

## Performance Trends

Year over year, more ratings on performance measures improved than declined and the number of green ratings increased, but the count of red ratings was also slightly higher in FY25 than in FY24. Ratings in the Children, Youth and Families Department, which has struggled with protecting children from neglect and abuse, remained static, as did the ratings in the Department of Health, where the Epidemiology and Response Program continues to struggle. Performance at the Health Care Authority improved in most programs, but the Medical Assistance Program, which manages the multibillion-dollar Medicaid system, saw a drop in its rating from yellow to red, a significant concern. Also a concern, the Environment Department lost ground on environmental and resource protection, despite a significant growth in funding.

Nevertheless, the Energy, Minerals and Natural Resources Department continued to perform strongly, as did the State Engineer and the courts and judicial agencies. The Economic Development Department also had another strong year, marred only by a decline in film activity driven by national factors, and the Taxation and Revenue Department saw performance on several measures improve.

Among the findings in the quarterly report cards:

### Education

**Public Education Department, page 7.** New Mexico continues to rank at the bottom for national reading and math test scores, but state reading test scores show some continued improvement. High school graduation rates are inching up slightly—along with college remediation rates. Chronic absenteeism continues to drop, mirroring national trends, and the state is under court order to develop a remedial action plan for the *Martinez-Yazzie* education sufficiency lawsuit.

**Higher Education Institutions, page 10.** New Mexico students now pay among the lowest tuition rates in the nation and are accepted to college at increasing rates. However, data show New Mexico's educational attainment has fallen relative to the national average, and low retention and graduation rates persist. National trends show rising unemployment rates for recent college graduates signaling a need for institutions to reexamine curriculum and career services offerings to improve post-graduation outcomes. The state has spent \$16.4 million since 2020 to construct a longitudinal data system to offer additional insight into educational outcomes for New Mexicans, but the system has not been completed, leaving a significant blind spot in outcome evaluation for higher education.

### Child Well-Being

**Early Childhood Education and Care Department, page 14.** The Early Childhood Education and Care Department reported mixed results for FY25, particularly in meeting prekindergarten educational outcome targets and connecting Comprehensive Addiction and Recovery Act families, those with substance-exposed newborns, to agency services and supports. However, the department made significant progress and exceeded targeted performance for families enrolled in Medicaid-funded home visiting. Increased enrollment in this program has been a focused performance goal for the Legislature

**Children, Youth and Families Department, page 18.** The Children, Youth, and Families Department continues to struggle with ensuring the safety, permanency, and well-being of children in state custody. Caseworker turnover in Protective Services, which increased to 37 percent in FY25, likely impacts other performance trends, including time to permanency, which continues to increase, and the repeat maltreatment rate, which remains well above the national average. Recent approval of a federal Family First Prevention Services Act plan will increase availability of federal funding for prevention and early intervention services. The department continues to meet a variety of juvenile justice performance measures, exceeding targets for

recidivism rates. At the same time, the number of children in foster care and the number of juveniles in secure juvenile justice facilities continues to increase, continuing the reversal of trends of the last decade.

## Health

**Health Care Authority, page 23.** The state's Medicaid program had small, minor improvements. However, their overall rating was red. In FY25, HCA developed a plan to improve well-child visits, as each Medicaid managed care organization discussed a strategy to improve these measures, such as social media campaigns, text messages encouraging parents to schedule the visits, and meeting with providers on a regular basis. While performance on this measure improved by 3 percent over FY24, it is still well below the target. The count of well-care visits for children 3 to 21 was well below trend and the authority received a red rating for this measure.

**Behavioral Health, page 28.** In 2024, HCA reported New Mexico had 6,672 prescribing and 4,722 nonprescribing Medicaid behavioral health providers—down from 7,754 and 5,149, respectively. The total number of behavioral health encounters increased from about 2.5 million in 2020 to slightly over 3.3 million encounters in 2024. Approximately 75 percent of all people served were Medicaid managed care members, 19 percent were Medicaid fee-for-service members, and 6 percent were non-Medicaid beneficiaries. For FY25, the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days fell significantly compared to the previous year and was below the target of 51 percent.

**Department of Health, page 30.** While the agency's Public Health, Scientific Laboratory, and Facilities Management programs continue to turn in mixed results on performance, the Epidemiology and Response Program again fell short of the targets for most key performance measures. The Public Health Program reports high counts of overdose reversals but missed targets for child immunization rates. Facilities Management continues to struggle with occupancy at state-run facilities, straining the program's finances, but has seen increased census overall in FY25. The Scientific Laboratory is hitting most of its targets but missed the target for percent of environmental samples for chemical contamination that are completed and reported within 60 days.

**Aging and Long-Term Services, page 33.** The Aging and Long-Term Services Department maintained similar performance in FY25 as in previous fiscal years. The Aging Network met targeted performance for the hours of caregiver support for FY25, after struggling to meet prepandemic levels. However, the Adult Protective Services program did not meet performance on the number of referrals made to enrollments in home care and adult daycare services resulting from an investigation of abuse, neglect, or exploitation. In the Consumer and Elder Rights Program, strong performance on all measures was offset by poor performance on the percentage of calls to the Aging and Disability Resource Center answered by a live operator.

## Economic Development

**Economic Development Department, page 36.** The Economic Development Department showed mixed results in its performance measures for FY25. In FY25, EDD reported creating 3,499 jobs with an average wage of \$87.8 thousand—slightly below the agency's target of 4,000 jobs. Of those jobs, 537 were created in rural areas, less than half the target of 1,320. In FY25, EDD committed a total of \$20 million in Local Economic Development Act funding to seven projects and approved \$17.3 million of Job Training Incentive Program funding to train 1,487 employees, a 37 percent decrease compared to the 2,359 employees trained in FY24. Performance indicators for the Film Office remain below target, reflecting ongoing contraction in the national film industry driven by the prolonged impact of labor disputes and declining production volumes.

**Tourism Department, page 39.** The Tourism Department met or exceeded most performance targets for FY25. In FY25, the department awarded \$1 million to 67 participants to support beautification and litter reduction efforts, \$533.2 thousand to 38 events through its Tourism Event Growth and Sustainability Program, and \$2.4 million to 12 tourism-related infrastructure projects. The department awarded \$3.8 million to 48 entities through the cooperative program, which provides a 2-to-1 matching investment, to support marketing and advertising initiatives that align with the New Mexico True brand.

**Workforce Solutions Department, page 41.**

Although unemployment in New Mexico remains below prepandemic levels, the state continues to experience a persistently low rate of labor force participation that can slow economic growth. The Workforce Solutions Department continues to perform well on several output measures related to employment services, but the change in earnings after receiving services remains below target and WSD did not perform any audits of apprenticeship programs in FY25. In areas related to core services in the unemployment insurance and labor relations programs, the agency continued to struggle to meet unemployment insurance processing and wage claims investigation targets.

## Justice and Public Safety

**Department of Public Safety, page 46.** In FY25, the Department of Public Safety made notable strides in workforce stability and operational improvements. The department implemented long-needed pay reforms for State Police officers and dispatchers, contributing to lower vacancy rates, particularly in the Santa Fe forensic lab, which reduced vacancies from 40 percent to just 15.8 percent. DPS also advanced its crime-fighting capabilities through a new records management system and expanded its intelligence-led policing framework by integrating data across agencies. Though State Police maintained a 12 percent vacancy rate, recruitment and retention efforts showed early signs of progress.

**Corrections Department, page 50.** In FY25, the Corrections Department made incremental but meaningful progress in stabilizing staffing, expanding education, and reducing recidivism among targeted populations. Despite ongoing challenges—such as a 27 percent vacancy rate among public correctional officers and the closure of the privately operated Lea County Correctional Facility—the department reduced parole officer vacancies and improved high-risk offender contact rates. Education outcomes were particularly strong, with record numbers of inmates earning high school equivalency credentials. Recidivism rates held steady and, for some subgroups, declined.

**Courts and Justice, page 53.** Performance trends in New Mexico’s courts and criminal justice agencies for FY25 were mixed. Positive trends in areas that have received substantial judicial and legislative

attention have largely held, with criminal trial pace and court caseloads surpassing performance targets. While pretrial supervision measures slightly improved from FY24, treatment court recidivism and graduation rates largely worsened from FY23. District attorneys saw increases in both the number of cases referred for screening and the average number of cases added to attorney workload. The Law Offices of the Public Defender continues to struggle with recruitment and retention, especially with contract attorneys, but both in-house and contract attorneys improved on already strong performance measures for charge reductions and alternative sentencing treatments.

## Natural Resources

**Energy, Minerals, and Natural Resources Department, page 59.** The Energy, Minerals and Natural Resources Department exceeded the targets on all FY25 performance measures, except one. The lone lagging measure, plugged wells by the Oil Conservation Division’s (OCD), missed the target by 28 wells, or by 40 percent. Beyond the historic issues OCD faces, the majority of department’s divisions successfully performed their tasks. The State Forestry Division (SFD) treated a total of 19,931 acres, over 6,000 more acres than FY24, while also training 2,149 wildland firefighters, over 600 more than the target. State Parks exceeded its target revenue and visitation numbers and the Energy Conservation and Management Division processed over 6,000 solar, energy conservation, and sustainable building tax credit applications and launched a new online portal for the public to more easily apply for current and new tax credits. The Legislature substantial investment in the department appear to be improving performance and a recent LFC program evaluation on OCD’s plugging operations recommends for actionable changes that could improve the agency’s lone lagging performance measure.

**Office of the State Engineer, page 62.** The Office of the State Engineer exceeded the targets on all but one of the agency’s performance measures. Performance measures targets could be increased to analyze the agency’s ability to continue to improve performance. Also, additional performance measures—gauging, for instance, the agency’s ability to utilize substantial nonrecurring and capital outlay appropriations—should be considered. The Office of the State Engineer and the Interstate Stream

Commission (ISC) filed documents to end the state’s ongoing standing Rio Grande Compact litigation. The state still must wait for the U.S. Supreme Court to issue a final ruling. The city of Las Cruces did not sign on the amicus curiae brief, though negotiators remained confident a resolution could be reached. Additionally, two of the regional irrigation districts—Elephant Butte Irrigation District and El Paso County Water Improvement District No.1—both signed off on the recent settlement documents. Once a settlement is finalized, the scope and timeline of implementation will begin to take shape.

**Environment Department, page 64.** While certain negative performance trends persisted through FY25, multiple programs reported productive results for the fourth quarter of FY25. The agency’s groundwater permitting program exceeded its 100 percent target by 20 percent and the Environmental Health Bureau inspected 7,531 restaurants and food facilities, resulting in a 95 percent completion rate. The continuing negative performance trends seen in Resource Protection slightly abated, with one of its performance measures moving from red to yellow, although the program overall finished the year in the red. Despite significant increases in funding over the past six years, the agency suggests the department needs significant additional funding to address its staffing and retention issues. Potential federal funding cuts to natural resource protection funding could exacerbate funding issues.

## General Government

**General Services Department, page 68.** The General Services Department reports continued deterioration of funds managed by the Risk Management Division, driven by large civil rights claims against several state agencies and institutions of higher education. GSD reports the state’s public liability fund closed the fiscal year with minimal reserves. Agencies will experience large rate increases in FY27.

**State Personnel Office, page 70.** Recent pay increases and stabilization of the broader job market helped to improve key metrics related to the state’s personnel system, but high turnover and the continued growth in the number of positions within state agencies led to continued high vacancy rates. While retention has improved from lows in 2022 and

2023, more than 30 percent of new employees leave state service within one year of joining.

**Taxation and Revenue Department, page 71.** During FY25, the Taxation and Revenue Department (TRD) has received over 1 million personal income tax returns for tax year 2024, and only 8,584 have had errors, which yields a 99 percent processing rate. The Audit and Compliance Division of the Tax Administration Program have a collectable balance of \$1.2 billion and collected \$252.1 million, or 21.1 percent. The beginning accounts receivable reductions are a result of amended returns, abatements, deactivations, bankruptcy, and reversals. The total FY25 reduction in the fiscal year beginning accounts receivable is \$967.3 million, or 50.6 percent, bringing the total balance to \$943.6 million. The Motor Vehicle Division focused on improving customer communications related to insurance coverage lapses throughout FY25.

## Infrastructure

**Department of Transportation, page 74.** The department reports an overall deterioration of the state’s roads, with the 2024 annual road condition survey noting the lowest ratings in recent history. Slowing revenue growth for both the general fund and the state road fund will challenge the department to be able to keep up with recent levels of construction and maintenance spending.

**Information Technology Projects, page 75.** Information technology project trends for FY25 remain the same as in previous fiscal years. The Health Care Authority’s Medicaid management information system replacement project went up in its project status ranking, now at an overall rating of yellow. However, the Children, Youth and Families Department’s child welfare system was expected to have system functionality in early 2026, but the department has since told LFC staff there is no current go-live date, changing the system’s schedule ranking to red. The child welfare system still maintains the same closeout date of late 2027.

## Investments

**Fund Performance, page 86.** The value of New Mexico’s combined investment holdings grew by \$4.6 billion quarter-over-quarter, to an ending balance of \$93.1 billion. For the year, funds increased

by \$10.4 billion, or 12.6 percent. Over the last five years, the state’s combined investment holdings grew \$41.4 billion, or 80 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 peers over the quarter and in the one-year period.

**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	FY24	FY25	
<b>Early Childhood Education and Care Department</b>			
Family Support and Intervention	Y	Y	
Early Education, Care and Nutrition	Y	G	↑
Policy, Research, and Quality	G	G	
Prekindergarten	Y	R	↓
<b>Children, Youth and Families Department</b>			
Protective Services	R	R	
Juvenile Justice Services	Y	Y	
Behavioral Health Services	Y	Y	
<b>Public Education Department</b>			
Student Outcomes	R	R	
Department Operations	Y	G	↑
<b>Department of Health</b>			
Public Health	Y	Y	
Epidemiology and Response	R	R	
Scientific Laboratory	Y	Y	
Facilities Management	Y	Y	
<b>Aging and Long-Term Services</b>			
Consumer and Elder Rights	Y	Y	
Adult Protective Services	Y	Y	
Aging Network	R	Y	↑
<b>Health Care Authority</b>			
Medical Assistance	Y	R	↓
Income Support	R	Y	↑
Child Support Enforcement	Y	G	↑
Developmental Disabilities Support	Y	G	↑
State Health Benefits	R	G	↑
Health Improvement	NA	G	
<b>Behavioral Health Collaborative</b>			
Behavioral Health	R	Y	↑
<b>Courts and Justice</b>			
Administrative Support	G	G	
Special Court Services	G	Y	↓
District Attorneys	G	G	
Public Defender	G	G	
<b>Department of Public Safety</b>			
Law Enforcement	G	G	
Statewide Law Enforcement Support	Y	Y	
<b>Corrections Department</b>			
Inmate Management and Control	Y	Y	
Reentry	Y	Y	
Community Offender Management	Y	G	↑
<b>Energy, Minerals and Natural Resources</b>			
Energy Conservation and Management	G	G	
Healthy Forests	Y	G	↑
State Parks	G	G	
Mine Reclamation	G	G	
Oil and Gas Conservation	G	Y	↓

Department/Program	FY23	FY24	
<b>State Engineer</b>			
Water Resource Allocation	Y	G	↑
Interstate Stream Commission	G	Y	↓
Litigation and Adjudication	G	G	
<b>Environment Department</b>			
Water Protection	Y	Y	
Environmental Protection	Y	R	↓
Environmental Health	Y	Y	
Resource Protection	Y	R	↓
<b>Economic Development Department</b>			
Economic Development	Y	Y	
New Mexico Film Office	G	R	↓
Outdoor Recreation	G	G	
<b>Tourism Department</b>			
Marketing and Promotion	G	G	
New Mexico Magazine	G	G	
Tourism Development	G	G	
<b>Workforce Solutions Department</b>			
Employment Services	Y	Y	
Unemployment Insurance	R	Y	↑
Labor Relations	Y	Y	
Program Support and Workforce Invest.	Y	Y	
<b>General Services Department</b>			
Risk Management Funds	R	R	
Facilities Management	Y	R	↓
State Purchasing	G	R	↓
Transportation Services	Y	G	↑
State Printing	G	G	
<b>State Personnel System</b>			
Human Resource Management	Y	Y	
<b>Taxation and Revenue Department</b>			
Tax Administration	Y	Y	
Compliance Enforcement	Y	G	↑
Motor Vehicle	Y	G	↑
Program Support	G	G	
Property Tax	G	G	
<b>Department of Transportation</b>			
Project Design and Construction	Y	G	↑
Highway Operations	G	Y	↓
Modal	R	R	
Program Support	G	G	

Programs with a Rating Upgrade	16	
Programs with a Rating Downgrade	11	
		FY24
Total FY25 Green Ratings	30	23
Total FY25 Yellow Ratings	27	35
Total FY25 Red Ratings	12	10

Despite continued growth in reading performance on the state assessment, New Mexico ranks at the bottom of the country on national assessments, and math performance continues to remain relatively flat on both tests. High school graduation rates showed another year of slight improvement but remain significantly lower than the national average. Chronic absenteeism rates continue to drop, mirroring national trends, and college remediation rates have begun to increase, indicating more New Mexico high school graduates are unprepared for college level coursework.

This slow and mixed progress led to heightened court action in the *Martinez-Yazzie* education sufficiency lawsuit this year, with a new order for the Public Education Department (PED) to develop a comprehensive remedial action plan by the end of 2025 to conclude the case. If the plan is not accepted by plaintiffs, the court will likely take over and assign a special master to enforce compliance.

With nearly \$2 billion in new recurring funds appropriated to public schools and PED programs since the 2019 ruling, funding increases alone have not addressed issues of low performance. To understand whether state efforts are affecting any of the student outcomes noted in the *Martinez-Yazzie* lawsuit, more programs will need to be evaluated for impact. Recent changes to the public education reform fund will create an opportunity to more rigorously evaluate PED programs and initiatives through cross-agency review and oversight. As the Legislature considers which programs to prioritize or continue, the reform fund process offers an option to test ideas before scaling up efforts or reallocating resources.

### Student Outcomes

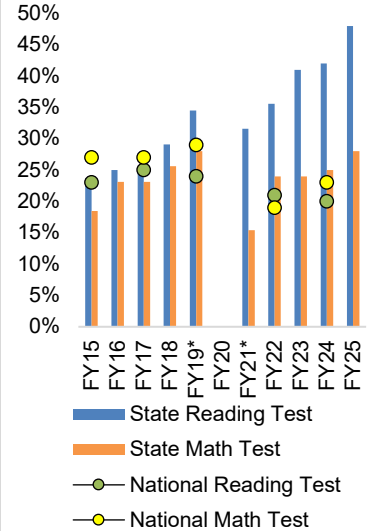
**Reading and Math.** Both fourth and eighth grade reading scores on the state standardized assessment, MSSA, show consecutive years of improvement following the pandemic; however, New Mexico students performed slightly worse on the national test, NAEP, for fourth grade between 2022 and 2024. For math, MSSA scores in fourth and eighth grades remained relatively flat, but fourth graders improved their NAEP math scores slightly over the same period. Overall, New Mexico ranked 50<sup>th</sup> in the nation on the NAEP tests. The differing trends between MSSA and NAEP limit the state’s ability to determine how much progress has been made on student achievement.

Budget: \$4,335,657.5	FTE: N/A	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Reading proficiency (4 <sup>th</sup> grade)		41%	42%	39%	48%	<span style="color: green;">G</span>
Math proficiency (4 <sup>th</sup> grade)		24%	25%	39%	28%	<span style="color: red;">R</span>
Reading proficiency (8 <sup>th</sup> grade)		39%	41%	39%	47%	<span style="color: green;">G</span>
Math proficiency (8 <sup>th</sup> grade)		18%	19%	39%	17%	<span style="color: red;">R</span>
High school graduation rate (4 year)		76.7%	78.2%	81%	No Report	<span style="color: yellow;">Y</span>
College remediation rate		38.4%	40%	29%	No Report	<span style="color: red;">R</span>
Chronic absenteeism (elementary)		37.7%	27.5%	10%	No Report	<span style="color: red;">R</span>

### ACTION PLAN

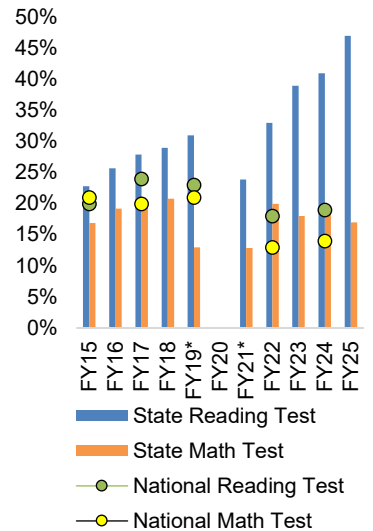
Submitted by agency? No  
Timeline assigned? No  
Responsibility assigned? No

#### New Mexico 4th Grade Proficiency Rates

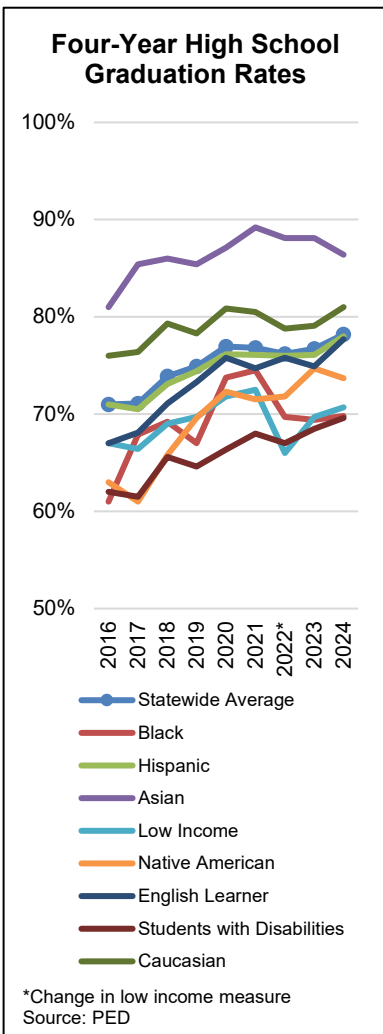


\*State test change; not comparable results  
Source: NAEP, PED

#### New Mexico 8th Grade Proficiency Rates



\*State test change; not comparable results  
Source: NAEP, PED

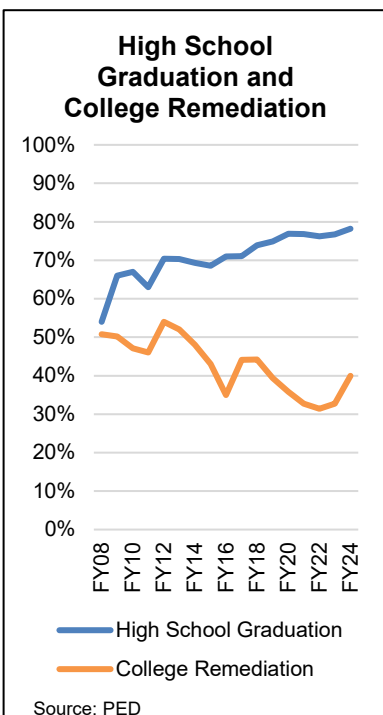


	Budget: \$4,335,657.5	FTE: N/A	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Chronic absenteeism (middle)			41.2%	33.6%	10%	No Report	R
Chronic absenteeism (high)			42.9%	38.5%	10%	No Report	R
Students exiting English learner status (elementary)			3.9%	4.9%	10%	No Report	R
Students exiting English learner status (middle)			1.4%	2.6%	10%	No Report	R
Students exiting English learner status (high)			2.3%	3.3%	10%	No Report	R
Teacher vacancies			690	751	N/A*	619	G
Classroom spending in large districts			72.1%	72%	N/A*	71.9%	G
			<b>Program Rating</b>				R

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

**Graduation and Postsecondary Success.** Four-year high school graduation rates increased slightly, rising to 78.2 percent for the class of 2024—a 1.5 percentage point improvement from 2023. Except for Asian and Native American students, all other student subgroups reported higher graduation rates, with the largest improvement reported by English learners at 2.8 percentage points. The department has not reported on graduation rates for the class of 2025 because PED is still in the process of certifying final graduation rates for students participating in summer programs. The class of 2024 was the last cohort given pandemic-era waivers for graduation requirements. As such, the class of 2025 will be the first cohort required to meet pre-pandemic graduation requirements.

However, adherence to pre-pandemic graduation requirements will be short-lived. Beginning in FY26, the incoming ninth grade class will have new statutory graduation requirements, including two locally determined course units and the removal of algebra 2 as a mandatory course. As these new requirements phase in, the state should track how the changes affect graduation rates and college remediation rates. In FY24, PED also signed an agreement with Level All, Inc., to provide a college and career readiness platform available to all students. The online platform will allow students to complete next step plans virtually and offer educators the ability to track and monitor student progress.



Alongside the increase in graduation rates, college remediation rates have also increased since the pandemic. The Higher Education Department (HED) has not published new information on college remediation for 2025; however, rates are trending upward. This reversal in prior year trends indicates that while more students are graduating, they are becoming less prepared for college level coursework. Students needing college remedial courses are less likely to graduate on time and are more likely to drop out—increasing the odds they will incur debt with no degree and decrease earning potential.

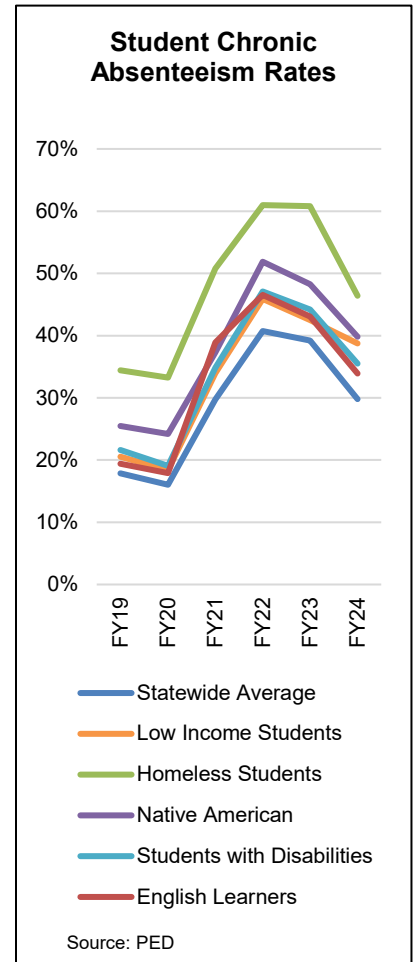
**Chronic Absenteeism.** PED has not yet reported statewide or grade level chronic absenteeism rates for FY25; however, the agency signed New Mexico onto a national campaign with Attendance Works, EdTrust, and American Enterprise Institute in 2024 to reduce chronic absence by 50 percent in five years. New Mexico’s highest chronic absenteeism rate was 40.7 percent in FY22, which means the state has established a target of 20 percent chronic absenteeism by FY27. Given the chronic absenteeism rate in FY20 was 16 percent before school closures, this target is still above pre-pandemic performance levels.



Two FY26 public education reform fund initiatives will focus on improving attendance for students in general and students experiencing housing insecurity. As chronic absenteeism decreases nationally, the state will be challenged to determine whether the interventions on attendance are attributable to the programs or broader trends of student attendance improving postpandemic. As such, these programs will need more rigorous evaluation to measure impact and rule out other confounding factors.

### Public Education Department

PED ended FY25 with 301 FTE, a decrease of 11 FTE from the beginning of the fiscal year, including the departure of two deputy secretaries. For the first time in the last two years, the department met targets for processing reimbursements, likely due to expiration of federal pandemic relief funds. According to the U.S. Department of Education (USDE), New Mexico spent 99.2 percent of the \$1.5 billion awarded to elementary and secondary schools for pandemic relief. USDE notes in its spending report that New Mexico used the third round of aid, also known as the American Rescue Plan, in 2023 primarily for personnel salaries and benefits (\$147.5 million), followed by other items (\$27.5 million) and purchased property services (\$23.7 million).



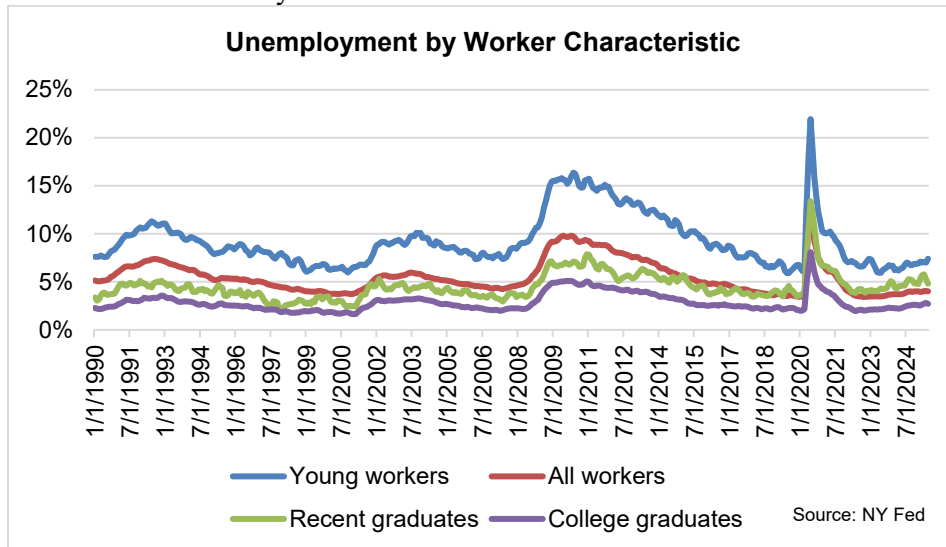
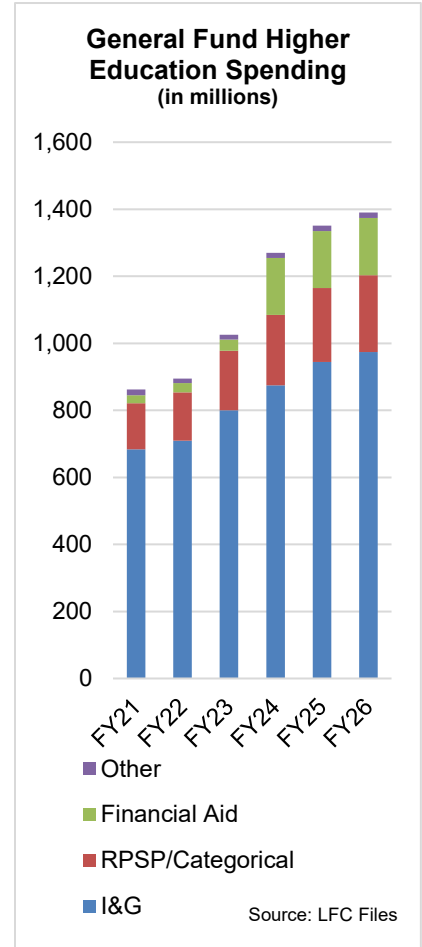
	<b>Budget:</b> \$24,521.6	<b>FTE:</b> 354.0	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
Average days to process reimbursements			38	35	22	16	<b>G</b>
Average days to process budget adjustments			7.2	7.8	6	7.8	<b>R</b>
Data validation audits of funding formula			12	30	30	15	<b>R</b>
Students with access to high-speed Internet			60%	79.8%	100%	67%	<b>R</b>
Students with access to a digital device			84%	89.7%	100%	95%	<b>Y</b>
<b>Program Rating</b>			<b>R</b>	<b>Y</b>			<b>G</b>

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

For 30 years, New Mexico has led the nation in providing affordable access to higher education with enactment of the legislative lottery scholarship in 1996 and the creation of the opportunity scholarship in 2022. New Mexico students now pay among the lowest tuition rates in the nation and are accepted to college at increasing rates. However, despite low-cost tuition and state appropriations ranking third best in the nation, data show New Mexico’s educational attainment has fallen relative to the national average, and low retention and graduation rates persist.

According to the U.S. Federal Reserve, New Mexico ranked 29<sup>th</sup> in the proportion of the population with at least a bachelor’s degree in 2006 but fell to 40<sup>th</sup> in the nation by 2023. Only one other state, Alaska, fell further than New Mexico in educational attainment rankings. New Mexico’s fall in educational attainment rankings came despite an overall increase in the proportion of bachelor’s degree holders, meaning that U.S. educational attainment rose at a much faster pace than New Mexico attainment.

New Mexico faces rising skepticism about the economic value of a college degree, mirroring a national trend. Across the country, traditional credentials are under scrutiny, and institutions struggle to attract students. Although colleges point to long-standing evidence that bachelor’s degree holders earn more than those with less education, recent federal data indicate this advantage is slipping. Since October 2018, unemployment for recent graduates has been higher than the overall workforce in 73 of 81 months—a sharp departure from 1990 to 2018, when this occurred only five times in 365 months.



**Six-Year Graduation Rates**

Institution	2014	2023
ENMU	28.0%	39.8%
NMHU	17.2%	25.6%
NM Tech	45.5%	56.4%
NMSU	45.7%	52.2%
Northern	15.3%	32.6%
UNM	47.8%	52.5%
WNMU	20.9%	34.9%
<b>NM Avg.</b>	<b>41.6%</b>	<b>48.2%</b>

<b>US Avg.</b>	<b>55.7%</b>	<b>58.7%</b>
----------------	--------------	--------------

Source: IPEDS

There are no definitive causes to explain the unemployment trends for recent college graduates, but they do signal a need for institutions to reexamine course curriculum and career service offerings to ensure they are providing relevant education and assisting students find employment upon graduation.

