Highlights

Performance Trends

Halfway through the fiscal year, more programs are showing signs of improvement than those that are losing ground and just seven programs were rated red; however, only a third of the 66 programs with ratings met their targets and were rated green. Performance has improved in all programs in the Children, Youth and Families Department but the agency continues to fall far short of the national average on repeat maltreatment of children and still has higher-than-typical numbers of children in foster care. In the Health Care Authority, the Medical Assistance Program, although rated yellow overall, continues to miss a majority of its targets by significant margins, and the Income Support Program, subject to a court consent decree, is rated red on every measure and overall.

Nevertheless, the state continues to see strong performance in the Public Safety, Transportation, Economic Development, Tourism and Energy, Minerals and Natural Resources departments. Performance has also improved in two programs in the Taxation and Revenue Department, but performance in Compliance Enforcement, a key player in tax collections, is rated red.

Among the findings in the quarterly report cards:

Education

Public Education Department, page 7. Student enrollment once again fell by 0.9 percent, continuing a trend of declining enrollment since FY15. PED has finalized a new rule requiring all schools to provide 180 instructional days with limited exceptions, and the agency has increased staffing to 291 FTE.

Higher Education Institutions, page 8. New Mexico higher education institutions, particularly four-year schools, continue underperforming the national average in student graduation and retention. Currently, New Mexico institutions graduate 47.1 students within six years, compared with the national average of 58.9 percent. To reach the national average six-year graduation rate, New Mexico four-year institutions would need to graduate 578 more students per year. The low graduation rates come despite New Mexico higher education revenue significantly exceeding the national average. In 2022, total higher education revenue per full-time student totaled $23.3 thousand, compared with $17.4 thousand nationally.

Child Well-Being

Early Childhood Education and Care Department, page 11. The Early Childhood Education and Care Department (ECECD) added several additional measures in FY24 for the support and intervention program. Several measures are annually reported at the close of FY24. ECECD reported Medicaid home visiting enrollment of only 365 families, far short of the performance target of 1,250 and below the previous fiscal year.

Children, Youth and Families Department, page 15. Repeat child maltreatment remains persistently higher than the national average, at 13.9 percent. In addition, the number of youth in foster care in December totaled 1,996, slightly lower than the peak in September 2023 but 17 percent higher than December 2023. Performance data suggests continued high turnover rates and vacancies in Protective Services may be contributing to lengthier stays in foster care, with several indicators of time-to-permanency lower than performance targets. The percentage of older youth in protective services custody placed in a less restrictive, community-based setting increased by 2 percent, though the measure remains lower than FY23 performance levels and agency targets. CYFD reports taking a variety of steps to address performance gaps, including establishing teams focused on recruiting and retaining foster families.

Health

Health Care Authority, page 21. The Legislature has invested heavily in Medicaid over the last decade, including hundreds of millions of dollars in the past five years for provider rate adjustments. For FY25 and beyond, the Legislature built on these increases by injecting more than $1 billion for additional rate adjustments primarily to hospitals but also to increase reimbursement for rural primary care and developmental disability service providers. However, in the past, because of the managed care process and the need in many cases to renegotiate provider agreements, these rate adjustments have not always resulted in better rates or timely increases for providers. With close to half of the state's population enrolled in the Health Care Authority's Medicaid Program, the authority will need to ensure new rate adjustments and other spending items are timely and reach intended providers.

Behavioral Health Collaborative, page 25. When the Behavioral Health Collaborative (BHC) was established in 2004 the vision was to create a single statewide behavioral health delivery system. However, the collaborative's administrative services organization (ASO) only tracks general fund spending and performance data and does not include Medicaid behavioral health, the largest purchaser of these services. The collaborative should enhance its role coordinating overarching behavioral health services across state agencies, including Medicaid. Performance data across agencies would provide a comprehensive overview of the systemic outcomes.

Department of Health, page 27. The Department of Health's reported mixed results in performance across the agency during the second quarter of FY24. State health indicators, especially those related to substance use disorder, contribute to overall declines in the health of at-risk populations in the state. Occupancy of licensed beds in state facilities statewide continues to fall well below targeted performance. Despite low census, the department is reporting increased overtime and contracted direct services are raising costs. Lower than expected revenues and high personnel and contract costs continue to lead to strained finances in the program.

Aging and Long-Term Services Department, page 31. The Aging and Long-Term Services Department reported some improvement in performance during the second quarter of FY24. The Aging Network is on track to meet targeted performance for the hours of caregiver support for FY24; previously, the program had struggled to meet prepandemic levels. The department reported the number of hours of caregiver support were 16,658 hours of respite care, 16,536 of adult daycare, 15,356 hours of homemakers, and 2,179 hours of other support services.

Economic Development

Economic Development Department, page 34. The Economic Development Department created 308 jobs in the second quarter. EDD assisted 20 companies with different funding and programs in the second quarter—including $3.4 million in LEDA commitments to five different companies with an expected private investment of $76 million over the extent of their LEDA agreements. The Trails+ outdoor infrastructure program awarded $1.7 million to 12 projects in December—expecting to create 38 seasonal, part-time, and full-time jobs over the next two years. The outdoor equity fund awarded $1 million to 30 organizations in December and expects to reach approximately 6,500 youth. The Film Division saw slight increases in indicators compared to the first quarter, due to the restart of film productions after the resolution of the writers and screen actors strikes.

Tourism Department, page 37. In the second quarter, the Tourism Department generated $8.3 million in earned media and secured 23 media mentions. The department also released a holiday gift guide and a 30-second in-state advertisement to encourage residents to shop local for holiday purchases. The number of participants in the New Mexico True certified program increased by 13 organizations, or 2.9 percent, in the second quarter.

Workforce Solutions Department, page 39. New Mexico continues to have a low labor force participation rate (LFPR). Coupled with a low unemployment rate and shortages in key professions, New Mexico must do more to entice prospective workers off the sidelines. While many of the outcome measures for Workforce Innovation and Opportunity Act programs are in the green, the number of people participating has declined. The department's efforts to improve the state's LFPR will require larger outreach efforts and case management services. Additionally, labor relations investigation metrics and unemployment insurance claims processing metrics fell below targets. A December 2023 court ruling will require WSD to meet new labor relations claim processing standards, and the agency will receive additional staff in FY25 to help meet these targets.

Justice and Public Safety

Department of Public Safety, page 45. The Department of Public Safety (DPS) made significant headway in implementing pay increases for state police officers and dispatchers, along with efforts to reduce vacancies and bolster the workforce across various divisions. The New Mexico State Police (NMSP) focused on reducing crime through enforcement activities and improved data intelligence, including the implementation of a new records management system and the hiring of data analysts. Additionally, the Statewide Law Enforcement Support Programs continued to increase the number of agencies reporting to the National Incident-Based Reporting System and the continued hiring for the new Law Enforcement Certification Board to oversee misconduct investigations and certifications. Despite challenges such as workforce shortages and high vacancy rates in certain divisions like the forensic laboratory, DPS continued to enhance law enforcement capabilities and efficiency throughout the state.

Corrections Department, page 49. In the second quarter of FY24, the Corrections Department (NMCD) saw mixed results. While vacancy rates and turnover among correctional officers decreased, recidivism rates for participants in certain drug abuse programs increased. The state's inmate population continued its decline but is expected to stabilize. NMCD faced staffing challenges with high vacancy rates, particularly among correctional officers, while reentry initiatives expanded with increased partnerships for offender sustainability. Additionally, community corrections noted stable vacancy rates among probation and parole officers but faced challenges in reducing absconder rates, especially among those with unstable employment or housing.

Courts and Justice, page 53. Positive performance trends within the judiciary seen in the first quarter of FY24 have largely continued in the second quarter. Courts increased clearance rates while also maintaining a productive time to disposition. The Public Defender Department continued to address recruitment and retention rates while also maintaining positive adjudication rates. While issues remain with district attorney data, such as a lack of transparency and a gap in how much information is reported, New Mexico's judiciary agencies seem to have bolstered their ability to provide swift and certain justice and provide adequate defense to indigent peoples in the first half of FY24.

Natural Resources

Energy, Minerals, and Natural Resources Department, page 57. The Energy, Minerals and Natural Resources Department (EMNRD) received record levels of state and federal funding in FY24 as it increased activity across several divisions. The federal Infrastructure Investment and Jobs Act delivered $25 million for orphaned well cleanup, $960 thousand for the energy efficiency revolving loan program, $2.4 million for abandoned mine remediation, and $5 million for wildfire prevention, readiness, and firefighting equipment. The Hermits Peak-Calf Canyon area will undergo hazard tree thinning thanks to a $6 million federal grant. Additionally, the trend seen in FY23 of more firefighters being trained by the agency's Forestry Division has continued in FY24. The Oil Conservation Division issued 1,531 violations across the state's oil-producing basins, over half of the amount they made in all of FY23.

Office of the State Engineer, page 60. OSE made progress toward reducing New Mexico's interstate stream compact compliance debts, while also increasing the number of offers submitted to defendants through its Litigation and Adjudication Program. The Dam Safety Bureau continued to address its backlog but is constrained by staff shortages that impact the performance of the Water Resource Allocation Program, which otherwise met or exceeded all its performance targets. Legislative approval of some key capital projects management staff may help allow the bureau to focus on its core mission. The state's cumulative Pecos River Compact credit continues to be positive and is attributable primarily to the 2003 Pecos Settlement Agreement and significant state investment in its implementation, including the purchase of water rights and construction of two augmentation well fields.

Environment Department, page 62. The Environment Department's (NMED) regulatory programs continued to deliver mixed results on compliance levels in the second quarter of FY24, while also trying to tackle the challenge of attracting technical staff in a competitive employment landscape. Despite the anticipated influx of drinking water state revolving fund (DWSRF) set-aside grants for infrastructure projects and programmatic costs, following the passage of the federal bipartisan infrastructure bill, these funds are secured only until 2026. To address staffing issues, some NMED programs are collaborating closely with State Personnel to reclassify certain positions, making them more competitive. The department is actively working to reduce the vacancy rate, despite a minor increase in the vacancy rate from the previous quarter's 19 percent to the current 20.9 percent. Despite significant investments in personnel by the Legislature to add capacity, the agency's recruitment and retention of key staff continues to be a challenge.

General Government

General Services Department, page 65. The department's Risk Management Program has seen a number of large payouts, leading to lower reserves in the public liability fund and a $20 million special appropriation. Year-over-year, claims payments are up by $6.5 million, or 21 percent, with a small number of agencies accounting for most expenses, including the University of New Mexico Health Sciences Center, Corrections Department, and Children, Youth and Families Department.

State Personnel Office, page 70. The State Personnel Office has prioritized reducing the time it takes agencies to fill vacant positions, with the time falling to 60 days, with some agencies completing the process in as little as 19 days. Vacancy rates for classified employees remain stubbornly high, largely due to an increase in the number of authorized positions. Turnover among new employees remains high.

Taxation and Revenue Department, page 72. The Motor Vehicle Division (MVD) is preparing to launch mobile driver's licenses. The Audit Compliance Division collected $120.5 million, 13.7 percent, of the state's $1 billion in outstanding taxes, a 5.1 percent increase above tax collections in the first quarter. Sole proprietors remain the largest category of outstanding tax collections, with a collectible balance of $487.5 million in the second quarter of FY24. The agency vacancy rate has remained steady at 22 percent, which mirrors the second quarter of FY23.

Infrastructure

Department of Transportation, page 75. Significant nonrecurring investments provide the department with resources to invest in the state's road system. The department has 32 major projects scheduled to go to bid over the next year. The department has nearly met its annual goal for pavement preservation only halfway through the fiscal year, but the percentage of projects completed on time is below target. However, the number of traffic fatalities remains high, with 220 fatalities in the first half of the fiscal year.

Information Technology Projects, page 79. The cybersecurity project managed by the Department of Information Technology (DoIT) closed as DoIT transitions to the new Cybersecurity Office. Several projects outside of DoIT management are trending the same, with no substantial changes to project statuses. The Corrections Department's offender management system replacement project closed out on schedule in December 2023.

Investments

Fund Performance, page 91. The value of New Mexico's combined investment holdings grew by $3.6 billion quarter-over-quarter, to an ending balance of $77.6 billion. For the year, funds gained $13.6 billion, or 21.2 percent. Over the last five years, the state's combined investment holdings grew $26.2 billion, or 51 percent. When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's risk-averse investments generally performed worse than peer funds in the quarter and one-year period but better in the three-, 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	Q1	Q2	
Early Childhood Education and Care Department			
Family Support and Intervention	Y	Y	
Early Education, Care, Nutrition, and PreK	Y	Y	
Policy, Research, and Quality	Y	Y	
Children, Youth and Families Department			
Protective Services	R	Y	↑
Juvenile Justice Services	R	Y	↑
Behavioral Health Services	R	Y	↑
Public Education Department			
Department Operations	R	Y	↑
Department of Health			
Public Health	Y	Y	
Epidemiology and Response	Y	Y	
Scientific Laboratory	G	G	
Facilities Management	Y	Y	
Developmental Disabilities Support	Y	Y	
Health Certification Licensing and Oversight	Y	Y	
Aging and Long-Term Services			
Consumer and Elder Rights	Y	Y	
Adult Protective Services	G	G	
Aging Network	Y	Y	
Health Care Authority			
Medical Assistance	Y	Y	
Income Support	R	R	
Child Support Enforcement	Y	Y	
Behavioral Health Collaborative			
Behavioral Health	Y	Y	
Courts and Justice			
Administrative Support	Y	Y	
Special Court Services	Y	G	↑
Public Defender	G	G	
Department of Public Safety			
Law Enforcement	G	G	
Statewide Law Enforcement Support	Y	G	↑
Corrections Department			
Inmate Management and Control	Y	Y	
Reentry	Y	Y	
Community Offender Management	Y	Y	
Energy, Minerals and Natural Resources			
Energy Conservation and Management	G	G	
Healthy Forests	G	Y	↓
State Parks	G	G	
Mining and Minerals	G	G	
Oil Conservation	Y	Y	

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

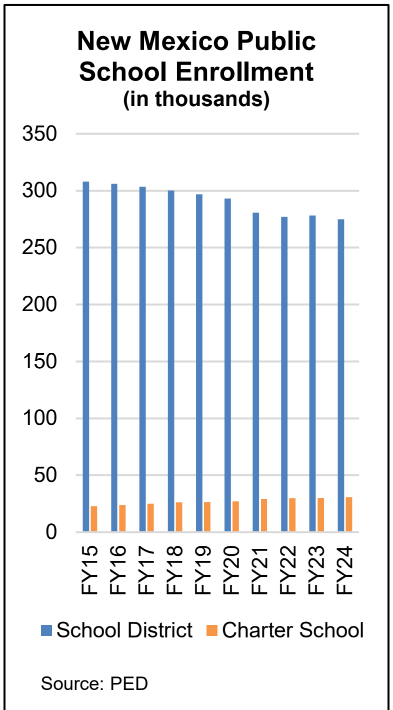
Programs with a Rating Upgrade	8
Programs with a Rating Downgrade	5
Total Q2 Green Ratings	22
Total Q2 Yellow Ratings	37
Total Q2 Red Ratings	7

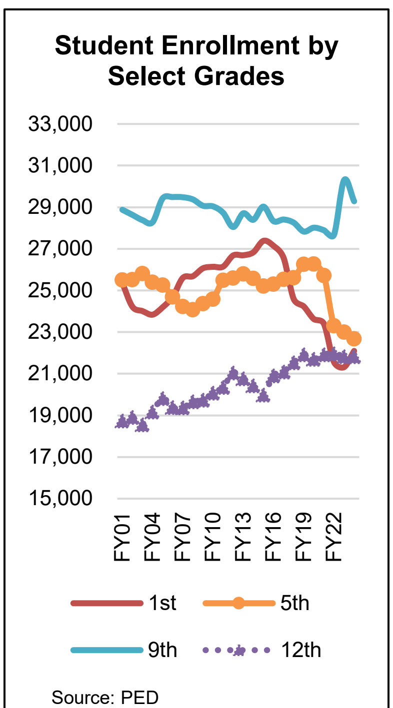
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Public Education Department
Second Quarter, Fiscal Year 2024

ACTION PLAN

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





Public Schools

In the second quarter, the Public Education Department (PED) showed some improvements in processing reimbursements and auditing funding formula components. The agency has recently ramped up the hiring of new staff, reaching a high of 291 FTE as of March 1, 2024. Additionally, student enrollment continues to fall, and PED has finalized new rules for school calendars, requiring most school districts and charter schools to provide 180 days of instruction with limited exceptions.

Student Enrollment

Funded enrollment during the 2022-2023 school year fell to 305.5 thousand students, a decrease of 2,640 students (or 0.9 percent) from the previous year. PED anticipates enrollment will continue to decrease in the 2023-2024 school year at a similar rate. Since the 2014-2015 school year, student enrollment has steadily decreased—a total loss of 26.4 thousand students (or 8 percent)—mostly due to declining birthrates, out-of-state migration, and school closures during the pandemic.

Notably, the ninth-grade cohort increased by 2,627 students, or 9.5 percent, in the 2021-2022 school year—the year following school closures. Unlike elementary grade level counts (which are based on age), secondary students are counted based on the number of course credits they have completed. This abnormal spike in students still considered a part of the ninth-grade cohort after school closures during the pandemic suggests some ninth graders in the 2020-2021 school year did not complete enough high school courses to move on to 10th grade, potentially delaying their graduation and increasing their risks of dropping out.

A 2024 LFC progress report on high school graduation found chronic absenteeism rates for ninth and 10th graders were the highest in 2021, which will likely impact New Mexico's high school graduation rate in upcoming years. The report also noted 67 percent of students who drop out of high school tend to do so by ninth or 10th grade. In FY10, only 12 percent of students who repeated the ninth grade graduated on time and 37 percent dropped out of school.

While the ninth-grade cohort for FY24 remains markedly higher than all other grade levels, this cohort will likely begin to shrink in FY27, as the last large kindergarten cohort from FY15 reaches high school. Recent changes to high school graduation requirements, notably the removal of algebra 2 requirements, will likely increase graduation rates and increase participation in career technical education (CTE) programs. To ready a shrinking population of students for both college and careers, the state should ensure CTE pathways are designed with opportunities to both learn industry-recognized skills and earn higher education credentials.

School Calendars

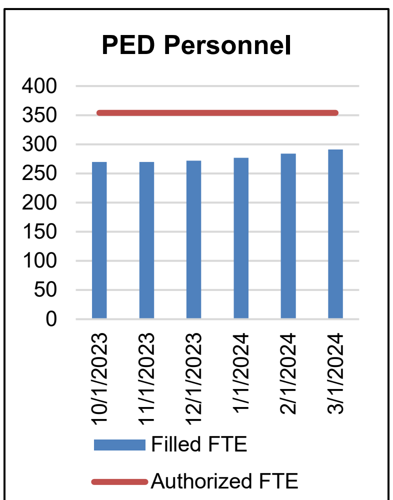
PED recently adopted new regulations for school calendars and instructional hour requirements, updating an outdated rule from 2010 relating to requirements for a 180-day school calendar. The department's new rule requires all school districts and charter schools to provide at least 180 days of instruction to all students, except for early college

New 180-Day Rule

Beginning in the 2024-2025 school year, districts and charters must provide each year:

- At least 180 instructional days and 1,140 instructional hours,
- At least 5.5 hours for full days or 3.5 hours for half days,
- At least 0.5 hour for lunch daily,
- At least 3.5 hours of instruction daily for secondary students,
- At most 7.5 hours of instruction daily,
- At most 4 days (or 32 hours) of remote instruction, half of which must be synchronous, and
- Up to 60 instructional hours for primary grades and up to 30 hours for secondary grades can be used for professional work hours, provided these hours are scheduled before, after, or on a day other than the minimum 180 instructional days.

The rule allows the PED secretary to waive some of these time requirements on a case-by-case basis for reasons related to student performance, school type, or unique hardships.



Source: PED

high schools and school districts or charter schools demonstrating significant reading test performance. Nearly half of the districts and charters, or 86 local educational agencies, across the state provide less than 180 instructional days.

Recent PED guidance indicates exemptions to the 180-day requirement for the 2024-2025 school year will be granted for school districts or charter schools with:

- 80 percent or higher overall reading proficiency rates,
- 8 percentage point improvement in reading proficiency rates over the prior year if overall reading proficiency rates are between 65 percent and 80 percent,
- 10 percentage point improvement in reading proficiency rates over the prior year if overall reading proficiency rates are between 45 percent and 65 percent, or
- 15 percentage point improvement in reading proficiency rates over the prior year if overall reading proficiency rates are below 45 percent.

Districts and charters can submit two school calendar proposals for the 2024-2025 school year for PED approval, as schools await final reading test scores from the 2024 assessments. However, based on overall reading proficiency rates and growth rates from the 2023 assessment, only six school districts and 13 charter schools would have qualified for an exemption if implementation had occurred this year.

Department Operations

In October, PED began leasing a 17.6 thousand square foot satellite office for employees in Albuquerque, near Jefferson and Masthead, for $340 thousand per year. The facility will house 100 FTE and is leased through June 2029. In November, the agency also began leasing a 2,400 square foot satellite office in Las Cruces for $37.1 thousand. The department credits improvements in staff retention to the availability of these satellite offices.

Budget: $22,589.0 **FTE:** 270.0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average days to process reimbursements	37	38	22	44	30		Y
Average days to process budget adjustments	8	7.2	10	5.9	7.9		G
Data validation of funding formula components	24	12	30	0	7		Y
Initiative funding awarded by September 1	90.3%	95.6%	95%	53.7%	53.7%		R
Program Rating	R	R					Y

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

Recently, PED increased staffing to 291 FTE, adding 1 FTE in the second quarter and hiring 19 FTE in the third quarter. The department largely reduced vacancies in its financial and IT divisions, leaving most remaining vacancies within select program areas and a new office of special education.

PERFORMANCE REPORT CARD
Higher Education Institutions
Second Quarter, Fiscal Year 2024

ACTION PLAN

Submitted by agency? No

Six-Year Graduation Rates

Institution	2013	2022
ENMU	28.8%	41.3%
IAIA	25.0%	27.3%
NTU	43.3%	8.8%
NMHU	18.4%	25.5%
NM Tech	44.2%	55.0%
NMSU	43.3%	50.9%
Northern	15.1%	39.6%
UNM	48.3%	51.7%
WNMU	17.0%	31.1%
NM Avg.	**41.2%**	**47.1%**

U.S. Avg.	**55.0%**	**58.9%**

Source: IPEDS

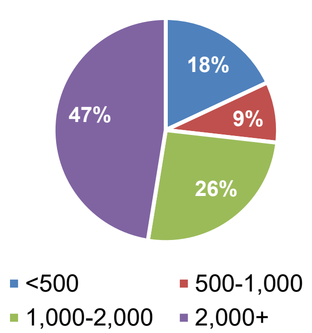
Four-Year Graduation Rates

Institution	2013	2022
ENMU	10.8%	20.3%
IAIA	15.2%	20.0%
NTU	N/A	0.0%
NMHU	5.5%	20.4%
NM Tech	22.4%	30.0%
NMSU	14.8%	26.4%
Northern	50.0%	5.7%
UNM	12.3%	33.7%
WNMU	2.5%	14.9%
NM Average	**12.9%**	**28.8%**

U.S. Average	**30.8%**	**41.6%**

Source: IPEDS

Distribution of N.M. Students by Institution Freshman Class Size



Source: IPEDS

New Mexico colleges and universities have historically underperformed the national average graduation rate for both full-time and part-time students. While both two-year and four-year schools have historically underperformed, the gap is largest between the four-year institutions, which account for nearly 60 percent of total enrollment and 63 percent of state higher education appropriations. Addressing low retention and improving graduation rates is essential to ensure New Mexico students are able to successfully transition from college to career.

Low retention and graduation rates may result from a variety of factors, including the cost of education, academic preparedness, and other stressors. The state committed $146 million for tuition-free college through the opportunity scholarship and additional funding has been appropriated for the past two years for undefined student support programs. Moving forward, institutions will be challenged to quickly set meaningful, attainable performance goals and follow that up with a robust performance monitoring plan to direct these additional resources to programs that show improvement.

Graduation

While graduation rates at four-year schools in New Mexico continue to lag the nation, rates of New Mexico students increased at a faster pace than the national average over the past decade, with improvements at every state-controlled four-year school.

LFC analysis of federal data shows graduation rates vary significantly based on school size, with smaller public schools having much lower graduation rates than the largest schools. The table below compares New Mexico and U.S. average graduation rates based on the size of the entering freshman class of the institution and provides the number of additional graduates needed to meet the national average.

Analysis of U.S. Versus N.M. Graduation Rates
(Based on Completion Within 150% Standard Time)

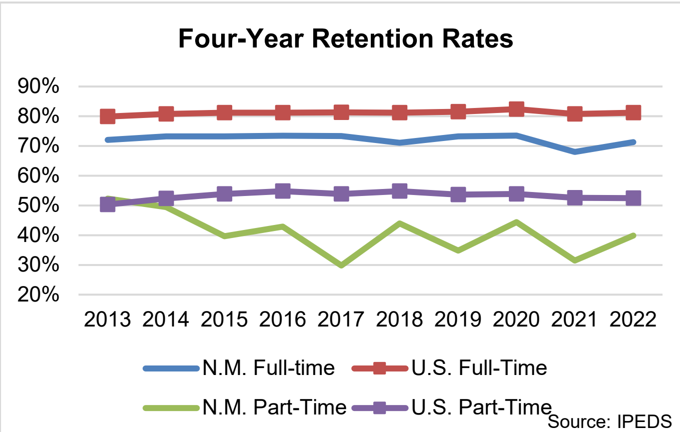
Freshman Class Size	U.S. Grad. Rate	NM Grad. Rate	Add'l Grads. to Match U.S. Average
<500	38.4%	32.1%	81
500-1,000	40.3%	41.3%	0
1,000-2,000	49.8%	50.9%	0
2,000+	66.5%	51.7%	497
Grand Total	**58.9%**	**47.1%**	**578**

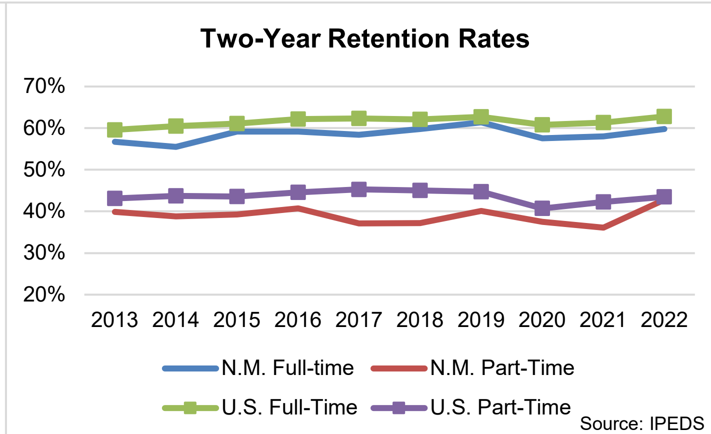
Source: LFC analysis of IPEDS Data

New Mexico has a much higher proportion of students attending small institutions than the national average, 18 percent versus 5 percent, respectively. This means that even if the state were to match the size-based graduation rates for all four-year institutions, New Mexico would still lag the national graduation rate by 4 percent. Because of this dynamic, the state's small institutions would need to outperform the U.S. average for small institutions to meet the national average graduation rate.

Retention

Federal data show retention at New Mexico higher education institutions, both two-year and four-year, improved from 2021 to 2022, but remains under the national averages for both sectors. Recent increases in funding for student financial aid through the opportunity scholarship and new investments made by the Legislature for student support services may help improve services available to students.





Affordability

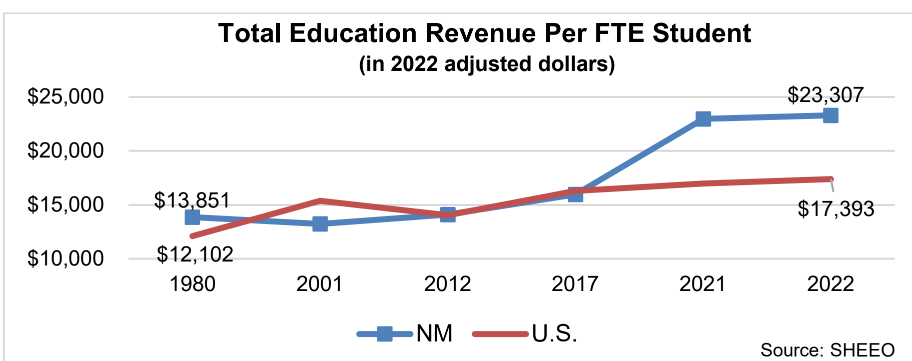
Regional Comparison of Pell-Eligible Students

State	% Pell-Eligible	Avg. Pell Award
AZ	32%	$ 4,590
CO	23%	$ 4,921
NM	38%	$ 4,952
NV	29%	$ 4,137
OK	32%	$ 4,700
TX	33%	$ 4,746
UT	23%	$ 5,351
Region	**31%**	**$ 4,758**

Source: IPEDS

According to national data collected and analyzed by the College Board, New Mexico public four-year colleges increased tuition by 27.5 percent over the past five years, the third-largest tuition rate increase in the nation. Community college tuition increased by 15.9 percent, the 13th largest increase in the nation. Despite the increases, tuition at New Mexico public four-year institutions ranked 41st in the nation while tuition at two-year colleges ranked 49th. The College Board analysis found that only five states (including New Mexico) increased tuition at a rate sufficient to keep pace with inflation increases while only two states increased tuition faster than inflation at two-year institutions.

Low tuition rates likely result from the high subsidies provided to New Mexico colleges and universities; the state ranks 4th in the total state appropriations per full-time equivalent student and ranks 6th in total funding, including state, local and federal appropriations and tuition.



New Mexico college students are poorer than their regional peers, with 38 percent of four-year students qualifying for a Pell grant in the 2021-2022 academic year. However, New Mexico also has a robust financial aid program through the lottery and opportunity scholarships that pays most of the tuition charged to students by the institutions.

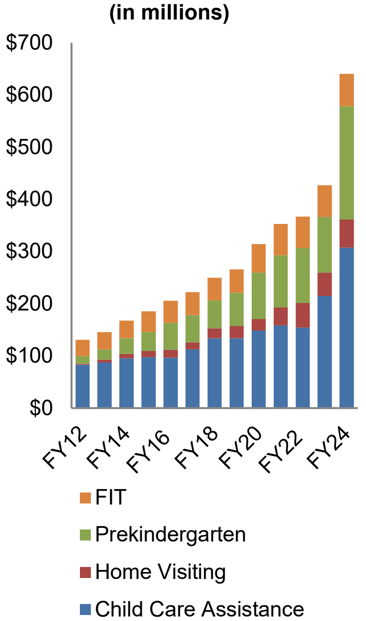
PERFORMANCE REPORT CARD
Early Childhood Education and Care Department
Second Quarter, Fiscal Year 2024

New Mexico Legislative Finance Committee

ACTION PLAN

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

Recurring Early Childhood Funding History*
(in millions)



*Note: Federal Head Start program and State K-12 Plus and Early Literacy programs not included

The Early Childhood Education and Care Department (ECECD) added several additional measures in FY24 for the support and intervention program. Several measures are annually reported at the close of FY24. Performance between the first and second quarters was relatively stable.

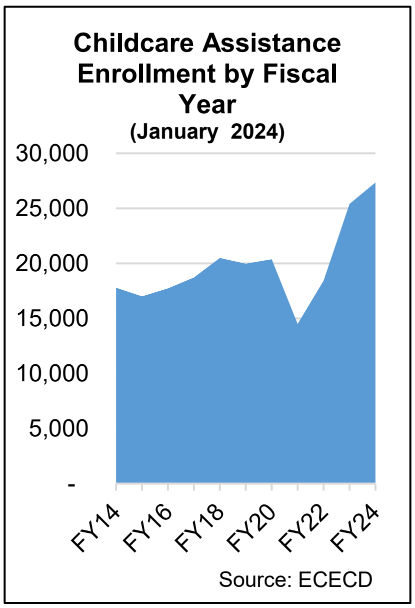
Family Support and Intervention

The program primarily consists of three components: the Family, Infant, Toddler (FIT) developmental disabilities intervention program, the Families First case management program, and the Home Visiting parental education and support program. This program has achieved its performance targets, particularly in terms of families making progress in cultivating positive parent-child interactions and ensuring children receive regular well-child visits. These metrics serve as indicators of the Home Visiting Program's success in assisting new families in achieving health and developmental milestones for their young children. However, recent LFC research indicates only 7 percent of families complete the program, meaning families are not receiving the full benefit of the services. The program has reported an enrollment of only 365 families in the Medicaid-Funded Home Visiting Program, far short of the performance target of 1,250 and below the previous fiscal year.

