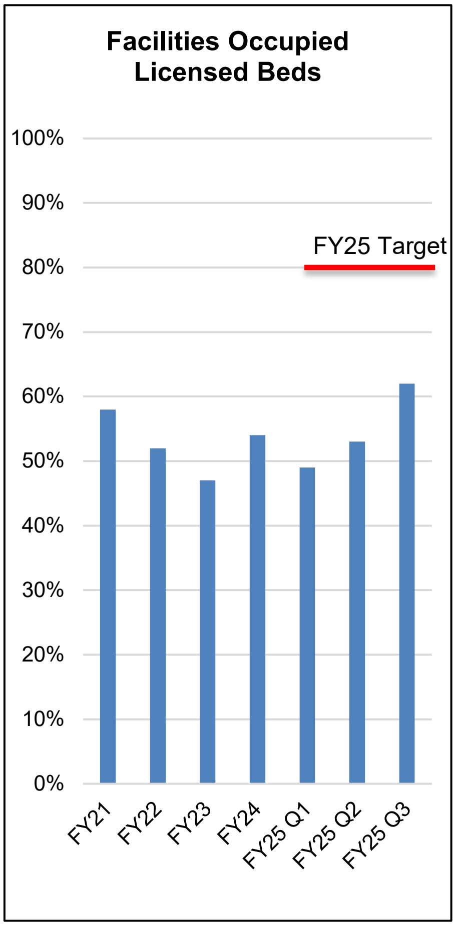
Source: National Youth Tobacco Survey

Budget: $262,490.2 **FTE:** 818.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of school-based health centers funded by the department of health that demonstrate improvement in their primary care or behavioral healthcare focus area	96%	96%	96%	64%	67%	68%	R
Percent of New Mexico adult cigarette smokers who access New Mexico Department of Health cessation services	1.9%	1.3%	2.6%	0.2%	0.2%	0.2%	R
Number of successful overdose reversals in the harm reduction program	3,025	3,153	3,200	989	1,586	1,255	Y
Percent of preschoolers ages nineteen to thirty-five months indicated as being fully immunized	69%	72%	68%	68%	68%	66%	Y
Percent of female New Mexico Department of health's public health office family planning clients, ages fifteen to nineteen, who were provided most- or moderately-effective contraceptives	88%	84%	88%	78%	85%	87%	Y
Program Rating	R	R					Y

Epidemiology and Response

The Epidemiology and Response Program is falling short of the targets for all key performance measures, which focus on improving health status, reducing substance use deaths, and preventing suicide.

Budget: $57,934.2 FTE: 360	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis	NA	228	300	55	43	65	R
Percent of death certificates completed by bureau of vital records and health statistics within ten days of death	NA	56%	65%	57%	50%	53%	R
Percent of hospitals with emergency department based self-harm secondary prevention programs	NA	2.7%	7%	2.5%	2.5%	2.7%	R
Program Rating	R	R					R



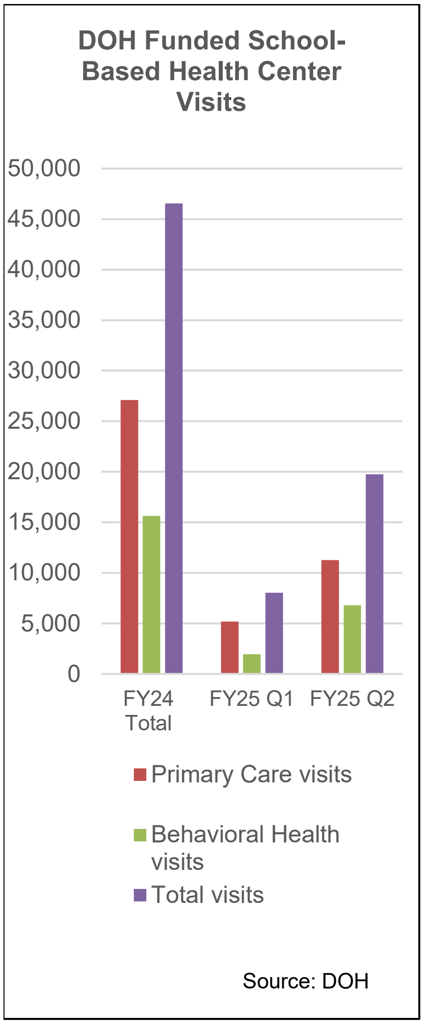
Scientific Laboratory

The Scientific Laboratory Program provides a wide variety of laboratory services mandated in statute and essential for the successful mission of the programs it supports. The program did not meet targeted performance of timely blood alcohol tests but improved performance above the previous quarter.

Budget: $18,418.9 FTE: 139	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within thirty calendar days	99%	99%	95%	98%	100%	100%	G
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within sixty calendar days	97%	72%	92%	55%	62%	56%	Y
Percent of public health threat samples for communicable diseases and other threatening illnesses that are completed and reported to the submitting agency within published turnaround times	98%	97%	96%	97%	97%	95%	G
Program Rating	R	R					Y

Facilities Management

The occupancy of licensed beds in facilities statewide remains significantly below target levels. Lower than anticipated revenues combined with high personnel and contract costs continue to strain the program's finances. The program oversees six healthcare facilities and one community program, catering to individuals with complex medical conditions or behavioral health support needs.



Budget: $177,631.8 **FTE:** 1,913.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of medication-assisted treatment utilized in the management of alcohol-use disorders while at turquoise lodge hospital	NA	100%	85%	100%	100%	100%	G
Percent of medical detox occupancy at Turquoise Lodge Hospital	76%	28%	80%	26%	19%	22%	R
Percent of medication assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital	100%	100%	92%	100%	100%	100%	G
Percent of patients educated on medication assisted treatment options while receiving medical detox services	83%	100%	100%	100%	100%	100%	G
Percent of patients eligible for naloxone kits who received the kits	52%	100%	90%	100%	100%	100%	G
Percent of licensed beds occupied	47%	50%	80%	49%	53%	62%	R
Percent of eligible third-party revenue collected at all agency facilities	89%	80%	93%	92%	81%	86%	R
Number of medication errors causing harm per one thousand patient days within identified categories	0	0	1	0	0	0	G
Program Rating	R	R					Y

PERFORMANCE REPORT CARD
Aging and Long-Term Services Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

Aging and Long-Term Services

The Aging and Long-Term Services Department (ALTSD) reported some improvement in performance during the third quarter of FY25. The department's mission is to serve older adults and adults with disabilities so they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

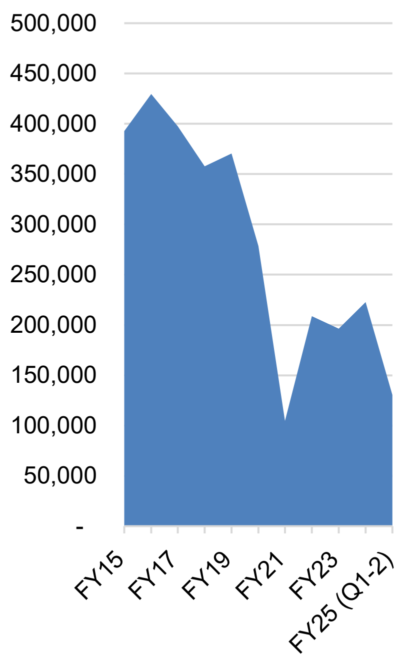
Consumer and Elder Rights

During the third quarter of FY25, the Aging and Disability Resource Center (ADRC) received 11,168 calls, averaging 180 per day, a decline of 1,507 calls from the second quarter. This volume is higher than at end of FY24 but remains lower than prepandemic levels. During this quarter, the ADRC averaged 12 dedicated FTE. Five focused on appointments, one handled voicemail (typically responding within the same day), and the rest managed live calls, walk-ins, returned calls, and overflow appointments. The most common topics of inquiry include assistance with Medicaid, Medicare, and senior centers.

Budget: $4,922.1 **FTE:** 40	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of calls to the Aging and Disability Resource Center (ADRC), that are answered by a live operator	81%	73%	90%	54%	48%	73%	R
Percent of calls to the ADRC that are resolved in a single contact	NA	73%	90%	100%	99%	98%	G
Percent of customers satisfied with the outcome of their call to the ADRC	NA	96%	90%	100%	96%	99%	G
Percent of residents who remained in the community six months following a nursing home care transition	98%	99%	90%	99%	99%	98%	G
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	84%	93%	92%	95%	97%	97%	G
Percent of facilities visited monthly	53%	56%	40%	45%	62%	100%	G
Percent of ombudsman complaints resolved within sixty days	100%	100%	99%	99%	99%	99%	G
Program Rating	R	R					Y

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

Caregiver Support Hours Provided



Source: ALTSD

Adult Protective Services

The Adult Protective Services Program (APS) began reporting on 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. The program reported slightly declined performance for priority investigations, making face-to-face contact quickly for referral of additional services. The program reported 99 percent on-time visit rate, slightly impacted by ongoing vacancies—especially in urban and rural areas which may result in struggles to meet targeted performance. The program reported challenges in provider capacity to refer to.

Budget: $21,656.1 **FTE: 128**	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	6,863	1,908	6,150	1,838	1,760	1,660	G
Percent of emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	100%	99%	98%	99%	Y
Percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	0%	0.5%	2%	0.5%	0%	0.3%	G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	409	438	180	99	111	92	G
Percent of contractor referrals in which services were implemented within two weeks of the initial referral	72%	71%	80%	69%	64%	68%	R
Number of referrals made to enrollments in home care and adult day care services resulting from an investigation of abuse, neglect, or exploitation	147	248	400	68	75	50	R
Percent of priority two investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed time frames	99%	99%	98%	99%	99%	98%	G
Percent of consumers for who referrals were made, who accessed services and remained in a community setting for six or more months	NA	95%	90%	98%	90%	92%	G
Program Rating	R	R					Y

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

Aging Network

The Aging Network is on track to meet targeted performance for the hours of caregiver support for FY25, previously the program had struggled to meet prepandemic levels. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. The department reported the number of hours of caregiver support were 25,212 hours of respite care, 22,215 of adult daycare, 19,224 hours of homemakers, and 5,251 hours of other support services. Additionally, in FY22 and FY23, the federal government allowed flexibility to include grab and go meals in the home-delivered meals category, which significantly increased the reported number of meals. In FY24 this flexibility ended with the expiration of the pandemic emergency.

Budget: $58,230.6 **FTE: 24**	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of older New Mexicans receiving congregate, and home delivered meals through Aging Network programs that are assessed with "high" nutritional risk	17%	20%	17%	21%	29%	25%	G
Number of hours of services provided by senior volunteers, statewide	472,250	454,772	745,000	133,168	152,291	152,121	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	764	986	800	178	176	203	Y
Number of meals served in congregate, and home delivered meal settings	4,105,279	4,020,390	4,430,000	478,048	744,110	610,768	R
Number of transportation units provided	223,938	265,565	300,000	59,806	57,319	60,519	R
Number of hours of caregiver support provided	196,246	222,922	167,000	68,508	61,943	62,895	G
Program Rating	R	R					Y

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

Economic Development Department

New Mexico's gross domestic product (GDP) increased by 2.6 percent in the fourth quarter of 2024, slightly outpacing the national average of 2.4 percent. During this period, the primary drivers of GDP growth in the state included mining, oil, and gas extraction; professional, scientific, and technical services; real estate, rental, and leasing; and transportation and warehousing. Personal income in New Mexico rose by 3.9 percent over the same quarter, falling just below the U.S. average of 4.6 percent. The most significant contributors to earnings growth were the health are sector; professional, scientific, and technical services; and the construction industry. New Mexico currently ranks 46th nationwide in per capita income. A 10 percent increase—equivalent to approximately $8,700 per person—would elevate the state's rank to 40th.

The Economic Development Department (EDD) holds several policy levers to improve economic development in New Mexico. The agency showed modest improvement in its performance measures in the third quarter. The number of jobs created through the agency's efforts—both total and in rural areas—increased significantly compared to the second quarter. However, the agency remains off track to meet its annual job creation targets. Despite falling short of target levels, the jobs reported as created by the agency to date have offered wages exceeding local averages, indicating that EDD-supported positions continue to provide higher-than-average compensation. Performance indicators for the Film Office remain below target, reflecting ongoing contraction in the national film industry driven by the prolonged impact of labor disputes and declining production volumes.

ACTION PLAN

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

2025 State Plan Update

During the second quarter, EDD released this year's update to the *Empower and Collaborate* state plan. The plan updates recommendations from the original plan—40 percent of which have been completed; sets new goals; and overviews key initiatives, such as enhancing data management and visualization, site readiness, and identifying the state's competitive advantages. The report also provides recommendations for supporting extractive communities and maximizing federal funding opportunities. This is the first time the state plan has been updated by in-house staff.

Creating Economic Opportunities

During the third quarter of FY25, EDD reports supporting the creation of 195 jobs, bringing the fiscal year-to-date total to 1,800—well below the FY25 performance target of 4,000 jobs. These jobs had an average annual wage of $48.6 thousand—approximately $2.5 thousand above the local averages. Of those jobs, 254 were created in rural communities, including Santa Teresa, Taos, Milan, and Roswell. The agency assisted 19 companies during the second quarter.

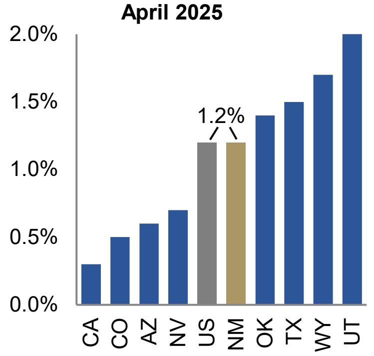
Awarded LEDA Projects
Third Quarter FY25

Company	Jobs	Private Invest-ment (in millions)	LEDA Award (in thousands)
New Bridge Global Ventures	34	$20	$750
Vitality Works	18	$5.6	$500
Thyssen-krupp Materials	90	$15.1	$500

Source: EDD

Office of Strategy, Science, and Technology. The Office of Strategy, Science, and Technology (OSST) reports that two companies, Pajarito Powder and TS-Nano, received funding from non-state sources after receiving funding or technical assistance from OSST. Pajarito Powder, a manufacturer of components for hydrogen energy, closed its Series B round of fundraising after previously receiving a $766 thousand award from the Advanced Energy Award pilot program. TS-Nano, a manufacturer of nano-modified polymer sealants to address methane leakage from oil and gas wells, received a $700 thousand grant from Emission Reduction Alberta, a provincial initiative in Canada focused on reducing greenhouse gases after previously receiving a $713 thousand award from the Advanced Energy Award pilot program.

Year-over-Year Job Growth by State
April 2025



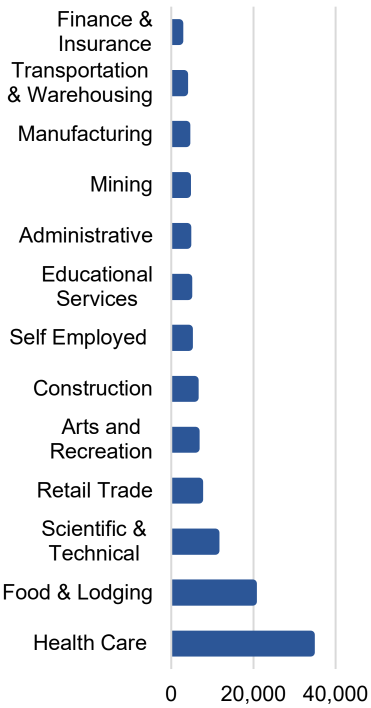
Source: WSD

Job Training Incentive Program. The Job Training Incentive Program (JTIP) board approved 21 companies and 316 trainees for funding in the third quarter. Approved jobs have an average hourly wage of $23.10. Of the total jobs, 259 trainees were approved in rural areas, including Deming, Roswell, Farmington, and Hobbs. The board approved

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Economic Development Department
Third Quarter, Fiscal Year 2025

Projected Employment Growth by Industry
2022 - 2032



Source: WSD

2024 Outcomes from the Justice, Equity, Diversity, and Inclusion Office

During the second quarter, EDD released a report on the outcomes of its Justice, Equity, Diversity, and Inclusion (JEDI) Office. The office was established in 2021 to address barriers for business owners and entrepreneurs. The office launched resource map with over 500 business resources, oversees the State Small Business Credit Initiative, and administers EDD's certified incubator program. In 2023, the Legislature appropriated $3 million in one-time funding to EDD to support the expansion and maintenance of business incubators through FY26. To date, EDD has spent $1.2 million on awards to certified facilities ranging from $50 thousand to $100 thousand.

33 incumbent workers to receive upskills training. The Film Crew Advancement Program (FCAP), under JTIP, approved five production companies to train 31 crew members.

Local Economic Development Act. LEDA allows state and local governments to provide grants or infrastructure to companies expanding or relocating to New Mexico. In the third quarter, EDD announced three projects totaling $1.75 million in LEDA funding with an anticipated job creation of 142 and private investment of $40.8 million. The projects report an estimated average wage of $49.9 thousand with an average cost per job of $12.3 thousand.

New Mexico Partnership. The New Mexico Partnership reported no new job creation in the third quarter. The organization facilitated two site visits in the second quarter and is advancing several projects it expects to announce in the final quarter.

Budget: $25,738.5 **FTE:** 57	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of jobs created due to department efforts	1,790	3,523	4,000	1,348	157	295	R
Number of rural jobs created due to department efforts	996	871	1,320	183	49	254	R
Average wage of jobs created	$56,503	$56,684	$50,000	$73,356	$59,780	$48,666	G
Wages for jobs created in excess of prevailing local wages	$13,630	$6,001	$7,500	$16,979	$7,036	$2,502	G
Number of jobs created by New Mexico Partnership	165	1,995	2,250	900	50	0	R
Number of jobs created through LEDA	1,092	2,356	3,000	1,070	0	142	R
Dollars of private sector investment in MainStreet districts, in millions	$52.9	$51.6	$30	$7.9	$24.7	$15.1	G
Number of building rehabilitations assisted by MainStreet	278	241	200	82	46	62	G
Number of workers trained by JTIP	1,255	2,359	2,000	341	352	349	R
Dollars of follow-on investment in technology-based companies from OSST, in millions	$1	$128.2	$2	$8.7	$18.8	$0.7	G
Program Rating	Y	Y					R

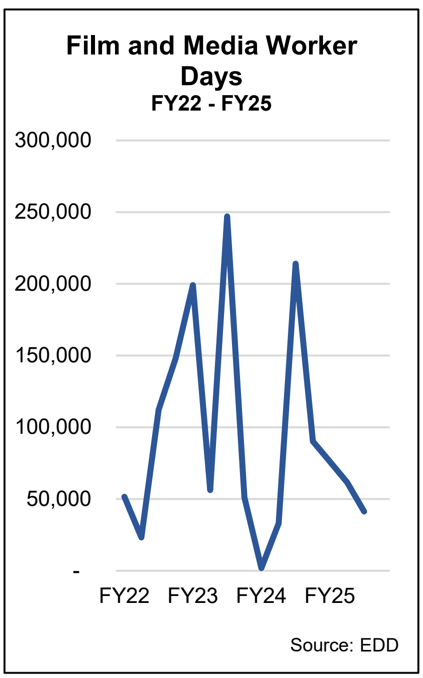
*Measure is classified as explanatory and does not have a target.

Outdoor Recreation

The Outdoor Recreation Division (ORD) connects outdoor recreation companies with incentives, supports the development of outdoor recreation infrastructure, and helps make the outdoors accessible for New Mexico's youth. In the third quarter, ORD announced its third round of funding through the Trails+ grant program—awarding $4 million to 28 recipients, which expect to create 298 seasonable, part-time, and full-time jobs over the next two years. These projects secured $3.3 million in private and regional matching funds. Awarded projects included $1 million for Las Cruces for a bike park, $99.9 thousand to Homewise in Santa Fe for walking trails, and $82 thousand to Tamaya Wellness Center to improve trail access in the Santa Ana Pueblo.

Small Business Innovation Research and Small Business Technology Transfer Matching Grant

The Office of Strategy, Science, and Technology (OSST) awarded Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) matching grants to eight technology companies with active federal funding to support technology development. Awards ranged from $50 thousand to $100 thousand. The eight awarded companies are in Albuquerque, Los Alamos, Sante Fe, and Peralta. Companies include Osazda Energy, working on fortifying solar panels against extreme weather; Palladias, who is developing resins to extract minerals; and Solstar Space, who is developing a secure internet connection in space.



In the second quarter of FY25, ORD issued its sole round of Outdoor Equity Fund awards. For FY25, the program will benefit 10.9 thousand youth. The program served substantially fewer youth in FY25 compared to FY24, primarily due to a reduced budget—$851.4 thousand in FY25 versus $3.7 million in FY24.

Budget: $3,061.6 **FTE:** 4	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of new outdoor recreation jobs created by ORD*	411	667	NA	282	380	298	G
Number of outdoor recreation conservation projects funded or led by ORD*	44	104	NA	20	16	28	G
Number of youth to benefit from outdoor education programs*	12,221	36,269	NA	0	10,987	0	G
Program Rating	G	G					G

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

Film

In the third quarter, the Film Office estimated 41.4 thousand film and media workers days, 79 percent lower compared to the same period in FY24, and continuing a downward trend for the second quarter in a row. Production is similarly down—with film and television productions over the last six months down 17 percent compared to the average productions over the last three years. The office also reports $78 million in direct spending by film industry productions in the third quarter, 83 percent lower compared to the same period in FY24. In the third quarter, the film industry paid $3.9 million in gross receipts tax, 82 percent lower compared to the same period in FY24. Direct spending, and total wages paid by film industry productions, and GRT paid by film industry are not on track to reach FY24 actuals or the FY25 target.