## Graduation and Retention

### Retention Rates by Institution

Institution	2014	2023
ENMU	59.3%	61.9%
NMHU	48.4%	56.9%
NM Tech	78.8%	76.8%
NMSU	73.7%	74.8%
NNMC	50.0%	60.5%
UNM	79.0%	72.9%
WNMU	55.3%	53.8%
<b>NM Avg.</b>	<b>73.3%</b>	<b>71.9%</b>

<b>US Avg.</b>	<b>79.1%</b>	<b>82.0%</b>
----------------	--------------	--------------

Source: IPEDS

### Regional Retention Rates

State	2014	2023
Arizona	77%	83%
Colorado	71%	80%
<b>New Mexico</b>	<b>73%</b>	<b>72%</b>
Nevada	78%	79%
Oklahoma	74%	78%
Texas	72%	79%
Utah	69%	76%
<b>Region Avg.</b>	<b>73%</b>	<b>79%</b>

Source: IPEDS

### Regional Graduation Rates

State	2014	2023
Arizona	59%	59%
Colorado	53%	53%
<b>New Mexico</b>	<b>41%</b>	<b>48%</b>
Nevada	35%	45%
Oklahoma	44%	50%
Texas	51%	49%
Utah	44%	51%
<b>Region Avg.</b>	<b>50%</b>	<b>51%</b>

Source: IPEDS

New Mexico lags the nation in graduation rates for both the four-year and two-year sectors; however, the gap between state performance and national performance is much larger at four-year colleges. Additionally, federal data on graduation rates are based on first-time, full-time college students and do not count students who begin on a part-time basis or those who are returning to college. The lack of data makes it difficult to determine how New Mexico two-year colleges perform and point to the need for more robust metrics.

Four-year colleges in New Mexico report 48 percent of students graduating within six years of beginning a bachelor's degree program, compared with a national graduation rate of 59 percent. New Mexico two-year institutions have a three-year graduation rate for associate degrees of 26 percent compared with the national average of 33.8 percent. While difficulties in scheduling and maintaining a full-time course load may slow graduation, low student retention is likely the largest factor contributing to low graduation rates; only 72 percent of first-time, full-time New Mexico students are retained to the second year, 10 percent less than the national average. The 2023 retention rate is higher than it was during the pandemic, but it is slightly lower than it was 10 years ago.

While the creation of new scholarship programs increased affordability, creating an incentive for students to attend college, data from the Lumina Foundation show many of the barriers to completion for *enrolled* students are not financial. Forty-one percent of currently enrolled higher education students nationwide reported finding it "very difficult" or "difficult" to remain enrolled in their higher education program, from certificates to bachelor's degrees. The number one reason for considering stopping is emotional stress, at 55 percent, followed by personal mental health reasons, at 47 percent. Program cost is cited 29 percent of the time, suggesting the need for strategies to compliment affordability.

Over the past decade, federal data show New Mexico has fallen behind the region in terms of retention rates but has partially closed the gap in graduation rates. This finding may seem counterintuitive but is explained by the lag time in graduation; New Mexico institutions were at the national average for retention 10 years ago which translated into higher graduation rates in 2023. However, the state has lost ground on retention rates since 2014, making it likely that in future years lower retention will translate into lower graduation rates. This trend is problematic as it combines with overall demographic shifts that will result in fewer highly educated workers in the state's economy in the future.

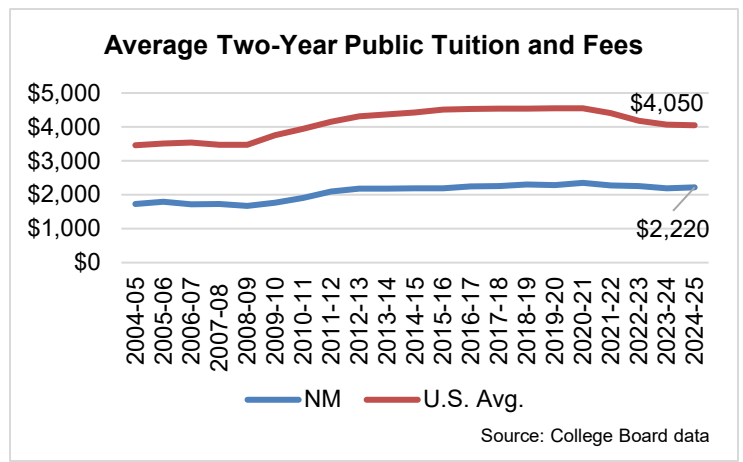
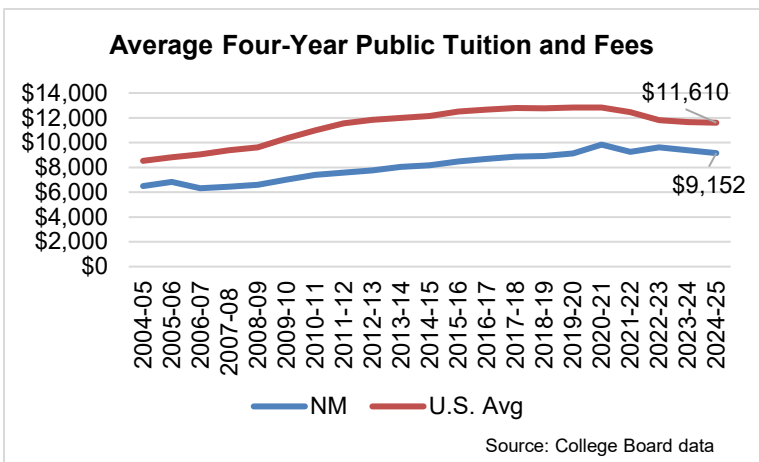
The Legislature made appropriations to address low student retention by including additional funding in annual recurring appropriations for student support services. Additionally, \$20 million was appropriated for the next three years to provide a performance bonus to four-year institutions that are able to achieve retention rate increases. Colleges and universities will need to demonstrate improvement in retention for these funds to be continued.

## Affordability and Outcomes

According to the College Board, New Mexico had the second-lowest tuition and fees for two-year colleges and the ninth-lowest tuition and fees for four-year

colleges. New Mexico four-year colleges charge 21 percent less in tuition and fees than the national average currently, and that gap has remained relatively consistent over the past 20 years. New Mexico two-year colleges charge 45 percent less than the national average currently, slightly higher than 20 years ago when these colleges charged 50 percent less.

Federal data show New Mexico students have average student debt of \$34.9 thousand, below the \$37.9 thousand for the United States on average. However, few New Mexico students take out college debt and the state ranks 45<sup>th</sup> in the proportion of students who carry college debt. Despite New Mexico’s favorable rankings in terms of amount of debt taken and proportion of students taking on student debt, those who receive student loans struggle to pay them back. In 2019 and 2020, New Mexico had the third- and second-highest borrower delinquency rates in the nation.



Colleges and universities provide regular reporting to federal and state governments on metrics like enrollment, demographics, and graduation and retention rates. However, little is known about labor market outcomes for students post-graduation. The Higher Education Department has been working on a longitudinal data system since 2020 at a cost of \$16.4 million. The system is supposed to track information from early childhood through adulthood and should be capable of allowing the state to determine wage and employment information for all New Mexicans. However, the system is not complete. This leaves a significant blind spot in performance outcome evaluation for higher education institutions.

**Cost Per Award**  
(in thousands of dollars)

Institution	2017-2018 Awards	FY18 I&G GF	Cost Per Award FY18	2022-23 Awards	FY23 I&G GF	Cost Per Award FY23	% Change Awards	% Change I&G Cost
NMT	378	25,523.0	67.5	323	32,904.9	101.9	-14.6%	28.9%
NMSU	3,199	109,438.5	34.2	3,087	139,535.7	45.2	-3.5%	27.5%
UNM	5,626	175,823.2	31.3	4,790	222,243.1	46.4	-14.9%	26.4%
<b>Research</b>	<b>9,203</b>	<b>310,784.7</b>	<b>33.8</b>	<b>8,200</b>	<b>394,683.7</b>	<b>48.1</b>	<b>-10.9%</b>	<b>27.0%</b>
ENMU	1,245	25,603.1	20.6	1,281	36,273.4	28.3	2.9%	41.7%
NMHU	932	26,046.1	27.9	793	32,697.5	41.2	-14.9%	25.5%
NNMC	174	9,706.9	55.8	191	11,333.7	59.3	9.8%	16.8%
WNMU	696	15,996.9	23.0	766	22,754.2	29.7	10.1%	42.2%
<b>Comprehensive</b>	<b>3,047</b>	<b>77,353.0</b>	<b>25.4</b>	<b>3,031</b>	<b>103,058.8</b>	<b>34.0</b>	<b>-0.5%</b>	<b>33.2%</b>
ENMU-RO	542	10,985.7	20.3	478	13,246.7	27.7	-11.8%	20.6%
ENMU-RU	73	1,936.1	26.5	79	2,237.2	28.3	8.2%	15.6%
NMSU-AL	110	7,036.2	64.0	81	8,073.9	99.7	-26.4%	14.7%
NMSU-DA	1,162	21,387.3	18.4	1,090	26,244.2	24.1	-6.2%	22.7%
NMSU-GR	93	3,320.1	35.7	83	3,953.2	47.6	-10.8%	19.1%
UNM-GA	290	8,407.1	29.0	326	9,682.8	29.7	12.4%	15.2%
UNM-LA	136	1,710.4	12.6	74	2,121.3	28.7	-45.6%	24.0%
UNM-TA	136	3,274.1	24.1	106	4,265.4	40.2	-22.1%	30.3%
UNM-VA	204	5,135.2	25.2	134	6,418.0	47.9	-34.3%	25.0%
CNM	6,302	52,815.8	8.4	4,491	69,215.7	15.4	-28.7%	31.1%
CCC	576	9,094.1	15.8	476	11,072.4	23.3	-17.4%	21.8%
LCC	142	6,730.9	47.4	114	7,437.3	65.2	-19.7%	10.5%
MCC	100	3,864.2	38.6	260	4,570.1	17.6	160.0%	18.3%
NMJC	313	5,157.9	16.5	348	6,632.1	19.1	11.2%	28.6%
SENMC	164	3,860.0	23.5	105	4,666.5	44.4	-36.0%	20.9%
SJC	1,098	22,555.4	20.5	974	27,395.4	28.1	-11.3%	21.5%
SFCC	887	9,182.8	10.4	495	12,075.4	24.4	-44.2%	31.5%
<b>2-Year</b>	<b>12,328</b>	<b>176,453.3</b>	<b>14.3</b>	<b>9,714</b>	<b>219,307.6</b>	<b>22.6</b>	<b>-21.2%</b>	<b>24.3%</b>
<b>Grand Total</b>	<b>24,578</b>	<b>564,591.0</b>	<b>23.0</b>	<b>20,945</b>	<b>717,050.1</b>	<b>34.2</b>	<b>-14.8%</b>	<b>27.0%</b>

Source: LFC Files

Methodology: Total awards from funding formula data. General fund I&G appropriations as reflected in LFC post session review .

The Early Childhood Education and Care Department (ECECD) reported mixed results for FY25, particularly in meeting prekindergarten educational outcome targets and connecting Comprehensive Addiction and Recovery Act families, those with substance-exposed newborns to agency services and supports. However, the department made significant progress and exceeded targeted performance for families enrolled in Medicaid-funded home visiting. Increased enrollment in this program has been a focused performance goal for the Legislature.

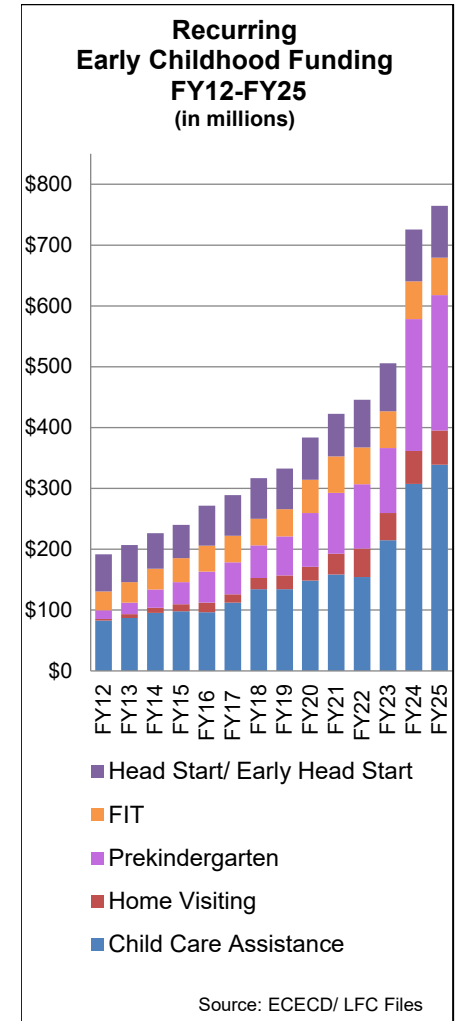
### Family Support and Intervention

The program, primarily consisting of the Family, Infant, Toddler (FIT) developmental disabilities intervention program, the Families First case management program, and the Home Visiting parental education and support program, reported mixed results for performance targets and exceeded the targeted performance enrollment in Medicaid-funded home visiting, increasing from 402 in FY24 to 1,467 in FY25. Increasing family enrollment in Medicaid-funded home visiting has been a policy priority of Legislature. If implemented well, in combination with other child welfare interventions, certain home visiting models, such as Nurse Family Partnership, Health Families America, and SafeCare Augmented, could help the state reduce child maltreatment.

	Budget: \$78,0616.6	FTE: 58	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of families enrolled in Medicaid Home Visiting			440	402	1,250	1,467	G
Average annual number of home visits per family			19	22	20	23	G
Percent of children enrolled in home visiting for longer than six months that receive regular well child exams as recommended by the American Academy of Pediatrics			88%	91%	90%	91%	G
Percent of parents participating in the New Mexico home-visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions as demonstrated by the state-approved, evidence-based screening tool			79%	82%	80%	83%	G
Percent of women enrolled in Families First who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy			90%	90%	93%	86%	R
Percent of children making significant improvement annually in social emotional skills, knowledge and skills and appropriate behavior			New	Not Reported	78%	78%	G
Percent of women that are pregnant when they enroll in home visiting who access postpartum care			New	New	90%	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 were conducted within the forty-five-day timeline			93%	94%	100%	97%	R

### ACTION PLAN

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



## Early Childhood Care and Education

### Ratio of Infant Slots to Children Under Two by County

County	Births Per Two Years from Census	Infant Slots	Ratio
Bernalillo	13090	5222	0.40
Catron	8	2	0.26
Chaves	1451	444	0.31
Cibola	554	103	0.19
Colfax	208	14	0.07
Curry	1474	501	0.34
De Baca	53	2	0.04
Dona Ana	4898	2341	0.48
Eddy	1636	191	0.12
Grant	483	195	0.40
Guadalupe	86	28	0.32
Harding	8	0	0.00
Hidalgo	94	24	0.25
Lea	2216	465	0.21
Lincoln	313	68	0.22
Los Alamos	348	223	0.64
Luna	703	128	0.18
McKinley	1654	337	0.20
Mora	38	16	0.42
Otero	1678	421	0.25
Quay	93	48	0.52
Rio Arriba	713	139	0.20
Roosevelt	463	167	0.36
San Juan	2878	689	0.24
San Miguel	2677	122	0.05
Sandoval	449	660	1.47
Santa Fe	2330	408	0.18
Sierra	146	39	0.27
Socorro	269	93	0.35
Toas	438	134	0.31
Torrance	285	67	0.23
Union	133	0	0.00
Valencia	1806	459	0.25

Source: ECECD/LFC Files

Budget: \$78,0616.6	FTE: 58	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of home visiting families with face-to-face visits, monthly		New	91%	NA	94%	
Percent of families enrolled in Families First by the twenty-eighth week of pregnancy		New	65%	80%	62%	<span style="color: red;">R</span>
Percent of families enrolled in home visiting by the twenty-eighth week of pregnancy		New	75%	30%	44%	<span style="color: green;">G</span>
Percent of families enrolled in home visiting who receive safe sleep education and supporting materials and follow the recommended safe sleep practices		New	82%	80%	79%	<span style="color: yellow;">Y</span>
Percent of pregnant women enrolled in home visiting who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy		New	93%	80%	92%	<span style="color: green;">G</span>
Percent of women who are pregnant when they enroll in Families First and access postpartum care		New	100%	75%	47%	<span style="color: red;">R</span>
Percent of Comprehensive Addiction and Recovery Act families connected to agency services and supports		New	New	60%	45%	<span style="color: red;">R</span>
	<b>Program Rating</b>	<span style="color: yellow;">Y</span>	<span style="color: yellow;">Y</span>			<span style="color: yellow;">Y</span>

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

### Early Education, Care and Nutrition

The Early Education, Care and Nutrition Program is primarily composed of Childcare Assistance, the Family Nutrition Bureau, and prekindergarten. Prior to the pandemic, Childcare Assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. However, in fall 2020, enrollment declined significantly to 15 thousand. In FY21, average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to \$676, or \$8,117 annually. At the close of FY22, monthly enrollment had increased to nearly 22 thousand, and the average monthly cost was at \$734, or \$8,810 annually. In April 2022, ECECD announced Childcare Assistance income eligibility would increase to 400 percent of the federal poverty level (FPL) and all copayments would be waived. At the close of FY25, enrollment had increased to over 30 thousand. Of that population, over 30 percent are above 200 percent of the FPL.

Additionally, a report released by New Mexico's Cradle to Career Policy Institute (CCPI) in early 2025, which examined childcare capacity and families served, found the number of childcare slots used by families living at or below 100 percent of the FPL has declined 2.9 percent since 2019. This finding indicates that while more families are served by Childcare Assistance than ever before, the families with the highest need are not necessarily the most likely to be served.

Budget: \$380,195.9	FTE: 157	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of infants and toddlers participating in the childcare assistance program enrolled in childcare programs with four- or five-stars		58%	65%	75%	69%	<span style="color: green;">G</span>
Average monthly copay as a percentage of monthly income		New	New	7%	0%	<span style="color: yellow;">Y</span>

Budget: \$380,195.9	FTE: 157	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Average length of time enrolled in months for families receiving childcare assistance		New	18	12	18	<span style="color: green;">G</span>
Percent of children attending full-time childcare, defined as thirty hours or more a week		New	73%	75%	72%	<span style="color: red;">R</span>
Percent of enrolled families at or below one hundred twenty-five percent of the federal poverty level		New	42%	70%	39%	<span style="color: red;">R</span>
<b>Program Rating</b>		<span style="color: yellow;">Y</span>	<span style="color: yellow;">Y</span>			<span style="color: yellow;">Y</span>

### Policy, Research and Quality

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

Budget: \$37,275.6	FTE: 36	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of early childhood professionals, including tribal educators, with degrees and/or credentials in early childhood related fields		Not Reported	77%	50%	76%	<span style="color: green;">G</span>
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system		64%	65%	60%	66%	<span style="color: green;">G</span>
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level		60%	62%	60%	65%	<span style="color: green;">G</span>
Number of infant early child mental health professionals trained and onboarded		New	15	15	21	<span style="color: green;">G</span>
Percent of early childhood professionals receiving support from infant early child mental health consultants		New	30%	10%	34%	<span style="color: green;">G</span>
<b>Program Rating</b>		<span style="color: yellow;">Y</span>	<span style="color: yellow;">Y</span>			<span style="color: green;">G</span>

### Prekindergarten

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

LFC analysis found that for every 100 children under the age of two in New Mexico, only 32 childcare slots are available. Sandoval County shows the highest ratio at 1.47, likely due to spillover from families in Bernalillo County who travel north when they cannot access childcare closer to home. Bernalillo County’s ratio is 0.40—meaning that for every 100 children under two, only 40 have an available childcare slot. Doña Ana County and Santa Fe County, the other major population centers in New Mexico, have ratios of 0.48 and 0.18, respectively.



National bodies of research and LFC evaluations have consistently found that participation in prekindergarten is positively correlated with improved social and academic outcomes, including higher high school graduation rates. The 2025 LFC evaluation, *Prekindergarten Quality and Educational Outcomes*, confirmed the New Mexico’s prekindergarten program continues to produce positive results—particularly for children from low-income households, as measured by participation in the free and reduced-price lunch (FRL) program.

Prekindergarten participants demonstrated stronger early literacy skills than their peers: 28.12 percent of New Mexico prekindergarten students scored proficient on Istation beginning-of-year assessments, compared with 23.93 percent of children without prekindergarten experience. Low-income students experienced the largest academic gains. FRL-eligible students who attended prekindergarten saw a 10-percentage-point increase in reading proficiency between the end of kindergarten and third grade, while non-FRL participants saw a 4-percentage-point gain over the same period.

Budget: \$238,173.6	FTE: 17	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of children who were enrolled for at least six months in the state-funded prekindergarten program who score at first step for kindergarten or higher on the fall observation kindergarten observation tool		New	49%	80%	50%	<b>R</b>
Percent of children participating in public and private state-funded New Mexico prekindergarten program for at least six months showing measurable progress on the school readiness spring preschool assessment tool		92%	91%	92%	91%	<b>Y</b>
Percent of children who participated in the prekindergarten, for at least nine months, who are proficient in math in kindergarten		63%	52%	80%	54%	<b>R</b>
Percent of children who participated in the prekindergarten program, for at least nine months, who are proficient in literacy in kindergarten		60%	51%	80%	51%	<b>R</b>
<b>Program Rating</b>		<b>Y</b>	<b>Y</b>			<b>R</b>

Throughout FY25, the Children, Youth and Families Department (CYFD) struggled to improve outcomes for children and families. After the department failed to achieve the terms of the *Kevin S.* settlement agreement—including decreasing Protective Services caseloads, increasing the number of resource (foster care) homes and community-based placements, and expanding access to children’s behavioral health services—an arbiter issued two remedial orders for compliance. Further, in the most recent Child and Family Services Review, the federal Children’s Bureau found that New Mexico was not in substantial conformity with any of the seven safety, permanency, or well-being outcomes evaluated.

New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of the initial allegation, and in FY25 the state’s reported rate of repeat maltreatment remained close to 15 percent and higher than the national average. Although the state has enacted legislation and significantly increased appropriations for evidence-based approaches to reduce and prevent maltreatment, such strategies have largely not yet been implemented. In FY25, the number of children in foster care remained close to FY24 levels at over 2,000 children monthly, an increase from prior years. The department continues to face challenges recruiting and retaining a professional social-worker workforce, and turnover in Protective Services increased in FY25 after seeing some improvement in FY24. While some indicators of Protective Services performance have improved, others are trending in a negative direction. In juvenile justice services, while several indicators are trending in a positive direction, populations in secure facilities continue to be high relative to previous trends, and indicators related to safety in secure facilities raise some concern.

### Protective Services

**Prevention.** Prevention and early intervention are key to reducing maltreatment and repeat child maltreatment, and several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. In the past five years, CYFD preventive services expenditures grew significantly, though these expenditures remain a small percent of all Protective Services spending. Previous LFC reports have noted New Mexico is missing out on federal revenue to fund evidence-based programs to prevent and reduce child maltreatment because New Mexico did not have an approved Family First Prevention Services Act plan. On September 17, 2025, CYFD received approval of a revised plan submitted to the federal government at the end of August. The plan becomes effective October 1, 2025 and provision of two included services, Motivational Interviewing and SafeCare, will be eligible for federal reimbursement.

In FY25, repeat maltreatment remained close to 15 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. The greatest opportunity to intervene and prevent repeat maltreatment exists near the initial case, and the repeat

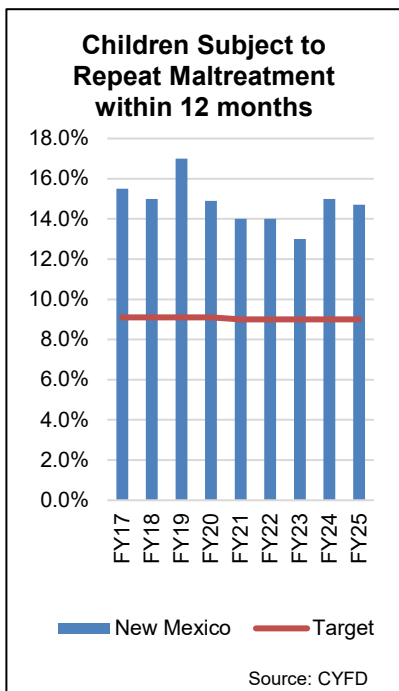
### ACTION PLAN

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

### 2025 Child and Family Services Review

The federal Children’s Bureau found that NM was not in substantial conformity with the following seven outcomes:

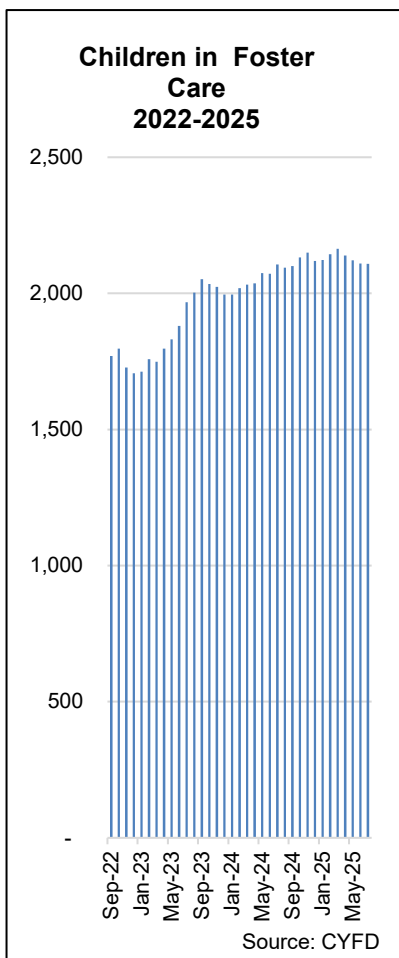
- Children are, first and foremost, protected from abuse and neglect.
- Children are safely maintained in their homes whenever possible and appropriate.
- Children have permanency and stability in their living situations.
- The continuity of family relationships and connections is preserved for families.
- Families have enhanced capacity to provide for their children’s needs.
- Children receive appropriate services to meet their educational needs.
- Children receive adequate services to meet their physical and mental health needs.



maltreatment data reflects organization practice roughly a year prior. Of concern, after remaining relatively stable in FY23 and FY24, maltreatment in foster care increased by over 20 percent in FY25. The department did not provide fourth quarter performance data regarding the percent of children in foster care who have at least one monthly visit with their case worker for FY25, but in the third quarter of FY25 only 75 percent of children had monthly visits.

To address maltreatment, CYFD requires a professional social worker workforce, but the department continues to struggle to recruit and retain Protective Services staff. After improving slightly in FY24, turnover in the program again increased to 37 percent in FY25.

**Foster Care.** The number of children in foster care in New Mexico steadily declined from FY17 to FY23, when the trend reversed. In July 2025, 2,109 children were in foster care. Throughout FY25, 764 youth entered foster care, and 564 youth exited foster care. The percentage of children who achieved permanency within 12 months has declined since FY22. In FY25, only 24 percent of children in foster care between one and two years achieved permanency within 12 months, a decrease of 10 percentage points relative to FY24. In addition, 252 youth were placed in short stays (i.e., a foster care placement of less than 30 days), a figure that, if counted with foster care entries, would constitute 25 percent of youth in foster care.



Placement of children in CYFD custody remains a significant challenge for the department. The FY25 rate of 7.9 moves per 1,000 days of foster care is almost twice the performance target, and the number of foster care (resource) homes remained relatively flat over the year. Despite legislative concerns and requirements of the *Kevin S.* settlement, CYFD opened two congregate (group) care facilities in Albuquerque in FY25.

	Budget: \$230,995.7	FTE: 1,179	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Maltreatment</b>							
Percent of children in foster care who have at least one monthly visit with their case worker*			92%	86%	N/A	Not reported	
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%	15%	10%	15%	R
Rate of maltreatment victimizations per one hundred thousand days in foster care within a rolling twelve month period			10.2	10.0	8.5	12.4	R
Families that participated in in-home services or family support services and did not have a subsequent substantiated report within the next twelve months			70%	74%	80%	82%	G
Fatalities or near-fatalities in a rolling twelve-month period that had protective services involvement in the twelve months preceding the incident			Reported differently	57%	15%	34%	R
Average statewide central intake call center wait time, in seconds			29	76	50	78	Y
<b>Foster Care</b>							

Budget: \$230,995.7	FTE: 1,179	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Turnover rate for protective services workers		37%	34%	30%	37%	R
Of the children who enter care during a 12-month period and stay for greater than 8 days, placement moves rate per 1,000 days of care		7.6	8.1	4.1	7.9	R
Children in foster care more than eight days who achieve permanency within twelve months of entry into foster care		33%	34%	41%	32%	R
Children removed during a rolling twelve-month period who were initially placed with a relative or fictive kin		New	32%	45%	36%	Y
Children in foster care for twenty-four months or more at the start of a twelve-month period who achieve permanency within twelve months		31%	25%	30%	24%	R
Foster care placements currently in kinship care settings		52%	48%	42%	47%	G
Children in foster care for twelve to twenty-three months at the start of a twelve-month period who achieve permanency within those twelve months		34%	34%	44%	24%	R
Eligible youth who enrolled in Fostering Connections upon emancipation from foster care		New	81%	95%	84%	Y
<b>Program Rating</b>		<b>R</b>	<b>R</b>			<b>R</b>

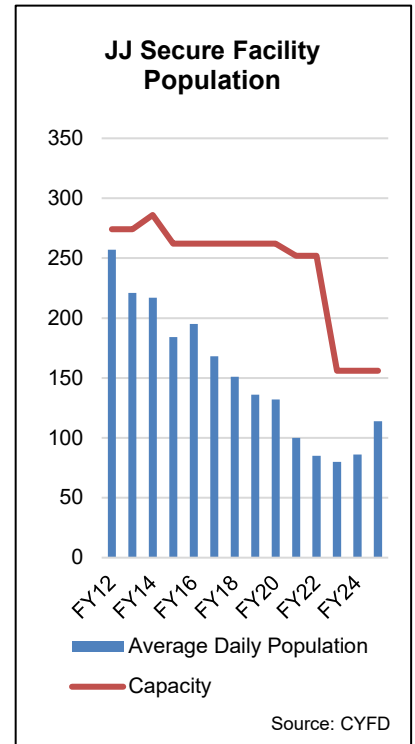
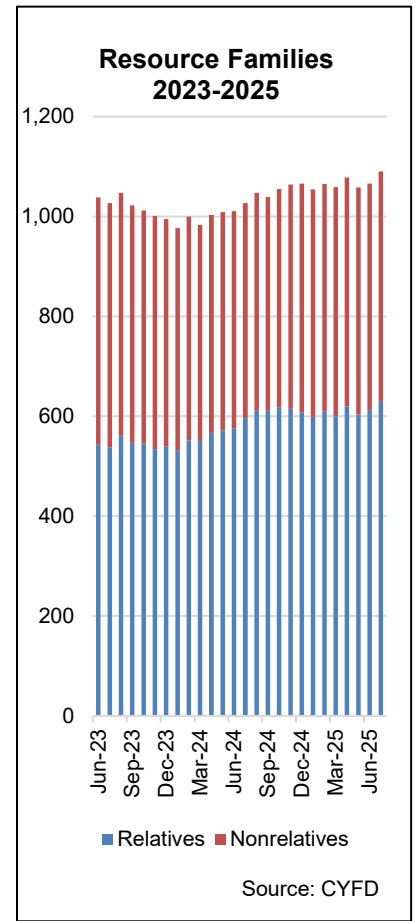
\*Measure is classified as explanatory and does not have a target.

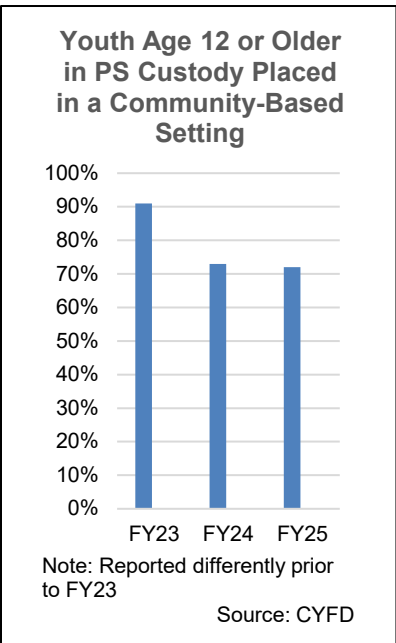
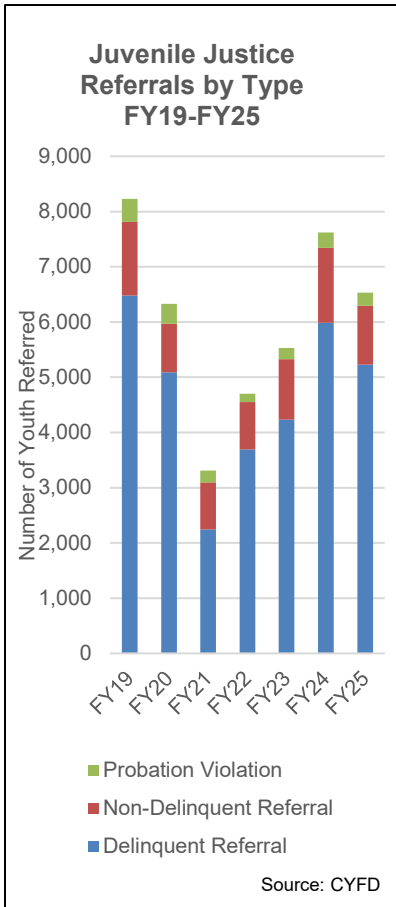
### Juvenile Justice Services

Until FY24, the number of youths incarcerated in secure juvenile justice facilities in New Mexico steadily decreased for about a decade from the state’s peak as CYFD implemented evidence-based practices. In FY25, the number of youths in secure juvenile justice facilities continue to increase, from an average census of 80 in FY23 to an average census of 114 in the first half of FY25. However, the 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. And, although referrals to JJS have increased since reaching a low point during the pandemic, referrals remain below pre-pandemic levels. Within secured facilities, the number of substantiated complaints of abuse or neglect increased in FY25 and the rate of physical assaults remained above targets.