Budget: $77,212.4 **FTE:** 59	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of families enrolled in Medicaid Home Visiting	299	440	1,250	356	365		R
Average annual number of home visits per family	27	19	12	Reported Annually			
Percent of children enrolled in Home Visiting for longer than six months who receive regular well-child exams as recommended by the American Academy of Pediatrics	86%	88%	86%	87%	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	73%	79%	78%	84%	84%		G
Percent of women enrolled in Families First who are eligible for Medicaid and access prenatal care by the 28th week of pregnancy	93%	90%	93%	91%	100%		G
Percent of children making significant improvement annually in social emotional skills, knowledge and skills and appropriate behavior	New	New	75%	Reported Annually			
Percent of women that are pregnant when they enroll in Home Visiting who access postpartum care	93%	90%	90%	80%	80%		R
Percent of eligible infants and toddlers with individual family service plan for whom an initial evaluation and initial assessment and an initial individual family service plan meeting	New	93%	100%	92%	94%		Y

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
were conducted within the 45-day timeline							
Percent of Home Visiting families with face-to-face visits, monthly	New	New	NA	91%	91%		G
Percent of families enrolled in Families First by the 28th week of pregnancy	New	New	80%	62%	63%		R
Percent of families enrolled in Home Visiting by the 28th week of pregnancy	New	New	23%	76%	75%		G
Percent of families enrolled in Home Visiting who receive safe sleep education and supporting materials and follow the recommended safe sleep practices	New	New	75%	81%	82%		G
Percent of women enrolled in Home Visiting who are eligible for Medicaid and access prenatal care by the 28th week of pregnancy	New	New	80%	95%	88%		G
Percent of women who are pregnant when they enroll in Families First and access postpartum care	New	New	70%	100%	100%		G
Percent of Comprehensive Addiction and Recovery Act families connected to agency services and supports	New	New	55%	Reported Annually			
Percent of children performing at categorical age expectations annually, to include positive social and emotional skills, knowledge and skills, and appropriate behavior	New	New	75%	Reported Annually			
Program Rating	R	R					Y

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



Early Education, Care, Nutrition, and Prekindergarten

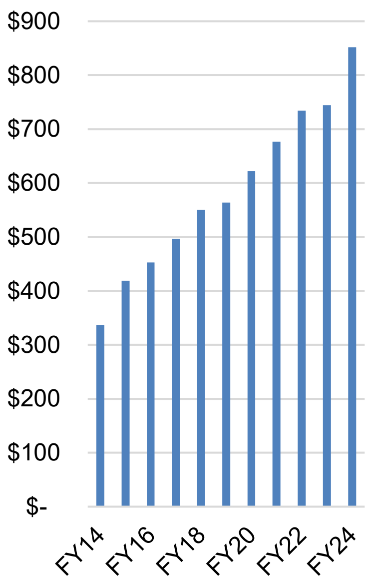
The Early Education, Care, and Nutrition Program is primarily composed of Childcare Assistance, the Family Nutrition Bureau, and Prekindergarten. Prior to the pandemic, Childcare Assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. 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. As of FY24, enrollment has increased to around 30 thousand.

Budget: $542,801.0 **FTE:165**	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of children who were enrolled for at least six months in the state-funded New Mexico prekindergarten program who score at first step for	New	New	80%	Reported Annually			

kindergarten or higher on the fall observation kindergarten observation tool.							
Percent of infants and toddlers participating in the childcare assistance program enrolled in childcare programs with four- or five-stars	60%	58%	60%	63%	62%		G
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.	Not Reported	92%	90%	Reported Annually			
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, who are proficient in math in kindergarten	NA	63%	75%	Reported Annually			
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, who are proficient in literacy in kindergarten	NA	60%	75%	Reported Annually			
Average length of time enrolled in months for families receiving childcare assistance	New	New	12	Not Reported	18.6		G
Percent of children attending full-time childcare, defined as 30 hours or more a week	New	New	72%	72%	50%		R
Percent of enrolled families at or below 125 percent of the federal poverty level	New	New	65%	43%	43%		R
Program Rating	R	R					Y

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

Childcare Assistance Average Monthly Cost per Child
(January 2024)



Source: ECECD

Policy, Research and Quality Initiatives

The Policy, Research and Quality 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. The department reported meeting three of the targeted performance measures but was unable to provide early childhood workforce information and early childhood professionals receiving support from infant early child mental health consultants.

Budget: $21,101.2 **FTE:** 29.5	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Percent of early childhood professionals, including tribal educators, with degrees or credentials in early childhood related fields	NA	Not Reported	50%		Reported Annually		

Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system	51%	64%		60%	65%	65%	G
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level	60%	60%		50%	61%	61%	G
Number of infant early child mental health professionals trained and onboarded	New	New		15	15	15	G
Percent of early childhood professionals receiving support from infant early child mental health consultants	New	New		10	Not Reported		R
Program Rating	R	R					Y

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

PERFORMANCE REPORT CARD
Children, Youth and Families Department
Second Quarter, Fiscal Year 2024

ACTION PLAN

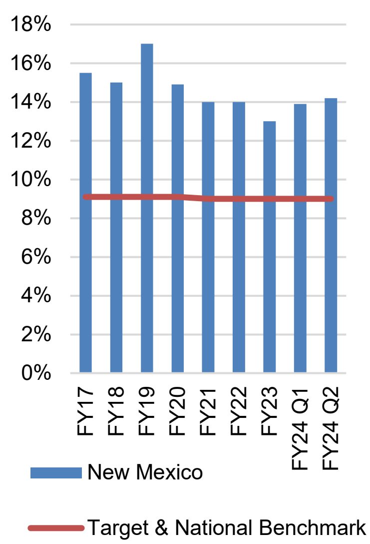
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

***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.

Children Subject to Repeat Maltreatment within 12 Months



Source: CYFD

New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of the initial allegation. Over the long-term, child maltreatment causes physical, psychological, and behavioral harm leading to increased costs to the child welfare, behavioral health, and physical healthcare systems. Evidence-based options can reduce and prevent maltreatment and better leverage the child welfare workforce, including improving the use of screening and assessment tools, early intervention with the appropriate level of intervention for the level of risk, and following through with appropriate supports and services. In recent years, the state has enacted legislation and significantly increased appropriations for these purposes. However, during the first half of FY24, the number of youth in foster care increased over the prior year, reversing prior trends, and turnover rates among caseworkers within child protective services remained high. CYFD has taken steps to expand differential response, which provides alternative responses to protective services investigations, and reports plans to implement the department's workforce development plan to address staff retention in Protective Services. However, the department continues to face challenges to recruiting and retaining a professional social worker workforce. Expanding differential response is a potentially promising step, but how the department implements the program matters, as prior LFC reports have highlighted. Other indicators of repeat maltreatment and protective services were concerning in the second quarter, and several indicators in juvenile justice services are reversing previous positive trends. CYFD reports increases in the number of reported behavioral health providers, though the department has not met targets associated with ensuring youth in Protective Services receive community-based clinician consultations.

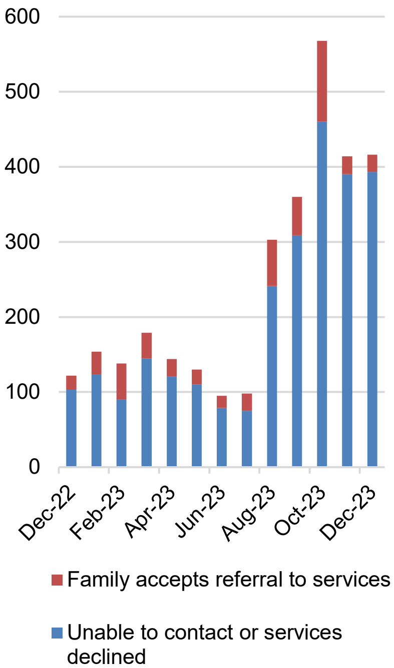
Protective Services

Prevention. Prevention and early intervention are key to reducing repeat child maltreatment. Several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. Between FY18 and FY23, CYFD preventive services expenditures grew significantly, though these expenditures remain less than 5 percent of all protective services expenditures. During the same period, repeat maltreatment hovered around 14 percent, well above the national benchmark of 9 percent. The repeat maltreatment measure is an indicator of how successfully CYFD is facilitating families' engagement in secondary prevention and intervention services. This measure is important because sometimes serious injury cases are precipitated by prior low risk involvement that later escalates. New Mexico could reach national benchmarks for repeat maltreatment by reducing repeat maltreatment by roughly 360 cases annually.

Previous LFC reports have noted New Mexico is one of only four states that have submitted a federal Families First Prevention Plan (under Title IV-E) but have not been approved by the federal government, and the state is missing out on federal revenue to fund programs to prevent and reduce child maltreatment. States with approved plans may implement evidence-based prevention programs targeted to children, youth, and families identified as at-risk for child maltreatment or foster care and draw down federal funds to cover roughly 75 percent of prevention program costs. As of March 2024, CYFD reported the agency had resubmitted the state's prevention plan.

Within Protective Services, CYFD also reported the agency launched a Safety Practice Quality Assurance Team in 2023 to review investigation cases to ensure safety practice, reduce risk, and build infrastructure to reduce repeat maltreatment. The agency is also conducting critical incident reviews of all child fatality cases.

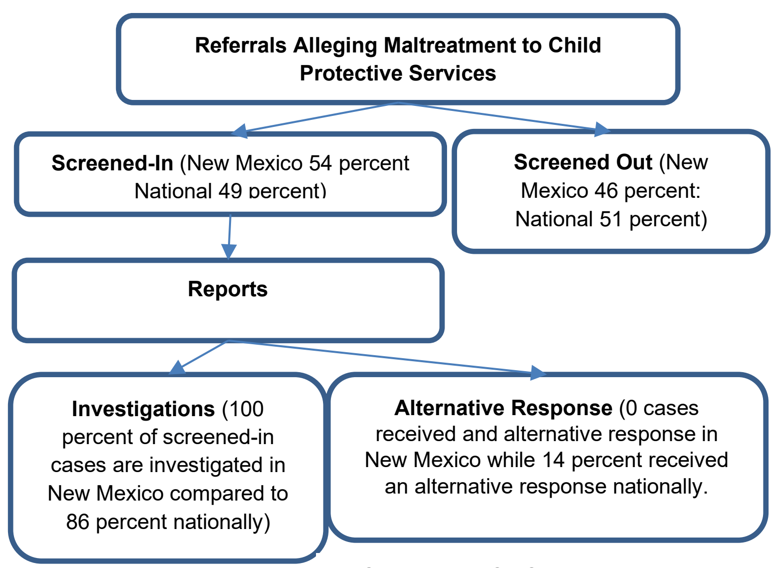
Referrals to Alternative Response Program



Source: LFC analysis of CYFD data

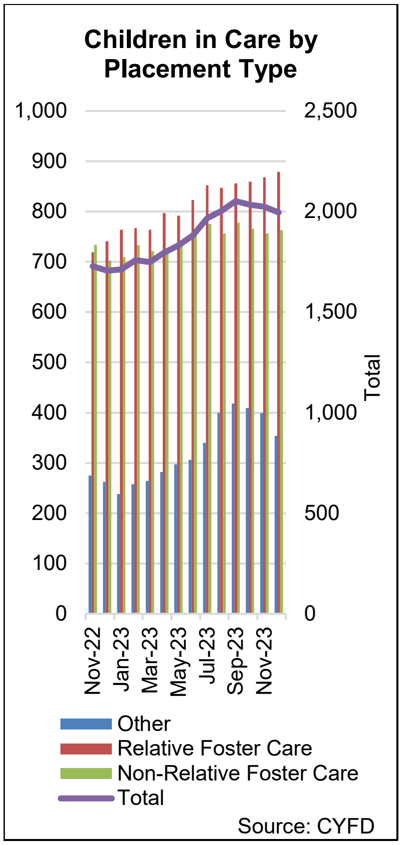
Differential Response. In an alternative or differential response model, reports of maltreatment are split into two tracks: investigation and assessment. When a report of suspected child abuse or neglect is received, the child welfare agency determines whether the case should be assigned to the traditional child protective services investigation track, which may involve removal, or whether the case may be assigned to an alternative response. In an alternative response, protective services workers screen in a case, connect the family to resources, and continue to monitor the family directly. New Mexico is not implementing the evidence-based form of alternative response but is referring low-risk screened-out families for intervention or family support services. In CYFD's submission to the federal 2022 ACF child maltreatment report, the agency noted all screened-in families receive an investigation. During the first quarter of FY24, CYFD released a request for application for providers to deliver services to families referred to a differential response in nine counties, including Bernalillo and Doña Ana. The department struggled to find providers in eight counties: Colfax, Curry, De Baca, Grant, Guadalupe, Harding, Quay, and Union, where provider networks and capacity are limited. Previous LFC evaluations highlighted the importance of implementing differential response with fidelity to increase the likelihood of experiencing intended outcomes and flagged concerns with the department's approach to implementation.

Alternative Response Can Reduce Protective Services Worker Caseloads



LFC Files and ACF Child Maltreatment 2022

Foster Care. The number of children in foster care in New Mexico steadily declined from FY17 to FY23, when the trend reversed. The number of youth in foster care peaked in September 2023 at 2,052 youth but had declined to 1,996 youth in December 2023. Previous LFC reports highlighted that CYFD is likely over-removing children and has a



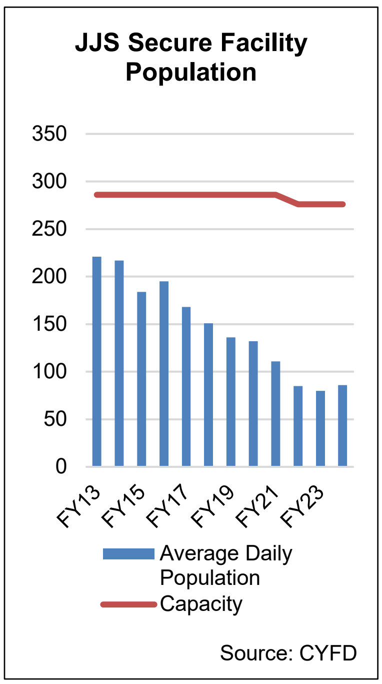
high number of short-term stays in foster care. A 2020 LFC report found New Mexico's rate of short-term placement in foster care was 40.9 percent, compared to a national average rate of 8.7 percent. Short-term placements are instances in which children stay in foster care for less than 30 days. Between December 2022 and December 2023, 1,012 youth entered foster care and 678 youth exited foster care, and the percent of children who achieved permanency within 12 months has declined since FY22. In addition, 297 youth were placed in short stays, a foster care placement of less than eight days between December 2022 and December 2023, a figure that, if counted with foster care entries, would total 23 percent. In the second quarter, the waiting time for calls at the statewide central intake center more than doubled but remains less than 2.5 minutes.

CYFD notes the performance targets related to time to permanency are more ambitious than national averages and notes the agency is working to improve coordination with stakeholders within the court system to improve time-to-permanency related metrics. The department also reports restructuring protective services to include a dedicated team in each county office focused on recruiting and retaining foster families, and this team meets monthly to address recruitment and retention of foster families (resources homes).

Budget: $226,884.3 **FTE:** 1,171	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Maltreatment							
Percent of children in foster care who have at least one monthly visit with their case worker*	98%	92%	None	81%	85%		NA
Children who were victims of a substantiated maltreatment report who were victims of another substantiated maltreatment allegation within twelve months of their initial report	14%	13%	9%	14%	14%		R
Rate of maltreatment victimizations per one hundred thousand days in foster care within a rolling twelve month period	14.7	13.0	8.0	12.2	11.8		Y
Families that participated in in-home services or family support services and did not have a subsequent substantiated report within the next twelve months	75%	80%	80%	74%	73%		R
Fatalities or near-fatalities in a rolling twelve-month period that had protective services involvement in the twelve months preceding the incident	Reported differently	Reported differently	5%	47%	39%		R
Average statewide central intake call center wait time (in seconds)	30	29	50	28	141		R
Foster Care							
Turnover rate for protective services workers	37%	37%	25%	32%	32%		Y
Of the children who enter care during a 12-month period and stay for greater than 8 days, placement moves rate per 1,000 days of care	5.7	7.6	4.0	8.2	7.1		Y
Children in foster care more than eight days who achieve permanency within twelve months of entry into foster care	36%	33%	42%	34%	34%		Y

Children removed during a rolling twelve-month period who were initially placed with a relative or fictive kin	New	New	50%	41%	39%		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	38%	31%	42%	29%	26%		R
Foster care placements currently in kinship care settings	49%	52%	55%	52%	53%		Y
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	42%	34%	50%	39%	40%		Y
Eligible youth who enroll in fostering connections upon emancipation from foster care	New	New	93%	83%	89%		Y
Youth served by juvenile justice who are placed in a less-restrictive, community-based setting	New	New	93%	94%	95%		G
Program Rating	R	R					Y

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



Juvenile Justice Services

Over the last decade, the number of youth incarcerated in secure juvenile justice facilities has steadily decreased from the state's peak (257 incarcerated youth in FY12) as CYFD has implemented evidence-based practices. However, during the first half of FY24, the number of youths in secure Juvenile Justice Services (JJS) facilities has increased, from an average census of 80 in FY23 to an average census of 86 through November FY24. Average daily census remains below capacity in the state's two secure juvenile justice facilities, the Youth Diagnostic and Development Center in Albuquerque and the J. Paul Taylor Center in Las Cruces. CYFD attributes these increases and the elevated rate of violence in JJS facilities to an increase in youth violence following the pandemic. The turnover rate for youth care specialists remains higher than FY23 but improved in the second quarter of FY24. CYFD attributes improvements to pay adjustments implemented in the spring of 2023. The department has also recently implemented exit and stay interviews to improve retention.

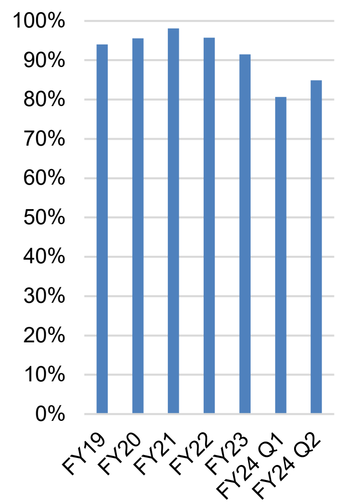
Budget: $81,145.7 **FTE:** 754.5	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Turnover rate for youth care specialists	39%	16%	21%	42%	37%		Y
Percent of clients who successfully complete formal probation	87%	93%	93%	89%	92%		Y
Percent of clients who successfully complete informal probation	Not reported	Not reported	80%	92%	90%		G
Number of substantiated complaints by clients of abuse or neglect in juvenile justice facilities	2	4	3	0	0		G
Percent of youth discharged from active field supervision who did not recidivate in the following two-year period	85%	87%	88%	86%	85%		Y

Rate of physical assaults per one thousand days youth spent in facilities	0	NA	3.75	7.9	6.5		Y
Percent of Indian Family Protection Act youth formally supervised in the community whose tribe was notified of juvenile justice involvement	85%	75%	90%	Not reported	Not reported		R
Percent of youth discharged from a secure facility who did not recidivate in the following two-year time period	65%	55%	45%	54%	64%		G
Program Rating	R	R					Y

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

Behavioral Health Services

Children in Foster Care Who Have at least One Monthly Visit with a Case Worker



Source: LFC files

In FY24, the department received $963.4 thousand to establish three more community behavioral health clinician teams, and CYFD and the Human Services Department, now the Health Care Authority, received a nonrecurring $20 million in FY23 to increase the number of providers in the state delivering children's behavioral health services. The measure focused on community-based behavioral health personnel tracks the increase in providers who deliver multisystemic therapy, family peer support services, high-fidelity wraparound, and infant mental health services is cumulative, and CYFD is on track to increase the number of providers by 50 percent. In FY23, the agency reported 126 providers. While the Behavioral Health Services program is near the target for ensuring targeted juvenile justice clients receive consultation from a community behavioral health clinician, the department is far from meeting the target for protective services clients, with only 19 percent receiving consultation from a clinician in the second quarter. CYFD reports Behavioral Health Services is working to improve communication and increase training with Protective Services staff.

Budget: $54,529.3 **FTE:** 121	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent change in number of community-based behavioral health personnel, that support children and youth to remain in their community	41%	126%	50%	14%	31%		G
Infant mental health program participants showing improvement developmentally through clinical assessment and observation	100%	NA	100%	83%	82%		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	Reported differently	94%	95%	95%	96%		Y
Percent of youth aged twelve or older in protective services custody who are placed in a less restrictive, community-based setting	Reported differently	91%	85%	74%	76%		R
Percent of 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	93%	90%	95%	92%	92%		Y

Clients enrolled in multisystemic therapy who demonstrate improvement in one or more behavioral health outcomes	90%	89%	93%	94%	93%	G
Percent of protective services-involved youth in the target population who receive consultation from a community behavioral health clinician	Reported differently	66%	75%	16%	19%	R
Percent of juvenile-justice involved youth in the estimated target population who have received consultation from a community behavioral health clinician	Reported differently	Reported differently	80%	66%	73%	Y
Program Rating	Y	Y				Y

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Health Care Authority
Second Quarter, Fiscal Year 2024

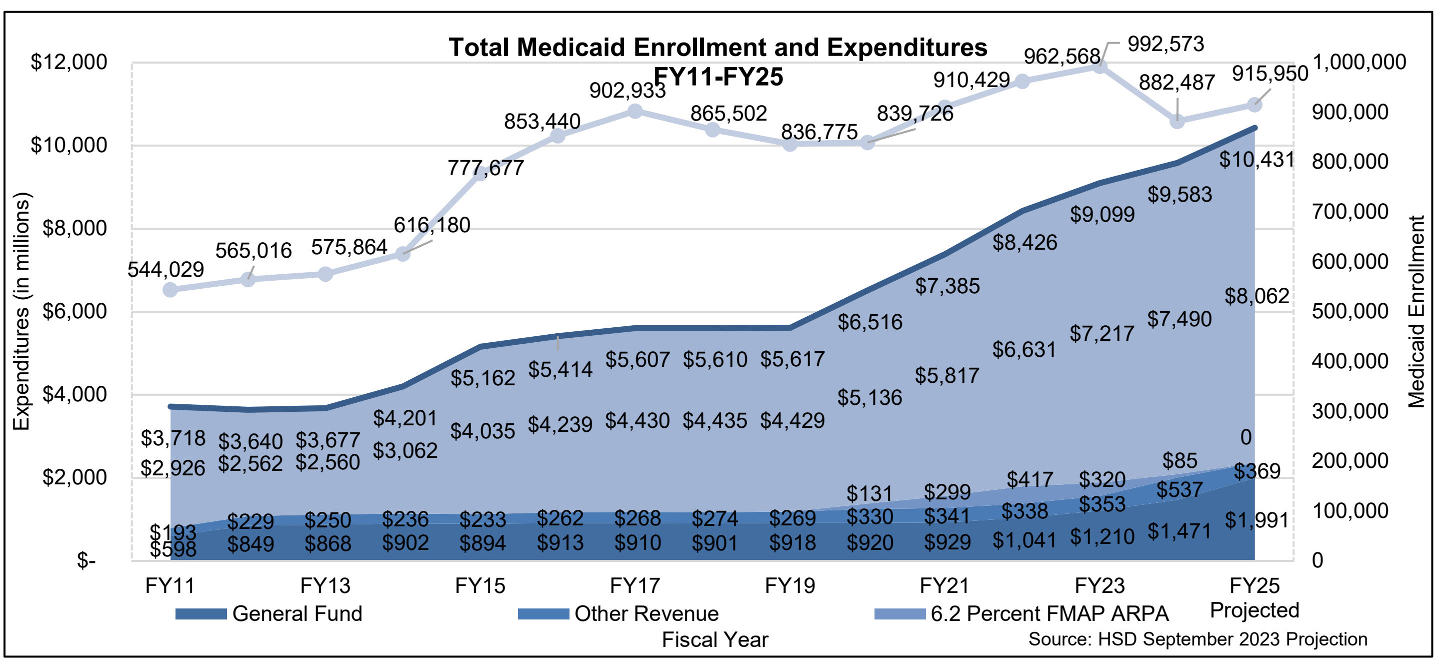
ACTION PLAN

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

The Legislature has invested heavily in Medicaid over the last decade, including hundreds of millions in the past five years for provider rate adjustments. For FY25 and beyond, the Legislature built on these increases by injecting more than $1 billion for additional rate adjustments primarily to hospitals, but also to increase reimbursement for rural primary care and developmental disability service providers. However, in the past, because of the managed care process and the need in many cases to renegotiate provider agreements, these rate adjustments have not always resulted in better rates or timely increases for providers. With close to half of the state's population enrolled in the Health Care Authority's (HCA) Medicaid Program, the authority will need to ensure new rate adjustments and other spending items are timely and reach intended providers.

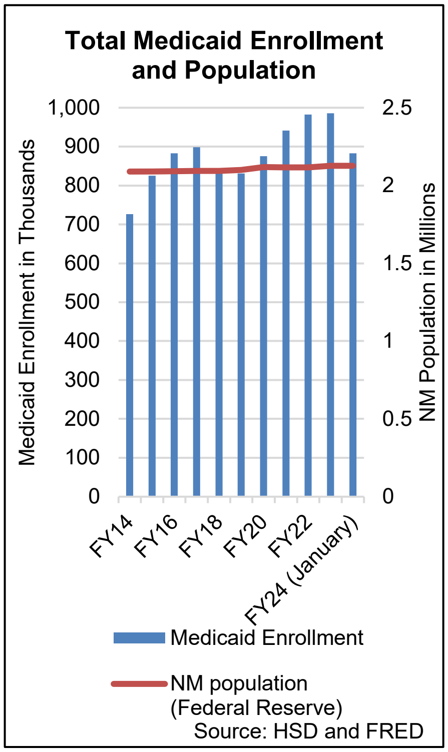
With these investments the Legislature is expecting to see improvements in access to care. As documented in a 2022 LFC program evaluation on Medicaid network adequacy, most Medicaid enrollees' use of healthcare remains flat or has declined because of a lack of providers. The significant health challenges experienced by the state's Medicaid population, roughly half of all New Mexicans, will likely not improve if Medicaid enrollees continue having trouble making appointments. With greatly expanded funding, access should be the priority.

Projecting Future Needs. The Health Care Authority's December 2023 monthly statistical report, released in February, indicates there were 882,487 individuals that received Medicaid, 12.2 thousand fewer individuals than the department projected in January based on November data. Available data continues to indicate enrollment is trending downwards given the end of the public health emergency and economic improvement, including increases in labor force participation. The FY25 budget was largely based on the higher estimate. In the future, to ensure funds are allocated appropriately, the department will need to work with LFC to develop consensus and transparency around its budget projections.



NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

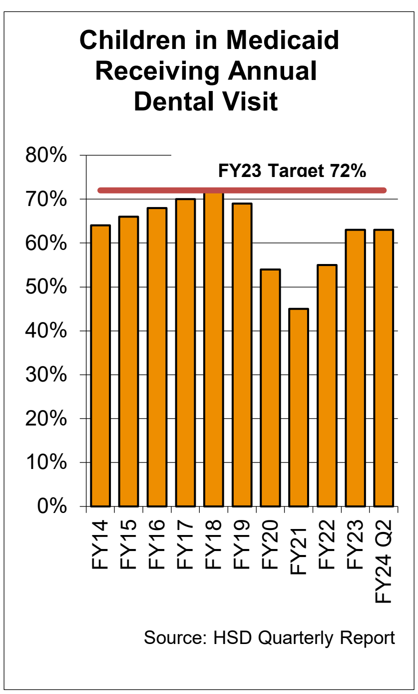
PERFORMANCE REPORT CARD
Health Care Authority
Second Quarter, Fiscal Year 2024



A November 2023 Kaiser Family Foundation report on Medicaid disenrollments found that New Mexico had the highest percentage nationally of procedural disenrollments at 96.4 percent. Procedural disenrollments happen when people do not complete the renewal process, which typically happens because of outdated contact information or enrollees not completing the renewal process timely. The authority's contract with the call center provider is partially meant to help with the surge in renewal caseloads. One of the contract's performance standards is to ensure the daily call center abandonment rate does not exceed 5 percent. January 2024's abandonment rate was about 21 percent.

Medical Assistance Division

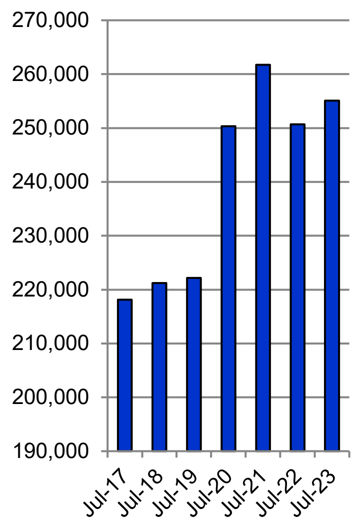
No Medicaid performance targets were met in the first half of FY24. There was some improvement from the first quarter on well child, prenatal, and dental visits. For well-child visits, HCA directed each of the Medicaid managed care organizations (MCOs) to reinvest a portion of the penalty dollars assessed for prior-year missed performance targets into HCA-developed initiatives targeting increasing wellness visits for children. HCA directed MCOs to incentivize providers that offer after-hour and weekend appointments for Medicaid members to receive child wellness visits, including immunizations.



Budget: $8,163,501.1 **FTE:** 221	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 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*	45%	63%	N/A	61%	63%		
Children and adolescents ages 3 to 21 enrolled in Medicaid managed care who had one or more well-care visits during the measurement year*	17%	44%	60%	35%	43%		R
Children ages 2 to 20 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	38%	57%	68%	53%	63%		R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	7%	7%	<5%	8%	8%		R
Hospital readmissions for adults 18 and over within 30 days of discharge	11%	9%	<8%	13%	13%		R
Emergency department use categorized as nonemergent care	53%	57%	50%	57%	56%		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	60%	80%	80%	64%	66%		R
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was <9 percent during the measurement year	77%	52%	65%	66%	63%		Y
Program Rating	R	R					Y

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

SNAP Caseload



Source: HCA

Income Support Division

The Income Support Division (ISD) fell short of all performance targets. Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads continued to be a drag on the authority's performance. For FY25, the program received $14.1 million to expand the SNAP program. The expansion may further strain workloads leading to diminished performance.

The Workforce Solutions Department (WSD) is partnering with ISD to collaborate on employment placements for TANF Career Link Program and Wage Subsidy Program participants. WSD started a campaign called "Ready NM" with access to training, education, and employment resources that can assist TANF participants. HCA reports it is not meeting timeliness requirements for SNAP enrollments. The federal government requires enrolling 95 percent of expedited cases within seven days unless there is a waiver. ISD has 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 will be able to increase the overall timeliness in all areas.

Budget: $1,327,713.6 **FTE: 1,133**	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	96%	38%	98%	36%	31%		R
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	92%	64%	98%	74%	61%		R
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	2%	7%	37%	2%			R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	3%	12%	60%	12%	11%		R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	3%	10%	37%	9%	16%		R
Program Rating	R	R					R

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

Child Support Enforcement Division

The Child Support Enforcement Division (CSED) 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. CSED expected performance to improve with these efforts; however, performance for all CSED performance metrics fell short of targeted levels but were close to meeting targets in a few areas.

CSED reported child support collections totaled $27 million, resulting in collections falling short of the FY24 per quarter target of $36 million. Beginning in January 2023, the distribution of child support payments moved to a Families First model, with more payments going directly to families and children rather than for TANF recoveries. This change was slated to improve the performance of child support owed that is collected. Performance on that measure was unchanged.