Budget: $1,840.3 **FTE:** 10	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of film and media worker days	533,630	339,266	500,000	81,105	45,898	41,401	R
Estimated direct spending by film industry productions, in millions	$794.11	$740.42	$700	$125.2	$59.7	$78.0	R
Total wages paid by film industry productions to New Mexico residents, in millions	$152.26	$98.74	$130	$27.84	$13.2	$8.7	R
Total gross receipts taxes paid by film industry productions, in millions	$43.41	$37.25	$35	$7.65	$3.83	$3.95	R
Program Rating	G	G					R

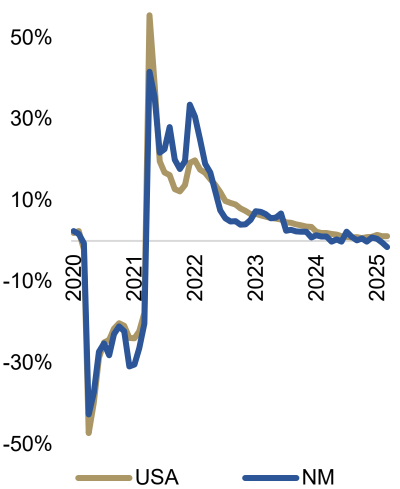
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Tourism Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

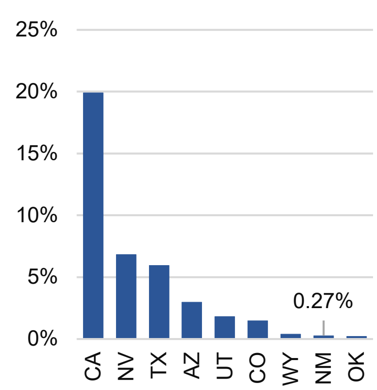
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Year-Over-Year Change in Leisure and Hospitality Employment



Source: U.S. Bureau of Labor

Market Share of Overseas Travelers



Source: U.S. Department of Commerce, ITA, National Travel and Tourism Office, Survey of International Air Travelers

Tourism Department

The Tourism Department (NMTD) continued to show progress in its performance in the third quarter of FY25. The agency awards funding for its main programs at the beginning of the fiscal year, so the third quarter is focused on continuing the agency's work on national and local advertising campaigns and supporting grantees and partners. Notable highlights from the third quarter include publications highlighting New Mexico in various national papers, the launch and distribution of the agency's 2026 *Travel Adventure Guide*, and the launch of a new spring and summer advertising campaign.

Marketing and Promotion

Employment in Leisure and Hospitality. New Mexico's employment in the leisure and hospitality sector fell by 0.2 percent in the third quarter of FY25, a loss of 1,400 jobs compared to the third quarter in FY24. During the same period, employment in leisure and hospitality increased by an average of 1.3 percent in the United States. Leisure and hospitality employment represents 10.9 percent of the state's total employment.

Advertising. NMTD is responsible for promoting the state as a premier tourist destination and does so through in-state and national advertising. For FY25, the agency has a total marketing and advertising budget of $34.3 million. NMTD started its spring and summer campaign in mid-March, and it features a junior bull rider in Lovington, a river guide on the Rio Grande and Rio Chama, and New Mexico's Route 66.

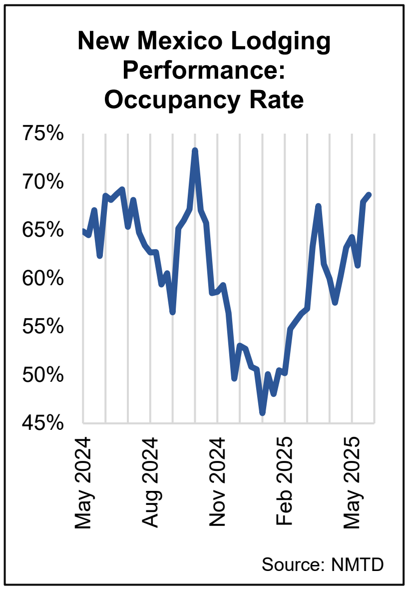
Earned Media. The agency generated media coverage with an equivalent advertising value of $28.3 million in the third quarter. NMTD secured 20 pieces of coverage in national and international leisure travel media outlets, including an article in *TIME* magazine that highlighted Kasha-Katuwe Tent Rocks National Monument on the list of World's Greatest Places for 2025 and three articles in *National Geographic*.

Budget: $21,870.3 **FTE:** 14	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Year-over-year change in New Mexico leisure and hospitality employment	4.6%	2.8%	3%	2.2%	2.2%	-0.2%	R
Amount of earned media value generated in millions	$16.4	$23.6	$5	$6.1	$6.2	$28.3	G
Open email rate of NM True eNewsletters	27%	28%	18%	25%	28%	28%	G
Program Rating	G	G					G

Tourism Development

Grants. The agency announced its awards for FY25 for its three main programs—Clean and Beautiful, Destination Forward, and Tourism Event Growth and Sustainability programs—at the beginning of every fiscal year. All three programs increased the number of grantees in FY25 compared to FY24.

The Tourism Event Growth and Sustainability (TEGS) program provides technical assistance, marketing, and sponsorship to qualified tourism events to support events'



growth and sustainability. Events must increase drive out-of-state travel, increase in-state travel that result in overnight stays, and are aligned with the New Mexico True brand. Awards range from $5,000 to $50 thousand based on the number of attendees and the level of support from NMTD. In FY25 the TEGS program awarded $533.2 thousand in grant funding to 38 tourism-related events. Awarded event include the Albuquerque International Balloon Fiesta, Santa Fe International Film Festival, and Las Cruces International Film Festival.

New Mexico True Certified. NMTD also administers the New Mexico True Certified program, which allows local products to leverage the agency's New Mexico True brand for further amplification of products and marketing. To date, the agency has certified 467 products and small businesses in New Mexico.

Budget: $1,1516 **FTE:** 18	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of meetings or events conducted with Native American tribes and pueblos	50	72	75	15	31	46	G
Number of participants in New Mexico True certified program	433	475	410	495	461	467	G
Program Rating	G	G					G

New Mexico Magazine

New Mexico Magazine generated $104.2 thousand in revenue in the third quarter, well above the quarter's target. During this quarter, the magazine published its 2026 *Travel Adventure Guide*, which is distributed at travel destinations throughout New Mexico and neighboring states. The guide is also available for purchase at more than 450 Barnes and Noble locations nationwide. Additionally, the magazine released its January and March issues, featuring the 24th annual photo awards and a special profile of eight women making an impact in New Mexico. This feature was produced in partnership with the New Mexico Historic Women Marker Program.

Budget: $3,041.3 **FTE:** 10	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Advertising revenue per issue, in thousands	$146	$79	$85	$102.9	$80.8	$104.2	G
Program Rating	G	G					G

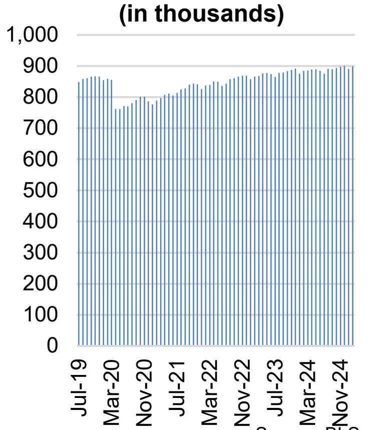
PERFORMANCE REPORT CARD
Workforce Solutions Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

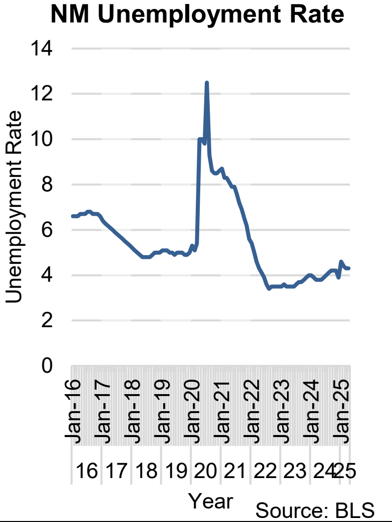
WSD Performance Dashboard

New Mexico Non-Farm Employment (in thousands)



Source: BLS

NM Unemployment Rate



Source: BLS

While employment in New Mexico has reached record levels, the state continues to experience a low rate of labor force participation that holds the state back. WSD shows some progress in output measures related to employment services, but agency performance struggled in some areas related to core services in the unemployment insurance and labor relations programs.

Unemployment Insurance

Several measures related to the core operations in the unemployment insurance program continue to trend in a concerning direction, including measures related to timely and accurate determinations. WSD cites a backlog of cases that grew following the pandemic and budgetary constraints that prevent additional hiring as pandemic-enhanced federal funds have retracted.

Labor Relations

While the department meets several of the measures in this program, WSD continues to fall far short of targets related to timely investigation and determination of claims within the wage and hour bureau. WSD has worked to expand awareness of its services and has seen an increase in utilization of the agency's network of offices, though traffic remains below targeted levels.

Program Support and WIOA

WSD continues to report a high rate of youth unemployment and a decline in the number of youth and adults who are enrolled in Workforce Innovation and Opportunity Act (WIOA) programs. While program outcomes for participants generally meet performance targets, a 2023 program evaluation indicated WIOA performance lags many states. WIOA funding passes through WSD and is administered by local boards.

Key Measures	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Unemployment insurance claims issued a determination within 21 days	36%	34%	80%	58%	61%	59%	Y
Average waiting time to file a weekly UI certification, in minutes	14:54	14:54	13:00	12:51	12:32	15:14	R
Percent of unemployed individuals employed after receiving services in a WSD office	61%	65%	60%	66%	66%	71%	G
Average six-month earnings of individuals entering employment after receiving services in a WSD office	$15,547	$19,493	$16,250	$18,467	$19,001	$18,358	G
Program Rating: Unemployment Insurance	Y	G		Y	Y	Y	
Program Rating: Labor Relations	G	Y		Y	Y	Y	
Program Rating: Employment Services	Y	Y		Y	Y	Y	
Program Rating: Program Support and Workforce Development	NA	Y		Y	Y	Y	

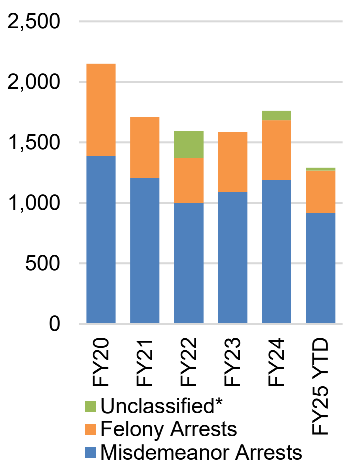
PERFORMANCE REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2025

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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

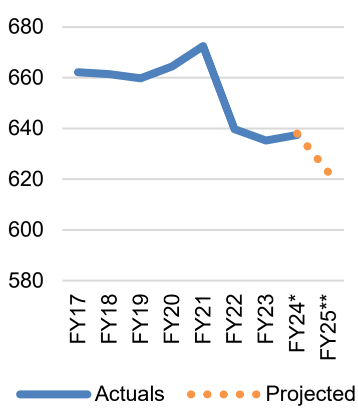
Average Quarterly NMSP Arrests
FY19 to FY27 YTD



*Due to a change in reporting methodology, some arrests not initially classified as felony or misdemeanor are reported as unclassified.

Source: DPS

State Police Force Strength



Note:
*Reflects average force strength based on force strength at the end of each quarter.
**Projected by DPS for FY25 Q1 to Q4.

The Department of Public Safety (DPS) began implementing many of the programmatic and structural changes outlined in its FY25 budget. Having received funding for pay increases to appropriately compensate state police officers based on their years of service, increase dispatcher pay, and reduce vacancies, DPS partnered with the State Personnel Office to implement these changes. The agency also continued to add staff for the new Law Enforcement Standards and Training Council and the Law Enforcement Certification Board. Workforce issues are pervasive throughout the criminal justice system, resulting in reduced enforcement of crimes and slower case adjudication. DPS worked to reduce vacancies in several key areas while collaborating with the Department of Finance and Administration to continue distributing funding from the law enforcement protection fund to other law enforcement agencies throughout New Mexico.

Law Enforcement Program

The New Mexico State Police (NMSP) continued to work on reducing the incidence of crime and fear of crime in New Mexico by conducting enforcement activities, partnering with other law enforcement agencies, and investigating criminal activity.

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

Since FY24, NMSP has been reporting clearance rates for crimes investigated by the Criminal Investigations Bureau, broken down by type of crime. Although cases can take multiple quarters, sometimes several years, from assignment to closure and clearance, the data will provide a helpful window into agency operations and efficiency. They will provide the Legislature with a useful window into the types of crimes most drastically affecting public safety in New Mexico.

Manpower. State Police averaged 638 officers in FY24 and started FY25 with a 13 percent overall vacancy rate and a 13 percent vacancy rate among positions supported by the general fund. However, NMSP projected it would have an average of 634 commissioned officers in FY25, a figure it has maintained throughout the year. There were 642 commissioned state police officers at the beginning of the third quarter; however, a combination of retirements, resignations, and terminations resulted in the force having 626 officers at the end of the quarter.

Budget: $173,186.2 **FTE:** 1,068.25	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Motor Vehicle Safety							
Number of data-driven traffic-related enforcement projects held	4,142	3,781	4,500	1,169	1,159	1,294	G
Number of driving-while-intoxicated saturation patrols conducted	2,588	3,030	3,000	793	738	944	G
Number of driving-while-intoxicated arrests*	1,641	2,277	N/A	600	461	487	
Number of New Mexico State Police misdemeanor and felony arrests*	6,340	7,044	N/A	1,596	1,487	1,818	

NIBRS Reporting

DPS is required to collect and report crime data from all law enforcement agencies but has not publicly reported this data as it transitions to the National Incident Based Reporting System (NIBRS) required by the FBI. Unfortunately, many law enforcement agencies are not yet reporting through NIBRS. As of October 2024, 84.6 percent of the state's 130 law enforcement agencies were reporting to the system. However, according to DPS, several local law enforcement agencies are actively working to validate their data reporting, which will lead to some of these agencies coming off the list.

Budget: $173,186.2 **FTE:** 1,068.25	**FY23 Actual**	**FY24 Actual**	**FY25 Target**	**FY25 Q1**	**FY25 Q2**	**FY25 Q3**	**Rating**
Number of commercial motor vehicle safety inspections conducted	114,539	122,768	100,000	35,987	22,023	25,348	G
Number of commercial driver and vehicle-out-of-service violations issued*	16,831	15,087	N/A	4,305	3,355	3,376	
Number of motor carrier safety trainings completed*	41	25	N/A	3	3	4	
Investigations							
Number of investigations conducted by criminal investigation bureau agents*	390	464	N/A	154	96	139	
Percent of total crime scenes processed for other law enforcement agencies*	49%	30%	N/A	21%	13%	59%	
Number of drug-related investigations conducted by narcotics agents*	458	536	N/A	114	141	207	
Number of illegally possessed firearms seized as part of criminal investigations*	90	70	N/A	7	14	29	
Number of violent repeat offender arrests by the fugitive apprehension unit*	230	401	N/A	62	58	94	
Clearance rate of homicide cases investigated by the criminal investigations bureau*	New	82%	N/A	44%	44%	52%	
Total cases investigated by the New Mexico State Police*	1,832	3,140	N/A	644	509	657	
Other Law Enforcement Activity							
Percent of total New Mexico State Police special operations deployments for other law enforcement agencies	35%	38%	N/A	35%	33%	29%	
Number of crisis intervention cases handled*	283	327	N/A	77	53	94	
Number of governor-ordered special deployment operations conducted*	3	7	N/A	3	4		
Number of man-hours spent on governor-ordered special deployment operations*	4,746	18,381	N/A	3,854	1,601	2,322	
Recruitment and Retention							
Graduation rate of the New Mexico state police recruit school*	66%	54%	80%	80%	63.3%	86%	
Turnover rate of commissioned state police officers*	7.08	8.2	N/A	1.75	1.09	2.88	
Vacancy rate of commissioned state police officers*	12%	12%	N/A	13%	11.1%	13.3%	
New Mexico state police transportation inspector vacancy rate*	7%	10%	N/A	9%	9%	10.5%	
New Mexico state police dispatcher vacancy rate*	36%	23%	N/A	27%	14%	12.5%	
Program Rating	G	G		G			G

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

Statewide Law Enforcement Support Program

The Statewide Law Enforcement Support program made early progress toward fulfilling its performance goals for FY25. DPS collaborated with multiple law enforcement agencies to validate and initiate reporting to the National Incident-Based Reporting System (NIBRS), including the integration of NMSP into the reporting system. Finally, the Law Enforcement Academy (LEA) continued supporting the newly created standards and training council and law enforcement certification board.

Crime Reporting. DPS reports the percentage of law enforcement agencies reporting to NIBRS climbed from 77.6 percent at the end of FY24 to 85.6 percent by the end of the third quarter of FY25. This will enable public safety and judicial agencies to make more data-driven decisions and help New Mexico avoid being listed among the states for which the FBI has been unable to estimate crime data. The lack of reporting had previously made it impossible to accurately understand crime trends in the state, because 2021 marked the first year the FBI's national crime statistics relied solely on information provided via NIBRS.

Law Enforcement Academy. In addition to conducting training for both law enforcement officers and dispatchers, including for the largest incoming class of cadets in state history, the academy worked to support the newly established Standards and Training Council as it creates administrative rules related to training requirements, curricula, and methods, professional development programs and performance standards for law enforcement and public safety dispatchers. LEA has replaced its new director, who had spent time working in conjunction with the Standards and Training Council to update the training curriculum and hire staff. The acting director is working to continue this progress until a permanent replacement is named. The academy is also working to complete its buildout of a new training track and finish several deferred maintenance projects between academy classes.

Forensic Laboratory. The newly opened forensic lab in Santa Fe has seen its vacancy rate decrease from 40 percent to 15.8 percent, thanks to successfully filling positions over the last several months. An increase in the number of sexual assault examination kits not completed within 6 months of receipt was a troubling development at the close of FY24. Still, the agency is seeing the backlog climb three-quarters of the way through FY25. The agency has also finalized the forensic scientist pay plan, with the assistance of the State Personnel Office, and is currently onboarding several cohorts of new scientists who will be certified and ready to assist with these cases on a rolling basis between Q1 FY26 and the beginning of FY27.

Law Enforcement Agencies <u>NOT</u> Reporting

Agency Name
Deming Police Department
Estancia Police Department
Harding County Sheriff's Office
Loving Police Department
NM Highlands University Police Department
Roosevelt County Sheriff's Office
Socorro Police Department
Taos County Sheriff's Office

Source: DPS

Budget: $34,593.9 **FTE:** 225	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Crime Reporting							
Number of crimes against persons reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	18,815	23,752	N/A	10,008	10,868	10,183	
Number of crimes against property reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	44,272	49,459	N/A	24,795	23,633	25,243	
Number of crimes against society reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	12,350	10,303	N/A	3,839	4,141	3,901	
Number of expungements processed*	500	383	N/A	124	117	139	
Law Enforcement Academy							
Percent of law enforcement agencies reporting to the National Incident Based Reporting System*	63.8%	76.3%	N/A	83.6%	84.6%	85.6%	Y

PERFORMANCE REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2025

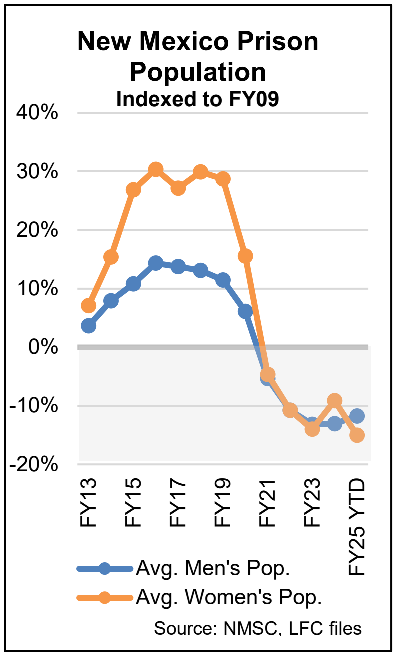
Budget: $34,593.9 **FTE:** 225	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of non-state police cadets who graduated from the law enforcement academy through certification by waiver*	98%	98.1%	N/A	93.8%	88.2%	0%	
Percent of non-state police cadets who graduated from the basic law enforcement academy*	76%	75%	N/A	56.3%	52.1%	75.9%	
Graduation rate of telecommunication students from the law enforcement academy*	100%	98.8%	N/A	100%	100%	100%	G
Law Enforcement Certification Board							
Percent of complaint cases reviewed and adjudicated annually by the New Mexico Law Enforcement Certification Board*	76.3%	48.6%	N/A	91.3%	80%	2.6%	
Number of complaint cases adjudicated*	74	54	N/A	21	24	1	
Number of complaint cases received*	97	111	N/A	23	30	39	
Average age of outstanding complaint cases at the close of the fiscal year, in days*	212	231	N/A	276	358	289	
Average time to adjudicate complaint cases, in days*	1,141	300	N/A	260	312	872	
Number of certifications issued	565	535	600	147	127	126	Y
Forensics Laboratory							
Percent of forensic cases completed	129.4%	94.9%	100%	74.6%	69%	83%	R
Number of sexual assault examination kits not completed within 180 days of receipt of the kits by the forensic laboratory	0	259	0	134	225	495	R
Forensic scientist and forensic technician vacancy rate*	29.6%	40.1%	N/A	29.8%	26.3%	15.8%	
Program Rating	G	Y					Y

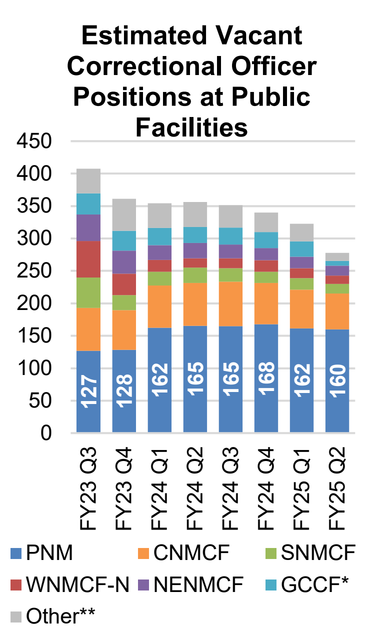
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Corrections Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

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





*GCCF was not publicly operated until partway through FY22
.
**Includes RCC, SNMCF, and WNMCF-S; WNMCF-S was not publicly operated until partway through FY22 Q3.