The department continues to perform well with regard to recidivism. In FY25, 85 percent of youth discharged from active field supervision did not recidivate within two years and 72 percent of those discharged from secure facilities did not recidivate within two years. Consistent with recent trends, about 90 percent of youth successfully completed formal and informal probation.

Budget: \$82,322.6	FTE: 736.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Turnover rate for youth care specialists		42%	34%	21%	27%	Y
Percent of clients who successfully complete formal probation		93%	90%	93%	91%	Y





	Budget: \$82,322.6	FTE: 736.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of clients who successfully complete informal probation			Not reported	91%	80%	91%	G
Percent of clients successfully completing term of supervised release			Not reported	Not reported	78%	73%	Y
Number of substantiated complaints by clients of abuse or neglect in juvenile justice facilities			4	0	3	5	R
Percent of youth discharged from active field supervision who did NOT recidivate within two years			Reported differently	87%	80%	85%	G
Rate of physical assaults per one thousand days youth spent in facilities			Reported differently	5.5	3.8	5.1	Y
Percent of discharged from a secure facility who did NOT recidivate in the following two-year period			Reported differently	66%	55%	72%	G
Youth served by juvenile justice who are placed in a less-restrictive, community-based setting			New	94%	93%	94%	G
Percent of clients reviewed at 40 days			0%	Not reported	92%	95%	G
Youth aged seventeen and older at time of discharge from a secure facility who obtained a diploma or GED while at the facility			73%	74%	50%	74%	G
							Program Rating: R Y Y

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

### Behavioral Health Services

Within the Behavioral Health Program, performance on key measures related to supporting children’s to access care fell below performance targets. Most notably, in FY25, only 48 percent of Protective Services-involved youth received consultation from a community behavioral health clinician. In 2022, the Legislature appropriated \$20 million for start-up costs for behavioral health providers to establish evidence-based services that would be eligible for Medicaid or federal Title IV-E (foster care) funding. After being unspent for several years and reauthorized for FY25, less than \$5 million of the appropriation was ultimately spent for the intended purpose.

	Budget: \$53,109.2	FTE: 123	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Children with at least one electronic benefit transfer service need identified in their CANS assessment who have accessed that service, to include placements that correspond with the recommended level of care			103%	Not reported	65%	Not reported	N/A
Infant mental health program participants showing improvement developmentally through clinical assessment and observation			N/A	93%	90%	89%	Y
Domestic violence program participants who agree or strongly agree that because of their participation in the program as a parent, they have a better understanding of the impact that domestic abuse or violence can have on children			94%	96%	95%	94%	G
Youth age twelve or older in protective services custody who are placed in a less restrictive, community-based setting			91%	85%	73%	72%	Y
Domestic violence program participants who agree or strongly agree that staff and advocates regularly discuss their safety needs, including			90%	92%	95%	93%	Y

**Budget:** \$53,109.2

**FTE:** 123

	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
specific things they can do to keep themselves safe					
Clients enrolled in multisystemic therapy who demonstrate improvement in one or more behavioral health outcomes	80%	92%	90%	93%	<b>G</b>
Percent of protective services-involved youth in the target population who receive consultation from a community behavioral health clinician	66%	15%	75%	48%	<b>R</b>
Percent of juvenile-justice involved youth in the estimated target population who have received consultation from a community behavioral health clinician	Reported differently	63%	75%	72%	<b>Y</b>
<b>Program Rating</b>	<b>Y</b>	<b>Y</b>			<b>Y</b>

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

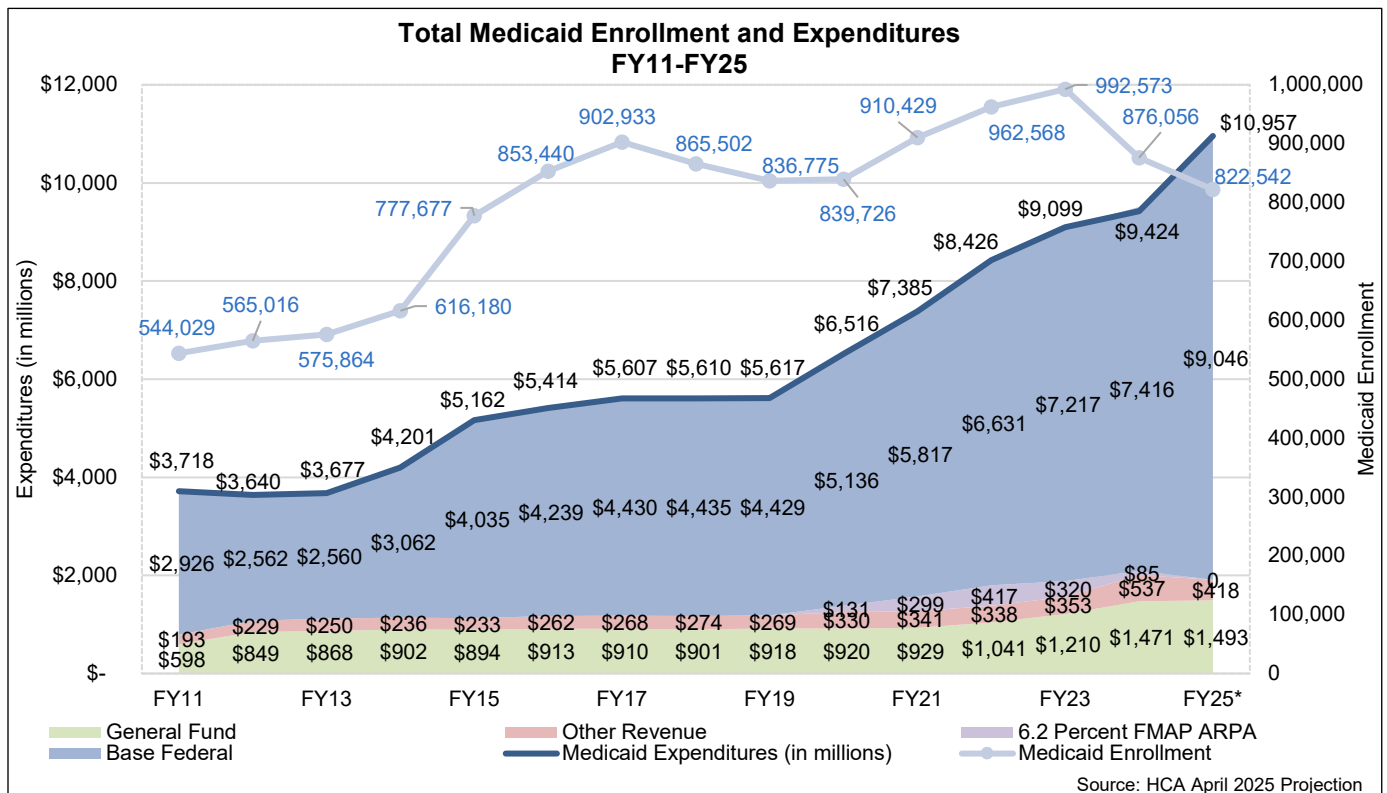
**ACTION PLAN**

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

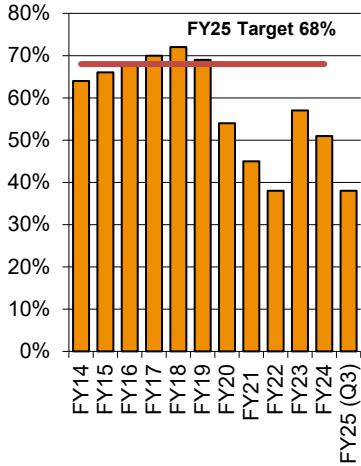
The Legislature has invested significantly in Medicaid over the last decade, including hundreds of millions in the past five years for provider rate adjustments, with the most significant increases scheduled for FY25. That amount includes more than \$89.5 million for behavioral health rate increases. With 38 percent of the state’s population enrolled in the Health Care Authority’s (HCA) Medicaid Program, ensuring rate adjustments reach the intended providers and improves access is a major lever for the state to improve health outcomes overall. Given the investment, performance is marginally improving, and the state should maintain expectations of more improvement over the next two years.

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

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



**Children in Medicaid Receiving Annual Dental Visit**



### Medical Assistance

The state’s Medicaid program continued to improve some of its performance in the first quarter, including infant well-child visits. For well-child visits, each MCO discussed a strategy to improve these measures, such as social media campaigns, text messages encouraging parents to schedule the visits, and meeting with providers on a regular basis. The measure is cumulative, and the department should meet the target by the end of the year given the current trend. In previous quarters, HCA directed MCOs to incentivize providers to offer after-hour and weekend appointments for child wellness visits, including immunizations. However, the count of well-care visits for children ages 3 to 21 was well below trend, and the authority received a red rating for this measure, despite minor improvements over FY24.

	Budget: \$8,885,408.9	FTE: 222.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months* †			63%	66%	N/A	64%	<span style="color: green;">G</span>
Children and adolescents ages 3 to 21 enrolled in Medicaid managed care who had one or more well-care visits during the measurement year†			44%	45%	60%	48%	<span style="color: red;">R</span>
Percent of members under 21 years of age who received a comprehensive or periodic oral evaluation with a dental provider†			57%	51%	68%	53%	<span style="color: red;">R</span>
Hospital readmissions for children ages 2 to 17 within 30 days of discharge			7%	8%	<5%	7%	<span style="color: red;">R</span>
Hospital readmissions for adults 18 and over within 30 days of discharge†			9%	9%	<8%	9%	<span style="color: yellow;">Y</span>
Emergency department use categorized as nonemergent care			57%	57%	50%	57%	<span style="color: red;">R</span>
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization†			80%	78%	80%	77%	<span style="color: yellow;">Y</span>
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was >9 percent during the measurement year†^			52%	52%	65%	44%	<span style="color: green;">G</span>
<b>Program Rating</b>			<span style="color: red;">R</span>	<span style="color: yellow;">Y</span>			<span style="color: red;">R</span>

\*Measure is classified as explanatory and does not have a target.  
 †Measure is from the national health effectiveness data and information set (HEDIS) and is reported on a calendar year, cumulatively, and two quarters behind the state fiscal year. FY25 actual is reporting 2024’s final data  
 ^A lower rate indicates positive improvement.

### Income Support

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



applications and recertifications to improve expedited timeliness. Using this method, ISD is slated to increase the overall timeliness in SNAP. However, improvement is still needed for TANF performance measures.

Importantly, SNAP currently has a 14 percent error rate—meaning the authority is either under- or over-paying recipients. In the federal reconciliation act, if the authority maintains its 14 percent error rate, the state will be responsible for paying an additional \$155 million for SNAP, due to new guidelines, but this could be delayed until FY29 or FY30.

Budget: \$1,356,920.9	FTE: 1,060	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days		38%	74%	98%	98%	<span style="color: green;">G</span>
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days		64%	84%	98%	97%	<span style="color: green;">G</span>
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income		7%	1%	37%	8%	<span style="color: red;">R</span>
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements		12%	12%	60%	25%	<span style="color: red;">R</span>
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements		10%	7%	45%	13%	<span style="color: red;">R</span>
<b>Program Rating</b>		<span style="color: red;">R</span>	<span style="color: red;">R</span>			<span style="color: yellow;">Y</span>

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

### Child Support Services

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

Budget: \$42,953.9	FTE: 340	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Noncustodial parents paying support per total cases with support orders*		51%	51%		52%	<span style="color: green;">G</span>
Total child support enforcement collections, in millions		\$121	\$119	\$120	\$119	<span style="color: yellow;">Y</span>
Child support owed that is collected		58%	59%	65%	60%	<span style="color: red;">R</span>
Cases with support orders		84%	83%	85%	83%	<span style="color: yellow;">Y</span>
Total dollars collected per dollars expended		\$2.46	\$2.18	\$3.00	\$2.18	<span style="color: red;">R</span>
Average child support collected per child*		\$124.5	\$129		\$137	<span style="color: green;">G</span>
<b>Program Rating</b>		<span style="color: red;">R</span>	<span style="color: yellow;">Y</span>			<span style="color: green;">G</span>

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

†FY25 actual is reporting FY24’s final data.

### Developmental Disabilities Support Division

This is the first year the division reported on the authority’s performance report since it moved from the Department of Health in July 2024. The division did not meet the target for the number of individuals receiving employment services nor did it reach the target for the number of individuals who have a service plan and budget in place. However, the authority did improve significantly from FY24 for the percent of applicants who have a service plan and budget in place.

Budget: \$271,411.3	FTE: 195	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of home visits		6,881	11,461		15,330	G
Number of individuals on the home and community-based waiver waiting list*		1,909	111		194	G
Number of individuals receiving home and community-based waiver services*		6,766	7,522		8,395	G
Percent of adults between ages twenty-two and sixty-two served on a developmental disabilities waiver (traditional or mi via) who receive employment supports		10%	9%	20%	8%	R
Percent of home and community-based waiver applicants who have a service plan and budget in place within ninety days of income and clinical eligibility determination		88%	76%	95%	90%	Y
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)		90%	92%	90%	91%	G
	<b>Program Rating</b>	<b>R</b>	<b>Y</b>			<b>Y</b>

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

### State Health Benefits

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

Budget: \$479,368	FTE: 9	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of state health plan members who designate the stay well health center as their primary care provider*			2,162		2,578	G
Number of visits to the stay well health center*			7,815		7,385	G
Percent change in the average per-member per-month/total healthcare cost†			TBD	4%	17%/8%	R
Percent of available appointments filled at the stay well health center*			74%		91%	G
Percent of state health plan members with diabetes receiving at least one hemoglobin A1C test in the last 12 months†			49%	86%	62%/46%	R

Budget: \$479,368	FTE: 9	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of state group prescriptions filled with generic drugs within 3 percent of public-entity-peer rate as reported by pharmacy benefits manager			56%	83%	84%	<span style="color: green;">G</span>
<b>Program Rating</b>			<span style="color: red;">R</span>			<span style="color: green;">G</span>

\*Measure is classified as explanatory and does not have a target.  
 †Measure reported as Blue Cross Blue Shield/Presbyterian Health Services

### Division of Health Improvement

This is the first year the Division of Health Improvement (DHI) is reported on the authority’s performance report since it moved from the Department of Health in July 2024. During FY25, HCA met all performance targets under DHI, having significantly improved on the percent of facility deficiencies distributed within 10 days of survey exit.

Budget: \$22,093	FTE: 197	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of nursing home survey citation(s) resulting in a potential sanction by CMS that was upheld when reviewed by CMS		97%	96%	>90%	100%	<span style="color: green;">G</span>
Percent of acute and continuing care facility survey statement of deficiencies distributed to the facility within ten days of survey exit				>85%	52%	<span style="color: red;">R</span>
Percent of abuse, neglect, and exploitation investigations completed according to established timelines		95%	80%	>95%	97%	<span style="color: green;">G</span>
Abuse rate for developmental disabilities waiver and mi via waiver clients*†		5.8%	7.3%		0.06%	<span style="color: green;">G</span>
<b>Program Rating</b>						<span style="color: green;">G</span>

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

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

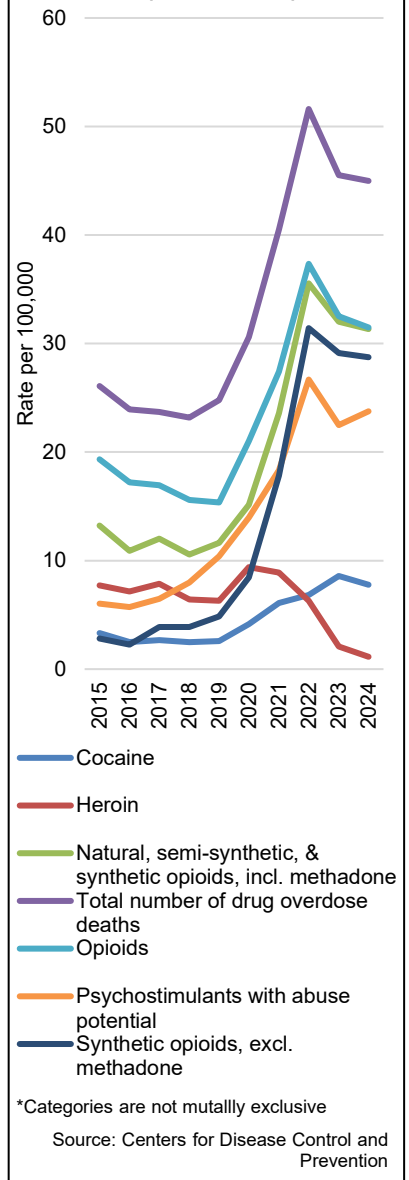
The Legislature in 2025 eliminated the Behavioral Health Collaborative and replaced it with a new Behavioral Health Executive Committee charged with approving new behavioral health regions, reviewing and approving regional plans, establishing funding strategies and structures based on regional plans,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

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

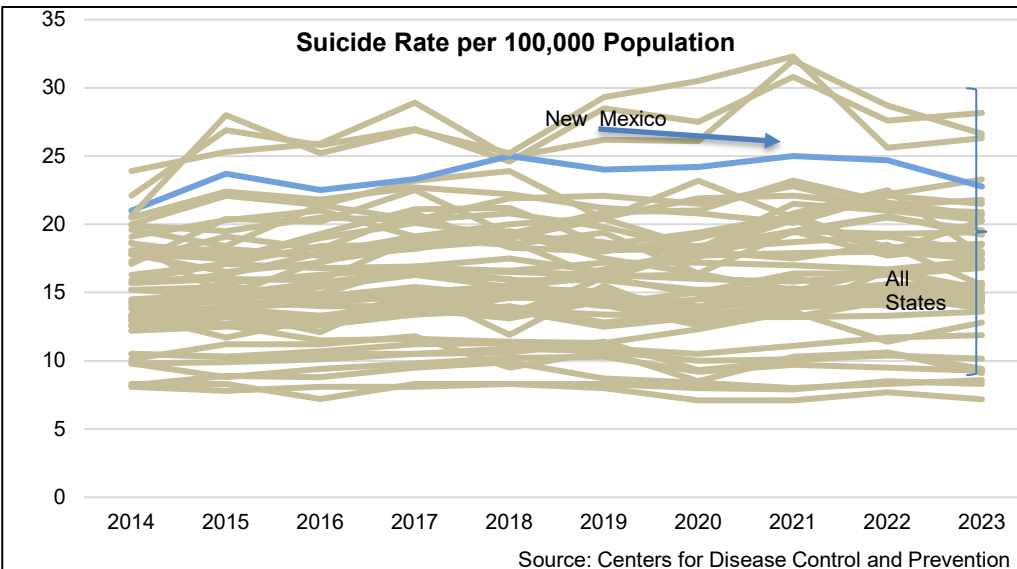
**ACTION PLAN**

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

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



**Suicide Rate per 100,000 Population**



### Existing Problem

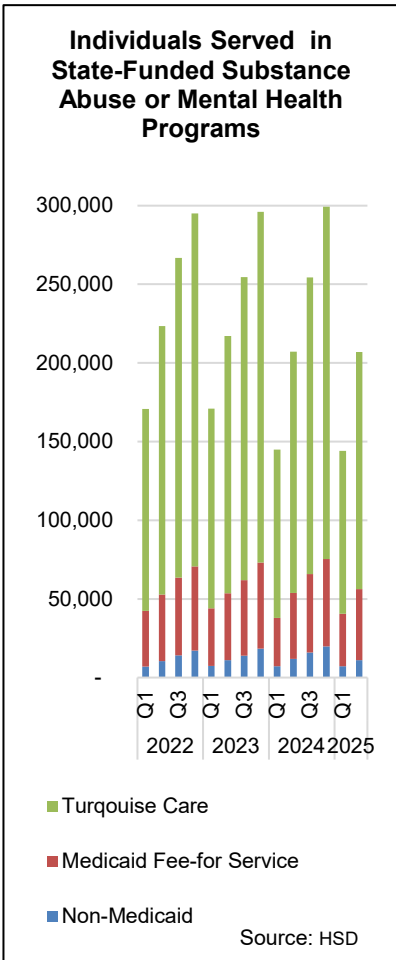
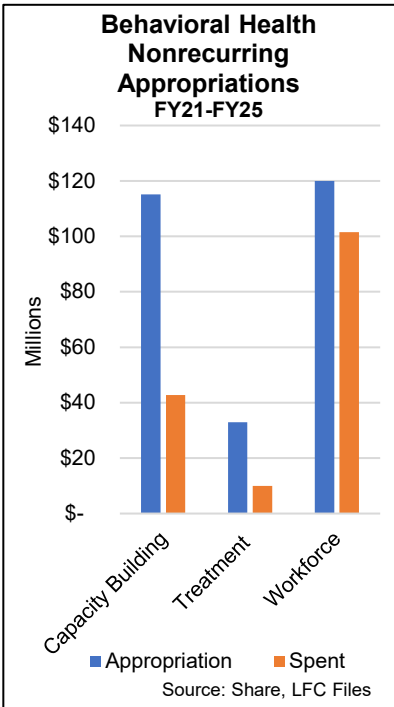
Drug overdose deaths decreased in the state from an all-time high of 1,040 in 2021 to 800 in 2024—potentially due in part to the state expanding the use of overdose drug availability. In 2023, according to Kaiser Family Foundation data, about 36 percent of adults in New Mexico reported anxiety or a depressive disorder. Concurrently, as of 2023, New Mexico had the fifth highest suicide rate in the nation, a rate of 22.8 per 100 thousand people. Kaiser also reported 31 percent of New Mexicans with anxiety or a depressive disorder in 2022 had an unmet need for counseling or therapy, while the federal government reported the percentage of New Mexicans with their need for mental health professionals met was 18.2 percent compared with the 28 percent nationally.

### Behavioral Health System

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

For FY25 the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days fell significantly compared to the previous year and was below the target of 51 percent. The division reports community follow-up with the adult population is a larger challenge than with the youth population.

	Budget: \$938,947	FTE: 5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication			43%	45%	42%	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			35%	42%	51%	34%	R
Persons served through telehealth in urban, rural, and frontier counties for behavioral health			48,718	73,054	35,062	73,823	G
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care			10%	11.9%	5%	6%	Y
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid			217,126	207,259	210,000	207,020	Y
Emergency department visits for Medicaid members ages 13 and older with a principal diagnosis of alcohol or drug dependence who receive follow-up visit within 30 days			34%	32%	54%	34%	R
							Program Rating: R Y Y



The Department of Health (DOH) reported mixed performance across the agency for FY25 but overall maintains the same performance as prior years. DOH continues to focus on implementing interventions and community health initiatives aimed at improving public health infrastructure and access to care. The department’s mission is to ensure health equity by working with agency partners to promote health and well-being and improve health outcomes for all people in New Mexico.

### Public Health

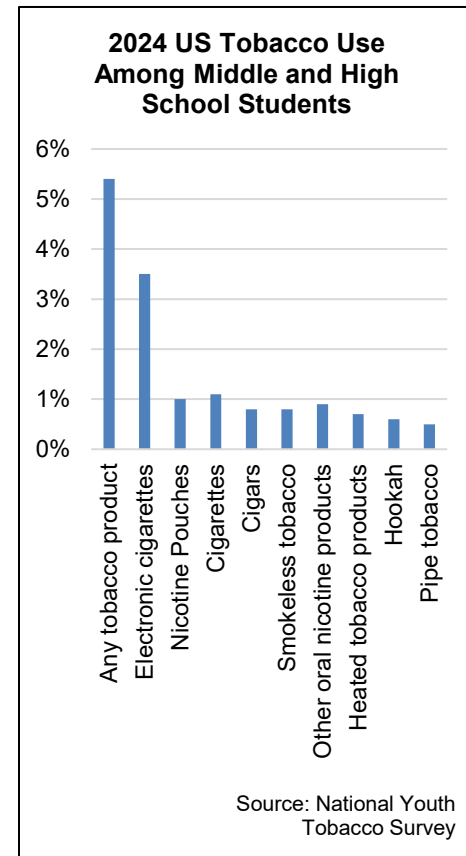
The Public Health Program continues reporting mixed results. While the department exceeded its target for the number of successful overdose reversals in the harm reduction program, the agency fell short on other measures. Preschoolers ages nineteen to thirty-five months as indicated as being fully immunized decreased by six percent from FY24. Performance at school-based health centers funded by DOH appeared below target; however, the data demonstrates a 66 percent increase in the number of patients and the number of visits, reflecting how the measure was recalculated compared to prior fiscal years. Despite this change in how data is collected, this measure is rated red because the FY25 data cannot be directly compared to previous fiscal years. The program reports the same performance for smoking cessation services as last fiscal year. Research consistently shows that comprehensive tobacco cessation programs can significantly reduce smoking rates and lead to better long-term health. Addressing these gaps is a priority.

Budget: \$262,490.2	FTE: 818.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of school-based health centers funded by the department of health that demonstrate improvement in their primary care or behavioral healthcare focus area		96%	96%	96%	66%	<span style="background-color: red; color: white; border-radius: 50%; padding: 2px;">R</span>
Percent of New Mexico adult cigarette smokers who access Department of Health cessation services		1.2%	0.9%	3.5%	0.9%	<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>
Number of successful overdose reversals in the harm reduction program		3,025	3,153	3,200	5,447	<span style="background-color: green; color: white; border-radius: 50%; padding: 2px;">G</span>
Percent of preschoolers ages nineteen to thirty-five months indicated as being fully immunized		69%	72%	75%	67.2%	<span style="background-color: red; color: white; border-radius: 50%; padding: 2px;">R</span>
Percent of female New Mexico Department of Health’s Public Health Office family planning clients, ages fifteen to nineteen, who were provided most- or moderately-effective contraceptives		88%	84%	88%	83.7%	<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>
<b>Program Rating</b>		<span style="background-color: red; color: white; border-radius: 50%; padding: 2px;">R</span>	<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>			<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>

### ACTION PLAN

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

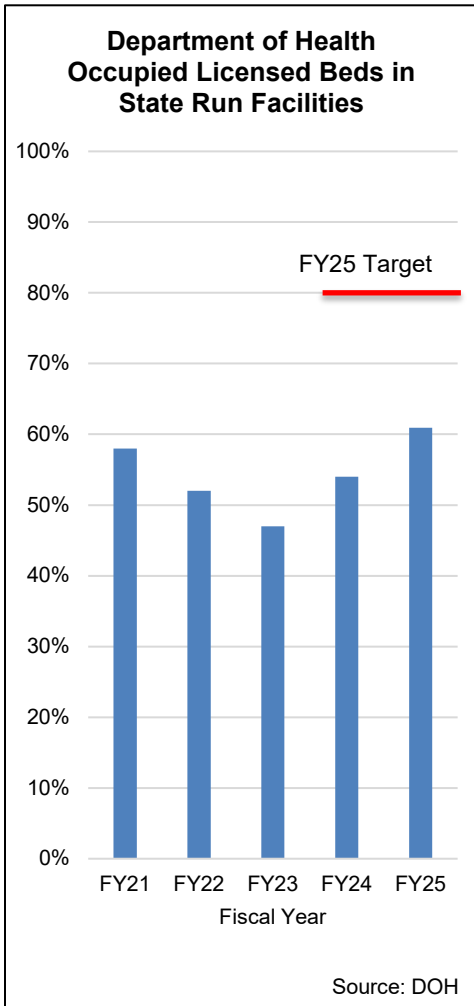
According to the CDC, tobacco product use remains the leading cause of preventable disease and death in the United States. In 2022, 49.2 million (19.8 percent)—or nearly 1 in 5—U.S. adults reported current tobacco product use.



### Epidemiology and Response

The Epidemiology and Response Program is falling short of the targets for most key performance measures, which focus on improving health status, reducing substance use deaths, and preventing suicide. New data from the department shows that in 2024, deaths by suicide in the state increased by nine percent, totaling 512 deaths. Of suicide deaths in the state last year, 60 percent, or 307 deaths, involved a firearm.

Budget: \$57,934.2	FTE: 360	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis		NA	228	<300	232	G
Percent of death certificates completed by bureau of vital records and health statistics within ten days of death		NA	56%	60%	53%	R
Percent of hospitals with emergency department based self-harm secondary prevention programs		NA	2.7%	8%	2.7%	R
<b>Program Rating</b>		<b>R</b>	<b>R</b>			<b>R</b>



### Scientific Laboratory

The Scientific Laboratory Program provides a wide variety of laboratory services mandated in statute and essential for the successful mission of the programs it supports. The program did not meet the overall targeted performance for the percent of environmental samples for chemical contamination completed and reported to the submitting agency within sixty calendar days; however, recent hiring and training of new staff improved turnaround times toward the end of the fiscal year, resulting in a 62 percent improvement in the last quarter relative to the third quarter of FY25.

Budget: \$18,418.9	FTE: 139	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within thirty calendar days		99%	99%	90%	100%	G
Percent of public health threat samples for communicable diseases and other threatening illnesses that are completed and reported to the submitting agency within published turnaround times		97%	97%	95%	96%	G
Percent of environmental samples for chemical contamination are completed and reported to the submitting agency within sixty calendar days.		97%	72%	90%	66%	R
<b>Program Rating</b>		<b>G</b>	<b>Y</b>			<b>Y</b>

### Facilities Management

The occupancy of licensed beds in facilities statewide remains below target levels; however, facility census has increased by approximately 11 percent from FY24, particularly in the state’s long-term care facilities, with overall census continuing to increase. Lower than anticipated revenues combined with high personnel and

contract costs continue to strain the program's finances. The program oversees six healthcare facilities and one community program, catering to individuals with complex medical conditions or behavioral health support needs.

<b>Budget:</b> \$177,631.8	<b>FTE:</b> 1,913.5	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
Percent of medication-assisted treatment utilized in the management of alcohol-use disorders while at Turquoise Lodge Hospital		73%	100%	65%	100%	<b>G</b>
Percent of medical detox occupancy at Turquoise Lodge Hospital		76%	28%	80%	21.6%	<b>R</b>
Percent of medication-assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital		100%	100%	92%	100%	<b>G</b>
Percent of patients educated on medication-assisted treatment options while receiving medical detox services		83%	100%	100%	100%	<b>G</b>
Percent of patients eligible for naloxone kits who received the kits		52%	100%	95%	99.7%	<b>G</b>
Percent of licensed beds occupied		47%	55%	80%	60.9%	<b>R</b>
Percent of eligible third-party revenue collected at all agency facilities		89%	88%	94%	80.9%	<b>R</b>
Number of medication errors causing harm per one thousand patient days within identified categories		0	0	1	0	<b>G</b>
<b>Program Rating</b>		<b>Y</b>	<b>Y</b>			<b>Y</b>



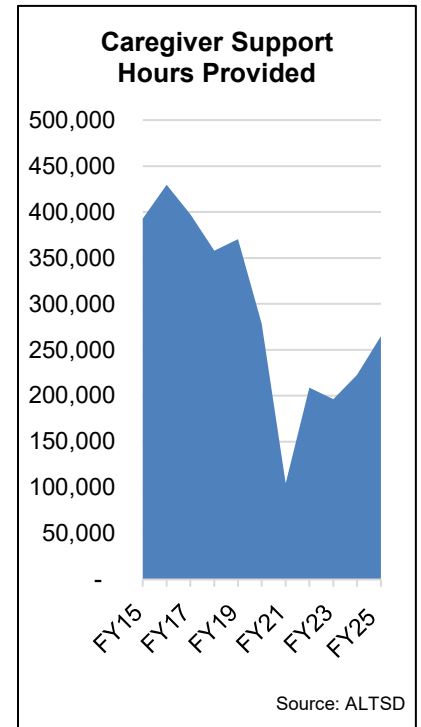
The Aging and Long-Term Services Department (ALTSD) reported similar performance during FY25 as the prior fiscal year, particularly in the Consumer and Elder Rights Program and Adult Protective Services Program. While the department had marked improved performance in the Aging Network Program during FY25 compared to FY24, the agency did not meet all intended performance targets for the program. 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.

**ACTION PLAN**

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

**Consumer and Elder Rights**

During the fourth quarter of FY25, the Aging and Disability Resource Center (ADRC) received 12,043 calls, averaging 199 per day, an increase of 875 calls from the third quarter, but reflects an overall decline compared to the FY23 and FY24 actuals. During this quarter, the ADRC averaged 10 dedicated FTE, with one FTE focused on appointments. The agency plans to recruit and hire five additional positions. The most common topics of inquiry include assistance with Medicaid, Medicare, and senior centers.