Budget: $39,970.3 **FTE: 370**	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Noncustodial parents paying support per total cases with support orders	52%	50%	58%	50%	50%		R
Total child support enforcement collections, in millions	$130.3	$121	$145	$28	$27		R
Child support owed that is collected	58%	58%	60%	56.8%	58%		Y
Cases with support orders	83%	84%	85%	85%	84%		Y
Total dollars collected per dollars expended	$2.69	$2.43	$4.00	Annual			
Average child support collected per child*	$127.9	$124.5	N/A	$118	$118		Y
Program Rating	R	R					Y

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

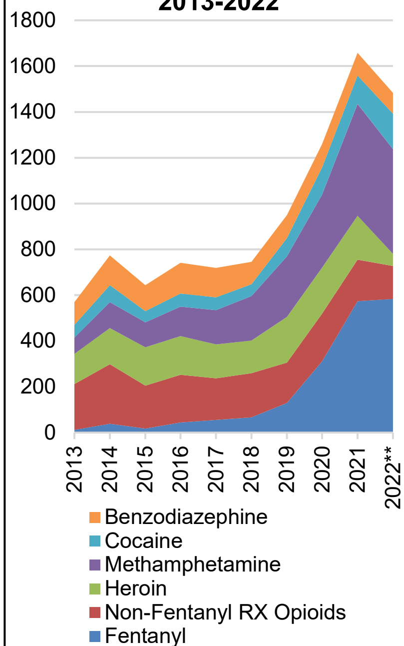
PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Second Quarter, Fiscal Year 2024

ACTION PLAN

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

In the second quarter of FY24, 295 thousand people received behavioral health services in Medicaid managed care, fee-for-service, and non-Medicaid programs, keeping pace with FY23. The August 2023 LFC progress report *Addressing Substance Use Disorders* stated that efforts to expand treatment have not kept pace with the increased magnitude of substance use needs. Overdose deaths nearly tripled between 2013 and 2021, with most of the increase occurring in the last few years. The state is investing roughly $800 million annually in the Medicaid behavioral health program, which is the largest payer of substance use treatment in the state and provides behavioral health insurance coverage to nearly half of all New Mexicans. Despite these investments, New Mexico has not yet been able to reverse trends in substance-related deaths.

Overdose Death by Substance 2013-2022



*Deaths by drug type are not mutually exclusive; polysubstance deaths are common

Source: 2013-2021 NM DOH Bureau of VItal Records and Health Statistics death data 2022 NMDOH National Violent Death Reporting System. 2022 is provisional and subject to change.

When the Behavioral Health Collaborative (BHC) was established in 2004 the vision was to create a single statewide behavioral health delivery system. However, the collaborative's administrative services organization (ASO) only tracks general fund spending and performance data and does not include Medicaid behavioral health, the largest purchaser of these services. The collaborative should enhance its role coordinating overarching behavioral health services across state agencies, including Medicaid. Performance data across agencies would provide a comprehensive overview of the systemic outcomes.

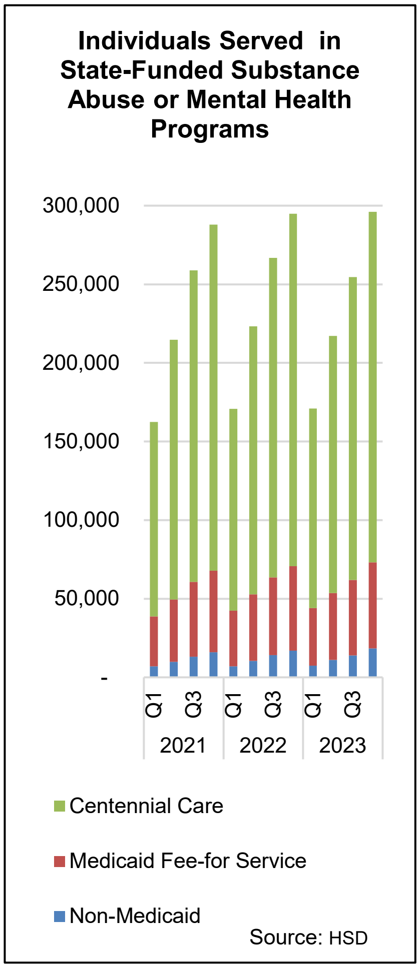
Existing Problem

In 2023, according to Kaiser Family Foundation data, about 36 percent of adults in New Mexico reported anxiety or a depressive disorder, and as of 2021, New Mexico had the fourth highest suicide rate in the nation, a rate of 25.4 per 100 thousand people. Kaiser also reported that 31 percent of New Mexicans with anxiety or a depressive disorder had an unmet need for counseling or therapy in 2022 while the federal government reported the percentage of need for mental health professionals met was 18.2 percent while the percentage met in the United States was 28 percent.

Drug overdose deaths increased in the state from 26 per 100 thousand in 2011 to 52 per 100 thousand in 2021. During that time, drug overdose death rates increased from 13.2 to 32.4 per 100 thosuand nationally. In 2021, DOH reported 1,029 drug overdose deaths in New Mexico, or about three people every day.

Behavioral Health System of Care

In 2024, BHSD reports there are 7,754 prescribing and 5,149 nonprescribing Medicaid behavioral health providers in New Mexico. Behavioral health providers grew from 4,955 in 2022 to 5,511 in 2023, an increase of 556 providers. The total number of behavioral health encounters increased from about 2.5 million in 2020 to slightly over 3 million encounters in 2022. 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.



Provision of Behavioral Health Services. During the pandemic, New Mexico Medicaid managed care organizations (MCOs) and non-Medicaid programs allowed behavioral health providers to bill for telephone visits using the same rates as in-person visits. Since the end of the pandemic, behavioral health telehealth use decreased significantly. In the second quarter of FY24, the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days remained largely flat with FY23 and well below the target of 51 percent. The division reports that it is a bigger challenge to accomplish community follow-up with the adult population than with the younger population. For example, follow up for people ages 6 through 17 exceeds the annual combined target of 51 percent. The division says the MCOs continue to develop interventions to maintain and improve performance on this measure.

Budget: $99,404.8 **FTE:** 70	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	43%	43%	42%	46%	47%		G
Medicaid members discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	32%	35%	51%	36%	36%		R
Persons receiving telephone behavioral health services through Medicaid and non-Medicaid programs.	62,439	48,718	30,000	18,721	30,496		G
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	10%	10%	5%	7%	6%		Y
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	212,486	217,126	212,486	254,586	295,987		G
Emergency department visits for Medicaid members ages 13 and older with a principal diagnosis of alcohol or drug dependence who receive follow-up visit within seven days and 30 days	12% 7 day; 20% 30 day	21% 7 day; 34% 30 day	25%	22% 7 day; 35% 30 day	21% 7 day; 34% 30 day		Y
Program Rating	R	R					Y

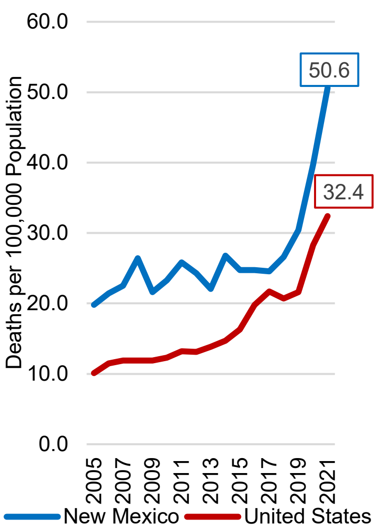
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Department of Health
Second Quarter, Fiscal Year 2024

ACTION PLAN

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

Drug Overdose Death Rates, New Mexico and United States 1990-2021



Note: Rates are age adjusted to the US 2000 standard population
Source: United States - CDC Wonder;

The Department of Health (DOH) reported mixed results in performance across the agency during the second quarter of FY24. State health indicators, especially those related to substance use disorder, contribute to overall declines in the health of at-risk populations in the state.

Public Health

The Public Health Division (PHD) mission is to work individual families, communities, and partners to improve health, eliminate disparities, and ensure timely access to quality, culturally competent healthcare. The program reported mixed performance during the second quarter. Programs dedicated to smoking cessation activities continued to report low performance. Tobacco use can lead to tobacco or nicotine dependence and serious health problems. Public health programs nationally have been focused on reducing nicotine activities to prevent the risk of developing smoking-related diseases. The U.S. Centers for Disease Control (CDC) reports cigarette smoking is the leading cause of preventable disease and death in the United States. In 2020, an estimated 12.5 percent (30.8 million) of U.S. adults currently smoked cigarettes.

Budget: $248,764.8 **FTE:** 816.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
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	86%	88%	88%	88%	83%		Y
Percent of school-based health centers funded by the department of health that demonstrate improvement in their primary care or behavioral healthcare focus area	91%	96%	95%	Reported Annually			
Percent of New Mexico adult cigarette smokers who access New Mexico Department of Health cessation services	1.9%	1.3%	2.6%	0.2%	0.3%		R
Number of successful overdose reversals in the harm reduction program	3,420	3,025	3,200	678	676		R
Percent of preschoolers ages nineteen to thirty-five months indicated as being fully immunized	66%	69%	66%	71%	74%		G
Number of community members trained in evidence-based suicide prevention practices	New	775	700	404	216		G
Program Rating	R	Y					Y

Epidemiology and Response

The Epidemiology and Response Division (ERD) monitors health, provides health information, prevents disease and injury, promotes health and healthy behaviors, responds to public health events, prepares for health emergencies, and provides emergency medical, trauma, and vital records to New Mexicans. Performance metrics in the program are centered on improving health statuses, substance use deaths, and suicide prevention. However, the program did not meet performance target for any of its key measures.

The federal Centers for Disease Control and Prevention recommend concerted action to stop the increase of newborn syphilis cases and continues to sound the alarm about the consequences of a rapidly accelerating epidemic of sexually transmitted infections in the United States. Syphilis during pregnancy can cause tragic outcomes, like miscarriage, stillbirth, infant death, and lifelong medical issues. Newborn syphilis occurs when mothers do not receive timely testing and treatment during pregnancy. New CDC data reveal that more than 3,700 babies were born with syphilis in 2022, which was more than 10 times the number in 2012. The increase in newborn syphilis follows rising syphilis cases among women of reproductive age combined with social and economic factors that create barriers to high-quality prenatal care.

Budget: $64,501.3 **FTE:** 363.0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis	New	294	300	59	61		R
Percent of death certificates completed by bureau of vital records and health statistics within ten days of death	50%	53%	64%	56%	58%		Y
Percent of hospitals with emergency department based self-harm secondary prevention programs	5%	2.7%	7%	2.5%	2.5%		Y
Rate of persons receiving alcohol screening and brief intervention services	54%	25%	73%	NA	NA		R
Program Rating	R	R					Y

Scientific Laboratory

The Scientific Laboratory Division (SLD) provides a wide variety of laboratory services to programs operated by numerous partner agencies across New Mexico. The activities of SLD in support of state agencies are mandated in statute and are essential for the successful mission of the programs it supports. The program met is targeted performance.

Budget: $17,089.7 **FTE:** 138	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within fifteen calendar days	New	86%	80%	95%	94%		G
Program Rating	G	G					G

Facilities Management

The Facilities Management Division (FMD) fulfills the DOH mission by providing programs in mental health, substance abuse, long-term care, and physical rehabilitation in both facility and community-based settings, and safety net services throughout New Mexico. FMD consists of six healthcare facilities and one community program. Most individuals served by these facilities have either complex medical conditions or psychiatric disorders that manifest in violent behaviors, and private sector providers are either unable or unwilling to serve these complex individuals, many of whom are restricted to FMD facilities by court order. The community program staff cares for both

New Mexico adult and adolescent residents, who need continuous care year-round. However, occupancy of licensed beds in facilities statewide continues to fall well below targeted performance. Despite the low census, the department reports increased overtime and contracted direct services are raising costs. Lower than expected revenues and high personnel and contract costs continue to lead to strained finances in the program.

Budget: $191,130.7 **FTE:** 1,913.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of medication errors causing harm per one thousand patient days within identified categories	0.2	0	1	0	0		G
Percent of medical detox occupancy at Turquoise Lodge Hospital	69%	76%	80%	90%	53%		R
Percent of medication assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital	73%	100%	85%	100%	74%		R
Percent of patients educated on medication assisted treatment options while receiving medical detox services	89%	83%	100%	100%	100%		G
Percent of patients eligible for naloxone kits who received the kits	83%	52%	90%	100%	100%		G
Percent of licensed beds occupied	52%	47%	80%	56%	53%		R
Percent of eligible third-party revenue collected at all agency facilities	93%	89%	93%	80%	85%		R
Program Rating	R	Y					Y

Developmental Disabilities Supports

The Developmental Disabilities Supports Division (DDSD) administers a system of person-centered community supports and services that promotes positive outcomes for all stakeholders. DDSD is the primary state agency that funds community services and supports for people with disabilities and their families in New Mexico.

Budget: $204,041.7 **FTE:** 192	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of adults between ages twenty-two and sixty-two served on a developmental disabilities waiver (traditional or mi via) who receive employment supports	9.8%	9.5%	27%	8.6%	8.5%		R
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)	85%	90%	86%	92%	91%		G
Percent of developmental disabilities waiver applicants who have a services plan and budget in place within ninety days of income and clinical eligibility determination	96%	87%	95%	85%	67%		R

Program Rating	R	Y					Y

Health Certification and Oversight

The Health Certification Licensing and Oversight Division ensures healthcare facilities, community-based Medicaid waiver providers, and community support services deliver safe and effective healthcare and community services in accordance with laws, regulations, and standards of practice.

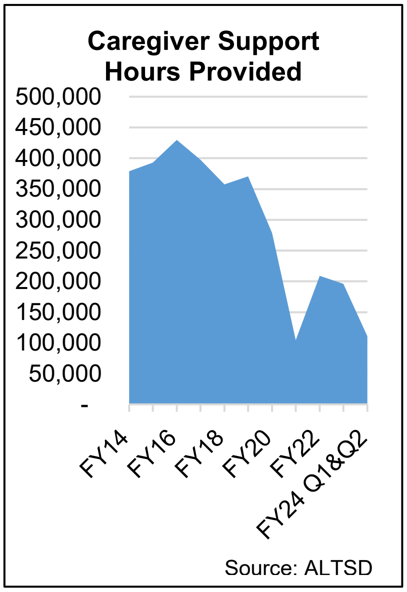
Budget: $20,335.7 **FTE:** 203	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
CMS: Percent of nursing home survey citation(s) upheld when reviewed by the Centers for Medicare and Medicaid Services and through informal dispute resolution process	88%	97%	90%	88%	100%		G
IDR: Percent of nursing home survey citation(s) upheld when reviewed by the Centers for Medicare and Medicaid Services and through informal dispute resolution process	57%	51%	90%	88%	83%		R
Percent of abuse, neglect, and exploitation investigations completed according to established timelines	95%	95%	95%	95%	72%		R
Program Rating	Y	Y					Y

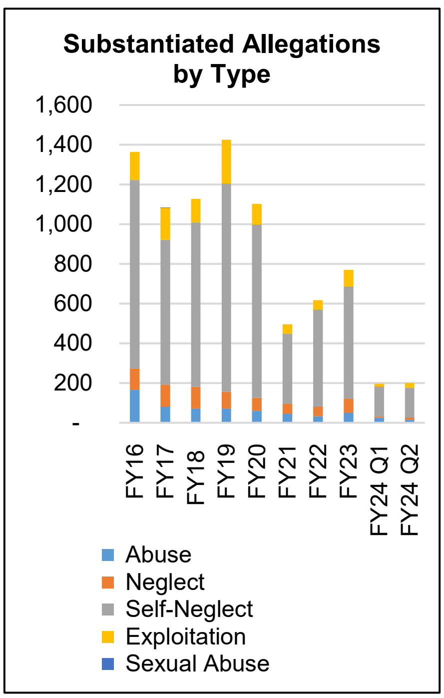
PERFORMANCE REPORT CARD
Aging and Long-Term Services Department
Second Quarter, Fiscal Year 2024

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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





The Aging and Long-Term Services Department (ALTSD) reported some improvement in performance during the second quarter of FY24. 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 second quarter of FY24, the Aging and Disability Resource Center (ADRC) received 8,219 calls, an average of 135 per day, on trend with the close of FY23 but lower than prepandemic levels. During the quarter, ADRC had 1 FTE dedicated to scheduled appointments and meeting with consumers by phone. The remaining FTE participated in live calls and callbacks. ADRC had one vacant position during this time. In addition, training new ADRC staff has been a barrier to promptly answering consumer calls. The top topics for which people contact ADRC include assistance with Medicaid, Medicare, senior centers, and Covid-19.

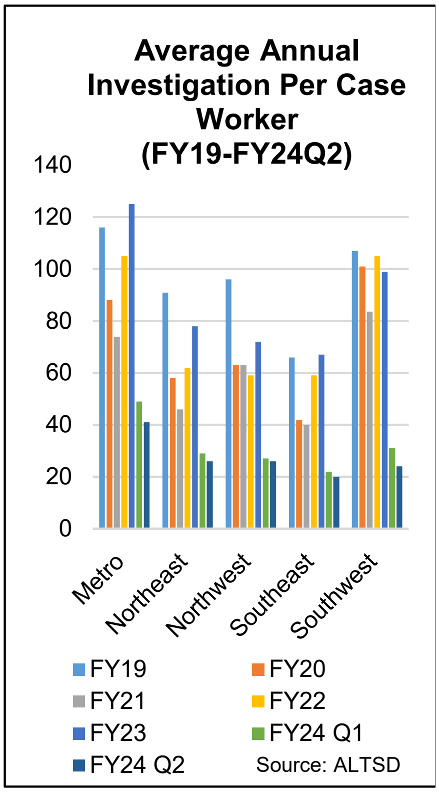
Budget: $5,185.7 **FTE:** 48	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator	52%	81%	90%	73%	76%		R
Percent of calls to the Aging and Disability Resource Center that are resolved in a single contact	New	New	90%	73%	76%		R
Percent of customers satisfied with the outcome of their call to the Aging and Disability Resource Center	New	New	90%	96%	96%		G
Percent of residents who remained in the community six months following a nursing home care transition	86%	98%	90%	99%	99%		G
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	81%	84%	92%	83%	88%		Y
Percent of facilities visited monthly	32%	52%	40%	70%	36%		G
Percent of ombudsman complaints resolved within 60 days	99%	100%	99%	98%	100%		G
Program Rating	R	R					Y

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

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. In the second quarter of FY24, the program continued to report no instances of repeat maltreatment. Additionally, the program reported an increase in the number of investigations and may reach annual targeted performance. The program met the performance target for priority investigations, making face-to-face contact quickly.

PERFORMANCE REPORT CARD
Aging and Long-Term Services Department
Second Quarter, Fiscal Year 2024



Budget: $14,408.8 **FTE:** 128	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	5,550	6,863	6,150	2,013	1,752		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%	99%		G
Percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	0%	0%	2%	0%	0%		G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	180	409	180	111	103		G
Percent of contractor referrals in which services were implemented within two weeks of the initial referral	60%	72%	80%	71%	74%		Y
Number of referrals made to and enrollments in home care and adult daycare services as a result of an investigation of abuse, neglect, or exploitation	238	147	400	63	53		G
Percent of priority two investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed time frames	98%	99%	98%	99%	99%		G
Percent of consumers for whom referrals were made, that accessed services and remained in a community setting for six or more months.	New	New	90%	95%	94%		G
Program Rating	R	R					G

*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 FY24, 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 16,658 hours of respite care, 16,536 of adult daycare, 15,356 hours of homemakers, and 2,179 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: $45,535.0 **FTE:** 18	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of older New Mexicans receiving congregate and home-delivered meals through Aging Network programs that are assessed with "high" nutritional risk	15%	17%	17%	20%	19%		G
Number of hours of services provided by senior volunteers, statewide	733,910	472,250	745,000	78,485	92,942		R
Number of outreach events and activities to identify, contact, and	802	764	800	348	209		G

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								
Number of meals served in congregate and home-delivered meal settings	4,443,066	4,105,279	4,430,000	989,097	952,998			R
Number of transportation units provided	136,426	223,938	300,000	67,601	62,826			R
Number of hours of caregiver support provided.	167,701	196,246	167,000	55,380	50,730			G
Program Rating	R	R						Y

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

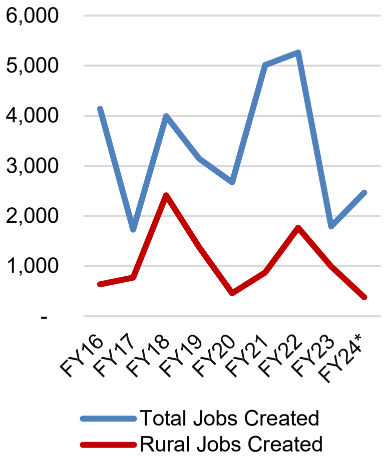
PERFORMANCE REPORT CARD
Economic Development Department
Second Quarter, Fiscal Year 2024

New Mexico Legislative Finance Committee

ACTION PLAN

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

Jobs Created as a Result of EDD's Efforts
FY16 - FY24



*Only inlcudes first and second quarter of FY24

Source: EDD

New Mexico added 54.7 thousand jobs in the second quarter of FY24.[1] Job growth between October through December 2023 was lower than all other quarters of 2023, which averaged between 60.4 thousand and 74.3 thousand new jobs. The Economic Development Department reported creating 308 jobs between October through December, less than the 2,161 jobs it created from July through September but in keeping with the same trend as overall jobs created in the state.

The department is on track to surpass performance targets for most measures in FY24 due to a strong first quarter. However, performance measures in the second quarter were lower than the first quarter. Jobs created, workers trained through JTIP, site visits, and private and follow-up investment measures were lower compared to the first quarter. The only exception is the Film Division, which saw slight increases in indicators compared to the first quarter due to the restart of film productions after the resolution of the writers and screen actors strikes.

Economic Development

Job Creation. In the second quarter of FY24, EDD reports creating 308 jobs, which is 85 percent lower than what the agency reported creating in the first quarter. However, a similar pattern can be noted in FY23 when the agency created 811 jobs in the first quarter and 14 in the second quarter. EDD assisted 20 companies with different funding and programs in the second quarter. The average wage of jobs created is $51,505, which is, on average, $4,654 higher than prevailing local wages. Of the 308 reported jobs, 149 were in rural communities such as Red River, Santa Teresa, Portales, Deming, Roswell, and Taos.

Local Economic Development Act. The Local Economic Development Act (LEDA) is one of the state's largest economic incentive tools. In the second quarter, EDD committed $3.4 million to 5 different projects. Those projects intend to invest $76 million over the extent of their agreement—roughly a 22-to-1 ratio of private investment per LEDA dollar. Overall, LEDA projects announced in the second quarter could result in 172 jobs. The average wage of these jobs is $47,770, while the cost per job is $18,056. As of December 2023, the LEDA fund had a balance of $84 million.

Projects Approved for LEDA Awards
Second Quarter FY24

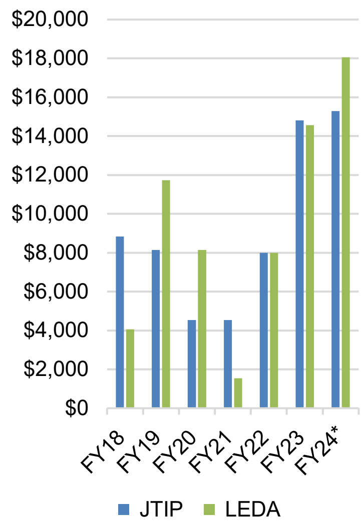
Company	Jobs	LEDA Comm-itment (in the millions)	Private Invest-ment (in the millions)
Array Technologies	87	$2.5	$50
Red River Brewing Co	5	$0.15	$1.3
Coast Aluminum	37	$0.35	$10
Monti, Inc.	36	$0.35	$14
Enchantment Vineyards	7	$0.50	$0.76

Source: EDD

Job Training Incentive Program. In the second quarter, 20 companies and 435 trainees were approved by the JTIP board. Of the trainees, 149 are high-wage positions, of which 32 are urban, with annual salaries greater than $60,000, and 117 are rural, with annual salaries greater than $40,000. Additionally, two internships and 30 apprenticeships were approved. Eighty incumbent workers will receive upskills training through JTIP's enhanced skills training program, Step-Up. Overall, 352 of the total trainees approved are in rural areas including Belen, Bloomfield, Deming, Red River, Roswell, and Taos. The Film Crew Advancement Program (FCAP), one of the two JTIP for film and multimedia programs, approved three production companies to train 15 crew members. The average cost per job for JTIP is $15,284. As of December 2023, the JTIP fund had a balance of $33 million.

[1] New Mexico Workforce Solutions Department: Employment and Industry.

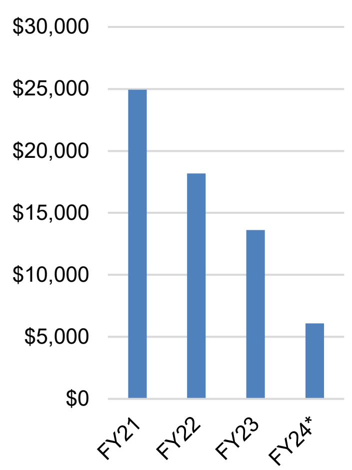
JTIP and LEDA Cost per Job
FY18 to FY24



*Only inlcudes the first and second quarter of FY24.

Source: EDD and LFC Files

Wages of Jobs Created by JTIP and LEDA in Excess of Prevailing Local Wages
FY21 - FY24



*Only includes first and second quarter of FY24.

Source: EDD

New Mexico Partnership. Based on recruitments and expansions in the second quarter, New Mexico Partnership expects to create 160 jobs within the next 3 to 5 years. Projects include the expansion of Array Technologies with 87 new jobs, relocation of Coast Aluminum with 37 jobs, and Monti, Inc., with 36 jobs. EDD reports that New Mexico Partnership is a finalist for several projects that could be announced this fiscal year, including projects in Mesa Del Sol, Lea County, Gallup, Hobbs, and Santa Teresa. In the second quarter, New Mexico Partnership facilitated 5 site visits—the same amount as the first quarter. EDD reports that site visits tend to decrease in the second quarter due to the holidays.

Budget: $16,991.7 **FTE:** 55	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Number of jobs created due to Economic Development Department efforts	5,263	1,790	4,000	2,161	308		G
Number of rural jobs created due to Economic Development Department efforts	1,766	996	1,320	230	149		R
Number of jobs created through business relocations facilitated by New Mexico Partnership	64	165	2,250	1,835	160		G
Number of jobs created through the use of LEDA funds	3,447	1,092	3,000	1,920	172		G
Average wages in excess of cost per job for projects funded through LEDA	$55,690	$39,870	$27,500	$40,408	$27,759		G
Dollars of private sector investment in MainStreet districts, in millions	$42	$52.9	$25	$24.7	$3.5		G
Number of building rehabilitations assisted by the MainStreet program	232	278	200	70	47		G
Number of workers trained by JTIP	2,355	1,255	2,000	817	450		G
Average hourly wage of jobs funded by JTIP*	$23.67	$29.02	NA	$30.34	$25.78		G
Dollars of follow-on investment in technology-based companies as a result of OSST programs, in millions	$5.2	$1,062	$2	$64.4	$0.295		G
Program Rating	G	Y					G

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

Outdoor Recreation

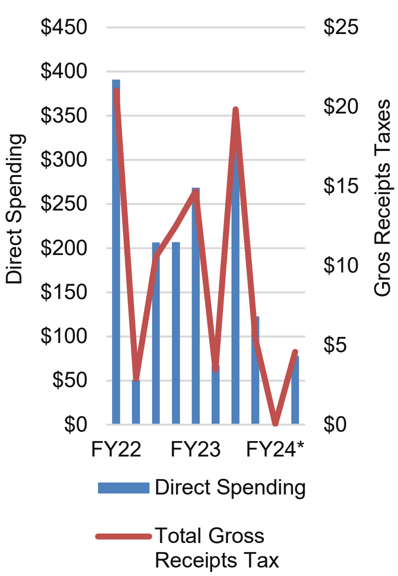
Trails+ Outdoor Infrastructure Grants. The Trails+ outdoor infrastructure has $10 million in funding and will remain open on a rolling basis throughout 2024. In December 2023, the second round of grants was announced, awarding $1,746,310 to 12 projects. Nearly 70 percent of the projects in this second round are based in rural and tribal areas located in 12 counties throughout the state. These projects expect to create 38 seasonal, part-time, and full-time jobs over the next 24 months. Additionally, the Trails+ funding helped to leverage $2.53 million in private and regional matching funds to support jobs and infrastructure investments.

PERFORMANCE REPORT CARD
Economic Development Department
Second Quarter, Fiscal Year 2024

Examples of Projects Funded by Trails+ Program in the Second Quarter of FY24

- City of Farmington was awarded $500 thousand for a skate facility.
- Conservation Legacy was awarded $69 thousand to repair gates on the Continental Divide trail.
- Doña Ana County was awarded $85 thousand to build the Shalem Colony Trail Park along the Rio Grande.
- Heart of Gila was awarded $54 thousand to reestablish the Gila River Trail.
- Pueblo of Isleta was awarded $94 thousand to repave a trail segment and install outdoor exercise stations.

Film Spending and Taxes
Estimated Direct Spending and Gross Receipts Taxes Paid by Film Industry Productions (in the millions) FY22 - FY24



*Only includes first and second quarter of FY24.

Source: EDD

Outdoor Equity Fund. In December 2023, the second round of Outdoor Equity Fund awards were announced, awarding $1,052,347 to 30 organizations to reach 6,498 youth. Grants ranged from $5 thousand to $40 thousand. The final round of awards will be announced in February 2024.

Budget: $1,175.10 **FTE:** 4	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of new outdoor recreation jobs created by ORD*	173	411	NA	250	38		G
Number of outdoor recreation conservation and access projects funded and/or led by ORD*	44	44	NA	26	12		G
Number of youth to benefit from outdoor education programs, including Outdoor Equity Fund grants*	21,904	12,221	NA	20,892	6,498		G
Program Rating	G	G					G

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

Film

The film division experienced a slow first half of FY24. The division indicates that the decrease in performance measures compared to FY23 are due to the Writers Guild of America (WGA) and Screen Actors Guild-American Federation of Television and Radio Artists (SAGAFTRA) strikes, which halted productions nationwide. Production did restart in the second quarter, which explains the slight increases compared to the first quarter. The division notes that preliminary results for the third quarter already exceed the first half of FY24. In the second quarter, the division estimated 33,613 of film and media worker days, which is higher than the estimated 1,448 days in the first quarter; $78.26 million in direct spending by film industry productions; and $4.59 million total gross receipts tax paid by the productions. The estimated tax credits paid out in FY23 are $100.2 million, which includes $27.2 million from the film partner tax credits. For FY24, the estimated payout is $151.1 million.

Budget: $1,708.50 **FTE:** 8	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of film and media worker days, in thousands	668	533	320	1.4	33.6		R
Estimated direct spending by film industry productions, in millions	$855.43	$794.11	$530	$0.83	$78.26		R
Total wages paid by film industry productions to New Mexico residents, in millions	$157.06	$152.26	$100	$0.40	$8.62		R
Median wages paid by film industry productions to New Mexico residents	$61,069	$73,860	$54,080	$71,258	$66,664		Y
Total gross receipts taxes paid by film industry productions, in millions	$47.10	$43.41	$25	$0.05	$4.59		R
Program Rating	G	G					R

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

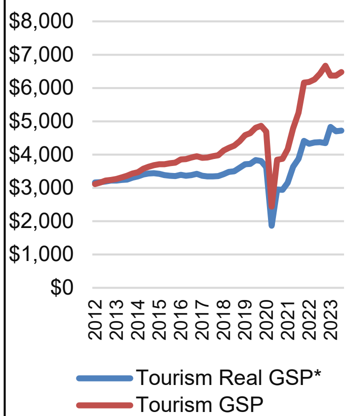
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Tourism Department
Second Quarter, Fiscal Year 2024

ACTION PLAN

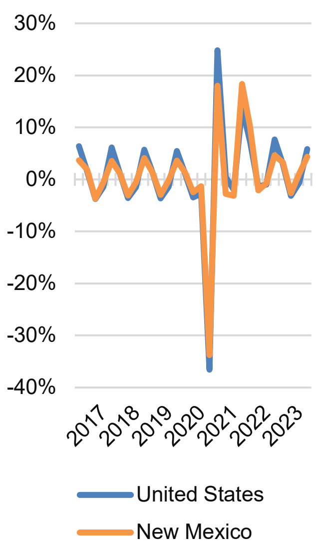
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

New Mexico Tourism Gross State Product
(in the millions)



*Real GSP is an inflation-adjusted measure.
Source: Tourism

Quarterly Change in Private Sector Tourism Industry Employment



Source: Tourism

The Tourism Department (NMTD) met or exceeded most performance targets during the second quarter of FY24. The only exception was the number of meetings or events conducted with Native American entities, for which the agency submitted a detailed action plan. In the second quarter, the agency generated $8.3 million in earned media and expanded its New Mexico True advertising into the San Francisco market.