The Corrections Department (NMCD) made progress toward several of its performance targets in FY25. The agency successfully reduced vacancy rates and turnover among correctional officers at public facilities and saw a decrease in recidivism for participants in treatment programs, even as participation rates increased. The agency continued the trend of improving the percentage of people in prison participating in education programming. NMCD reduced vacancy rates among probation and parole officers, resulting in a decline in the average number of cases per officer. Prison populations appear to be leveling off after several years of consistent decline.

Inmate Management and Control

Since 2018, the number of inmates in the state has decreased by more than 23 percent. However, recent increases in new admissions suggest the inmate population could stabilize soon. According to the New Mexico Sentencing Commission's prison population forecast from September 2024, the average number of inmates is expected to be around 5,864 for FY25. However, current data indicate an actual average of approximately 5,618, representing a slight increase of 0.7 percent from the previous year. This growth is mainly due to a 1.5 percent rise in the number of men in prison between July and December 2024. While the commission projected the number of women in prison would decrease by an average of 2.3 percent between FY24 and FY25, it now believes the number may go up in FY25, as more women are being charged in the 2nd Judicial District, and these cases are being resolved.

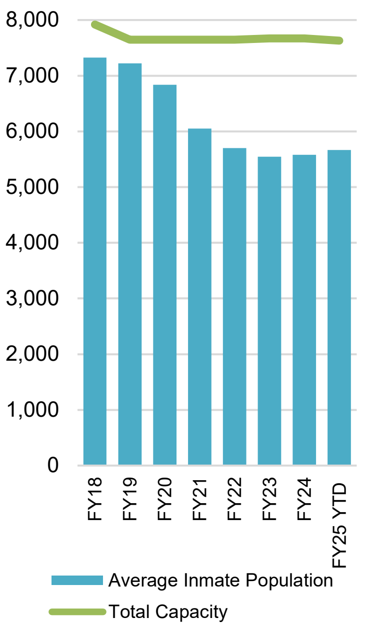
Staffing. Low populations have allowed NMCD to adjust facility occupancy to match staffing levels, despite high vacancy rates. However, this has not been achievable at all facilities. As of April 2025, approximately 25.3 percent of the agency's total positions were unfilled, with public correctional officer vacancies at around 27 percent and private correctional officer vacancies at roughly 35 percent. In January 2025, the department was informed the GEO Group, which operates a private facility in Hobbs, intended to terminate its contract with NMCD.

The planned closure of the privately operated Lea County Correctional Facility (LCCF) marks a significant shift in NMCD's system. It is expected to affect both staffing and inmate populations across the state's publicly managed men's facilities. LCCF's closure, scheduled for the end of FY25, will require the relocation of approximately 1,000 inmates. This transition is likely to increase populations at all the men's prison facilities in the NMCD system. The agency also anticipates challenges in accommodating specialized housing needs and managing classification constraints. In terms of staffing, the transition may offer opportunities to alleviate persistent vacancy issues at state-operated prisons by absorbing displaced correctional officers. However, logistical and geographic considerations may limit this benefit.

Budget: $282,250.3 **FTE:** 1,857	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Staffing							
Vacancy rate of correctional officers in public facilities.	32.2%	29.7%	25%	28.5%	26.7%	27.4%	Y
Vacancy rate of correctional officers in private facilities	33.8%	31.9%	25%	33.8%	37%	34.8%	R

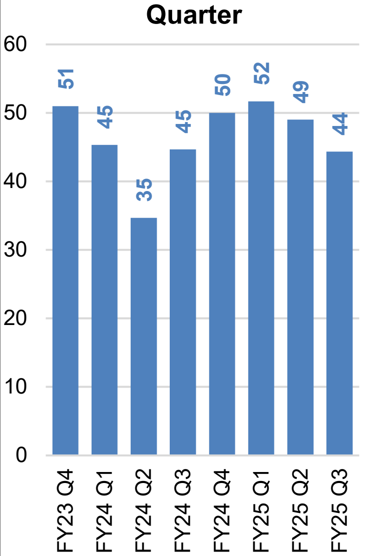
PERFORMANCE REPORT CARD
Corrections Department
Third Quarter, Fiscal Year 2025

NMCD Population and Facility Capacity



Source: NMSC, LFC files.

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



Source: NMCD, LFC files

Budget: $282,250.3 **FTE:** 1,857	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
In-House Parole							
Average number of male inmates on in-house parole	59.6	39.2	65	46	43	42	G
Average number of female inmates on in-house parole	3.9	1.9	10	2.7	2	2.33	G
Prison Violence							
Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	7	13	10	1	2	0	G
Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment	4	2	4	1	0	0	G
Health							
Percent of random monthly drug tests administered to at least 10 percent of the inmate population that test positive for drug use*	1.4%	2.1%	N/A	2.7%	1.5%	2.9%	
Percent of standard healthcare requirements met by medical contract vendor	99%	98%	98%	90%	96%	98%	G
Program Rating	Y	Y		Y	Y		Y

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

Reentry

Recidivism. The three-year recidivism rate of offenders released from NMCD's custody increased from 36 percent in FY23 to an average of approximately 40 percent in FY24. At the close of the third quarter, the top-line recidivism rate for NMCD remains at 39.3 percent, indicating that it is meeting its target for FY25; however, this trend is not in the desired direction. Recidivism due to new offenses increased from 17 percent in FY23 to 18 percent in FY24 and remained at 18.6 percent as of the end of the third quarter of FY25. Recidivism rates during FY23-FY26 are expected to reflect lower recovery center populations due to Covid-19, potentially leading to higher recidivism numbers. However, recovery center populations are gradually increasing, with both the women's and men's recovery centers nearing capacity. The number of individuals enrolled in these programs began to rise following the resumption of normal court operations and the lifting of Covid-19 restrictions. NMCD is also making strides in the number of eligible inmates incarcerated past their release dates, showing a steady reduction in the number of individuals housed past their release date from a peak in FY23.

Education. A highlight of FY24 for NMCD was its success in maintaining the number of eligible students who completed adult basic education, along with a record number of students (236) who earned their high school equivalency credential. The agency remained committed to increasing the availability of these programs in its facilities, and the results indicate that these efforts have been largely successful. Despite a slow start to FY25, the agency made steady progress, and as of the end of the third quarter, it has already exceeded its goal for the number of individuals who have completed their adult basic education and obtained their high school equivalency credential. Research shows that individuals who earn these credentials while incarcerated are less likely to recidivate once placed into community supervision or released.

Budget: $22,970.2 FTE: 130	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Recidivism							
Prisoners reincarcerated within 36 months	36%	40%	40%	42%	38%		G
Prisoners reincarcerated within 36 months due to new charges or pending charges	17%	18%	17%	18%	14.7%	18.6%	G
Prisoners reincarcerated within 36 months due to technical parole violations	19%	21%	20%	8%	8%	8%	G
Percent of sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	4%	3%	5%	0%	0%	0%	G
Percent of residential drug abuse program who are reincarcerated within 36 months of release*	19%	26%	N/A	35%	20%	27%	
Graduates from the men's recovery center who are reincarcerated within 36 months*	17%	19%	20%	31%	22%	33%	R
Graduates from the women's recovery center who are reincarcerated within 36 months*	11%	23%	20%	23%	25%	0%	G
Education							
Percent of eligible inmates enrolled in educational, cognitive, vocational, and college programs	51%	68%	60%	46%	60%	70%	G
Percent of participating students who have completed adult basic education*	15%	75%	N/A	60%	72%	61%	
Number of students who earn a high school equivalency credential	184	236	165	33	79	88	G
Percent of eligible students who earn a high school equivalency credential	15%	75%	80%	60%	72%	61%	Y
Program Rating	G	Y		Y	Y		Y

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

Community Offender Management

Vacancy rates among probation and parole officers held steady at 16 percent in the third quarter of FY25, although this figure is down from 19 percent in FY23. The average caseload per officer increased slightly from 76 to 82. NMCD reports 33 percent of absconders were apprehended in the third quarter of FY25, a 6 percent improvement from the previous year. Research indicates offenders with unstable employment or housing, as well as those struggling with substance use disorder, are more likely to abscond. The Community Offender Management Program also made steady progress, raising the number of contacts per month with high-risk offenders in the community from 79 percent in the first quarter to 93 percent in the third quarter. This suggests the agency is likely to miss its annual target but will be well-positioned to start FY26 strong.

Budget: $40,871.5 FTE: 359	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Average standard caseload per probation and parole officer	83	76	88	73	76	82	G
Percent of contacts per month made with high-risk offenders in the community.	97%	N/A	95%	79%	91%	93%	Y
Vacancy rate of probation and parole officers	19%	17%	18%	15%	16%	16%	G
Percent of absconders apprehended.	24.9%	27%	30%	33%	32%	33%	G
Program Rating	Y	Y		G	G		G

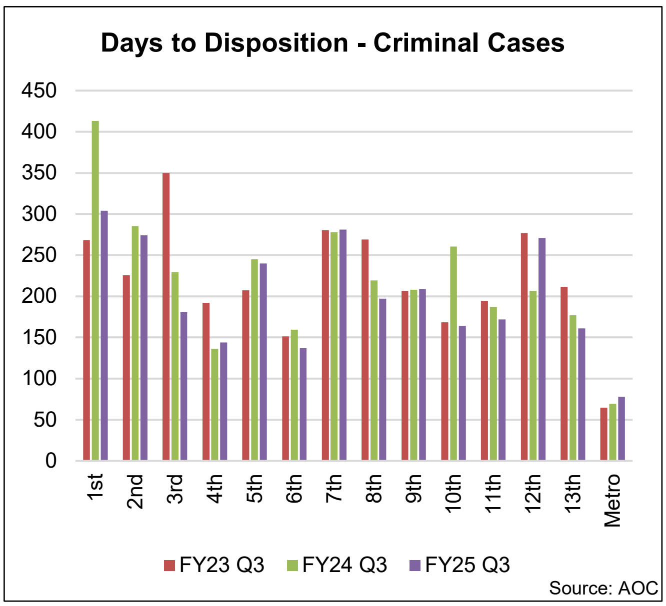
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

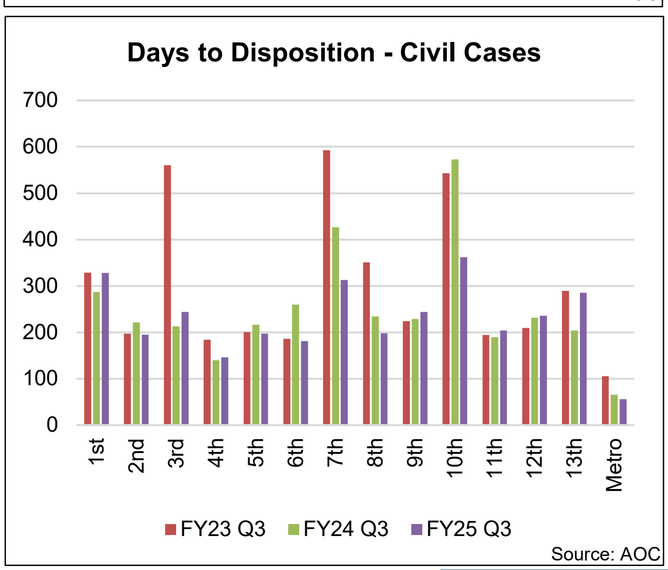
PERFORMANCE REPORT CARD
Courts and Justice
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

Positive performance trends within courts and justice agencies from the first half of FY25 have largely continued in the third quarter. Courts did not reach the performance target for clearance rates but positive trends in underlying factors, like time to disposition and the age of pending criminal cases, could reverse clearance rate performance if these trends continue. The Law Offices of the Public Defender maintained positive adjudication rates despite issues with recruiting and retaining attorneys, especially contract attorneys. District attorneys' performance measures regressed slightly but can be mostly attributed to districts dealing with chronic recruitment and retention issues. Treatment courts are being utilized more, but capacity remains significantly less than prepandemic levels, especially juvenile treatment courts, many of which have closed or have minimal participation. Treatment courts dealing with capacity and participation issues should investigate capacity expansion, marketing measures, and treatment court reconfiguration if utilization trends continue.

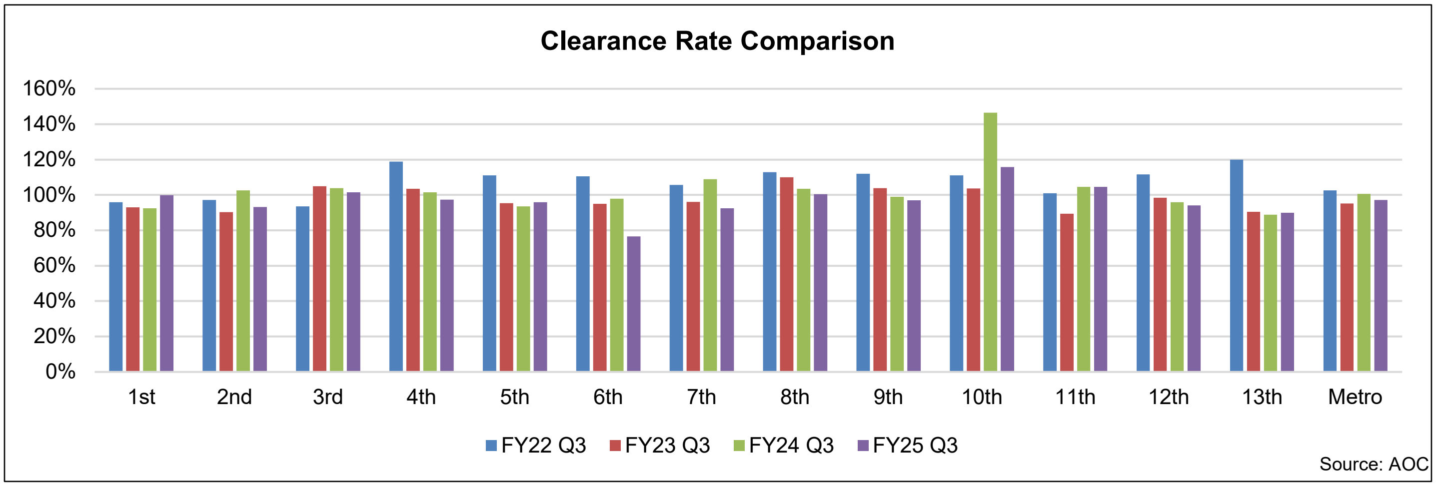




Courts

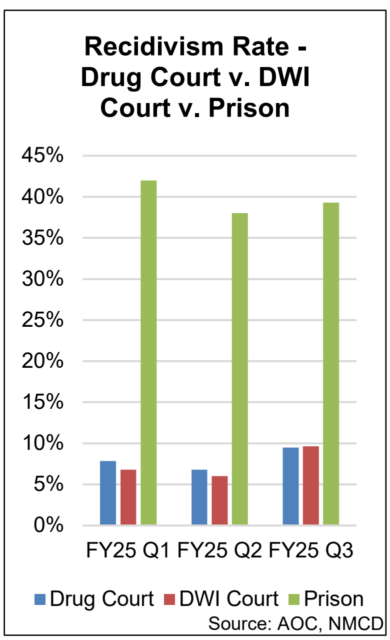
Administrative Support. The average time to disposition for criminal cases was 201 days for the third quarter of FY25, improving by 18 days from the third quarter of FY23 and 19 days from the third quarter of FY24. This improvement is a positive sign the courts are disposing of criminal cases at a faster rate than previous quarters, improving the swiftness of justice. Courts clearance rates concluded the third quarter of FY25 at 97 percent, 3 percent below the target and FY24's performance. Because the measure is slightly below 100 percent, it means the courts did not make the progress on backlogs seen in the first quarter of FY25 and case backlogs slightly increased. Clerance rates decreased, in part, due to the 6th and 13th districts finishing the third quarter with clearance rates of 76.7 percent and 89.9 percent, respectively. The age of pending criminal cases improved by 34 days from the second quarter of FY24. While clearance rates dipped below 100 percent, the courts could rebound if the positive trends in average time to disposition and age of pending criminal cases continue. With their limited jurisdiction, magistrate courts and the Metropolitan Court continued to perform better than district courts for days to disposition in criminal cases.

One hundred sixty-seven jury trials were held in the third quarter of FY25 and, based on the first three quarters of FY25, LFC staff project a total of 653 jury trials in FY25. The projection for FY25, if true, means that jury trials would be below FY23 and FY24 totals but would be better than during the transition period from the pandemic in FY21 and FY22. The average cost per juror decreased slightly to $68.57, an increase of 39.5 percent from the $49.17 average in FY20. Notably, courts are statutorily required to pay jurors minimum wage, which has increased by 60 percent since FY20. While juror costs have not risen at the same rate, the consistent increase in the cost per juror and in jury trials is concerning and should continue to be monitored.



Budget: $21,366.0 **FTE:** 67.8	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Average cost per juror	$58.3	$66.3	$55	$60.6	$68.8	$68.6	R
Number of jury trials for metro, district, and statewide courts*	760	689	N/A	171	152	167	N/A
Average interpreter cost per session	$73.6	$76.2	$150	$55.7	$67.2	$65.6	G
Percent of supervised defendants who make all scheduled court appearances	74%	73%	N/A	73%	75%	74%	G
Percent of supervised defendants who are not charged with a new offense during the pretrial stage	81%	73%	N/A	72%	75%	77%	G
Age of active pending criminal cases in days	375	276	365	264	273	260	G
Days to disposition in criminal cases	277	221	365	198	194	201	G
Cases disposed as a percent of cases filed	120%	100%	100%	102%	98%	97%	Y
Program Rating	Y	G		G	G	G	

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



Special Court Services. The Legislature prioritized increasing funds for treatment courts in the last several years, which resulted in the 10th judicial district being the only remaining judicial district that does not have at least one form of treatment court. Despite increases in the number of treatment courts, underutilization continues to be an issue in most districts. While some DWI and adult treatment court programs are overcapacity, there are still various programs with below 25 percent utilization in several districts, including the 1st, 2nd, 3rd, 6th, 7th, 12th, and 13th districts. Overall, the utilization rate of all treatment courts in New Mexico is at 66 percent. Juvenile treatment courts have not rebounded since the pandemic, with only four currently operating and only the 13th judicial district's program nearing capacity. Prioritizing capacity building for treatment courts would allow more individuals to receive services and help treatment providers and court staff with their workloads. The districts with utilization below 25 percent should prioritize marketing of the treatment court programs available. Drug and DWI court recidivism rates have increased since FY23, with the rates for third quarter of FY25 the highest for the fiscal year but well below traditional incarceration practice.

Districts Under Capacity

District	Type	County	Capacity	Participants*	Utilization
1st	Adult	Santa Fe	30	5	17%
1st	DWI	Santa Fe	30	2	7%
1st	Mental Health	Santa Fe	20	1	5%
2nd	Juvenile	Bernalillo	15	3	20%
3rd	Family	Dona Ana	18	2	11%
3rd	Juvenile	Dona Ana	20	1	5%
6th	Adult	Hidalgo	10	2	20%
7th	DWI	Torrance	10	1	10%
12th	Veterans	Otero	10	2	20%
13th	Juvenile	Cibola	25	0	0%

*The active participant number includes everyone in the reporting period, regardless of treatment phase. This includes those needing more resources and those nearing program completion, who require less.

Source: AOC

Districts Over Capacity

District	Type	County	Capacity	Participants*	Utilization
1st	Adult	Rio Arriba	15	20	133%
2nd	Adult	Bernalillo	90	134	149%
2nd	Felony DWI	Bernalillo	30	32	107%
2nd	Young Adult	Bernalillo	60	83	138%
11th	DWI	San Juan	25	36	144%

*The active participant number includes everyone in the reporting period, regardless of treatment phase. This includes those needing more resources and those nearing program completion, who require less.

Source: AOC

The percentage of defendants not charged with a new violent crime during the pretrial process was 93 percent, consistent with FY24 performance. The percentage of defendants who make all their scheduled appearances was 77 percent, improving over FY24 and continuing the gradual increase seen in FY25.

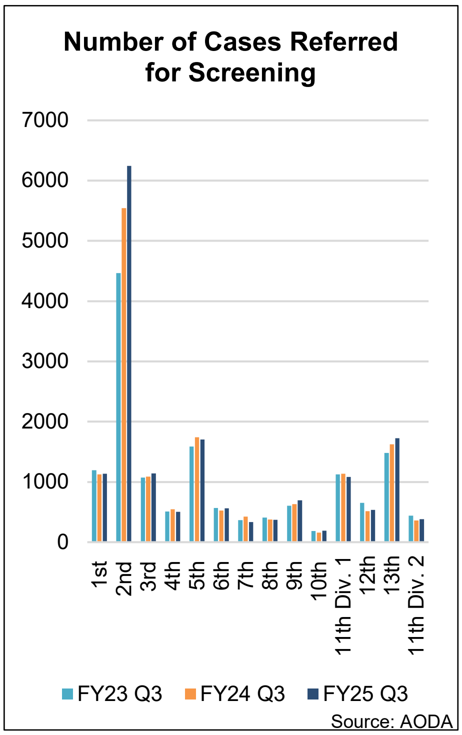
Highlighting significant progress in child welfare efforts during the second quarter of FY25, the number of monthly supervised child visitations and exchanges in the third quarter of FY25 was 2,575. The number of cases to which CASA volunteers were assigned was 530, which continues the positive trend seen in FY25. The percentage of children who achieve legal permanency within 12 to 18 months from when the petition is filed in an abuse or neglect case was 11.4 percent for the third quarter of FY25. This is a decrease of 12.2 percent compared to the second quarter, but if performance can rebound, it would likely result in a stronger finish than in previous fiscal years.