<b>Budget:</b> \$4,922.1	<b>FTE:</b> 40					
		<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator		81%	73%	90%	64%	<b>R</b>
Percent of calls to the Aging and Disability Resource Center that are resolved in a single contact		NA	73%	90%	96%	<b>G</b>
Percent of customers satisfied with the outcome of their call to the the Aging and Disability Resource Center		NA	96%	90%	96%	<b>G</b>
Percent of residents who remained in the community six months following a nursing home care transition		98%	99%	90%	94%	<b>G</b>
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling		84%	93%	92%	99%	<b>G</b>
Percent of facilities visited monthly		53%	56%	40%	66%	<b>G</b>
Percent of ombudsman complaints resolved within sixty days		100%	100%	99%	99%	<b>G</b>
	<b>Program Rating</b>	<b>Y</b>	<b>Y</b>			<b>Y</b>

**Adult Protective Services**

The Adult Protective Services Program (APS) reported 6,915 investigations of abuse, neglect, or exploitation, a significant increase from the prior fiscal year. The number of investigations coupled with the percent of repeat abuse, neglect, or exploitation of the cases within six months of a substantiation of an investigation may indicate the program’s effectiveness in addressing root causes and reducing the likelihood of repeated harm. Despite the increased number of investigations, APS saw a decrease in the number of referrals made to and enrollments in home care and adult day care as a result of an investigation of abuse, neglect, or exploitation.

<b>Budget:</b> \$21,656.1	<b>FTE:</b> 128	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
Number of Adult Protective Services investigations of abuse, neglect or exploitation		6,863	7,632	6,150	6,915	<b>G</b>
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%	<b>Y</b>
Percent of repeat abuse, neglect or exploitation cases within six months of a substantiation of an investigation		0%	0.5%	2%	0.3%	<b>G</b>
Number of outreach presentations conducted in the community within adult protective services’ jurisdiction		409	438	180	384	<b>G</b>
Percent of contractor referrals in which services were implemented within two weeks of the initial referral		72%	71%	80%	69%	<b>Y</b>
Number of referrals made to enrollments in home care and adult daycare services resulting from an investigation of abuse, neglect or exploitation		147	248	400	68	<b>R</b>
Percent of priority two investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed time frames		99%	99%	98%	98%	<b>G</b>
Percent of consumers for whom referrals were made who accessed services and remained in a community setting for six or more months		NA	95%	90%	95%	<b>G</b>
<b>Program Rating</b>		<b>Y</b>	<b>Y</b>			<b>Y</b>

**Aging Network**

The Aging Network exceeded its targeted performance for the hours of caregiver support for FY25, which increased by 17 percent from 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. However, the department fell short of its targeted performance for the number of hours of services provided by senior volunteers, statewide. The agency reports that while volunteer service hours are under target, it ended FY25 with an

increase of 28 percent over FY24. ALTSD’s strategic plan highlights volunteer recruiting as a key priority.

Budget: \$58,230.6	FTE: 24	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of older New Mexicans receiving congregate and home-delivered meals through Aging Network programs that are assessed with “high” nutritional risk		17%	20%	17%	25%	<b>G</b>
Number of hours of services provided by senior volunteers, statewide		472,250	454,772	745,000	602,853	<b>R</b>
Number of outreach events and activities to identify, contact and provide information about aging network services to potential aging network consumers who may be eligible to access senior services but are not currently accessing those services		764	986	800	745	<b>Y</b>
Number of meals served in congregate and home-delivered meal settings		4,105,279	4,020,390	4,430,000	4,191,156	<b>R</b>
Number of transportation units provided		223,938	265,565	300,000	286,470	<b>R</b>
Number of hours of caregiver support provided		196,246	222,922	167,000	264,906	<b>G</b>
<b>Program Rating</b>		<b>R</b>	<b>Y</b>			<b>Y</b>

The Economic Development Department (EDD) delivered mixed results in its FY25 performance measures. EDD creating nearly 3,500 jobs—consistent with FY24 but slightly below its target of 4,000 jobs. Job creation in rural areas has steadily declined since FY22; in FY25, EDD created 537 rural jobs, well below its target. The agency continued to support infrastructure development through the Local Economic Development Act (LEDA), awarding \$20 million in LEDA to seven projects, and initiating its site readiness initiative by evaluating public industrial parks. To support workforce development, EDD funded training for 1,487 employees through the Job Training Incentive Program (JTIP), falling short of both FY24 results and the program’s target. At the close of FY25, LEDA and JTIP had balances of \$76.6 million and \$35.5 million, respectively. Film production experienced significant decline across the country, and New Mexico recorded its lowest levels in five years for worker days, wages paid to film workers, and estimated direct spending by film production.

**Economic Development**

**Job Creation.** In FY25, EDD reported creating 3,499 jobs—slightly below its target of 4,000 jobs but consistent with FY24 results. The average projected wage for those jobs was \$87.8 thousand, which rose significantly in the last quarter after EDD announced public support for NMexus Center. Of total projected jobs created, 537 were created in rural areas, well below the agency’s target of 1,320 and 47.4 percent lower than rural jobs created in FY24. Since FY22, EDD has steadily reported creating fewer rural jobs—decreasing from a high of 1,766 in FY22 to 537 in FY25. The agency did not include an improvement plan for increasing rural job numbers.

**Infrastructure.** The Local Economic Development Act (LEDA) allows state and local governments to provide grants or infrastructure to companies expanding or relocating to New Mexico, essentially serving as a closing fund. In FY25, EDD committed a total of \$20 million in LEDA funding to seven projects, including \$5 million for the NMexus Center in the fourth quarter. If successful, those projects intend to invest an additional \$72 million in capital expenditures over the extent of their agreements. If successful, LEDA projects could result in 2,712 jobs with an average wage of \$95 thousand. The average cost per job for LEDA in FY25 was \$7,300. As of June 2025, the LEDA fund had a balance of \$76 million, 20 percent higher compared to the previous year.

EDD used a one-time appropriation of \$500 thousand for a site readiness pilot and contracted with Global Location Strategies (GLS) to evaluate 28 publicly owned sites. GLS identified Clovis Industrial Park, Las Cruces Innovation and Industrial Park, and EnergyPlex Park as the most ready for industrial development. Site readiness projects will continue in coming years, supported by a \$24 million appropriation over the next three years for site characterization and site improvements.

**Job Training.** EDD administers the Job Training Incentive Program, which reimburses wages for trainees in newly created jobs in expanding or relocating

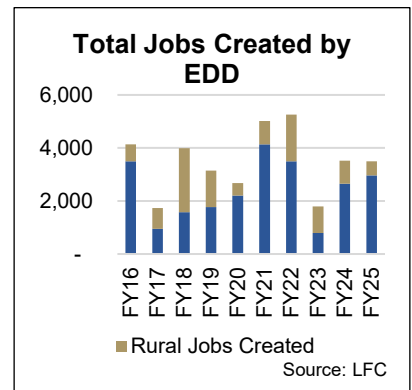
**ACTION PLAN**

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

**LegisStat Agency**

The Economic Development Department (EDD) participates in LFC’s LegisStat panel, a hearing format hyper focused on performance metrics and agency action plans. This year’s LegisStat focused on the agency’s efforts to increase employment in its science and technology target industries. The department answered the following questions:

- How is EDD tracking progress on jobs created in its target science and technology sectors?
- Does EDD and WSD have measurable targets for skills alignment?

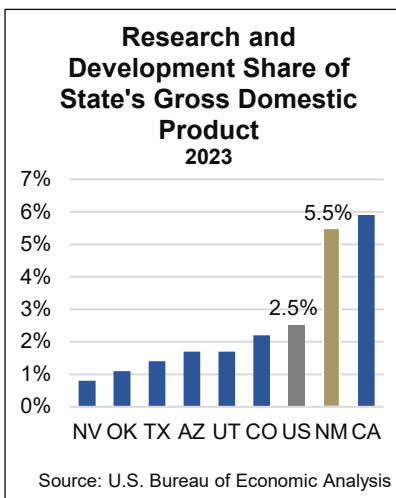


	JTIP	LEDA
FY19	\$8.1	\$11.7
FY20	\$8.8	\$8.1
FY21	\$7.8	\$15.5
FY22	\$12.6	\$8.7
FY23	\$13.9	\$13.2
FY24	\$12.4	\$12.9
FY25	\$11.9	\$7.3

Source: EDD and LFC Files

**Research and Development Activity in New Mexico**

In 2023, research and development activity accounted for 5.5 percent of New Mexico’s gross domestic product (GDP), more than double the national average of 2.5 percent, and an increase of 10 percent over 2022. Growth was driven primarily by the information sector and federal defense activity. New Mexico ranks among the top states for research and development share of GDP, just below California, Washington, and Massachusetts.



**Creative Industries Division**

The Creative Industries Division was created in 2023 to support creative industry entrepreneurs, small businesses, and organizations. In FY25, it assisted 865 entrepreneurs with referrals and program connections, hosted the Creative Industries Season 2025 with workshops and networking, awarded \$5,000 grants to seven creative events statewide, and provided \$10 thousand capacity-building grants to seven creative businesses.

businesses. In FY25, EDD approved \$17.3 million of JTIP funding to train 1,487 employees, a 37 percent decrease compared to the 2,359 employees trained in FY24. The average wage this fiscal year was \$25.28, 13.6 percent lower than New Mexico’s average wage of \$28.99, and an average cost per job of \$11.9 thousand. Notable JTIP awards this fiscal year include \$1.6 million for Arcosa Wind Towers for 122 trainees, \$1.4 million for Frankling Mountain Packaging for 128 trainees, and \$1.2 million for Biltwise Structures for 103 trainees. At the end of the fiscal year, the JTIP fund had a balance of \$35.5 million, 1.5 percent lower compared to the previous year.

**Business Relocation.** The New Mexico Partnership was created as a mechanism to entice and entertain companies considering relocating to New Mexico. New Mexico Partnership had a \$1 million contract with EDD in FY25. In FY25, the New Mexico Partnership reported creating 1,016 jobs. The organization facilitated 24 site visits and engaged with 65 companies in FY25. New Mexico Partnership indicates plans to attend more trade and site selector events to increase the funnel of leads. The organization also plans to hire interns to support staff with anticipated increased workload.

**Science and Technology.** The Technology and Innovation Office (TIO), formerly the Office of Strategy, Science and Technology, administers a variety of grant programs that provide grant funding to small businesses engaged in research and development focused in advanced computing, advanced energy, aerospace, bioscience, intelligent manufacturing, and water technologies, as well as providing business assistance to startups. In FY25, 10 companies reported receiving \$128 million of additional investments after receiving funding from the office.

	Budget: \$25,738.5	FTE: 57	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of jobs created due to department efforts			1,790	3,523	4,000	3,499	R
Number of rural jobs created due to department efforts			996	871	1,320	537	R
Average wage of jobs created			\$56,503	\$56,684	\$50,000	\$87,800	G
Wages for jobs created in excess of prevailing local wages			\$13,630	\$6,001	\$7,500	\$31,522	G
Number of jobs created by New Mexico Partnership			165	1,995	2,250	1,016	R
Number of jobs created through LEDA			1,092	2,356	3,000	2,712	R
Dollars of private sector investment in MainStreet districts, in millions			\$52.9	\$51.6	\$30	\$72	G
Number of building rehabilitations assisted by MainStreet			278	241	200	259	G
Number of workers trained by JTIP			1,255	2,359	2,000	1,487	R
Dollars of follow-on investment in technology-based companies from OSST, in millions			\$1	\$128.2	\$2	\$174	G
<b>Program Rating</b>			<b>Y</b>	<b>Y</b>			<b>Y</b>

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

**Outdoor Recreation**

**Trails+ Grant Program.** In FY25, the agency awarded \$13.6 million of Trails+ funding to 74 projects. The funding will leverage an additional \$11 million in private and regional matching funds and will create 1,123 jobs over the next 24 months. ORD opened four rounds of Trails+ grant funding in FY25 supported by a \$10 million one-time appropriation and a \$1.4 million distribution from the land of enchantment legacy fund.

**Outdoor Equity Fund.** In FY25, the agency awarded \$851.4 thousand with outdoor equity funding to 43 organizations, with grants ranging from \$5,000 to \$40 thousand. Funding will support outdoor education programs for 10.9 thousand youth, significantly fewer than the number of youth reached in FY24 due to less funding. Grants in FY25 were supported by a \$468.8 thousand distribution from the land of enchantment legacy fund and \$382.6 thousand from the equity fund.

Budget: \$3,061.6	FTE: 4	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of new outdoor recreation jobs created by the Outdoor Recreation Division*		411	667	NA	1,123	G
Number of outdoor recreation conservation projects funded or led by Outdoor Recreation Division*		44	104	NA	79	G
Number of youth to benefit from outdoor education programs*		12,221	36,269	NA	10,987	G
<b>Program Rating</b>		<b>G</b>	<b>G</b>			<b>G</b>

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

**Film**

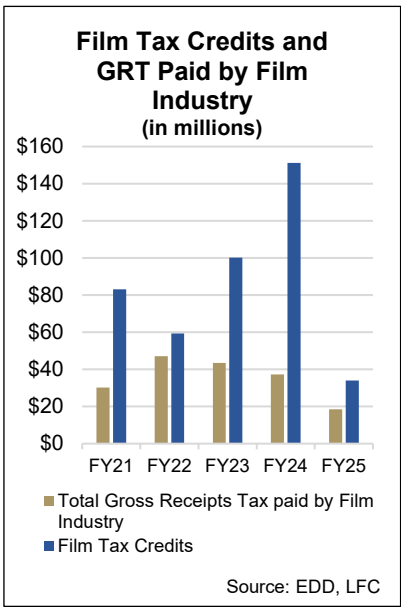
Film production in New Mexico reflected ongoing contraction in the national film industry driven by declining production volumes. The Film Division estimated 211.6 thousand film and media worker days, 60.3 percent and 36.4 percent lower than FY23 and FY24, respectively. The division estimates the film industry spent \$57.7 million on wages, with a median wage of \$70,822 in FY25. The division also estimates a total of \$323.2 million in direct spending by film industry productions, 56 percent lower than direct spending from FY24, and resulting in \$18.4 million in gross receipts tax in FY24. Film tax credits are estimated to be \$33.9 million in FY25, down 78 percent from FY24, and are expected to increase to \$101 million in FY26.

Budget: \$1,840.3	FTE: 10	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of film and media worker days		533,630	339,266	500,000	211,640	R
Estimated direct spending by film industry productions, in millions		\$794.11	\$740.42	\$700	\$323.2	R
Total wages paid by film industry productions to New Mexico residents, in millions		\$152.26	\$98.74	\$130	\$57.7	R
Total gross receipts taxes paid by film industry productions, in millions		\$43.41	\$37.25	\$35	\$18.5	R
<b>Program Rating</b>		<b>G</b>	<b>G</b>			<b>R</b>

**Land of Enchantment Legacy Distribution (in thousands)**

	Trails+	Outdoor Equity
FY25	\$1,418.00	\$472.67
FY26 Est.	\$2,023.12	\$674.37
FY27 Est.	\$2,172.44	\$724.15
FY28 Est.	\$2,297.78	\$765.93
FY29 Est.	\$2,404.68	\$801.56
FY30 Est.	\$2,497.41	\$832.47

Source: CREG Aug 2025 Projections



The Tourism Department (NMTD) met or exceeded all performance targets for FY25 except for year-over-year change in leisure and hospitality employment. In FY25, the department awarded \$3.9 million through its three main grant programs to support beautification and litter reduction efforts, infrastructure projects, and growth and promotion of tourism events. NMTD also awarded \$3.8 million to 48 entities through the cooperative program to support marketing and advertising initiatives and approved 488 products for the New Mexico True Certified program.

### Marketing and Promotion

**Employment in Leisure and Hospitality.** Employment in New Mexico’s leisure and hospitality sectors remained stagnant in FY25 compared to FY24. During the same period, employment in leisure and hospitality increased by 1.1 percent in the United States. The slower growth in these sectors could reflect lower visitation and hotel occupancy levels in the country due to economic uncertainty and less international travel. Leisure and hospitality employment represents 10.9 percent of the state’s total employment.

**Advertising.** NMTD promotes the state as a premier tourist destination through in-state and national advertising. During the 2024 legislative session, the agency was appropriated \$34.3 million for marketing and advertising. The agency targets potential travelers in California, Texas, Colorado, and Arizona.

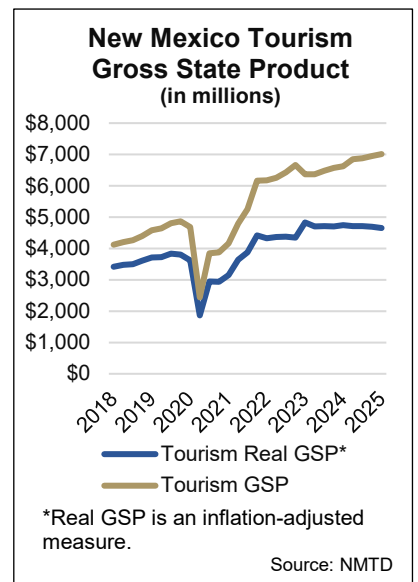
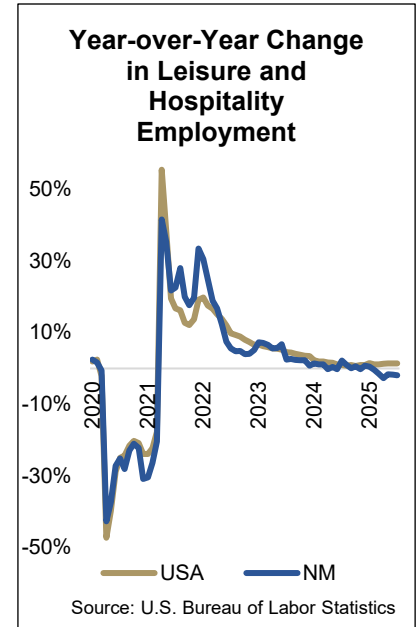
The agency manages the Cooperative Marketing and Advertising program, which provides up to a 2-to-1 dollar match for local entities. In FY25, the agency awarded \$3.8 million to 48 entities, slightly higher than the \$3.4 million awarded to 46 entities in FY24. Due to the available match, the total advertising investment, including grant recipients’ obligations, is approximately \$5.7 million.

**Earned Media.** The agency generated \$46.1 million in advertising value equivalence in FY25, 95 percent higher than FY24’s equivalence of \$23.6 million. In FY25, NMTD secured 147 media placements in leisure travel media outlets, with more than half highlighting locations outside Albuquerque, Santa Fe, and Taos, and 24 appearing in international outlets.

Budget: \$21,870.3	FTE: 14	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Year-over-year change in New Mexico leisure and hospitality employment		4.6%	2.8%	3%	-1.7%	<span style="color: red;">R</span>
Amount of earned media value generated in millions		\$16.4	\$23.6	\$5	\$5.5	<span style="color: green;">G</span>
Open email rate of NM True eNewsletters		27%	28%	18%	29%	<span style="color: green;">G</span>
<b>Program Rating</b>		<span style="color: green;">G</span>	<span style="color: green;">G</span>			<span style="color: green;">G</span>

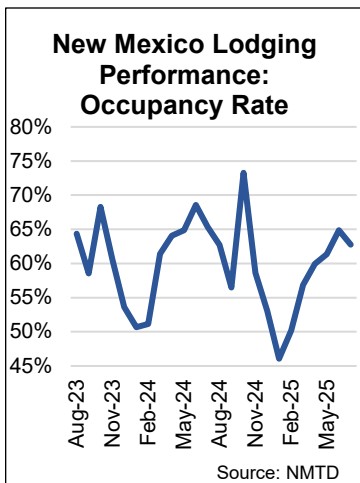
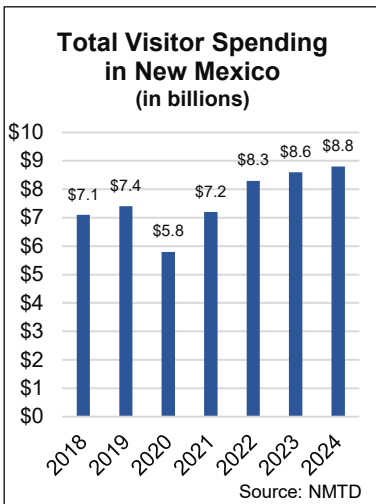
### ACTION PLAN

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



**Visitor Volume and Spending in New Mexico**

In 2024, 42.6 million visitors traveled to New Mexico, an increase of 1.8 percent over 2023. A majority of the visitors were from the United States, with a small portion traveling from abroad. More than half (59 percent) of the visitors spend just the day in New Mexico. Visitor spending increased by 2.7 percent in 2024, totaling \$8.8 billion. The largest portion (32 percent) of visitor spending is for lodging, followed by food and beverage (24 percent), and retail spending (16 percent). NMTD contracts with Tourism Economics every year to produce this report.



**Tourism Development**

**Grants.** The agency announced its awards for FY25 for its three main programs—Clean and Beautiful, Destination Forward, and Tourism Event Growth and Sustainability programs—at the beginning of the fiscal year.

For the Clean and Beautiful program, NMTD awarded \$1 million to 67 participants, surpassing the 59 awardees in FY24. Awards ranged from \$1,000 for Española to \$60 thousand for Albuquerque. Notably, 77 percent of grant funding was awarded to rural communities. For Destination forward, the agency awarded \$2.4 million to 12 tourism-related infrastructure projects, an increase compared to the \$1.9 million awarded to 10 projects in FY24. Finally, for the Tourism Event Growth and Sustainability program (TEGS), NMTD awarded \$533.2 thousand to 38 events in FY25. TEGS provides technical assistance, marketing, and sponsorship to qualified tourism events within New Mexico. All three programs increased the number of grantees and funding in FY25 compared to FY24.

**New Mexico True Certified.** NMTD also administers the New Mexico True Certified program, which allows local products to leverage the agency’s New Mexico True brand for further amplification of products and marketing. In FY25, the agency certified 488 products around the state, a slight increase from the 475 products in FY24. Aside from certifying products, businesses also benefit from the New Mexico True certified holiday gift, in-state advertising that promote local shopping, and an interactive map on NMTD’s website that allows users to learn about New Mexico True certified partners.

Budget: \$1,1516	FTE: 18	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of meetings or events conducted with Native American tribes and pueblos		50	72	75	112	G
Number of participants in New Mexico True certified program		433	475	410	488	G
<b>Program Rating</b>		<b>G</b>	<b>G</b>			<b>G</b>

**New Mexico Magazine**

*New Mexico Magazine*, the longest tenured state publication in the country, generated \$476 thousand of revenue in FY25—approximately \$119 thousand per issue and exceeding the FY25 target. The magazine has a paid circulation of roughly 40 thousand, of which 60 percent reside outside the state, and engages with 238 thousand users on social media. During the fourth quarter, NMTD began to publicize the upcoming centennial anniversary of Route 66 to increase visitation and promote local businesses. Other highlights from FY25 include the 2026 travel adventure guide, a feature on local heroes, and a profile on eight women making an impact in New Mexico.

Budget: \$3,041.3	FTE: 10	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Advertising revenue per issue, in thousands		\$146	\$79	\$85	\$119	G
<b>Program Rating</b>		<b>G</b>	<b>G</b>			<b>G</b>



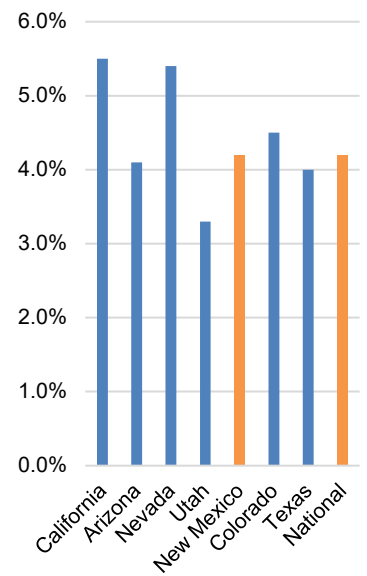
Since early 2022, New Mexico’s unemployment rates have largely returned to prepandemic levels. However, the share of the state’s working age population participating in the labor force remains persistently low, and LFC reports have consistently noted low labor force participation constrains economic development and expansion. Following increases in unemployment through FY24, the state’s unemployment rate increased to 4.2 percent by July 2025 but remains on par with national unemployment rates and lower than rates in several other states in the region. Nonetheless, the state’s labor force participation rate (LFPR), although improved from the pandemic low and consistently over 57 percent since 2023, remains below the national average. The state would need an estimated 40 thousand additional individuals between the ages of 20 and 54 working or looking for work to meet the national average.

Strategies to address both unemployment and labor force participation include programs to engage those who are not participating in the labor force and training and support unemployed workers to find employment. In recent years, WSD’s strategy has focused on moving upstream to prevent young adults from ever becoming disengaged or unemployed, though the long-term results of this strategy are not yet known. The department has used special appropriations for to place career counselors in 15 high schools across the state, for pre-apprenticeship programs, and 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. In FY25, the Legislature provided \$600 thousand to WSD to pilot and evaluate pre-apprenticeship programs.

**ACTION PLAN**

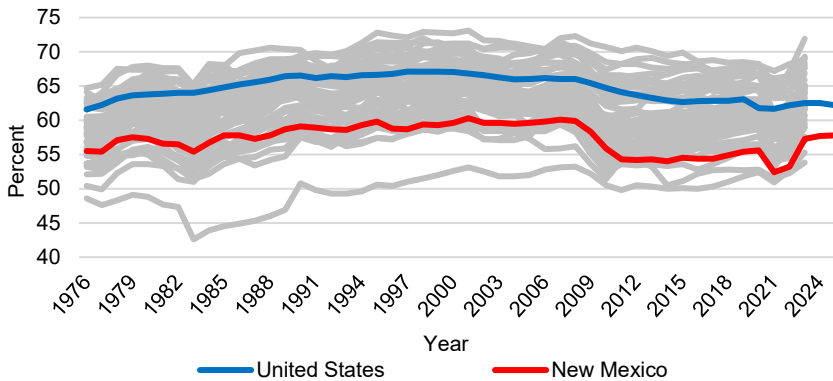
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

**Regional Unemployment Rates (July 2025)**



Source: U.S. Bureau of Labor Statistics

**Labor Force Participation Rates, U.S. and N.M. 1976-2025**



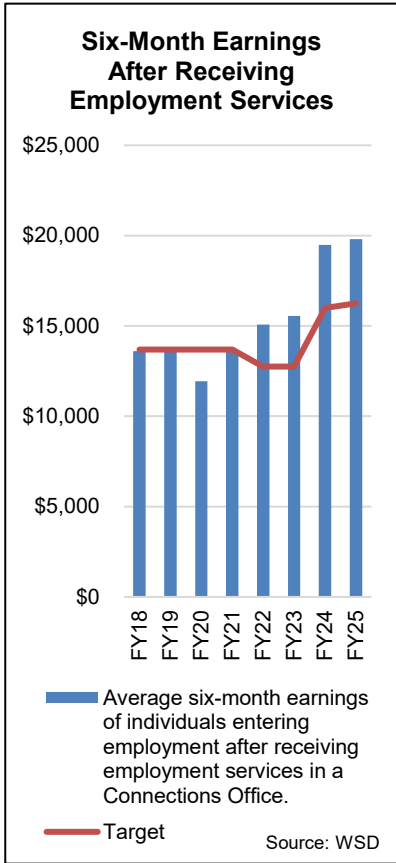
Source: U.S. Bureau of Labor Statistics

**Employment Services**

The department’s Employment Services Program plays a key role in addressing low LFPR and developing a plan to bring more working-age adults into the labor force. The program oversees the state’s network of America’s Job Center New Mexico offices (formerly Workforce Connections Centers) and operates several

programs related to the federal Workforce Innovation and Opportunity Act (WIOA). An April 2024 LFC evaluation concluded WSD’s job assistance offices are underutilized and have limited impact on employment outcomes. Although a greater number of individuals received employment services from the department’s centers in FY25, performance remained below performance targets. In the digital era, WSD will likely need to find ways to reach people who are not coming into its physical offices to increase the state’s labor force participation and reduce unemployment.

In FY25, WSD again increased the number of participants in registered apprenticeship programs, well exceeding the agency’s target. The department reports an increased demand for new apprentices, a pathway to increasing workforce participation in the trades, in building and construction programs. Six-month earnings among people who receive employment services also increased to a new high of \$19,812 in FY25, an increase of over \$300 relative to FY24 and over \$3,000 greater than the performance target.



Budget: \$35,569.3	FTE: 368	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Adults</b>						
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office		\$15,547	\$19,493	\$16,250	\$19,812	G
Total number of individuals receiving employment services in a Connections Office		50,041	67,545	87,500	83,756	Y
Total number of individuals accessing the agency's online Job Seeker portal		63,024	83,123	118,000	91,997	Y
Percent of unemployed individuals employed after receiving employment services in a Connections Office		61%	65%	60%	68%	G
Percent of unemployed individuals who have received employment services in a Connections Office, retaining employment after six months		63%	63%	65%	65%	G
Average change in six-month earnings of working individuals after receiving employment services in a Connections Office		\$4,616	\$2,217	\$3,000	\$2,016	R
Percent of audited apprenticeship programs deemed compliant		66%	44%	75%	No audits done	R
Number of apprentices registered and in training		2,273	2,565	2,150	2,645	G
<b>Veterans</b>						
Average six-month earnings of unemployed veterans entering employment after receiving veterans' services in a Connections Office		\$19,323	\$21,386	\$18,500	\$20,275	G
Percent of recently separated veterans entering employment		51%	55%	55%	57%	G
Percent of unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office		50%	53%	55%	56%	G
Percent of recently separated veterans retaining employment after six months		51%	51%	55%	52%	Y
<b>Program Rating</b>		<b>Y</b>	<b>Y</b>			<b>Y</b>

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

## Unemployment Insurance

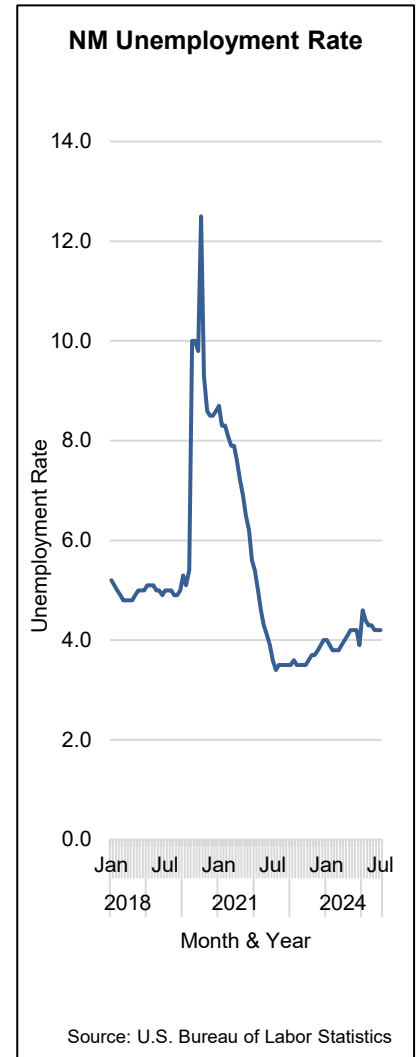
New Mexico’s unemployment rate remains below prepandemic levels but continued to increase slightly during FY25, rising to 4.2 percent in July 2025. According to WSD, a total of 41 thousand New Mexicans were unemployed in July 2025. Despite a higher rate of unemployment in July 2025 compared to July 2024, the number of initial unemployment insurance claim applications received by WSD decreased roughly 10 percent in July 2025 relative to July 2024. The department reports falling short of the FY25 target for several unemployment insurance claims determination metrics and attributes performance to cleaning up backlogged claims and decreased staffing. The department recently hired additional claims adjudicators and anticipates improvement on these measures.

Budget: \$14,116.8	FTE: 164	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of eligible unemployment insurance claims issued a determination within twenty-one days from the date of claim		36%	34%	80%	55%	R
Percent of all first payments made within 14 days after the waiting week		61%	65%	87%	69%	R
Percent accuracy rate of claimant separation determinations		51%	40%	75%	80%	G
Average wait time to speak to a customer service agent in the Unemployment Insurance Operation Center to file a new unemployment insurance claim, in minutes		16:31	13:55	13:30	15:21	R
Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Center to file a weekly certification, in minutes		14:54	14:54	13:00	15:26	R
	<b>Program Rating</b>	Y	R			R

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

## Labor Relations

In 2021, the Legislature passed the Healthy Workplaces Act, requiring employers to provide sick leave, and WSD is required to investigate complaints related to the act, which has significantly increased investigations. In November 2023, the Labor Relations Division received an adverse ruling in the case of *Olivas v. Nair* in the 1<sup>st</sup> Judicial District, which ruled the Labor Relations Division must issue wage and hour determinations in 90 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. Despite funding, the Wage and Hour Bureau only issued a determination in 3 percent wage claims within 270 days. The department explained that a court-ordered “first in, first out” case handling policy required the bureau to prioritize old cases and that the bureau faced staff turnover that interfered with performance in FY25. To improve performance, the Wage and Hour Bureau has been restructured with three additional supervisors, an intake team that reviews cases eligible for early decisions, and an inflow team focused on ensuring new cases do not exceed the 270-day threshold.