The department collects data on tourism economic indicators, such as gross state product, tourism industry employment, state lodging performance, and share of international travelers that visited New Mexico. The dashboard features data from various sources and is available online. This tool enables members of the public to easily track the efficacy of marketing and promotion spending.

Marketing and Promotion

Workforce. New Mexico's job growth in leisure and hospitality was 4.6 percent, or 4,400 workers, over the past year with approximately 99,100 workers—2.2 percent more than total nonfarm employment growth. Employment in leisure and hospitality represents 11.3 percent of New Mexico's total employment.[1] Employment levels in the leisure and hospitality sector are consistent with prepandemic levels before they fell to lows in 2020.

Media and Engagement. The agency secured 23 media mentions, equating to $8.3 million in advertising value equivalency and 891 million impressions. A notable article was published in October 2023 that highlighted Albuquerque as one of the best viewing locations for the annular solar eclipse. The article generated $3.9 million in advertising value equivalency.

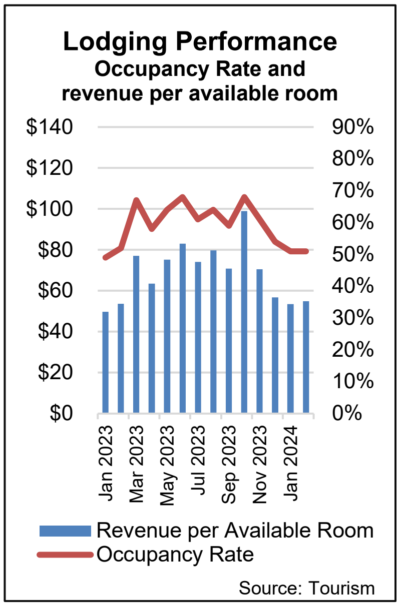
Budget: $21,305.80 **FTE:** 14	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Year-over-year change in New Mexico leisure and hospitality employment	19%	4.6%	3%	5.4%	5.5%		G
Open email rate of NM True e-newsletters	New	27%	18%	21%	24%		G
Amount of earned media value generated, in millions	$5.2	$16.4	$2.0	$9.9	$8.3		G
Program Rating	Y	G					G

New Mexico Magazine

New Mexico Magazine celebrated its 100th year anniversary at the beginning of the fiscal year and is the longest-tenured state publication in the United States. The magazine's December issue recognized eleven New Mexicans who make their communities better and was created in partnership with television station KOB. The magazine resulted in $92 thousand in advertising revenue, a 13 percent decrease compared to the first quarter, but above the FY24 target.

[1] New Mexico Workforce Solutions Department: Employment and Industry.

PERFORMANCE REPORT CARD
Tourism Department
Second Quarter, Fiscal Year 2024



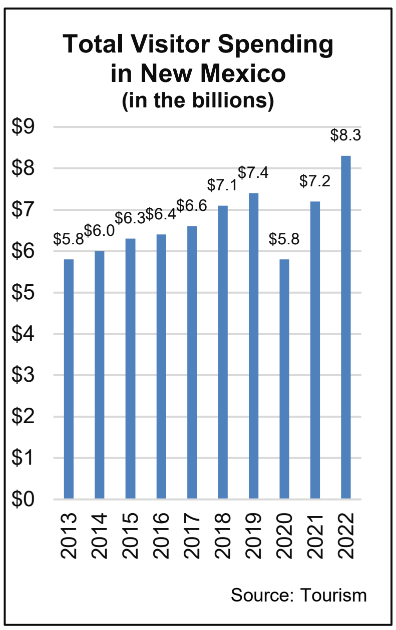
Budget: $3,322.30 **FTE:** 10	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Advertising revenue per issue, in thousands	$137	$146	$75	$106	$92		G
Program Rating	G	G					G

Tourism Development

The program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants.

The Tourism Event Growth and Sustainability (TEGS) program doubled its investment in FY24 and has awarded a total of $462,692 in grant funding for 35 tourism-related events scheduled over the fiscal year. Additionally, the Clean and Beautiful program awarded $906,958 in grant funds to 59 communities in FY24 to support beautification and litter reduction efforts in FY24. NMTD also administers the Destination Forward Grant program that supports destination development and sustainable tourism infrastructure projects.

New Mexico True released a holiday gift guide and a 30-second in-state advertisement to encourage resident to shop local for holiday purchases. The number of participants in the New Mexico True certified program increased by 13 organization, or 2.9 percent, in the second quarter.



Budget: $3,134.30 **FTE:** 20	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of meetings or events conducted with Native American entities	23	50	70	14	17		Y
Number of participants in New Mexico True certified program	401	433	400	448	460		G
Program Rating	G	G					G

PERFORMANCE REPORT CARD
Workforce Solutions Department
Second Quarter, Fiscal Year 2024

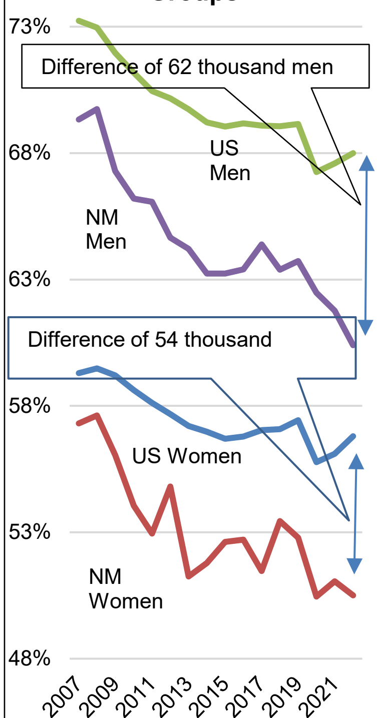
ACTION PLAN

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

While the state's unemployment rates have recovered to prepandemic levels, the share of the state's working age population participating in the labor force is persistently low. As of December 2023, the state's seasonally adjusted unemployment rate was 4 percent, 0.5 percent higher than December 2022, and WSD reported the state added 20.5 thousand nonfarm jobs between December 2022 and December 2023. New Mexico's low labor force participation holds the state back from economic development and expansion. Social services, economic development, tax rates, pension systems, industry, and virtually every other area of the state's economy are impacted when fewer people work to support those who do not work, and organizations struggle to find workers. According to the U.S. Bureau of Labor Statistics, low labor force participation is also associated with lower real per capita incomes. Typically, a high labor force participation rate (LFPR) reflects a healthy economy because a large portion of the economy is working or looking for work, and a high LFPR reflects a larger labor pool, making it easier to find workers.

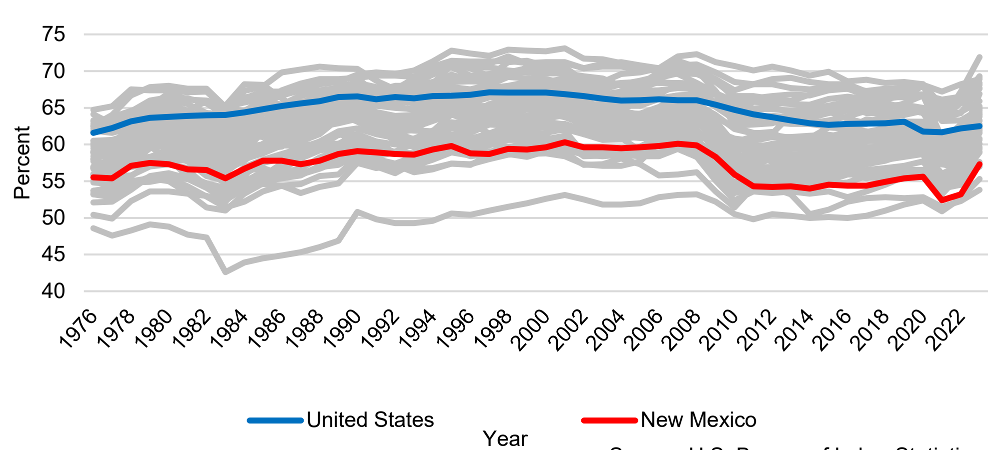
In December 2023, the state's LFPR was 57.3 percent, up from the pandemic low of 54 percent in April 2020. Yet, the state continues to lag the national LFPR of 62.5 percent, and New Mexico would need to add roughly 116 thousand workers to the labor force to reach the national average rate of participation, and WSD estimates the state would need to add 40 thousand adults who are prime working age. While New Mexico has a large proportion of older adults not in the labor force, the state also has a large population of prime working-age adults who are not working or looking for work. Previous LFC analysis suggests an estimated 150 thousand men and women in New Mexico between the ages of 20 and 44 are not participating in the state's labor force, meaning they are not working and not looking for work. In addition, an estimated 6,000 New Mexicans between the ages of 20 and 24 report on national surveys they are unemployed, meaning they are jobless and looking for work. New Mexico needs to develop strategies focused on bringing these people into the labor force. According to the Workforce Solutions Department (WSD), the unemployment gap in New Mexico, or the difference between the number of job openings in the state and the number of unemployed people, was roughly 36 thousand.

U.S. and New Mexico Labor Force Participation for Select Groups

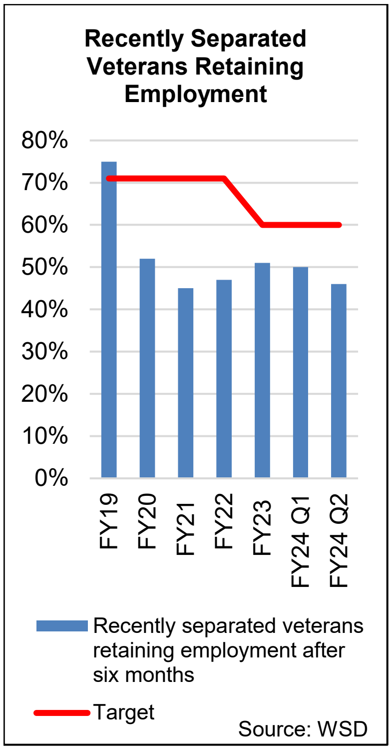


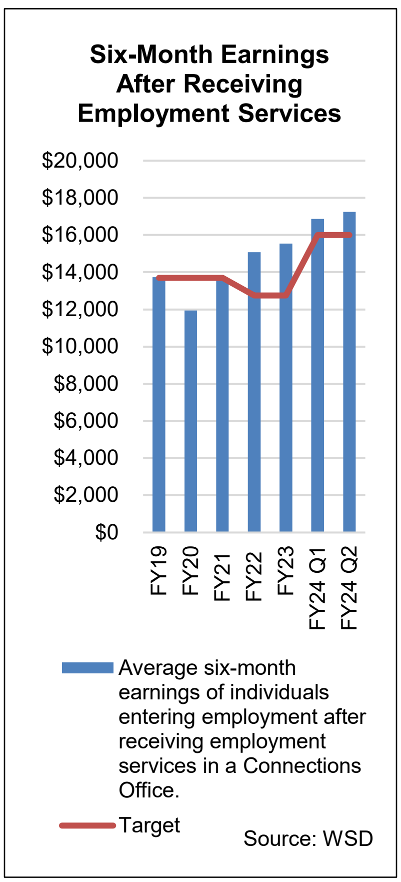
Source: WSD, BLS

Labor Force Participation Rates United States and New Mexico



Source: U.S. Bureau of Labor Statistics





In FY23, the department received $10 million in nonrecurring special appropriations for reemployment services, case management, and youth reemployment and apprenticeships. The department primarily used these appropriations for the Be Pro Be Proud initiative, which aims to engage youth and young adults in the trades through a truck with trade industry simulators, the placement of career counselors in 15 high schools across the state, and pre-apprenticeship programs. Through the second quarter, WSD reported 700 visitors participated in the mobile Be Pro Be Proud workshop. As of December 2023, 367 participants had completed pre-apprenticeship programs. Looking to the future, WSD should begin tracking the impact of participation in these programs on subsequent participation in the workforce.

Employment Services

The Employment Services Program plays a key role in addressing the low LFPR and is a central player in developing a plan to bring more working-age adults into the labor force. The program oversees the state's network of Workforce Connections Offices and operates several programs related to the federal Workforce Innovation and Opportunities Act (WIOA). The department has not met measures related to veteran employment for several years and reports the department believes outcomes are better than reported because Workforce Solutions data systems do not include federal employees, and many veterans gain employment with the federal government due to hiring preferences. While several job-related outcomes associated with employment services programs have improved, such as the six-month earnings following the receipt of employment services or employment retention six months after receiving services, the number of individuals accessing services is lower than prepandemic levels. To increase the state's labor force participation, WSD will need to find ways to reach people who are not coming into their offices.

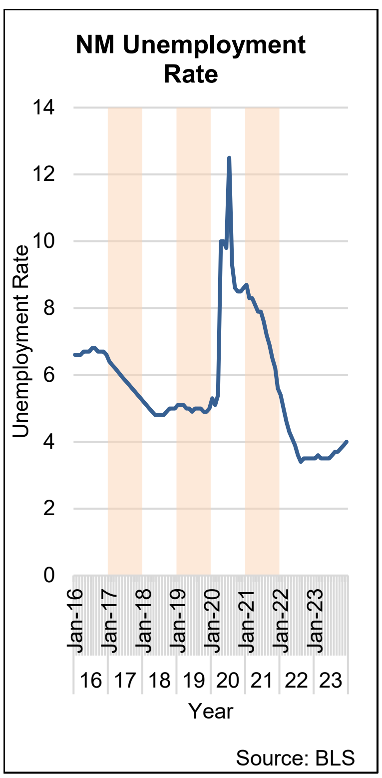
WSD has increased the number of participants in registered apprenticeship programs, a pathway to increasing workforce participation in the trades, exceeding the agency's target.

Budget: $32,756.4 **FTE:** 368	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Adults							
Average six-month earning of individuals entering employment after receiving employment services in a Connections Office	$15,076	$15,547	$16,000	$16,874	$17,254		G
Individuals receiving employment services in a Workforce Connections Office	60,116	50,041	25,000 per quarter	16,293	15,562		R
Individuals accessing the agency's online Job Seeking portal	106,659	63,024	125,000	22,125	18,339		R
Unemployed individuals employed after receiving employment services in a Workforce Connections Office	51%	61%	60%	61%	66%		G
Unemployed individuals who have received employment services in a Workforce Connections Office, retaining employment after six months	54%	63%	60%	54%	67%		G

Average change in six-month earnings of working individuals after receiving employment services in a Workforce Connections Office	$2,032	$4,616	$2,000	$2,789	$2,000		G
Audited apprenticeship programs deemed compliant	50%	66%	75%	75%	NA*		R
Apprentices registered and in training	1,883	2,273	2,000	2,567	2,594		G
Veterans							
Average six-month earnings of unemployed veterans after receiving employment services in a Workforce Connections Office	$18,801	$19,323	$19,000	$17,040	$18,945		G
Recently separated veterans entering employment	48%	51%	60%	49%	53%		Y
Unemployed disabled veterans entering employment after receiving employment services in a Workforce Connections Office	46%	50%	60%	49%	59%		Y
Recently separated veterans retaining employment after six months	47%	51%	60%	50%	46%		R
Program Rating	G	Y					Y

*WSD reported no audits were conducted in Q2 because of staff turnover

Unemployment Insurance



New Mexico's unemployment rate has dropped to below prepandemic levels and was 4 percent in December 2023, according to the federal Bureau of Labor Statistics. Unemployment benefit claims have dropped below prepandemic levels as well. After peaking near 150 thousand claimants in 2020, 10 thousand New Mexicans received unemployment benefits in December 2023. The number of people receiving unemployment benefits is always less than the number of people who are unemployed, as not all unemployed New Mexicans are eligible for benefits. The department reports falling short of the FY24 target for several unemployment insurance claims determination metrics and attributes performance to cleaning up older pandemic claims and decreased staffing. As the federal government is operating under a continuing budget resolution, WSD report the U.S. Department of Labor is releasing funds as they are authorized, making it difficult for the department to consider positions fully funded for the purposes of hiring.

Budget: $16,567.40 **FTE:** 164	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Eligible unemployment insurance claims issued a determination within twenty one days from the date of claims	35%	36%	80%	35%	29%		R
First payments made within 14 days after the waiting week	52%	61%	87%	63%	62%		R
Accuracy rate of claimant separation determinations	65%	51%	75%	63%	19%		R
Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Center to file a new unemployment insurance claim, in minutes	7:19	16:31	9:00	14:55	17:47		R

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Cetner to file a weekly certification, in minutes	9:30	14:54	11:00	17:16	14:19		Y
Program Rating	Y	Y					R

Labor Relations

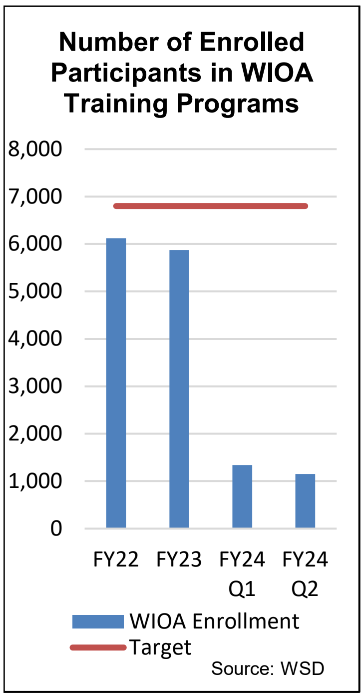
In 2021, the Legislature passed the Healthy Workplaces Act, requiring employers within the state to provide sick leave of one hour per 30 hours worked, with earned sick leave carryover from year-to-year with the maximum total carryover not to be less than 64 hours. The department is required to investigate complaints related to the act, which has significantly increased investigations. The department posted guidance with frequently asked questions on its website to support businesses implementing the law. The department reports an influx of claims and investigations with insufficient staff to manage caseloads. In November 2023, the Labor Relations Division received an adverse ruling in the case of Olivas v. Nair in the First Judicial District, which ruled the program must issue wage and hour determinations in 85 percent of decisions within 120 days of receipt. To meet the conditions of the ruling, the Legislature appropriated $1.8 million to WSD to hire additional staff in FY25, and the department should have the resources to increase staffing and improve time to determinations in the coming fiscal year.

Budget: $4,352.7 **FTE:** 45.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average number of days for the Human Rights Bureau to investigate a claim and issue a determination	New	187	250	203	214		G
Discrimination claims investigated and issued a determination by the wage and hour bureau within two hundred days	New	New	75%	100%	100%		G
Total public works projects inspected and public works payroll audited within one year	New	New	80%	113%	106%		G
Wage and hour violation claims investigated and issued a determination by the wage and hour bureau within two hundred days	New	New	90%	20%	23%		R
Average number of days for the wage and hour bureau to investigate a claim and issue a determination	New	New	175	365	365		R
Program Rating	Y	G					Y

Program Support and Workforce Investment

WSD also implements programs related to the federal Workforce Innovation and Opportunity Act (WIOA), which aims to help job seekers access employment, education, training, and support services to succeed in the labor market and to help employers meet their workforce needs, through the local workforce boards. The federal Workforce Innovation and Opportunities Act (WIOA) funds four core workforce development programs for at-risk adults, youth, dislocated workers, and basic career services. WIOA programs exceeded many of the related performance measure targets. However, the department noted a decrease in WIOA participants, attributing the decrease to a decline in Workforce Connections Centers traffic and the availability of scholarships and other subsidized funding opportunities to support workers seeking education and training. The number of youth receiving services and registering in the online Career Solutions tool includes youth who attended the Be Pro Be Proud trades simulator, resulting in the department far surpassing the performance target.

While WSD is meeting many of the program performance targets, LFC analysis of program performance compared to other state WIOA programs in the dislocated worker, youth, and basic career services programs has generally ranked in the lowest fifth percentile over the last five years. As WSD is meeting most of the performance measure targets currently, the state should consider increasing these targets in the future.



Budget: $ 44,512.1 **FTE:** 113	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Youth Unemployment							
Youth who are employed in the state	71%	63%	70%	73%	76%		G
Youth receiving services and registered in the online Career Solutions tool	1,453	4,337	3,000	9,645	10,606		G
WIOA Programs							
Participants who are in unsubsidized employment during the second quarter after exit from a WIOA program	74%	76%	77%	81%	88%		G
Median earnings of participants who are in unsubsidized employment during the second quarter after exit from a WIOA	$8,341	$8,701	$8,500	$8,670	$9,305		G
Participants who are in unsubsidized employment during the fourth quarter after exit from a WIOA program	76%	76%	78%	78%	80%		G
Title I youth program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from a WIOA program	70%	63%	70%	73%	76%		G
Title I youth program participants who are in education and training activities, or in unsubsidized employment, during the fourth quarter after exit from a WIOA program	70%	67%	70%	65%	67%		G
Participants enrolled in an education or training program, excluding those in on-the-job training, who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from a WIOA program	69%	69%	70%	67%	68%		Y
Number of adult and dislocated workers receiving supplemental services of WIOA as administered and directed by the local area workforce board	New	3,423	2,863	3,127	2,823		G
Number of enrolled participants in WIOA training programs	6,125	5,872	6,800	1,342	1,149		R
Re-Employment Programs							

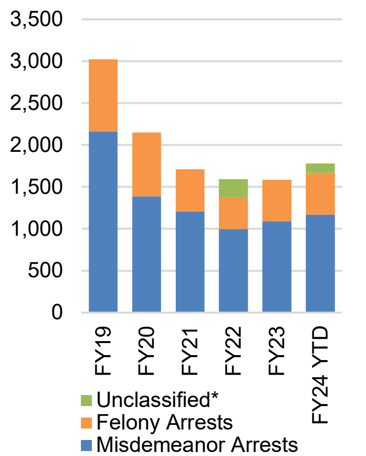
Reemployment Services and Eligibility Assessment program participants exhausting unemployment insurance benefits	58%	41%	47%	44%	46%	Y
Reemployment Services and Eligibility Assessment program participants reemployed	35%	49%	54%	56%	57%	G
Program Rating						Y

PERFORMANCE REPORT CARD
Department of Public Safety
Second Quarter, Fiscal Year 2024

ACTION PLAN

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

Average Quarterly NMSP Arrests
FY19 to FY24 YTD



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

Source: DPS

Rate of Property Crime Offenses by Population

Source: FBI Uniform Crime Report

The Department of Public Safety (DPS) made significant progress toward implementing programmatic and structural changes outlined in its FY24 budget. Having received funding to support pay increases to appropriately pay state police officers based on their years of service, increase dispatcher pay, and reduce vacancies, DPS partnered with the State Personnel Office to begin implementing these changes. The agency also continued to add staff for the new Law Enforcement Standards and Training Council and the Law Enforcement Certification Board. Workforce issues are pervasive across the criminal justice system, leading to reduced enforcement of crimes and slower case adjudications. DPS worked to reduce vacancy rates in several key areas while working with the Department of Finance and Administration to begin rolling out 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 reduce 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 throughout the state.

Operations. The Law Enforcement Program made significant progress toward improving actionable data and intelligence related to crime by implementing a new records management system (RMS) and is integrating multiple agencies' RMS' 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.

NMSP began reporting on clearance rates for crimes investigated by the criminal investigations bureau, broken out by the type of crime, for the first time. Although cases can take multiple quarters, sometimes several years, from assignment to closure and clearance, this will provide a helpful window into agency operations and efficiency.

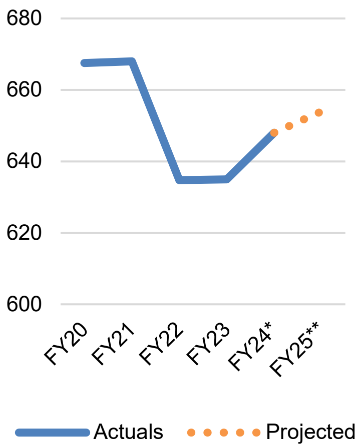
Manpower. State Police averaged 636 officers in FY23, with an 11.9 percent overall vacancy rate and an 11.5 percent vacancy rate among positions supported by the general fund. For FY24, DPS received a $2 million appropriation to increase state police officer pay, which has allowed the agency to properly place personnel in the correct pay rank step based on their years of service. As the final component of NMSP's new pay plan —which it believes will help improve officer retention— the agency is well positioned to expand its force strength. It projects it will end FY24 with 645 commissioned officers, up 2.5 percent from the end of FY23.

Budget: $156,488.3 **FTE:** 1072.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Motor Vehicle Safety						
Number of data-driven traffic-related enforcement projects held	2,074	4,142	2,600	1,171	799	G
Number of driving-while-intoxicated saturation patrols conducted	2,805	2,588	3,000	814	541	Y
Number of driving-while-intoxicated arrests*	1,450	1,641	N/A	575	471	

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Public Safety
Second Quarter, Fiscal Year 2024

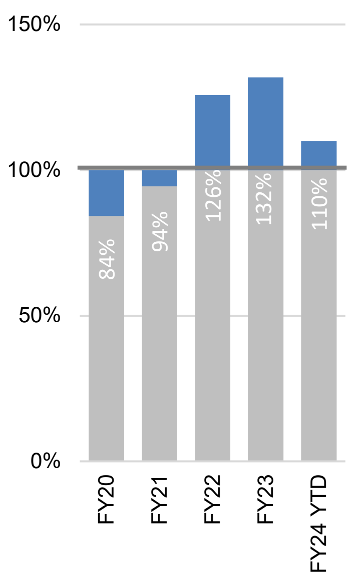
State Police Force Strength



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

Source: DPS

Percent of Forensic Cases Completed



Note: Percentage indicates the share of total forensic cases received that were completed.

Source: DPS

Number of New Mexico State Police misdemeanor and felony arrests*	6,375	6,340	N/A	1,979	1,580	
Number of commercial motor vehicle safety inspections conducted	102,972	114,539	90,000	27,104	37,089	G
Number of commercial driver and vehicle out-of-service violations issued*	New	16,831	N/A	2,757	4,613	
Number of motor carrier safety trainings completed*	24	41	N/A	3	3	
Number of proactive special investigations unit operations to reduce driving-while-intoxicated or alcohol-related crimes*	488	1,088	N/A	310	604	
Investigations						
Number of investigations conducted by criminal investigation bureau agents*	592	390	N/A	74	129	
Percent of total crime scenes processed for other law enforcement agencies*	66%	49%	N/A	9%	42%	
Number of drug-related investigations conducted by narcotics agents*	860	458	N/A	79	123	
Number of illegally possessed firearms seized as part of criminal investigations*	180	90	N/A	17	8	
Number of violent repeat offender arrests by the fugitive apprehension unit*	219	230	N/A	73	78	
Clearance rate of crimes against persons investigated by the criminal investigations bureau*	New	New	N/A	24%	27%	
Clearance rate of crimes against property investigated by the criminal investigations bureau*	New	New	N/A	10%	21%	
Clearance rate of crimes against society investigated by the criminal investigations bureau*	New	New	N/A	12%	13%	
Clearance rate of homicide cases investigated by the criminal investigations bureau*	New	New	N/A	33%	30%	
Total cases investigated by the New Mexico State Police*	New	1,832	N/A	495	624	
Other Law Enforcement Activity						
Percent of total New Mexico State Police special operations deployments for other law enforcement agencies	28%	35%	N/A	33%	33%	
Number of crisis intervention cases handled*	21	283	N/A	69	49	
Number of community engagement projects in counties with populations less than 100 thousand	125	198	N/A	25	42	
Number of governor-ordered special deployment operations conducted*	3	3	N/A	1	2	
Number of man-hours spent on governor-ordered special deployment operations*	26,508	4,746	N/A	2,622	3,224	
Recruitment and Retention						
Graduation rate of the New Mexico state police recruit school*	54%	66%	N/A	N/A	61%	

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Public Safety
Second Quarter, Fiscal Year 2024

Turnover rate of commissioned state police officers*	10.87	7.08	N/A	1.73		
Vacancy rate of commissioned state police officers*	12%	12%	N/A	12%		
New Mexico state police transportation inspector vacancy rate*	11%	7%	N/A	8%		
New Mexico state police dispatcher vacancy rate*	37%	36%	N/A	27%		
Program Rating	R	G				G

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

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 September, 74 percent of the state's 130 law enforcement agencies were reporting to the system, which covered 86 percent of the population.

Law Enforcement Agencies NOT Reporting

Agency Name
Bernalillo Police Department
Cuba Police Department
Deming Police Department
Estancia Police Department
Loving Police Department
Melrose Police Department
Red River Police Department
Socorro Police Department
Tularosa Police Department
Questa Police Department
NM Highlands University Police Department
Harding County Sheriff's Office
Los Alamos County Sheriff's Office
Roosevelt County Sheriff's Office
Taos County Sheriff's Office

Source: DPS

Statewide Law Enforcement Support Program

The Statewide Law Enforcement Support program made steady progress toward fulfilling its performance goals for FY24. DPS worked with multiple other law enforcement agencies to validate and begin reporting to the National Incident-Based Reporting System (NIBRS), including bringing NMSP into the reporting system. Finally, the Law Enforcement Academy (LEA) began 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 63.8 percent in FY23 to 75 percent in FY24. This will help public safety and judicial agencies make more data-driven decisions and allow New Mexico to come off the list of states for which the FBI has been unable to estimate crime data. 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 also reported the graduation of the largest basic police officer training class in state history, with 63 cadets receiving their certification. This class represented a slight improvement in the academy's graduation rate, climbing to 76.3 percent.

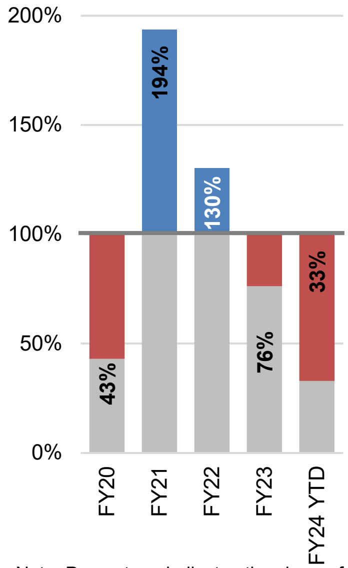
Law Enforcement Certification Board. Since the beginning of the fiscal year, the board began developing and implementing a publicly available database containing outcomes of misconduct investigations that result in the dismissal, denial, suspension, or revocation of a police officer or public safety dispatcher certification. The board began filling the seven newly created staff positions, of which 83 percent are currently vacant. The board is responsible for issuing certifications for all law enforcement officers and dispatchers and for receiving, investigating, and adjudicating allegations of misconduct among the approximately 8,000 licensed individuals statewide.

Forensic Laboratory. The newly opened forensic lab in Santa Fe saw its vacancy rate hold steady at 39.6 percent. However, the agency finalized the forensic scientist pay plan with the help of the State Personnel Office and plans to implement it before the end of FY24.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Public Safety
Second Quarter, Fiscal Year 2024

Percent of Complaint Cases Adjudicated



Note: Percentage indicates the share of complaint cases received that were adjudicated.