Budget: $22,333.4 **FTE:** 51.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Cases to which CASA volunteers are assigned*	507	436	N/A	502	552	530	N/A
Monthly supervised child visitations and exchanges conducted	11,181	10,129	N/A	2,614	2,558	2,575	G
Average time to completed disposition in abuse and neglect cases, in days*	160	157	N/A	160	167	200	N/A
Recidivism rate for drug-court participants	9.3%	11.8%	12%	7.8%	6.8%	9.5%	G
Recidivism rate for DWI-court participants	5.1%	8.1%	12%	6.8%	6.0%	9.6%	G
Graduation rate for drug-court participants*	54.8%	61.0%	90%	68.0%	68.0%	68.0%	G
Graduation rate for DWI-court participants*	82.5%	66.8%	90%	85.8%	84.7%	65.7%	G
Cost per client per day for all drug-court participants*	$37.35	$34.13	N/A	$38.15	$37.17	$38.51	N/A
Program Rating	Y	G		G	G	G	

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

District Attorneys

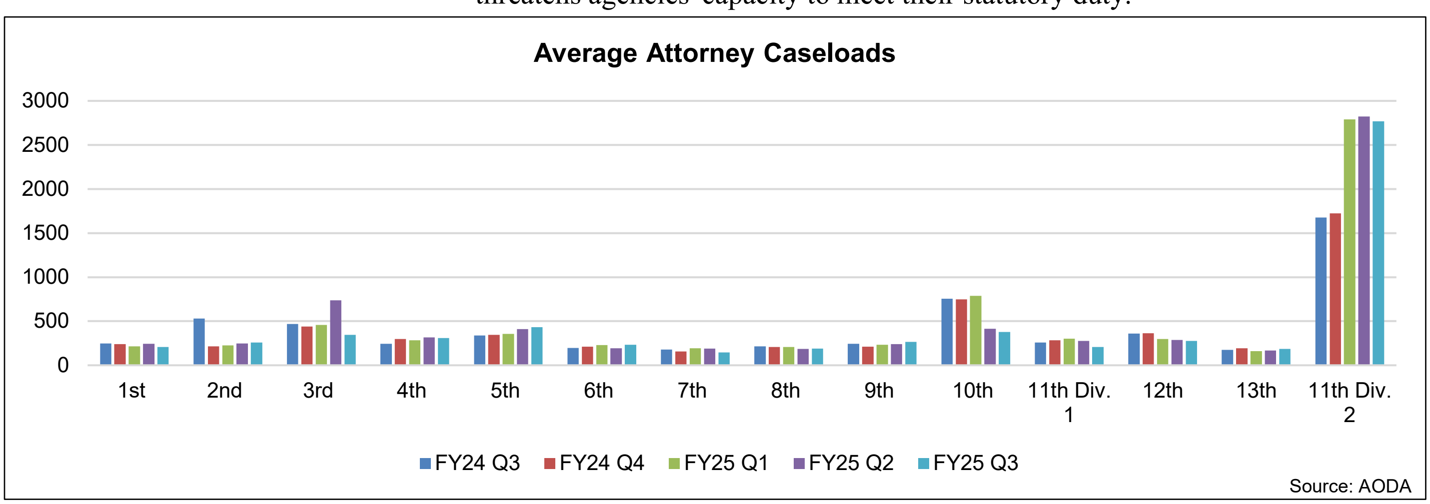
Recruiting and retaining attorneys continues to be an issue for district attorney offices, especially in rural parts of the state. Statewide, prosecutors and defenders report seeing felonies as an increasing share of their caseloads. The felony-heavy caseloads, coupled with decreasing share of misdemeanors, require more time per case and may require modified measures to fully understand attorney workload. While new performance measures, like average attorney caseloads, are informative, the makeup of those caseloads is equally important, e.g., a district attorney may have a higher caseload but mostly noncomplex cases, which can be handled efficiently. Until a more complete understanding of district attorneys' workloads and conviction rates based on case type is available, efforts to understand how district attorneys are performing remain nontransparent.



The three highest average attorney caseloads, for the third quarter of FY25, were:
- The 11th Judicial District Attorney Division 2, with 2,767.
- The 5th Judicial District Attorney, with 433.
- The 10th Judicial District Attorney, with 379.

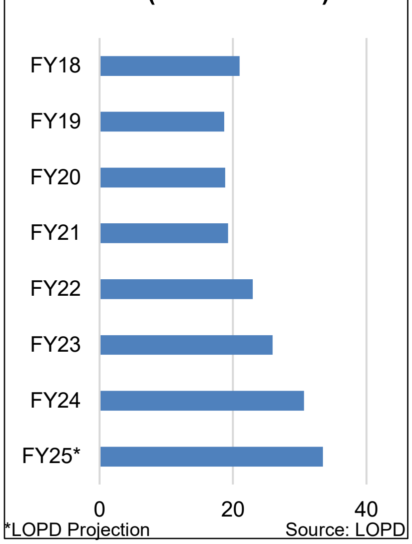
The 10th Judicial District Attorney, despite maintaining one of the highest caseloads, saw a reduction of 8 percent compared to the previous quarter, adding onto last quarter's 48 percent reduction. The 3rd Judicial District Attorney's average attorney caseloads decreased by 53 percent, reversing the large increase seen last quarter and reflecting recruitment and retention efforts by the new administration. The average caseload in 11th Judicial District Attorney, Division 2, only decreased by 2 percent from the last quarter, but the district's already high caseload remains worrisome due to chronic staffing issues. Given the potential impact on justice efficiency, public safety, and trust, the 11th Judicial District Attorney, Division 2, should be closely monitored.

In the third quarter of FY25, the average number of cases added to attorney caseloads was 94, which was well below the target and a reduction of 21 percent compared to the beginning of the fiscal year. Overall, the strain of growing caseloads and declining attorney retention at some district attorney's offices threatens agencies' capacity to meet their statutory duty.



Budget: $107,819.9 **FTE:** 1,037	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Average number of cases added to attorney caseloads	89	92	200	119	98	94	
Number of Cases Referred for Screening*	58,603	61,982	N/A	17,619	15,488	16,609	
1st District	4,105	4,504	N/A	1,236	1,025	1,135	
2nd District	16,434	20,929	N/A	6,129	5,629	6,244	
3rd District	5,174	4,875	N/A	1,525	1,244	1,140	
4th District	1,914	2,037	N/A	512	428	504	
5th District	6,147	6,603	N/A	1,853	1,626	1,706	
6th District	2,593	2,300	N/A	591	498	560	
7th District	1,796	1,526	N/A	338	342	334	
8th District	1,683	1,591	N/A	427	358	373	
9th District	2,412	2,451	N/A	684	698	695	
10th District	683	616	N/A	229	207	192	
11th Division I.	5,133	4,771	N/A	1,218	1,012	1,085	
11th District Div. II	2,172	1,461	N/A	534	401	380	
12th District	2,678	2,217	N/A	616	523	535	
13th District	6,139	6,101	N/A	1,727	1,497	1,726	
Program Rating	G	G		G	G	G	

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



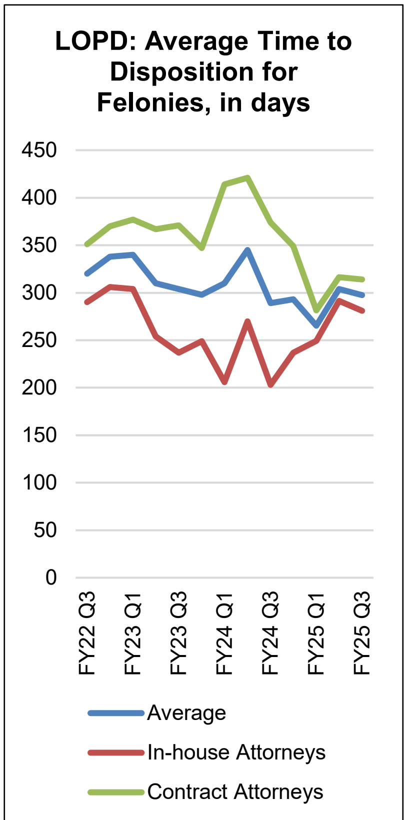
In-House Felony Case Assignment by Fiscal Year (in thousands)

Public Defender

Like other criminal justice partners, the Law Office of the Public Defender (LOPD) has had to address difficulties in recruiting and retaining legal professionals in rural areas. In the third quarter of FY25, the agency demonstrated the ability to tackle the issue in relation to support staff. The agency reported an overall vacancy rate of 11.5 percent, 5.9 percent for support staff and 17.4 percent for in-house attorneys. Vacancies for support staff increased slightly compared to the second quarter of FY25, while vacancy rates for attorneys increased by 3 percent. LOPD notes that rural offices continue to deal with severe vacancy issues, specifically the Gallup office which has 63 percent of attorney positions unfilled, severely limiting the capacity to provide effective representation.

Like district attorney offices, LOPD reports a changing mix of case types, with an increasing share of felony cases and a decreasing share of misdemeanor cases. This results in a more complex caseload that could extend the amount of time an attorney spends on each case. The changing mix also results in a higher attorney workload. The agency notes the biggest drivers of the changing case mix are increases in third- and fourth-degree felonies, particularly possession of a controlled substance and probation violations. The increasing number of murders charges is also of concern due to their complexity and time consumption.

LOPD also notes the volume of pretrial detention motions resulting in hearings, especially in the 2nd judicial district, has put a large strain on attorneys and staff. In the third quarter of FY25, there were 404 motions filed, the highest quarterly total on record, LOPD believes. The increase in detention hearings requires a quick turnaround and working on a tight timeframe for these cases. This results in staff setting aside casework



Source: LOPD

to do the immediate work necessary for the pretrial detention hearings. Attorneys not only must deal with growing caseloads and increasing complexity, but also the volume of these hearings.

Compared to the second quarter of FY25, there was an overall increase of 12 percent in felony, misdemeanor, and juvenile cases resulting in a reduction of charges. This sharp increase reverses the downward trend seen in the previous quarter. If performance is to hold near the same level as the third quarter, the measure should be able to be better than the target and the previous fiscal year. The biggest cause of this change is in-house attorneys, who improved their performance by 16 percent compared to the previous quarter. Contract attorneys increased slightly for the measure, but because the measure reflects how well contract attorneys are logging case outcomes, their performance should be monitored, especially given that LOPD has lost contract attorneys. The number of felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment increased compared to the second quarter of FY25, increasing by 734 cases, or 9 percent. The biggest cause of this increase is in-house attorneys, who increased cases resulting in alternative sentencing treatment by 12 percent in the same period.

Budget: $77,155.0 **FTE:** 516	**FY23 Actual**	**FY24 Actual**	**FY25 Target**	**FY25 Q1**	**FY25 Q2**	**FY25 Q3**	**Rating**
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	57%	65%	65%	70%	65%	77%	G
In-house attorneys	62%	66%	65%	70%	63%	79%	G
Contract attorneys	47%	63%	65%	67%	71%	72%	G
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	13,260	28,523	5,000	7,770	7,830	8,564	G
In-house attorneys	9,774	20,173	4,000	5,751	5,636	6,287	G
Contract attorneys	1,000	8,350	1,000	2,019	2,194	2,277	G
Cases assigned to contract attorneys*	37%	34%	N/A	33%	34%	32%	N/A
Average time to disposition for felonies, in days*	324	313	N/A	265	304	298	N/A
In-house attorneys*	268	229	N/A	249	292	281	N/A
Contract attorneys*	380	399	N/A	281	316	314	N/A
Cases opened by Public Defender Department *	58,253	61,046	N/A	16,704	14,338	15,075	N/A
In-house attorneys*	36,775	39,145	N/A	10,943	9,427	9,831	N/A
Contract attorneys*	21,478	21,901	N/A	5,761	4,911	5,244	N/A
Program Rating	G	G		G	G	G	

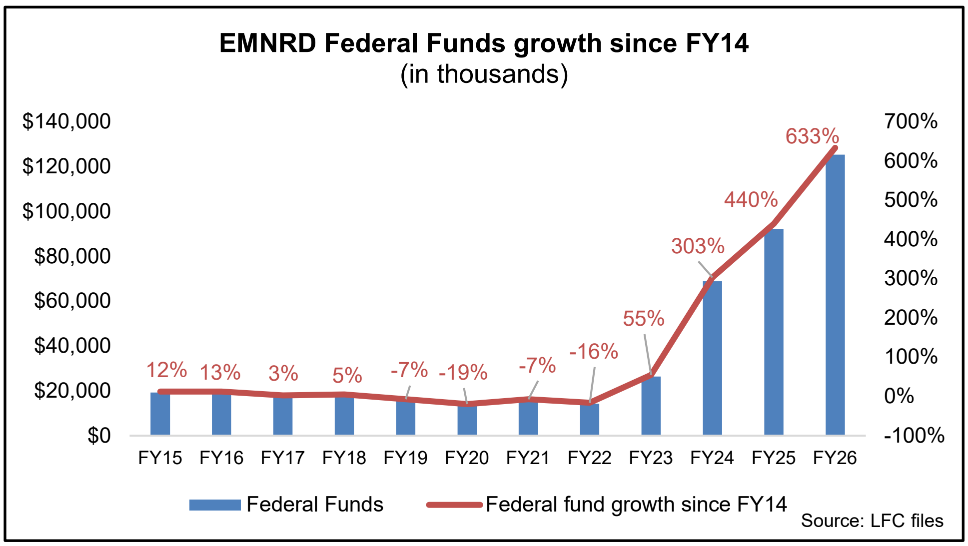
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Energy, Minerals and Natural Resources Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

The Energy, Minerals and Natural Resources Department's (EMNRD) third-quarter performance measures were impacted by federal uncertainty and historic issues. The Oil Conservation Division's (OCD) orphan and abandoned well plugging program plugged just nine wells in the third quarter, for a total of 36 through three quarters. The State Forestry Division (SFD) treated 2,659 acres, a 5,000-acre difference between quarters, and is set to possibly miss its end-of-year target. Both cite being limited by federal funding and the subsequent uncertainty it creates with agency operations. OCD and SFD are not the only program of EMNRD to have issues with federal funding; the Energy, Conservation and Management Division (ECMD) also notes delays with receiving federal funds. EMNRD's overall budget for FY25 is $175.8 million, with over half of it (52.5 percent) composed of federal funds. As federal uncertainty continues, EMNRD and other stakeholders should look to how other states or partners are weathering the storm.



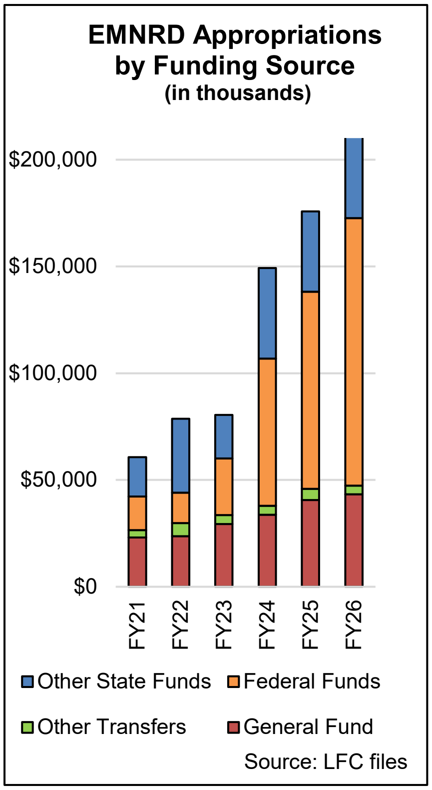
Healthy Forests

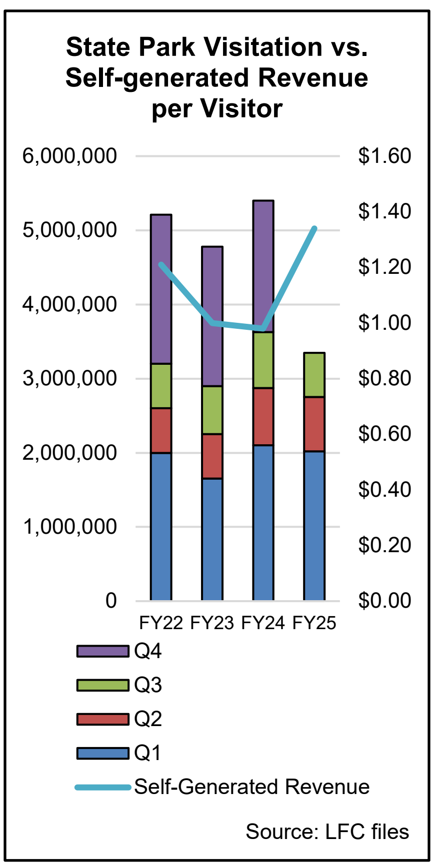
Wildland Firefighter Training. The State Forestry Division (SFD) saw a significant bump in training numbers after the fires in 2022, resulting in historic numbers of newly trained wildland firefighters in 2023 and 2024. SFD saw a significant increase in participants in the third quarter, in part due to the fires in Los Angeles.

Forest and Watershed Treatment. SFD reports, due to the emerging uncertainties surrounding the program's ability to complete scheduled projects on federal lands, it was unable to complete the targeted amount of treated acres. It reported six new projects for over 2,200 acres are currently on hold with the U.S. Forest Service. SFD notes it is discussing with federal and other state partners whether current federal funding levels will continue or if funds will be reduced, in particular from the Inflation Reduction Act. SFD is working to find additional ways to reduce treatment costs.

In the third quarter, SFD treated 2,659 acres. SFD has plans to treat 21.6 thousand acres with notices to proceed pending and 8,270 acres in the planning stages. Despite the large number of planned treated acres, due to increasing uncertainty, it is unlikely SFD will treat the targeted number of acres.

Budget: $61,269 **FTE:** 145	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	1,554	3,012	1,500	0	364	1,542	G
Number of acres treated in New Mexico's forest and watersheds.	15,735	13,954	14,500	810	7,556	2,659	Y
Program Rating	Y	G					Y





Conservation and Management

As of the conclusion of the third quarter, the Energy, Conservation and Management Division had received 1,768 applications for the solar market development tax credit. Of these, 612 applications were returned as incomplete and 1,156 were successfully approved for processing. ECMD also received 204 applications for the energy conserving products credit and 85 applications for the sustainable building tax credit. The division is working with EMNRD IT staff to make improvements to its online application portal to accommodate updated clean car and clean car charging tax credits passed in the 2024 legislative session.

In late 2022, ECMD applied for grid modernization grant funding from the federal government under the federal Infrastructure Investment and Jobs Act. This grant is expected to bring in more than $35 million to New Mexico over a five-year period, and ECMD was awarded $14.4 million for the program's first two years (FY22-23). The grant requires a 15 percent state match and the Legislature appropriated funds in both FY24 and FY25. ECMD has noted issues with receiving federal funding, either through slow processing or no response. The state should be closely monitored because most of ECMD's funding and initiatives are federally funded. Pauses or lapses in federal funding for projects, such as the community energy efficiency block grants, would inhibit the state's energy transition.

Budget: $6,373.9 **FTE:** 34	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of completed applications for clean energy tax credits reviewed within 30 days of receipt	99%	99%	95%	99.9%	100%	99.9%	G
Program Rating	G	G					G

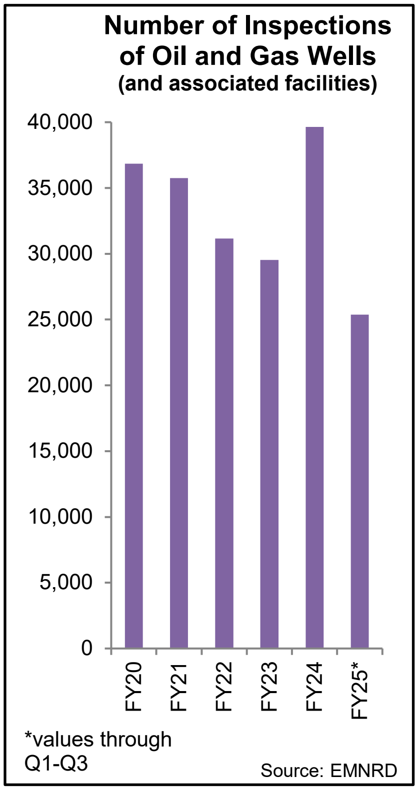
State Parks

New state park fees have increased the amount of revenue the division receives. Despite middling visitation numbers, the amount of revenue per visitor has increased to over double the FY25 target amount. State Parks also reported, as directed by the Department of Finance Administration, it will be collecting gross revenues from a central reservation system, replacing the previous net revenues system previously used. As a result, State Parks notes the revenue report will differ from previous quarters.