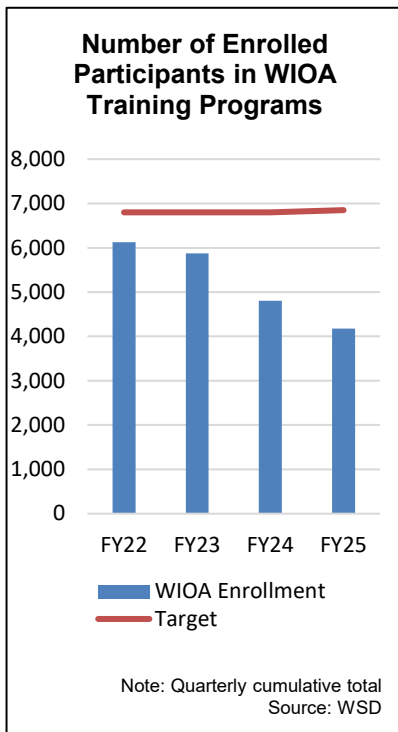
	Budget: \$6,343.2	FTE: 63.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Average number of days for the human rights bureau to investigate a claim and issue a determination			187	202	240	232	G
Percent of discrimination claims investigated and issued a determination by the human rights bureau within one year			N/A	100%	75%	100%	G
Percent of total public works projects inspected and public works payroll audited within one year			N/A	105%	75%	99%	G
Percent of non-settled wage claims investigated and issued a determination by the wage and hour bureau within two hundred seventy days			N/A	25%	90%	3%	R
				<b>Program Rating</b>			G Y Y

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

### Program Support and Workforce Investment

WSD implements programs through the local workforce development boards related to the federal Workforce Innovation and Opportunity Act (WIOA). The federal program aims to assist job seekers in accessing employment, education, training, and support services to succeed in the labor market and to help employers meet their workforce needs. WIOA funds four core workforce development programs for at-risk adults, youth, dislocated workers, and basic career services.

Although performance within the programs exceeds a number of the associated targets, participation in WIOA training programs has declined in the last several years. Further, previous LFC analysis of program performance compared to other state WIOA programs in the dislocated worker, youth, and basic career services programs has generally ranked in the lowest fifth percentile over the last five years. In FY25, only 4,175 individuals participated in WIOA training programs, the fewest in recent years and a decrease of 629 participants, or 13 percent, from FY24. Within the youth population, in FY25, youth employment in the state decreased 10 percentage points, fewer youth participated in WIOA programs, and fewer youth remained in education, training, or employment in the second quarter after exit from the program compared to the prior fiscal year. The department attributes the decrease to a decline in WSD employment assistance office traffic and the availability of scholarships and other subsidized funding opportunities to support workers seeking education and training. WSD should focus on ways to proactively engage individuals, adult and youth, who are unlikely to otherwise seek out employment services and are more likely to be, or become, disengaged from the labor market.



	Budget: \$45,694.3	FTE: 113	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Youth Unemployment</b>							
Percent of youth who are employed in the state			63%	72%	71%	62%	R
Number of enrolled youth participants in Title I WIOA training programs			4,337	13,323	1,450	1,509	G
<b>WIOA Programs</b>							
Percentage of participants who are in unsubsidized employment during the second quarter after exit from a WIOA program			76%	79%	77%	79%	G

Budget: \$45,694.3	FTE: 113	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Median earnings of participants who are in unsubsidized employment during the second quarter after exit from a WIOA program		\$8,701	\$9,421	\$8,650	\$9,826	G
Percentage of participants who are in unsubsidized employment during the fourth quarter after exit from a WIOA program		76%	77%	78%	78%	G
Percentage of 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		63%	72%	70%	65%	Y
Percentage of 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		67%	68%	70%	68%	Y
Percentage of participants enrolled in an education or training program (excluding those in on-the-job training and customized 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%	70%	70%	65%	Y
Number of adult and dislocated workers receiving supplemental services of WIOA as administered and directed by the local area workforce board		3,423	2,802	2,863	2,378	Y
Number of enrolled participants in Title I WIOA training programs		5,872	4,804	6,850	4,175	R
<b>Re-Employment Programs</b>						
Percent of Reemployment Services and Eligibility Assessment program participants exhausting unemployment insurance benefits		41%	46%	47%	48%	Y
Percent of Reemployment Services and Eligibility Assessment program participants reemployed		49%	56%	55%	56%	G
<b>Program Rating</b>			Y			Y

In FY25, the Department of Public Safety (DPS) received funding for several programmatic and structural changes, including pay raises to compensate state police officers based on their years of service, increased dispatcher pay, and efforts to reduce vacancies. DPS worked with the State Personnel Office to start implementing many of these changes early in the year. By the end of the fourth quarter, many of these changes began to show promise, including a decrease in vacancy rates among staff at the state laboratory and among public safety telecommunicators (dispatchers). Through steady recruitment over the past several months, the Santa Fe forensic lab reduced its vacancy rate from 40 percent to 15.8 percent.

### Law Enforcement Program

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

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

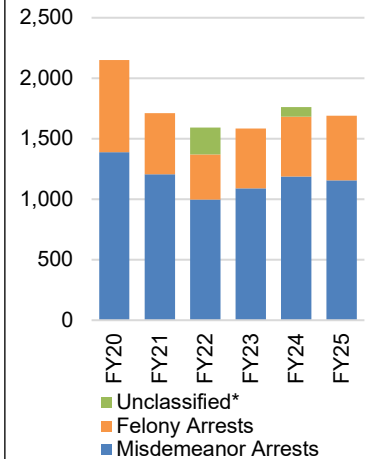
**Manpower.** State Police averaged 624 officers in FY25 and a 12 percent overall vacancy rate among commissioned state police officers. Between a new class of graduates from the law enforcement academy and a combination of retirements, resignations, and terminations, NMSP ended the year with 633 officers.

Budget: \$173,186.2	FTE: 1,068.25	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Motor Vehicle Safety</b>						
Number of data-driven traffic-related enforcement projects held		4,142	3,781	4,500	4,747	<b>G</b>
Number of driving-while-intoxicated saturation patrols conducted		2,588	3,030	3,000	3,468	<b>G</b>
Number of driving-while-intoxicated arrests*		1,641	2,277	N/A	2,072	
Number of New Mexico State Police misdemeanor and felony arrests*		6,340	7,044	N/A	7,018	
Number of commercial motor vehicle safety inspections conducted		114,539	122,768	100,000	107,804	<b>G</b>
Number of commercial driver and vehicle-out-of-service violations issued*		16,831	15,087	N/A	14,590	

### ACTION PLAN

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

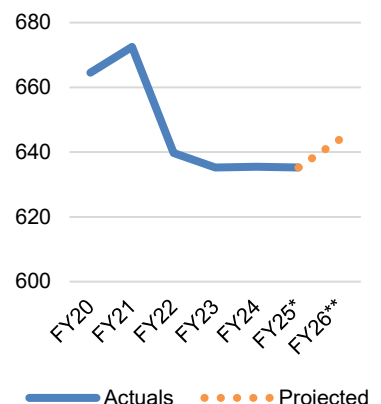
**Average Quarterly NMSP Arrests FY20 to FY25 YTD**



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

Source: DPS

**State Police Force Strength**



Note:  
\*Reflects average force strength based on force strength at the end of each quarter.  
\*\*Projected by DPS for FY26 Q1 to Q4.

Source: DPS

	Budget: \$173,186.2	FTE: 1,068.25	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of motor carrier safety trainings completed*			41	25	N/A	11	
<b>Investigations</b>							
Number of investigations conducted by criminal investigation bureau agents*			390	464	N/A	514	
Percent of total crime scenes processed for other law enforcement agencies*			49.3%	30.6%	N/A	30.0%	
Number of drug-related investigations conducted by narcotics agents*			458	536	N/A	609	
Number of illegally possessed firearms seized as part of criminal investigations*			90	70	N/A	71	
Number of violent repeat offender arrests by the fugitive apprehension unit*			230	401	N/A	335	
Clearance rate of homicide cases investigated by the criminal investigations bureau*			N/A	81.8%	N/A	77.3%	
Total cases investigated by the New Mexico State Police*			1,832	3,140	N/A	2,766	
<b>Other Law Enforcement Activity</b>							
Percent of total New Mexico State Police special operations deployments for other law enforcement agencies*			35%	38%	N/A	33.1%	
Number of crisis intervention cases handled*			283	327	N/A	284	
Number of governor-ordered special deployment operations conducted*			3	7	N/A	10	
Number of man-hours spent on governor-ordered special deployment operations*			4,746	18,381	N/A	15,660	
<b>Recruitment and Retention</b>							
Graduation rate of New Mexico State Police recruit school*			66%	54%	N/A	66%	
Turnover rate of commissioned state police officers*			7.1	8.2	N/A	7.1	
Vacancy rate of commissioned state police officers*			12%	12%	N/A	12%	
New Mexico State Police transportation inspector vacancy rate*			7%	10%	N/A	9.5%	
New Mexico State Police dispatcher vacancy rate*			36%	23%	N/A	17%	
<b>Program Rating</b>			<b>G</b>	<b>G</b>			<b>G</b>
*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 July 2025, 85.3 percent of the state’s 130 law enforcement agencies were reporting to the system representing over 80 percent of the state’s population. However, according to DPS, several local law enforcement agencies are actively working to validate their data reporting, which will lead to some of these agencies coming off the list below.

**Law Enforcement Agencies NOT Reporting to NIBRS**

- Deming Police Department
- Estancia Police Department
- Harding County Sheriff’s Office
- Loving Police Department
- NM Highlands University Police Department
- Roosevelt County Sheriff’s Office
- Socorro Police Department
- Taos County Sheriff’s Office

**Statewide Law Enforcement Support Program**

**Crime Reporting.** DPS has consistently increased the percentage of law enforcement agencies reporting to NIBRS. By the end of FY24, only 77.6 percent of agencies were reporting; to close FY25, the agency has raised that number to 85.3 percent. This will allow public safety and judicial agencies to make more data-driven decisions and help New Mexico avoid being listed among states for which the FBI has been unable to estimate crime data. The lack of reporting previously made it impossible to accurately track crime trends in the state, especially since 2021 was 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 has worked to support the newly established Standards and Training Council as it creates administrative rules related to training requirements, curricula, methods, professional development programs, and performance standards for law enforcement and public safety dispatchers. LEA has a new acting director, who has been working closely with the Standards and Training Council to update the training curriculum and recruit staff. The academy is also working to complete its buildout of a new training track and finish several deferred maintenance projects between academy classes.

**Forensic Laboratory.** The newly opened forensic lab in Santa Fe has seen its vacancy rate decrease from 40 percent to 15.8 percent, thanks to successful efforts in filling positions over the last several months. An increase in the number of sexual assault examination kits not completed within six months of receipt was a concerning development at the end of FY24, and the issue has only worsened in FY25. The agency finalized the forensic scientist pay plan, with assistance from the State Personnel Office, and is currently onboarding several groups of new scientists who will be certified and ready to assist with these cases on a rolling basis between the first quarter of FY26 and the start of FY27.

Budget: \$34,593.9	FTE: 225	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Crime Reporting</b>						
Number of crimes against persons reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*		18,815	23,752	N/A	42,358	
Number of crimes against property reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*		44,272	49,459	N/A	98,198	
Number of crimes against society reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*		12,350	10,303	N/A	16,103	
Number of expungements processed*		500	383	N/A	474	
Percent of law enforcement agencies reporting to the National Incident Based Reporting System*		63.8%	76.3%	N/A	85.3%	
<b>Law Enforcement Academy</b>						
Percent of non-state police cadets who graduated from the law enforcement academy through certification by waiver*		100%	98.1%	N/A	94.4%	
Percent of non-state police cadets who graduated from the basic law enforcement academy*		76%	75%	N/A	63.7%	
Graduation rate of telecommunication students from the law enforcement academy*		100%	98.8%	N/A	100%	
<b>Law Enforcement Certification Board</b>						
Percent of complaint cases reviewed and adjudicated annually by the New Mexico Law Enforcement Certification Board*		76.3%	48.6%	N/A	47.5%	
Number of complaint cases adjudicated*		74	54	N/A	57	
Number of complaint cases received*		97	111	N/A	120	
Average age of outstanding complaint cases at the close of the fiscal year, in days*		212	231	N/A	311	



Budget: \$34,593.9	FTE: 225	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Average time to adjudicate complaint cases, in days*		1,141	300	N/A	466	
Number of certifications issued		565	535	600	567	Y
<b>Forensics Laboratory</b>						
Percent of forensic cases completed		129.4%	94.9%	100%	91.1%	Y
Number of sexual assault examination kits not completed within 180 days of receipt of the kits by the forensic laboratory		0	259	0	1,419	R
Forensic scientist and forensic technician vacancy rate*		26.6%	40.1%	N/A	21.9%	
<b>Program Rating</b>		<b>G</b>	<b>Y</b>			<b>Y</b>

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

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

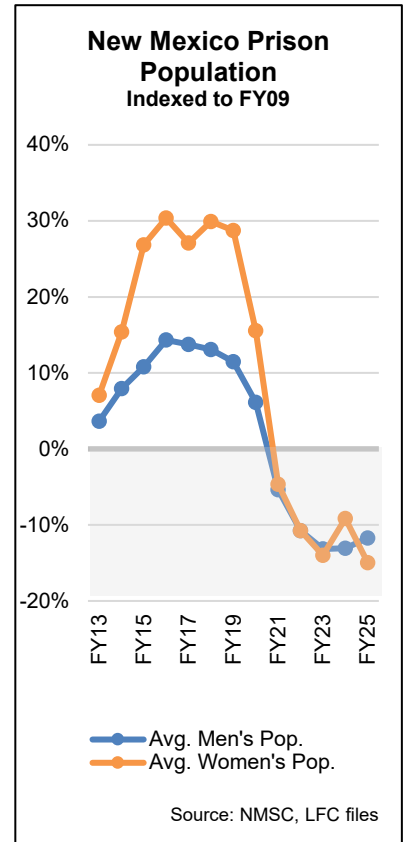
### Inmate Management and Control

Since 2018, the number of inmates in the state has decreased by more than 23 percent. However, recent increases in new admissions suggest the inmate population could stabilize soon. According to the New Mexico Sentencing Commission’s prison population forecast from September 2024, the average number of inmates was expected to be around 5,864 for FY25. However, current data indicate an actual average of approximately 5,621, lower than the estimate but a slight increase of 0.8 percent from the previous year. The growth was mainly due to a 1.5 percent increase in the number of men in prison between June 2024 and July 2025. While the commission projected the number of women in prison would decrease by an average of 2.3 percent between FY24 and FY25, the number of women is down 6.4 percent since the previous year.

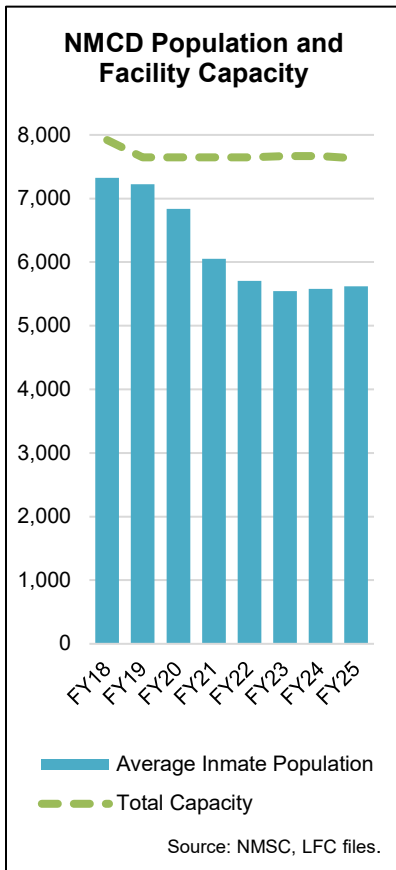
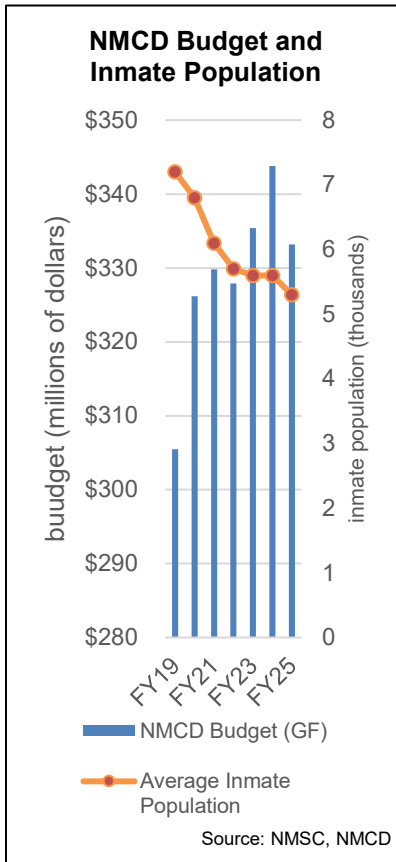
**Staffing.** Low populations have allowed NMCD to adjust facility occupancy to match staffing levels, despite high vacancy rates. However, this has not been achievable at all facilities. As of June 2025, approximately 25.3 percent of the agency’s total positions were unfilled, with public correctional officer vacancies at around 27 percent and private correctional officer vacancies at roughly 39 percent. In March 2025, the department was informed the GEO Group, which operates a private facility in Hobbs, in Lea County, intended to terminate its contract with NMCD.

The closure of the privately operated Lea County Correctional Facility (LCCF) marks a significant shift in NMCD’s system. This affected both staffing and inmate populations across the state’s publicly managed men’s facilities. LCCF’s closure at the end of FY25 required the relocation of approximately 1,000 inmates. This transition increased population pressures at the Penitentiary of New Mexico, the Southern New Mexico Correctional Facility, and the Western New Mexico Correctional Facility.

### ACTION PLAN



Budget: \$282,250.3	FTE: 1,857	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Staffing</b>						
Vacancy rate of correctional officers in public facilities		32.2%	29.7%	25%	26.9%	<b>Y</b>
Vacancy rate of correctional officers in private facilities		33.8%	31.9%	25%	38.6%	<b>R</b>



Budget: \$282,250.3

FTE: 1,857

FY23 Actual

FY24 Actual

FY25 Target

FY25 Actual

Rating

**In-House Parole**

Average number of male inmates on in-house parole: 59.6 (FY23 Actual), 39.2 (FY24 Actual), 65 (FY25 Target), 41.9 (FY25 Actual) **G**

Average number of female inmates on in-house parole: 3.9 (FY23 Actual), 1.9 (FY24 Actual), 10 (FY25 Target), 2 (FY25 Actual) **G**

**Prison Violence**

Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment: 7 (FY23 Actual), 13 (FY24 Actual), 10 (FY25 Target), 7 (FY25 Actual) **G**

Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment: 4 (FY23 Actual), 2 (FY24 Actual), 4 (FY25 Target), 1 (FY25 Actual) **G**

**Health**

Percent of random monthly drug tests administered to at least 10 percent of the inmate population that test positive for drug use\*: 1.4% (FY23 Actual), 2.1% (FY24 Actual), N/A (FY25 Target), 2.7% (FY25 Actual)

Percent of standard healthcare requirements met by medical contract vendor: 99% (FY23 Actual), 98% (FY24 Actual), 98% (FY25 Target), 93% (FY25 Actual) **R**

**Program Rating** **Y** **Y** **Y**

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

**Reentry**

**Recidivism.** The three-year recidivism rate of offenders released from NMCD’s custody increased from 36 percent in FY23 to an average of approximately 40 percent in FY24. At the close of the fourth quarter, the top-line recidivism rate for NMCD remains at 39.8 percent, indicating it is meeting its target for FY25; however, this trend is not in the desired direction. Recidivism due to new offenses increased from 17 percent in FY23 to 18 percent in FY24 and remained at 17.7 percent as of the end of the fourth quarter of FY25. Recidivism rates during FY23-FY26 are expected to reflect lower recovery center populations due to Covid-19, potentially leading to higher recidivism numbers. However, recovery center populations are gradually increasing, with both the women's and men's recovery centers nearing capacity. The number of individuals enrolled in these programs began to rise following the resumption of normal court operations and the lifting of Covid-19 restrictions. NMCD is also making strides in the number of eligible inmates incarcerated past their release dates, showing a steady reduction in the number of individuals housed past their release date from a peak in FY23.

**Education.** For the third consecutive year, NMCD has surpassed its previous record for the number of students earning a high school equivalency credential. The agency continues to show growth not only in the number of individuals it educates but also in the percentage of eligible individuals in custody who have obtained their high school equivalency credential or completed an adult basic education program.

Budget: \$22,970.2

FTE: 130

FY23 Actual

FY24 Actual

FY25 Target

FY25 Actual

Rating

**Recidivism**

Prisoners reincarcerated within 36 months: 36% (FY23 Actual), 40% (FY24 Actual), 40% (FY25 Target), 39.8% (FY25 Actual) **G**

Budget: \$22,970.2	FTE: 130	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Prisoners reincarcerated within 36 months due to new charges or pending charges		16.9%	17.9%	17%	17.7%	Y
Prisoners reincarcerated within 36 months due to technical parole violations		19%	21.2%	20%	8.1%	G
Percent of sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction		4%	3%	5%	0%	G
Percent of residential drug abuse program who are reincarcerated within 36 months of release*		19%	26%	N/A	31%	
Graduates from the men's recovery center who are reincarcerated within 36 months*		17%	19%	20%	27%	Y
Graduates from the women's recovery center who are reincarcerated within 36 months*		11%	23%	20%	22%	Y

**Education**

Percent of eligible inmates enrolled in educational, cognitive, vocational, and college programs	51%	68%	60%	74%	G
Percent of participating students who have completed adult basic education*	15%	75%	N/A	76%	
Number of students who earn a high school equivalency credential	184	236	165	266	G
Percent of eligible students who earn a high school equivalency credential	15%	75%	80%	76%	Y
<b>Program Rating</b>	<b>G</b>	<b>Y</b>			<b>Y</b>

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

**Probation and Parole**

The Community Offender Management Program, which houses the Probation and Parole Division, focuses on providing support services after incarceration and immediate sanctions for offenders released from custody but still under state supervision. The agency has consistently improved its officer vacancy rates and the percentage of absconders it apprehends. Other parts of the division focus on delivering evidence-based programs, supervision, and both residential and nonresidential placement services to offenders in the community.

**Community Offender Management**

Vacancy rates among probation and parole officers held steady at 16 percent in the fourth quarter of FY25, although this figure is down from 19 percent in FY23. The average caseload per officer increased slightly from 76 to 78. NMCD reports that 34.6 percent of absconders were apprehended in FY25, showing a 7.6 percent improvement from the previous year. Research indicates that offenders with unstable employment or housing, as well as those struggling with substance use disorder, are more likely to abscond. The Community Offender Management Program also made steady progress, raising the number of contacts per month with high-risk offenders in the community from 79 percent in the first quarter to 89 percent by the close of the year. This agency missed its annual target, but it will be well-positioned to start FY26 strong.

Budget: \$40,871.5	FTE: 359	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Average standard caseload per probation and parole officer		83	76	88	78	G
Percent of contacts per month made with high-risk offenders in the community		97%	N/A	95%	89%	Y
Vacancy rate of probation and parole officers		19%	17%	18%	16%	G
Percent of absconders apprehended		24.9%	27%	30%	34.6%	G
<b>Program Rating</b>		<b>Y</b>	<b>Y</b>			<b>G</b>

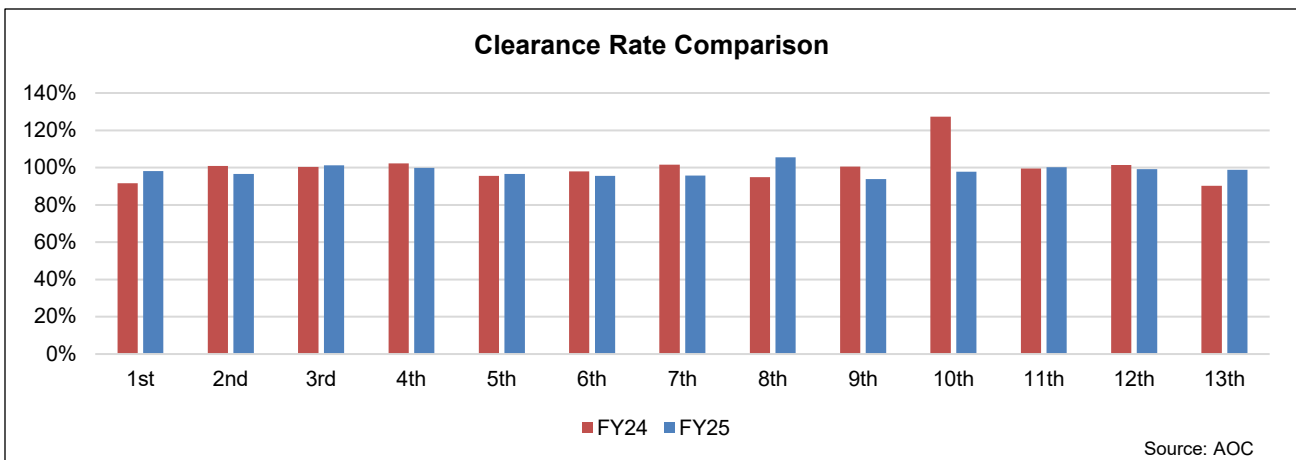
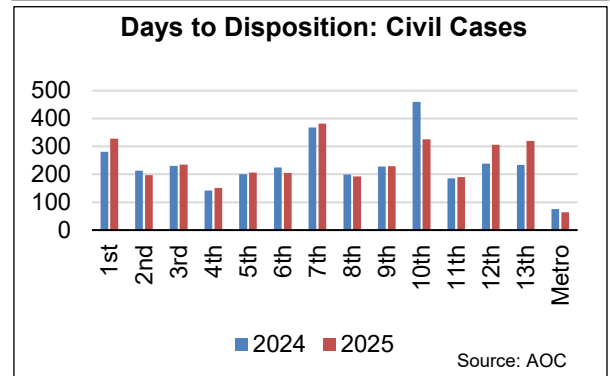
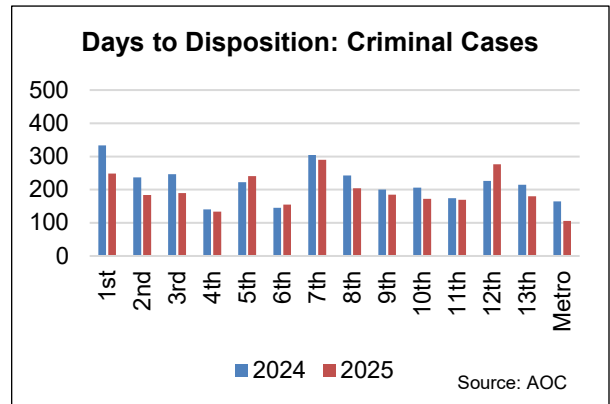
Performance trends in New Mexico’s courts and criminal justice agencies for FY25 were mixed. Positive trends in areas that have received substantial judicial and legislative attention have largely held, with criminal trial pace and court caseloads surpassing performance targets. While pretrial supervision measures slightly improved from FY24, treatment court recidivism and graduation rates largely worsened from FY23. District attorneys saw increases in both the number of cases referred for screening and the average number of cases added to attorney workload. The Law Offices of the Public Defender continues to struggle with recruitment and retention, especially with contract attorneys, but both in-house and contract attorneys improved on already strong performance measures for charge reductions and alternative sentencing treatments.

**ACTION PLAN**

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

**Courts**

**Administrative Support.** The average time to disposition for criminal cases decreased to 197 days for FY25. Building on the FY23 and FY24 improvements of 277 to 221 days, it is well within the 365 day performance measure target. Judicial districts either implementing or anticipating the implementation of a case management order to enforce deadlines for trials, like the First and Eighth Judicial Districts, were responsible for some of the largest improvements in days to disposition for criminal cases. The Court of Appeals improved its average time to disposition for criminal cases from 392 days in FY24 to 355 days in FY25. The Supreme Court had an initial review of every discretionary appeal cases within 180 days in FY25, an improvement over the FY24 result of 98 percent. As in FY24, district court clearance rates started strong and declined over the course of the fiscal year. The district court clearance rates of 97.9 percent was below FY24’s rate of 100 percent, resulting in a slightly larger backlog heading into FY26. The Metropolitan and magistrate courts, operating under limited jurisdiction, continue to exceed district court clearances rates, with FY25 rates of 99 percent and 103 percent, respectively, after both finishing FY24 at 102 percent.



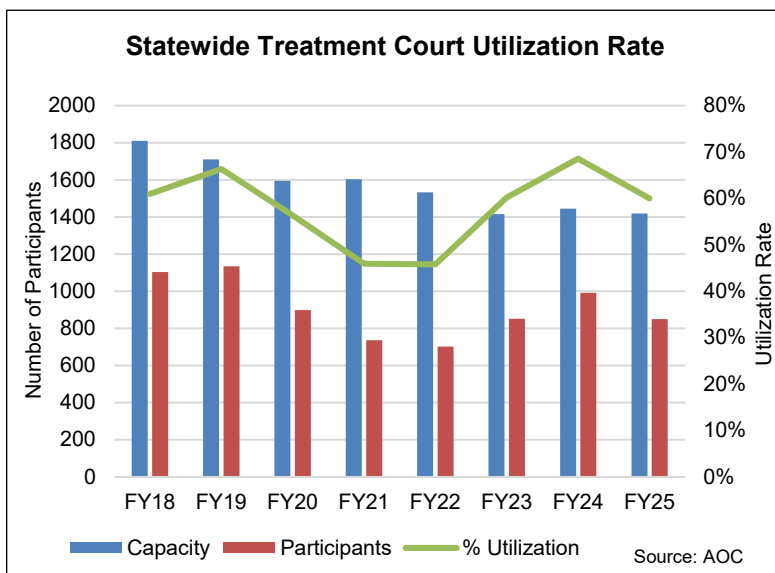
Between the Metropolitan Court, district courts, and magistrate courts there were 683 jury trials in FY25. After a pandemic low of 517 jury trials in FY21, the figure rebounded to 760 in FY23 before declining to 689 in FY24 and 683 in FY25. Courts are required by statute to pay jurors minimum wage, and with the 40 percent minimum wage increase from FY20 to FY23, juror costs continue to rise beyond their target. Although this is somewhat mitigated by the decline in jury trials, the increase is worth monitoring.

	Budget: \$21,366.0	FTE: 67.8	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Average cost per juror			\$58.3	\$66.3	\$55	\$67.1	<span style="color: red;">R</span>
Number of jury trials for metro, district, and statewide courts*			760	689	N/A	683	N/A
Average interpreter cost of session			\$73.6	\$76.2	\$150	\$75.1	<span style="color: green;">G</span>
Percent of supervised defendants who make all scheduled court appearances*			74%	73%	N/A	74%	<span style="color: green;">G</span>
Percent of supervised defendants who are not charged with a new offense during the pretrial stage			80%	73%	N/A	74%	<span style="color: yellow;">Y</span>
Age of active pending criminal cases in days			375	276	180	354	<span style="color: red;">R</span>
Days to disposition in criminal cases			277	221	180	197	<span style="color: green;">G</span>
Cases disposed as a percent of cases filed			120%	100%	100%	97.9%	<span style="color: yellow;">Y</span>
			<b>Program Rating</b>		<span style="color: yellow;">Y</span>	<span style="color: green;">G</span>	<span style="color: green;">G</span>

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

**Special Court Services.** As an evidence-based practice with consistently lower recidivism rates than traditional incarceration, treatment courts remain an important part of the criminal justice system. Among other factors, treatment court underutilization can be the result of limited resources, insufficient collaboration between the courts and other justice partners, or a disconnect between program capacity and local needs. The treatment court utilization rate for FY25 was 60 percent after finishing FY24 at 69 percent, marking the first period since FY20-21 with a decline in the overall utilization rate. Statewide treatment court capacity declined slightly from 1,445 in FY24 to capacity for 1,419 participants across

New Mexico for FY25. Meanwhile, the number of participants enrolled in treatment courts dropped from 991 in FY24 to 851 in FY25. Some of this drop is the result of specific treatment courts bringing their participation rates in line with program capacity, otherwise, the notable decline in participants and the corresponding lower utilization rate are cause for concern. This decrease is most pronounced in Bernalillo’s Metropolitan Court. The Metropolitan Court’s Healing to Wellness program dropped from 42 to 29 participants and the DWI Recovery Court went from 123 to 95 participants from FY24 to FY25. The Metropolitan Veterans Court, with a capacity of 50 participants, had 21 people enrolled in FY24 and only six in FY25.



