

LFC 2016 STAFF INTERIM WORK PLANS
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2016 INTERIM WORK PLAN SUMMARY

Higher Education: Travis Dulany

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: New Mexico’s colleges and universities were subjected to a \$20 million reduction in general fund appropriations that, when combined with reductions in tuition revenue from declining enrollment, will require institutions to implement solvency measures in FY17. Importantly, New Mexico has 25 publicly funded institutions that offer postsecondary curricula. Although many of these institutions collaborate on a frequent basis, there is more opportunity for institutions to consolidate efforts in order to more efficiently deliver services, particularly with regard to central administration operations as well as course and degree offerings.</p> <p>Goal: Develop recommendations to leverage the higher education instruction and general (I&G) funding formula to reward institutions that find innovative ways to cut costs through collaboration.</p>	<p>Higher education I&G funding formula recommendations to reward collaborative efforts achieving cost savings among institutions.</p> <p>Scenarios showing estimated cost savings among institutions participating in collaborative efforts.</p>	<p>More efficient use of postsecondary resources.</p> <p>Shift in funding formula discussions to reward institutions that not only perform better but that also have an eye toward building partnerships that reduce costs.</p>	Dulany, HED, Higher Education Funding Formula Steering Committee	December 2016 LFC Hearing
2	<p>Issue: The higher education funding formula used to determine the FY17 I&G appropriation for each institution was based on a significantly lower amount of performance funding compared with previous years, primarily due to the challenging revenue environment. Funding for formula adjustments was subsequently appropriated from nonrecurring sources.</p> <p>Goal: Provide funding formula recommendations that continue increased performance-based funding in years in which new money is not available and suggest measures to shore up equity issues in the formula.</p>	<p>Provide scenarios that continue performance-based funding under low- or no-new revenue circumstances.</p> <p>Create recommendations to shore up equity issues without dependence on new money in the formula.</p>	<p>Better preparation for a variety of revenue scenarios to allow the LFC more options in recommending performance-based I&G appropriation levels.</p>	Dulany, HED, Higher Education Funding Formula Steering Committee	December 2016 LFC hearing

2016 INTERIM WORK PLAN SUMMARY

Higher Education: Travis Dulany

3	<p>Issue: The state appropriated \$124.4 million in research and public service project (RPSP) funding for FY17; however, some of these projects are duplicative of the instruction mission of institutions or RPSPs at other institutions.</p> <p>Goal: evaluate all RPSPs to determine where better collaboration can be achieved. If an RPSP is related to instruction, consider recommending the appropriation be funded under the I&G purposes line in the General Appropriations Act.</p> <p>Issue: Through the RPSP process, institutions submit performance measures and outcomes for each project; however, these measures are often unquantifiable and seldom reviewed for accuracy.</p> <p>Goal: Review performance measures for all RPSPs with recommended changes and targets.</p>	<p>Provide members with recommendations and information on RPSPs that could be combined with other appropriations.</p> <p>Provide institutions feedback on which performance measures will be more informative in the budget-making process.</p> <p>LFC hearing on RPSPs that have experienced success through collaboration and potential options to maximize efficiencies moving forward as well as presentations from institutions with exemplary RPSP performance measures and data.</p>	<p>Improved efficiency of effort among institutions through collaboration, as well as increased accountability among institutions by funding instruction-related RPSPs through the performance-based funding formula.</p> <p>Improved LFC FY17 budget recommendation with enhanced information on the impact of RPSPs throughout the state.</p> <p>Clearer explanation of institutions' RPSP performance targets and, if necessary, revision of performance measures for RPSPs in preparation for the FY18 budget cycle.</p>	Dulany, HED, Institutions	September Hearing

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
4	<p>Issue: Institutions and HED collaborate to calculate recommended Other State Funds (OSF) and Federal Funds (FF) amounts in the GAA, but these figures are not always reconciled with end-of-year actual expenditures or updated for additional funding sources.</p> <p>Goal: Together with HED, conduct an examination of expenditures by each institution to determine if requested OSF and FF reflect expected revenues from these sources.</p>	<p>Provide members with a matrix of appropriated OSF and FF amounts compared with actual expenditures for a previous fiscal year.</p> <p>Staff brief on next steps to better align amounts appropriated in the GAA with what institutions will actually receive from non-general fund sources.</p>	<p>More accurate appropriation levels for OSF and FF in the GAA.</p> <p>Better understanding of institutional revenue sources and expenditures.</p>	Dulany, HED, Institutions	November 1, 2016

2016 INTERIM WORK PLAN SUMMARY

Higher Education: Travis Dulany

5	<p>Issue: Although other state agencies report on measures quarterly pursuant to the Accountability in Government Act (AGA), higher education institutions are not reported each quarter. Several measures, such as graduation rates, are unavailable for quarterly reporting; however, many informative measures could be reported more frequently while others could be developed. As an example, the percent of students dropping a course in the middle of the semester may inform whether an institution is on target to meet course completion goals.</p> <p>Goal: Update performance reporting protocols to collect enough data for quarterly higher education report cards.</p> <p>Issue: Performance measures reported for AGA are not aligned with the performance data used to calculate the higher education I&G funding formula.</p> <p>Goal: Update institutional performance measures to match performance indicators used in the I&G funding formula.</p>	<p>Quarterly higher education report cards.</p> <p>Updated higher education institution performance measures.</p>	<p>More frequent updates on the progress of higher education institutions toward meeting statewide priorities.</p> <p>Better alignment of AGA performance measures and the I&G performance-based funding formula.</p>	Dulany, DFA, Institutions, HED	September 1, 2016
6	<p>Issue: Colleges and universities charge programs for institutional support, but it is unclear how these charges are calculated and whether there is a consistent policy from institution to institution.</p> <p>Goal: Examine institutional support charges and how they impact programmatic budgets.</p>	<p>Staff brief and spreadsheet demonstrating institutional support charges across institutions.</p>	<p>Better understanding of how institutional support is calculated and how the Legislature can factor this revenue source during the appropriations process.</p>	Dulany, HED, Institutions	June hearing
7	<p>Issue: The Legislature appropriated about \$135.9 million in capital outlay funding during the 2016 legislative session. As institutions encounter a shifting enrollment environment, effective use of space will be critical. Institutions may need to evaluate existing plans to account for enrollment projections and costs to heat and cool buildings that are underutilized.</p>	<p>Activity report items and information item as part of capital projects process.</p>	<p>Inform legislators on how the state's investments in capital projects are being carried out.</p>	Dulany, Pacheco, Kehoe, HED, Institutions	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Higher Education: Travis Dulany

	Goal: Monitor space utilization and solicit information from institutions on how enrollment changes, as well as programs such as distance education, impact the use of campus buildings.				
8	<p>Issue: In 2015, statute was enacted to require HED to establish a common-course naming and numbering system for substantially equivalent, lower-division courses by August 1, 2017.</p> <p>Goal: Monitor progress toward development of this common-course naming and numbering system with periodic updates.</p>	Status report to LFC Director and LFC as needed.	Improved understanding of departmental efforts to provide a common course naming and numbering system to help students transfer credits from institution to institution.	Dulany	Ongoing
9	<p>Issue: The legislative lottery tuition scholarship will no longer receive about \$18 million in liquor excise tax revenue in FY18.</p> <p>Goal: Study the legislative lottery scholarship and work with institutions to propose solutions for the 2017 legislative session.</p>	<p>Staff brief and activity report items.</p> <p>Vol. III table with estimated FY17 revenues and expenditure levels.</p>	<p>Provide potential options to provide soft landings as the scholarship program experiences a 33 percent reduction in revenue as a result of liquor excise tax sunset clause.</p> <p>Illustrate effects of flat or declining enrollment and program participation, as well as updated estimate of savings from phase-out of 8th semester awards.</p>	Dulany, HED	Regularly in 2016 interim.
10	Monitor FY16 budget reductions across institutions as a result of statewide budget reductions required in Section 10 of the 2016 GAA.	<p>Activity report items and staff report.</p> <p>Updated Vol. III table showing new FY16 amounts.</p>	Better understanding of how Section 10 reductions were applied and the impact on delivering instruction and services across New Mexico higher education institutions.	Dulany, DFA	July 1, 2016
11	<p>Issue: A 2015 staffing study at New Mexico State University (NMSU) found the institution has a large number of managers compared to the number of direct reports and a high ratio of administrative assistants per employee. NMSU used this information to make informed staffing structure changes.</p> <p>Goal: Examine the NMSU study and review whether the findings and recommendations translate to potential efficiencies at other institutions in the state.</p>	Update to the LFC Director and staff brief.	Development of additional cost savings ideas.	Dulany, NMSU, HED	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Public Education: Clint Elkins