Source: DPS

Budget: $33,100.3 **FTE:** 212	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**Rating**
Crime Reporting						
Number of crimes against persons reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	3,045	18,815	N/A	6,330	5,923	
Number of crimes against property reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	15,286	44,272	N/A	12,027	13,917	
Number of crimes against society reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	1,614	12,350	N/A	3,861	2,205	
Number of expungements processed*	New	500	N/A	103	54	
Percent of law enforcement agencies reporting to the National Incident Based Reporting System*	New	63.8%	75%	75%	75%	G
Percent of IT help requests received from other agencies*	New	19.4%	N/A	26.3%	24.7%	
Law Enforcement Academy						
Percent of non-state police cadets who graduated from the law enforcement academy through certification by waiver*	98%	100%	N/A	100%	100%	
Percent of non-state police cadets who graduated from the basic law enforcement academy*	73.3%	76%	N/A	N/A	76.3%	
Graduation rate of telecommunication students from the law enforcement academy*	97.6%	100%	N/A	100%	100%	
Law Enforcement Certification Board						
Percent of complaint cases reviewed and adjudicated annually by the New Mexico Law Enforcement Certification Board*	130.3%	76.3%	N/A	33.3%	76.9%	
Number of complaint cases adjudicated*	86	74	N/A	5	20	
Number of complaint cases received*	66	97	N/A	15	26	
Average age of outstanding complaint cases at the close of the fiscal year, in days*	New	212	N/A	174	242	
Average time to adjudicate complaint cases, in days*	New	1,141	N/A	248	409	
Number of certifications issued	New	565	400	66	170	G
Forensics Laboratory						
Percent of forensic cases completed	125.6%	129.4%	100%	109.9%	92.4%	G
Number of sexual assault examination kits not completed within 180 days of receipt of the kits by the forensic laboratory	0	0	0	4	46	R
Forensic scientist and forensic technician vacancy rate*	25%	29.6%	N/A	39.6%	39.6%	
Program Rating	R	G				Y

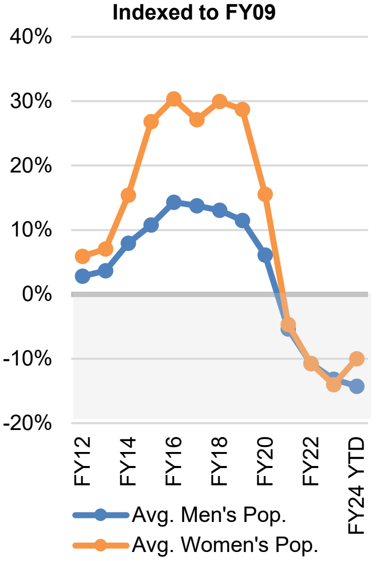
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Corrections Department
Second Quarter, Fiscal Year 2024

ACTION PLAN

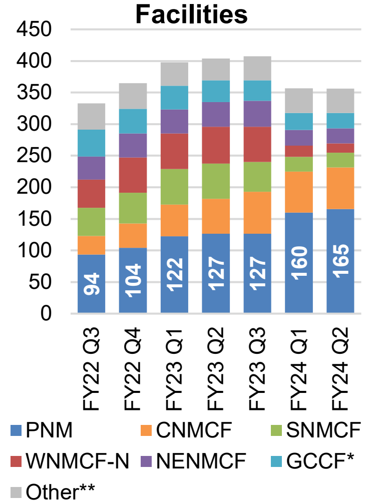
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

New Mexico Prison Population
Indexed to FY09



Source: NMSC, LFC files

Estimated Vacant Correctional Officer Positions at Public Facilities



*GCCF was not publicly operated until partway through FY22 Q2.
**Includes RCC, SNMCF, and WNMCF-S; WNMCF-S was not publicly operated until partway through FY22 Q3.

Source: SPO Organizational Listing Report

Corrections Department

The Corrections Department (NMCD) demonstrated mixed results in the second quarter of FY24. The agency successfully reduced vacancy rates and turnover among correctional officers but saw an increase in recidivism for participants in some of the drug abuse programming. The agency continued the trend of improving the percentage of people in prison participating in education programming; however, varying rates of completion in other programming signal need for improvement. NMCD had relatively stable vacancy rates among probation and parole officers but saw the average number of cases per officer rise. Prison populations continued to fall but appear to be leveling off after several years of consistent decline.

Inmate Management and Control

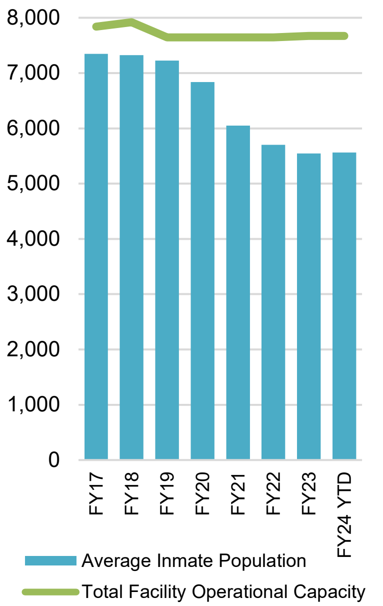
The state's inmate population has plunged since 2018, falling more than 23 percent between FY19 and FY24. Recent increases in admissions for new offenses suggest the population is likely to stabilize in the near future. The New Mexico Sentencing Commission's August 2023 prison population projection anticipates total prison populations will average 5,398 over the course of FY24, a 2 percent drop from FY23's average population of 5,513. This reduction is projected due to falling male inmate populations, which the commission estimates will fall 2.9 percent between FY24 and FY25; female populations are projected to fall an average of 2.1 percent between FY24 and FY25, but the commission anticipates female prison populations will rise during FY25 as more individuals are charged in the 2nd Judicial District and these cases resolve.

Staffing. High vacancy rates pose safety concerns, but low populations have enabled NMCD to adjust facility occupancy to align with staffing levels. However, this has not been possible at all facilities. About 26.5 percent of the agency's total positions were unfilled as of March 1, and public and private correctional officer vacancies remained high, at 30.5 percent and 31 percent, respectively, for FY24. Vacancy rates have declined notably at several facilities, with vacancies at the Western New Mexico Correctional Facility decreasing 5 percent between July and March 2023 and vacancy rates at the Northeast New Mexico Correctional Facility decreasing 5 percent in the same period. The most notable reduction occurred at Springer Correctional Facility, with a 19 percent decrease in vacancies since July.

Budget: $292,538.7 **FTE:** 1,857	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Staffing						
Vacancy rate of correctional officers in public facilities.	29.2%	32.3%	20%	30.5%	30.5%	R
Vacancy rate of correctional officers in private facilities	31.6%	33.8%	20%	34.8%	33.7%	R
Percent turnover of correctional officers in public facilities*	15.8%	12.2%	N/A	5.8%	2.3%	
In-House Parole						
Average number of male inmates on in-house parole	66.9	59.6	65	40.3	30.3	G
Average number of female inmates on in-house parole	6.4	3.9	5	3	1	G
Prison Violence						

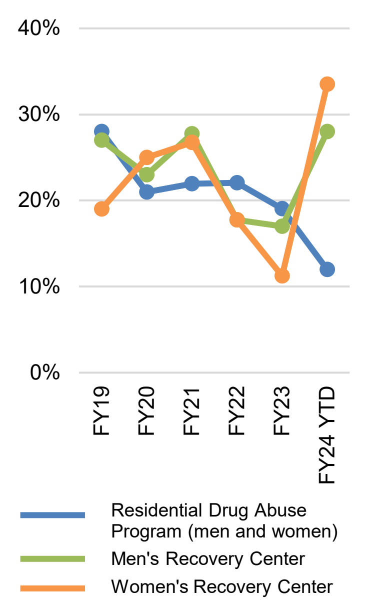
PERFORMANCE REPORT CARD
Corrections Department
Second Quarter, Fiscal Year 2024

NMCD Population and Facility Capacity



Source: NMSC, LFC files.

Recidivism Rates of NMCD Drug Treatment Programs



Source: LFC files, NMCD

Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	4	7	12	4	5	R
Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment	4	4	3	1	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*	3.2%	1.4%	N/A	1.3%	2.4%	
Percent of standard healthcare requirements met by medical contract vendor	95%	99%	98%	99%	99%	G
Percent of inmates treated for hepatitis C with undetectable viral loads 12 weeks post-treatment	90%	85%	95%	78%	82%	R
Percent of HIV positive inmates with undetectable viral loads	81%	100%	95%	100%	100%	G
Prison Operations						
Percent of inmate grievances resolved informally*	82.7%	72.7%	N/A	85.3%	75%	
Number of escapes*	1	0	N/A	0	0	
Program Rating	R	Y		Y		Y

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

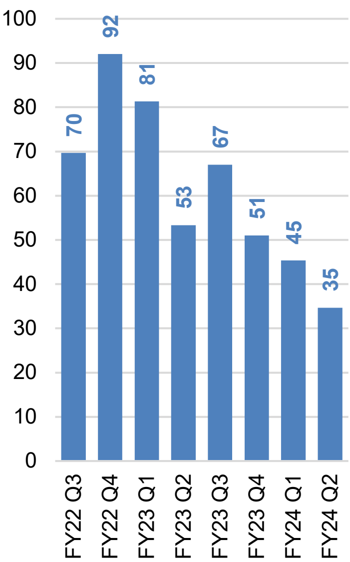
Reentry

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. Recidivism due to new offenses rose from 17 percent in FY23 to 18 percent in FY24. Recidivism rates during FY23-FY26 are expected to reflect lower recovery center populations due to COVID, potentially leading to higher recidivism numbers. However, recovery center populations are gradually returning to full capacity, with both the women's and men's recovery centers nearing capacity. The numbers in programs only began to increase in the past year following the resumption of normal court operations and the lifting of COVID restrictions.

Programming. Education programs continue to show positive trends. NMCD had success in maintaining the number of eligible students who have completed adult basic education and who have earned high school equivalency credential. Recidivism rates for individuals who participate in the residential drug abuse program declined compared to previous fiscal years. However, recidivism rates for graduates from the men's and women's recovery centers continued to climb in the second quarter of FY24.

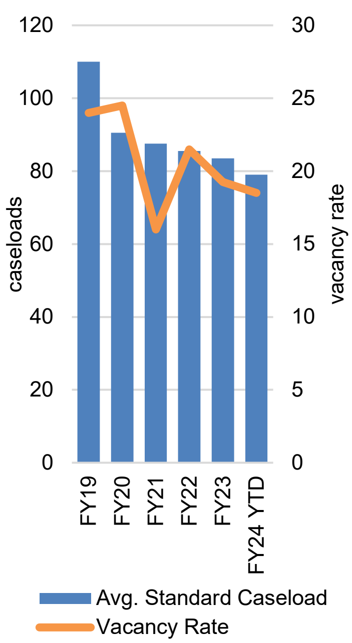
NMCD continues to ramp up its reentry initiatives through its coordination of care model with increased partnerships with community providers to help ensure sustainability for offenders. The agency significantly increased the number of programs reported on its annual program inventory, reporting 34 programs for at the end of FY23 up from 22 in FY22, or an increase in programming of about 54 percent. NMCD has continued to increase the proportion of funding it directs to evidence- and research-based programs in FY24.

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



Source: NMCD, LFC files

Probation and Parole Vacancies and Caseloads



Source: NMCD

A noted challenge over the last year from community partners has continued to be their struggle in hiring qualified behavioral health employees. A lack of behavioral health staff in the community has created some treatment shortages across the state. Community Corrections expanded the options for telehealth services to offenders, which has allowed providers in major metropolitan areas to have sufficient staffing to serve more offenders in rural areas through telehealth services.

Budget: $22,970.2 **FTE:** 130	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Recidivism						
Prisoners reincarcerated within 36 months	37%	36%	35%	41%	38%	Y
Prisoners reincarcerated within 36 months due to new charges or pending charges	16%	17%	14%	20%	18%	Y
Prisoners reincarcerated within 36 months due to technical parole violations	22%	19%	20%	22%	20%	G
Percent of sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	0%	4%	3%	4%	0%	G
Graduates from the residential drug abuse program who are reincarcerated within 36 months of release*	22%	19%	N/A	13%	11%	
Graduates from the men's recovery center who are reincarcerated within 36 months*	18%	11%	20%	23%	33%	R
Graduates from the women's recovery center who are reincarcerated within 36 months*	18%	11%	20%	27%	40%	R
Education						
Percent of eligible inmates enrolled in educational, cognitive, vocational, and college programs	45%	51%	60%	46%	53%	Y
Percent of eligible inmates who have completed adult basic education*	10%	15%	N/A	48%	56%	
Number of inmates who earn a high school equivalency credential	82	184	145	60	55	G
Percent of eligible students who earn a high school equivalency credential	8%	16%	80%	48%	56%	Y
Program Rating	Y	G		Y		Y

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

Community Offender Management

Vacancy rates among probation and parole officers increased to 19 percent this quarter, consistent with vacancy rates in FY23, while the average standard caseload per officer decreased from 83 to 72. NMCD reports 24 percent of absconders were apprehended in the first and second quarters, which represented a slight decrease from the 25 percent apprehended in FY23, Research suggests offenders with unstable employment or housing, and those struggling with substance use disorder are more likely to abscond. Efforts to improve coordination of services prior to release will likely take time to reduce the number of absconders.

Budget: $37,748.5 **FTE:** 359	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Average standard caseload per probation and parole officer	86	83	88	86	72	G
Percent of contacts made per month with high-risk offenders in the community	96%	97%	95%	97%	97%	G
Vacancy rate of probation and parole officers	21%	19%	15%	18%	19%	R
Percent of absconders apprehended	24%	25%	30%	24%	24%	R
Program Rating	R	Y		Y		Y

PERFORMANCE REPORT CARD
Courts and Justice
Second Quarter, Fiscal Year 2024

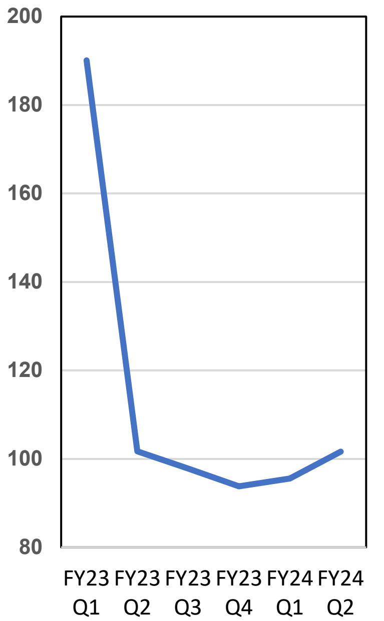
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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

Positive performance trends within the judiciary seen in the first quarter of FY24 have largely continued in the second quarter. Courts increased clearance rates while also maintaining a productive time to disposition. The Public Defender Department continued to address recruitment and retention rates while also maintaining positive adjudication rates. District attorneys increased the average number of cases added to attorney caseloads. These positive trends within the judiciary should be monitored to see if they can continue. Barring one exception, New Mexico's judiciary has bolstered its ability to provide swift and certain justice and provide adequate defense to indigent people in the first half of FY24.

Average Percent Clearance Rate



Source: AOC

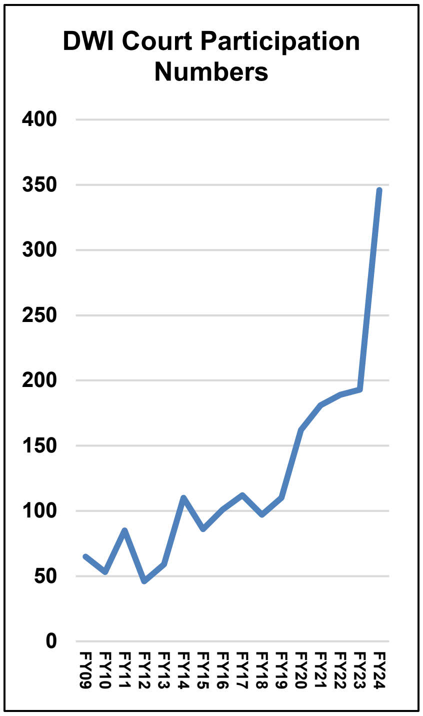
Courts

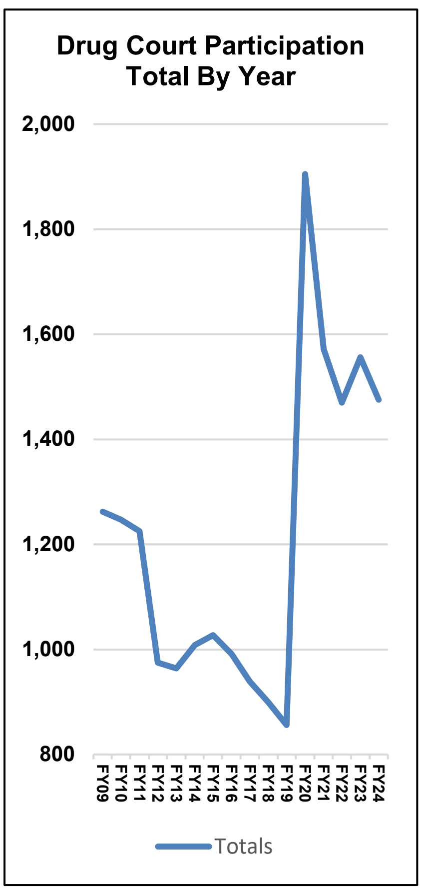
Administrative Support. The average time to disposition for criminal cases was 224 days, only increasing by three days from the first quarter, though still above the target. The drastic improvements seen in both performance measures the first quarter of FY24 remained steady in the second quarter, Additionally, courts clearance rates have passed 100 percent, increasing by 6 percentage points from the first quarter for an average 102 percent clearance rate. This increase in clearance rate indicates that courts have begun to address their case backlogs, a positive sign for the judiciary. With clearance rates above 100 percent and the time to disposition well below the target, the courts are continuing to improve their ability to address backlog issues and continue to provide timely justice. While the age of pending criminal cases did increase by 10 days from the first quarter to the second, the improvements seen in the first quarter when compared to the previous year's numbers remained steady in the second quarter. The continued positive trends through the first two quarters of FY24 are all signs of a healthy, and presumably improving, judicial system. Magistrate courts and the Metropolitan Court continued to perform better than district courts for days to disposition in criminal cases.

The average cost per juror decreased to $63.4 in the second quarter, though it remains the highest in four years. The average interpreter cost per session increased to $72. The number of jury trials decreased by 10 from the first quarter to 213, but jury trials are still on track with prepandemic numbers.

Budget: $12,043.5 **FTE:** 58.5	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average cost per juror	$56.4	$58.3	$55	$64.5	$63.4		Y
Number of jury trials for metro, district, and statewide courts*	574	760	N/A	223	213		
Average interpreter cost per session	$64.1	$73.3	$150	$66	$72		G
Percent of supervised defendants who make all scheduled court appearances	NEW	74%	N/A	71%	72%		Y
Percent of supervised defendants who are not charged with a new offense during the pretrial stage	NEW	80%	N/A	73%	74%		Y
Age of active pending criminal cases in days	524	375	367	295	305		G
Days to disposition in criminal cases	145	277	380	221	224		G
Cases disposed as a percent of cases filed	101%	120%	100%	96%	102%		G
Program Rating	Y			G	G		Y

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





Special Court Services. The Legislature has prioritized treatment courts in the last several years. Despite this, the shift from oversubscription in FY13 to about half of their capacity filled has continued in FY24. However, drug and DWI court recidivism rates continue to not only decrease but also continue to provide a lower recidivism rate than traditional incarceration practices. Graduation rates from courts, while starting FY24 poorly, have bounced back. While both DWI and drug court have yet to meet targets, drug court graduation rates rose to above the FY23 average in the second quarter while DWI court graduation rates jumped from 57 percent in the first quarter to 84 percent in the second quarter.

The percentage of defendants who were not charged with a new violent crime during the pretrial process remains at 93 percent and the percentage of defendants who make all their scheduled appearances increased to 72 percent from 71 percent. Both indicate a functioning pretrial system that is protecting the public while also letting the courts provide timely justice. While pretrial numbers remain steady, recidivism rates in both drug courts rose. While both increases were roughly just 1 percentage point, the increase should be interpreted with caution due to the increased graduation rate.

The number of monthly supervised child visitations and exchanges in the second quarter of FY24 was 2,495, and the number of cases to which CASA (court-appointed special advocated) volunteers were assigned in the second quarter, 285, results in total of cases surpassing FY23's year-round total.

Budget: $11,611.4 **FTE:** 47.66	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Cases to which CASA volunteers are assigned*	1,448	507	N/A	269	285		
Monthly supervised child visitations and exchanges conducted	12,012	11,181	N/A	2,445	2,495		G
Average time to completed disposition in abuse and neglect cases, in days*	148	153	N/A	137	163		
Recidivism rate for drug-court participants	14%	9.8%	12%	8.3%	9.3%		G
Recidivism rate for DWI-court participants	6.1%	5.3%	12%	4.8%	6.1%		G
Graduation rate for drug-court participants*	59.2%	53.6%	90%	52.8%	56.2%		G
Graduation rate for DWI-court participants*	89.5%	78.6%	90%	56.7%	84.4%		G
Cost per client per day for all drug-court participants*	$37.10	$40.10	N/A	$30.57	$30.63		
Program Rating	Y	Y		Y	G		G

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

District Attorneys

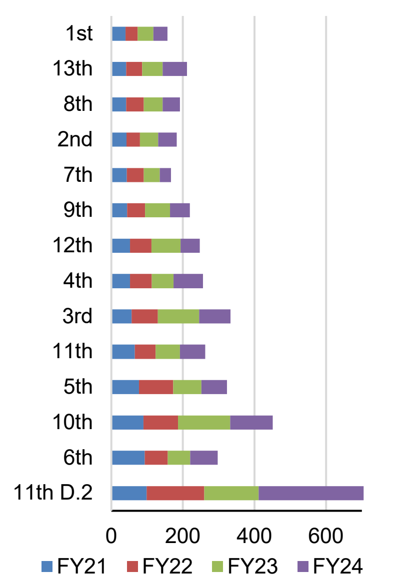
Recruiting and retaining attorneys continues to be an issue for prosecution offices, especially in rural parts of the state. Statewide, prosecutors and defenders report seeing felonies as an increasing share of their caseloads. Additionally, the increasing share of

Average Attorney Caseload

District	Q1	Q2	%
1st	241	247	2.49%
2nd	545	532	-2.39%
3rd	426	437	2.58%
4th	223	297	33.18%
5th	347	308	-11.24%
6th	306	269	-12.09%
7th	196	200	2.04%
8th	220	221	0.45%
9th	247	208	-15.79%
10th	904	787	-12.94%
11th	269	272	1.12%
12th	363	350	-3.58%
13th	195	188	-3.59%
11th d. 2	1022	5,358	424.27%

Source: AODA

Average Number of Cases Added



Source: AODA

felonies and decreasing share of misdemeanors require more time per case and may require modified measures to fully understand attorney workload. Accurate data can be a helpful tool towards understanding more clearly how agencies are functioning. While new performance measures like average attorney caseloads are productive, the makeup of those caseloads is equally important. 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 opaque.

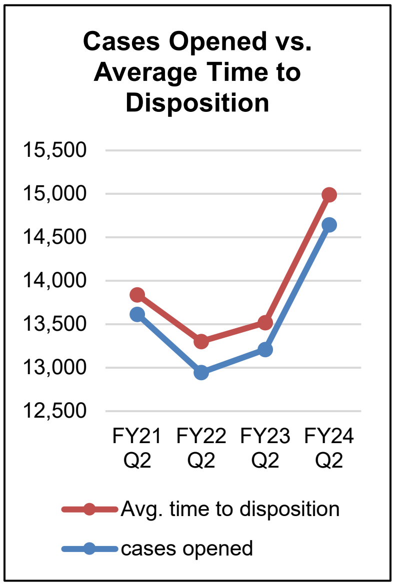
In the second quarter of FY24, the average number of cases added to attorney caseloads increased to 110, the highest the average has been since 2019. This increase is created by an outlier in the data set. In both quarters of FY24, the 11th Judicial District Attorney, Division 2, has had the highest or second highest number of added cases. If removed, the average number of cases for district attorneys drops dramatically, to 66. In the second quarter of FY24, the 11th District, Division 2, average number of cases added was 694, 580 higher than the next closest average. This volume of added cases is too high for the agency to handle. Coupled with the history of attorney retention as well, it presents a worrying reality for the agency and its ability to fulfill its statutory duty.

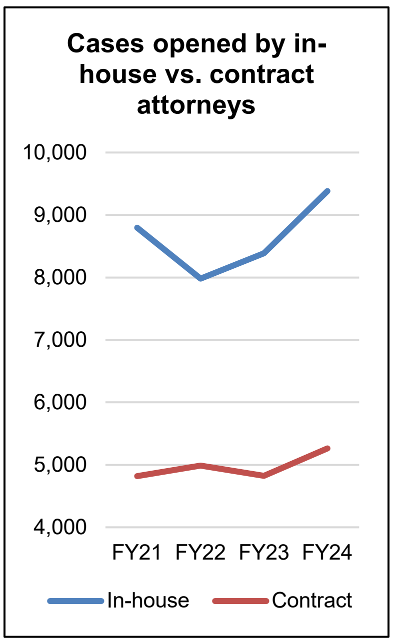
In FY24, district attorneys began reporting average attorney caseloads, which will help discern trends in prosecution caseloads. The newly reported average attorney caseload numbers should be approached with caution. In the second quarter of FY24, the 9th reported that the previous numbers were incorrect. The 9th Judicial District Attorney's average attorney caseload was 275, not the 2,046 previously reported by Administrative Office of the District Attorneys. The average attorney caseload number for Division 2 of the 11th district, previously 1,022, increased in the second quarter. Due to the loss of attorneys, the average caseload for the Division 2 is 5,358. This is a number that should be viewed with worry, due to this size of a caseload certainly influencing the agency's ability to administer swift and certain justice.

Budget: $98,680.2 **FTE:** 849	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average number of cases added to attorney caseloads	92	89	200	94	110		
Number of Cases Referred for Screening*	60,503	58,603	N/A	15,436	14,495		
1st District	4,731	4,105	N/A	1,253	1,015		
2nd District	19,039	16,434	N/A	4,591	5,176		
3rd District	4,365	5,174	N/A	1,394	1,269		
4th District	1,812	1,914	N/A	575	408		
5th District	6,584	6,147	N/A	1,682	1,374		
6th District	2,610	2,593	N/A	648	575		
7th District	1,654	1,796	N/A	384	307		
8th District	1,544	1,683	N/A	421	366		
9th District	2,513	2,412	N/A	628	519		
10th District	661	683	N/A	166	119		
11th Division I.	4,955	5,133	N/A	1,280	1,046		
11th District Div. II	2,327	2,172	N/A	360	346		
12th District	2,459	2,678	N/A	556	538		
13th District	5,836	6,139	N/A	1,498	1,437		
Program Rating	G	G					

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

Public Defender





Like other criminal justice partners, PDD has had to address difficulties in recruiting and retaining legal professionals in rural areas. However, in both quarters of FY24, the agency has demonstrated an ability tackle to both issues. The agency reported a vacancy rate of 11.5 percent, a 3.5 percentage point decrease from the first quarter of FY24. This is an encouraging sign. The agency thanks this decrease in the vacancy rate to new recruitment tactics for recent law school graduates and to targeted increases in contract and attorney pay.

Like district attorney offices, PDD reports a changing mix of case types, with an increasing share of felony cases and a decreasing share of misdemeanor cases. This may result from a more discerning—and cost-effective—screening of cases by law enforcement and prosecutors before cases are formally prosecuted and opened by defense attorneys. However, the changing mix type also results in a higher per case attorney workload. Further, this change in case type to a predominantly felony-weighted caseload should be interpreted with caution, considering the large gap in time to disposition between contract versus in-house attorneys.

The second quarter of FY24 saw drastic improvement for contract and in-house attorneys reporting, respectively, 17 and 16 percentage point increases in their percentage of cases that resulted in a reduction of charges. Contract attorneys' percentage of the caseload remains steady at 35 percent and the number of felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment increased by 1,180, a 27 percent increase. The only performance measure to dip for PDD was the average time to disposition for felonies, which rose from 310 in the first quarter of FY24 to 345 in the second quarter. This was coupled with a decrease of 408 cases opened by the public defender.

Budget: $64,294.5 **FTE:** 488	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	44%	58%	65%	58%	74%		G
In-house attorneys	45%	62%	65%	61%	77%		Y
Contract attorneys	41%	47%	65%	49%	66%		Y
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	7,090	13,260	5,000	4,320	5,500		G
In-house attorneys	5,333	9,774	4,000	3,341	3,818		G
Contract attorneys	1,837	1,000	1,000	979	1,682		G
Cases assigned to contract attorneys*	34%	37%	N/A	34%	35%		
Average time to disposition for felonies, in days*	336	324	N/A	310	345		
In-house attorneys*	308	268	N/A	206	270		
Contract attorneys*	363	380	N/A	414	421		
Cases opened by Public Defender Department *	54,362	58,253	N/A	15,058	14,646		
In-house attorneys*	33,637	36,775	N/A	9,988	9,383		
Contract attorneys*	20,725	21,478	N/A	5,246	5,263		
Program Rating	Y			G			G

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

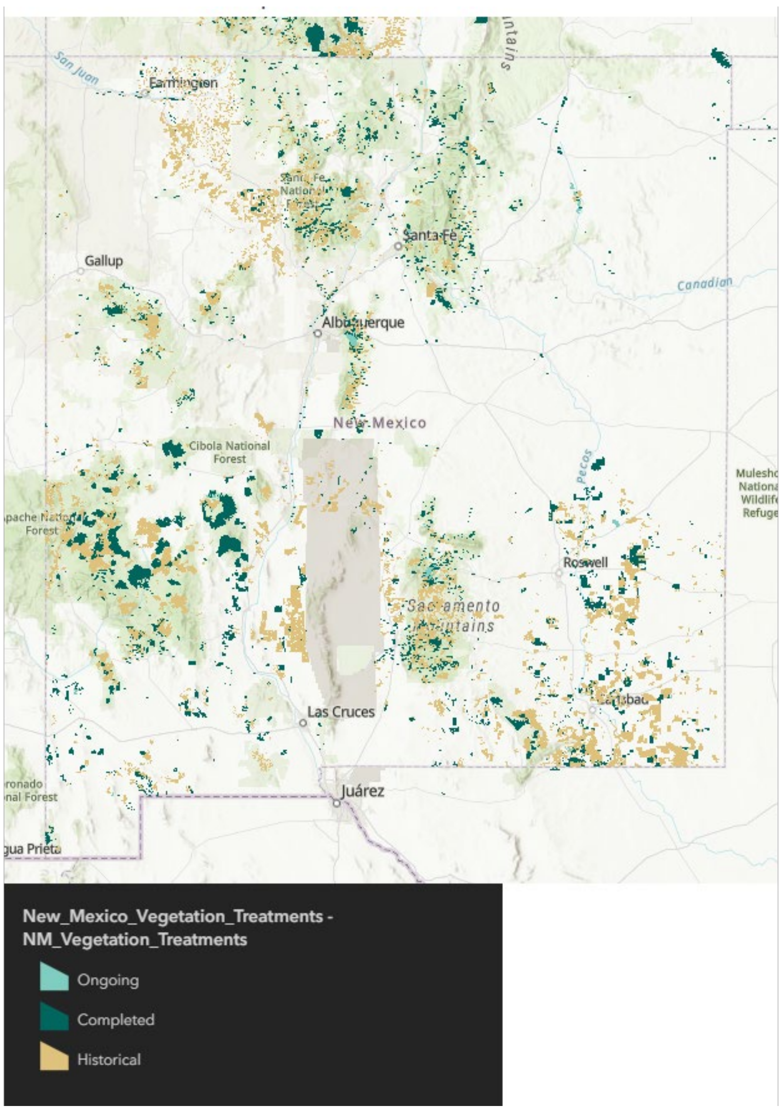
PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department
Second Quarter, Fiscal Year 2024

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

The Energy, Minerals and Natural Resources Department (EMNRD) received record levels of state and federal funding in FY24 as it increased activity across several divisions. The federal Infrastructure Investment and Jobs Act delivered $25 million for orphaned well cleanup, $960 thousand for the energy efficiency revolving loan program, $2.4 million for abandoned mine remediation, and $5 million for wildfire prevention, readiness, and firefighting equipment. The Hermits Peak-Calf Canyon area will undergo hazard tree thinning, thanks to a $6 million U.S. Department of Agriculture grant. The agency continued to improve its performance across several divisions, notably State Forestry and State Parks. EMNRD met or exceeded performance targets for improving both revenue and visitation at State Parks.

New Mexico Forest Vegetation Treatment Projects



Source: Energy, Minerals and Natural Resources Department; New Mexico Forest and Watershed Restoration Institute

State Forestry

Wildland Firefighter Training. After a decline in training participation in FY22, the number of firefighters trained recovered in FY23 and appears to be trending positively in FY24. The State Forestry Division (SFD) suggests this turnaround may be due, in part, to individuals striving to be prepared to help their communities after witnessing New Mexico's devastating 2022 wildfire season.

Training courses are held throughout the state primarily from October to April each year at a variety of volunteer, county, and municipal fire departments, as well as state and local agency locations. An extended fire season delayed training until the second quarter, and SFD has 48 more courses scheduled for quarter three.

Forest and Watershed Treatment. SFD reports the average per-acre cost of forest and watershed restoration has risen due to increased contractor wage rates and supply costs. The ongoing support from the irrigation works construction fund and the land of enchantment legacy fund aims to enhance funding predictability, signaling a lasting commitment to statewide forest and watershed treatments in New Mexico.