**Districts Under Capacity**

District	Type	County	Capacity	Participants*	Utilization
1 <sup>st</sup>	Adult	Santa Fe	30	5	17%
1 <sup>st</sup>	DWI	Santa Fe	30	2	7%
1 <sup>st</sup>	Mental Health	Santa Fe	20	1	5%
3 <sup>rd</sup>	Juvenile	Dona Ana	20	1	5%
6 <sup>th</sup>	Adult	Hidalgo	10	2	20%
7 <sup>th</sup>	DWI	Torrance	10	1	10%
12 <sup>th</sup>	Veterans	Otero	10	2	20%
13 <sup>th</sup>	Juvenile	Cibola	25	1	4%
Metro	Veterans	Bernalillo	50	6	12%

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

**Districts Over Capacity**

District	Type	County	Capacity	Participants*	Utilization
2 <sup>nd</sup>	Adult	Bernalillo	90	96	107%
2 <sup>nd</sup>	Young Adult	Bernalillo	60	86	143%
11 <sup>th</sup>	Magistrate DWI	San Juan	25	33	132%

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

Although treatment court recidivism remains below the Corrections Department’s recidivism rates, FY25 saw a continuation and in many cases an exacerbation of the worsening FY23-24 trends. The FY24 recidivism rate for drug-court participants finished just within its performance target of 12 percent at 11.8 percent, but in FY25 the rate rose to 15.7 percent. The recidivism rate for DWI-court participants similarly increased between FY24 and FY25, rising from 8.1 percent to 9.8 percent. As the two treatment court types with the most participants, the increased recidivism rate is concerning, especially when the overall decrease in treatment court participation is taken into account. The cost per-client per-day for drug-court participants, after declining from FY23-24, also increased by over \$30 to \$64.3 for FY25.

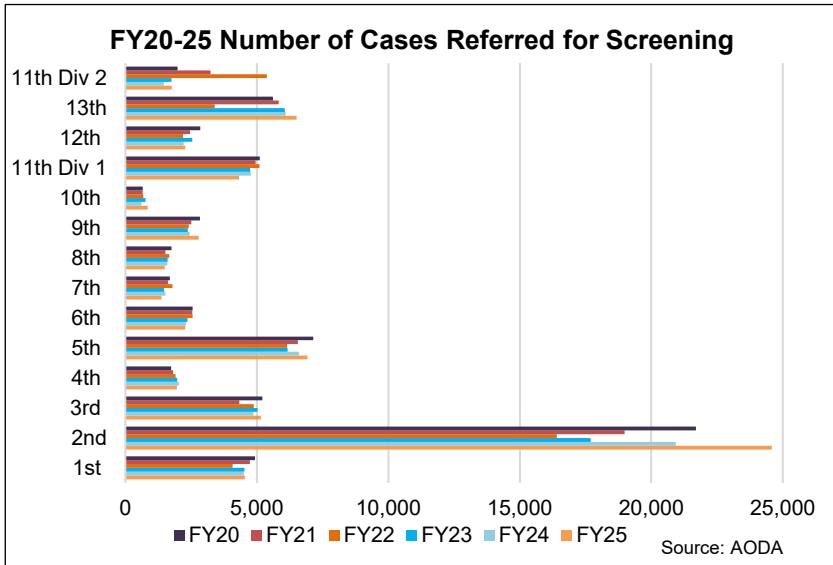
The percentage of defendants not charged with a new offense during the pretrial process and percentage of defendants who make all of their scheduled appearances rebounded slightly in FY25 after declining from FY23 to FY24. For FY25, the percentage of defendants not charged with a new offense during the pretrial period was 75 percent after an FY24 finish of 73 percent, and the percentage of defendants who make all of their scheduled appearances rose from 73 percent to 74 percent. This is a positive sign for a court system that recently centralized the pretrial process in the Administrative Office of the Courts.

Budget: \$22,333.4	FTE: 51.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Cases to which CASA volunteers are assigned*		507	436	N/A	708	N/A
Monthly supervised child visitations and exchanges conducted		11,181	10,129	N/A	10,374	<span style="background-color: green; border-radius: 50%; padding: 2px;">G</span>
Average time to completed disposition in abuse and neglect cases, in days*		160	157	N/A	179	N/A
Recidivism rate for drug-court participants		9.3%	11.8%	12%	15.7%	<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>
Recidivism rate for DWI-court participants		5.1%	8.1%	12%	9.8%	<span style="background-color: green; border-radius: 50%; padding: 2px;">G</span>
Graduation rate for drug-court participants*		54.8%	61.0%	90%	44.0%	<span style="background-color: red; border-radius: 50%; padding: 2px;">R</span>
Graduation rate for DWI-court participants*		82.5%	66.8%	90%	76.3%	<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>
Cost per client per day for all drug-court participants*		\$37.4	\$34.1	N/A	\$64.3	N/A
<b>Program Rating</b>		<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>	<span style="background-color: green; border-radius: 50%; padding: 2px;">G</span>		<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>	

### District Attorneys

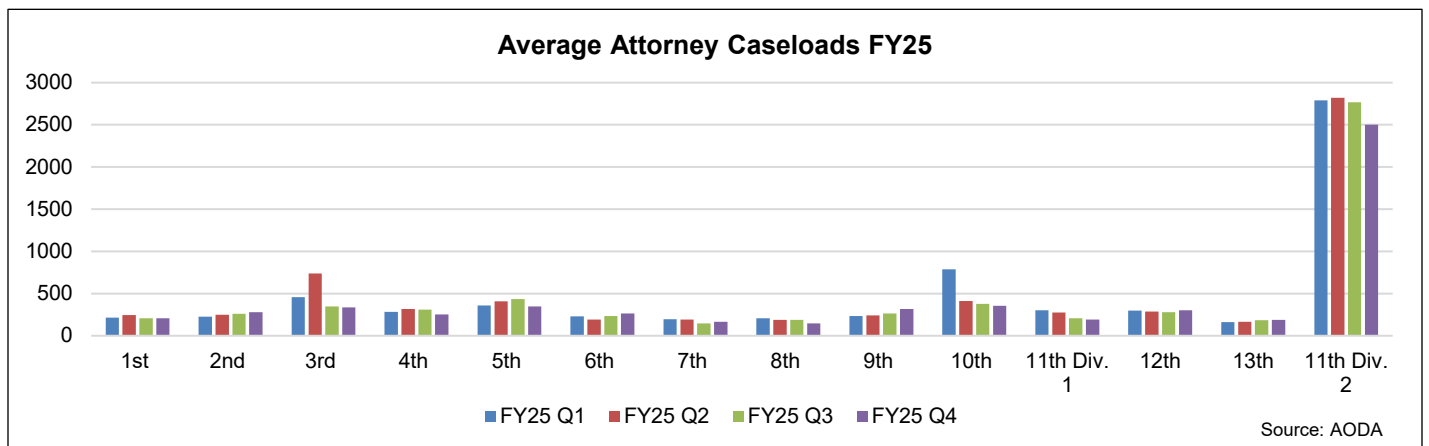
Recruitment and retention issues continue to burden the judicial system, and the district attorney offices are no exception. Some offices, particularly in rural areas, have attempted to recruit attorneys to work remotely. With pay increases scheduled for attorneys working in the Administrative Office of the Courts and the executive branch, staffing in district attorney offices will have to be monitored.

After a lull during the pandemic, the number of cases referred to district attorney offices has increased every year since FY22, and across FY24 and FY25 it increased from 61,892 to 66,831 cases. The 2nd Judicial District



Attorney’s office alone received 24,649 case referrals in FY25 after finishing with 20,931 in FY24. In an already difficult staffing environment, this rise in case referrals has led to an increased number of cases added to attorney caseload.

District attorneys began reporting attorney caseloads in FY24, and the average number of cases added to attorney caseloads grew from 92 in FY24 to 101 in FY25. The performance measure does not account for what type of charge prosecutors are pursuing, and with increasingly complicated, felony-heavy caseloads, this rise and future increases could be especially burdensome. The 2nd Judicial District Attorney’s average attorney caseload increased from 214 cases in FY24 to 279 cases in FY25. The 11th Judicial District, Division 2 average attorney caseload grew from an already challenging figure of 1,722 cases in FY24 to 2,498 cases in FY25. Some district attorney offices, notably the 1st and the 3rd, were able to effectively distribute the workload even with slight increases in case referrals. The 3rd Judicial District Attorney office decreased its average attorney caseload from 440 in FY24 to 339 in FY25. This improvement was far from universal, and staffing issues and corresponding caseload difficulties at district attorney offices merit considerable attention to determine how the district attorneys can fulfill their statutory duties.





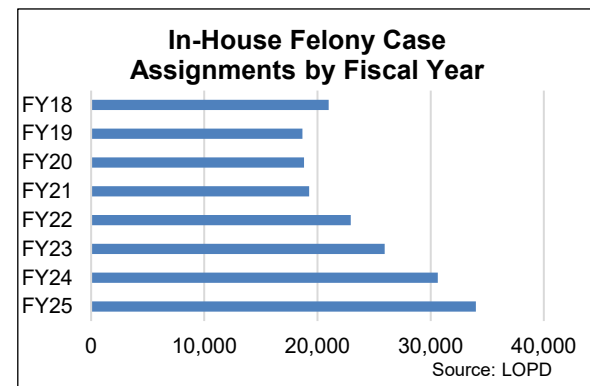
Budget: \$107,819.9	FTE: 1,037	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Average number of cases added to attorney caseloads		89	92	200	101	Y
Number of Cases Referred for Screening*		58,603	61,982	N/A	66,831	
1 <sup>st</sup> District		4,105	4,504	N/A	4,534	
2 <sup>nd</sup> District		16,434	20,929	N/A	24,659	
3 <sup>rd</sup> District		5,174	4,875	N/A	5,158	
4 <sup>th</sup> District		1,914	2,037	N/A	1,962	
5 <sup>th</sup> District		6,147	6,603	N/A	6,927	
6 <sup>th</sup> District		2,593	2,300	N/A	2,270	
7 <sup>th</sup> District		1,796	1,526	N/A	1,422	
8 <sup>th</sup> District		1,683	1,591	N/A	1,493	
9 <sup>th</sup> District		2,412	2,451	N/A	2,798	
10 <sup>th</sup> District		683	616	N/A	850	
11 <sup>th</sup> District Division I.		5,133	4,771	N/A	4,338	
11 <sup>th</sup> District Division II.		2,172	1,461	N/A	1,807	
12 <sup>th</sup> District		2,678	2,217	N/A	2,283	
13 <sup>th</sup> District		6,139	6,101	N/A	6,543	
<b>Program Rating</b>		<b>G</b>	<b>G</b>			<b>Y</b>

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

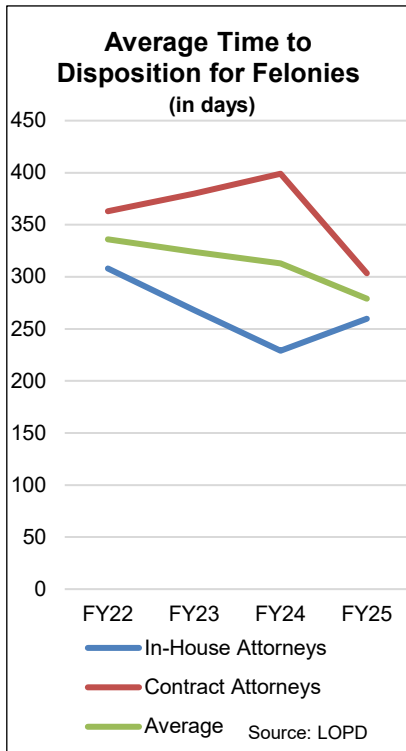
### Public Defender

The Law Offices of the Public Defender reports the same issues with recruitment and retention as its criminal justice partners. Difficulties in recruiting contract attorneys and staff in rural areas are particularly pronounced. The LOPD Clovis and Carlsbad offices reported 33 percent vacancy rates for FY25, while the Gallup office remains severely strained with an 88 percent attorney vacancy rate. However, even with these challenges and the addition of 20 FTE in FY25, the agency wide LOPD vacancy rate decreased from 12.2 percent to 10.9 percent over the course of the fiscal year. The in-house attorney vacancy rate also fell from 19.3 percent in FY24 to 17.1 percent in FY25. LOPD ended FY24 with three rural offices reporting a vacancy rate of 50 percent or higher, and by FY25 the Gallup location was the only office to exceed a 50 percent vacancy rate.

Just as the district attorneys are filing more complex and felony-heavy caseloads, LOPD has reported more in-house felony case assignments every year since FY19. In FY25 this measure increased to 33,989 case assignments, an 11 percent increase over the previous high of 30,631 in FY24. This increasingly complex caseload is further strained by Albuquerque’s Operation Route 66, a joint venture spearheaded by the 2nd Judicial District Attorney and the Bernalillo County Sheriff. People who pick up charges under the operation are not offered diversion agreements, and with at least 926 arrests made as of July 2025, this has resulted in a substantial increase to the LOPD workload.



Contract attorneys face a unique set of challenges due to the larger percentage of felony cases. Complex cases like murders often have multiple co-defendants and a need for contract attorneys to avoid conflicts of interest. The pre pandemic



average of murder cases assigned to contract attorneys was about 80 per year. In FY22, that number shot up to 201 and remains high at 190 murder cases assigned to contract attorneys for FY25. LOPD continues to explore alternatives to the base pay rate that would better compensate contract attorneys working on these complex cases.

Both in-house and contract attorneys substantially increased the percentage of felony, misdemeanor, and juvenile cases resulting in a reduction of charges. In-house attorneys improved their performance from 66 percent in FY24 to 72 percent for FY25. Contract attorneys improved from 63 percent in FY24 to 70 percent in FY25 and now far surpass their FY23 rate of 47 percent. For contract attorneys, the improvement could be an indication of how well they are logging case outcomes, so this figure should be carefully scrutinized for future changes. Reflecting the lower vacancy rate and the difficulties in recruiting contract attorneys, the percentage of cases assigned to contract attorneys has dipped from 37 percent in FY23 to 34 percent in FY24 and 33 percent in FY25.

	Budget: \$77,155.0	FTE: 516	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges			57%	65%	65%	72%	<b>G</b>
In-house attorneys			62%	66%	65%	72%	<b>G</b>
Contract attorneys			47%	63%	65%	70%	<b>G</b>
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment			13,260	28,523	65%	32,477	<b>G</b>
In-house attorneys			9,774	20,173	65%	24,122	<b>G</b>
Contract attorneys			1,000	8,350	65%	8,355	<b>G</b>
Cases assigned to contract attorneys*			37%	34%	N/A	33%	N/A
Average time to disposition for felonies, in days*			324	313	N/A	279	N/A
In-house attorneys*			268	229	N/A	259.6	N/A
Contract attorneys*			380	399	N/A	301.8	N/A
Cases opened by Public Defender Department*			58,253	61,046	N/A	61,621	N/A
In-house attorneys*			36,775	39,145	N/A	39,971	N/A
Contract attorneys*			21,478	21,901	N/A	21,650	N/A
<b>Program Rating</b>			<b>G</b>	<b>G</b>		<b>G</b>	

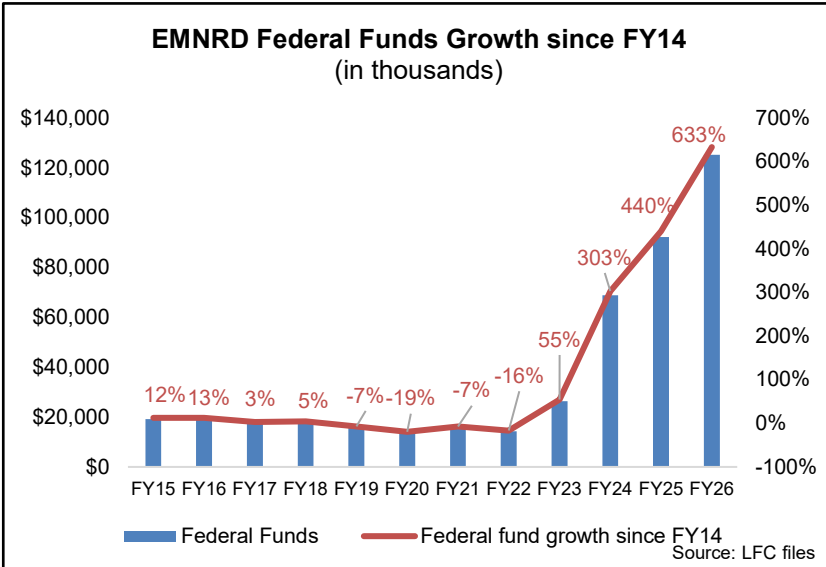
\*Measure is classified as explanatory and does not have a target.

**ACTION PLAN**

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

The Energy, Minerals and Natural Resources Department’s (EMNRD) exceeded the targets on all FY25 performance measures, except one. The lone lagging measure, plugged wells by the Oil Conservation Division’s (OCD), missed the target by 28 wells, or by 40 percent. Beyond the historic issues OCD faces, the majority of EMNRD’s divisions successfully performed their tasks. The State Forestry Division (SFD) treated a total of 19,931 acres, over 6,000 more acres than FY24, while also training 2,149 wildland firefighters, over 600 more than the target. State Parks exceeded its target

revenue and visitation numbers and the Energy Conservation and Management Division processed over 6,000 solar, energy conservation, and sustainable building tax credit applications and launched a new online portal for the public to more easily apply for current and new tax credits. The legislature substantial investment into EMNRD appear to be improving performance and a recent LFC program evaluation on OCD’s plugging operations recommends for actionable changes that could improve the agency’s lone lagging performance measure.



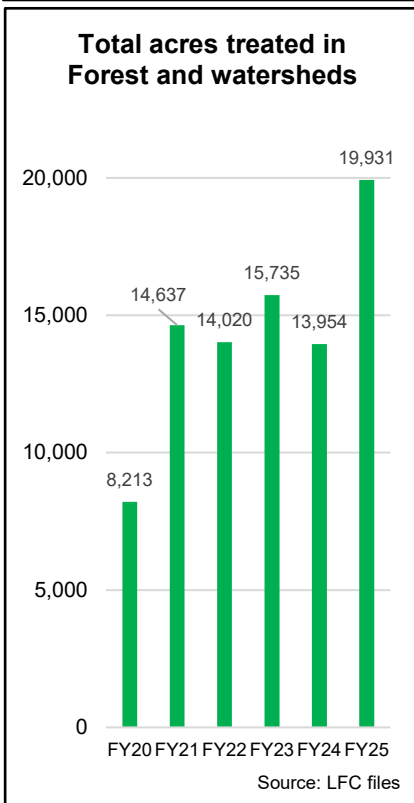
**Healthy Forests**

**Wildland Firefighter Training.** The State Forestry Division (SFD) saw a significant bump in training numbers after the fires in 2022, resulting in historic

numbers of newly trained wildland firefighters in 2023 and 2024. SFD trained a total of 2,149 wildland firefighters in FY25, exceeding the target by 43.3 percent. A new state price agreement for training contractors was noted by the program as a key contributor to the increased numbers.

**Forest and Watershed Treatment.** SFD reported a record number of treated acres in FY25, a total of 19,931 acres that included 8,706 acres in the fourth quarter. SFD attributes the high numbers to increased federal funding, in particular congressionally directed spending and community wildfire defense grants. SFD notes nearly 10,000 of the acres treated were done with federal grants. Nearly 4,154 acres were treated through prescribed burning and over 2,800 acres of high-risk watersheds were also treated.

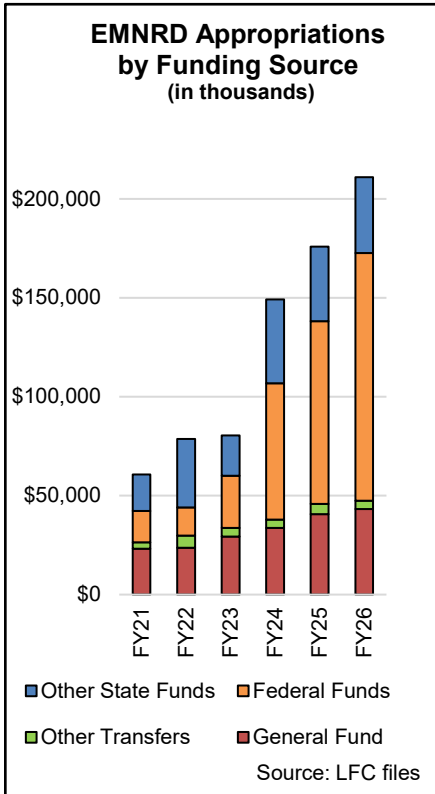
SFD notes the success of FY25 may be difficult to replicate moving forward due to the likelihood of declining federal funding. Roughly 17 thousand acres are slated for treatment, which SFD estimates could cost up to \$37.6 million. The department is awaiting approval based on confirming a funding source. While SFD is looking for additional funding opportunities, the program also notes during the 2025 legislative session, amendments to the Forest and Watershed Act allowed for new buffer projects to protect public and private areas.



	FY23 Actual	FY24 Actual	FY25 Target	FY25 Total	Rating
<b>Budget:</b> \$61,269 <b>FTE:</b> 145					
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	1,554	3,012	1,500	2,149	<b>G</b>

# PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department  
Fourth Quarter, Fiscal Year 2025



Number of acres treated in New Mexico's forest and watersheds.	15,735	13,954	14,500	19,931	<b>G</b>
<b>Program Rating</b>	<b>Y</b>	<b>G</b>			<b>G</b>

## Energy Conservation and Management

Over the course of FY25, the Energy, Conservation and Management Division received 5,327 applications for the solar market development tax credit. Of these, 1,676 applications were returned as incomplete and 3,651 were successfully approved for processing. ECMD also received 384 applications for the energy conserving products credit and 451 applications for the sustainable building tax credit. The division is working with EMNRD IT staff to make improvements to its online application portal to accommodate updated clean car and clean car charging tax credits passed in the 2024 legislative session.

<b>Budget:</b> \$6,373.9 <b>FTE:</b> 34	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Target</b>	<b>Rating</b>
Percent of completed applications for clean energy tax credits reviewed within 30 days of receipt	99%	99%	95%	99.8%	<b>G</b>
<b>Program Rating</b>	<b>G</b>	<b>G</b>			<b>G</b>

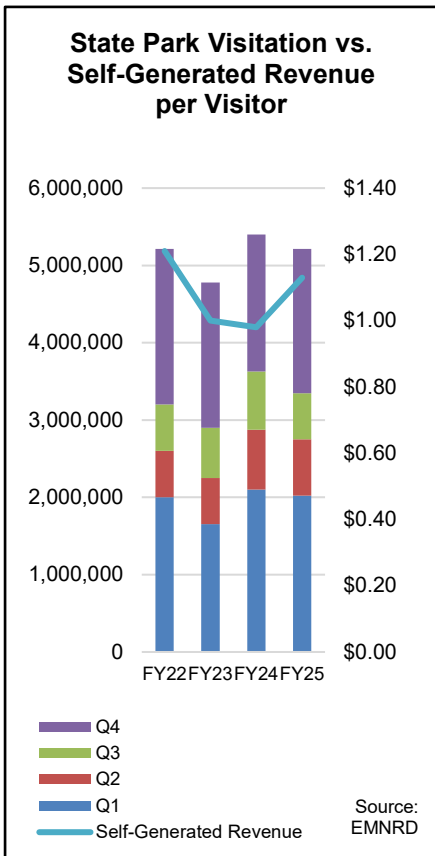
## State Parks

New state park fees have increased the amount of revenue the division receives. Visitation numbers exceeded the target by 450 thousand, with nearly half the visits occurring in the fourth quarter. State Parks also reported, as directed by the Department of Finance Administration, it will be collecting gross revenues from a central reservation system, replacing the previous net revenues system previously used. As a result, State Parks notes the revenue report will differ from previous quarters. The program also notes implementation of legislation creating free day passes for veterans could also impact revenue totals for FY26.

<b>Budget:</b> \$41,352.9 <b>FTE:</b> 241.41	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Total</b>	<b>Rating</b>
Number of visitors to state parks	4.78 million	5.4 million	4.75 million	5.2 million	<b>G</b>
Amount of self-generated revenue per visitor, in dollars	\$1.01	\$1.21	\$1.00	\$1.13	<b>G</b>
<b>Program Rating</b>	<b>G</b>	<b>G</b>			<b>G</b>

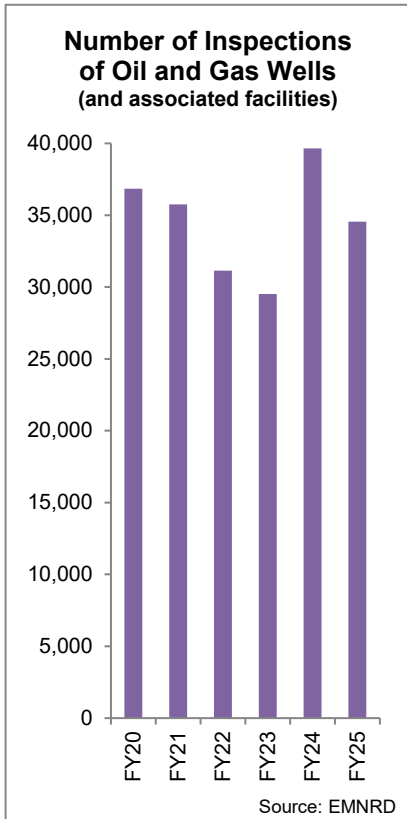
## Mine Reclamation

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



# PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department  
Fourth Quarter, Fiscal Year 2025



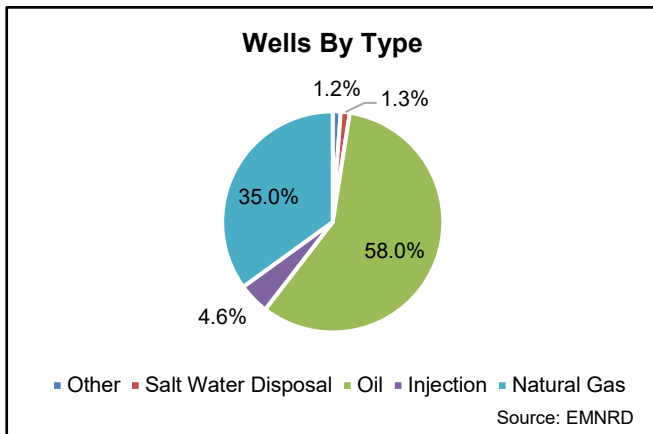
adequate financial assurance posted to cover the cost of reclamation. Together, the programs have a 99 percent compliance rate. Due to the stability of the existing performance measures, new performance measures should be discussed to gain more information on the division's activity.

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

## Oil and Gas Conservation

The Oil Conservation Division (OCD) issued a total of 6,070 violations across the state's oil-producing basins during routine inspections in FY25. OCD increased its pace of inspections after three consecutive years of decline while also implementing new inspection protocols. OCD inspected 34,554 oil and gas wells in FY25, exceeding its 30 thousand inspection target by 4,554. The division has hired a new permanent director, though the agency still reports 33 vacant FTE, a funded vacancy rate of 15.3 percent and \$1.5 million in projected vacancy savings in FY25.

OCD missed its FY25 target for plugging abandoned wells by 28 wells, or 40 percent. The program notes this is due in part to use of federal funds for plugging being delayed due to new requirements and compliance with the Endangered Species and National Historic Preservation acts. However, both of these hurdles will be lifted in FY26, which could result in more plugged wells. With up to 700 orphaned wells on the agency's list for plugging, the agency's ability to complete these plugging projects, with the aid of federal funds, is critical to protecting public health and safety. An LFC program evaluation of OCD's orphaned well plugging, discussed access to financial obligations, contract management, and the plugging and remediation of wells, and recommended improvements, such as an amended financial system and greater financial assurances from well owners.



Budget: \$58,008.3 FTE: 86	FY23 Actual	FY24 Actual	FY25 Target	FY25 Target	Rating
Number of inspections of oil and gas wells and associated facilities	29,522	39,640	30,000	34,554	G
Number of abandoned wells properly plugged	76	105	70	42	R
Number of violations issued with associated administrative penalties*	2,552	5,138	N/A	6,070	
<b>Program Rating</b>	Y	G			Y

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

**ACTION PLAN**

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

The Office of the State Engineer (OSE) exceeded the targets on all but one of the agencies’ performance measures. Performance measures targets could be increased to analyze the agency’s ability to continue to improve performance. Also, additional performance measures, gauging for instance, the agency’s ability to utilize substantial nonrecurring and capital outlay appropriations, should be considered.

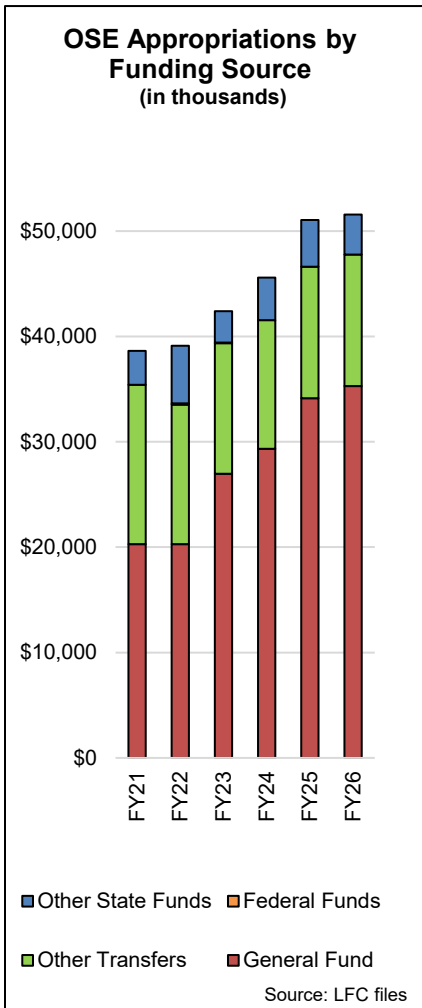
The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) together with the other parties in the Texas v New Mexico U.S. Supreme Court litigation filed documents to end the long standing Rio Grande Compact dispute in the Lower Rio Grande. With a hearing set for September 29<sup>th</sup>, the parties will then wait for the Court to issue a final ruling sometime early next year. The two regional irrigation districts- Elephant Butte Irrigation District and El Paso County Water Improvement District No.1 both participated in negotiations and signed off on the recent settlement documents. The City of Las Cruces did not sign on the amicus curiae brief, though negotiators remained confident that the settlement can resolve all regional issues. Once a settlement is finalized, discussion on scope and timeline of implementation will begin to take shape.

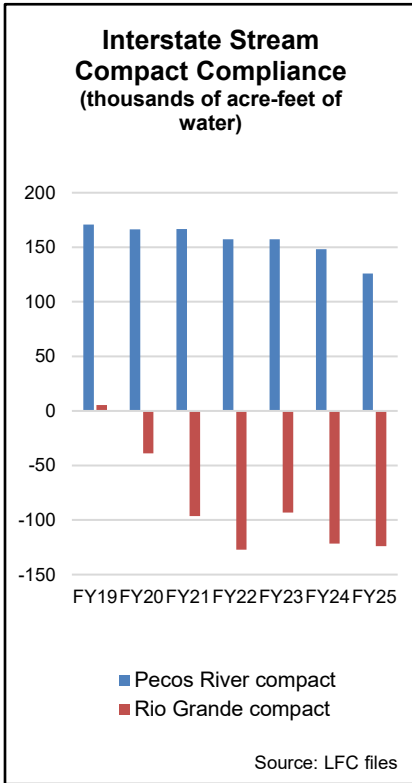
**Water Resource Allocation**

The Water Rights Division processed an average of 30.4 applications in FY25. This results in the division missing their average target by 5, or roughly 9 percent. The agency notes this measure provides the agency with a barometer of its efficiency in reviewing incoming applications, and if they are lagging, gives them an indication as to whether further resources are needed.

The Water Rights Abstract Bureau is responsible for populating and maintaining the Water Administration Technical Engineering Resource System and exceeded the FY25 target of 21 thousand transactions by 4,000, indicating a possible increase in the target could be considered. The bureau is 0.1 percent from completing the abstracting (surveying) of the Estancia groundwater Basin and has begun the Roswell Artesian Basin. The Dam Safety Bureau performed 54 inspections in FY25, exceeding the targeted amount by nine, or 20 percent.

<b>Budget:</b> \$21,960	<b>FTE:</b> 192	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
Number of unprotested and unaggrieved water right applications backlogged*		445	395	N/A	1,359	<b>G</b>
Average number of unprotested new and pending applications processed per month		37.8	31.5	35	30.5	<b>Y</b>
Number of transactions abstracted annually into the water administration technical engineering resource system database.		19,210	13,501	21,000	25,015	<b>G</b>
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues		60	113	45	54	<b>G</b>
<b>Program Rating</b>		<b>G</b>	<b>Y</b>			<b>G</b>



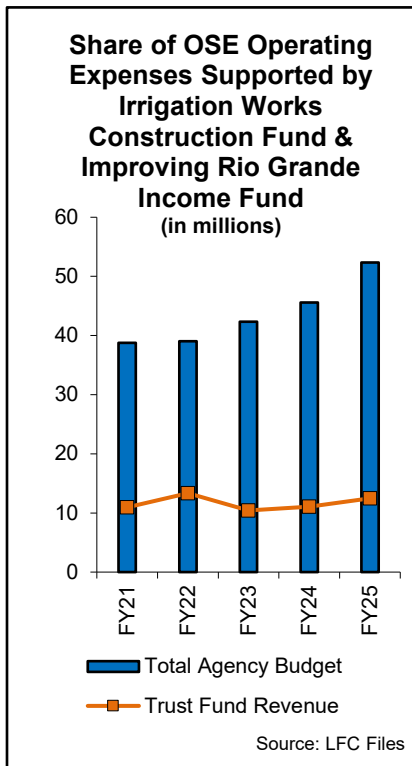


### Interstate Stream Commission

The state’s cumulative Pecos River Compact credit remained positive throughout the year, with the U.S. Supreme Court’s Pecos river master issuing a final water year report near the end of the fiscal year. The ruling resulted in a 22,000-acre-feet debit, bringing the cumulative credit down to 126,000 for the year.