Budget: $41,352.9 **FTE:** 241.41	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of visitors to state parks	4.78 million	5.4 million	4.75 million	2.02 million	729.8 thousand	597.4 thousand	G
Amount of self-generated revenue per visitor, in dollars	$1.01	$1.21	$1.00	$0.80	$0.99	$2.25	G
Program Rating	G	G					G

Mine Reclamation

The Coal and Mining Act programs require financial assurance for permitted mines. The coal program monitors six coal mines, all of which are 100 percent covered by financial assurance. The Mining Act Reclamation Program manages 60 mines, of which 59 have

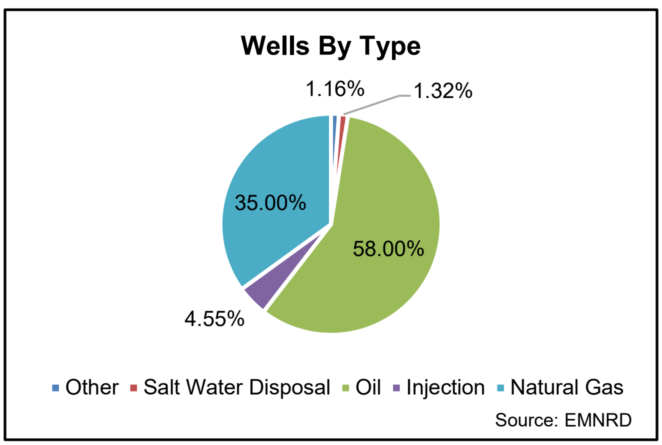


adequate financial assurance posted to cover the cost of reclamation. Together, the programs have a 99 percent compliance rate. Due to the stability of the existing performance measures, new performance measures should be discussed to gain more information on the division's activity.

Budget: $13,668.1 **FTE:** 33	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation.	99%	99%	99%	99%	99%	99%	G
Program Rating	G	G					G

Oil and Gas Conservation

The Oil Conservation Division (OCD) issued 1,629 violations across the state's oil-producing basins during routine inspections in the third quarter of FY25. OCD increased its pace of inspections after three consecutive years of decline while also implementing new inspection protocols. Half way through the fiscal year, OCD is on pace to exceed its 30 thousand inspection target. The division currently has an acting director, with efforts to hire a permanent one underway. The division has 33 vacant FTE, a funded vacancy rate of 15.3 percent and $1.5 million in projected vacancy savings in FY25.



OCD is behind its target for plugging abandoned wells, a persistent issue. Use of federal funds for plugging has been delayed due to new requirements and compliance with the Endangered Species and National Historic Preservation acts. OCD also noted lags in receiving federal funds for plugging abandoned and orphaned wells should be closely monitored. With up to 700 orphaned wells on the agency's list for plugging, the agency's ability to complete these plugging projects, with the aid of federal funds, is critical to protecting public health and safety. LFC will soon present a program evaluation of OCD's orphaned well plugging, with discussion of historic issues regarding access to financial obligations, contract management, and the plugging and remediation of wells.

Budget: $58,008.3 **FTE:** 86	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of inspections of oil and gas wells and associated facilities	29,522	39,640	30,000	11,691	8,749	4,934	G
Number of abandoned wells properly plugged	76	105	70	9	18	9	R
Number of violations issued with associated administrative penalties*	2,552	5,138	N/A	1,343	1,426	1,629	
Program Rating	Y	Y					Y

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

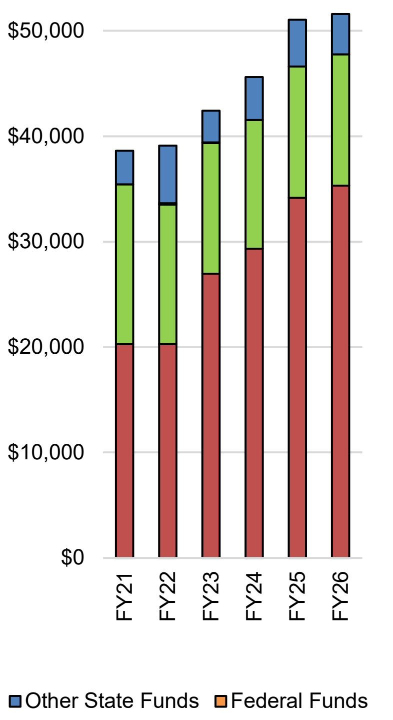
PERFORMANCE REPORT CARD
Office of the State Engineer
Third Quarter, Fiscal Year 2025

PERFORMANCE REPORT CARD
Office of the State Engineer
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

OSE Appropriations by Funding Source
(in thousands)



Source: LFC files

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) have signaled they have reached a potential settlement in the Rio Grande Compact litigation. Originally set for a trial date June 9th, the parties requested the special master to instead hold a hearing later this year, signaling a possible conclusion to the 11-year litigation is near. While the City of Las Cruces did not sign on the amicus curiae brief, negotiators remained confident a resolution could be reached. Negotiations regarding new methods of sustainable use for the Colorado River continue, with the aim of working to bank excess water in downriver reservoirs should increase usage be needed.

New Mexico's cumulative debt under the Rio Grande Compact remained within acceptable margins of decline, though trends regarding the state's debt should be monitored. Roughly 21 thousand acre-feet of water is being stored as a safety test in El Vado Reservoir while a new rehabilitation design is being considered. Excavation of excess sediment in the Rio Chama from 2024 flooding has been complete while efforts to expand the river's channel capacity for Abiquiu Dam delivery continue.

Water Resource Allocation

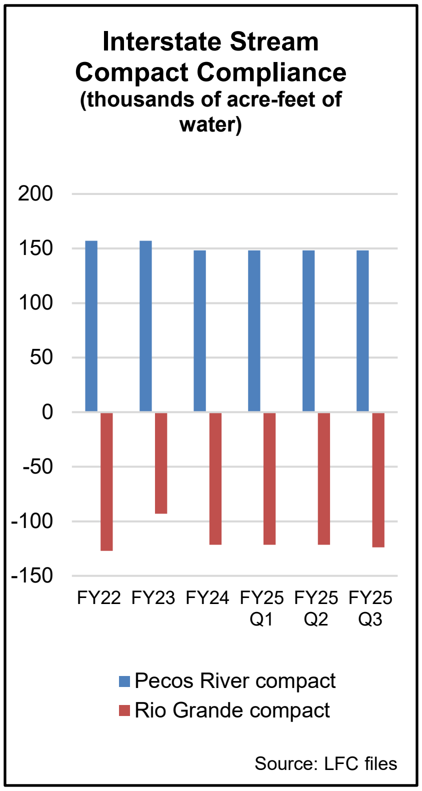
The Water Rights Division processed 34 applications per month in the third quarter of FY25. After missing the target by 14 in the second quarter, the agency only missed it by one, noting staffing issues. This division also serves as "agency reviewers" for the New Mexico Finance Authority and Water Trust Board and as "cannabis water rights validation reviewers" for the Regulation and Licensing Department. Neither of these additional workloads are reflected in current performance measures but should be considered to better reflect agency productivity.

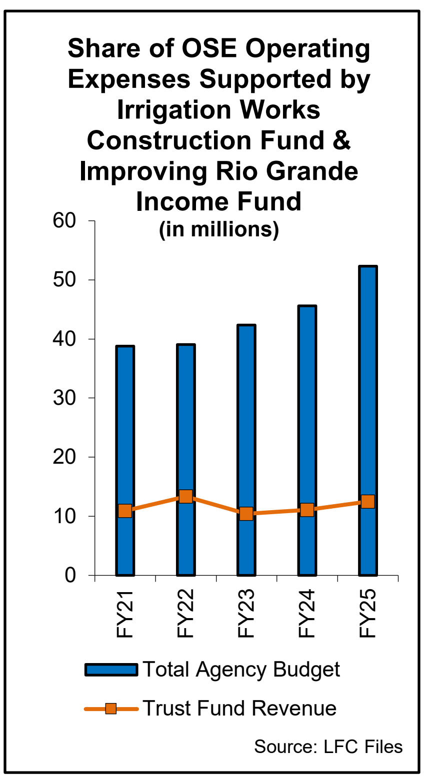
The Water Rights Abstract Bureau is responsible for populating and maintaining the Water Administration Technical Engineering Resource System and is on track to exceed the target of 21 thousand transactions. Staff are focusing on ground water files and district office file maintenance work, which does not substantially affect database numbers. The bureau is also close to completing the abstracting (surveying) of the Estancia ground water basin. Once done, they will start on the Roswell artesian basin. The Dam Safety Bureau performed 15 inspections in the third quarter, on track to meet its annual target.

Budget: $21,960 **FTE:** 192	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of unprotested and unaggrieved water right applications backlogged*	445	395	N/A	343	350	318	G
Average number of unprotested new and pending applications processed per month	37.8	31.5	35	36	21	34	G
Number of transactions abstracted annually into the water administration technical engineering resource system database.	19,210	13,501	21,000	4,361	7,410	6,944	G
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues	60	113	45	0	22	15	G
Program Rating	G	Y					G

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

PERFORMANCE REPORT CARD
Office of the State Engineer
Third Quarter, Fiscal Year 2025





Interstate Stream Commission

The state's cumulative Pecos River Compact credit continues to be positive, however, the U.S. Supreme Court's Pecos River Master recently determined that New Mexico underdelivered for water year 2023 by 8,400 acre-feet. This decision brought New Mexico's current cumulative credit down to 148,200 acre-feet.

New Mexico's Rio Grande Compact cumulative delivery deficit increased to 124,000 acre-feet in the third quarter of FY25, a 2.1 percent increase in the deficit from the second quarter. While the current cumulative delivery deficit is still below the compact compliance debit threshold of 200,000 acre-feet, the increase in the deficit is a worrying trend. OSE and ISC are working to identify additional actions that might be needed to increase deliveries. New Mexico's compact status has implications for the ability to store native Rio Grande water in upstream reservoirs. However, with a safety test at El Vado Reservoir of holding irrigation water while a new design is being considered, there is progress in the storage of water for downstream users.

Budget: $15,095.1 **FTE:** 68	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Cumulative New Mexico Unit fund expenditures, in millions of dollars*	$22.3	$22.6	N/A	N/A	$23.1	N/A	
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	156.6	148.2	161.6	148.2	148.2	148.2	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet	-93	-121.5	< -150	-121.5	-121.5	-124	Y
Program Rating	Y	G					Y

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

Litigation and Adjudication

The Litigation and Adjudication Program (LAP) is making progress in the third quarter of FY25 toward its goal of fully adjudicating water rights in the Lower Rio Grande Basin. LAP is on course to meet its target of 300 offers for FY25 and continue to increase the Lower Rio Grande Bureau's productivity.

Data is regularly added to LAP's water right adjudication database, encompassing information from hydrographic surveys to finalized adjudication details. Monthly updates or as-needed entries are made based on field investigations, surveys, and court actions that result in offers.

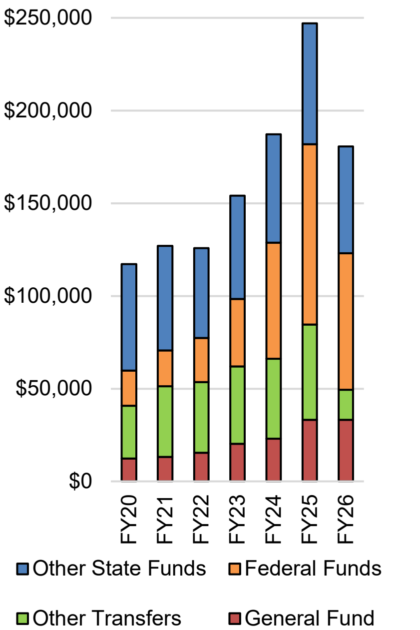
Budget: $8,966.3 **FTE:** 68	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of offers to defendants in adjudications	436	406	300	68	89	87	G
Percent of all water rights with judicial determinations	76.7%	77%	76%	65%	65%	65.1	Y
Program Rating	G	G					G

PERFORMANCE REPORT CARD
Environment Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

NMED Appropriations by Funding Source
(in thousands)



Source: LFC files

Federal Funding Exposure

The portion of NMED's budget funded through federal dollars has steadily increased over the past five years, growing from $19 million, or 16.3 percent, in FY20 to $97.3 million, or 40 percent in FY25. NMED's Water Protection Division receives the largest portion of federal funding, roughly $51 million, making up 68 percent of the divisions total budget. Discussions at the federal level regarding cuts or claw backs related to natural resource protection funding increases the pressure on the state to ensure its natural resource agencies can operate even if federal funding is reduced.

Consistently lagging performance trends from the first and second quarters of FY25 continued in the third quarter for the Environment Department's (NMED) regulatory programs, despite NMED funding having grown by $20 million, or 188 percent over 10 years. These results are due to a mixture of external and internal issues, such as implementation of new databases, new permitting and regulation programs for surface water and groundwater discharge, and the reshuffling of personnel to address lagging programs. Additionally, the Solid and Hazardous Waste Division's persistent issues with staff recruitment and retention continued to hinder performance. These issues, coupled with NMED's agencywide issues with recruitment and retention, resulted in deteriorating performance. NMED suggests the department needs significant additional funding to address its staffing and retention issues, and potential federal funding cuts to natural resource protection funding could hinder agency operations. The Legislature should continue to monitor NMED performance and ensure the increased investment in core processes is implemented effectively.

Water Protection

Passage of Laws 2025 Chapter 112 (Senate Bill 21) granted primacy to NMED to administer a National Pollutant Discharge Elimination System program, in effect placing control of all discharge into the state's surface water and groundwater from the federal government to NMED. Creation and implementation is underway and will continue to take shape, pending approval of a permitting program from the Water Quality Control Commission. The percentage of surface water permittees inspected increased to 45 percent in the third quarter of FY25, a significant improvement from the first and second quarter but still off the pace to reach the FY25 target. Staffing issues with the groundwater program continue to hamper the program's ability to conduct inspections. The agency is moving additional staff and supervisors to improve performance and is developing a new database for permit tracking and documentation. Regardless, consistent vacancy levels at the program and subsequent impact on performance remains an issue to be monitored. The Construction Programs Bureau initiated 27 new water infrastructure projects and exceeded its FY25 target.

Budget: $62,511.4 **FTE:** 191.3	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of the population served safe and healthy drinking water	89.8%	89.5%	95%	95%	94.8%	95%	Y
Percent of surface water permittees inspected	145%	100%	100%	10%	25%	45%	R
Percent of groundwater permittees inspected	18.2%	30.6%	65%	11%	9.3%	9.5%	R
Number of new water infrastructure projects	157	175	115	47	47	27	G
Program Rating	Y	Y					Y

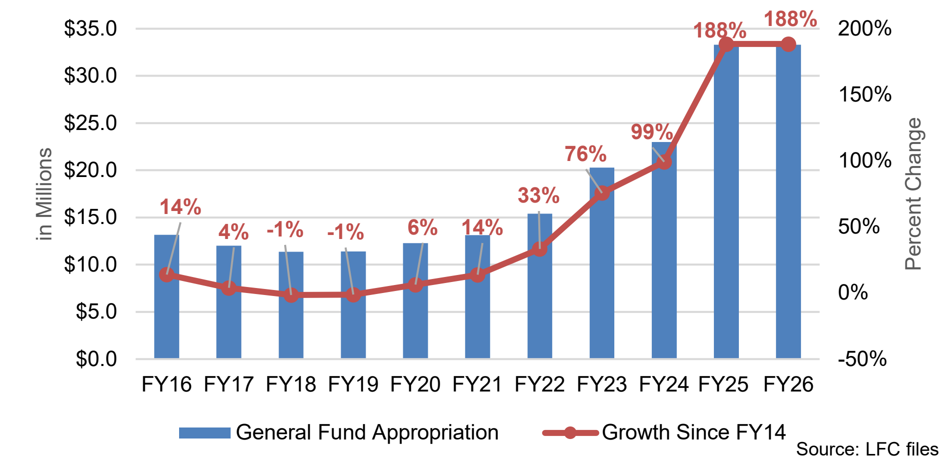
Resource Protection

The Resource Protection Division (RPD) continued the be far behind its target for all three of its performance measures. RPD has historically had issues with recruitment and retention, specifically its Solid and Hazardous Waste bureaus, resulting in consistent lagging of performance measures. RPD notes it has continued to work to reclassify existing vacancies to higher-level positions to improve recruitment and retention, but the

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

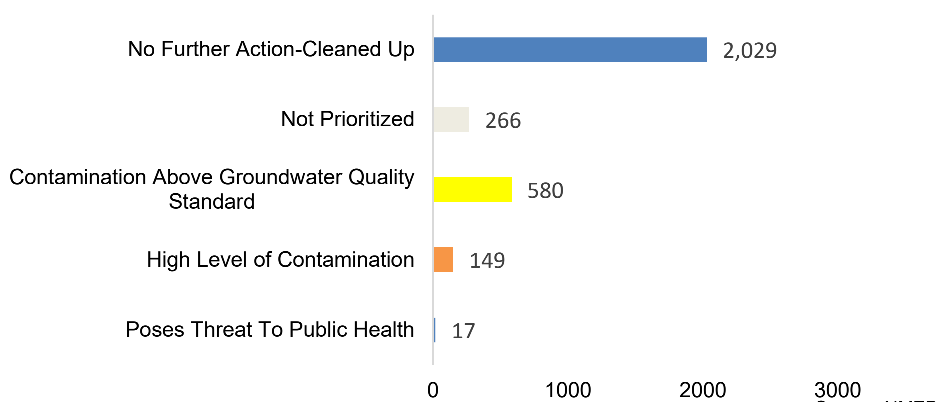
PERFORMANCE REPORT CARD
Environment Department
Third Quarter, Fiscal Year 2025

NMED General Fund Appropriation growth from FY16-FY26



Source: LFC files

Petroleum Storage Tank Release Site Priority



Source: NMED

agency reports additional staffing is needed to improve the rate of inspections. The agency did not prioritize staffing increases for its FY26 budget request.

In the third quarter of FY25 the Petroleum Storage Tank Bureau (PSTB) issued four “no further action” (NFA) status for any sites. NFA status signifies compliance with remediation standards, assuring no significant risk of harm to public health or the environment at the site. Notably, NFA status determinations are fluid throughout the year, based on specific site conditions, staffing levels, and the availability of funding from the corrective action fund. PSTB currently has nine vacant positions within its Remediation program and used 30 percent of the corrective action fund for program operation costs. The agency sites a lack of funding as its largest impediment to meeting performance measures; NMED’s general fund budget has grown by 188 percent over 10 years, from $13.2 million in FY16 to $33.3 million in FY26.

The Hazardous Waste Bureau (HWB) monitors 2,495 hazardous waste generators in the state, though this number changes frequently. HWB has 6 FTE focused on compliance and completed 93 inspections in FY25. HWB inspected 1.5 percent of the hazardous waste sites in the state in the third quarter of FY25. The program notes additional hires are pending proposed office space expansion. The continued trend of low inspection rates remains even after the bureaus began the decline in the pandemic and while the low inspection rate has been predominantly due to a lack of staff, new efforts to improve performance should be prioritized. The creation of the Compliance and Enforcement Division (CED) could aid in increasing the operational success of the bureau.

Budget: $18,653.4 **FTE:** 144.3	**FY23 Actual**	**FY24 Actual**	**FY25 Target**	**FY25 Q1**	**FY25 Q2**	**FY25 Q3**	**Rating**
Number of completed cleanups of petroleum storage tank release sites that require no further action	2,005	2,041	1,976	0	0	4	R
Percent of solid waste facilities and infectious waste management facilities inspected	53.3%	98.8%	87.5%	10.6%	13%	17%	R
Percent of hazardous waste facilities inspected	3.7%	3.7%	15.0%	1.3%	1%	1.5%	R
Program Rating	R	R					R

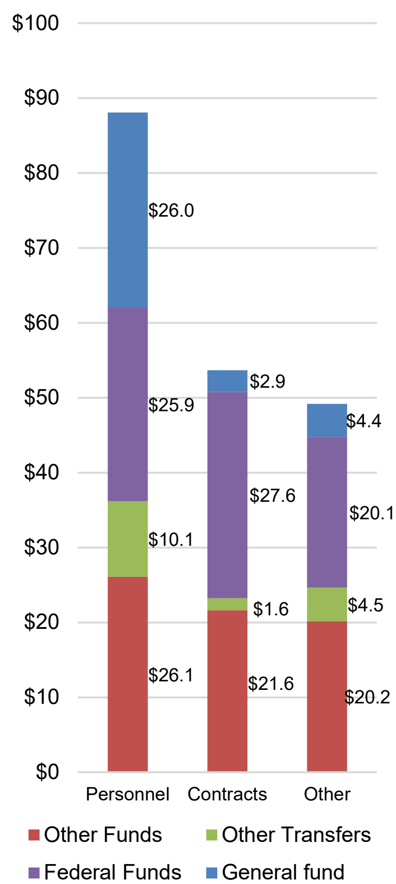
Environmental Protection

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, many of NMED's regulatory compliance programs continually struggle to meet their target percentage of applicable entities inspected. The Environmental Protection Division's Air Quality (AQB) and Radiation Control bureaus (RCB) are responsible for enforcing regulatory and compliance measures to protect the environment and prevent harm to human health. The creation of CED will move the enforcing of the regulation and permits from these bureaus, which could improve compliance.

In addition to inspections and monitoring, RCB's work includes assisting nuclear workers who have become ill due to occupational exposures as contractors or subcontractors at U.S. Department of Energy facilities or in the uranium industry. NMED contends that reaching the target of inspecting 85 percent of radiation sources would require 216 inspections from each staff member, and the target cannot be met with current staffing levels.

AQB has deployed new air monitoring instruments that improve connectivity, efficiency, and remote access to air quality data. The bureau is currently working to create new general construction permits for oil and gas producers. AQB has hired six new inspectors and is in the process of hiring two more, with the goal of 11 inspectors, a supervisor and a manager. New hires have the potential to address the historically lagging performance measures, which are now on track to meet FY25 targets.