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: School districts are experiencing declining enrollment which will impact the amount of formula funding received. Also, total units have decreased slightly from 635.4 thousand units in FY13 to 632.4 thousand in the preliminary funded run of FY16.</p> <p>Goal: Understand the budget implications of declining enrollment and what guidance can be provided by PED to districts.</p>	<p>Potential LFC hearing.</p> <p>Activity report items.</p> <p>Volume III chart on funding per student, including public school capital outlay compared to surrounding states.</p>	<p>Improved policy and budget recommendations for public school support.</p>	<p>Elkins</p>	<p>December 2016</p>
2	<p>Issue: During the legislative session, PED announced it reached an agreement with the U.S. Department of Education (USDE) regarding the state's maintenance-of-effort (MOE) requirements in previous years. However, PED did not release a formal agreement during the legislative session and the Legislature was hesitant to commit the funding without a formal agreement. Also, it is unclear how USDE will calculate MOE requirements in future years.</p> <p>Issue: USDE is proposing a new rule requiring states to adopt a standard approach to compare racial and ethnic groups to determine when there is an overrepresentation of minority students in special education. LFC staff view this rule as an opportunity to address long-standing problems of over identification and difficulty of achieving MOE.</p> <p>Goal: Appropriations meeting MOE going forward.</p>	<p>Potential LFC hearing.</p> <p>Status report on MOE agreement and funding levels, including impact of special education audit on budget.</p>	<p>Improved recommendations for public school support including IDEA funding.</p>	<p>Elkins, LESC, PED</p>	<p>Ongoing</p>

2016 INTERIM WORK PLAN SUMMARY

Public Education: Clint Elkins

3	<p>Issue: Concerns exist about accountability of formula funding and below-the-line funding, school districts' and charter schools' ability to manage formula funding, and PED's capacity to effectively manage and implement new and existing initiatives.</p> <p>Goal: Improve understanding of how education dollars are spent.</p>	<p>Activity reports on expenditure of formula funding, categorical appropriations, and initiative appropriations.</p> <p>Volume III documents related to school district and charter school expenditure of formula and categorical appropriations and historical student performance.</p>	<p>Improved policy and budget recommendations.</p> <p>More efficient allocation of funding formula dollars.</p> <p>Development of performance measures for initiatives.</p>	<p>Elkins, LFC Evaluation Staff, LESC, PED</p>	<p>Ongoing</p>
4	<p>Issue: Recruitment, retention, and compensation of teachers. Average teacher pay in New Mexico is declining when compared with national averages. However, there appears little support to increase teacher salaries without effective annual evaluations and college of education improvement.</p> <p>Goal: Increase the number of licensed teachers and align teacher pay with the intended policy goal of attracting, retaining, and advancing high quality teachers and improving student achievement.</p>	<p>Activity reports.</p> <p>Potential LFC hearing discussing recruitment and retention issues and salary survey of surrounding states.</p> <p>Potential issues/topics for program evaluation.</p>	<p>Strategies to streamline college of education admissions and completions, increase the number of licensed teachers, and retain current teachers.</p> <p>Improved policy and budget recommendations.</p>	<p>Elkins, LESC, PED</p>	<p>Ongoing</p>
5	<p>Issue: During the 2016 legislative session, LFC and LESC endorsed legislation to change the public school funding formula to align the training and experience index (T&E) with the three-tiered licensure system, decrease the school size adjustment factor for charter schools, and increase the at-risk weight. LFC and LESC endorsed a second bill eliminating the double funding of students in newly phase-in grades who count in the current-year student membership and the calculation of enrollment growth units. Lastly, both committees endorsed legislation to create separate transportation distributions for school districts and state-chartered charter schools.</p> <p>Goal: Review and update recommendations for committee sponsored legislation.</p>	<p>Activity reports.</p> <p>Potential committee sponsored legislation.</p>	<p>More efficient allocation of funding formula and transportation dollars.</p>	<p>Elkins, LESC</p>	<p>December 2016</p>

2016 INTERIM WORK PLAN SUMMARY

Public Education: Clint Elkins

6	<p>Issue: The quality and accuracy of performance data reported quarterly by PED continues to be a concern.</p> <p>Goal: Identify best practice performance measures that can be reported quarterly with regard to student performance and PED's oversight role.</p>	Develop a LFC/LESC joint performance report for PED and Public School Support.	<p>Improved policy and budget recommendations.</p> <p>Development of performance measures.</p>	Elkins, LESE, PED	
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SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	Monitor Legislative Education Study Committee meetings and activities and participate as required.	<p>Status report to LFC Director.</p> <p>Coordinated interim work plans.</p>	Improved policy and budget recommendations.	Elkins	Ongoing
2	Participate in Public School Capital Outlay Council, Public School Capital Outlay Oversight Task Force, and Public School Facilities Authority activities. Additionally, analyze state/local match funding formula for public school capital outlay projects.	<p>Recommendations to PSCOC for standards-based project funding and other program spending, including potential recommendations to update state/local match formula.</p> <p>Status reports to LFC.</p> <p>Address constituent issues.</p>	Improved determination of school construction need and funding strategies to maximize the expenditure of funds.	Elkins	Ongoing
3	Attend monthly colleges of education Deans and Directors meetings.	Status report to Director.	Improved policy recommendations.	Elkins	Ongoing
4	Monitor public education sufficiency lawsuit and reopening of Zuni public school capital outlay lawsuit.	Status report and potential hearing update.	<p>Improved recommendations for FY18 public education appropriations.</p> <p>Improved staffing of PSCOC and policy recommendations related to use of Public School Capital Outlay Fund.</p>	Elkins, PED, PSFA	Ongoing
5	Study potential savings emerging from districts sharing administrative services.	<p>Status report to LFC Director.</p> <p>Activity reports.</p>	More efficient use of funding formula dollars.	Elkins	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Human Services/Medicaid: Christine Boerner

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: HSD estimates an \$86.5 million general fund shortfall for FY17 (includes \$23.7 million from FY16) and an associated \$330 million in federal matching funds. HSD noted the amount of cost containment necessary, particularly in the span of time available, is “insurmountable.”</p> <p>Goals/Objectives: Maintain the integrity of the state’s Medicaid program while implementing over \$400 million in cost containment measures. Examine cost containment initiatives including co-pays, deductibles, and prescription costs.</p>	<p>Activity reports regarding Medicaid Advisory Committee subcommittee deliberations and recommendations for cost containment measures to be undertaken;</p> <p>Activity reports regarding statutorily required reports from HSD on the fiscal impact of cost containment measures;</p> <p>Reports and analysis regarding status of revenue assumptions in the FY17 budget including intergovernmental transfers, new federal rules for 100% reimbursement for Native Americans, and county-supported Medicaid.</p>	Informed FY18 budget recommendations.	Boerner/ Evaluation team	September 2016
2	<p>Issue: There is a lack of timely trend data for Medicaid cost drivers such as enrollment, utilization, medical costs, etc.</p> <p>Goals/Objectives: Establish timely trend models for key Medicaid cost drivers to allow for an approximation of real-time cost projections in the program.</p>	<p>LFC - maintained trend models of major Medicaid cost drivers;</p> <p>Activity reports;</p>	Improved timeliness of Medicaid cost driver projections; Informed budget analysis	Boerner/Felmley	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Human Services/Medicaid: Christine Boerner

3	<p>Issue: The state’s behavioral health system continues to undergo serious challenges including limited new funding for FY17, ongoing lawsuits, and persistent reports of provider shortages and limited access.</p> <p>Goals/Objectives: Ensure a stable and responsive behavioral health systems for the state’s most vulnerable populations</p>	<p>Activity reports regarding the array and quality of services available for clients, particularly those without Medicaid health coverage;</p> <p>Monitor and report on changes to services provided and any additional savings as individuals move from state-funded services to those covered by Medicaid.</p>	<p>Informed budget recommendation for FY18.</p>	<p>Boerner</p>	<p>September 2016</p>
4	<p>Issue: Senate Memorial 37 directs LFC to conduct a study on collection, billing, charging and financial assistance practices of all New Mexico hospitals and recommend improvements to the state’s indigent care system.</p> <p>Goals/Objectives: Ensure the state’s health care safety net for the uninsured is effective and efficient.</p>	<p>Final evaluator report released during the 2016 interim;</p> <p>Activity reports regarding preliminary findings</p>	<p>Informed FY18 budget recommendations;</p>	<p>Boerner/ Felmley</p>	<p>September 2016</p>