New Mexico’s Rio Grande Compact cumulative delivery deficit was 124,000 acre-feet for FY25, a 2 percent increase in the deficit from FY24. This resulted in the cumulative delivery deficit still resting above the compact compliance debit threshold of negative 200,000 acre-feet and above the performance target of negative 150,000-acre feet. OSE and ISC are working to identify additional actions that might be needed to increase water deliveries. The new settlement in the Lower Rio Grande will not change New Mexico’s existing obligation to deliver water to Elephant Butte Reservoir. Due to restrictions in the compact and the state’s current accrued debit status, no native water storage in reservoirs created after 1929 will occur in 2025. Roughly 24,900-acre feet of San Juan Chama Project water and prior and paramount water held for the Middle Rio Grande Pueblos is being stored in El Vado Reservoir in part to test the safety of the dam, and a new rehabilitation design continues to be evaluated. Also, 12,000-acre feet of prior and paramount water is being stored in Abiquiu Reservoir and the agency notes additional work on river channel conveyance could be needed to maintain delivery efficiency to downstream users and for Compact purposes.

Budget: \$15,095.1 FTE: 68	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Cumulative New Mexico Unit fund expenditures, in millions of dollars*	\$22.3	\$22.6	N/A	\$23.1	
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	156.6	148.2	161.6	126	<span style="background-color: green; color: white; border-radius: 50%; padding: 2px;">G</span>
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet	-93	-121.5	< -150	-124	<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>
<b>Program Rating</b>	<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>	<span style="background-color: green; border-radius: 50%; padding: 2px;">G</span>			<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>



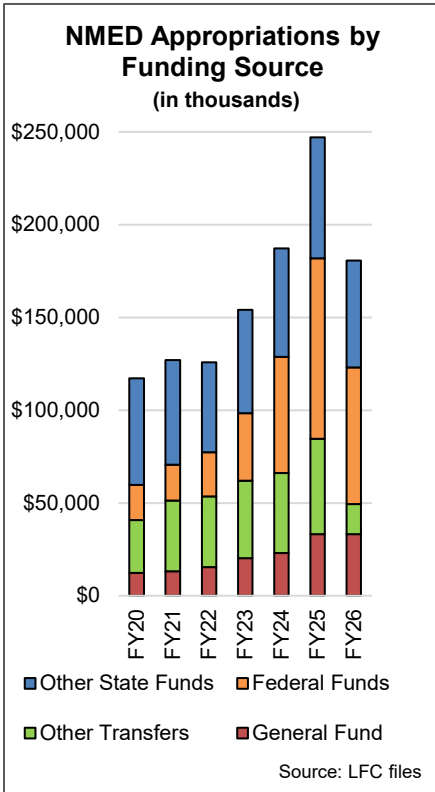
### Litigation and Adjudication

The Litigation and Adjudication Program (LAP) exceeded its FY25 target by 28 offers, or nearly 10 percent, showing consistent progress toward its goal of fully adjudicating water rights in the Lower Rio Grande Basin. Due to LAP exceeding its target of 300 offers for FY25, an increase to the performance measure should be considered. Data is regularly added to LAP's water right adjudication database, encompassing information from hydrographic surveys to finalized adjudication details. Monthly updates or as-needed entries are made based on field investigations, surveys, and court actions that result in offers.

Budget: \$8,966.3 FTE: 68	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Number of offers to defendants in adjudications	436	406	300	328	<span style="background-color: green; color: white; border-radius: 50%; padding: 2px;">G</span>
Percent of all water rights with judicial determinations	76.7%	77%	76%	68.4%	<span style="background-color: yellow; border-radius: 50%; padding: 2px;">Y</span>
<b>Program Rating</b>	<span style="background-color: green; border-radius: 50%; padding: 2px;">G</span>	<span style="background-color: green; border-radius: 50%; padding: 2px;">G</span>			<span style="background-color: green; border-radius: 50%; padding: 2px;">G</span>

**ACTION PLAN**

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



**Federal Funding Exposure**

The portion of NMED’s budget funded through federal dollars has steadily increased over the past five years, growing from \$19 million, or 16.3 percent, in FY20 to \$97.3 million, or 40 percent in FY25. NMED’s Water Protection Division receives the largest portion of federal funding, roughly \$51 million, making up 68 percent of the divisions total budget. Discussions at the federal level regarding cuts or claw backs related to natural resource protection funding raises the questions as to what avenues the state can pursue in maintaining funding levels for its natural resource agencies.

While certain negative performance trends persisted through FY25, multiple programs reported productive results for the fourth quarter of FY25. The agency’s groundwater permitting program exceeded its 100 percent target by 20 percent and the Environmental Health Bureau inspected 7,531 restaurants and food facilities, resulting in a 95 percent completion rate. The continuing negative performance trends seen in Resource Protection slightly abated, with one of its performance measures moving from red to yellow, although the program overall finished the year in the red.

The improved performance in certain sectors of the agency is due in part to improved agency operations and legislative investment. In addition to the significant investment made into NMED over the past six years, the agency suggests the department needs significant additional funding to address its staffing and retention issues. Potential federal funding cuts to natural resource protection funding could exacerbate funding issues. The Legislature should continue to monitor NMED performance and consider targeted investment or research into persistently low performing sectors of the agency.

**Water Protection**

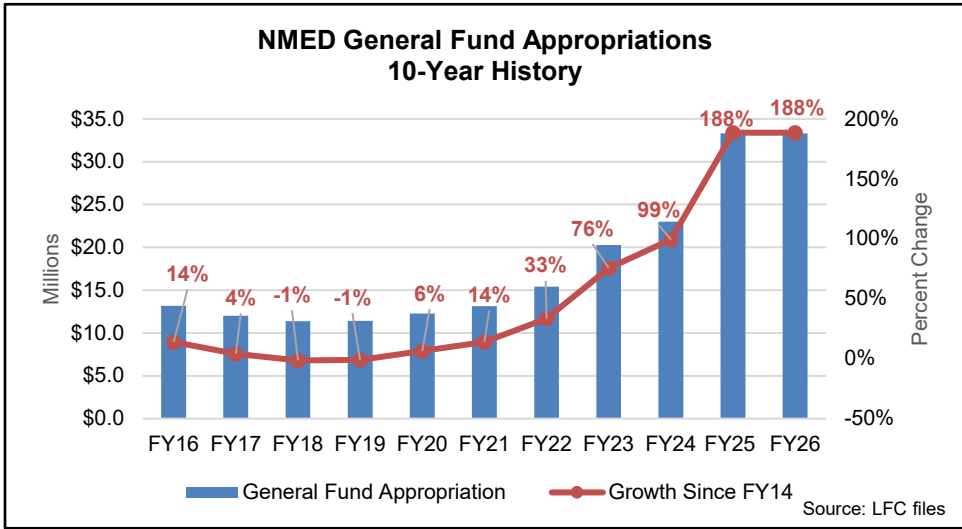
Amendments to the state Water Quality Act enacted in 2025 granted primacy to NMED to administer a National Pollutant Discharge Elimination System program, in effect placing control of all discharge into the state’s surface water and groundwater from the federal government to the state’s water quality agency. Creation and implementation is underway and will continue to take shape, pending approval of a permitting program from the Water Quality Control Commission. NMED met its FY25 target for surface water permittees inspected, exceeding the target by 20 percent. NMED did not meet its FY25 target for groundwater permits inspected, missing it by 26 percent. The agency notes staffing issues could abate because only four of the 35 inspector positions remain vacant. However, a database to enhance tracking and documentation has yet to be implemented and the additional workload added to NMED from the amendments could further hamper the groundwater bureau’s ability to meet its performance measure. The Construction Programs Bureau initiated 148 new water infrastructure projects in FY25 and exceeded its FY25 target.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Budget:</b> \$62,511.4 <b>FTE:</b> 191.3					
Percent of the population served safe and healthy drinking water	89.8%	89.5%	95%	94.7%	<span style="color: green;">G</span>
Percent of surface water permittees inspected	145%	100%	100%	120%	<span style="color: green;">G</span>
Percent of groundwater permittees inspected	18.2%	30.6%	65%	39%	<span style="color: red;">R</span>
Number of new water infrastructure projects	157	175	115	148	<span style="color: green;">G</span>
<b>Program Rating</b>	<span style="color: yellow;">Y</span>	<span style="color: yellow;">Y</span>			<span style="color: yellow;">Y</span>

**Resource Protection**

The Resource Protection Division (RPD) continued to be far behind the target for two of its three performance measures, with one measure finishing the year with a yellow. RPD continues to have issues with recruitment and retention, specifically in its Solid and Hazardous Waste bureaus, resulting in consistent lagging of performance measures.





RPD notes it has continued to work to reclassify existing vacancies to higher-level positions to improve recruitment and retention, but the agency reports additional staffing is needed to improve the rate of inspections. The agency requested a \$300 thousand, or 10.8 percent, increase for FY27 to address these issues but did not prioritize an increase for the division in FY26.

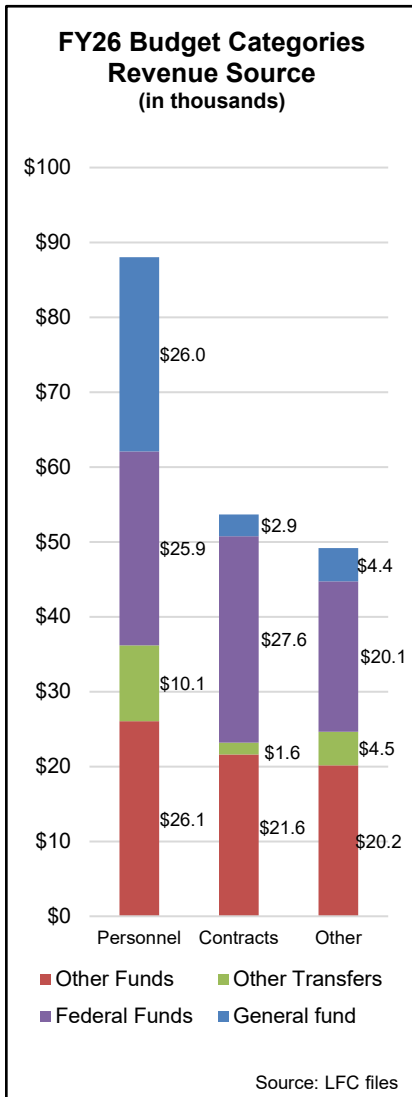
The Petroleum Storage Tank Bureau has nine vacant positions within its Remediation program and used 30 percent of the corrective action fund for program operation costs. The agency reported it completed the cleanup of 972 petroleum storage tank

release sites in FY25 but still missed the target by over 1,000. The agency cites a lack of funding as its largest impediment to meeting performance measures; NMED’s general fund budget has grown by 188 percent over 10 years, from \$13.2 million in FY25 to \$33.3 million in FY26.

The Hazardous Waste Bureau (HWB) monitors 2,547 hazardous waste generators in the state, though this number changes frequently. HWB currently has 6 FTE focused on compliance. HWB inspected less than one percent of the hazardous waste sites in the state in the fourth quarter of FY25. The program also helped man the Emergency Operations Center, which contributed to the low number of inspections. The continued trend of low inspection rates remains even after the bureaus began the decline in the pandemic. While the low inspection rate has been predominantly due to a lack of staff, new efforts to improve performance should be prioritized. The creation of the Compliance and Enforcement Division (CED) could aid in increasing the operational success of the bureau.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Budget:</b> \$18,653.4 <b>FTE:</b> 144.3					
Number of completed cleanups of petroleum storage tank release sites that require no further action	2,005	2,041	1,976	972	R
Percent of solid waste facilities and infectious waste management facilities inspected	53.3%	98.8%	87.5%	75.4%	Y
Percent of hazardous waste facilities inspected	3.7%	3.7%	15.0%	4.3%	R
<b>Program Rating</b>	R	Y			R

**Environmental Protection**



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

AQB noted only 78.3 percent of the state’s population is breathing air meeting federal health standards, which the bureau notes the Carlsbad air monitoring station found ozone levels in the area exceed federal air quality standards. It also noted large dust storms in Doña Ana and Luna counties contributed to the low air quality figures. The state has 20 air monitoring stations, with the majority surrounding Las Cruces and others scattered around the state (Bernalillo County monitors its own air quality and is separate from the reporting AQB does). Additional stations could provide a clearer picture as to the state’s air quality.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Budget:</b> \$18,320.1 <b>FTE:</b> 121.8					
Percent of ionizing and non-ionizing radiation sources inspected	15%	16.8%	20%	13.2%	<b>R</b>
Percent of air emitting sources inspected	33.3%	32.2%	25%	23.9%	<b>Y</b>
Percent of the population breathing air meeting federal health standards	99.9%	99.9%	95%	78.3%	<b>R</b>
<b>Program Rating</b>	<b>R</b>	<b>Y</b>			<b>R</b>

**Environmental Health**

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

The Occupational Health and Safety Bureau conducts hundreds of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau, which inspects approximately 1 percent of all workplaces each year, found 60.5 percent of employers did not meet occupational health and safety requirement for at least one standard in FY25, exceeding the target of 55 percent.

Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. The bureau conducted 7,531 inspections in FY25, though this figure does not include temporary facilities, compliant inspections, or re-inspections. With roughly 95 percent of inspections complete, the bureau met its FY25 target. Bureau staff currently have a compliance and enforcement workload of approximately 313 facilities per inspector, above the federal Food and Drug Administration’s guidance that retail food inspectors (a much narrower role than EHB’s inspectors) are assigned 280-320 inspections.

# PERFORMANCE REPORT CARD

Environment Department  
Fourth Quarter, Fiscal Year 2025

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
<b>Budget:</b> \$ 16,219.3 <b>FTE:</b> 156.0					
Number of employers that did not meet occupational health and safety requirements for at least one standard compared with the total number of employers	64%	67.1%	55%	60.5%	Y
Percent of restaurants and food manufacturers inspected	80%	80.5%	90%	95%	G
Percent of new or modified liquid waste systems inspected	86%	91%	85%	53.2%	R
<b>Program Rating</b>	R	Y			Y

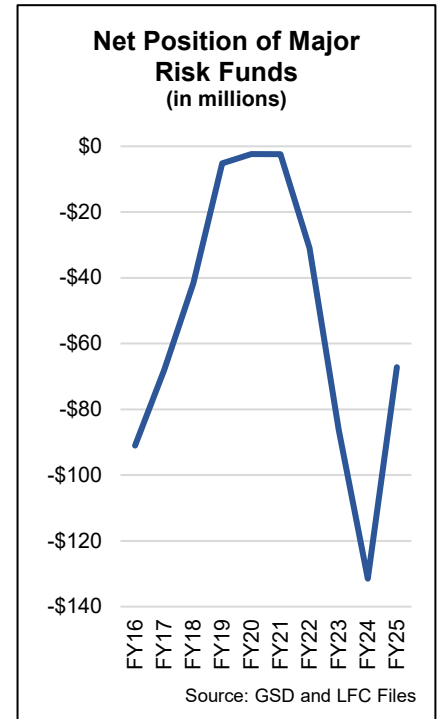
The General Services Department (GSD) reports continued deterioration of funds managed by the Risk Management Division, driven by large civil rights claims against several state agencies and institutions of higher education. GSD reports the state's public liability fund is projected to close the fiscal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

### ACTION PLAN

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

### Risk Management

The department's Risk Management Division oversees the state's shared risk pools, including the public property fund, the workers compensation fund, and the public liability fund. Overall, the financial position of the three funds, determined by dividing the current assets by the current liabilities, is 39 percent, down from 78 percent at the end of FY22, but the largest driver of losses is the state's public liability fund. While projected liabilities in that fund have decreased to \$86.2 million, down from \$131 million, projected assets ended in the negative at the end of FY25. Overall, projected assets are short of projected liabilities by \$65.9 million, with the public liability fund reporting a shortage of \$105.4 million.



<b>Budget:</b> \$110,968.7	<b>FTE:</b> 0	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
Projected financial position of the public property fund*		215%	275%		270%	<b>G</b>
Projected financial position of the workers' compensation fund*		56%	63%		287%	<b>G</b>
Projected financial position of the public liability fund*		42%	16%		-22%	<b>R</b>
	<b>Program Rating</b>	<b>R</b>	<b>R</b>			<b>R</b>

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

### Facilities Management

The Facilities Management Division (FMD) reports only 78 percent of scheduled preventive maintenance activities were completed on time, although the agency met performance targets for on-time completion of capital projects. The agency reports an inability to keep up with preventive maintenance due to a shortage of staff.

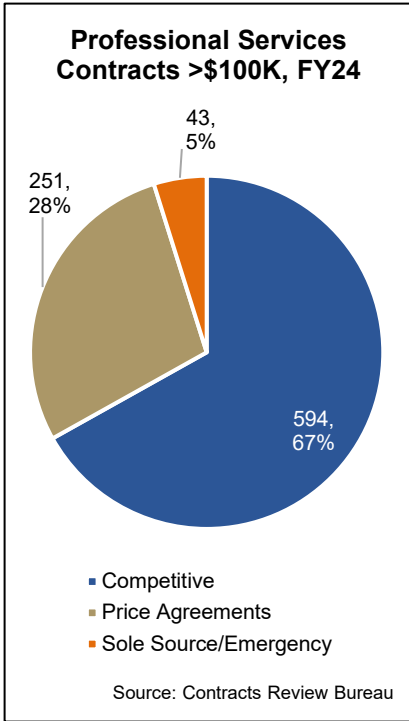
### Space Standards

GSD continues to report 100 percent of leases meet adopted space standards; however, the department reports nine of the 10 new leases were not subject to the standard and excluded from the calculation. Routine exclusion of leases not meeting space standards negates the value of this measure and the agency should adjust its methodology to accurately report the percentage of leases meeting the 215 square feet per FTE target.

<b>Budget:</b> \$110,968.7	<b>FTE:</b> 0	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
Capital projects completed on schedule		87%	94%	90%	96%	<b>G</b>
Preventive maintenance completed on time		70%	67%	90%	78%	<b>R</b>
Amount of utility savings resulting from green energy initiatives, in thousands*		-\$38	\$376		\$583	<b>R</b>
	<b>Program Rating</b>	<b>R</b>	<b>R</b>			<b>R</b>

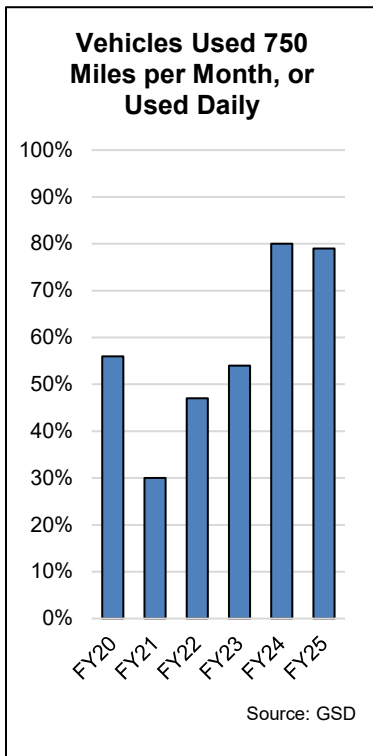
\*Measure is classified as explanatory and does not have a target.

Other Programs



**State Purchasing.** The department reports only 67 percent of procurements were completed within the targeted timeframe and only 61 percent of invitation to bids awarded within 90 days. The division is successful at completing contract review within targeted timeframes, with an average review of only 1.3 days. State agencies have increased their reliance on price agreements for purchasing services: monthly reports from the GSD’s Contracts Review Bureau show a quarter of professional services contracts valued at more than \$100 thousand were purchased using a price agreement rather than through a competitive proposal. Previous LFC evaluations included recommendations to repeal some widely used purchasing exemptions that circumvent competition and adding guardrails to the use of statewide price agreements. To date, recommended changes to the Procurement Code remain unaddressed.

**Transportation Services.** Over the long term, state agencies have improved their vehicle utilization, with nearly all leased vehicles used daily or for at least 750 miles per month, above the performance target of 70 percent. GSD reports 54 percent of vehicles were used for more than 750 miles per month, while 50 percent of vehicles were used daily. Operating costs for vehicles exceeded the target 60 cents per mile in FY24, although the department notes the total remains below the industry average of 82 cents per mile, according to the American Automobile Association. The division’s operation could change dramatically in light of the recent executive order transitioning the state’s vehicle fleet to zero emission vehicles. Currently, the division does not have performance metrics related to the transition, but the executive order required GSD and the Department of Transportation to develop program benchmarks and progress reporting



**State Printing.** Although the division reported a slight operating loss in FY25, this was due to the purchase of new equipment, which is not expected to impact future performance. The division had sufficient fund balance to cover a non-recurring purchase. Revenue increased 23 percent in FY25. The division successfully delivered all printing jobs on time.

	Budget: \$110,968.7	FTE: 0	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Procurements completed within targeted timeframes			87%	81%	80%	67%	G
Percent of invitations to bid awarded within 90 days			NEW	74%	90%	61%	R
Percent of leased vehicles used for 750 miles per month or used daily			54%	80%	70%	93%	R
Average vehicle operation costs per mile.			\$0.52	\$0.68	\$0.60	\$0.76	R
State printing revenue exceeding expenditures					5%	-0.1%	Y
<b>Program Rating: Purchasing</b>			G	G			R
<b>Program Rating: Transportation</b>			R	Y			G
<b>Program Rating: Printing</b>			G	G			G

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

Recent pay increases 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 led to continued high vacancy rates. While retention has improved from lows in 2022 and 2023, more than 30 percent of new employees leave state service within one year of joining.

Budget: \$4,673.0	FTE: 44	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Average number of days to fill a position from the date of posting*		66	64	N/A	64	Y
Classified service vacancy rate*		23.8%	22.7%	N/A	21.6%	R
Percent of classified employees who successfully complete the probationary period*		63%	64%	N/A	68%	R
Average classified service employee total compensation, in thousands*		\$99.8	\$108.1	N/A	\$113.4	
Average classified employee compa-ratio*		0.987	1.008	N/A	1.022	
<b>Program Rating</b>		Y	Y			Y

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

The State Personnel Office (SPO) reports the average FY25 classified service vacancy rate remains higher than the rate in FY21, but this increase has been primarily caused by significant increases in the number of new positions created. At the end of FY25, there were 18,031 classified employees, with a vacancy rate of 20.9 percent, while in FY21 there were 16,583 classified employees and a vacancy rate of 19.9 percent. This increase, even while state agencies continue to bring on more employees, illustrates the need of many agencies to reevaluate existing positions on their current organization chart to ensure vacant positions align with agency hiring priorities.

While agencies have been successful at attracting candidates from outside state government, the state must work on retaining these new employees to lower vacancy rates. SPO reports agencies have made significant inroads in reducing the time it takes to fill a position, dropping from 72 days in the first quarter of FY23 to 63 days in the fourth quarter of FY25. SPO has prioritized working with agencies to reduce the time-to-fill metric.

Providing competitive compensation packages to state employees is key to improving recruitment and retention. On average, total compensation for state employees topped \$113 thousand at the end of FY25, an increase of 6.4 percent from FY24 and 14.8 percent FY23. Based on information from the U.S. Bureau of Labor Statistics, recent increases have been higher than national benchmarks. However, many agency staff report a lack of competitive pay packages as a barrier to filling positions. Part of this perception is due to the relatively high share of total compensation in fringe benefits offered to state employees. State employees receive nearly 40 percent of their total compensation through benefits, compared with 30 percent for workers in the private sector, based on national data. This amount will increase in the future based on legislation passed during the 2025 legislative session that increased the state’s share of health insurance premiums to a minimum of 80 percent of the total cost.

### ACTION PLAN

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

#### [SPO Performance Dashboard](#)

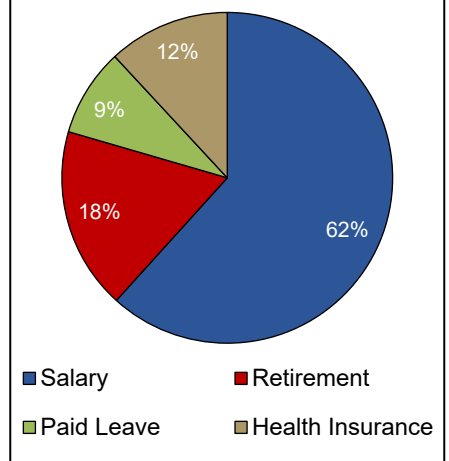


### Employee Retention

According to SPO, only 68 percent of new employees complete their probationary period. If retention patterns do not change, more than 1,000 of the 3,268 people hired in FY25 will not complete their one-year probation.

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

### State Employee Total Compensation



During FY25, the Taxation and Revenue Department (TRD) has received over 1 million personal income tax returns for tax year 2024, and only 8,584 have had errors, which yields a 99 percent processing rate. The Audit and Compliance Division of the Tax Administration Program have a collectable balance of \$1.2 billion and was able to collect one out of every five dollars for its FY25 collection goal. The beginning accounts receivable reductions are a result of amended returns, abatements, deactivations, bankruptcy, and reversals. The total FY25 reduction in the fiscal year beginning accounts receivable is \$967.3 million or 50.6 percent, bringing the total balance to \$943.6 million. The Motor Vehicle Division focused on improving customer communications related to insurance coverage lapses throughout FY25.

### Tax Administration

The Audit and Compliance Division (ACD) creates collection goals centered around return on investment (ROI) measures. For FY25, the division achieved a ROI of 15.59 and closed out the fiscal year with its lowest budget reversions in seven years. Of the \$1.2 billion, ACD collected \$252.1 million, or 21.1 percent, which is an improvement from FY25. The total FY25 reduction in the fiscal year beginning accounts receivable is \$967.3 million, or 50.6 percent, bringing the balance to \$943.6 million. Assessments are deemed uncollectible by statute if cases are in protest, bankruptcy, deactivated, or less than 91 days old. Fiscal year 2025 annual assessments totaled \$179.4 million, of which nothing is less than 90 days old, \$1.4 million is in protest, \$135 thousand is in bankruptcies, and \$17.4 million has been abated. This leaves a collectible balance of \$160.7 million, of which \$66.2 million has been collected. This results in a collection percentage of 41.2 percent, which is 7 percent less than what was collected in FY24.

<b>Budget:</b> \$28,463.8	<b>FTE:</b> 340.66	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Actual</b>	<b>Rating</b>
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year		15.8%	22.6%	20%	21.1%	<b>G</b>
Collections as a percent of collectible audit assessments generated in the current fiscal year		55.4%	48.3%	60%	41.2%	<b>R</b>
<b>Program Rating</b>		<b>R</b>	<b>Y</b>			<b>Y</b>

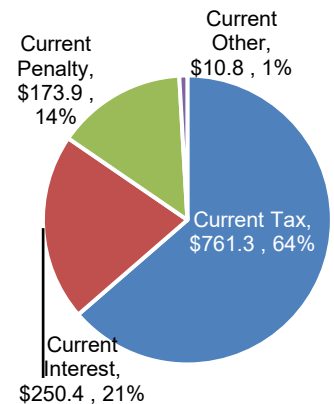
### Compliance Enforcement

The Internal Investigations Bureau (IIB) opened 153 cases and closed 117 with 45 cases pending for FY25. For FY25, the Tax Fraud Investigations Division (TFID) referred 16 cases to prosecutors and 54 were assigned throughout the year, which yielded a 30 percent cumulative total for the year. TFID also closed 10 cases for FY25. The division handed down five indictments and issued five criminal complaints for tax fraud and tax evasion. These 10 cases are awaiting trial, and TFID has successfully prosecuted two cases because of accepted plea agreements. TFID has seen more progress in district attorneys prosecuting white-collar investigations. During the next fiscal year, TRD leadership will be in the

### ACTION PLAN

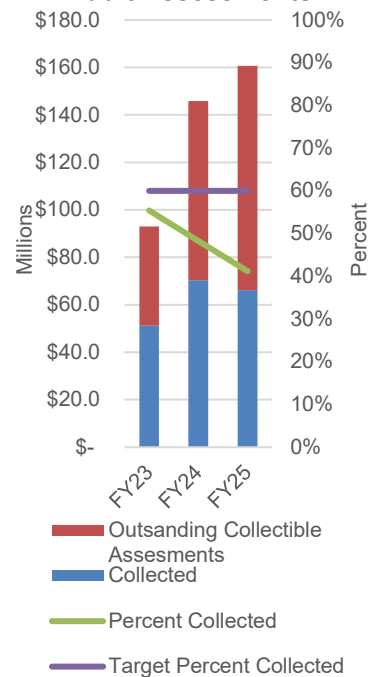
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

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

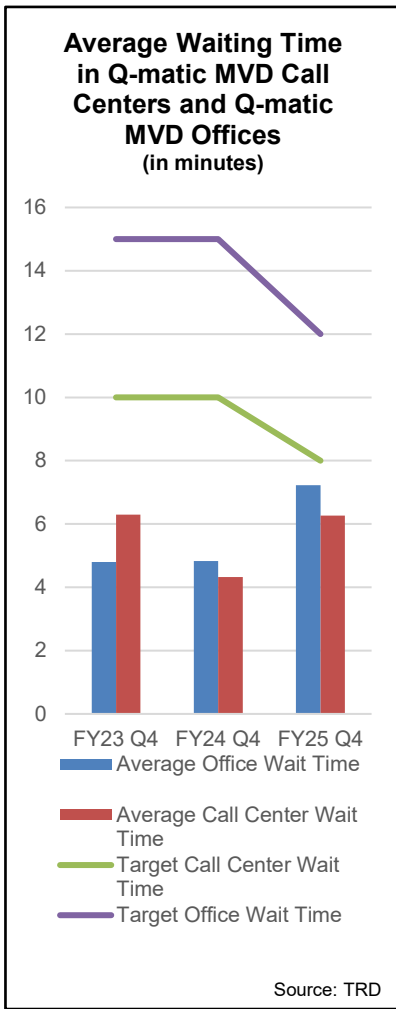


Source: TRD

**Collections as a Percent of Collectible Audit Assessments**



Source: TRD



process of selecting a special prosecutor to assist in the prosecution of TFID criminal cases.

Budget: \$2,097.1	FTE: 21	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year		10%	41%	30%	30%	G
Successful tax fraud prosecutions as a percent of total cases prosecuted		100%	100%	50%	100%	G
<b>Program Rating</b>		<b>R</b>	<b>Y</b>			<b>G</b>

### Motor Vehicle

In FY25, the Motor Vehicle Division (MVD) served over 1 million customers, more than the 850 thousand customers served in FY24. The division also started developing an online testing program that aims to decrease MVD office congestion and improve accessibility of MVD services for rural residents, and made mobile driver licenses available for all Apple, Google, and Samsung phones. MVD also updated its messaging across its website to improve clarity and ease of use for customers. MVD worked closely with its vendor to improve the percentage of registered vehicles with liability insurance. The division aims to improve customer awareness and encourage compliance by refining the content and clarity of notices sent to customers and emphasizing the serious consequences of driving uninsured.

The MVD call center and office waiting times have increased in FY25 compared to FY24. The division highlighted that managing a new queuing system, vacant positions, and the surge of customers ahead of the REAL ID deadline were the primary factors driving this outcome. The new system has allowed improved customer satisfaction by providing clear expectations about waiting times and service processes, but MVD employees are still getting used to the new system. MVD highlighted that 11.5 thousand transactions were completed through MVD kiosks, which is more than the 4,442 transactions completed in FY24. Average waiting times in offices and call centers should return to FY24 actual results, when employees become more familiar with the new queuing system and as customers use of MVD kiosks increases.

Budget: \$55,161.1	FTE: 332	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Registered vehicles with liability insurance		91.0%	90%	95%	90%	Y
Average waiting time in Q-matic equipped offices, in minutes		4:48	4:50	12:00	7:14	G
Average call center waiting time to reach an agent, in minutes		6:18	4:19	8:00	6:16	G
<b>Program Rating</b>		<b>G</b>	<b>Y</b>			<b>G</b>

### Property Tax



Improvements in the delinquent bureau collection and auction portals being delivered by the Property Tax Division’s (PTD) vendor, Catalis, should allow the division to become paperless. PTD is expecting this transition will declutter offices and improve the division’s organization and customer service. PTD had 36 delinquent auctions in FY25 and successfully reached the targets for both of its performance measures. The division does expect the fires and floodings in Lincoln County to postpone delinquent property auctions for the first quarter of FY26.

