



FY22 Budget Request

Department of Finance and
Administration (DFA)

November 17, 2020



New Mexico Department of
Finance & Administration



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OUR VISION

Public entities, throughout New Mexico, are fiscally responsible, effective and accountable.

OUR MISSION

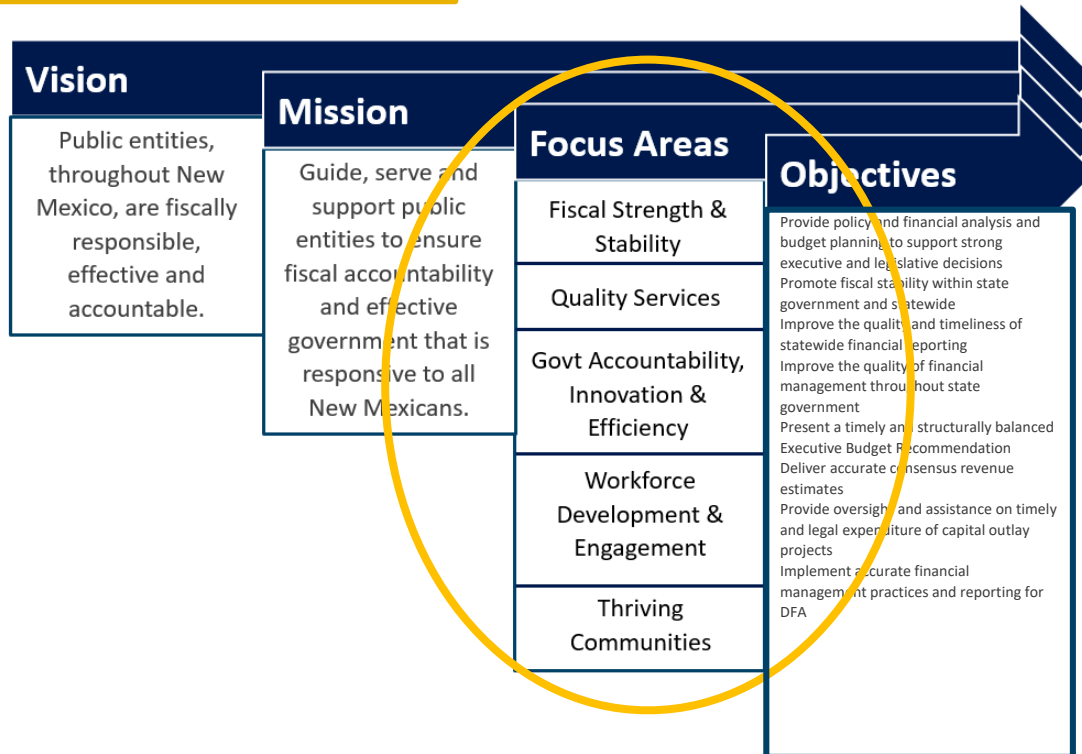
Guide, serve and support public entities to ensure fiscal accountability and effective government that is responsive to all New Mexicans.

OUR GUIDING VALUES

Accountable, Collaboration, Communication, Efficiency, Effectiveness, Fiscally Responsible, Service and Quality



Donnie Quintana, Local Government Division Director



OBJECTIVES BY FOCUS AREA

FISCAL STRENGTH & STABILITY

STRENGTHEN STATE FINANCES THROUGH LONG-TERM FINANCIAL AND BUDGET PLANNING AND OVERSIGHT

1. Provide policy and financial analysis and budget planning to support strong executive and legislative decisions
2. Promote fiscal stability within state government and statewide
3. Improve the quality and timeliness of statewide financial reporting
4. Improve the quality of financial management throughout state government
5. Present a timely and structurally balanced Executive Budget Recommendation
6. Deliver accurate consensus revenue estimates
7. Provide oversight and assistance on timely and legal expenditure of capital outlay projects
8. Implement accurate financial management practices and reporting for DFA

QUALITY SERVICES

DELIVER HIGH-PERFORMING FINANCIAL and ADMINISTRATIVE SERVICES

1. Deliver quality, reliable and timely financial and administrative services to internal and external customers
2. Issue comprehensive and regular budget reporting for state agencies
3. Furnish user-friendly, actionable Infrastructure Capital Improvement Plan (ICIP) and capital outlay project balance reporting
4. Offer a positive, solution-driven customer experience to both external and internal customers
5. Impart financial expertise, training and technical assistance to local public entities