In the second quarter, SFD more than doubled the number of acres in high-risk watersheds and priority landscapes under notice to proceed, from 9,000 to 20.7 thousand. The number of acres treated increased significantly as well. With the help of federal funding, such as a $6 million grant for hazard tree thinning on private lands in the Hermits Peak-Calf Canyon burn area, SFD expects to meet its FY24 treatment acres target.

Budget: $28,828.2 **FTE:** 92	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	883	1,554	1,500	0	668	Y
Number of acres treated in New Mexico's forest and watersheds.	14,020	15,735	14,500	1,023	4,945	G
Program Rating	Y	G				Y

Energy, Conservation and Management Division

As of the conclusion of the second quarter, the Energy, Conservation and Management Division (ECMD) had received 1,337 applications for the solar market development tax credit. Of these, 63 applications were returned due to incompleteness, while 1,273 were successfully approved for processing. ECMD also received 18 applications for the energy conserving products credit and 280 applications for the sustainable building tax credit. The division is working with EMNRD IT staff to make improvements to its online application portal.

Scheduled State Park Improvements FY24
(in thousands)

Project Location	Cost
FY21 Statewide Water & Wastewater Infrastructure	$1,000
Bluewater Lake State Park	$20
Eagle Nest Lagoon Decommission	$600
Navajo Lake State Park	$525
Conchas Lake State Park	$70
Fenton Lake State Park	$20
Elephant Butte Lake State Park	$25
FY23 Statewide Water & Wastewater Infrastructure	$468
FY24 Statewide Water & Wastewater Infrastructure	$1,600
Total	**$4,328**

In late 2022, ECMD applied for grid modernization grant funding from the federal government under the 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 funds will be used to fortify vulnerable electric systems and upgrade the grid, particularly as utilities make the shift towards renewable energy resources. The grant requires a 15 percent state match, which the Legislature appropriated funds for in both FY24 and FY25.

Budget: $5,716.8 **FTE:** 27	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Percent of completed applications for clean energy tax credits reviewed within 30 days of receipt	92%	99%	90%	100%	100%	G
Program Rating	G	G				G

State Parks

Visitation to state parks is typically low in the cold months of the second quarter. The State Parks Division (SPD) has initiated marketing and outreach initiatives to attract both residents and nonresidents to visit during peak season. SPD continued to reduce its vacancy rate and is working to recruit both permanent and temporary staff to ensure state parks remain a significant draw, supporting New Mexico's outdoor recreation economy.

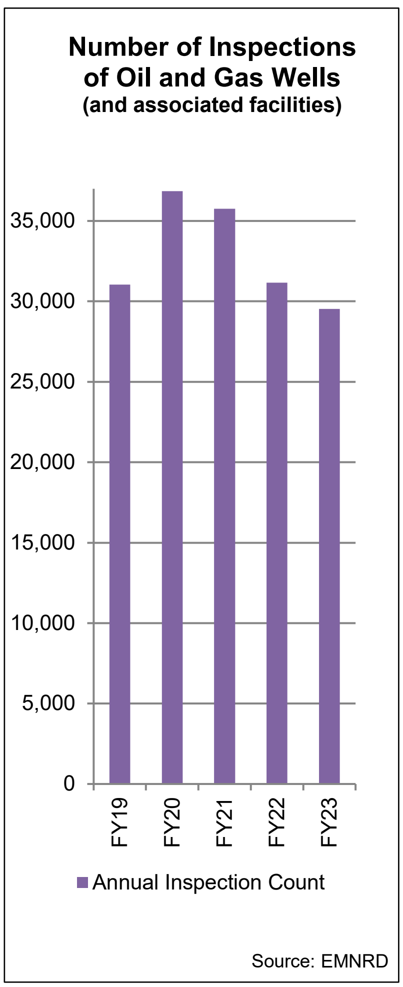
Budget: $38,454.2 **FTE:** 239.66	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Number of visitors to state parks	5.2 million	4.78 million	4.8 million	2.1 million	775.4 thousand	G
Amount of self-generated revenue per visitor, in dollars	$1.01	$1.21	$1.00	$0.72	$0.95	Y
Program Rating	G	G				G

Mining and Minerals

The Coal and Mining Act programs require financial assurance for permitted mines. The coal program has 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.

Budget: $13,264.5 **FTE:** 34	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	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%	G
Program Rating	G	G				G

Oil Conservation



The Oil Conservation Division (OCD) issued 1,531 violations across the state's oil-producing basins during routine inspections in the second quarter of FY24. OCD increased its pace of inspections after three consecutive years of decline while also implementing a more rigorous inspection protocol. The division is aggressively hiring inspectors and field staff to increase inspections and compliance this fiscal year. In FY23, vehicle availability was impacted by supply chain issues. OCD is now actively upgrading its vehicle fleet to ensure field personnel have the equipment needed to increase and maintain the rate of inspections.

OCD has already surpassed its annual target for plugging abandoned wells. A group of five plugging rigs have been contracted and are working simultaneously. Plugging activity was able to increase due to funding from the federal Bipartisan Infrastructure Law and continued state support from the oil reclamation fund. Using the $25 million in federal funds received in FY23, along with commitments by the federal government to continue funding in the future, OCD was able to secure long-term access to multiple plugging rigs and crews, which will increase both the number and rate of well-plugging projects moving forward. With 2,000 orphaned wells identified in New Mexico, the agency's ability to complete these plugging projects at an increasing pace will be critical to protecting public health and safety.

Budget: $55,305.5 **FTE:** 80	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Number of inspections of oil and gas wells and associated facilities .	35,757	29,522	31,000	8,855	8,368	Y
Number of abandoned wells properly plugged.	49	76	50	33	45	G
Number of violations issued with associated administrative penalties*	3,213	2,552	N/A	969	1,531	
Program Rating	Y	Y				Y

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

PERFORMANCE REPORT CARD
Office of the State Engineer
Second Quarter, Fiscal Year 2024

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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

Water Security Planning Act

ISC staff are currently working to implement the Water Security Planning Act, passed unanimously in the 2023 legislative session. Intended to support communities throughout New Mexico in responding to and preparing for increasing water scarcity associated with climate change. These impacts are already being felt. Work under the Act will include significant public input related to the delineation of the regions themselves, requirements for regional planning entities, and processes for prioritization of requests for funding to the legislature, as well as regular reporting on outcomes.

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) spent significant time and resources working with the Office of the Attorney General to navigate settlement negotiations and trial preparation in the Texas v. New Mexico water rights case on the Rio Grande. All states involved agreed in principle to a proposed settlement, presented to the judge overseeing the case and to the U.S. Supreme Court's special master. On July 3, 2023, the special master issued his third interim report that recommends acceptance of the three states' consent decree for settling the case. The Supreme Court will review the special master's filing. The timing of the ultimate ruling is currently uncertain.

OSE made progress toward reducing New Mexico's interstate stream compact compliance debts, while also increasing the number of offers submitted to defendants through its Litigation and Adjudication Program. The Dam Safety Bureau continued to address its backlog but is constrained by staff shortages that impact the performance of the Water Resource Allocation Program, which otherwise met or exceeded all of its performance targets. Legislative approval of some key capital projects management staff may help allow the bureau to focus on its core mission.

Water Resource Allocation

The Water Rights Division processed 29 applications per month in the second quarter of FY24. 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 not on pace to meet the annual target of 21 thousand. Staff are focusing on ground water files and district office file maintenance work, which does not substantially affect database numbers. The Dam Safety Bureau performed enough inspections in the second quarter to nearly reach the annual target. The bureau plans to use the Federal Emergency Management Agency's national dam safety grant funding to secure contract engineering assistance for inspections.

Budget: $18,975.0 **FTE:** 178	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Number of unprotested and unaggrieved water right applications backlogged*	499	445	N/A	419	423	G
Average number of unprotested new and pending applications processed per month	39	37.8	35	36	29	Y
Number of transactions abstracted annually into the water administration technical engineering resource system database.	28,665	19,210	21,000	2,939	2,898	R
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues	61	26	45	2	32	G
Program Rating	G	Y				Y

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

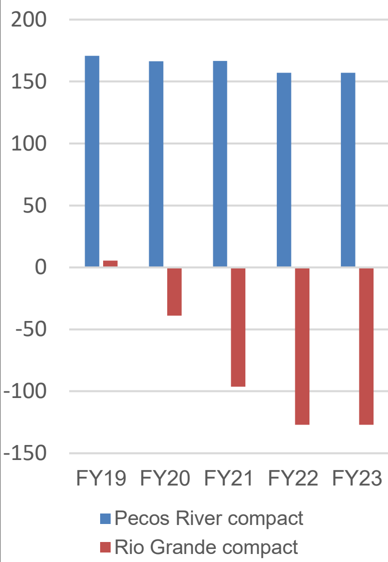
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Office of the State Engineer
Second Quarter, Fiscal Year 2024

Interstate Stream Commission

The state's cumulative Pecos River Compact credit continues to be positive and is attributable primarily to the 2003 Pecos Settlement Agreement and significant state investment in its implementation, including the purchase of water rights and construction of two augmentation well fields.

Interstate Stream Compact Compliance
(in thousands of acre-feet of water)



Source: LFC Files

On the Rio Grande, New Mexico has a cumulative delivery deficit of 93,000 acre-feet. The state's long-term goal is to accumulate a positive delivery credit, but due to multiyear trends affecting deliveries and storage, the ISC considers a debit of less than 150,000 acre-feet an acceptable target in the short term. The accrued debit and construction at El Vado Reservoir prevented storage of irrigation water in FY23. To manage spring runoff, 120,000 acre-feet of floodwater was temporarily stored in upstream reservoirs. Release of that water to Elephant Butte Reservoir began in mid-November. Ongoing efforts are underway to improve the efficiency of water delivery in the Rio Grande channel.

Budget: $15,272.2 **FTE:** 54	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Cumulative New Mexico Unit fund expenditures, in millions of dollars*	$22.0	$22.3	N/A	N/A	$22.6	
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	157.2	156.6	161.6	156.6	156.2	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet	-127.1	-93	< -150	-93	-93	Y
Program Rating	Y	G				Y

*An updated expenditure amount will be reported in quarter two of FY24.

Litigation and Adjudication

The Litigation and Adjudication Program (LAP) is making progress in the first quarter of FY24 toward its goal of fully adjudicating water rights in the Lower Rio Grande Basin. Anticipating a substantial increase in offers during quarter three, LAP expects to stay on course to meet its target of 300 offers for FY24 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: $8,268.3 **FTE:** 63	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Number of offers to defendants in adjudications	142	436	300	46	33	Y
Percent of all water rights with judicial determinations	76.5%	76.7%	76%	76.7%	76.8%	G
Program Rating	G	G				G

PERFORMANCE REPORT CARD
Environment Department
Second Quarter, Fiscal Year 2024

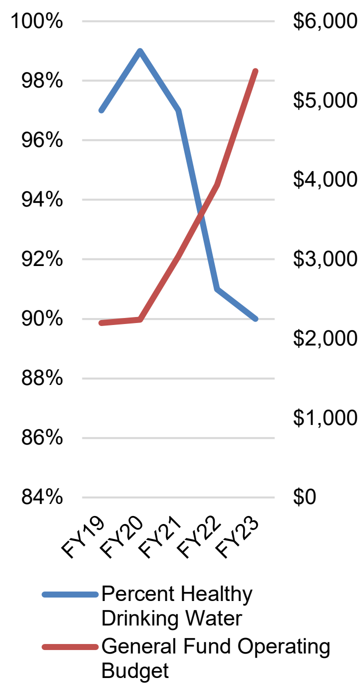
ACTION PLAN

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

The Environment Department's (NMED) regulatory programs continued to demonstrate mixed results on compliance levels in quarter one of FY24 faced with the challenge of attracting technical staff in a competitive employment landscape. Despite the anticipated influx of drinking water state revolving fund (DWSRF) set-aside grants for infrastructure projects and programmatic costs, following the passage of the federal bipartisan infrastructure bill, these funds are secured only until 2026. To address staffing issues, some NMED programs are collaborating closely with human resources and state personnel to reclassify certain positions, making them more competitive. The department is actively working to reduce the vacancy rate, despite a minor increase in the vacancy rate from the previous quarter's 19 percent to the current 20.9 percent. Despite significant investments in personnel by the Legislature to add capacity, the agency's recruitment and retention of key staff continues to be a challenge.

Water Protection

Water that Meets Health Standards Compared to General Fund



Source: LFC Files

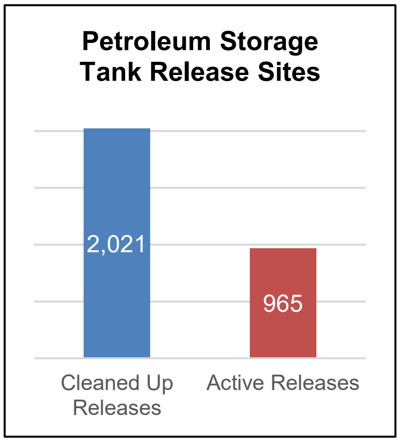
The Water Protection Division (WPD) continues to assist communities seeking to develop internal capacity to utilize state and federal funding for infrastructure improvement and water resource management. The Surface Water Quality Bureau completed two permittee inspections of the 20 required annually in the second quarter, not including inspection reports that were still in progress at the end of the quarter. NMED believes that either obtaining authorization to take over the U.S. Environmental Protection Agency's oversight of discharge elimination systems or developing a state surface water discharge permitting program would significantly improve the WPD's ability to protect the state's water resources. The bureau has filled 3 FTE to develop a permitting program using two special appropriations from 2022 and 2023.

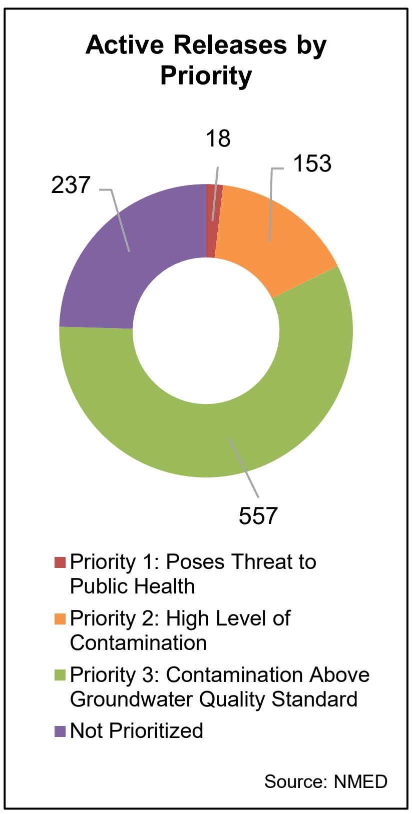
The Construction Programs Bureau (CPB) executed 98 original funding agreements totaling $58.6 million in the second quarter. One grant was for the stormwater and sewer overflow program while the rest of the agreements were for legislative capital outlay projects. This measure does not capture NMED's work on projects from programs not managed directly by CPB, such as DWSRF and water trust board projects, although many such projects receive extensive technical assistance from the bureau.

Budget: $62,511.4 **FTE:** 191.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Percent of the population served safe and healthy drinking water	97%	89.8%	95%	90.1%	90.5%	Y
Percent of surface water permittees inspected	155%	145%	100%	5%	10%	R
Percent of groundwater permittees inspected	21.1%	18.2%	65%	5.8%	10.3%	R
Number of new water infrastructure projects	114	157	115	65	98	G
Program Rating	Y	Y				Y

Resource Protection

In the Resource Protection Division, Solid Waste Bureau (SWB) enforcement staff inspected 10 of 45 active, permitted solid waste facilities (22.2 percent) in the second quarter. The bureau has now inspected almost half of the facilities requiring inspection,





placing it on track to meet its annual target. The SWB continues to work to reclassify existing vacancies to higher-level positions to improve recruitment and retention, but the agency reports additional staffing is needed to improve the rate of inspections. The existing measure excludes infectious waste generators that make up the majority of the nearly 1,300 total permitted facilities the SWB permits and inspects.

This quarter, the Petroleum Storage Tank Bureau (PSTB) approved no further action (NFA) status for two petroleum release sites, bringing the total number of completed site cleanups to 2,020. NFA status signifies compliance with remediation standards, assuring no significant risk of harm to public health or the environment at the site. The PSTB currently has proposed assessments totaling $1.8 million from the corrective action fund pending approval.

In the second quarter, there were 2,474 hazardous waste generators in the state; this number changes frequently. The Hazardous Waste Bureau inspected 20 generators this quarter, a small percentage of the total and insufficient number to make headway towards its annual goal.

Budget: $18,653.4 **FTE:** 144.3	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Number of completed cleanups of petroleum storage tank release sites that require no further action	1,964	2,005	1,976	2,018	2,020	G
Percent of solid waste facilities and infectious waste management facilities inspected	47%	53.3%	85%	24.4%	22.2%	G
Percent of hazardous waste facilities inspected	4%	3.7%	15.0%	0.8%	0.8%	R
Program Rating	R	R				Y

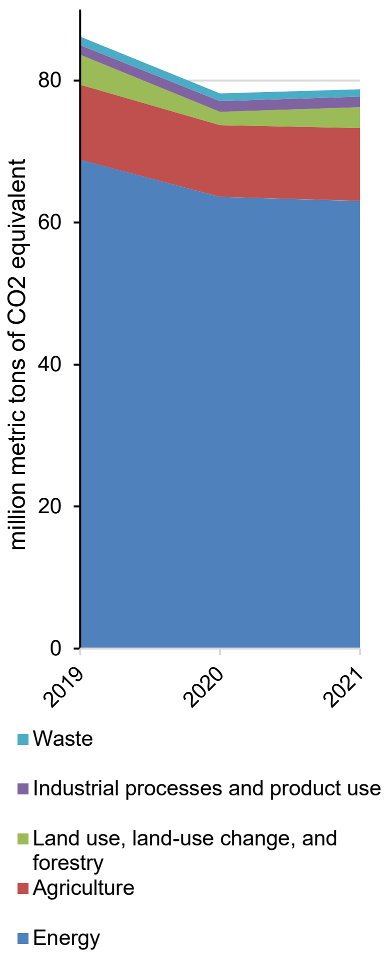
Environmental Protection

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.

In addition to inspections and monitoring, RCB's work includes assisting nuclear workers who have become ill due to occupational exposures received while working for 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.

The AQB has deployed new air monitoring instruments that improve connectivity, efficiency, and remote access to air quality data. The bureau worked with the New Mexico Climate Change Task Force to develop rules for reducing volatile organic compounds and oxides of nitrogen emissions in the oil and gas industry. AQB inspected 8 of 122 air-emitting sources in the second quarter. AQB's Compliance & Enforcement

New Mexico Greenhouse Gas Emissions by Inventory Sector, 3-Year History



Source: US Environmental Protection Agency Greenhouse Gas Inventory Data Explorer

Section is actively involved in recruiting new inspectors. The Inspections Unit now has a Manager and a Supervisor with five inspectors, but only one inspector has more than two years of experience in air inspections, which is the minimum to be considered fully trained.

Budget: $18,320.1 **FTE:** 121.8	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Percent of ionizing and non-ionizing radiation sources inspected	12.6%	15%	85%	5.6%	4.4%	R
Percent of air emitting sources inspected	20.5%	33.3%	25%	7.8%	6.6%	Y
Percent of the population breathing air meeting federal health standards	98.4%	99.9%	95%	98.3%	100%	G
Program Rating	R	R				Y

Environmental Health

The Environmental Health Division (EHD) continued to administer the state hemp extraction and manufacturing program, ensuring public health protection while supporting the growth and sustainability of the cannabis industry. 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 thousands of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau inspects approximately 1 percent of all workplaces each year. Still, it expects that a much higher percentage of workplaces are out of compliance at any given time, necessitating continuous refinement of the strategy by which the highest-risk workplaces are targeted. In the second quarter, the Food Safety Program fell short of reaching the percentage needed for this measure to reach its annual target.

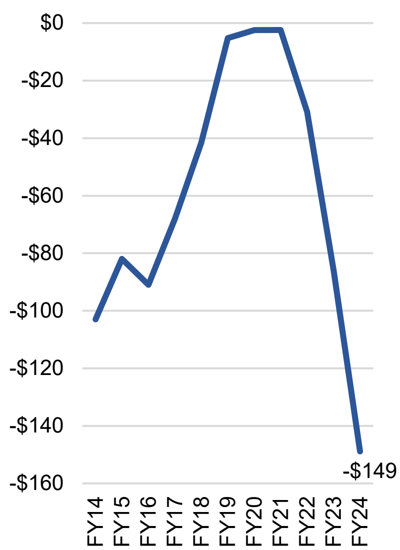
Budget: $ 16,219.3 **FTE:** 156.0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	Rating
Number of employers that did not meet occupational health and safety requirements for at least one standard compared with the total number of employers	63.5%	64%	55%	73.2%	52.3%	G
Percent of restaurants and food manufacturers inspected	90.2%	80%	90%	20.8%	20.2%	Y
Percent of new or modified liquid waste systems inspected	82.1%	86%	85%	91.9%	90.6%	G
Program Rating	R	R				Y

PERFORMANCE REPORT CARD
General Services Department
Second Quarter, Fiscal Year 2024

ACTION PLAN

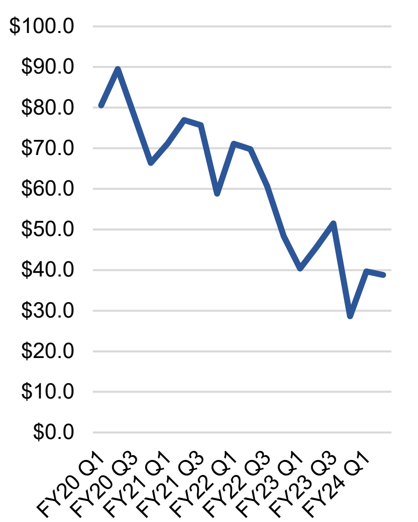
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Net Position of Major Risk Funds
(in millions)



Source: GSD and LFC Files

Public Liability Fund Cash Balance Oct. 2020 through Jan. 2024
(in millions)



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 with only a small percentage of liabilities in cash 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 Funds

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 31 percent, down from 78 percent at the end of FY22, but the large driver of losses is the state's public liability fund, with has only 7 percent of anticipated liabilities in reserve, well short of the 50 percent target. Projected assets are short of projected liabilities by $149 million, with the public liability fund reporting a shortage of $126 million. The public property fund remains well above the 50 percent target, and the workers' compensation fund remains slightly above target.

A one-time cash infusion of $20 million, approved by the Legislature during the 2024 session, will help rebuild cash reserves, which stood at $38 million in January 2024 but is projected to fall to $9 million at the end of FY24. Even with the additional cash reserves, the projected financial position of the fund would only rise to 20 percent of liabilities, below the 50 percent target.

Additional information on liability cost drivers is included in a supplemental performance report on risk management funds.

Budget: $104,024.9 **FTE:** 0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Projected financial position of the public property fund*	443%	215%		184%	220%		G
Projected financial position of the workers' compensation fund*	6%	56%		63%	60%		G
Projected financial position of the public liability fund*	66%	42%		33%	6.7%		R
Program Rating	G	Y		Y			R

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

Employee Group Health Benefits

In FY24, the Risk Management Division of GSD operates the state's self-insured group health benefits pool, providing health coverage to employees of the state, local governments, and some higher education institutions, but the program will transition to the Health Care Authority beginning in FY25. The employee group health benefits program has been operating at a deficit since FY21, with the Legislature allocating more than $175 million in general fund appropriations to backfill loses caused by a multi-year premium holiday. Although GSD currently projects a negative fund balance in the health benefits fund, the Legislature appropriated $140 million to make the fund whole before the transition to the Health Care Authority in FY25.

GSD Capital Projects Update

Project: Las Vegas Behavioral Health Inst.
Cost: $103 million
Completion: Unknown
Status: The project is expected to go out to bid for construction in May. Amended design of the project will allow FMD to phase construction of the facility, likely necessary due to significant cost increases and to address concerns about right-sizing construction to the current and historic population. The revised design allows for some housing units to be built before others, allowing for future growth.

Project: DPS Reality-Based Training, Santa Fe
Cost: Unknown
Completion: Unknown
Status: FMD has awarded a contract for project design and will begin programming for the project in late March 2024.

Project: Roswell Field Offices for Human Services Agencies
Cost: Unknown
Completion: Unknown
Status: FMD received an appropriation to purchase a facility; a prospective site sold to a private buyer before FMD could finalize an RFP to purchase that facility. The agency is pivoting to a construction project, using vacant land already owned by FMD. The prospective campus could potentially hold 4 building, allowing co-location of multiple agencies on a single campus.

GSD reports per-member-per-month cost increases averaged 7.8 percent in the first quarter after modest growth in FY23. Rising costs put additional pressure on the system, which is already unable to meet expenses with current revenue. A cost-containment strategy alone will not enable the department to close the funding gap in the absence of rate increases that recognize the true costs of the current plan.

Additionally, the percentage of workers purchasing health coverage continues to fall—from 81 percent in FY21 to 79 percent in FY23. Participation could continue to fall as premiums increase to recognize costs, with most of the losses likely to come from relatively healthy and lower cost individuals. The state may need to consider health plan alternatives, such as high deductible plans, which other public employers have used to moderate premium costs.

Budget: $363,142.2 **FTE:** 0	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Change in average per-member-per-month total healthcare costs	5%	3%	5%	13.2%	7.8%		R
Annual loss ratio for the health benefits fund	118%	118%	98%	Annual Measure			
State group prescriptions filled with generic drugs	87%	83.6%	85%	No Report	82.3%		R
Number of visits to the Stay Well Health Center*	4,540	7,375		1,666	1,980		R
Percent of eligible state employees purchasing state medical insurance*	80%	78.5%		Annual Measure			
Year-end fund balance of the health benefits fund, in millions*	-$65.1	-$61.2		No Report	$-126.6		R
Program Rating	R	R					R

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

Facilities Management

The Facilities Management Division (FMD) is responsible for maintaining 6.8 million square feet of state-owned and leased space. FMD reports only 68 percent of scheduled preventive maintenance activities were completed on time due to a lack of maintenance staff. On-time completion of capital projects also fell short of the target.

The department reports one of the five leases approved in the second quarter met space standards. Of the four leases not meeting space standards, three were granted a waiver due to out-of-the-ordinary space needs of the agency. Prior performance reports have noted the large number of space waivers granted to agencies and the performance target for the agency may need to be adjusted to reflect these waivers.

The state has yet to realize projected cost savings from the green energy initiatives, with the department reporting a loss of $38.2 thousand in FY23. 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. However, in the first half of FY24, the department reports cost savings of only $185 thousand. The department reports significant energy savings over the FY18 baseline of 2.6 million kilowatt hours in the second quarter, resulting in 1,886 metric tons fewer greenhouse gas emissions.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
General Services Department
Second Quarter, Fiscal Year 2024

GSD Capital Projects Update

Project: New Mexico Veterans Home Small Homes Project, Truth or Conseq.
Cost: $60 million
Completion: Mid-April 2024
Status: Project is nearing the end of construction, with phase one of the project complete. However, the agency was recently denied a certificate of occupancy due to water infrastructure issues, which will require construction of a 165 thousand gallon water tank. The agency reports it has sufficient budget to complete the tank. FMD has brought in a consultant to assist with compliance to receive federal funding, which has yet to be approved, but was supposed to cover up to 90% of construction costs.

Project: Albuquerque Metro State Police Headquarters
Cost: $14 million (estimate)
Completion: Fall 2026
Status: FMD is in process of completing surveys of the site and is completing final negotiations on the transfer of the property to FMD. The agency is drafting a scope of work to go to bid on project design for the facility.

Budget: $19,550.7 **FTE:** 148	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Capital projects completed on schedule	93%	87%	90%	92%	89%		G
Preventive maintenance completed on time	59%	70%	90%	59%	68%		R
New office leases meeting space standards			91%		20%		R
Amount of utility savings resulting from green energy initiatives, in thousands*	$85	$-38.2		$59	$126		
Program Rating	R	R		R			Y

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

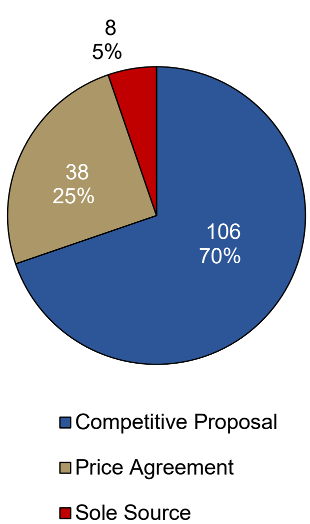
State Purchasing

The program reports 76 of 77 executive agencies had designated chief procurement officers, and the agency met targets for procurement completion. In the second quarter, the awards from invitations to bid were not completed within the targeted time frame, with only 18 percent of bids awarded withing 90 days, well below the target of 90 percent. Although this is a new measure, performance in both the first and second quarters were below performance targets, and the agency has not yet developed an improvement action plan for this item.

State agencies 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 $500 thousand were purchased using a price agreement rather than through a competitive proposal. Generally, those price agreements require vendors to pay a fee to state purchasing for inclusion on those price lists. The agency reports only 8 percent of vendors have completed required payments for purchases made from statewide price lists, the deadline for submitting such payments was after the agency's quarterly reporting date. As a result, the reported 8 percent, while far below the performance target, is understandable. The agency should update quarterly performance reports to reflect the most recent complete information, providing a better metric for performance reporting.

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.

Statewide Professional Services Contracts >$500,000, FY23



Source: LFC Files

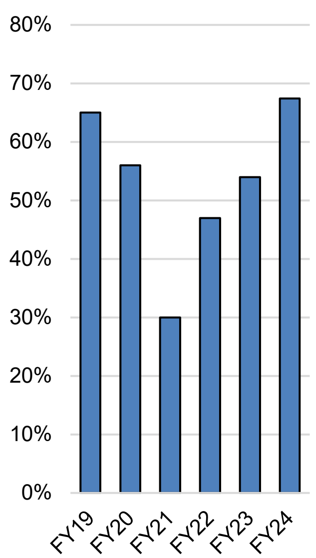
Budget: $2,919.3 **FTE:** 29	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Agencies with certified procurement officers	100%	96%	98%	98%	98%		G
Procurements completed within targeted timeframes	88.5%	87%	80%	81.5%	88%		G
Revenue generated through pricelist purchases, in thousands*	$3,803	$4,641			Annual Measure		
Percent of estimated payments from vendor sales	99%	99%		13%	8%		R
Percent of invitations to bid awarded within 90 days	NEW	NEW	90%	76%	18%		R

	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average number of days for completion of contract review	4	3	5	5.5	1.5		G
Program Rating	G	G					Y

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

Transportation Services

Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

State agencies improved their vehicle utilization, with 67 percent of vehicles used daily or for at least 750 miles per month, slightly below the performance target of 70 percent, but above prior year performance. Agencies could further improve efficiency by utilizing the department's short-term leasing program rather than maintaining long term leases. 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.

Budget: $11,483.9 **FTE:** 32	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of leased vehicles used for 750 miles per month or used daily	47%	54%	70%	71%	67.4%		Y
Average vehicle operation costs per mile*	$0.55	$0.52	$0.59	Annual Measure			
Program Rating	R	Y		G			Y

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

State Printing

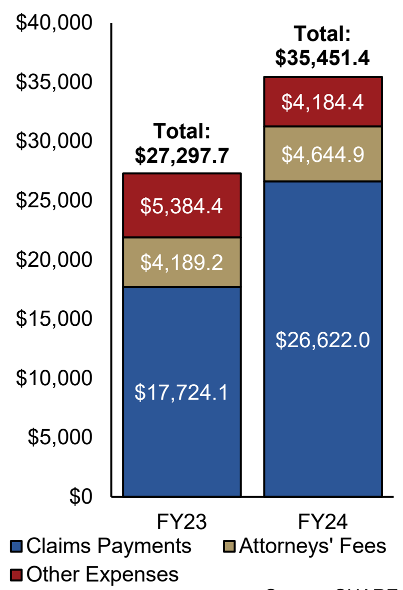
The State Printing Program reported recovery in sales from the downturn caused by the Covid-19 pandemic, with strong sales growth in the first half of the fiscal year, when compared with sales two years prior. State printing sales are benchmarked to the same quarter two years prior because print jobs are often related to the legislative session and can vary based on length of the session. Because of this, sales typically peak in the second and third quarters. The division continues to perform well, with all printing jobs delivered on time.