FY26 Budget Categories Revenue Source
(in thousands)



Source: LFC files

Budget: $18,320.1 **FTE:** 121.8	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of ionizing and non-ionizing radiation sources inspected	15%	16.8%	20%	5.6%	3.7%	1.9%	R
Percent of air emitting sources inspected	33.3%	32.2%	25%	7.8%	3.4%	4.2%	R
Percent of the population breathing air meeting federal health standards	99.9%	99.9%	95%	98.3%	90.8%	90.8	Y
Program Rating	R	R					R

Environmental Health

The Environmental Health Division (EHD) continued to administer the state hemp extraction and manufacturing program. EHD is also responsible for working to prevent workplace injuries and fatalities, avoiding unnecessary risks to public health from commercially prepared foods, regulating septic tanks, and ensuring the safety of public pools and spas.

The Occupational Health and Safety Bureau conducts hundreds of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau, which inspects approximately 1 percent of all workplaces each year, found 64.3 percent of employers did not meet occupational health and safety requirement for at least one standard in the third quarter, exceeding the target by 55 percent. The bureau notes that within the 1 percent of all workplaces it inspects, well over the 64.3 percent are not in compliance.

Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. The bureau conducted 1,729 inspections out of the 7,882 permitted facilities in the third quarter. With roughly 61 percent of inspections complete, the bureau would need to conduct around 30 percent of its remaining inspections in the fourth quarter to meet its annual goal. Bureau staff currently have a compliance and enforcement workload of approximately 313 facilities per inspector, above the federal Food and Drug Administration's guidance that retail food inspectors (a much narrower role than EHB's inspectors) are assigned 280-320 inspections. This has resulted in high vacancy rates within the bureau and most inspections conducted remotely, a worrying historic trend the agency should work to improve.

Budget: $ 16,219.3 **FTE:** 156.0	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of employers that did not meet occupational health and safety requirements for at least one standard compared with the total number of employers	64%	67.1%	55%	72%	80%	64.3%	Y
Percent of restaurants and food manufacturers inspected	80%	80.5%	90%	21%	17.1%	21.8%	Y
Percent of new or modified liquid waste systems inspected	86%	91%	85%	49%	51.5%	58.6%	Y
Program Rating	R	R					Y

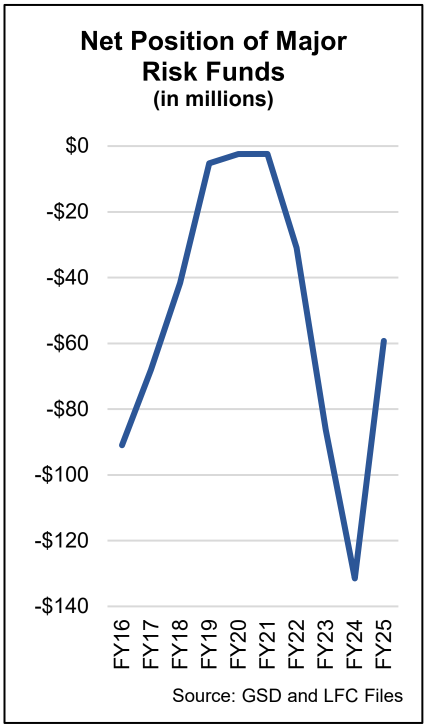
PERFORMANCE REPORT CARD
General Services Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

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

Risk Management



The department's Risk Management Division oversees the state's shared risk pools, including the public property fund, the workers compensation fund, and the public liability fund. Overall, the financial position of the three funds, determined by dividing the current assets by the current liabilities, is 38 percent, down from 78 percent at the end of FY22, but the largest driver of losses is the state's public liability fund. While projected liabilities in that fund have decreased to $86.2 million, down from $131 million, projected assets are expected to be in the negative at the end of FY25. Overall, projected assets are short of projected liabilities by $59.2 million, with the public liability fund reporting a shortage of $106 million. The public property fund remains well above the 50 percent target and currently holds reserves in excess of projected liabilities.

A one-time cash infusion of $20 million to the public liability fund, approved by the Legislature during the 2024 session, has helped rebuild cash reserves, which stood at $14.4 million in April 2025. But large settlements from a few agencies, notably the Children, Youth and Families Department and the Corrections Department, have driven significant losses for the fund that will need to be recovered in future years. The Legislature approved an additional $5 million at the 2025 session.

Budget: $110,968.7 **FTE:** 0	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Projected financial position of the public property fund*	215%	275%		370%	369%	272%	G
Projected financial position of the workers' compensation fund*	56%	63%		279%	282%	284%	G
Projected financial position of the public liability fund*	42%	16%		-19%	-18%	-23%	R
Program Rating	R	R					R

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

Risk Management Settlements Dashboard

Facilities Management

The Facilities Management Division (FMD) is responsible for maintaining 6.8 million square feet of state-owned and leased space. FMD reports only 85 percent of scheduled preventive maintenance activities were completed on time, although the agency met performance targets for on-time completion of capital projects. The agency reports an inability to keep up with preventive maintenance due to a shortage of staff.

GSD continues to report 100 percent of leases meet adopted space standards; however, prior reports indicate most of the leases were exempt from the standard recommendation and not counted in the total. In the second quarter, seven new leases were completed. Four were exempt and one lease received a waiver. Routine exclusion of leases not meeting space standards negates the value of this measure and the agency should adjust its methodology to accurately report the percentage of leases meeting the 215 square feet per FTE target.

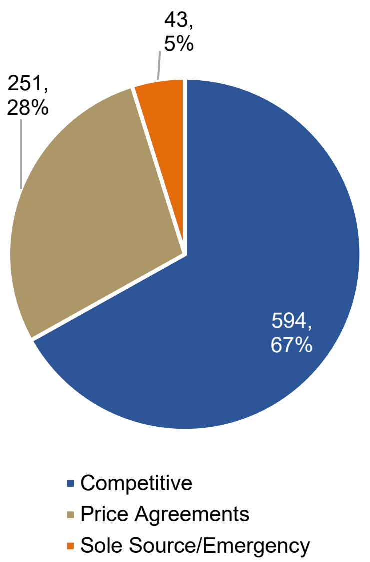
Budget: $20,369.5 **FTE:** 148	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Capital projects completed on schedule	87%	94%	90%	92%	94%	100%	G
Preventive maintenance completed on time	70%	67%	90%	60%	85%	84%	R
Amount of utility savings resulting from green energy initiatives, in thousands*	-$38	$376		$77	$137	$162	R
Program Rating	R	Y					Y

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

The state has yet to realize projected cost savings from the green energy initiatives, with the department reporting $376 thousand in savings in FY24. In August 2019, FMD began a $32 million project to reduce energy use in state facilities, estimated to save at least $1.4 million per year, with guaranteed savings of $1.1 million. In the third quarter of FY25, the department reported $162 thousand in savings.

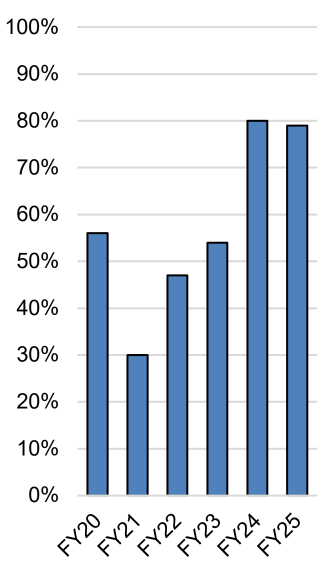
Other Programs

Professional Services Contracts >$100K, FY24



Source: Contracts Review Bureau

Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

GSD also provides other services to state agencies, including printing and transportation services, and oversees executive agency compliance with the Procurement Code.

State Purchasing

In the third quarter, the awards from invitations to bid were not completed within the targeted timeframe, with only 44 percent of bids awarded withing 90 days. Overall, only 67 percent of procurements were completed within targeted timeframes, below the target of 55 percent.

State agencies have increased their reliance on price agreements for purchasing services: Monthly reports from the GSD's Contracts Review Bureau show a quarter of professional services contracts valued at more than $100 thousand were purchased using a price agreement rather than through a competitive proposal. Previous LFC evaluations included recommendations to repeal some widely used purchasing exemptions that circumvent competition and adding guardrails to the use of statewide price agreements. To date, recommended changes to the Procurement Code remain unaddressed.

Transportation Services

Over the long term, state agencies have improved their vehicle utilization, with nearly almost all leased vehicles used daily or for at least 750 miles per month, above the performance target of 70 percent. GSD reports 44 percent of vehicles we used for more than 750 miles per month, while 53 percent of vehicles were used daily. Operating costs for vehicles exceeded the target 8 cents per mile in FY24, although the department notes the total remains below the industry average of 81 cents per mile, according to the American Automobile Association. The division's operation could change dramatically in light of the recent executive order transitioning the state's vehicle fleet to zero emission vehicles. Currently, the division does not have performance metrics related to the transition, but the executive order required GSD and the Department of Transportation to develop program benchmarks and progress reporting.

State Printing

The State Printing Program reported a 7 percent increase in sales in the third quarter, and although state printing continues to report expenses exceeding revenue, the division indicates no corrective action is needed because the deficit was due to preparation for the 2025 legislative session. Expenses exceeded revenue by $362 thousand, but the division anticipates recovering those costs as invoices are paid. All printing jobs were delivered on time.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Procurements completed within targeted timeframes	87.4%	80.8%	80%	78%	67%	55%	R
Percent of invitations to bid awarded within 90 days	NEW	74%	90%	84%	74%	44%	R

Average number of days for completion of contract review	3.2	1.0	5	1.6	NR	1	R
Percent of leased vehicles used for 750 miles per month or used daily	54%	80%	70%	97%	79%	98%	G
State printing revenue exceeding expenditures	7%	1%	5%	-60%	-22%		Y
Program Rating: Purchasing	G	G		Y	R	R	
Program Rating: Transportation	Y	Y		G	G	G	
Program Rating: Printing	G	G		G	G	G	

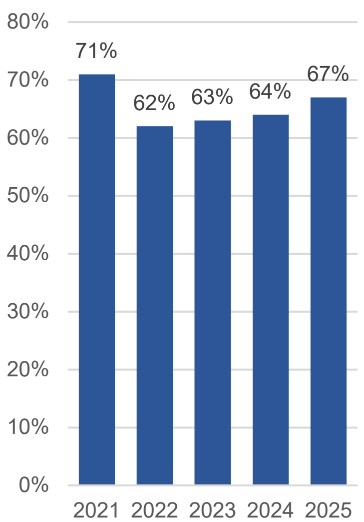
PERFORMANCE REPORT CARD
State Personnel System
Third Quarter, Fiscal Year 2025

ACTION PLAN

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

SPO Performance Dashboard

New Employees Completing One Year Probation Period



Source: LFC Files

According to SPO, only 67 percent of new employees complete their probationary period. If retention patterns do not change, more than 1,100 on the 3,400 people hired in FY24 will not complete their one-year probation.

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

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

Budget: $4,673.0 **FTE:** 44	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Average number of days to fill a position from the date of posting*	66	64	N/A	63	64	65	Y
Classified service vacancy rate*	23.8%	22.7%	N/A	22.3%	21.8%	21.5%	R
Percent of classified employees who successfully complete the probationary period*	63%	64%	N/A	65%	69%	67%	R
Average classified employee compa-ratio*	98.7%	100.8%	N/A	101.6%	102.0%	102.4%	Y
Average classified employee new hire compa-ratio*	95.5%	96.9%	N/A	97.7%	97.9%	99.5%	G
Number of hires external to state government*	3,109	3,465	N/A	762	685	840	G
Average classified service employee total compensation, in thousands*	$99.8	$108.1	N/A	$111.6	$112.2	$112.9	
Cost of overtime pay, in millions*	$41.1	$44.8	N/A	$11.8	$9.6	$10.5	
Number of salary increases awarded*	1,660	890	N/A	1,576	319	382	Y
Program Rating	Y	Y					Y

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

The State Personnel Office (SPO) reports the classified service vacancy rate is 21.5 percent, nearly 20 percent higher than the rate in FY21, but this increase has been primarily caused by significant increases in the number of new positions created. While agencies have been successful at attracting candidates from outside state government, the state must work on retaining these new employees to lower vacancy rates. SPO reports agencies have made significant inroads in reducing the time it takes to fill a position, dropping from 72 days in the first quarter of FY23 to 65 days in the third quarter of FY25. SPO has prioritized working with agencies to reduce the time-to-fill metric.

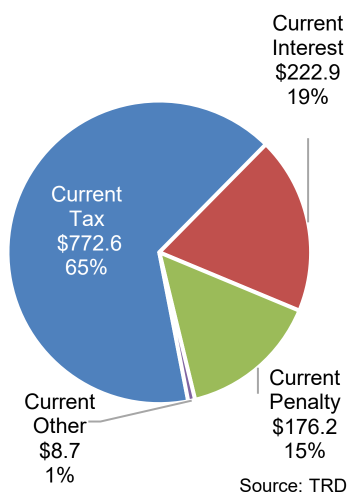
Providing competitive compensation packages to state employees is key to improving recruitment and retention. On average, total compensation for state employees topped $112 thousand in FY25, an increase of 6.4 percent from the first quarter of FY24 and 14.8 percent from the first quarter of FY23. Based on information from the U.S. Bureau of Labor Statistics, recent increases in New Mexico have been higher than national benchmarks. However, many agency staff report a lack of competitive pay packages as a barrier to filling positions. Part of this perception is due to the relatively high share of total compensation in fringe benefits offered to state employees. State employees receive nearly 40 percent of their total compensation through benefits, compared with 30 percent for workers in the private sector, based on national data. This amount will increase in the future based on legislation passed during the 2025 legislative session that increased the state's share of health insurance premiums to a minimum of 80 percent of the total cost.

PERFORMANCE REPORT CARD
Taxation Revenue Department
Third Quarter, Fiscal Year 2025

ACTION PLAN

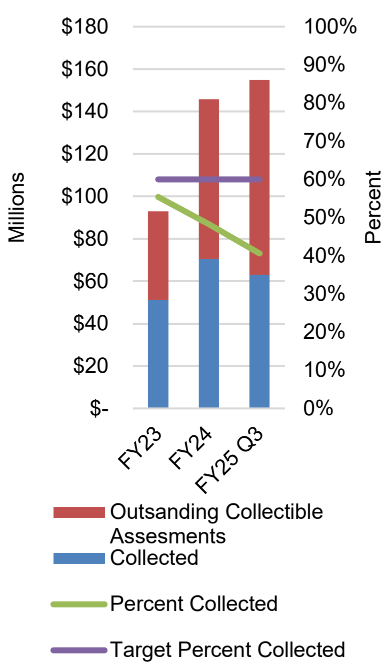
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Outstanding Tax Amounts by Category
$1.18 Billion Total (in millions)



Source: TRD

Collections as a Percent of Collectible Audit Assessments



Source: TRD

During the third quarter of FY25, the Taxation Revenue Department (TRD) received 667,407 personal income tax returns for 2024, and processed 656,007, a 98 percent processing rate. The Audit Compliance Division of the Tax Administration Program has a collectable balance of $1.2 billion and has collected $227.3 million, or 18.8 percent of the FY25 collection goal. The beginning accounts receivable reductions are a result of amended returns, abatements, deactivations, bankruptcy, and reversals. The total FY25 reduction in the fiscal year beginning accounts receivable is $928.3 million or 48.6 percent, bringing the total balance to $982.6 million. The Tax Fraud Investigations Division (TFID) has seen some progress in judicial districts taking white-collar investigations. TRD leadership is working to integrate a special prosecutor who will provide legal support on TFID cases.

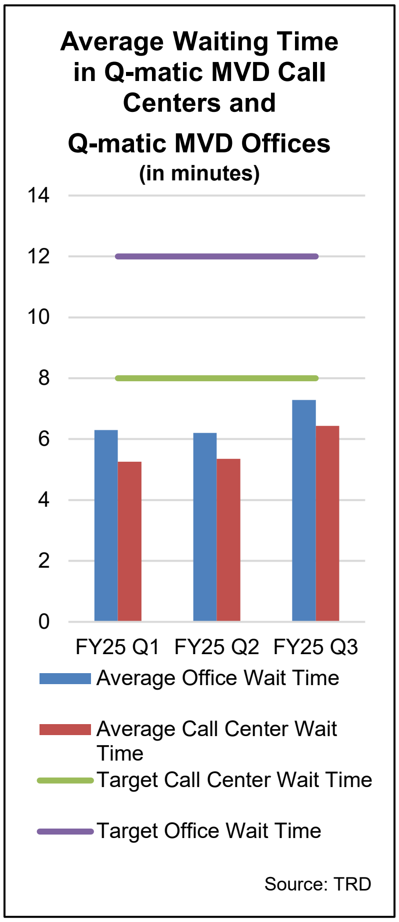
Tax Administration

The Audit and Compliance Division creates collection goals centered around return on investment (ROI) measures. Of the $1.5 billion, ACD collected $227.3 million, which is 18.8 percent. The total FY25 reduction in the fiscal year beginning accounts receivable is $928.3 million or 48.6 percent, bringing the balance to $982.6 million. ACD collected $242.2 million of the $279.7 million collection goal for the ROI measure. The budget for FY25 is $21.5 million with a collection goal of $279.7 million. Assessments are deemed uncollectible by statute if cases are in protest, bankruptcy, deactivated, or less than 91 days old. FY25 third quarter assessments totaled $173.4 million; none of which is less than 90 days old, $1.5 million is in protest, $134.3 thousand in bankruptcies, and $16.7 million has been abated. This leaves a collectible balance of $154.9 million, of which $63.1 million has been collected. This results in 40.6 percent collected.

Budget: $28,463.8 **FTE:** 340.66	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year	15.8%	22.6%	20%	9.4%	13.0%	18.8%	G
Collections as a percent of collectible audit assessments generated in the current fiscal year	55.4%	48.3%	60%	31.9%	36.8%	40.6%	R
Program Rating	R	R					Y

Compliance Enforcement

The Internal Investigations Bureau opened 29 cases and completed 22 cases during the third quarter of FY25. All closed cases were within the 60-day timeframe, and there are seven cases still pending completion. During the third quarter of FY25, TFID had five tax investigation cases referred for prosecution and opened 18 investigations for additional review. TFID has 22 open investigations that will require in-depth analysis, subpoena returns and investigative action. There are also eight preliminary investigations that require additional review before being assigned as an open case. TFID currently has two tax fraud cases in the prosecution process, with 20 cases pending prosecutions in several district courts.



Budget: $2,097.1 **FTE:** 21	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	10%	41%	30%	80%	42%	23%	Y
Successful tax fraud prosecutions as a percent of total cases prosecuted	100%	100%	50%	0%	0%	0%	R
Program Rating	R	R					Y

Motor Vehicle

The Motor Vehicle Division (MVD) is currently working on the development of an online testing program. This program would allow customers to take a written driver's license exam remotely, which TRD believes would decrease MVD office congestion and improve accessibility of MVD services for rural residents. MVD is also working on expanding the availability of the mobile driver licenses to Samsung devices.

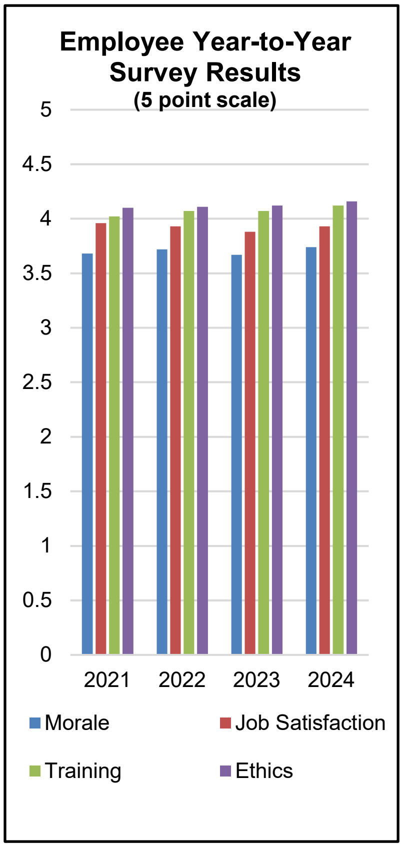
The MVD call center and office wait times have slightly increased since the second quarter, which is a result of managing the division's new queueing system. The new system has allowed improved customer satisfaction by providing clear expectations about waiting times and service processes, but MVD employees are still getting used to the new system. During the third quarter, MVD served 208,845 customers, and the MVD call center received 93,447 phone calls. MVD has been actively working on creating an outside vendor to assist call center operations.

Budget: $55,161.1 **FTE:** 332	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Registered vehicles with liability insurance	91.0%	90%	95%	90%	91%	90%	Y
Average waiting time in Q-matic equipped offices, in minutes	4:48	4:50	12:00	6:30	6:22	7:29	G
Average call center waiting time to reach an agent, in minutes	6:18	4:19	8:00	5:26	5:35	6:44	G
Program Rating	G	G					G

Property Tax

The Property Tax Division (PTD) has a meeting with its software vendor, Catalis, in May to streamline the delinquent property list uploads. PTD has hired several new employees to fill vacancies within the division. PTD is expecting that the addition of new employees will eliminate some backlog of delinquent account research. PTD held five auctions in quarter three, which is ten less compared to the second quarter.

Budget: $6,491.4 **FTE:** 39	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Delinquent property tax collected and distributed to counties, in millions	$13.9	$10.8	$11.0	$2.4	$3.4	$2.3	Y
Percent of total delinquent property taxes recovered	21.0%	17.0%	15.0%	3.5%	4.0%	3.9%	Y
Program Rating	G	G					Y



Source: TRD

Program Support

During the third quarter of FY25, the Office of Internal Oversight (OIO) reported 386 of 2,712 tax protest cases were resolved. OIO has resolved a total of 1,187 tax protest cases for FY25, which is 68 percent of the end of year target of 1,738. Program Support can send protest cases to the Administrative Hearings Office (AHO) for specialized hearings and four cases of the total number of cases were sent to AHO. Currently, two internal auditor positions are vacant, which impacts the internal audit team's efforts to implement internal audit recommendations. OIO managed to reach its quarterly goal of three by recommending six internal audits.