2016 INTERIM WORK PLAN SUMMARY

Human Services/Medicaid: Christine Boerner

5	<p>Issue: In FY15 DoIT requested an emergency budget adjustment to cover prior-year costs; this culminated in a \$6 million supplemental request for an FY16 budget shortfall due to prior-year expenditures, primarily for telecommunications expenses, and overspending in other categories such as travel expenses. The department received a \$2 million supplemental appropriation to address the budgetary shortfalls.</p> <p>Goals/Objectives: Ensure DoIT regains financial viability and provides high-quality IT services and infrastructure for state agencies at appropriate rates.</p>	<p>Potential performance evaluation regarding DoIT rate setting;</p> <p>Activity reports regarding how DoIT manages its budgetary challenges</p>	<p>Informed FY18 budget recommendations</p>	<p>Boerner/ Fresquez</p>	<p>September 2016</p>
	<p>Issue: Medicaid expansion has allowed thousands more New Mexicans to access behavioral services, yet information about improved outcomes is very limited.</p> <p>Goals/Objectives: Ensure limited state resources spent on critical behavioral health services result in quantified improved outcomes.</p>	<p>LFC Hearing; Activity reports</p>	<p>Quantified behavioral health outcomes; Informed budget recommendations</p>	<p>Boerner/Felmley</p>	<p>Ongoing</p>
6	<p>Issue: State agencies purchase pharmaceuticals separately and do not use combined purchasing power to negotiate pharmaceutical rates.</p> <p>Goals/Objectives: Create LFC pharmaceutical workgroup to ensure agencies are coordinating pharmaceutical purchases.</p>	<p>LFC hearing; Activity reports</p>	<p>Reduced statewide cost of pharmaceuticals; Informed budget recommendations</p>	<p>Chenier/Boerner/Klundt/Rogers/Evaluation staff</p>	<p>Ongoing</p>
7	<p>Issue: The New Mexico Medical Insurance Pool (NMMIP) will shrink more slowly than expected</p> <p>Goal/Objectives: Determine ways to reduce the credit for pool losses and reprioritize to help fund the Medicaid match</p>	<p>Budget recommendations, activity report items, possible memo to LFC director</p>	<p>Minimize the impact of NMMIP on the general fund and reallocate as much funding as possible to Medicaid to offset required future increased state payments</p>	<p>Clark/Boerner</p>	<p>Interim</p>

2016 INTERIM WORK PLAN SUMMARY

Human Services/Medicaid: Christine Boerner

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
8	<p>Issue: HSD continues to face serious challenges regarding its administration of Income Support Division programs.</p> <p>Goals/Objectives: Ensure a responsive array of programs through which all clients receive the benefits they are eligible for in a timely manner.</p>	Activity reports regarding outcomes to lawsuits and subsequent changes to the administration of programs and impacts to clients;	Informed budget recommendations; improved understanding regarding department progress in meeting legal challenges.	Boerner	September 2016
9	<p>Issue: HSD requested and received a \$500 thousand increase in TANF for the New Mexico Workforce Program for a total of \$11.2 million. The additional funds were to allow HSD to provide enhanced services such as helping clients achieve high school equivalency, other vocational certificates, or with obtaining job experience.</p>	Work with LFC higher education to monitor and report on department efforts to procure services and develop partnerships with educational institutions and community-based organizations;	Informed budget recommendations; improved understanding how TANF funds can be leveraged to improve client job-readiness.	Boerner/	
10	<p>Issue: There is limited access to broadband in New Mexico which exacerbates inequality and impedes economic development. Further, the state lacks a comprehensive broadband plan so existing efforts to improve access may be duplicative or poorly leveraged.</p> <p>Goals/Objectives: Ensure the \$400 thousand dollars appropriated to the Department of Information for a statewide broadband study and plan accomplishes an effective roadmap for how the state can best leverage resources to improve broadband access in the state.</p>	Attend DoIT planning meetings; Activity reports regarding study and resulting implementation plan.	Informed IT budget recommendations	Boerner/ Fresquez	

2016 INTERIM WORK PLAN SUMMARY

Public Health: Eric Chenier

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Department of Health (DOH) FY17 budgeted spending levels rely heavily on the department's ability to improve patient revenue due to implementation of the Affordable Care Act.</p> <p>Goal: Monitoring DOH's efforts to bill Medicaid for billable services, improve other patient revenues, and slow the pace of spending.</p>	<p>Hearing Topic/ Activity Report Items/Budget Recommendation/Program Evaluation Update</p>	<p>Redirect general fund revenue to support programs and services most important to New Mexicans.</p>	<p>Chenier/Evaluators</p>	<p>Ongoing</p>
2	<p>Issue: DOH facilities and public health offices operate in a rapidly changing health economy and are continuing to experience multiple problems such as overspent budgets, poor recruitment and retention, and staffing not matching the need.</p> <p>Goal: Identify options to streamline, consolidate, or create public and private partnerships for facilities and public health offices.</p>	<p>Activity Report Items/Hearings Topics /Budget Recommendation/Program Evaluation</p>	<p>Improve facility performance.</p>	<p>Chenier/Evaluators</p>	<p>Ongoing</p>
3	<p>Issue: New Mexico's developmental disabilities (DD) waiver waiting list is too long.</p> <p>Goal: Reduce the DD waiver waiting list by exploring funding reprioritization options within DOH.</p>	<p>Activity Report Items/ Budget Recommendation</p>	<p>Reduce DD waiver waiting list.</p>	<p>Chenier</p>	<p>Ongoing</p>
4	<p>Issue: Annually, the Legislature's operational and capital outlay allocations include substantial amounts for senior centers.</p> <p>Goal: Evaluate the current senior center model and identify new operational models and what services will be required in the future.</p>	<p>Hearing Topic/ Activity Report Items/Program Evaluation</p>	<p>More effective allocation of senior service funding.</p>	<p>Chenier/Pacheco/</p>	<p>November 2016</p>

2016 INTERIM WORK PLAN SUMMARY

Public Health: Eric Chenier

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Other states use value-based payment models for Rural and Primary Health Clinics. Research best practices for these clinics and propose changes to the current direct contract model.	Activity Report/Budget Recommendation/Legislation	Improved Rural Primary Health Clinic billing model.	Chenier	December 2016
2	The Legislature needs additional information on the status of capital projects. Provide summary information on agencies' current and priority projects and capital needs.	Activity Report Items/ Budget Recommendations	Inform legislature of capital outlay needs	Chenier	Ongoing
3	The Miner's Hospital received a disclaimed FY14 audit report and the FY15 audit is late. Work with Miner's hospital to ensure future reports are timely.	Activity Reports/Budget Recommendation	Improved confidence in financial management of Miner's Hospital	Chenier	Ongoing
4	The Legislature appropriated \$6.8 million for the Waldrop Lawsuit settlement and Jackson Lawsuit disengagement. Monitor progress of litigation.	Activity Report	Waldrop settlement and Jackson disengagement	Chenier	Ongoing
5	Local support for aging services varies. Improve local support for aging services by monitoring progress of implementation of evaluation recommendations.	Activity report/ budget recommendations	Improved local support of aging services	Chenier	Ongoing
6	State agencies purchase pharmaceuticals separately and do not use combined purchasing power to negotiate pharmaceutical rates. Create LFC staff pharmaceutical workgroup to ensure agencies are coordinating pharmaceutical purchases.	Activity report/hearing topic/budget recommendations	Reduced statewide cost of pharmaceuticals	Chenier/Boerner/Kluntz/Rogers/Evaluation staff	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Kelly Klundt