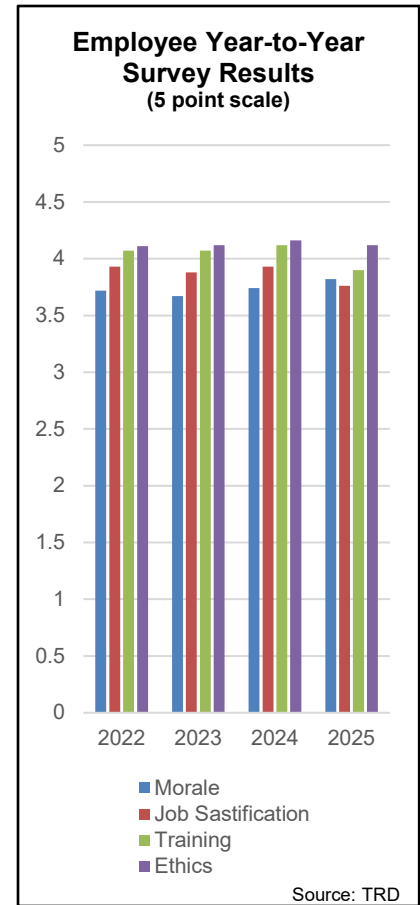
Budget: \$6,491.4	FTE: 39	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Delinquent property tax collected and distributed to counties, in millions		\$13.9	\$10.8	\$11.0	\$11.7	G
Percent of total delinquent property taxes recovered		21.0%	17.0%	15.0%	15.2%	G
	<b>Program Rating</b>	Y	Y			G

**Program Support**

For FY25, the Legal Services Bureau resolved a total of 1,763 tax protest cases, which is above the end of year target of 1,738. LSB resolved 386 of 3,163 tax protest cases in the fourth quarter, which allowed the division to reach its annual target. The division can send protest cases to the Administrative Hearings Office (AHO) for specialized hearings and 21 cases were sent to AHO.

The Office of Internal Oversight (OIO) currently has three internal auditor positions vacant, which impacts the internal audit team’s efforts to implement internal audit recommendations. However, OIO reached its yearly target of internal audits implemented with 20 internal audits, special projects, and procedures completed in FY25.

Budget: \$12,047.2	FTE: 102	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Tax protest cases resolved		1,892	1,593	1,738	1,763	G
Internal audit recommendations implemented		90%	92%	90%	100%	G
	<b>Program Rating</b>	Y	G			G



The Department of Transportation (NMDOT) reported deterioration in the quality of New Mexico’s roads, with the number of lane miles in poor condition spiking from 5,696 in 2023 to 7,080 in 2024. While most projects are put to bid and completed on time and on budget, road construction costs have climbed and remain 40 percent higher than in 2020, according to national data.

### Project Design and Construction

NMDOT reported 88 percent of projects were let as scheduled in FY25, slightly below FY24, but well above the agency’s target, while final costs were 1 percent over the initial bid. Overall, the department reported 94 percent of projects were completed according to schedule.

### Highway Operations

NMDOT’s annual road survey for 2024 showed fewer road miles in fair or better condition. While NMDOT was able to maintain pavement preservation targets for FY25, only 84 percent of interstate miles and 70 percent of non-interstate miles were rated fair or better. Overall, the number of bridges rated in better than poor condition remains better than the target of 95 percent.

### Modal

NMDOT reports a total of 404 traffic fatalities in FY25, below FY23 and FY24 levels but above the target of 400. Fatality numbers typically rise in future reports as new data is received.

### Program Support

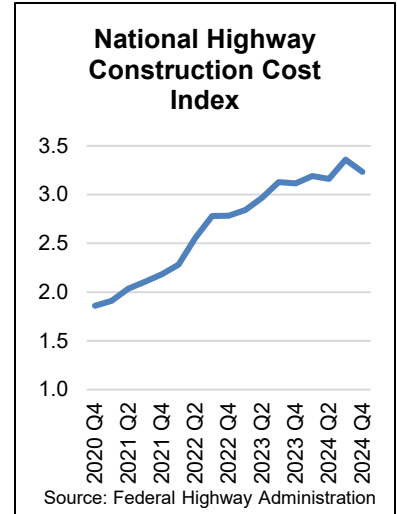
The department’s vacancy rate fell from the level seen in FY23 and remains below the statewide average vacancy rate. Departmental safety initiatives are reducing workplace injuries and the number of injuries remained below target for FY25.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Projects completed according to schedule	89%	85%	88%	94%	G
Statewide pavement lane miles preserved	4,373	2,966	3,500	3,888	G
Lane miles in poor condition	3,155	5,696	6,925	7,080	R
Traffic fatalities	443	410	400	404	R
<b>Program Rating: Project Design and Const.</b>	G	Y			G
<b>Program Rating: Highway Operations</b>	G	G			Y
<b>Program Rating: Modal</b>	R	R			R
<b>Program Rating: Program Support</b>	G	G			G

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

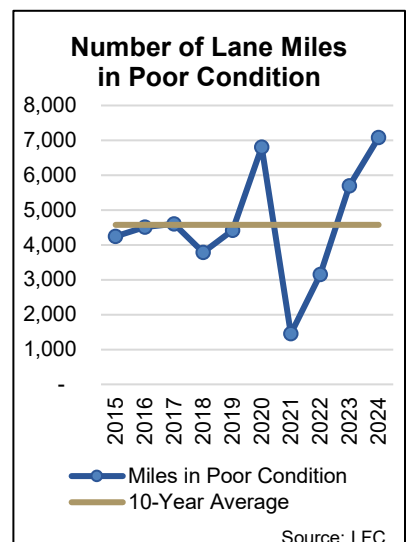
### ACTION PLAN

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



### Traffic Fatalities




According to the Insurance Institute for Highway Safety, New Mexico has the ninth worst rate of traffic fatalities, at 1.55 deaths per 100 million vehicle miles traveled in 2023. If New Mexico were able to reduce that rate to the national average, 83 fewer deaths would occur annually on New Mexico’s highways.





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



### Project Status Legend

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



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



### DoIT-Led Projects

  The **P25 public safety radio project** (\$101.1 million; 70.8 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated total cost of \$190 million. The agency has 50 confirmed subscribers, including school and local police, fire departments, and other various federal and state safety agencies. However, DoIT reestimated the project to be completed by 2030, with a new estimated total project cost of \$190 million, six years and \$40 million beyond initial estimates.

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

### Executive Agency IT Projects

  The Health Care Authority's (HCA) **child support enforcement system modernization (CSES) project** (\$32.9 million appropriated; 54.4 percent expended) is intended to modernize the agency's legacy child support system. The project is estimated to cost \$109 million, \$44 million more than the initial \$65 million expected cost—and an expanded timeline through FY27 has not yet been certified by the project certification committee (PCC), posing risk. The Legislature reauthorized \$10.6 million in unspent balances from previously appropriated funds for FY26.

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

Y



The Children, Youth and Families Department's **comprehensive child welfare information system (CCWIS) project** (\$78.5 million appropriated; 65.7 percent expended), now the New Mexico Impact Project, is intended to replace the old family automated client tracking system or FACTS. Initially expected in 2023, CYFD now estimates system utilization in early 2026, with a project close-out in late 2027. Costs have doubled from \$45 million to \$90.4 million.

G



The Corrections Department's (NMCD) **electronic health records project** (\$8.6 million appropriated; 92.1 percent expended) is intended to replace the existing paper healthcare records system with an electronic-based system that will integrate and exchange information across systems. The project is currently adequately funded and will receive \$1.925 million in FY25 for project improvements. The end date has changed to May 2025, almost a year later than the initial planned end date.

Y



DPS's **intelligence-led policing project** (\$5.5 million appropriated; 54.2 percent expended) will implement a new system to incorporate the needed data and analytics functions to generate valuable intelligence to more efficiently direct law enforcement resources in a proactive rather than reactive approach. DPS reports the phase one of the project, now in two phases, is near completion, and phase two will finish by June 2027, with a new total cost estimate of \$16.1 million.

R



The Higher Education Department's (HED) **longitudinal data system (LDS) project** (\$16.4 million appropriated; 54.2 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico's education and workforce data for a total estimated cost of \$14.1 million. HED expanded the timeline to 2026 to accommodate additional project phases, posing a substantial risk.

Y



The Regulation and Licensing Department's (RLD) **permitting and inspection software modernization project** (\$17.1 million appropriated; 96.2 percent expended) will replace the legacy system Accela. RLD has certified \$7.1 million for all phases of the project. The accelerated timeline is regarded as the highest current risk but does not significantly impact the project. RLD currently does not have an independent verification and validation contract in place for phase five of the project.

## OVERVIEW

**Project Phase** Implementation

**Start Date** 9/27/18

**Est. End Date** 6/30/24

**Revised** 6/30/27

**Revised** 6/30/30

**Est. Total Cost** \$150,000.0

**Revised** \$170,000.0

**Revised** \$190,000.0

## Project Description

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

## P25 Digital Public Safety Radio System Upgrade Project

### Overall Status

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	Y	Y	Y	Y	Y
Schedule	G	G	Y	Y	Y	Y
Risk	Y	Y	Y	Y	Y	Y
<b>Overall Rating</b>	Y	Y	Y	Y	Y	Y

### Budget

DoIT was appropriated \$10 million in new capital outlay funding for the project during the 2024 legislative session, now available for use following voter approval of the general obligation bond. The department received an additional \$20 million in severance tax bonds from the 2025 legislative session. DoIT has been subsidizing costs for its agencies, including the use of a \$2.8 million nonrecurring appropriation for radio subsidies for federal and local governments but reverted \$633 thousand, or 22 percent, in FY25.

### Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$101,164.3	\$0.0	\$121,164.3	\$85,806.7	\$35,357.6	70.8%

### Schedule

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

### Risk

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

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

\*Does not include nine interoperability partner organizations

Source: DoIT

**OVERVIEW**

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

**Statewide Broadband Program**

**Overall Status**

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

**Project Description**

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	R	R	R	R	R
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	Y	Y	Y	Y
<b>Overall Rating</b>	Y	Y	Y	Y	Y	Y

**Budget**

OB AE reverted \$25 million of state funds at the end of FY25 because the Legislature did not extend the use of funding. OB AE received official notice from the National Telecommunications and Information Administration of federal cuts for the state’s digital equity program, a loss of \$8.6 million. The office preliminarily awarded \$432 million of its \$675 million federal Broadband Equity, Access, and Deployment dollars to 17 entities for 32 infrastructure projects, including satellite

**Budget Status Overview**  
(in thousands)

State	Federal	Total Available Funding <sup>1</sup>	Spent to Date <sup>1</sup>	Balance	Percent of Appropriations Spent
\$151,388.7	\$130,307.3	\$281,696.0	\$31,015.9	\$250,680.1	11%

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

**Schedule**

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

**Risk**

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

**OVERVIEW**

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

**Child Support Enforcement System Modernization Project**

**Overall Status**

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

**Project Description**

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	R	R	R	R	R
Schedule	R	R	R	R	R	R
Risk	R	R	R	R	R	R
<b>Overall Rating</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>

**Budget**

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

**Budget Status Overview**  
(in thousands)

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

**Schedule**

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

**Risk**

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

**OVERVIEW**

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

**Medicaid Management Information System Replacement Project**

**Overall Status**

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

**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.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	Y	Y	Y	Y	Y
Schedule	R	R	R	Y	Y	Y
Risk	R	R	R	R	R	R
<b>Overall Rating</b>	R	R	R	Y	Y	Y

**Budget**

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

**Budget Status Overview**  
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$42,757.6	\$384,214.9	\$427,648.0	\$335,535.8	\$92,112.2	78.5%

**Schedule**

The agency is preparing for federal certification for certain modules. The consolidated customer service center, which went live in 2020, will be implementing an enhancement that will integrate different generative artificial intelligence for managing chatbot FAQs and handling outbound calls. The agency reports schedule delays for its claims modules, to be pushed out by early 2026.

**Risk**

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



**OVERVIEW**

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

**Project Description**

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

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

**New Mexico Impact Project**

**Overall Status**

The Children, Youth and Families Department (CYFD) is on track to close the comprehensive child welfare information system (CCWIS) replacement project by November 2027; however, there is no current date set for system functionality. Risk remains moderate given prior delays and leadership changes.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	Y	Y	Y	Y	Y
Schedule	R	Y	Y	Y	Y	R
Risk	Y	Y	Y	Y	Y	Y
<b>Overall Rating</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>

**Budget**

The total project budget is \$90.4 million, an increase of \$60.4 million from initial cost estimates. CYFD certified \$9 million at the Project Certification Committee in May 2025, bringing the total available funding to \$75.6 million. The new certified funding will go to the agency's contracts for its vendors for independent verification and validation, project management, and design, development, and implementation. The department requested an additional \$6 million appropriation for the project for FY27.

**Budget Status Overview**  
(in thousands)

State	Federal	Total Available Funding*	Spent to Date	Balance	Percent of Appropriations Spent
\$38,363.5	\$37,328.4	\$75,691.9	\$49,756.6	\$25,935.3	65.7%

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

**Schedule**

The New Mexico Impact Project team previously stated that system utilization was to occur in February 2026, but has since revised the schedule with no designated go-live date, moving the schedule to red. LFC staff received a system demonstration by the developmental vendor RedMane in September 2025, with additional demonstrations scheduled to follow as the project progresses. The New Mexico Impact Project team and LFC staff continue to meet monthly.

**Risk**

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

**OVERVIEW**

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

**Electronic Health Records Project**

**Overall Status**

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

**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.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	G	G	G	G	G	G
Schedule	G	G	G	G	G	Y
Risk	G	Y	Y	G	G	G
<b>Overall Rating</b>	<b>G</b>	<b>G</b>	<b>G</b>	<b>G</b>	<b>G</b>	<b>G</b>

**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, and is close to expending its authorized balances.

**Budget Status Overview**  
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$8,663.0	\$0.0	\$8,663.0	\$7,979.6	\$683.3	92.1%

**Schedule**

The project end date changed from June 2024 to May 2025 to now June 2026, resulting in the change of schedule to yellow. NMCD states its women’s and men’s facilities are currently operating with the eHR project as of September 2024. Additional interface for men’s facilities are planned for spring 2025.

**Risk**

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

## OVERVIEW

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

## Intelligence-Led Policing

### Overall Status

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

### 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.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	G	G	Y	Y	Y	Y
Schedule	Y	Y	Y	Y	Y	Y
Risk	G	G	G	G	Y	Y
<b>Overall Rating</b>	<b>G</b>	<b>G</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>

### Budget

The agency has certified \$5 million, almost all of its appropriations for phase one of the project. With an updated nonrecurring budget at \$16 million, DPS expects a recurring cost of \$4.7 million a year starting in FY28 to maintain the system. DPS certified \$4.5 million at the Project Certification Committee in May 2025. The department requested an additional \$5.2 million for FY27.

### Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$9,585.0	\$0.0	\$9,585.0	\$5,234.5	\$4,350.5	54.6%

### Schedule

Phase one was expected to be completed by June 2025, with the second phase to follow. As of September 2025, phase one was not complete, but the department was preparing to transition to the next phase. DPS reports plans to split phase two into phase two (a) and phase two (b), despite the project initially starting as one whole phase. With a two-phased approach, the project schedule could be revised. DPS reports that 17 law enforcement agencies (LEAs) were supposed to be onboarded by the end of FY25, with 15 more LEAs to follow in phase two (a).

### Risk

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

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

Source: DPS

**OVERVIEW**

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

**New Mexico Longitudinal Data System**

**Overall Status**

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

**Project Description**

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	R	R	R	R	R
Schedule	R	R	R	R	R	R
Risk	Y	R	R	R	R	R
<b>Overall Rating</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>

**Budget**

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

**Budget Status Overview**  
(in thousands)

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

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

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

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

**Schedule**

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

**Risk**

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

**OVERVIEW**

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

**Permitting and Inspection Software Modernization Project**

**Overall Status**

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

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	G	G	G	G	Y
Schedule	Y	G	G	Y	Y	Y
Risk	Y	G	G	G	G	Y
<b>Overall Rating</b>	Y	G	G	G	G	Y

**Budget**

RLD certified \$586 thousand in February 2025 for phase five of the project, bringing the total available amount of funding to \$17.1 million. However, in September 2025, the department decreased its project budget by \$2.7 million due to a depleted fund balance in its mortgage regulatory fund.

**Budget Status Overview**  
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$17,160.3	\$0.0	\$17,160.3	\$18,879.4	\$586.1	96.5%

**Schedule**

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

**Risk**

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



## Investment Performance Quarterly Report, Fourth Quarter, FY25

State investment balances increased by \$10.4 billion, or 12.6 percent, compared with this time last year. Investment returns were modest in the quarter period, a welcome improvement from the third quarter of FY25 when returns were muted amid turbulent markets. One-year returns were strong, ranging from 9.3 percent (STPF) to 10.7 percent (ECTF), and the state’s allocations performed around the median among peer funds in the one-year period. The fund managed by the Educational Retirement Board continued to demonstrate strong performance, with the state’s best long-term returns and a more optimized risk profile than other large state investments.

### Investment Performance Highlights

- The value of New Mexico’s combined investment holdings grew by \$4.6 billion quarter-over-quarter, to an ending balance of \$93.1 billion, with gains bolstered by contributions of excess oil and gas revenues to the ECTF and the STPF. For the year, funds increased by \$10.4 billion, or 12.6 percent. Over the last five years, the state’s combined investment holdings grew by \$41.4 billion, or 80 percent.
- One-year returns were strong for all funds, ranging from 10.8 percent (ECTF) to 9.3 percent (STPF). Average annualized investment returns over the last 10 years ranged from 8 percent (ERB) to 6.4 percent (STPF).
- Net inflows of oil and gas taxes and royalties across the LGPF, STPF, and ECTF made up 28 percent, or \$2.9 billion, of the one-year value increase across all funds. STPF performance is lowered by the allocation to New Mexico investments, which typically provide a lower return. ERB and PERA balances were moderated by benefit payments greater than contributions typical for pension funds.
- Each fund met its long-term return target in the one-, three-, and five-year period. Only ERB and LGPF met its long-term target in the 10-year period.<sup>1</sup>

**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.

#### Aggregate Value of New Mexico Investment Holdings

**\$93.1 billion**

Note: does not include general fund investments.

#### Annual Combined Growth of all Funds

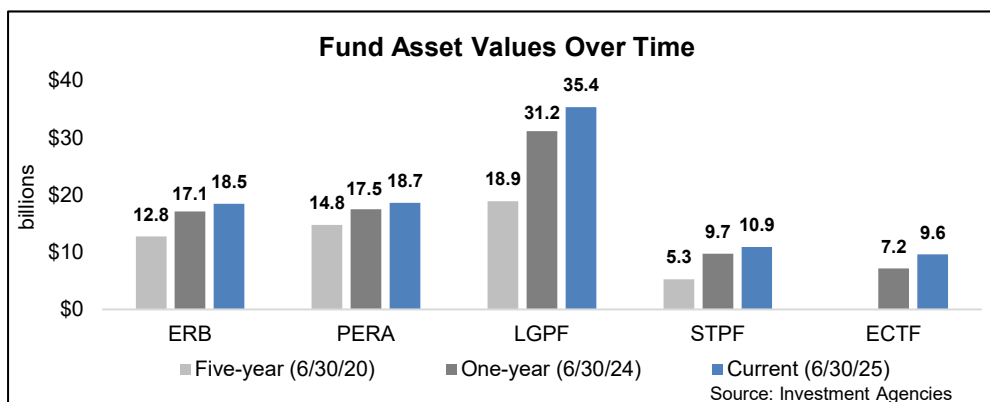
**\$10.4 billion  
12.6%**

Note: does not include general fund investments.

#### Five-Year Annualized Returns

Fund	Returns
ERB	10.38
LGPF	9.53
PERA	8.66
STPF	7.66

Source: Investment Agencies



<sup>1</sup> The funds’ long-term return targets are 7.25 percent (PERA), 7 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

### About the Funds

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

## Pension Fund Agencies

Pension fund investments grew by \$2.5 billion, or 7.3 percent, over the year. Annualized returns for the Educational Retirement Board (ERB) were above their long-term targets in every period. Returns for the Public Employees Retirement Association (PERA) were above their long-term targets in every period except the 10-year. ERB allocated more of its assets to U.S. equity and alternatives while PERA allocated more of its portfolio toward fixed income.

Table 1

### Pension Funds Asset Values (net of fees)

Period ending 6/30/2025

Fund	Value as of		Value Change	Percent Change
	6/30/24	6/30/25		
ERB	\$17,118.7	\$18,477.6	\$1,359.0	7.9%
PERA	\$17,501.6	\$18,661.8	\$1,160.3	6.6%
<b>Total</b>	<b>\$34,620.2</b>	<b>\$37,139.4</b>	<b>\$2,519.2</b>	<b>7.3%</b>

Source: ERB, PERA

### Membership Snapshot

(thousands)

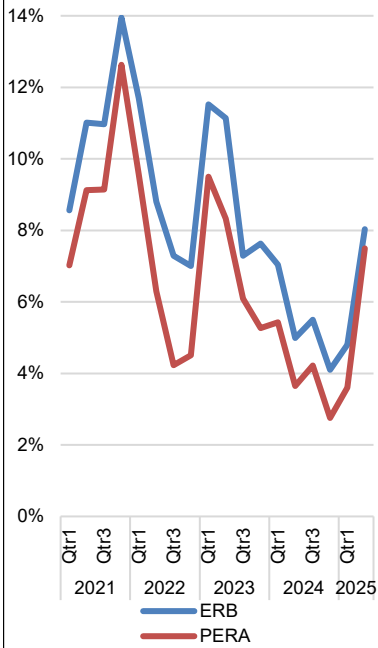
Type	PERA	ERB	Total
Active	55.7	61.5	117.2
Inactive	28.9	54.7	83.7
Retirees	47.1	54.8	101.8
<b>Total</b>	<b>131.7</b>	<b>171.0</b>	<b>302.7</b>

Source: PERA, ERB

**ERB.** ERB's annualized returns outperformed the fund's long-term target of 7 percent in each period. The fund outperformed its policy index, a performance benchmark, in each period except the three-year period. The fund's return in the quarter, which is not annualized, was 4.35 percent while the policy index for that period was 4.07 percent. ERB's five-year average Sharpe ratio—a measure of how an investment's risk compares with its returns—was 1.2, ticking above one for the first time since 2022 in the last quarter. A Sharpe ratio above one is generally considered to indicate the investment offers excess returns relative to volatility. ERB was the only large state investment fund with a Sharpe ratio above one, and the fund's Sharpe ratio was in the best performance percentiles among large public funds over \$1 billion, according to InvMetrics.

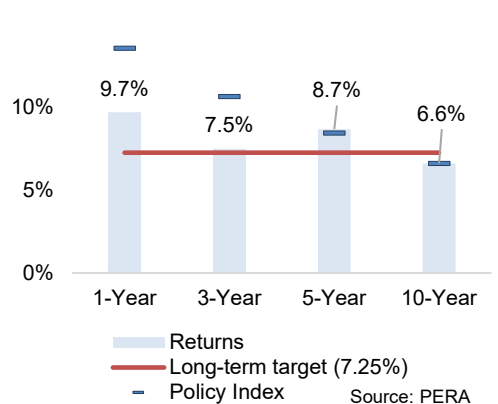
**PERA.** PERA's annualized returns outperformed the fund's long-term target of 7.25 percent in each period except the 10-year period. The fund underperformed its policy index in the quarter, one-, and three-year periods. The fund's return in the quarter, which is not annualized, was 5.16 percent, significantly below the policy index of 6.75 percent.

### Historical Three-Year Annualized Returns (calendar year)



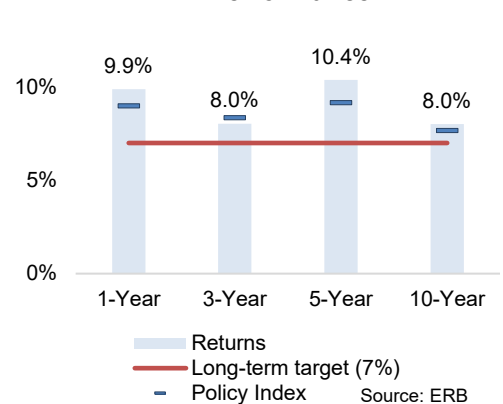
Source: Investment Agencies

### PERA Performance



Source: PERA

### ERB Performance



Source: ERB

## SIC Long-Term Investment Funds

The long-term investment funds managed by the State Investment Council (SIC) grew by \$7.9 billion, or 16.4 percent, over the year. Of the increased value, over one-third—39 percent—was the result of net inflows of oil and gas taxes and royalties. The LGPF surpassed its long-term targets in each annualized period. The STPF surpassed its long-term target in each period except the 10-year period. The STPF failed to meet its long-term target in the 10-year period for the 12th consecutive quarter, missing its performance goal by 0.35 percentage points.

Table 2

Fund	Value as of		Value Change	Percent Change
	6/30/24	6/30/25		
LGPF	\$31,201.4	\$35,398.9	\$4,197.5	13.5%
STPF	\$9,735.0	\$10,948.3	\$1,213.3	12.5%
ECTF	\$7,150.6	\$9,622.9	\$2,472.3	34.6%
<b>Total</b>	<b>\$48,087.1</b>	<b>\$55,970.1</b>	<b>\$7,883.1</b>	<b>16.4%</b>

Source: SIC

10-year period. The fund surpassed its policy index in the one- and three-year periods but missed that benchmark in the five- and 10-year periods. The fund distributed \$322 million to the general fund and received \$761 million in oil and gas revenues. STPF returns are lowered by allocations to the in-state private equity program, the New Mexico Small Business Investment Corporation, and the small business recovery loan program. The impact of these allocations may be contrary to the state’s expectation for the STPF to secure New Mexico’s long-term fiscal health. To help address this, SIC recently changed its policy and now requires market-rate returns for its entire private equity portfolio moving forward.

**ECTF.** The ECTF tracked closely with other SIC-managed funds, exceeding its policy index in each period and performing better in both the one- and three-year period compared with the LGPF and STPF. SIC recently approved a new asset allocation for the fund with a long-term return expectation of 6.8 percent. The ECTF received \$1.8 billion in oil and gas revenues and distributed \$250 million to the general fund.

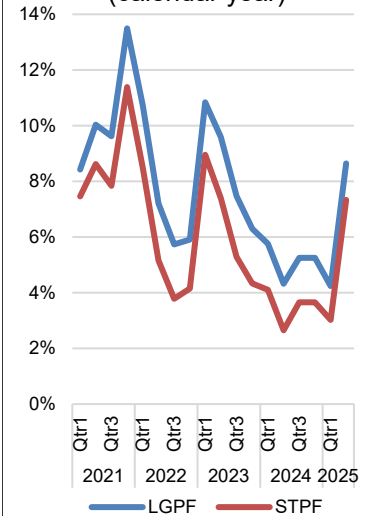
**LGPF.** The LGPF outperformed its long-term target of 7 percent in each period. The fund surpassed its policy index for each annualized period. Over the year, the fund distributed \$1.5 billion to beneficiaries and received \$2.4 billion in revenues, primarily from royalties from oil and gas extracted on state lands.

**STPF.** The STPF overperformed its long-term target of 6.75 percent in each period except the

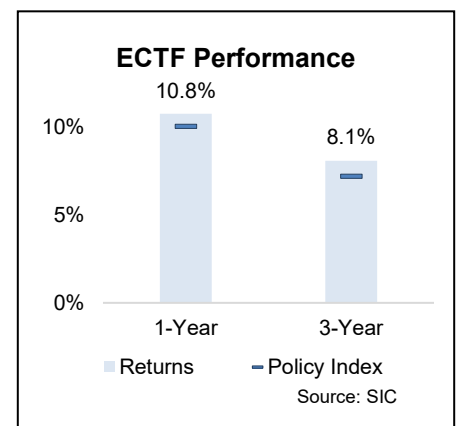
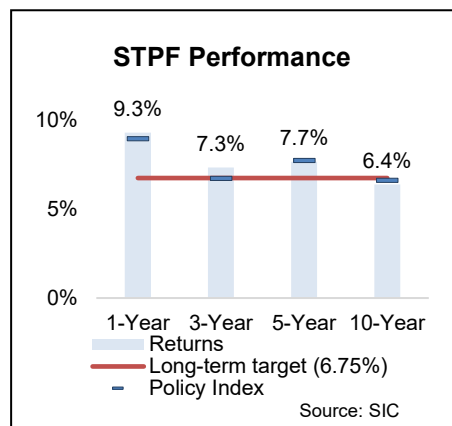
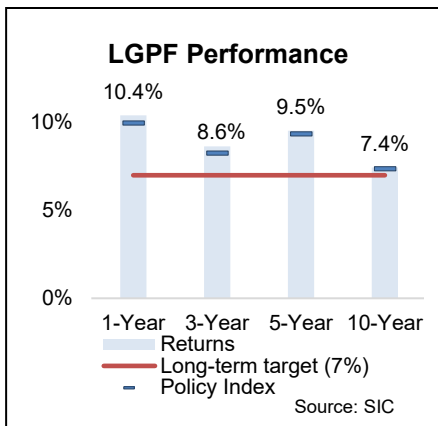
### About the Funds

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

### Historical Three-Year Annualized Returns (calendar year)



Source: Investment Agencies





## Risk Profiles, Five Years Ending

Net of Fees, Period ending 6/30/2025

Fund	Standard Deviation <sup>1</sup>	Sharpe Ratio <sup>2</sup>	Beta <sup>3</sup>
PERA	7.0	0.8	0.4
ERB	5.9	1.2	0.3
LGPF	7.1	0.9	0.4
STPF	6.9	0.7	0.4

<sup>1</sup>Measures variability from the mean return; higher is more volatile.

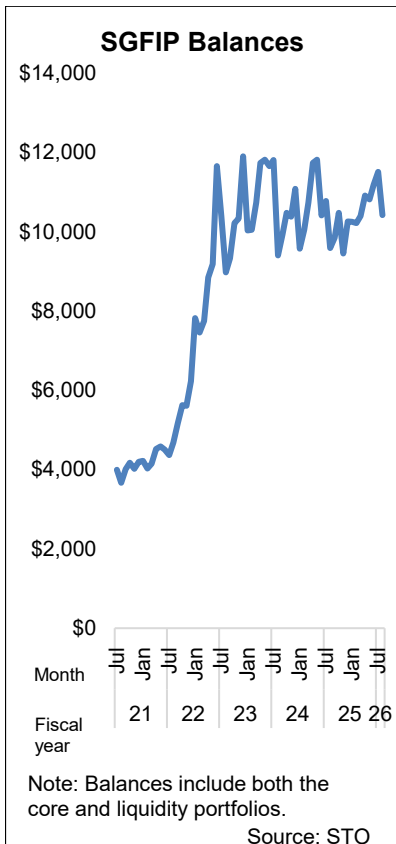
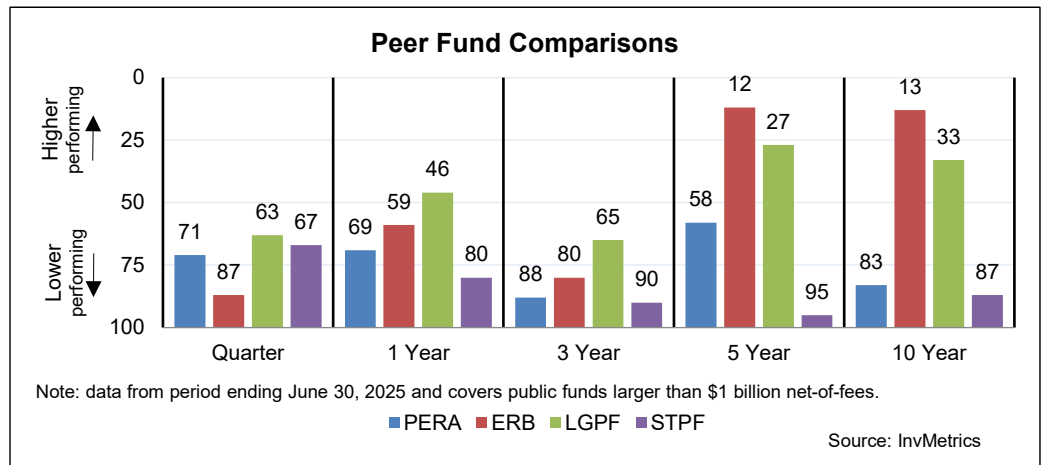
<sup>2</sup>Higher numbers indicate higher return-to-risk level; a good ratio is 1 or better.

<sup>3</sup>Represents the volatility of the portfolio versus the S&P 500. Beta = 1: portfolio moves with the market. Beta < 1: portfolio is less volatile than market. Beta > 1: portfolio is more volatile than the market.

Source: Investment Agencies

## Comparison with Peer Funds

When compared with peer funds greater than \$1 billion on a net-of-fee basis, New Mexico's large investment funds had varied performance over the long-term, with ERB and the LFPF above the median and PERA and the STPF performing below the median. ERB and the LGPF was at or above the 25<sup>th</sup> percentile in the five-, and 10-year periods. Most funds performed poorly compared with peers in the quarter, one-, and three-year periods. STPF performed poorly compared with peer funds and was the only fund to perform near or below the 75<sup>th</sup> percentile for each period except the quarter. STPF performance is moderated by the allocation to differential rate New Mexico investments, which generate lower returns.



## General Fund Investment Pool

Table 3

### General Fund Investment Pool

Period ending 6/30/2025

Fund	Value as of		Value Change	Percent Change
	6/30/24	6/30/25		
GF Core	\$5,617.7	\$6,296.7	\$679.0	12.1%

Source: STO

Table 4

### General Fund Investment Pool - Core Portfolio

Period ending 6/30/2025

	Performance	
	Quarter	1-Year
GF Core	1.34%	5.98%
Benchmark - Treasury 0-5 Year	1.28%	5.80%
Relative Performance	0.06%	0.18%

Source: STO

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

The general fund core portfolio exceeded its benchmark over the quarter by 0.06 percentage points and by 0.18 percentage points over the year.