Budget: $12,047.2 **FTE:** 102	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Tax protest cases resolved	1,892	1,593	1,738	415	801	1,187	Y
Internal audit recommendations implemented	90%	92%	90%	100%	100%	100%	G
Program Rating	R	G					Y

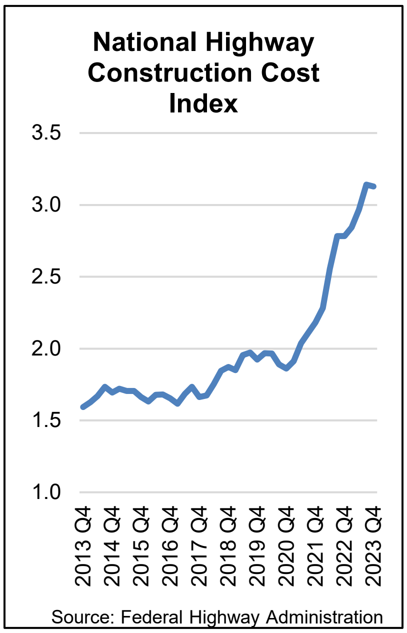
PERFORMANCE REPORT CARD
Department of Transportation
Third Quarter, Fiscal Year 2025

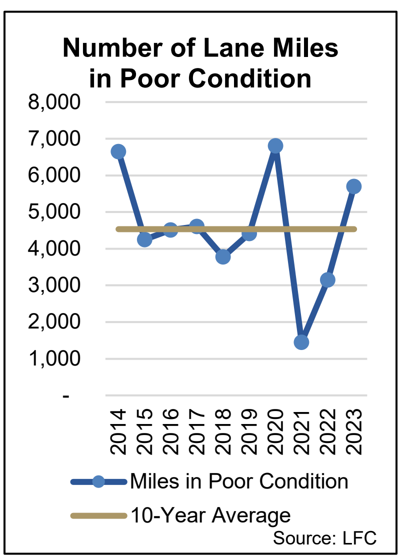
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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

NMDOT Performance Dashboard





The Department of Transportation (NMDOT) reported deterioration in the quality of New Mexico's roads between 2022 and 2023. While most roads and bridges remain in fair or better condition, the number of miles of poor roadways has spiked from previous years, returning closer to historic averages.

Project Design and Construction

For the third quarter, NMDOT reported a pullback in the percentage of projects let to bid as scheduled, with 86 percent. Year-to-date the department remains well above the performance target of 75 percent. For project completions, 93 percent were completed on time in the third quarter, with an average cost 1.18 percent above the bid cost.

Highway Operations

While the department remains on track to surpass its annual performance targets for preserving highway pavement, only 134 miles were preserved in the third quarter. Maintenance activity typically slows in winter months and the current result is similar to performance in FY22 and FY23. Overall, the number of bridges rated in better than poor condition remains better than the target of 95 percent.

Modal

NMDOT reports a total of 301 fatalities in the first three quarters, but fatality numbers typically rise as new data is received. Initial reports from the first quarter showed 100 fatalities, but that number has since been revised upwards by 30 percent, suggesting the department is not on track to remain below 400 fatalities and could exceed the 410 fatalities observed in FY24.

Program Support

The department's vacancy rate fell from the level seen in FY23 and remains below the statewide average vacancy rate, while departmental safety initiatives are reducing workplace injuries, which are on track to fall below the performance target.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of projects completed according to schedule	89%	85%	88%	82%	100%	93%	G
Number of statewide pavement lane miles preserved	4,373	2,966	3,500	1,454	1,343	134	G
Lane miles in poor condition.	1,451	3,155	6,925	5,696	5,696	5,696	G
Traffic fatalities	443	410	400	130	83	88	R
Vacancy rate in all programs	20%	17%		16%	15%	15%	G
Program Rating: Project Design and Construction	G	Y		R	G	G	
Program Rating: Highway Operations	G	G		G	G	G	
Program Rating: Modal	R	R		R	R	R	
Program Rating: Program Support	G	G		G	G	G	

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

INFORMATION TECHNOLOGY REPORT CARD
Third Quarter, Fiscal Year 2025

For the third quarter of FY25, most project statuses remain the same as the second quarter of the fiscal year rankings. Agencies continue making progress in obtaining functional systems. However, project trends towards the end of FY25 include delayed deployment in project functions, which has caused closeout-date extensions and cost increases for some projects.

Project Status Legend

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

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

DoIT-Led Projects

Y

The **P25 public safety radio project** ($101.1 million; 84.8 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated total cost of $190 million. The agency has 50 confirmed subscribers, including school and local police, fire departments, and other various federal and state safety agencies. However, DoIT reestimated the project to be completed by 2030, with a new estimated total project cost of $190 million, six years and $40 million beyond initial estimates.

Y

2021 legislation created a new **statewide broadband program** ($281.6 million; 11 percent expended) within DoIT and the new Office of Broadband Access and Expansion (OBAE). OBAE has grown to 23 full-time employees. The agency's Broadband Equity, Access, and Deployment (BEAD) Volume 2 was approved in July 2024, allowing OBAE one year to distribute $675 million of federal funds for broadband expansion; OBAE recently published its three-year plan in January 2025.

Executive Agency IT Projects

R

The Health Care Authority's (HCA) **child support enforcement system modernization (CSES) project** ($32.9 million appropriated; 46.3 percent expended) is intended to modernize up from the initial $65 million expected cost—and an expanded timeline through FY27 has not yet been certified by the project certification committee (PCC), posing risk. The Legislature reauthorized $10.6 million in unspent balances from previously appropriated funds for FY26.

Y

HCA's **Medicaid management information system replacement (MMISR) project** ($427.6 million appropriated; 71.5 percent expended), which started in December 2013, will replace the legacy MMIS application and is supported by a 90 percent federal funding match, at a total estimated cost of $533 million in nonrecurring funds alone. The project has seen substantial delays—with the completion date pushed back seven years to FY27—and cost overruns. HCA went live with its benefit management services in FY25, allowing provider enrollment of Medicaid and other providers into the agency's new system

Y

The Children, Youth and Families Department's **comprehensive child welfare information system (CCWIS) project** ($78.5 million appropriated; 60.2 percent expended), now the New Mexico Impact Project, is intended to replace the old family automated client tracking system or FACTS. Initially expected in 2023, CYFD now estimates system utilization in early 2026, with a project close-out in late 2027. Costs have doubled from $45 million to $90.4 million.

G

The Corrections Department's (NMCD) **electronic health records project** ($8.6 million appropriated; 83.6 percent expended) is intended to replace the existing paper healthcare records system with an electronic-based system that will integrate and exchange information across systems. The project is currently adequately funded and will receive $1.925 million in FY25 for project improvements. The end date has changed to May 2025, almost a year later than the initial planned end date.

G

The Department of Public Safety's (DPS) **records management system (RMS) project** ($7.4 million appropriated; 95.7 percent expended) will provide public safety agencies with a new data repository. DPS closed out its computer-aided dispatch (CAD) project ($3 million; 100 percent expended) in July 2024. Both systems are live as of May 2024.

Y

DPS's **intelligence-led policing project** ($5.5 million appropriated; 47.8 percent expended) will implement a new system to incorporate the needed data and analytics functions to generate valuable intelligence to more efficiently direct law enforcement resources in a proactive rather than reactive approach. DPS reports the phase one of the project, now in two phases, is near completion, and phase two will finish by June 2027, with a new total cost estimate of $16.1 million.

R

The Higher Education Department's (HED) **longitudinal data system (LDS) project** ($16.4 million appropriated; 40.3 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico's education and workforce data for a total estimated cost of $14.1 million. HED expanded the timeline to 2026 to accommodate additional project phases, posing a substantial risk.

G

The Regulation and Licensing Department's (RLD) **permitting and inspection software modernization project** ($17.1 million appropriated; 96.5 percent expended) will replace the legacy system Accela. RLD has certified $7.1 million for all phases of the project. The accelerated timeline is regarded as the highest current risk but does not significantly impact the project. RLD currently does not have an independent verification and validation contract in place for phase five of the project.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Third Quarter, Fiscal Year 2025

OVERVIEW

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

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

*Does not include nine interoperability partner organizations

Source: DoIT

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) continues with deployment plans for its public safety radio project, with 38 confirmed agency subscribers, including school and local police, fire departments, and other various federal and state public safety agencies. DoIT reestimated the project to be completed by 2030, with a new estimated total project cost of $190 million, six years and $40 million beyond initial estimates.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	Y	Y	Y	Y	Rating
Schedule	G	G	Y	Y	Y	Rating
Risk	Y	Y	Y	Y	Y	Rating
Overall Rating	Y	Y	Y	Y	Y	Rating

Budget

DoIT was appropriated $10 million in new capital outlay funding for the project during the 2024 legislative session, now available for use following voter approval of the general obligation bond. DoIT has been subsidizing costs for its agencies, including the use of a $2.8 million nonrecurring appropriation for radio subsidies for federal and local governments. The 2025 General Appropriation Act contains a $2 million nonrecurring special appropriation to continue subsidies, with the capital outlay bill supporting $20 million in severance tax bonds for further infrastructure deployment.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$101,164.3	$0.0	$101,164.3	$85,806.7	$5,357.6	84.8%

Schedule

The agency has 68 radio towers with full operability usage and is in active deployment for an additional 36 towers. Though capital projects tend to have longer timeframes, DoIT has revised the completion date for the project to end in 2030, in addition to a $40 million cost increase. Because the project is a multi-year, multi-phase project, funding availability and the potential for deployment delays will continue to play a role in DoIT's ability to maintain its current project schedule.

Risk

The large capital cost and long-term deployment schedule continue to pose some level of risk, which has been manageable as the agency continues to work on various expansion projects. There is potential for deployment delays due to ongoing supply chain disruptions. The P25 advisory committee continues meeting regularly.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Office of Broadband Access and Expansion
Third Quarter, Fiscal Year 2025

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 use of funds from the Connect New Mexico fund.

Statewide Broadband Program

Overall Status

The Office of Broadband Access and Expansion (OBAE) released its updated three-year statewide broadband plan in January 2025 and has opened its applications for the $675 million federal Broadband Equity, Access and Deployment (BEAD) grant program, with 29 entities eligible to apply. OBAE received 66 applications from 18 entities for BEAD funding.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	R	R	R	R	Rating
Schedule	Y	Y	Y	Y	Y	Rating
Risk	Y	Y	Y	Y	Y	Rating
Overall Rating	Y	Y	Y	Y	Y	Rating

Budget

OBAE has opened its applications for BEAD funding to start the federal award process of $675 million. Currently, $25 million of state funds is set to revert at the end of FY25 because the Legislature did not extend the use of funding. OBAE received official notice from the National Telecommunications and Information Administration of federal cuts for the state's digital equity program, a loss of $8.6 million.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date[1]	Balance	Percent of Appropriations Spent
$151,388.7	$130,307.3	$281,696.0	$31,015.9	$250,680.1	11%

[1] State funding includes Connect New Mexico, capital outlay, and other DoIT funds. Federal funding includes $123 million from ARPA funds, $1.5 million in CARES Act funding, $5 million from the BEAD planning grant, and $745 thousand from Digital Equity grants. [1] Spent to date amounts do not include encumbrances.

Schedule

While OBAE has been making progress on awarding Connect New Mexico fund dollars and federal BEAD dollars, state and federal deadlines pose a risk to the office. OBAE must submit its finalized awardees for BEAD for federal approval by late July 2025, which may pose a further delay in spending and awarding other available funds.

Risk

OBAE is experiencing leadership changes, posing an overall risk. Recent legislation transferred the statewide education network (SEN) to OBAE, which the office outlines in its most recent three-year broadband plan as essential to connectivity success in the state. However, OBAE must address challenges with the SEN, such as a lack of technical experience at schools and onboarding schools to the voluntary program, to make the transfer successful and worthwhile in obtaining middle-mile infrastructure in the state.

OVERVIEW

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

Project Description

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

Child Support Enforcement System Modernization Project

Overall Status

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	R	R	R	R	Rating
Schedule	R	R	R	R	R	Rating
Risk	R	R	R	R	R	Rating
Overall Rating	R	R	R	R	R	Rating

Budget

The project continues to cite a total estimated cost of $109 million, up from $76 million, resulting from expanding the project timeline. As the agency moves towards modernization, the total estimated cost could change. The General Appropriation Act of 2025 supports the reauthorization of $15 million from previous appropriations.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$13,418.6	$19,448.0	$32,866.6	$17,904.6	$14,962.0	54.4%

Schedule

The project is now expected to close out in 2029, 16 years after the project start date. The federal Office of Child Support Services recommended the agency modernize the legacy system as opposed to replacing it, which should realize benefits sooner. HCA will start a phased approach to its modernization starting in July 2025. Meanwhile, the agency is working on developing a scope of work for its vendors for independent verification and validation, and design, development, and implementation.

Risk

Prior changes to the schedule and the increased budget have created risks to the project. Due to federal guidance to modernize, scope changes, and integrating previously collected data pose the biggest risks to the project at this time.

Medicaid Management Information System Replacement Project

OVERVIE

Project Phase	Implementation
Start Date	12/18/13
Est. End Date	12/30/21
Revised	8/31/26
Revised	1/14/27
Est. Total Cost	$221,167.8
Revised	$346,319.8
Revised	$418,317.6
Revised	$533,804.4

Project Description

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

Overall Status

The Health Care Authority (HCA) experienced several substantial delays and increases in the project budget. The HCA has gone live with its benefit management services in FY25, allowing provider enrollment of Medicaid and other providers into the agency's new system.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	Y	Y	Y	Y	Rating
Schedule	R	R	R	Y	Y	Rating
Risk	R	R	R	R	R	Rating
Overall Rating	R	R	R	Y	Y	Rating

Budget

HCA has certified all funding through the Project Certification Committee as of May 2025, bringing the total amount available for the project to $427.6 million. The overall project is now expected to cost $533.8 million just in nonrecurring costs alone. HCA received $5 million in general funds, with a federal match of $45 million for FY26 to continue the project.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$42,757.6	$384,214.9	$427,648.0	$306,042.3	$121,605.7	71.5%

Schedule

The agency is preparing for federal certification for certain modules. The consolidated customer service center, which went live in 2020, will be implementing an enhancement that will integrate different generative artificial intelligence for managing chatbot FAQs and handling outbound calls..

Risk

Additions to the scope, cost increases, and delays are the biggest risk to the project. While the HCA has made significant project process, the LFC has heard complaints from Medicaid providers of difficulty enrolling in the new Medicaid system. The HCA is aware of these issues and is working with its vendor for a corrective action plan. Additional cost increases and additions to the scope pose a substantial risk to the project.

INFORMATION TECHNOLOGY REPORT CARD
Children, Youth and Families Department
Third Quarter, Fiscal Year 2025

OVERVIEW

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

Project Description

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

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

New Mexico Impact Project

Overall Status

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	Y	Y	Y	Y	Rating
Schedule	R	Y	Y	Y	Y	Rating
Risk	Y	Y	Y	Y	Y	Rating
Overall Rating	Y	Y	Y	Y	Y	Rating

Budget

The total project budget is $90.4 million, an increase of $60.4 million from initial cost estimates. CYFD certified $9 million at the Project Certification Committee in May 2025, bringing the total available funding to $78.5 million. The new certified funding will go to the agency's contracts for its vendors for independent verification and validation, project management, and design, development, and implementation.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding*	Spent to Date	Balance	Percent of Appropriations Spent
$34,963.1	$31,726.9	$78,545.9	$47,718.7	$30,827.2	60.7%

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

Schedule

The New Mexico Impact Project team has indicated to LFC staff that system utilization is likely to occur in early 2026, pending approval of contract amendments. The agency submitted its as-needed implementation annual advanced planning document, which includes requests for federal approval of contract extensions before their expiry date of the end of FY25.

Risk

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

OVERVIEW

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

Project Description

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

Electronic Health Records Project

Overall Status

The Corrections Department (NMCD) has been certified for the implementation phase of the electronic health records (eHR) project in August 2023. The agency is expecting a close-out date of May 2025. However, the biggest risk to the project is the interface with the department's offender management system.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	G	G	G	G	G	Rating
Schedule	G	G	G	G	G	Rating
Risk	G	Y	Y	G	G	Rating
Overall Rating	G	G	G	G	G	Rating

Budget

During the FY21 funding cycle, NMCD was appropriated $500 thousand to initiate planning and an additional $6.2 million to continue the project in FY22. The agency reauthorized this appropriation balance for FY25. NMCD did not request an extension of funds through FY26; thus, it will have to spend any needed funds before funds revert in June 2025. However, the agency does not anticipate reverting funds at the end of the fiscal year.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$8,663.0	$0.0	$8,663.0	$7,249.1	$1,413.8.0	83.6%

Schedule

The project end date changed from June 2024 to May 2025. NMCD states its women's and men's facilities are currently operating with the eHR project as of September 2024. Additional interface for men's facilities are planned for spring 2025.

Risk

The primary risk to the project is the ability to interface with the agency's offender management system and the health information exchange. NMCD has not yet fully transitioned from its legacy system or integrated full functionality into its new offender management network information system, crucial for the success of the eHR project. According to NMCD, data integration for the offender management system is expected to be completed by June 2025, aligning with the estimated eHR project completion date, with the department's legacy system set to be sunset shortly thereafter.

OVERVIEW

Project Phase	Implementation
Start Date	5/10/16
Est. End Date	6/30/21
Revised	3/1/23
Revised	12/31/24
Revised	4/25/25
Est. Total Cost	$7,381.3
Revised	$7,881.2

Project Description

The records management system (RMS) project will replace various nonpayer record storage with an integrated records management system.

Records Management System

Overall Status

The Department of Public Safety (DPS) was pursuing both the records management system (RMS) and computer-aided dispatch (CAD) projects simultaneously, but the agency separated the project timelines after going live with RMS in April 2023. DPS closed out CAD through the Project Certification Committee in July 2024 but continues to refine interfaces for RMS.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Rating	G	G	G	G	G	Rating
Schedule	Y	Y	Y	Y	Y	Rating
Risk	Y	G	G	G	G	Rating
Overall Rating	Y	G	G	G	G	Rating

Budget

The agency requested $500 thousand to continue with the implementation of RMS in FY26. However, the funds were not requested as a nonrecurring special IT appropriation. This appropriation is in the most current version of the General Appropriation Act, bringing the total estimated cost to $7.8 million.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$7,381.3	$0.0	$7,881.2	$7,381.3	$499.9	93.6%

Schedule

DPS went live with RMS in March 2023. The agency's schedule risk remains moderate given these delays, but RMS project activities remain low risk as the agency continues to refine its interfaces. The project is on track to close almost four years later than the initial anticipated end date. It is unclear if the agency is on track to closeout the project by April 2025, given its request for an additional $500 thousand, or if there are other potential cost increases not currently defined in the project's scope.

Risk

Because RMS has been implemented, the risk for that project is low. Both RMS and CAD have gone live, reducing overall project risk. Executive support remains high and DPS reports that the electronic warrants pilot has been successful.

OVERVIEW

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

Project Description

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

Law Enforcement Agencies Onboarding by June 30, 2025
New Mexico State Police
Eddy County Sheriff's Office
Bernalillo County Sheriff's Office
Albuquerque Police Department
Dona Ana County Sheriff's Office
Santa Fe County Sheriff's Office
Las Cruces Police Department
San Juan County Sheriff's Office
Rio Rancho Police Department
Santa Fe Police Department
Otero County Sheriff's Office
Chaves County Sheriff's Office
Roswell Police Department
Farmington Police Department
Hobbs Police Department
Alamogordo Police Department
Espanola Police Department

Source: DPS

Intelligence-Led Policing

Overall Status

The Department of Public Safety (DPS) is contracting with the New Mexico Institute of Mining and Technology Institute for Complex Additive Systems Analysis, Amazon Web Services, and Peregrine, through Carahsoft, for its intelligence-led policing project. DPS reports the two-phased project will finish by June 2027, with a new total cost estimate of $16.1 million.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	G	G	Y	Y	Y	Rating
Schedule	Y	Y	Y	Y	Y	Rating
Risk	G	G	G	G	Y	Rating
Overall Rating	G	G	Y	Y	Y	Rating

Budget

The agency has certified $5 million, almost all of its appropriations for phase one of the project. With an updated nonrecurring budget at $16 million, DPS expects a recurring cost of $4.7 million a year starting in FY28 to maintain the system. DPS certified $4.5 million at the Project Certification Committee in May 2025

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$9,585.0	$0.0	$9,585.0	$2,928.4	$6,656.6	30.5%

Schedule

Phase one is expected to be completed by June 2025, with the second phase to follow. DPS reports plans to split phase two into phase two (a) and phase two (b), despite the project initially starting as one whole phase. With a two-phased approach, the project schedule could be revised. DPS reports that 17 law enforcement agencies (LEAs) are supposed to be onboarded by the end of FY25, with 15 more LEAs to follow in phase two (a).

Risk

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

OVERVIEW

Project Phase	Implementation (Phase 1)
Start Date	8/27/20
Est. End Date	6/30/24
Revised (Phase 2)	9/20/26
Est. Total Cost	$9,930.0
Revised	$14,100.0
Revised	$16,400.0

Project Description

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

Phase One will focus on development of infrastructure and foundational policies and establishing shared collection of data sources for integration into RISE NM.