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issues: New Mexico children are at high-risk of experiencing adverse childhood experiences. As a preventative strategy, the Legislature continues to increase funding for home visiting year-over-year. Despite increasing funding CYFD struggles to expand capacity statewide.</p> <p>Goal: Identify most significant barriers to expanding home visiting services.</p>	<p>Meet with community providers to understand barriers in expanding existing programs or building new programs in communities without existing services.</p> <p>Identify latest national trends in policy regarding expanding home visiting and improved outcomes.</p> <p>Monitor and report on FY17 expenditure of home visiting funding.</p> <p>Output:</p> <ol style="list-style-type: none"> 1. LFC hearing on Home visiting 2. Activity Reports 	<p>Outcome: Increased accountability, reporting, and outcomes.</p> <p>Improved budget and performance measures recommendations.</p>	Klundt, Evaluation Team	December 2016
2	<p>Issue: Almost \$100 million is annually invested in child care subsidies. Previous LFC analysis indicated these subsidies resulted in little impact on educational outcomes for participating children. However, the state's third generation tiered quality rating improvement system Focus, aimed at improving child care assistance outcomes will be implemented system-wide in 2017.</p> <p>Objective: Continues monitoring of the implementation of Focus and the first annual child care assistance outcomes report by CYFD to be published in December 2016.</p>	<p>Continued Monitoring of CYFD's implementation of quality improvements.</p> <p>Continue to identify latest national trends in policy regarding child care quality improvement.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p> <p>CYFD hearings on early education and care</p>	Klundt, CYFD	December 2016

3	<p>Issue: The behavioral health system in New Mexico is in need of evaluation and support. CYFD behavioral health services program is one section of the greater statewide system. In order for at-risk children and families to improve outcomes, they must be engaged in quality mental health services.</p> <p>Goal: Identify how the early childhood behavioral health system can be used to support families and child development for at-risk children.</p>	<p>Output: Obtain general information on current programs and services provided statewide.</p> <p>Interface with oversight committees, boards, councils, and commissions.</p> <p>Report on childhood behavioral health performance data and identity gaps.</p>	<p>Results: Increase quality programming available to children and families.</p> <p>Recommendations for performance measures and FY18 funding.</p> <p>Result First hearing CYFD BHS</p>	Klunt, CYFD, Evaluation Team	December 2016
4	<p>Issue: New Mexico does not meet the significant demand for education and skill training.</p> <p>The Workforce Solutions Department (WSD) administers workforce development programs through WIOA. Currently, WSD is developing the state plan to implement WIOA.</p> <p>Objective: Best practices and national trends in implementing WIOA.</p>	<p>Output: Meet with workforce boards, community colleges, and community providers to identify implementation needs for WIOA. Identify evidence based services implemented nationally for workforce development.</p> <p>Evaluate new funding structure for WIOA.</p> <p>Continued monitoring of WSD UI system.</p>	<p>Result: Improved recommendations for performance measures and FY18 funding.</p>	Klunt, WSD	December 2016

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Action Steps	Outcome/Results	Project	Finish Date
1	Continued evaluation of PS&EB funding levels.	Monitor CYFD and WSD vacancy rates and BAR activity out of PS&EB.	Recommendations for FY18 budget.	Klundt	Ongoing
2	Determine capital outlay needs and issues for CYFD and WSD. Continued monitoring of efforts to replace CPS Lamberton office.	Monitor CYFD and WSD capital outlay requests	Recommendations for FY18 budget.	Klundt	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Economic Development: (vacant)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The Economic Development Department (EDD) received significant Local Economic Development Act (LEDA) funding, and historically, reporting of LEDA expenditures is often minimal</p> <p>Goal: Ensure accurate reporting with greater detail, evaluate relationship between LEDA awards and job creation levels</p>	<p>Activity report items, possible memo to LFC director</p> <p>Possible hearing with bullets or brief</p>	<p>Track and report LEDA expenditures, review recent contracts for clawback provisions</p> <p>Results: Ensure the process is as transparent as possible and clawback provisions protect taxpayer funds, determine the correlation between LEDA funds and job creation and determine cost efficiency</p>	New Analyst	October 2016 and ongoing
2	<p>Issue: The New Mexico Spaceport Authority (NMSA) faces a potential budget shortfall in FY17 if it does not control costs or if revenues fail to materialize</p> <p>Goal: Ensure NMSA frequently monitors and reports its financial status and has a plan in place to address any shortfall</p>	<p>Budget recommendation, activity report items, possible memo to LFC director</p> <p>Possible hearing with bullets or brief</p>	<p>Review NMSA's financial projections, staffing, and contracts</p> <p>Results: Ensure NMSA operates in as self-sufficient a manner as possible and improves its plan for long-term financial stability, including holding flat costs for the security/firefighter services contract</p>	New Analyst	September 2016 and ongoing
3	<p>Issue: The New Mexico Medical Insurance Pool (NMMIP) will shrink more slowly than expected</p> <p>Goal: Determine ways to reduce the credit for pool losses and reprioritize to help fund the Medicaid match</p>	<p>Budget recommendations, activity report items, possible memo to LFC director</p>	<p>Minimize the impact of NMMIP on the general fund and reallocate as much funding as possible to Medicaid to offset required future increased state payments</p>	New Analyst /Boerner	Interim
4	<p>Issue: The Cultural Affairs Department's enterprise fund will be exhausted by the end of FY17, and many agency facilities suffer from substantial deferred maintenance issues</p> <p>Goal: Ensure the agency can continue its core function within its operating budget</p>	<p>Budget recommendations, activity report items, possible memo to LFC director</p>	<p>Determine if existing operations and facilities are viable without substantial, ongoing capital outlay appropriations and increasing general fund support; update the sources and uses spreadsheet to show all revenues and expenditures related to museums and historic sites</p>	New Analyst	October 2016

2016 INTERIM WORK PLAN SUMMARY

Economic Development: (vacant)

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issues: A significant portion of the workforce in New Mexico has occupational licenses, education and experience times required for licensure can be high, and the state has a large number of licenses and related boards and commissions</p> <p>Goal: Determine if existing lines of licensure can be eliminated, combined, or otherwise streamlined; identify burdensome regulations that create barriers for workforce development and economic growth</p>	Budget recommendations, activity report items, possible memo to LFC director	<p>Possible legislation</p> <p>Make New Mexico an easier place to do business to encourage entrepreneurs to stay in the state and incentivize skilled workers from other states to move to New Mexico, and reduce burdensome regulations and associated costs</p>	New Analyst /Liu	December 2016
2	Monitor and review the Cultural Affairs Department's museum expansion efforts and evaluate funding considerations	Budget recommendations, activity report items, possible memo to LFC director	Ensure any expansion has funding streams identified that would not create additional pressure on the general fund	New Analyst	October 2016
3	The Office of Superintendent of Insurance (OSI) collects significant revenues and is changing/streamlining lines of insurance; ensure OSI collects past amounts not paid, ensure proper submissions and payments going forward; monitor reporting and actuarial audit of the Patient's Compensation Fund (PCF)	Budget recommendation, activity report items	Ensure OSI implements the processes and rules necessary to efficiently change lines of insurance, ensure collection of current and back payments; determine staffing level and funding needs; determine if any fees or statutory changes are required to keep PCF solvent	New Analyst	September 2016
4	The tourism industry has expanded significantly; review data to determine current rate of expansion, compare with neighboring states and U.S.	Budget recommendation, activity report items	Determine future funding needs for tourism advertising	New Analyst	Interim
5	The Economic Development Partnership is undergoing a change in leadership; because state funds flow through to the organization, oversight is needed to ensure accountability is maintained	Budget recommendation, activity report items	Maintain or improve the transparency and accountability of the Economic Development Partnership to ensure efficient use of state funds	New Analyst	October 2016

2016 INTERIM WORK PLAN SUMMARY

Economic Development: (vacant)

6	The Job Training Incentive Program (JTIP) receives significant funding but is not meeting rural job statutory requirements	Budget recommendation, activity report items	Review monthly JTIP awards, report if rural job requirements are met, determine need for additional funding	New Analyst	October 2016 and ongoing
7	Regulatory advisory staff expertise and oversight of the financial operations at the Public Regulation Commission (PRC) was a concern during the legislative session.	Work with PRC to determine adequate staffing levels, staff training, and job qualifications. Activity report items, informed budget recommendation.	Review personnel concerns with PRC and State Personnel Staff.	New Analyst	October 2016 and ongoing