GOVT ACCOUNTABILITY, INNOVATION & EFFICIENCY

COMMIT TO OPERATIONAL EXCELLENCE and CONTINUOUS IMPROVEMENT

1. Build technological capabilities and improve processes to achieve progressive ways of doing business timely and consistently
2. Promote financial expertise statewide to achieve efficiency and improve operating standards, consistency, knowledge base, and work product
3. Involve stakeholder input in key decisions
4. Foster best practices and accountability
5. Make certain DFA hardware and software is compatible with the latest technology and security standards
6. Implement safeguards to ensure DFA payment systems are secure

THRIVING COMMUNITIES (state agencies and local public entities)

IMPROVE COMMUNICATION TO BUILD A NETWORK OF SUPPORT AND COLLABORATION

1. Present training and education to local public entities
2. Present training and education to other state agencies
3. Conduct outreach efforts to build strong local public entity relationships
4. Conduct outreach efforts to increase understanding of state agency's operations and needs
5. Ensure capital projects are fully planned, having addressed operating and maintenance costs, corresponding revenue sources which are ready to begin

WORKFORCE DEVELOPMENT & ENGAGEMENT

SUPPORT AND INVEST IN OUR WORKFORCE

1. Ensure adequate training and educational attainment support for DFA workforce
2. Provide an overall positive experience for new DFA employees
3. Maintain positive employee morale through employee engagement and appreciation activities
4. Create successful pipeline and succession plan for key positions
5. Deliver technical guidance support and IT training to all DFA employees



DFA General Fund Budget Request Summary (Thousands)

	FY21	FY22	\$ Change	% Change
Personal Services and Employee Benefits	\$ 11,543.6	\$ 10,961.1	\$ (582.5)	-5.0%
Contractual Services	\$ 4,155.6	\$ 3,693.4	\$ (462.2)	-11.1%
Other Operating	\$ 642.9	\$ 574.9	\$ (68.0)	-10.6%
Subtotal	\$ 16,342.1	\$ 15,229.4	\$ (1,112.7)	-6.8%
Memberships/Specials	\$ 5,283.5	\$ 5,315.0	\$ 31.5	0.6%
DFA Total	\$ 21,625.6	\$ 20,544.4	\$ (1,081.2)	-5.0%
FTE	153	147		-3.9%





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Fiscal Strength & Stability

DFA's FY22 budget request recognizes current and projected economic constraints while prioritizing fiscal strength and stability. Priorities include:

- Retaining Financial Control Division staff and expertise,
- Stopping vendor fraud,
- Protecting and improving on the state's bond rating, and
- Improving on consistent financial management.

Outcomes: These Priorities ensure steady statewide financial decision making for New Mexico's long-term fiscal strength and stability while maintaining low-cost financing for projects in our communities.



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Quality Services

DFA's budget request also emphasizes maintaining quality services. Priorities include:

- Distributing federal and state funds timely,
- Responding to Local government needs, and
- Equipping local and state agencies with financial expertise, training, and technical assistance.

Outcomes: Local and state government entities are better positioned to respond to issues effecting their communities. Through programs like the Enhanced 911 Program, Community Development Block Grant and the Local DWI Grant Program, DFA helps to build and rebuild resiliency in local communities.



Government Accountability, Innovation & Efficiency

Another DFA necessity is improving government accountability, innovation and efficiency. Priorities include:

- Retaining and building on Budget Division staff expertise,
- Implementing new budget software for state and local entities,
- Building on capital outlay and cares act dashboards,
- Emphasizing performance monitoring, and
- Developing responsible budget recommendations that meet the needs of New Mexicans.

Outcomes: Improved state government performance and capacity to meet the needs of your communities.





Thriving Communities

DFA continues assisting and supporting state agencies and local governments every day. Priorities include:

- Providing intensive one-on-one assistance,
- Frequent training, and
- Education continuation.

Outcomes: Improving local government budgeting, ensuring timely financial audits, and accountably spent state and federally funded expenditures at the local level.