Budget: $2,732.2 **FTE:** 11	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Revenue exceeding expenditures	21%	7%	5%	Annual Measure			
Percent of printing jobs delivered on time	100%	100%	99%	100%	100%		
Sales growth in revenue	-2%	29%	10%	38%	38%		G
Program Rating	G	G		G			G

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

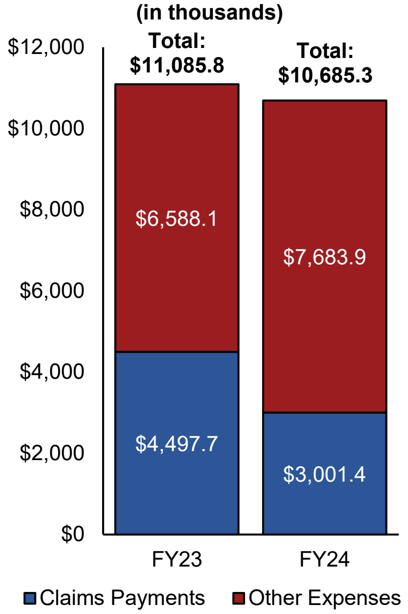
PERFORMANCE REPORT CARD
Risk Management Funds
Second Quarter, Fiscal Year 2024

Public Liability Fund Expenses
First and Second Quarters (in thousands)



Source: SHARE

Public Property Fund Expenses
First and Second Quarters (in thousands)



Source: SHARE

Legal Settlements and Insurance Expenses

In the second quarter, the Risk Management Division of the General Services Department (RMD) spent a total of $19.9 million, including $15.2 million on claims payments, and $4 million on attorneys' fees. Year-to-date, expenses total $54.9 million, with $35.5 million from the public liability fund, $10.7 million from the public property fund, $7.2 million from the workers' compensation fund, and $1.5 million from other risk management funds.

Year-over-year fund expenses are up $3.5 million, but notably the department has yet to complete fund transfers for agency operations, which totaled $5 million in the first half of FY23. Claims expenses are up $6.5 million, or 21 percent from FY23 and attorneys' fees are up by $380 thousand, or 9 percent.

RMD reports the division settled 94 claims in the second quarter, with a total settlement cost of $5.4 million. More than half of the claims were for $10 thousand or less. Most of the costs were related to five settlements with payouts higher than $250 thousand. Those claims had settlement costs of $2.6 million, but when combined with other costs of defending the claims, RMD spent a total of $2.9 million on these claims.

Large Claims Settled in Second Quarter

Agency	Claim Type	Settlement Amount	Legal Costs	Total Cost of Claim to Date
UNM Health Sciences	Medical malpractice	$892,332	$35,503	$927,835
Corrections Department*	Civil rights	$550,000	$119,443	$669,443
UNM Health Sciences	Medical malpractice	$500,000	$62,173	$562,173
Corrections Department	Civil rights	$400,000	$45,894	$445,894
Department of Transportation	General liability	$250,000	$50,799	$300,799
Total Large Claims		$2,592,332	$313,813	$2,906,145

*Total settlement of $1.1 million, with half paid by NMCD contractor. Source: New Mexico Sunshine Portal/RMD

Year-to-date, RMD reports settlements of $12.2 million, with most of those costs coming from a small number of agencies.

Agencies with Highest Settlement Costs, FY24, First and Second Quarter

Agency	FY24 Liability Premium	Total Settlement Amount	Number of Claims	Claims over $100K	Claims over $250K
UNM Health Sciences	$8,867,000	$4,317,332	19	14	6
Corrections Department	$3,586,400	$3,049,750	24	11	3
Department of Transportation	$4,982,300	$1,002,765	82	2	1
Children, Youth and Families	$2,409,500	$790,089	5	1	1
Department of Public Safety	$3,484,900	$735,065	13	2	1
All Other Agencies	$17,011,300	$2,272,814	50	9	2

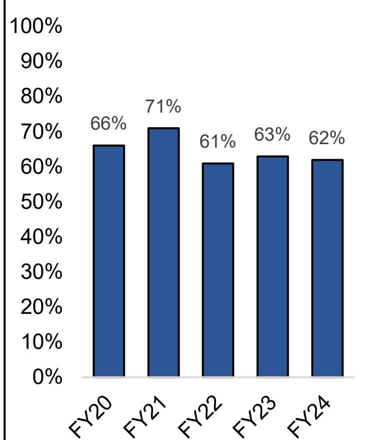
Source: New Mexico Sunshine Portal

PERFORMANCE REPORT CARD
State Personnel System
Second Quarter, Fiscal Year 2024

ACTION PLAN

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

New Employees Completing One Year Probation Period



Source: SPO

Recent pay increases and stabilization of the broader job market have 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 have led to continued high vacancy rates. The State Personnel Office (SPO) reports the classified service vacancy rate is 22.7 percent, 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. State agencies have been successful at attracting candidates from outside state government. SPO reports 727 new hires in the second quarter, on track for agencies to surpass the FY23 total of 3,100 new employees. However, the state must work on retaining these new employees. SPO's data show only 67 percent of new employees complete their probationary period, meaning if retention patterns do not change almost 600 of those 1,764 new hires will not reach one year of employment. Agencies say they face many of the same challenges that private employers are reporting in the current competitive job market. Anecdotally, some agency human resources staff are reporting new hires terminating their employment before their start date as agencies.

Budget: $4,715.5 **FTE:** 44	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Average number of days to fill a position from the date of posting*	69	66	N/A	62	60		Y
Classified service vacancy rate*	22.8%	23.8%	N/A	23.7%	22.7%		R
Percent of classified employees who successfully complete the probationary period*	61%	63%	N/A	62%	67%		R
Average classified employee compa-ratio*	105%	98.7%	N/A	100%	100.7%		G
Average classified employee new hire compa-ratio*	102%	95.5%	N/A	96.4%	97.6%		G
Number of hires external to state government*	2,969	3,109	N/A	1,037	727		G
Number of salary increases awarded*	NEW	1,660	N/A	178	120		
Average classified service employee total compensation, in thousands*	NEW	$99.8	N/A	$106	$107.9		
Cost of overtime pay, in millions*	NEW	$41.1	N/A	$11.6	$10.0		
Program Rating	R	Y					Y

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

Agencies with Shortest Time to Fill

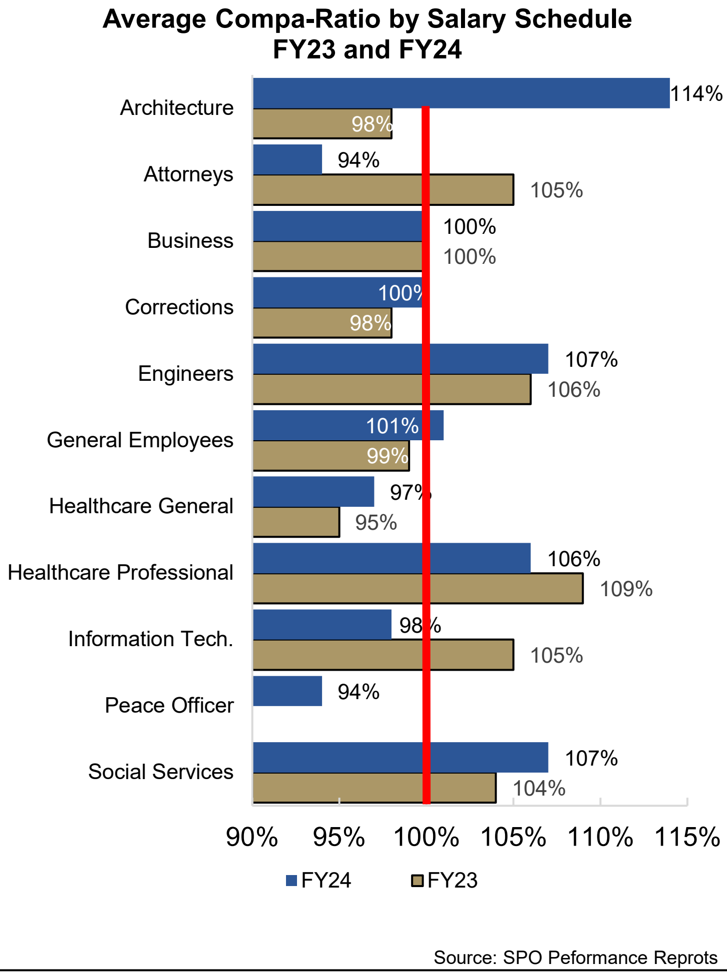
Agency	Positions	Days
PERA	5	19
State Auditor	2	19
DFA	2	25
Miners Colfax	2	27
SPO	2	28

Agencies with Longest Time to Fill

Agency	Positions	Days
Homeland Security	2	78
Transportation	56	79
Early Childhood	8	80
Environment	8	104
Health Care Auth.	2	124

Source: SPO

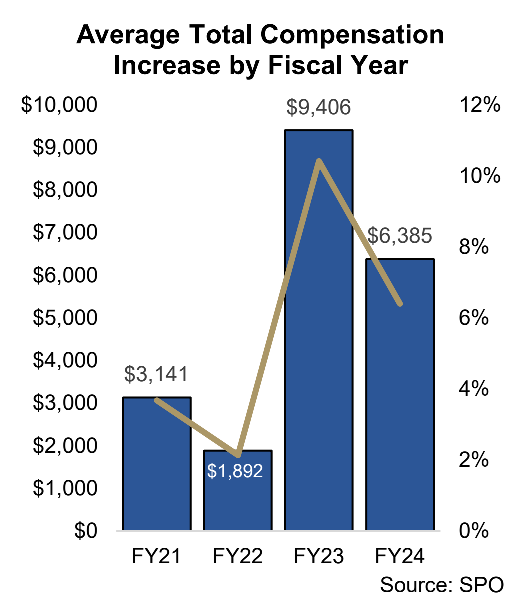
SPO reports agencies have made significant inroads in reducing the time it takes to fill a position. In the first quarter of FY23, SPO reported it took agencies an average of 72 days to fill positions, measured from the date of posting to the extension of an employment offer to the candidate. By the second quarter of FY24, agencies reduced that number to 60 days, a 17 percent drop. SPO has prioritized working with agencies to reduce the time-to-fill metric. SPO reports significant variance by agency, with some agencies completing the hiring process in as little as 19 days, while other agencies are taking up to 120 days. Of the 327 positions measured by SPO in the second quarter, about one third (111 postings) were complete in less than 45 days. Another third (110 positions were completed between 45 and 65 days, while 106 positions took more than 65 days to fill. For calculating this metric, SPO does not include any positions that are posted on a continuous basis and the position is considered filled one a prospective employee has accepted an offer of employment.



Competitive Pay

SPO's quarterly report includes information on the average compa-ratio, or salary divided by the midpoint of the salary range, one possible indicator of salary competitiveness. Between FY22 and FY24 the average compa-ratio for state employees fell to 101 percent from 105 percent. Average compa-ratios for new state employees fell to 98 percent from 102 percent. This indicates new employees are accepting employment offers below the position midpoint, suggesting the salary is more competitive with the broader job market. However, SPO reports some areas continue with high average compa-ratios, including classifications for engineers and social services. Notably, the average compa-ratio for the attorney classification recently fell due to a recent SPO study that adjusted pay band and job classifications. The new, simpler structure provides for a wider pay range and fewer classifications, allowing agencies to move employees up the pay scale as they gain experience without requiring the agency to reclassify positions to provide salary increases.

On average, total compensation for state employees topped $106 thousand in FY24, an increase of 6.3 percent from FY23 and an increase of 17.5 percent from FY22. 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 more than 40 percent of their total compensation through benefits, compared with 30 percent for workers in the private sector, based on national data. While state and local government employees nationally generally receive more of their pay from benefits, New Mexico provides a larger share of compensation through benefits than government employers generally.



Providing competitive compensation packages to state employees is key to improving recruitment and retention. As part of a broader look at the state's personnel system, LFC and the Department of Finance and Administration have undertaken a joint study of the compensation, with a goal of benchmarking the state's salaries and benefits amounts paid by other public entities. The study will also consider ways to potentially simply the state's classification system, providing fewer job classifications while giving agencies a wider pay range to allow for growth within pay bands as employees progress through their careers.

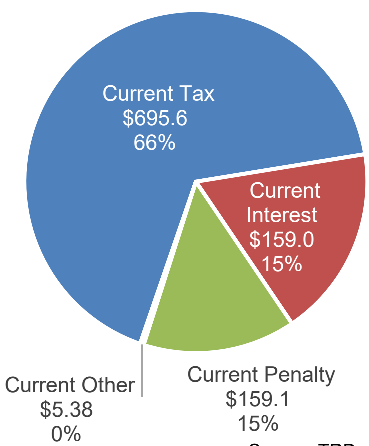
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Taxation Revenue Department
Second Quarter, Fiscal Year 2024

ACTION PLAN

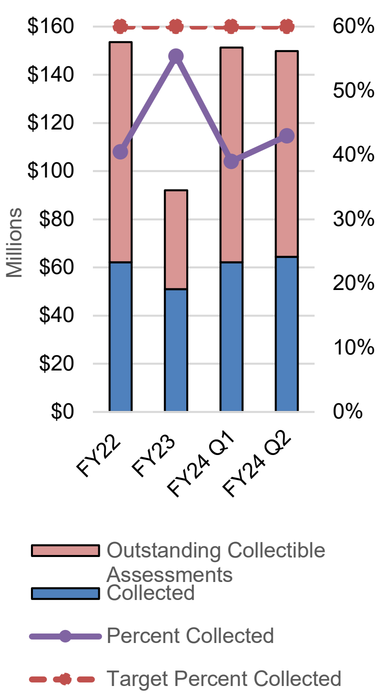
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

Outstanding Tax Amounts by Category
$1.048 Billion Total (in millions)



Source: TRD

Collections as a Percent of Collectible Audit Assessments



Source: TRD

In the second quarter of FY24, the Taxation Revenue Department (TRD) continued to make technology advancements in the Motor Vehicle and Program Support divisions that have led to decreases in office and call center waiting times. The agency vacancy rate has remained steady at 22 percent, which mirrors the second quarter of FY23. The vacancy rate reflects more closely the statewide vacancy rate, which is slightly lower, at 20 percent. TRD implemented internal realignments and reclassifications with in-pay-band increases for positions agencywide to increase staff retention.

The Audit Compliance Division of the Tax Administration Program has collected $120.5 million, 13.7 percent, of the state's $1 billion in outstanding taxes, a 5.1 percent increase above tax collections in the first quarter. TRD states sole proprietors remain the largest category of outstanding tax collections, with a collectible balance of $487.5 million in the second quarter of FY24. Active payment plans for sole proprietors are at $278.7 million, leaving a balance of $208.8 million in need of commitment by taxpayers. Other frontrunners for collections balances are LLCs, at $245.7 million, and corporations, at $190.5 million. The state tax gap remains with an outstanding collectible balance of $1.1 billion.

Tax Administration

The Audit and Compliance Division creates collection goals centered around return on investment (ROI) measures, collecting over $130.7 million of its $283.9 million collection goal for FY23 and closed out the tax filing season with just over 3,000 questionable income tax returns out of 79 thousand returns flagged over the calendar year. The division reports a 13:1 average return for every dollar invested in the division.

Assessments are deemed uncollectible by statute if cases are in protest, bankruptcy, deactivated, or less than 91 days old. Second quarter assessments totaled $169.9 million, $1.7 million is in protest, and $13.2 million has been abated, leaving a collectible balance of $149.8 million, of which $64.4 million, 42.9 percent, has been collected.

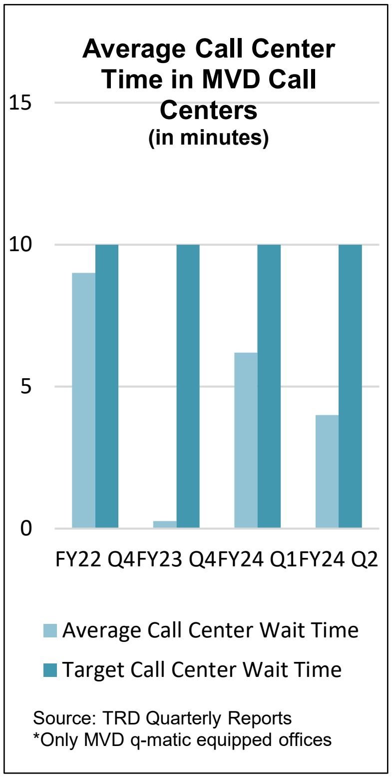
Budget: $27,861.2 **FTE:** 340	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	15.5%	20%	20%	8.6%	13.7%		G
Collections as a percent of collectible audit assessments generated in the prior fiscal year	40.5%	60%	60%	39.8%	42.9%		Y
Program Rating	R	R		R	Y		

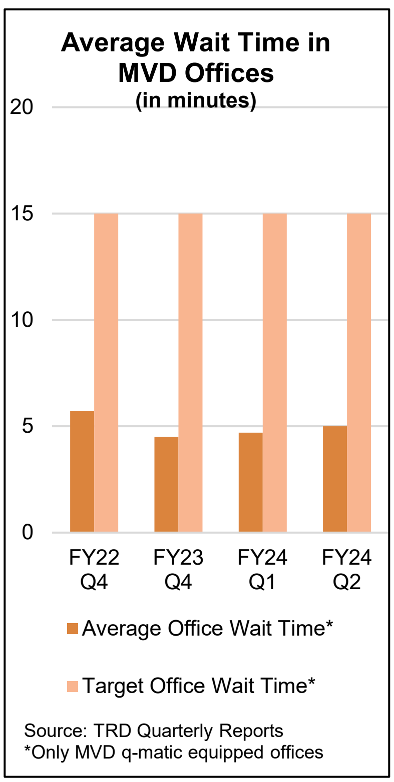
Compliance Enforcement

The Internal Investigations Bureau opened four cases and completed three during the second quarter of FY24, all within the 60-day timeframe. The Tax Fraud Investigations Division (TFID) is working through the 1st Judicial District Court to facilitate referred cases. The division is hiring two special agents for vacant positions. TFID has 30 open investigations.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Taxation Revenue Department
Second Quarter, Fiscal Year 2024

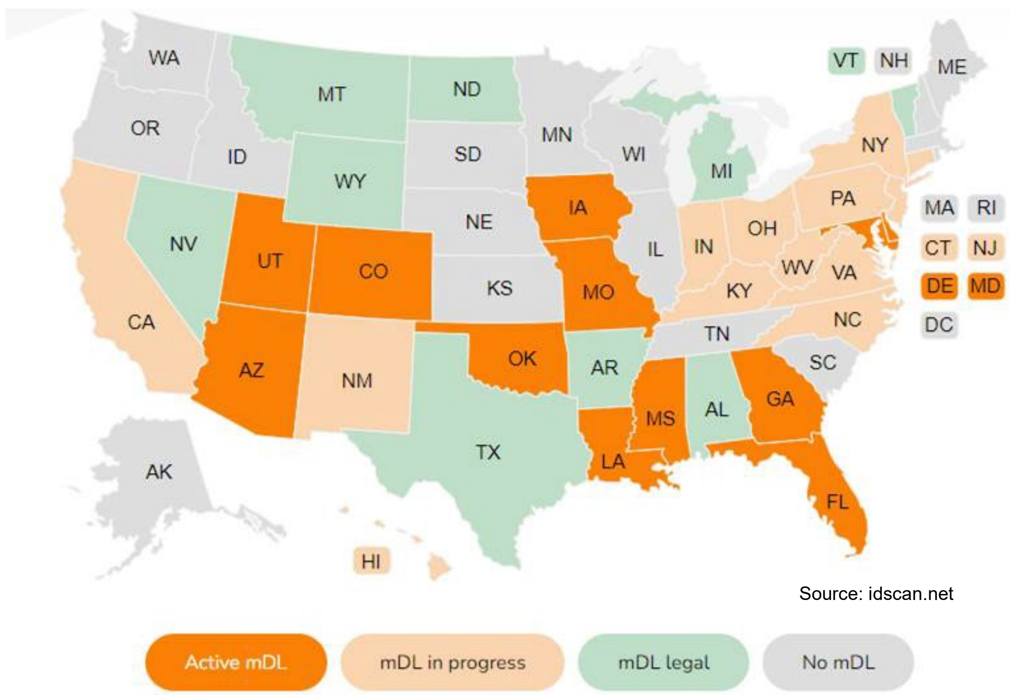




Budget: $2,052.9 **FTE:** 21	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	50%	85%	85%	44%	34%		R
Successful tax fraud prosecutions as a percent of total cases prosecuted*	100%	100%	100%	100%	100%		G
Program Rating	R	G		Y	R		

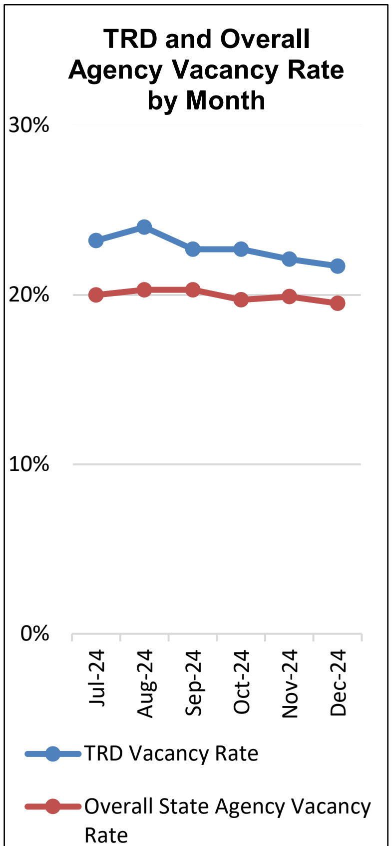
Motor Vehicle Division

The Motor Vehicle Division (MVD) is preparing to launch mobile driver's licenses, secure representations of state-issued driver's licenses or ID credentials that can be carried on mobile devices. Mobile driver's license acceptance varies by state:



During the second quarter, MVD saw a slight decrease in customers, 191,702 compared with 218,912 in the first quarter of FY24. An updated appointment model allows customers to book within 10 minutes of an appointment and walk into offices, a concept designed to reduce or eliminate delays.

Budget: $53,885.6 **FTE:** 332	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Registered vehicles with liability insurance	91.1%	91%	92%	90%	90%		G
Average wait time in Q-matic equipped offices, in minutes	6:48	4:48	15:00	5:05	5:02		G
Average call center waiting time to reach an agent, in minutes	8:38	6:18	10:00	4:46	4:12		G
Program Rating	G	G		G	G		



Source: SPO headcount reports

Property Tax

The Property Tax Division is working on better expressing sales through data and estimates $400 thousand in revenue will be generated through delinquent property taxes sales in FY24, compared to the $607.7 thousand generated in FY23. The most difficult properties to market are those unable to legally provide septic systems or are less than one acre in size. There are approximately 120 thousand delinquent properties, valued at roughly $65.5 million. Axiomatic and the Delinquent Bureau have started to digitize the title research and collections of delinquent property taxes. TRD says centralizing the files in a digital format will allow staff to streamline processes in the office and in the field.

Budget: $6,422.5 **FTE:** 39	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Delinquent property tax collected and distributed to counties, in millions	$12.0	$13.9	$10.0	$2.5	$3.5		G
Percent of total delinquent property taxes recovered	23.0%	21.0%	15.0%	3.8%	5.3%		Y
Program Rating	G	G		G	G		

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

Program Support

For FY24, the Information Technology Division (ITD) received a $2.8 million special appropriation for its GenTax system, spending $1.3 million and encumbering nearly $1.5 million in the second quarter. GenTax supports over 45 district taxes and is becoming the consolidated tax system for the state. ITD projects a roughly 5 percent increase in contracts costs annually, over the next few years, due to rising costs of technology inflation and changes to contract terms.

The Office of Internal Oversight reported 530 of 1,866 tax protest cases were resolved. There was an uptick of 7 referrals to the Administrative Hearings Office; 53 protest case referrals in the second quarter compared to 46 in the first quarter. The office reports 1 audit, 1 special project and 1 procedure completed in the second quarter, a goal tied to the strategic plan target.

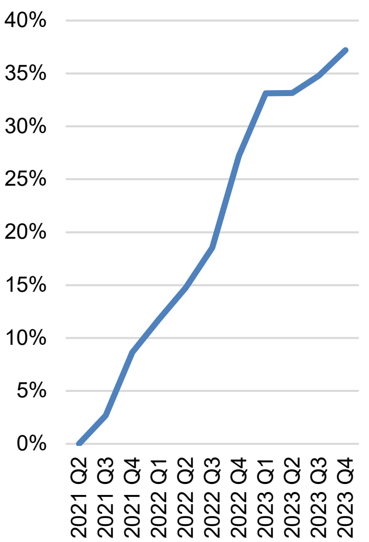
Budget: $11,622.6 **FTE:** 102	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Tax protest cases resolved	1,690	1,892	1,525	385	530		Y
Internal audit recommendations implemented	97%	25%	90%	0%	100%		R
Program Rating	R	R		R	G		

PERFORMANCE REPORT CARD
Department of Transportation
Second Quarter, Fiscal Year 2024

ACTION PLAN

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

Nationwide Percentage Increase in Highway Construction Costs
(December 2020 through June 2023)



Source: Federal Highway Administration, National Highway

With a significant influx in funding made available to the department for road projects in the coming years, the Department of Transportation (NMDOT) will need to maintain strong performance in managing road construction and maintenance projects. Recent legislative investments have improved overall road conditions, with the potential to do much more over the next three years, with the allocation of more than $750 million in nonrecurring funding for transportation projects.

Project Design and Construction

While the department has improved its ability to put projects out to bid as scheduled over the long term, maintaining the high performance benchmark from FY23 will be challenging. While performance appears to have pulled back in the first half of the fiscal year, performance remains above performance targets. Maintaining a consistent project schedule is a key goal of the department and allows the contracting community to appropriately plan for upcoming projects. Additionally, the department has fallen short of its target for on-time completion of projects, with only 75 percent of projects completed on-time in the second quarter.

Budget: $797,989.2 **FTE:** 370	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Percent of projects let to bid as scheduled	77%	98%	75%	88%	92%		G
Percent of final cost-over-bid amount on highway construction projects	-0.2%	1.0%	3.0%	1.6%	-0.8%		G
Percent of projects completed according to schedule	94%	89%	88%	78%	75%		R
Program Rating	G	G		G			G

The department reports construction costs have climbed, but the department has typically been able to minimize cost overruns once a bid has been accepted. NMDOT reports costs were under bid amounts by $822 thousand on the eight projects completed in the second quarter; year-to-date, average project costs are flat with bid amounts.

Select Project Put to Bid or on Letting Schedule in FY24
(dollars in thousands)

2nd Quarter		3rd Quarter		4th Quarter	
Project	Low Bid Amount	Project	Estimated Cost	Project	Estimated Cost
US-64, Phase II Reconstruction, near Arizona Border, San Juan County	$56,919	Intersection of US-285 and NM-31, Eddy County	$21,212	NM-39 Improvements, Phase II, Northwest of Logan, Harding County	$15,030
I-25 Rehabilitation through Raton Pass, Colfax County	$27,645	I-40 Rehabilitation, Between Tucumcari and San Jon, Quay County	$21,099	I-10 Bridge, over Main Street in Las Cruces, Dona Ana County	$7,700
NM-264 Reconstruction, East of Ya-Ta-Hey, McKinley County	$26,701	I-10 Pavement Preservation, West of Deming, Luna County	$21,061		

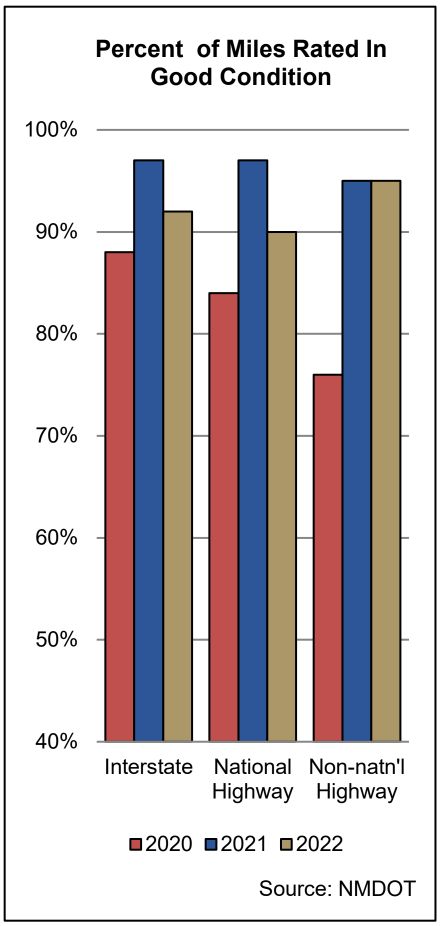
Source: NMDOT Statewide Transportation Improvement Program; bidx.com

Based on published bid information, engineer average estimate of project costs continues to be below received bids, though not by as much as prior years, when cost estimates were off by as much as 30 percent due to rapidly rising construction cost. In the second quarter, the 12 projects put to bid had an aggregate cost estimate of $190.8 million. When compared with the low bids for each project, this was $15.7 million, or 7.6 percent below low bid amounts, which totaled $206.5 million. The largest gap was for a project to reconstruct and replace a bridge on a 7.3 mile segment of US-64 near the Arizona border. That project needed to be re-bid twice and the low bid from the November 2023 letting was $56.9 million, $14.4 million above the initial engineer's estimate.

NMDOT's most recent twelve month letting schedule, reporting projects from April 2024 through April 2025 includes 32 projects, with an aggregate construction cost estimate of $484.6 million.

Highway Operations

The department has nearly met its annual performance targets for preserving highway pavement in the first half of the fiscal year due to strong second quarter performance, While winter operations in the third quarter will likely limit maintenance activity, in FY23 the department preserved an extraordinary number of miles in the fourth quarter; if that performance is repeated the department should easily surpass the target.



Overall, the number of bridges rated in better than poor condition remains better than the target of 95 percent. Recent changes to federal funding for bridge preservation have given the department access to additional federal funds to remediate the 4 percent of bridges currently listed in poor condition.

Budget: $321,021.5 **FTE:** 1,848.7	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Number of statewide pavement lane miles preserved.	3,852	4,373	3,500	999	2,025		G
Bridges in fair condition or better, based on deck area.	96%	96%	95%	96%	96%		G
Program Rating	G	G		G			G

NMDOT assesses all New Mexico roads each calendar year using a pavement condition rating (PCR) score to measure roadway conditions. For calendar year 2022, road condition data shows improvement from 2020, although slightly lower than in 2021. Recently, federal and state governments have provided additional resources for road construction and maintenance activities.

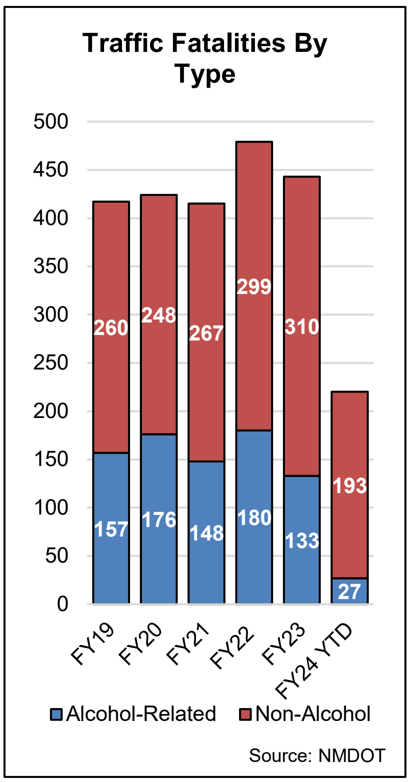
2022 Road Condition Survey	2019 Actual	2020 Actual	2021 Actual	2021 Target	2022 Actual	Rating
Interstate miles rated fair or better	90%	88%	97%	>90%	92%	G
National highway system miles rated fair or better	88%	84%	97%	>86%	90%	G
Non-national highway system miles rated fair or better	85%	76%	95%	>75%	95%	G
Lane miles in poor condition	4,420	6,805	1,451	<5,425	2,824	G
Program Rating	G	Y	G			G

A PCR score of 45 or less indicates a road in poor condition. In 2022, the average PCR score for the state was 65.9, down from 72.1 in 2021 but up from the 2020 score of 54.9.

Modal

NMDOT's modal program, responsible for traffic safety initiatives, aviation, and transit programs, reported traffic fatalities that reflect a broader nationwide trend. To reduce traffic fatalities, experts point to the need to adopt a "safe systems approach" matching traffic law enforcement with safe roadway design to limit the number of fatalities.