2016 INTERIM WORK PLAN SUMMARY

Public Safety: Theresa Rogers

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: the state’s correctional facilities are near or over population capacity, especially among security level three and women’s facilities. Facilities spread across the state leads to increased costs, inefficient management of inmates, and threats to public safety.</p> <p>Goal: study the cost, benefits, and feasibility of building a new prison. Identify possible contract types such as lease-purchase agreements, determine if the facility will be privately or publically operated, and follow up on corrections facility planning program evaluations from 2007, 2008 and 2014.</p>	Hearing brief, activity report, Volume I and II narratives, meetings with interested parties.	More efficiently run prison system with better programming as well as increased public safety.	Rogers/Kehoe/Pacheco/Evaluators	Ongoing
2	State agencies purchase pharmaceuticals separately and do not use combined purchasing power to negotiate pharmaceutical rates or use a statewide pharmacy benefit manager. Create LFC staff pharmaceutical workgroup to ensure agencies are coordinating pharmaceutical purchases.	Activity report, hearing topic, budget recommendations.	Reduced statewide cost of pharmaceuticals.	Rogers/ Chenier/Boerner/Klundt/Hanika-Ortiz/Evaluation staff	Ongoing
3	<p>Issue: the methodological process to calculate NMCD’s overall recidivism rate, recidivism rate by gender, and other performance measures is unclear; therefore, the efficacy of NMCD programming is hard to determine.</p> <p>Goal: work with NMCD and the New Mexico Sentencing Commission (NMSC) to establish meaningful methodology to improve accountability and aid in building and monitoring operating budgets for the department.</p>	Brief, activity reports, budget narrative.	<p>Better understanding of successful programming and prison needs.</p> <p>Improved FY18 budget recommendation.</p> <p>Meaningful and clear annual performance measures will help establish a balance between security costs and recidivism reduction programming.</p>	Rogers	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Public Safety: Theresa Rogers

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: the Department of Public Safety (DPS) and NMCD received large increases for salary increases.</p> <p>Goal: monitor implementation of the pay plan changes to determine if increased funding improves market standing for police officers, correctional officers, and probation and parole officers and if recruitment and retention rates have improved.</p>	Brief, activity reports, and budget narrative.	Improved FY18 budget recommendation.	Rogers	Ongoing
2	Monitor implementation of NMCD's \$7.3 million Offender Management IT System (OMS) approved during the 2016 session.	Activity report and budget recommendation.	Meaningful tracking of programming, medical needs, and records leading to proper security placement, evidence-based treatment, and on-time releases, relieving pressure on the general fund.	Rogers/ Fresquez	Ongoing
3	Monitor the implementation of the criminal justice clearinghouse at DPS ,with assistance from the Administrative Office of the Courts (AOC), for which DPS received funding during the 2016 session. Ensure that courts and law enforcement agencies statewide have access. The clearinghouse should allow the merger of data from multiple criminal justice databases and be used by courts and law enforcement to access comprehensive information on criminal suspects and defendants.	Activity report and budget recommendation.	Comprehensive and easily accessible criminal information statewide.	Rogers/Downs/ Fresquez	Ongoing
4	Monitor the effectiveness of the Department of Homeland Security and Emergency Management (DHSEM) and evaluate whether federal revenues are being spent appropriately and effectively.	Activity report and budget recommendation.	Achieve improved performance and make New Mexico's disaster responses more effective.	Rogers	Ongoing
5	Track funds received by the Crime Victims Reparation Commission through crime victim reparation fees and determine if the funds can replace or reduce general fund allocation.	Activity report and budget recommendation.	Reduce pressure on the general fund.	Rogers	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Transportation/State Personnel: Connor Jorgensen

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The State Personnel Office reports up to half of state employees are either in alternative pay bands or misclassified. Additionally, high turnover and vacancy rates combined with recruitment troubles are hindering agency's ability to perform core functions.</p> <p>Goal: Review the New Mexico pay plan to determine competitiveness relative to public and private sector employers in New Mexico and surrounding states.</p>	<p>A report containing recommendations for ensuring New Mexico is able to provide competitive wages to public sector employees and strategies employed by other states to ensure the pay plan remains competitive.</p>	<p>A recommendation to enhance competitiveness in the pay plan.</p>	<p>Jorgensen</p>	<p>September, 2016</p>
2	<p>Issue: New Mexico's cost to provide employee benefits (retirement and health insurance) is higher than surrounding states while salaries remain below regional averages. Balancing salaries and benefits may create cost-savings and improve recruitment and retention of state employees.</p> <p>Goal: Work with LFC staff to survey other governments (state and federal) to identify compensation approaches to increase employee satisfaction while reducing costs of employment.</p>	<p>A brief on the options for improving recruitment and retention of state workers and reducing employment costs.</p>	<p>The basis for potential legislation addressing the high cost of employee benefits.</p>	<p>Jorgensen</p>	<p>September, 2016</p>
3	<p>Issue: NMDOT gathered a large amount of data on the condition of the highway system statewide during its annual assessment. To this point, the NMDOT has not provided the Legislature with an accessible report detailing the condition of roads by geographic area and the costs to maintain those roads.</p> <p>Goal: Ensure that the Legislature has access to information on the condition of the state transportation system in order to make effective funding decisions.</p>	<p>A report created in cooperation with NMDOT staff showing the current condition of the state highway network, the change in condition from 2013 to 2015, and costs associated with maintenance of the system.</p> <p>Prioritization of projects.</p>	<p>Providing legislators with the most accurate up-to-date information on the condition of the transportation network as well as the resources necessary to improve and maintain the system.</p>	<p>Jorgensen</p>	<p>September, 2016</p>

2016 INTERIM WORK PLAN SUMMARY

Transportation/State Personnel: Connor Jorgensen

4	<p>Issue: Many agencies will be required to reduce staffing levels to accommodate FY17 appropriations.</p> <p>Goal: Develop a tool to determine what vacancy rates must be maintained by agencies in order to stay within FY17 appropriations.</p>	<p>A tracking sheet updated on a monthly basis estimating personnel expenditures and estimated annualized spending levels.</p>	<p>A method for estimating agency expenditures to determine whether spending levels are likely to exceed appropriations.</p>	Jorgensen	September, 2016
5	<p>Issue: Administrative overhead costs for agencies are largely unknown.</p> <p>Goal: Assess all agencies to determine personnel costs for administrative overhead, administrative to operational staff ratios, and a comparison of administrative staff pay across agencies.</p>	<p>Output: A report examining ASD costs across state government.</p>	<p>Outcome: Improved understanding of administrative expenses and necessary staffing levels.</p>	Jorgensen	September, 2016
6	<p>Issue: During the 2016 Legislative Session, Secretary of State, LFC, and DFA staff were unable to identify the costs of general, primary, and presidential elections leading to concerns of funding adequacy.</p> <p>Goal: Quantify election costs so primary election costs can be built into the base budget of the SOS.</p>	<p>Output: A report to Legislators which details costs of elections over the past 4 fiscal years and breaks out sources and uses by election type (presidential, general, and primary).</p>	<p>Outcome: An FY18 budget recommendation which includes all recurring primary election costs in the base budget.</p>	Jorgensen	September, 2016
7	<p>Issue: New Mexico lagged the nation in Medicaid fraud prosecution despite claims, most notably in the recent audit of behavioral health providers, that fraud is widespread.</p> <p>Goal: Identify areas for improvement in fraud prosecutions to ensure allegations of waste, fraud, and abuse in the Medicaid system are properly investigated and prosecuted.</p>	<p>Output: organize meeting with agency staff to discuss audit compliance and enforcement efforts.</p> <p>Output: updates on Medicaid fraud prosecutions.</p> <p>Output: determine what actions should be taken to limit Medicaid fraud in New Mexico.</p> <p>Output: activity reports</p>	<p>Outcome: Better understanding of the Medicaid enforcement system.</p>	Jorgensen, Boerner, Evaluators	September, 2016