Workforce Development & Engagement

Workforce development and engagement is key to recruiting and retaining resilient staff, now more than ever. Priorities include:

- Focusing on vibrant staff communication in the current telework environment with improved technological support,
- Providing training opportunities on a frequent basis, and
- Encouraging management to stay constantly engaged with staff to ensure accountability and performance.

Outcomes: Enhancing the skills, engagement, knowledge, and customer-focused professionalism among DFA staff.

Special/Other Appropriations



	PROGRAM	FY20 Actuals	FY21 Operating Budget	FY22 Budget Request	\$ Difference	% Change
A	County detention of prisoners	2,396.5	2,396.5	2,387.5	(9.0)	-0.4%
B	Fiscal agent contract	1,064.8	1,064.8	1,000.0	(64.8)	-6.1%
C	Membership and dues	140.0	148.4	148.0	(0.4)	-0.3%
D	State planning districts	693.0	693.0	693.0	-	0.0%
E	Land grant council (Fund 62000 prior to FY17)	296.9	296.9	321.6	24.7	8.3%
F	Acequia and community ditch education	398.2	398.2	352.0	(46.2)	-11.6%
G	Leasehold community assistance	57.0	70.0	272.0	202.0	288.6%
H	New Mexico acequia commission	88.1	88.1	73.2	(14.9)	-16.9%
I	Statewide teen court	17.7	17.7	17.7	-	0.0%
J	Emergency water supply fund	104.8	109.9	50.0	(59.9)	-54.5%
	DFA Special Appropriations - GF Only (A thru J)	5,257.0	5,283.5	5,315.0	31.5	0.6%
K	Law Enforcement	5,137.5	15,100.0	15,100.0	-	0.0%
L	Statewide Teen Court	120.2	120.2	137.9	17.7	14.7%
	Total DFA Special Appropriations (A thru L)	10,514.7	20,503.7	20,552.9	49.2	0.2%
M	Civil Legal Services (GF&Other State Funds)	4,282.6	4,820.0	3,899.0	(921.0)	-19.1%
N	Tobacco	16,951.1	17,000.0	17,000.0	-	0.0%
O	County Supported Medicaid	38,000.0	43,200.0	43,200.0	-	0.0%
P	E911	12,587.2	12,455.0	12,451.0	(4.0)	0.0%
Q	DWI	22,298.3	20,200.0	20,200.0	-	0.0%
R	CDBG	10,260.9	10,203.3	10,203.3	-	0.0%
S	Forest Reserve	9,308.4	9,308.4	9,308.4	-	0.0%
T	Taylor Grazing	441.5	469.2	469.2	-	0.0%
	TOTAL DFA PASS THROUGHES (A thru T)	124,644.7	138,159.6	137,283.8	(875.8)	-0.6%

Memberships & Dues \$148 thousand (Line C)

National Governor's Association Dues

Western Governor's Association Dues

National Association of State Budget Officers



Leasehold Community Assistance \$272 thousand (Line G)

Request based on statutory requirement, FY20 expenditures were \$57 thousand

Fiscal Agent Contract \$1 million (Line B)

\$64 thousand decrease

Acequia and Community Ditch Education \$352 thousand (Line F)

\$46 thousand decrease

Emergency water supply fund \$50 thousand (Line J)

\$59.9 thousand decrease





Other State Funds

County Supported Medicaid \$43.2 million (Line O)

Flat request based on prior year revenue

Local DWI Grant Fund \$20.2 million (Line Q)

Flat request based on prior year revenue



QUESTIONS



Performance Measures by Program



Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability (P541)