Federal projections from the first half of calendar year 2023 note continued small declines from record fatalities rates observed in 2021 and 2022. The National Highway Traffic Safety Administration reports a decline of 4.5 percent nationally in the first nine months 2023, while fatalities in New Mexico were down by 15.4 percent (Note: federal data reporting periods differ from the state fiscal year, used for the agency's performance report). Federal data show New Mexico's fatality rate at 1.42 fatalities per 100 million vehicle miles traveled, well above the national average rate of 1.25 fatalities. Reducing New Mexico's number of fatalities to the national average would mean 36 fewer traffic fatalities over a nine month period. While data reported by NMDOT likewise shows a reduction in traffic fatalities, the 220 fatalities reported in the first half of the fiscal year leave the department on track to slightly miss the performance target of 400.



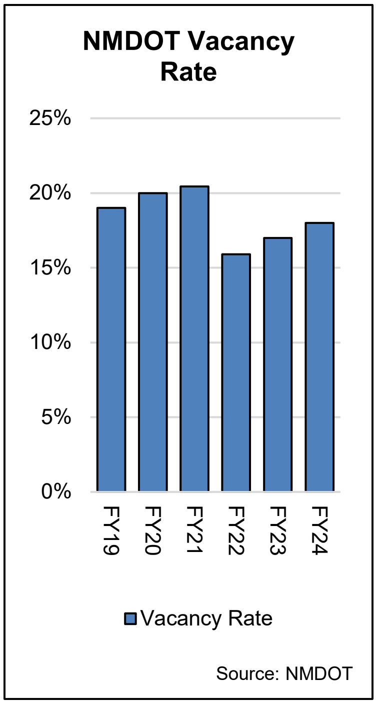
The number of alcohol-related fatalities remains below target, although first quarter reports of 12 fatalities may increase in subsequent quarters as NMDOT receives additional data.

Budget: $84,787.5 **FTE:** 115	FY22 Actual	FY23 Actual	FY24 Target	FY24 Q1	FY24 Q2	FY24 Q3	Rating
Traffic fatalities	464	444	400	107	113		Y
Alcohol-related traffic fatalities	180	133	140	15	12		G
Non-alcohol-related traffic fatalities	299	310	250	92	101		R
Occupants not wearing seatbelts in traffic fatalities	193	174	140	23	36		G
Riders on park and ride, in thousands	100.4	142.1	235	42.3	81.1		R
Number of pedestrian fatalities	76	100	85	25	33		R
Riders on the rail runner, in thousands*	317.2	544.1		160.9	305.7		
Program Rating	R	R		R			R

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

Program

NMDOT reports departmental safety initiatives are reducing workplace injuries, which are on track to fall below the performance target and below the level from FY23. Of the nine employee injuries, only two occurred in a work zone, a significant improvement from FY21 and FY22. The department is undertaking safety initiative to protect workers in construction zones by partnering with the Department of Public Safety to ramp up enforcement of construction zone speed limits. Research has shown a majority of crashes in work zones are speed related and reducing driver speed is key to protecting worker



safety. The department's vacancy rate has fallen and remains below the statewide average vacancy rate.

Budget: $56,647.4 **FTE:** 253.8	**FY22 Actual**	**FY23 Actual**	**FY24 Target**	**FY24 Q1**	**FY24 Q2**	**FY24 Q3**	**Rating**
Vacancy rate in all programs*	15.9%	17%		19.7%	17.0%		
Number of employee injuries	35	59	75	8	9		G
Number of employee injuries occurring in work zones	11	17	25	1	2		G
Program Rating	G	G		G			G

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

IT Project Status Report – FY24 Second Quarter

Project Status Legend

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

Status Trend	↗ Overall project status has shown improvement this quarter (example: A project moved from red to yellow)	↘ Overall project status has declined since last quarter (ex. A project moved from green to yellow)	⇨ Overall project status remains the same

DoIT-Led Projects

Y ⇨ The **P25 public safety radio project** ($91.2 million; 94.1 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated total cost of $170 million. The agency has 43 confirmed subscribers, including school and local police, fire departments, and other various federal and state safety agencies**.** Phase two deployment is currently advancing in Albuquerque/Bernalillo County, staying on schedule to finish in 2027.

Y ⇨ 2021 legislation created a new **statewide broadband program** ($267.9 million; 62 percent remaining) within DoIT and the new Office of Broadband Access and Expansion (OBAE). OBAE has grown to 23 full time employees (FTE). The agency continues to meet deadlines for state digitial equity plan and has extended deadlines for their Connect New Mexico fund applications.

Executive Agency IT Projects

Y ↗ The Human Services Department's (HSD) **child support enforcement system replacement (CSESR) project** ($32.9 million; 45.1 percent expended) aims to replace the legacy child support application. Project cost estimates increased—totaling $76 million, up from $70 million—alongside an expanded timeline through FY27 that has not yet been certified by the project certification committee (PCC), posing risk. The agency reautorized $10.6 million in unspent balances from previously appropriated funds for FY25.

R ⇨ HSD's **Medicaid management information system replacement (MMISR) project** ($369.4 million; 60.7 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 $389.7 million. The project has seen substantial delays—estimated to be completed in FY27—and cost overruns. However, HSD continues to submit annual required updates to federal partners alongside the Children, Youth and Families Department. The agency has deployment plans in place for its other modules, but additional cost increases continue to pose a substantial risk to the project.

Y

The Children, Youth and Families Department's **comprehensive child welfare information system (CCWIS) project** ($43.4 million; 36.7 percent expended) –now the New Mexico Impact Project intends to replace the old family automated client tracking system, or FACTS. The agency did not seek any new appropriations for FY25 but will be asking for money for CCWIS in FY26. Initially expected in FY23, completion is now estimated in FY26. Project costs increased from $45 million to $71 million to now totaling $82 million. The agency does not anticipate a need for increase in state funding as the new project costs will be covered by federal participation.

G

NMCD's **electronic health records project** ($6.7 million; 44.6 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 initial close-out date of June 2024 remains the same with close-out activities planned for July 2024.

G

The Department of Public Safety's (DPS) **records management system (RMS) project** ($7.4 million; 78.2 percent expended) and **computer aided dispatch (CAD) project** ($3 million; 46.1 percent expended) will provide public safety agencies with a new data repository. The agency has experienced delays to its CAD implementation due to issues with geographic information system (GIS) enhancements and has delayed go-live until January 2024 as a result, posing some risk, but will not incur additional costs from the vendor.

G

DPS's **intelligence led policing project** ($5.5 million; 17 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 certified funding at the PCC for continuation of contracts in January 2024. Project risks are being adequately managed.

Y

The Higher Education Department's **longitudinal data system (LDS) project** ($7.5 million; 92.6 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico's education and workforce data for a total estimated cost of $14.1 million. HED expanded the timeline to 2026 to accommodate additional project phases, posing substantial risk. The agency will receive $4.5 million for continuation of the project in FY25.

G

The Regulation and Licensing Department's **permitting and inspection software modernization project** ($14.2 million; 74 percent expended) will replace the legacy system Accela for $7.3 million. The Accela project has certified $14.3 million for all phases of the project. The accelerated timeline is regarded as the highest current risk but is not majorly impacting the project. Most tasks are completed on time, apart from some delays of just a few days for some tasks. The agency was appropriated $2.75 million from the mortgage authority fund for continuation of the project in FY25.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Second Quarter, Fiscal Year 2024

OVERVIEW

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

Project Description:

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

P25 Subscribers

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

Source: DoIT
*Does not include nine interoperability partner organizations

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 43 confirmed agency subscribers, including school and local police, fire departments, and other various federal and state public safety agencies. The agency met its goal of reaching 40 percent state coverage by the end of FY23 and is on track to complete the project in 2027.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	Y	Y	Y	Y		
Schedule	Y	G	G	G		
Risk	R	Y	Y	Y		
Overall Rating	Y	Y	Y	Y		

Budget

DoIT was appropriated $10 million in new capital outlay funding for the project during the 2024 legislative session. DoIT has been subsidizing costs for their agencies and will receive $2.8 million in FY25 to continue the radio subsidies for federal and local governments and $10 million in capital outlay.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$91,164.3	$0.0	$91,164.3	$85,806.7	$5,357.6	94.1%

[1] Total funding includes $1.3 million from the equipment replacement fund and $1.5 million repurposed from another DoIT project

Schedule

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

Risk

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

OVERVIEW

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

Project Description:

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

Statewide Broadband Program

Overall Status

The Office of Broadband Access and Expansion (OBAE) released their three-year plan in January of 2024. OBAE has signed award agreements for two waves of the Connect New Mexico pilot grant program, and announced awards for wave three, funded with a 2021 $123 million appropriation. The agency continues to meet deadlines for state and federal broadband plans, including submission of the state digital equity plan, but impending staff and leadership changes and several upcoming federal grant deadlines pose risk.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY2 Rating
Budget	R	Y	Y	Y		
Schedule	Y	Y	Y	Y		
Risk	Y	Y	Y	Y		
Overall Rating	R	Y	Y	Y		

Budget

The state is expected to receive $675 million through FY27 from federal Broadband Equity, Access and Deployment (BEAD) grant programs, requring a detailed spending plan. OBAE has fully spent/obligated appropriations for the Navajo Nation ($3 million), library expansions ($1 million), and expansion projects in Northern New Mexico and Rio Arriba/Santa Fe Counties ($372.9 thousand and $259.7 thousand).

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Encumbrance	Expense	Remaining
$137,680.6	$130,307.3	$267,987.9	$91,765.2	$10,723.7	$166,463.2

[1] State funding includes connect New Mexico 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 $741 thousand from Digital Equity grants.

Schedule

Managing a variety of appropriations with different expenditure and reporting deadlines poses risk, but OBAE is using a grant tracking system and hired grant and compliance managers to mitigate risk. OBAE launched their Notice of Funding Opportunity (NOFO) portal, which includes their Grant Writing, Engineering, and Planning (GWEP) portal to help with creating and managing grant applications.

Risk

OBAE's growth has allowed the office to make progress on awarding connect New Mexico fund dollars and developing needed plans to access new federal funds. However, OBAE expects several staff and leadership changes, which may affect the agency's capacity to administer funds in future quarters, posing risk.

INFORMATION TECHNOLOGY REPORT CARD
Human Services Department
Second Quarter, Fiscal Year 2024

OVERVIEW

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

Project Description:

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

Child Support Enforcement System Replacement Project

Overall Status

So far, the Human Services Department (HSD) has completed improvements to the system design (refactoring) and upgraded the old system to a new, modern cloud platform (replatforming) in February 2022. Phase two is now underway for a complete replacement of the system with new architecture. The agency onboarded and received federal contract approvals for its project management office vendor and HSD has developed a tentative timeline for planning and implementation, however delays to the expected completion date pose increased risk to the project this quarter.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	Y	R	R	Y		
Schedule	Y	R	R	R		
Risk	Y	Y	Y	Y		
Overall Rating	Y	R	R	Y		

Budget

The agency requested $7.6 million for FY25. The project continues to cite a total estimated cost of $76 million—up from $70 million—resulting from expanding the project timeline. The agency reuathorized $10.6 million in unspent balances of previously appropriated funds for FY25 for the project's continuation.

Budget Status Overview
(in thousands)

State*	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$13,418.6	$19,448.0	$32,866.6	$14,812.7	$18,053.8	45.1%

*Includes $3.4 million from agency fund balances in FY16.

Schedule

Original completion was expected in August 2026 but is now expected to be completed in June 2027—a change that was approved by the executive steering committee in April 2023. HSD has developed an initial timeline for planning processes, a request for proposal (RFP) for implementation services, and completion of a feasibility study—required by federal partners—through the next fiscal year. The agency is rolling out Hyland OnBase to all Child Support Services Division (CSSD) offices statewide. This includes OnBase training and going live with each OnBase Enterprise Contact Management (ECM) by early spring.

Risk

Though prior changes to schedule and the increased budget pose risk to the project, the agency has made progress on receiving federal approvals for project management contracts and reports hiring key project and agency staff to support its IT initiatives, including a Chief Information Officer and Chief Information Security Officer.

INFORMATION TECHNOLOGY REPORT CARD
Human Services Department
Second Quarter, Fiscal Year 2024

Medicaid Management Information System Replacement Project

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	$389,758.7
Revised	$418,317.6

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 project administered by the Health Care Authority (HCA), formerly the Human Services Department, has experienced several substantial delays and increases to the project budget. After several vendor changes and delays, the agency has deployed its system integration platform, currently used for transfering files and other data from the agency's ASPEN system. The new Project Manager started in December. Consolidated Customer Contract Center, parts of Quality Assurance, and parts of Unified Portal have been deployed into production within the last couple of years.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	Y	Y	Y	Y		
Schedule	R	R	R	R		
Risk	Y	R	R	R		
Overall Rating	Y	R	R	R		

Budget

The agency was appropriated $7.4 million in state funds for FY24, with an associated $67.5 million federal match. HCA received $331.9 million from the federal government for project costs so far. However, the agency submitted a new overall project budget totaling $418.3 million—an increase of $28.5 million, or 7.3 percent—posing substantial risk given the continued escalation of costs. HCA requested a release of funds for both modular and non-modular components of the project. The agency reauthorized $46 million in unspent balances of previously appropriated funds for FY25 for the project's continuation.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$37,757.6	$331,864.5	$369,480.9	$224,214.4	$145.266.5	60.7%

Schedule

Prior substantial delays in the project and the need for integration with various other agency systems has posed moderate risk. The Unified Portal is planned to go live in July 2024. The Benefits Management Module/Provider Management is expected to go-live late September or mid-October.

Risk

HCA is making progress replacing key project and agency staff for the Unified Portal project. A new project change request was approved to help with integration activities among the Medicaid modules. Additional cost increases continue to pose a substantial risk to the project.

INFORMATION TECHNOLOGY REPORT CARD
Children, Youth and Families Department
Second Quarter, Fiscal Year 2024

Comprehensive Child Welfare Information System Replacement/New Mexico Impact Project

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	$71,133.9
Revised	$82,000.0

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 the 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 Administration on Children and Families.

Overall Status

The Children, Youth and Families Department (CYFD) and other stakeholders are now referring to the comprehesive child welfare information system (CCWIS) replacement project as the New Mexico Impact Project. Risk remains moderate given prior delays and leadership changes, but CYFD is completing its procurement, which should provide greater clarity on the overall project budget and timeline once completed.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	Y	R	R	Y		
Schedule	R	R	R	Y		
Risk	Y	Y	Y	Y		
Overall Rating	Y	Y	Y	Y		

Budget

CYFD is receiving new state and federal funds for FY24 and was approved for a simplified federal cost allocation methodology. The total project budget has increased from $71 million to $82 million, but the agency does not expect an increase in general fund needs due to an increase in federal participation. The agency onboarded their Independent Verification & Validation (IV&V) contractor in January 2024.

Budget Status Overview
(in thousands)

State	Federal (ACF)	Medicaid Revenue from HCA	Total Funding*	Spent to Date	Balance	% of Appropriations Spent
$34,963.1	$11,217.1	$8,800.3	$54,980.5	$13,634.3	$41,346.2	24.8%

*$9.3 million in prior historical funds are expended, expired, or inactive.

Schedule

The Design, Development, and Implementation (DDI) vendor was expected to onboard in November 2023. The expected end date has been pushed to January 2027. However, the agency has completed its installation of county network hardware, and the statewide Wi-Fi installation and security updates are in progress. The agency is planning for a closeout date in FY26 from PCC with overall training to be completed prior to project closeout.

Risk

There are currently eight active risks being managed by the project. Procurement delays contribute to project risk as well as uncertainty surrounding the total expected project cost. Updated budget estimates following the procurement could either improve or escalate project risk, depending on whether the estimates are similar or larger than the initial cost.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Corrections Department
Second Quarter, Fiscal Year 2024

OVERVIEW

Project Phase	Planning
Start Date	7/1/21
Est. End Date	6/30/24
Est. Total Cost	$6,738.0

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 for the electronic health records (EHR) project in August 2023. The agency is still expecting a close-out date of June 2024, now that the vendor has developed an initial project schedule, with close-out activities planned for July 2024.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	NEW	G	G	G		
Schedule	NEW	G	G	G		
Risk	NEW	G	Y	Y		
Overall Rating	NEW	G	G	G		

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. The agency received $1.925 million for cybersecurity and infrastructure improvements, EHR service functionality additions, and staff augmentation expansion to support a two-step implementation process for FY25.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$6,738.0		$6,738.0	$3,006.2	$3,973.1	44.6%

Schedule

NMCD completed a sole source procurement for the professional services component of the project and is holding weekly status meetings which started in August 2023. ESC meetings are held monthly. The agency faced risk of delays but is intending to increase staff augmentation to meet the original timeline of June 2024 with close-out activities planned for July 2024. Interface functionality testing began in December 2023.

Risk

The agency continues to make progress on contracting and vendor onboarding, with meetings and bootcamps being held. The agency is seeing an increase in vacancy rates in their Behavioral Staff, which continues to pose some level of risk. NMCD is working with additional contractors to interface with the agency's offender management system, Health Information Exchange and possibly the Department of Health's EHR system, once built, posing some risk of completing on schedule.

OVERVIEW

RMS

Project Phase	Implementation
Start Date	5/10/16
Est. End Date	6/30/21
Revised	3/1/23
Revised	12/31/24
Est. Total Cost	$7,3813

CAD

Project Phase	Implementation
Start Date	9/23/20
Est. End Date	12/21/21
Revised	10/31/23
Revised	06/30/24
Est. Total Cost	$3,000.0

Project Description:

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

The computer aided dispatch (CAD) project will implement a new dispatch system because the current system is no longer supported.

Records Management System/Computer-Aided Dispatch Projects

Overall Status

The Department of Public Safety (DPS) is pursuing both the records management system (RMS) and computer-aided dispatch (CAD) projects simultaneously, but the agency has divorced the project timelines after going live with RMS in April 2023. NMCD continues to refine interfaces for RMS and, for CAD, continues with geographic information system upgrades through the University of New Mexico's Earth Data Analysis Center. However, delays to these upgrades resulted in a postponed go-live date for CAD.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	G	G	G	G		
Schedule	Y	Y	Y	Y		
Risk	G	Y	Y	G		
Overall Rating	G	Y	Y	G		

Budget

The agency did not request additional funds to support the projects for FY24. The agency reported no additional spending on CAD in the fourth quarter due to delays in invoicing but continues to spend available funds on enhancements and refinements to the RMS from the available balance. DPS expects an additonal $2.6 million to be billed for the project after going live with CAD.

Budget Status Overview
(in thousands)

	State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
RMS	$7,381.3		$7,381.3	$5,772.3	$1,609.0	78.2%
CAD	$3,000.0		$3,000.0	$1,385.5	$1,614.5	46.1%

Schedule

DPS went live with RMS but delayed the go-live of CAD until January 2024, but due to contract issues, the go-live for CAD is tentatively scheduled for May 2024. 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 agency is starting CAD user training in April.

Risk

Since RMS has been implemented, the risk for that project is low, but the continued delays for CAD contribute to project risk. Complex geographic information system enhancements for CAD have been delivered and align with the agency's needs.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Public Safety
Second Quarter, Fiscal Year 2024

OVERVIEW

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

Project Description:

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

Intelligence-Led Policing Project

Overall Status

The Department of Public Safety (DPS) is contracting the New Mexico Insitute of Mining and Technology Institute for Complex Additive Systems Analysis (ICASA) and Amazon Web Services, through Carahsoft, for its intelligence-led policing project. The vendors completed assessments on data governance needs and archictural needs for the data repository, to be followed by a proof of concept and create the data repository for DPS data, Albuquerque Police Department, and Eddy County initially.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	NEW	G	G	G		
Schedule	NEW	Y	Y	Y		
Risk	NEW	G	G	G		
Overall Rating	NEW	G	G	G		

Budget

The agency is receiving an additional $2.2 million in FY24 to continue the planning and implementation phases. The agency reports an ancticipated non-recurring cost of $6.2 million for the project with an estimated additional $4.3 million for RFPs and Contracts, with recurring costs over the first five years of $15.9 million. PCC certified $999 thousand for continuation of DPS contracts in January 2024.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$5,585.0		$5,585.0	$997.2	$4,587.8	17%

Schedule

DPS is planning for a data repository to be rolled out at the agency by 2024 with an overall expected completion date of June 2025. The system will be hosted at DPS, but individual users and agencies can utilize their own data analytics and visualization tools using the data. With a two phased approach, there is potential the project schedule will be revised.

Risk

The agency continues to address data governance concerns with partner organizations and should have additional recommendations for that and other architectural needs after completion of the assessments by the vendor. The agency's planning to implement a proof of concept prior to implementing the system statewide, which should improve risk and allow for additional testing and training internally prior to full roll out of the system.

OVERVIEW

Project Phase	Implementation (Phase 1)
Start Date	8/27/20
Est. End Date	6/30/24
Revised (Phase 2)	9/30/26
Est. Total Cost	$9,930.0
Revised	$14,100.0
Revised	$16,000.0

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

***Phase 2** will expand RISE NM through system enhancements, additional data sources, increased access, and expanded research questions through a public-facing portal.*

***Phase 3** will further expand the number of data source systems and research questions available through RISE NM.*

New Mexico Longitudinal Data System Project

Overall Status

The Higher Education Department (HED) is citing a new budget and schedule changes to accommodate the other project phases, posing risk. HED is nearing the end of phase one and has ingested all 10 data sets from partner agencies. Phase two is scheduled for August 2024.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	G	R	R	R		
Schedule	G	R	R	Y		
Risk	Y	Y	Y	Y		
Overall Rating	G	R	R	Y		

Budget

HED is now citing total project costs of $16 million, posing increased risk. The Public Education Department is using $2.5 million from the grant to create a new K-12 Common Education Data Standards longitudinal data system to serve as the primary source of K-12 data source for the NMLDS. The agency is nearly fully funded for phase one. HED will receive $4.5 million in FY25 for the continuation of the project.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$3,954.3	$3,500.0	$7,454.3	$6,908.1	$546.2	92.6%

[1]Amount includes $5.6 thousand from WSD and $23.7 thousand from HED. Federal amount includes $500 thousand from ECECD and $559 thousand from the Bill and Melinda Gates Foundation.

Schedule

The project is on track to complete phase one by June 2024, which will then transition the project into phase two in August of 2024, with a completion date of September 2026.

Risk

The project team has developed initial visualizations, but the agency is pending the launch of the visualizations until they have received feedback from the Office of the Governor. The project management team of both internal and external project management staff continue to support project development activities. Security testing and assessment efforts are being planned. Currently, there is no vendor in place for phase 2 of the project, posing some risk for the project overall.

INFORMATION TECHNOLOGY REPORT CARD
Regulation and Licensing Department
Second Quarter, Fiscal Year 2024

OVERVIEW

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

Project Description:

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

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) has implemented all new license application and renewal functionality for the 28 Boards and Commisions Division boards into the Salesforce platform. RLD is currently completing tasks for phase three of this project, which are scheduled to be compelte by June 30th, 2024. Phase four of the project has completed discovery and is currently in development by the agency's vendor and is on track to have all contracted deliverables fully live by June 30th, 2024.

Measure	FY22 Rating	FY23 Rating	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Rating
Budget	G	G	G	G		
Schedule	Y	Y	Y	G		
Risk	G	Y	Y	G		
Overall Rating	G	Y	Y	G		

Budget

RLD has certified $16.6 million for all phases of the project. An additional $2.3 million that was awarded from Laws 2023, Chapter 210, Section 5 (65) as a result of the December 2022 cybersecurity breach was certified by the PCC in January 2024 PCC. The agency was appropriated $2.75 million from the mortgage regulatory fund for the continuation of the modernization of the regulation and licensing permitting software for FY25.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding*	Spent to Date	Balance	% of Appropriations Spent
$16,574.27		$16,574.27	$10,593.4	$5,980.87	63.9%

*$4.4 million is from various RLD fund balances. Includes a $5 million special appropriation to implement additional boards. $2.3 million is from a cybersecurity special appropriation.

Schedule

All project activities for phase three and phase four are scheduled to be completed by June 30th, 2024. Project tasks are being completed on time, but there is the potential risk that stems from the agency's accelerated timelines to ensure timely completion of phases three and four by the end of FY24.

Risk

RLD's accelerated timeline, limited IT resources, and staff turnover have posed a risk to the project. However, the agency has managed budgetary risks and continues to successfully implement project milestones in line with projected timelines. RLD updates the project certification committee on the status of the special appropriation every quarter, also helping mitigate overall risk.

Investment Performance Quarterly Report, Second Quarter, FY24

State investments gained value in the second quarter of FY24, benefiting from a resilient economy and strong market conditions. Forecasters are optimistic of a "soft landing," where inflation eases without the economy tipping into recession. One-year returns were strong for all funds, a notable improvement from the challenging environment throughout FY23. The state's risk-averse investments generally performed worse than peer funds in the quarter and one-year period amid strong markets. In the three-year and five-year period, state investments largely performed better than peer funds.

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 $3.6 billion quarter-over-quarter, to an ending balance of $77.6 billion, with across-the-board gains bolstered further by contributions of excess oil and gas revenues to the ECTF and the STPF. For the year, funds gained $13.6 billion, or 21.2 percent. Over the last five years, the state's combined investment holdings grew $26.2 billion, or 51 percent.
- One-year returns were strong for all funds, ranging from 7.6 percent (ECTF) to 10.2 percent (LGPF). Average investment returns over the last 10 years ranged from 5.96 percent (PERA) to 7.5 percent (ERB).
- The LGPF, STPF, and ECTF benefited from inflows of oil and gas taxes and royalties. STPF performance is moderated by the allocation to differential rate New Mexico investments. ERB and PERA balances were moderated by benefit payments that were greater than contributions. ERB's net non-investment outflow improved from the previous quarter.
- All funds met their long-term return targets for the one-year period. ERB outperformed its long-term target in every period. The STPF only met its long-term target in the one-year period.[1]
- When compared with peer funds greater than $1 billion on a net-of-fee basis, ERB performance was in the top fifth percentile of funds for the three-year and top tenth percentile for the ten-year. The LGPF performed in the top fifteenth percentile in the three-year period and was around the median in the five-year and ten-year periods. STPF was in the bottom ten of comparison funds for the one-year and five-year period, but the fund was around the median for the three-year period.

Returns as of December 31, 2023 (Net of Fees)[1]

	PERA		ERB		LGPF		STPF		ECTF	
Returns (%)	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index
Quarter	5.82	9.82	3.16	4.58	5.29	5.36	5.22	5.04	4.93	6.10
1-Year	9.41	13.51	8.70	10.48	10.17	9.92	8.48	7.55	7.60	8.40
3-Year	5.27	3.24	7.63	5.99	6.30	6.16	4.33	4.03	4.94	3.80
5-Year	7.45	6.81	8.73	8.47	8.45	8.66	6.68	7.41		
10-Year	5.96	5.56	7.51	7.13	6.86	7.05	5.98	6.45		

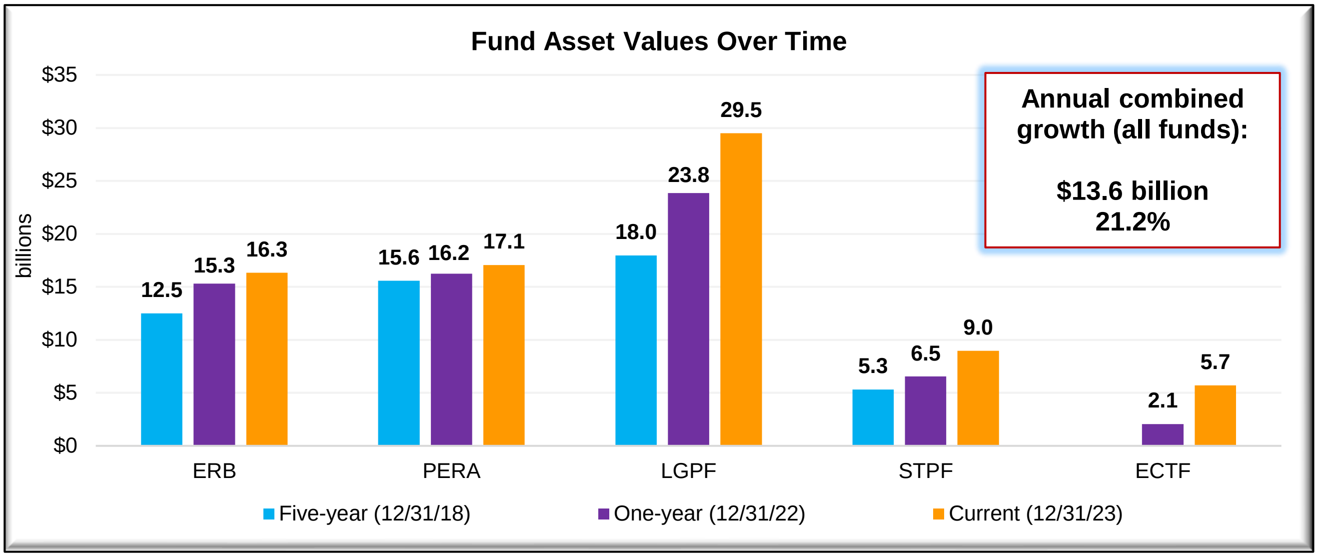
Note: A green fund value indicates returns that exceed the fund's long-term target. A green policy index value indicates returns that exceed the policy index, which is a performance benchmark. Quarterly data is not annualized.

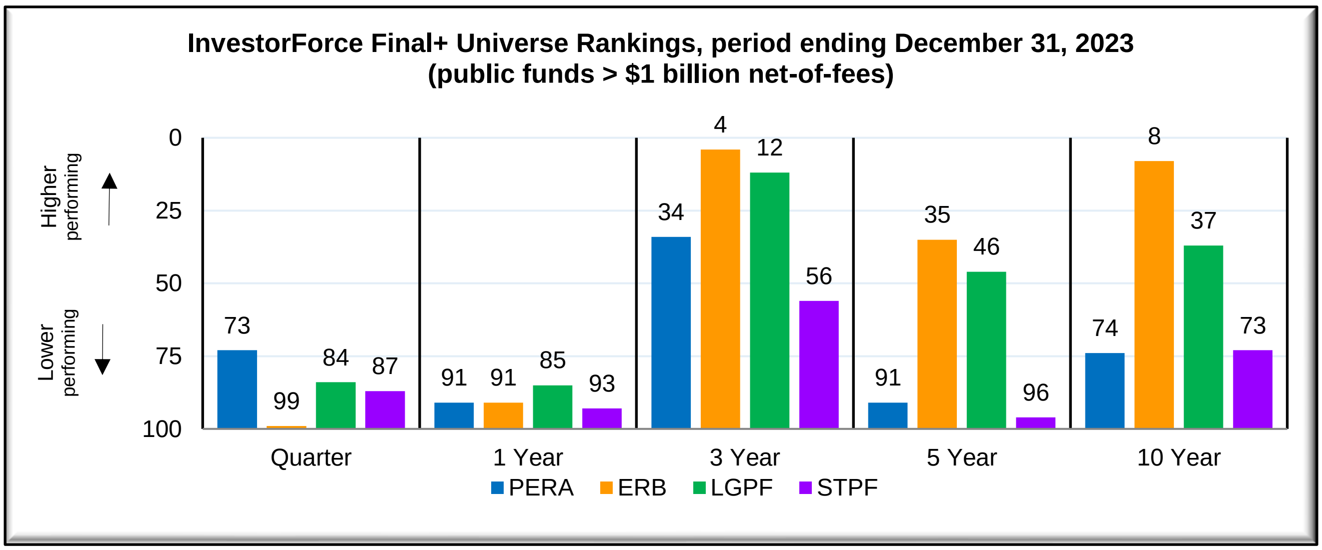
[1] The funds' long-term return targets are 7.25 percent (PERA), 7 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

Investment Agency Performance Dashboard

Quarter Ending December 31, 2023

This report details the investment performance of 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).





Risk Profiles, Five Years Ending 12/31/23, Net of Fees				
Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	7.0	8.1	8.9	8.9
Sharpe Ratio**	1.0	0.7	0.7	0.6
Beta***	0.3	-	0.4	0.4

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

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

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

Aggregate Value of New Mexico Investment Holdings

$77.6 billion

Source: Agency Investment Reports

Note: ECTF not included in some metrics due to insufficent investment duration