2016 INTERIM WORK PLAN SUMMARY

Transportation/State Personnel: Connor Jorgensen

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	Attend all State Transportation Commission and State personnel Board Meetings	Output: Budget recommendation, activity report items	Outcome: Determine projects most in need of funding and policy priorities of NMDOT.	Jorgensen	Interim
2	<p>Issue: The Legislature supported the expansion of the Santa Teresa and provided additional funding for other port of entry facilities statewide. However, it is unclear what, if any, additional state assistance may be required to maximize potential economic development and revenue generation potential of port of entry facilities.</p> <p>Goal: Review the Santa Teresa border transportation infrastructure to determine what, if any, additional state assistance is needed.</p> <p>Goal: Monitor NMDOT's progress in expanding port of entry service and staff.</p>	<p>Output: a report to Legislators on the status of commercial traffic of the Santa Teresa port of entry.</p> <p>Output: A table/chart showing traffic volumes and associated fee revenue generated for the state road fund through port of entry facilities.</p> <p>Output: An assessment of the condition and needs of the roadways in the Santa Theresa area.</p>	Outcome: A report on progress and potential recommendation for legislation to be pursued during the 2017 session.	Jorgensen	September, 2016
3	<p>Issue: Transportation infrastructure funding is insufficient for current needs.</p> <p>Goal: monitor implementation of increased enforcement activity to ensure collection of weight-distance tax revenue.</p>	Output: A report detailing DOT's strategy to increase weight-distance tax collections and a projection for growth in this revenue source.	Outcome: Budget recommendation which includes any additional revenue from increased collections.	Jorgensen	September, 2016

2016 INTERIM WORK PLAN SUMMARY

Natural Resources: Jonas Armstrong

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Without full adjudication of water rights or development of active water resource management (AWRM) rules, the state may lack the tools necessary to enforce priority administration if necessary. OSE is still working on AWRM rules and has expressed openness to shifting its approach to adjudications, but the process continues at a glacial pace and performance measures fail to accurately convey the progress made in water rights adjudications.</p> <p>Goal: Improve the efficiency of adjudications and better measure progress.</p>	Track and report on OSE’s adjudication strategy and progress. Work with AOC and OSE to develop quarterly reports on the progress of adjudications and negotiate improved performance measures.	More informed budget recommendation and improved performance and reporting requirements. Improved efficiency in water rights adjudications.	Armstrong	Ongoing, possible interim hearing
2	<p>Issue: In a suit pending in the U.S. Supreme Court, Texas alleges New Mexico is unlawfully diverting water between Elephant Butte Reservoir and the New Mexico-Texas state line, thereby interfering with Texas' allocation of water under the Rio Grande Compact. If Texas prevails in this action, New Mexico could be liable for monetary damages and water delivery requirements, and pumping in the EBID could be curtailed.</p> <p>Goal: Positive outcome for New Mexico in an expedited timeframe.</p>	A report that tracks use of the 2015 Legislature’s \$4 million special appropriation and analyze resource requirements going forward.	Informed policy and budget recommendations.	Armstrong	Ongoing
3	<p>Issue: Recent LFC program evaluations have found that water infrastructure projects continue to suffer due to fragmented funding processes and problematic project planning, oversight, and execution. With the 2014 capital outlay bill’s significant investment in water infrastructure, addressing these issues is critical.</p> <p>Goal: Participate in NMED’s Water Infrastructure Team (WIT) and track 2014 capital outlay appropriations for water projects.</p>	Building on the “Water Initiative Status Update” document developed in 2015 and released with LFC’s January 2016 capital outlay quarterly report, work with the WIT to identify a process and format for accountability and project tracking. This will include looking into funding from all sources, including capital outlay and the water trust board.	Provide policymakers with effective recommendations to continue addressing water needs in communities, especially those lacking technical expertise. Propose or continue to support proposed legislation or regulation to streamline water project planning and funding.	Armstrong, Kehoe and Pacheco	Ongoing, possible interim hearing and/or legislation

2016 INTERIM WORK PLAN SUMMARY

Natural Resources: Jonas Armstrong

<p>4</p>	<p>Issue: Consistent funding for forest and watershed restoration is a priority for many policymakers and stakeholders. Recent efforts to provide a recurring revenue source was not acceptable to all legislators and options should continue to be explored. For FY17, the Legislature provided a \$1 million recurring increase to the State Land Office’s operating budget, partially for restoration and preventative treatment on state trust lands.</p> <p>Goal: Evaluate funding needs and sources for forest and watershed restoration. Work with agencies and stakeholders to develop a framework to efficiently distribute such resources to areas of need while improving accountability and effectiveness.</p>	<p>Possible committee sponsored legislation. Track and report on the use of current funding for forest and watershed restoration.</p>	<p>Improved and more informed budget and policy recommendations. Possibly a dedicated funding stream for forest and watershed restoration.</p>	<p>Armstrong</p>	<p>September 2016</p>
<p>5</p>	<p>Issue: New Mexico’s Oil and Natural Gas Administration and Revenue Database (ONGARD) is 20+ years old and well past its useful life. The 2016 Legislature appropriated \$12 million for modernization of the system. Stabilization was completed with funding appropriated in 2012 and the tri-agency stakeholder—TRD, SLO, and EMNRD—will move forward with modernization.</p> <p>Goal: The primary goal is to monitor modernization project development to ensure reliable collection and distribution of 30 percent of the state’s revenue.</p>	<p>Periodic updates on the status of tri-agency modernization plans and efforts.</p> <p>Attend periodic stakeholder meetings.</p>	<p>Keep LFC informed of planning for modernization of ONGARD and long-term viability of revenue collection and distribution.</p>	<p>Armstrong, Malone, Boerner, Fresquez</p>	<p>Ongoing</p>

2016 INTERIM WORK PLAN SUMMARY

Natural Resources: Jonas Armstrong

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
6	<p>Goal: Attend board and commission meetings (Water Trust Board, Environmental Improvement Board, Water Quality Control Commission, Interstate Stream Commission, etc.) as well as Water and Natural Resource Committee meetings in the interim.</p>	Activity report items to inform legislators of board and commission activities.	Informed policy and budget recommendations.	Armstrong	Ongoing
7	<p>Issue: Pursuant to the federal Arizona Water Settlement Act, the environmental assessment of a New Mexico Unit of the Central Arizona Project must be completed by December 2019. ISC plans to redevelop a proposal for the project and begin the process in 2016 as well as start work on selected non-diversion projects.</p> <p>Goal: Attend ISC meetings. Review ISC's AWSA work plan, budget and timeline for FY16 and FY17. Monitor the review process, including costs to the state for diversion and other projects.</p>	Activity report items to inform legislators of ISC activity.	Informed policy and budget recommendations.	Armstrong	Ongoing, possible interim hearing.
8	<p>Issue/Goal: Ensure the progress of Indian Water Rights Settlements and secure federal reports, including the timelines of expenditures of state and federal funds.</p>	Develop timelines and agreement with Interstate Stream Commission to regularly receive status and oversight reports.	Provide additional oversight and accountability for state funds; inform legislators of previous year and future allocations made to the Indian water rights settlement fund.	Armstrong, Kehoe, and Pacheco	Ongoing
9	<p>Issue: LFC staff piloted alternative quarterly report cards for the third quarter of FY15, leading to improved FY17 negotiated performance measures for the Environment Department and the Department of Health.</p> <p>Goal: Expand implementation of alternative report cards using performance measures and benchmarked data for other agencies.</p>	More informative report cards and improved performance measures.	Increased information for legislators and the public. Better informed policy and budget recommendations.	Armstrong	May 2016

2016 INTERIM WORK PLAN SUMMARY

Capital Outlay: Linda Kehoe and Brandee Pacheco

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Continue \$1 million and greater quarterly reporting to assess progress and or obstacles for capital funding including water, colonias, tribal infrastructure and aging projects.	Develop reports, and assist entities in resolving obstacles delaying project completion; prepare briefs and report results to LFC.	Project oversight resulting in quantifiable accountability, reporting, and timely expenditure of funds. Analysts: Make site visits; and attend capital outlay hearings in the interim and fall.	Kehoe, Pacheco	Quarterly (March, June, September, and December)
2	Continue quarterly reporting of “local” projects funded between \$300,000 and less than \$1 million.	Produce and develop reports “by county” and “fiscal agent” of “select” local projects within the specified dollar range.	Effective oversight and to report progress of “local” projects to LFC members, legislators, local entities and the public. Invite local entities to interim LFC hearings to discuss project status and challenges they face in administering “local” capital outlay.	Kehoe, Pacheco	Quarterly (March, June, September, and December)
3	Develop framework of “critical” funding needs for state-owned facilities, and other capital outlay requests for consideration by the 2017 Legislature.	Determine priorities by reviewing status of current project funding and progress, infrastructure capital improvement plans, and 2017 requests; perform site visits; and attend HED, executive and FMD interim capital hearings.	Develop legislation for effective funding recommendations based on FCI and critical state-asset needs for LFC and legislative review.	Kehoe, Pacheco, and analysts	December 2016
4	Continuously growing backlog of open and unfinished capital outlay projects suggests a need for capital outlay reform.	Analyze methods to reduce the amount of open capital outlay projects, including budgetary guidelines and statutory changes.	Develop guidelines for legislators to use when funding capital outlay projects. Provide training opportunities for legislators to educate them on the capital outlay guidelines and process.	Kehoe, Pacheco	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Capital Outlay: Linda Kehoe and Brandee Pacheco