	FY18 Actual	FY19 Actual	FY20 Target	FY21 Target	FY22 Request
General Obligation Bond Rating (Moody's & S&P) (NEW)	-	-	-	AA+	AA+
% of capital outlay expended within 6 months for all funding sources (NEW)	-	-	-	5.0%	5.0%
% of capital outlay expended within 3 years for all funding sources (NEW)	-	-	-	85.0%	85.0%
% of capital outlay projects with no activity after one year (NEW)	-	-	-	0%	0%
% of fiscal impact reports issued within two days of request (NEW)	-	-	-	100.0%	-
Error rate for the 18 month General Fund revenue forecast, non-oil and gas revenue and corporate income taxes	10.7%	-15.0%	(+/-) 3.0%	5.0%	5.0%
Error rate for the 18 month General Fund revenue forecast, oil and gas revenue and corporate income taxes	-15.0%	-21.0%	(+/-) 3.0%	5.0%	5.0%
General Fund Reserve as a percent of recurring appropriations	19.6%	28.9%	20.0%	25.0%	25.0%
% of state agencies who are satisfied with DFA services based on survey responses (NEW)	-	-	-	90.0%	90.0%
# of formal and informal trainings conducted by the State Budget Division	3	3	3	3	3
% of agencies attending State Budget Division training (NEW)	-	-	-	95.0%	95.0%
# of visits to state agencies by State Budget Division (NEW)	-	-	-	30	-

Performance Measures by Program

Fiscal Management and Oversight (P544)



	FY18 Actual	FY19 Actual	FY20 Target	FY21 Target	FY22 Request
Length of time to issue the Comprehensive Annual Financial Report (CAFR) after the end of the fiscal year, in days	11	12	-	-	-
% of material audit findings resolved in CAFR (NEW)	-	-	-	75.0%	75.0%
% of state agencies that have received an onsite visit from CAFR Unit accountants (NEW)	-	-	-	10.0%	-
% of state agency CFOs who have completed CFO certification program (NEW)	-	-	-	100.0%	-
# of trainings held by Financial Control Division (NEW)	-	-	-	10	10
% of state agency CFOs attending Model Accounting Practices (MAPS) module training (NEW)	-	-	-	100.0%	-
% of bank accounts reconciled on an annual basis	100.0%	100.0%	100.0%	100.0%	100.0%
% of payroll payments to employees made by the scheduled payday	100.0%	100.0%	100.0%	100.0%	100.0%
% of vouchered vendor payments processed within five working days	99.0%	95.0%	95.0%	100.0%	100.0%



Performance Measures by Program

Community Development, Local Government Assistance and Fiscal Oversight (P543)

	FY18 Actual	FY19 Actual	FY20 Target	FY21 Target	FY22 Request
% of local public entities that meet required reserve levels (NEW)	-	-	-	100.0%	-
% of local public entities with current audits (NEW)	-	-	-	100.0%	-
% of capital intergovernmental grant agreements (IGAs) entered into within 60 days (NEW)	-	-	-	50.0%	50.0%
% of required site visits by enhanced-911/driving while intoxicated/community development block grant staff are conducted annually (percent by program)	53.0%	90.0%	90.0%	90.0%	90.0%
% of public entities surveyed regarding Local Government Division program changes LGBMS (NEW)	-	-	-	100.0%	100.0%
% of grantee payment requests processed within ten working days in Local Government Division	97.0%	97.0%	97.0%	100.0%	100.0%
% of Local Government capital outlay projects included in Infrastructure Capital Improvement Plan (ICIP) (NEW)	-	-	-	100.0%	-
# of visits to local public entities to provide E911 general support or technical assistance (NEW)	-	-	-	13	13
# of trainings provided to local public entities (NEW)	-	-	-	13	13
% of local public entities attending training (NEW)	-	-	-	75.0%	-
# of Local Government Division visits to local public entities (NEW)	-	1	-	140	140
% of local public entities who are satisfied with Local Government Division services based on survey responses (NEW)	-	-	-	80.0%	80.0%
# of counties and municipalities the Local Government Division assisted during the fiscal year to resolve audit findings and diminish poor audit opinions	13	13	11	11	11
% of local public entities submitting Infrastructure Capital Improvement Plans (ICIPs) (NEW)	-	-	-	95.0%	-



Performance Measures by Program

Program Support (P542)

	FY18 Actual	FY19 Actual	FY20 Target	FY21 Target	FY22 Request
% of major fund reconciliations completed as an internal control within twenty-one days after the official closing of the books each quarter	100.0%	30.0%	97.0%	97.0%	97.0%
% of prior-year DFA audit findings resolved/ improved	60.0%	80.0%	80.0%	80.0%	-
DFA IT Security Score (850 max) (NEW)	-	-	-	850	850
# of DFA security scans performed annually (NEW)	-	-	-	5	5