Phase Two will expand RISE NM through system enhancements, additional data sources, increased access, and expanded research questions through a public-facing portal.

Phase Three will further expand the number of data source systems and research questions available through RISE NM.

New Mexico Longitudinal Data System

Overall Status

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	R	R	R	R	Rating
Schedule	R	R	R	R	R	Rating
Risk	Y	R	R	R	R	Rating
Overall Rating	R	R	R	R	R	Rating

Budget

HED is now citing total project costs of $16 million, posing an increased risk. The agency has certified a total of $11.9 million through the Project Certification Committee but has been appropriated $16.4 million across state and federal funding, which should cover the project's revised estimated cost should there be no new scope changes or project delays.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$10,679.2	$5,755.6	$16,434.8	$8,911.4	$7,523.4	54.2%

Schedule

HED has executed several contracts for phase two, such as for independent verification and validation (IV&V), despite not having completed phase one. HED has not had an IV&V vendor for the project since September 2023, posing overall project risk due to the lack of third-party accountability. The agency has not started implementation work for its second phase, as it is still commencing planning work, and has split phase two into phase two (a) and phase two (b).

Risk

Currently, there is no vendor in place for phase two of the project for the project's implementation, posing some risk for the project overall. The biggest risks to the project are schedule and data quality.

OVERVIEW

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

Project Description

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

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) completed phase three by June 30, 2024, with all 28 boards and commissions live in Salesforce. Phase four, which includes the Alcohol and Beverage Control Division, also went live on June 30, 2024. Both phases were accepted by RLD leadership, and vendor invoices were paid. RLD is now proceeding with procurement for phase five.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	G	G	G	G	Rating
Schedule	Y	G	G	Y	Y	Rating
Risk	Y	G	G	G	G	Rating
Overall Rating	Y	G	G	G	G	Rating

Budget

RLD certified $586 thousand in February 2025 for phase five of the project, bringing the total available amount of funding to $17.1 million. The $586 thousand is to go towards a new Independent Verification and Validation contract for the next phase, as well as a pending Carahsoft contract for Salesforce integration. Since FY19, the department has received $20 million through the General Appropriation Act for the modernization.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
$17,160.3	$0.0	$17,160.3	$16,574.2	$586.1	96.5%

Schedule

RLD closed-out phase four in February 2025 and is in the procurement process for phase five for its Finance Industries Division. The department expects contracts to be finalized by April 2025. However, phase five's scope of work does not have current due dates given the stage of procuring contracts, and the project's schedule is rated yellow for the second quarter of the fiscal year, with opportunity to change as RLD finalizes and executes contracts and deliverables for phase five.

Risk

All project risks have been closed in coordination with RLD leadership for phase four. The adjusting of scope while onboarding a new contractor poses some risk to the project, but RLD remains on the project's budget overall.

Investment Performance Quarterly Report, Third Quarter, FY25

State investment balances increased by $7.0 billion, or 8.6 percent, compared with this time last year. Investments were weak in the quarter period, although they rebounded slightly from the second quarter of FY25. One-year returns were relatively low, ranging from 4.5 percent (STPF) to 7.8 percent (ERB), a significant reversal from 2024 when one-year returns were high. The state's risk-averse allocations performed better than peer funds in the quarter period amid volatile markets. The fund managed by the Educational Retirement Board continued to demonstrate strong performance, with the state's best long-term returns and a more optimized risk profile than other large state investments.

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), the severance tax permanent fund (STPF), and the early childhood education and care trust fund (ECTF).

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

Investment Performance Highlights

- The value of New Mexico's combined investment holdings grew by $1.4 billion quarter-over-quarter, to an ending balance of $88.5 billion, with gains bolstered by contributions of excess oil and gas revenues to the ECTF and the STPF. For the year, funds increased by $7.0 billion, or 8.6 percent. Over the last five years, the state's combined investment holdings grew by $39.0 billion, or 78.9 percent.
- One-year returns were modest for all funds, ranging from 7.8 percent (ERB) to 4.5 percent (STPF). Average annualized investment returns over the last 10 years ranged from 7.6 percent (ERB) to 5.9 percent (STPF).
- Inflows of oil and gas taxes and royalties across the LGPF, STPF, and ECTF made up 40 percent, or $2.8 billion, of the one-year value increase across all funds. STPF performance is lowered by the allocation to New Mexico investments, which typically provide a lower return. ERB and PERA balances were moderated by benefit payments greater than contributions typical for pension funds.
- Each fund met its long-term return target in the five-year period. Only ERB met its long-term target in any other period.[1]

Aggregate Value of New Mexico Investment Holdings

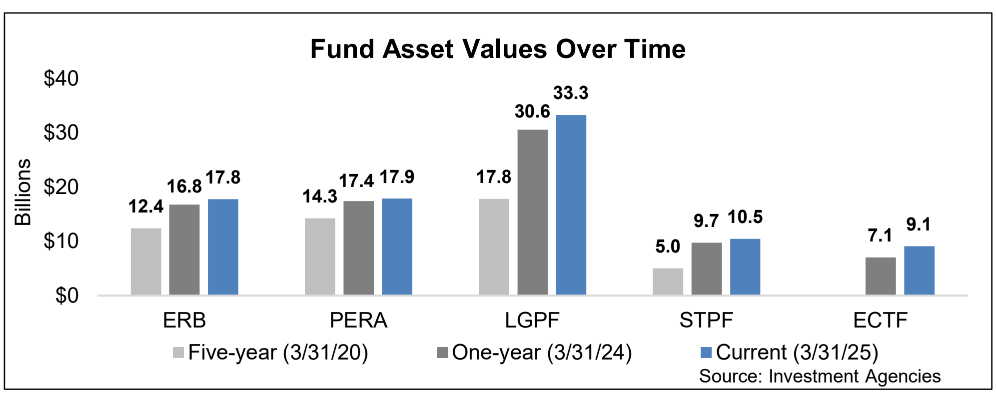
$88.5 billion

Note: does not include general fund investments.

Annual Combined Growth of all Funds

$7.0 billion
8.6%

Note: does not include general fund investments.



Five-Year Annualized Returns

Fund	Returns
ERB	10.24
LGPF	9.57
PERA	8.57
STPF	7.88

Source: Investment Agencies

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

Pension Fund Agencies

About the Funds

PERA and ERB manage state pension funds that offer members guaranteed life-long monthly benefits after retirement. Both members and employers make contributions. PERA members are New Mexico public employees. ERB members are New Mexico public education employees. The pension funds are invested to generate income that covers the gap between contributions and benefit payments. Pension funds offer a major benefit to state employees and are often cited as a major benefit of a career in the public sector. However, they also represent one of the state's largest long-term liabilities, and the health of the funds is important to monitor.

Pension fund investments grew by $1.5 billion, or 4.3 percent, over the year. Annualized returns for the Educational Retirement Board (ERB) was above their long-term targets in the one-year period but returns for the Public Employees Retirement Association (PERA) were not. Only ERB exceeded that target in the five- and 10-year periods. ERB allocated more of its assets to U.S. equity and alternatives while PERA allocated more of its portfolio toward fixed income.

Table 1

Pension Funds Asset Values (net of fees)

Period ending 3/31/2025

	Value as of			
Fund	**3/31/24**	**3/31/25**	**Value Change**	**Percent Change**
ERB	$16,758.3	$17,751.7	$993.4	5.9%
PERA	$17,400.8	$17,874.7	$474.0	2.7%
Total	**$34,159.1**	**$35,626.4**	**$1,467.4**	**4.3%**

Source: ERB, PERA

ERB. ERB's annualized returns outperformed the fund's long-term target of 7 percent in each period except for the three-year period. The fund outperformed its policy index, a performance benchmark, in each annualized period. The fund's return in the quarter, which is not annualized, was 0.95 percent while the policy index for that period was 0.50 percent. ERB's five-year average Sharpe ratio—a measure of how an investment's risk compares with its returns—ticked above one for the first time since 2022. A Sharpe ratio above one is generally considered to indicate the investment offers excess returns relative to volatility. ERB was the only large state investment fund with a Sharpe ratio above one.

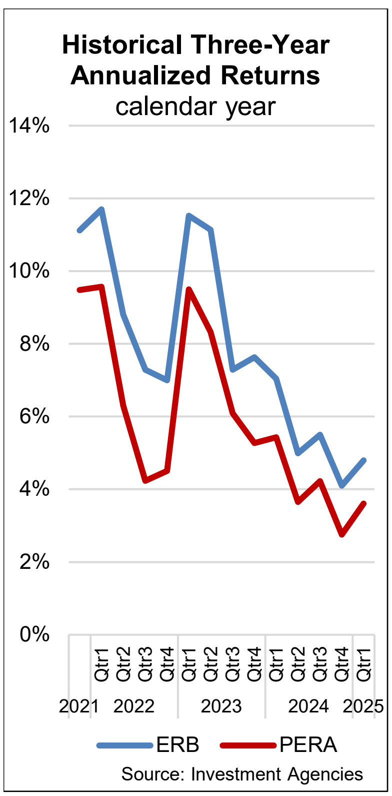
PERA. PERA's annualized returns outperformed the fund's long-term target of 7.25 percent only in the five-year period. The fund underperformed its policy index in each period except the 10-year period. The fund's return in the quarter, which is not annualized, was negative 1.37 percent, significantly below the policy index of 0.8 percent.

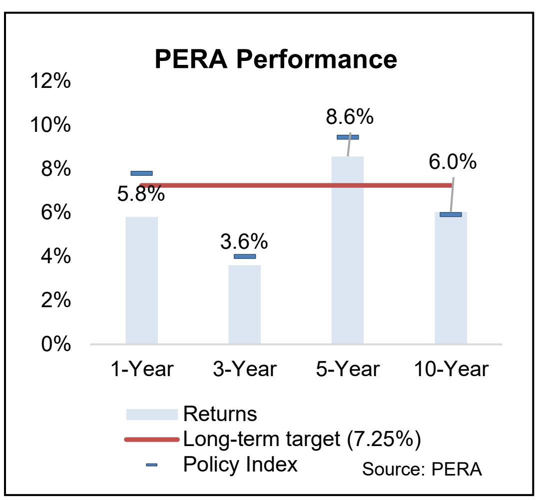
Membership Snapshot

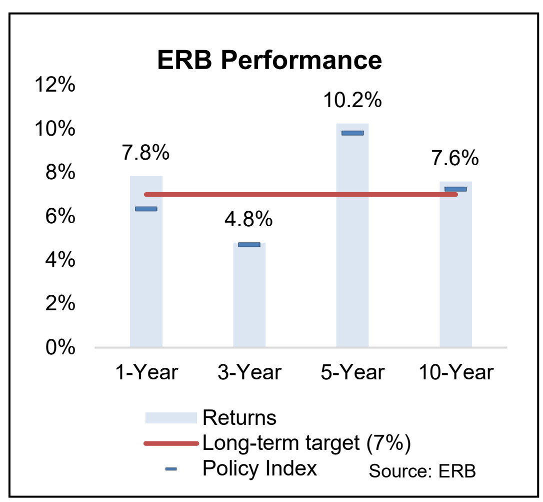
(thousands)

Type	PERA	ERB	Total
Active	55.7	61.5	117.2
Inactive	28.9	54.7	83.7
Retirees	47.1	54.8	101.8
Total	**131.7**	**171.0**	**302.7**

Source: PERA, ERB







SIC Long-Term Investment Funds

The long-term investment funds managed by the State Investment Council (SIC) grew by $5.5 billion, or 11.6 percent, over the year. Of the increased value, about half—51 percent—was the result of inflows of oil and gas taxes and royalties. The LGPF and the STPF failed to surpass their long-term targets in each period except the five-year period amid turbulent markets in the one- and three-year periods. LGPF failed to meet its long-term target in the 10-year period but only missed that benchmark by 0.07 percentage points. The STPF failed to meet its long-term target in the 10-year period for the eleventh consecutive period, missing its performance goal by 0.8 percentage points.

Table 2

Long-term Investment Funds Asset Values (net of fees)

Period ending 3/31/2025

	Value as of			
Fund	**3/31/24**	**3/31/25**	**Value Change**	**Percent Change**
LGPF	$30,586.6	$33,315.4	$2,728.8	8.9%
STPF	$9,743.5	$10,471.0	$727.4	7.5%
ECTF	$7,061.6	$9,114.5	$2,052.9	29.1%
Total	**$47,391.8**	**$52,900.9**	**$5,509.1**	**11.6%**

Source: SIC

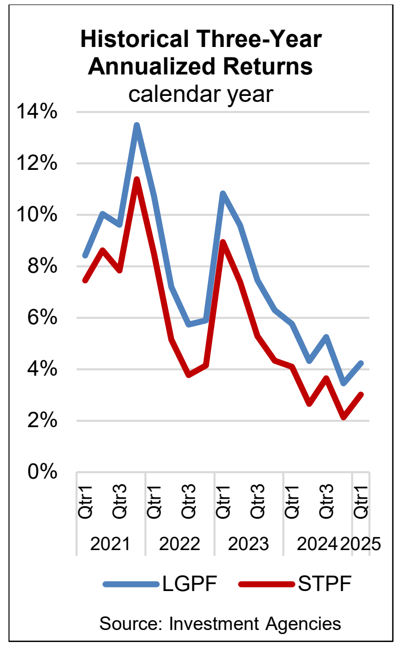
LGPF. The LGPF underperformed its long-term target of 7 percent in each period except the five-year period. The fund either surpassed or tracked very closely to its policy index for each annualized period. Over the year, the fund distributed $1.4 billion to beneficiaries and received $2.4 billion in revenues, primarily from royalties from oil and gas extracted on state lands.

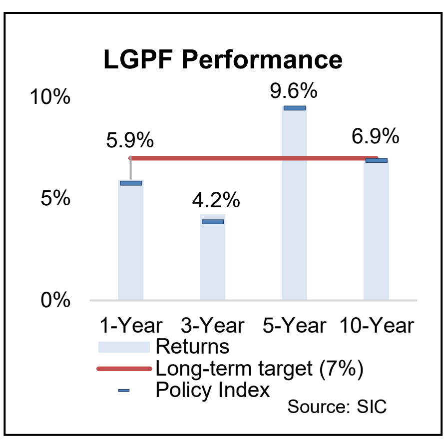
STPF. The STPF underperformed its long-term target of 6.75 percent in each period except the five-year period. The fund met or surpassed its policy index in the one-, three-, and five-year periods but failed to meet that benchmark in the 10-year period. The fund distributed $322 million to the general fund and received $618 million in oil and gas revenues. STPF returns are lowered by allocations to the in-state private equity program, the New Mexico Small Business Investment Corporation, and the small business recovery loan program. The impact of these allocations may be contrary to the state's expectation for the STPF to secure New Mexico's long-term fiscal health. To help address this, SIC recently changed its policy to require market-rate returns for the in-state portfolio moving forward.

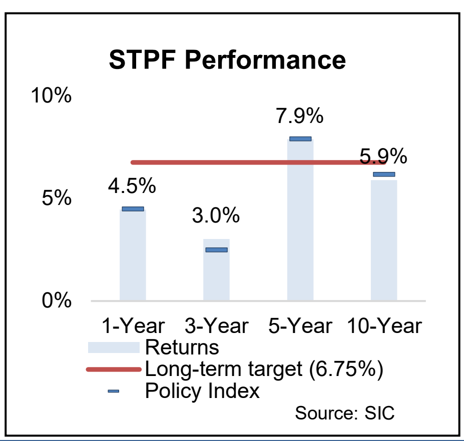
ECTF. The ECTF tracked closely with other SIC-managed funds, exceeding its policy index in each annualized period and performing better in both the one-, and three-year period compared with the LGPF and STPF. SIC recently approved a new asset allocation for the fund with a long-term return expectation of 6.8 percent. The ECTF received $1.8 billion in oil and gas revenues and distributed $250 million to the general fund. The ECTF allocation to cash and cash equivalents was 4 percent in March, a significant change from December 2024 when the allocation to cash and cash equivalents was 20 percent and a year prior when the allocation was 15.8 percent.

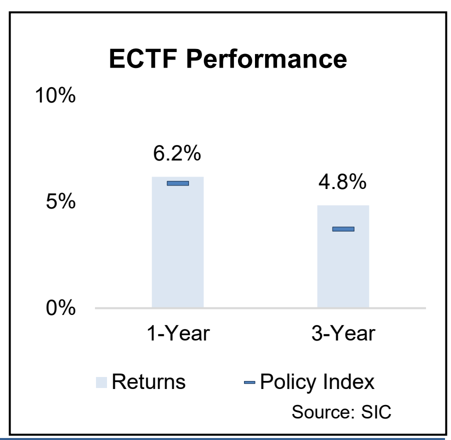
About the Funds

The state's long-term investment funds have a diverse history. The **land grant permanent fund (LGPF)** is a constitutionally protected fund created at statehood to invest proceeds from the use of natural resources on state lands. The fund receives royalties from state lands and makes distributions to the general fund earmarked for use in public schools. The **severance tax permanent fund (STPF)** is a constitutionally protected fund that receives severance taxes—taxes levied against the extraction of natural resources—not required for bond maintenance. The STPF makes distributions to the state general fund. The **early childhood education and care trust fund (ECTF)** is a statutorily created fund that receives above-trend oil and gas revenues and supports funding for education and early childhood.









Risk Profiles, Five Years Ending

Net of Fees, Period ending 3/31/2025

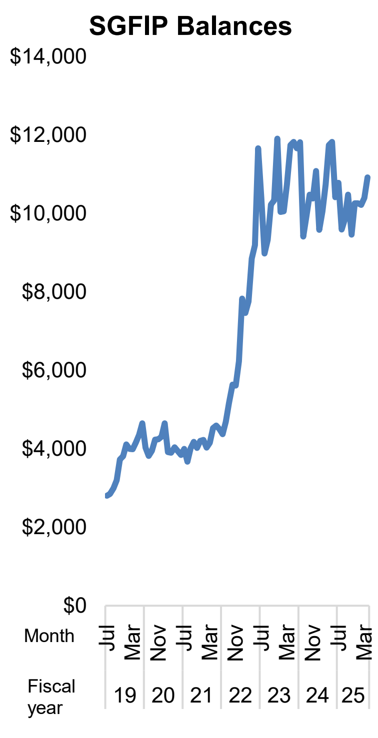
Fund	Standard Deviation[1]	Sharpe Ratio[2]	Beta[3]
PERA	7.0	0.8	0.4
ERB	5.9	1.2	0.3
LGPF	7.1	1.0	0.4
STPF	7.0	0.8	0.4

[1]Measures variability from the mean return; higher is more volatile.

[2]Higher numbers indicate higher return-to-risk level; a good ratio is 1 or better.

[3]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.

Source: Investment Agencies



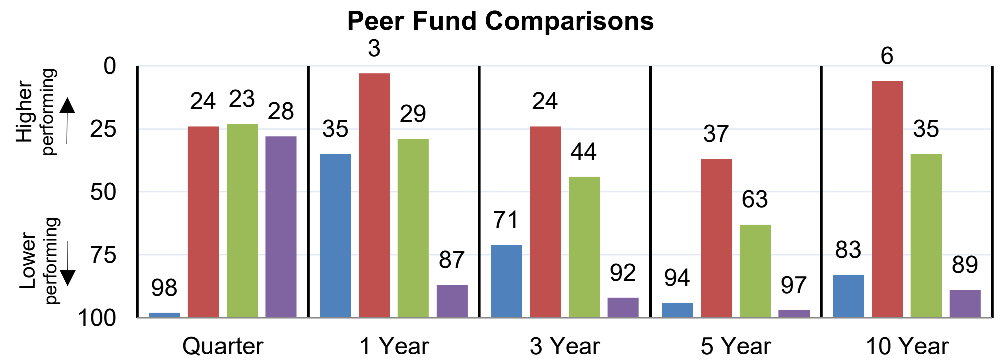
Note: Balances include both the core and liquidity portfolios.

Source: STO

Investment Dashboard

Comparison with Peer Funds

When compared with peer funds greater than $1 billion on a net-of-fee basis, New Mexico's large investment funds had varied performance, with ERB and the LFPF above the median and PERA and the STPF performing below the median. ERB was at or above the 25th percentile in all periods except the five-year period. STPF performed poorly compared with peer funds and was the only fund to perform near or below the 75th percentile for each period except the quarter. STPF performance is moderated by the allocation to differential rate New Mexico investments, which generate lower returns. PERA performed well compared with peers in the one-year period. However, the fund was at or below the 70th percentile in the three-, five-, and 10-year periods. All investments except PERA performed well compared to peer funds in the quarter period, where the state's investments benefitted from an overall risk-adverse portfolio.



Note: data from period ending March 31, 2025 and covers public funds larger than $1 billion net-of-fees.

Source: InvMetrics

General Fund Investment Pool

Table 3

General Fund Investment Pool

Period ending 3/31/2025

Fund	Value as of 3/31/24	Value as of 3/31/25	Value Change	Percent Change
GF Core	$5,502.2	$6,132.2	$630.0	11.4%

Source: STO

Table 4

General Fund Investment Pool – Core Portfolio

Period ending 3/31/2025

	Performance Quarter	Performance 1-Year
GF Core	0.38%	3.56%
Benchmark - *Treasury 0-5 Year*	0.25%	3.05%
Relative Performance	**0.13%**	**0.51%**

Source: STO

The State Treasurer's Office (STO) acts as the state's bank when receipts are deposited and later pooled into a statewide investment fund, known as the state general fund investment pool (SGFIP). The SGFIP has a liquidity portfolio, structured to meet the immediate cash needs of the state, and the core portfolio, which invests balances not necessary to meet the state's short-term cash flow needs over a longer time horizon.

The general fund core portfolio exceeded its benchmark over the quarter by 0.13 percentage points and by 0.51 percentage points over the year.