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	<p>Issue: the state's correctional facilities are near or over population capacity, especially among security level three and women's facilities. Facilities spread across the state leads to increased costs, inefficient management of inmates, and threats to public safety.</p> <p>Goal: study the cost, benefits, and feasibility of building a new prison. Identify possible contract types such as lease-purchase agreements, determine if the facility will be privately or publically operated, and follow up on corrections facility planning program evaluations from 2007, 2008 and 2014.</p>	Hearing brief, activity report, Volume I and II narratives, meetings with interested parties.	More efficiently run prison system with better programming as well as increased public safety.	Rogers/Kehoe/Pacheco/evaluators	Ongoing
2	Continue to update and distribute capital reports "by sponsor," as authorized, for state funded projects to assist members in advancing outstanding funds.	Develop reports and continue collaboration with Council of Governments, Municipal League and Association of Counties to assist legislators and grantees with moving delayed projects.	Ensure accountability of funds allocated in previous years and provide legislators with status reports; Partner with legislators, grantees, and state agencies to encourage expeditious implementation and expenditure of funds for capital projects.	Kehoe, Pacheco, and analysts for select agencies	Ongoing
3	Coordinate with program evaluators and analysts to ensure the effectiveness of agency capital project accountability.	Generate reports as needed by analysts/evaluators.	Ensure the effective use of state resources to optimize the balance of state-owned and leased space given current resources, legislative and executive priorities, and agency needs for space utilization.	Kehoe, Pacheco, analysts, evaluators	Ongoing
4	Monitor NMFA financing programs and other activities.	Develop briefs, attend board and legislative oversight committee hearings, participate on "water infrastructure team" and provide updates to LFC.	Informed recommendations and accountability for program and funding recommendations.	Kehoe, Armstrong	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Judiciary: Julia Downs

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: for the past several years, the judiciary has expressed a desire for more control over its budget.</p> <p>Goal: Research other states and federal budgeting practices to gather information on judicial budgeting processes nationwide and consider options for budget consolidation, including showing the unified judicial budget alongside the LFC and executive recommendations.</p>	A report comparing and contrasting New Mexico's judicial budget process to other states and the federal government.	Gain a better understanding of other states' processes and potentially create a more efficient process in New Mexico; utilize judicial unified budget request in budget recommendations.	Downs, AOC	September 2016
2	<p>Issue: There were discussions in 2016 SFC hearings on the purpose and benefit of Bernalillo County Metropolitan Court.</p> <p>Goals: Study differences metro courts in other states and review the origin of Bernalillo county metro court.</p>	A report on the legislation which created metro court and best practices in other states.	Better understanding of the relationship of the courts in Bernalillo county.	Downs, Court staff, Bernalillo County	September 2016
3	<p>Issue: tracking expenditures within the Law Offices of the Public Defender is difficult, as agency projections consistently fluctuate.</p> <p>Goals: review policies and procedures, internal controls, and qualifications of the administrative staff, specifically financial staff.</p>	Activity reports.	Improved fiscal and performance reporting from PDD.	Downs, PDD	September 2016
4	<p>Issue: There is language in the appropriation for the public defender prohibiting the use of hourly rates to compensate contract counsel.</p> <p>Goals: review rate methodology and administration within PDD to compare with other agencies and determine accurate cost projections associated with implementation of hourly rate.</p>	Report on other rate structures within government as compared to the rate structure and cost suggested by PDD.	Outcome: Provide legislature with actual cost estimates and more transparency in the creation of PDD hourly rate structure.	Downs, PDD	September 2016

2016 INTERIM WORK PLAN SUMMARY

Judiciary: Julia Downs

5	<p>Issue: finding parity amongst the courts, DAs, and PDD is a continuing concern and pay plans requested by AOC and AODA were not funded due to budget constraints.</p> <p>Goal: Work with courts, DAs, and PDD to study job descriptions and salaries of attorneys in courts, DA offices, and PDD.</p>	A report comparing job descriptions and salaries amongst the different agencies, indicating where funds could be reallocated to create efficiencies in tough budget years.	A stronger rationale for funding the courts, DAs, and PDD at different levels and a better tool for determining prioritization.	Downs, agency staff	September 2016
6	<p>Issue: finding funding parity amongst the courts, DAs, and PDD is a continuing topic.</p> <p>Goal: Work with courts, DAs, and PDD to study job descriptions, productivity, and salaries of attorneys in courts, DA offices, and PDD.</p>	A report comparing job descriptions and salaries amongst the different agencies to provide a basis for parity.	A stronger rationale for funding the courts, DAs, and PDD at different levels and a better tool for determining prioritization.	Downs, agency staff	September 2016
7	<p>Issue: AOC performance report card and measures could be improved to measure productivity, efficiency, access, fairness, and the results of funding certain services.</p> <p>Goal: Review existing measures and combine with best practice performance measures in other states.</p>	Performance report card, house bill 2 measures.	More meaningful reporting from the judiciary.	Downs, AOC	September 2016

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	Judiciary: Attend all Chief Judges Council meetings, Judiciary Budget Committee meetings, Criminal Justice Coordinating Council meetings; attend Drug Court Advisory Committee meetings.	Travel memos, activity reports	Improved communication between the legislative and judicial branches regarding legislative intent, judiciary status, progress, problems, and goals.	Downs	Ongoing
2	<p>Judiciary: Gain better understanding of court functions with a focus on programs such as mortgage settlement, family court, drug court, etc.</p> <p>Goal: visit all districts and observe dockets, drug courts, mediation, etc.</p>	Travel, memos, activity reports, budget recommendation	Better knowledge of court's activities and budget needs.	Downs	Ongoing
3	PDD: attend commission meetings and training events	Travel memos, activity reports, budget recommendation	Learn more about the relationship between PDC and PDD in order to have better budget and policy recommendations.	Downs	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Judiciary: Julia Downs

4	DAs: attend meetings and training events	Travel memos, activity reports, budget	Better understand budget needs for recommendations.	Downs	Ongoing
5	Issue: the judiciary has a strong reliance on fee funds. Goals: track fee reliance and generation to gain understanding of the revenue source for better budget recommendation.	Table showing sources and uses over several past fiscal years and projections for the current and upcoming fiscal years.	More comprehensive understanding of all revenue sources for the judiciary to enable more efficient budgeting, including prioritization.	Downs, AOC and Court staff	September 2016
6	Issue: Drug courts are largely successful nationwide, but there are various forms of drug court programs with differing results. Goal: Review drug court models with a focus on outcome and prioritization.	Activity report.	Determination of best practices.	Downs, AOC	September 2016
7	Issue: determining a consistent caseload calculation, and thus determining workload, has been difficult amongst the courts, DAs and PDD. Goal: find an across the board method of caseload calculation.	Performance measures, budget recommendation.	Better prioritization for funding between districts.	Downs, DFA, AOC, AODA, PDD, NMSC	September 2016

2016 INTERIM WORK PLAN SUMMARY

General Services: Anne Hanika-Ortiz

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>In the past decade, advances in technology and data -- along with growing economic pressures -- have led to more strategic purchasing processes in some states.</p> <p>Assess effectiveness of state purchasing services, including:</p> <ul style="list-style-type: none"> • Internal sharing of best practices for invitation-to-bid, request-for-proposal, small purchase (\$60,000 threshold), sole source, emergency procurements, and protest processes. • IT procurements – additional DoIT oversight • Use of technology – e-procurement/e-signature • Contract administration – DFA’s role • Sourcing – how the state finds, evaluates and engages suppliers for acquiring goods/services 	<p>Identify policies and practices that do not support the most competitive option or minimize the costs of procuring goods and services</p> <p>In collaboration with evaluators, evaluate whether the procurement code adopted 30 years ago is still relevant and, if not in any regard, recommend changes to procurement rules that also serve to help support economic growth</p> <p>Ongoing updates and activity reports</p>	<p>Ensure fair and equitable state procurement practices within a business friendly environment</p> <p>Promote diversity with support for training and coaching for small, emerging, disadvantaged businesses</p> <p>Support for addressing procurement code violations promptly and with training to prevent repeat incidents</p> <p>Support for the most competitive option - sole source and emergency procurement options used sparingly</p>	<p>Hanika-Ortiz</p> <p>LFC Evaluators</p> <p>GSD staff</p>	Ongoing
2	<p>Space per FTE has improved but is still above the office space. In addition, efforts to renegotiate leases slowed and many older leases still have automatic escalation clauses.</p> <p>Monitor efforts to align space use with the new standards and support agencies working with General Services Department (GSD) to reduce lease costs by consolidating programs or moving programs out of costly leased space into underused state-owned space.</p>	<p>Support efforts to right-size space use</p> <p>Identify leases or uses that no longer meet program needs or are in excess of recommended space use standards</p> <p>Prioritize Santa Fe since it has the most inefficient buildings in terms of leases and use agreements with agencies</p>	<p>Reduce tax-payer funded operational costs for agencies</p>	<p>Hanika-Ortiz</p> <p>LFC Evaluators</p> <p>CBPC Staff</p> <p>GSD staff</p>	Ongoing
3	<p>The Public Employees Retirement Association and Educational Retirement Board will likely not have met their investment return assumption of 7.75 percent in three out of the past five years.</p> <p>Evaluate the feasibility of a hybrid plan with portability features and sufficient employer contribution to ensure the current plans are not compromised.</p> <p>Support continued transparent pension fund reporting</p>	<p>Ensure sound risk evaluation and management for both pension plans</p> <p>Assess the potential to reduce fees by consolidating asset management functions across investment agencies</p> <p>Report on state and national reform efforts regarding retirement security</p>	<p>Ensure the state’s investments under its defined benefit (DB) retirement plans are well managed, meet their assumptions over the long-term, and keep management fees at a minimum given returns</p>	<p>Hanika-Ortiz</p> <p>LFC Economists</p> <p>PERA staff</p> <p>ERB staff</p>	Ongoing

2016 INTERIM WORK PLAN SUMMARY

General Services: Anne Hanika-Ortiz

	<p>and use of more conservative assumptions, using:</p> <ul style="list-style-type: none"> • Experience studies and actuarial valuations • Peer group comparisons and studies • Asset allocation and risk tolerance • Differences between assumptions and actual expenditures • New Governmental Accounting Standards Board (GASB) reporting for participating employers 	Evaluate impact of eliminating the annual pension COLA until age 65			
4	<p>Public retiree healthcare has received growing attention due to rising health costs and a change from cash to accrual accounting for plans and participating employers under the GASB.</p> <p>The Retiree Health Care Authority has a \$3.4 billion unfunded liability, equivalent to a third of unfunded pension benefits, and is now 10 percent funded, up from 6 percent, due to cost-sharing changes for retirees. However, costs continue to increase for the plan and members and the low investment return environment will make it difficult to grow the fund over the long-term.</p> <p>Continue to evaluate the cost effectiveness of publicly-funded post employment insurance benefits, including:</p> <ul style="list-style-type: none"> • Subsidies and benefits for spouses who did not pay into the plan and early retirees not Medicare-eligible • Contracts with consultants and insurers including value-based payment arrangements • Opportunities to reduce costs using exchange plans • Alternative “defined contribution” approaches • Cost-benefit of wellness incentives 	<p>Monitor corrective action plans to alleviate funding problems long-term</p> <p>Monitor efforts to promote value-based provider payment options to reduce plan costs in addition to reference pricing and bundled payments, etc.</p>	<p>Ensure plans are sound so today’s employees receive a benefit that matches their career contributions</p> <p>Evaluate challenges/opportunities to move members to lowest cost options (higher deductible) or to exchange plans for federal subsidies</p>	<p>Hanika-Ortiz</p> <p>RHCA staff</p>	Ongoing
5	<p>Despite lower premiums, deductibles and out-of-pocket costs than most other state plans and the private sector, the costs of employee healthcare under the Interagency Benefits Advisory Committee (IBAC) group plans continue to increase at rates state revenues cannot support because of the richness of the plan offerings.</p> <p>Compare management of employee group health benefits administered by the IBAC, including:</p>	<p>Evaluate the health plans on how well they help members stay healthy, manage chronic disease, and become good health care consumers</p> <p>Evaluate effectiveness of insurance coverage contracts in providing value-based cost-effective health care</p>	<p>Support premiums, deductibles and out-of-pocket expenses that do not exceed industry averages or cost of coverage ceilings for employers under the Affordable Care Act</p> <p>Ensure growth in per member costs stay under industry averages</p>	<p>Hanika-Ortiz</p> <p>Performance evaluators</p> <p>LESC staff</p> <p>IBAC staff</p>	Ongoing

2016 INTERIM WORK PLAN SUMMARY

General Services: Anne Hanika-Ortiz

	<ul style="list-style-type: none"> Contributions, deductibles and out-of-pockets costs as benchmarked against other self-insured plans Strategies that control costs, improve healthcare quality, and incentivize use of evidence-based care Payment reforms that show promise controlling costs without limiting access to providers Cost-effectiveness of wellness programs, worksite employee health clinics and other strategies plans are using to build a healthy, productive workforce 	<p>Evaluate benefits and/or disadvantages from consolidating benefit programs</p>	<p>Support quality improvement and process improvement efforts</p> <p>Evaluate challenges/opportunities to consolidate drug purchasing for the state beyond the IBAC agencies</p>		
6	<p>Over the past several years, expenses for the risk programs of the Public School Insurance Authority and Risk Management Department of GSD have grown 18 percent and 15 percent, respectively, despite fewer numbers of claims, primarily because of increases for consultants and third-party administrators and to a much lesser extent for claims.</p> <p>Review, compare and contrast the management of risk programs by the Risk Management Division within GSD and the Public School Insurance Authority, including:</p> <ul style="list-style-type: none"> Cost/benefit from outsourcing functions Self-insured retentions and excess carrier fees Actuarial studies and claim trends Fund balances and reserve requirements Cost-effectiveness of loss prevention programs Risk rate development and impact on budgets 	<p>Extract evidence that ensures the risk programs are identifying risks and proportionately allocating costs based on exposures, size, and experience</p> <p>Identify policies and agency practices that may negatively impact operations</p> <p>Review consultant and carrier reports to identify and report on trends</p> <p>Evaluate benefits and/or disadvantages from consolidating risk programs</p>	<p>Reduce/minimize claims incurred and average cost-per-claim when compared with self-insured plans of similar size or five-year averages</p> <p>Better program understanding and more informed budget recommendation</p>	<p>Hanika-Ortiz</p> <p>LFC staff</p> <p>LESC staff</p> <p>GSD staff</p> <p>NMPSIA staff</p>	<p>Ongoing</p>

2016 INTERIM WORK PLAN SUMMARY

General Services: Anne Hanika-Ortiz

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	The Facilities Management Department (FMD) within the General Services Department just completed a comprehensive facility condition assessment of all buildings statewide under the jurisdiction of FMD. How it is used will have an impact on capital planning.	Monitor implementation of new tools at FMD for capital planning purposes.	FMD will share FCA's and work with LFC and the executive to help the state prioritize capital projects using timely and relevant data	Hanika-Ortiz Kehoe/Brandee GSD staff	Ongoing
2	GSD is responsible for 50 buildings in Santa Fe, some more than 100 years old. Over the past 5 years, the agency received \$17.5 million from capital outlay appropriations for statewide repairs and maintenance, less than the \$50 million requested over this same time period. Maintenance on a strategic basis as opposed to an emergency basis protects taxpayer investment and supports a safe work environment.	Report on condition of facilities and impact on operations and workforce Ensure change orders are reasonable, kept at a minimum, and vendors are held accountable for work performed Monitor efforts to increase agencies responsibilities as it relates to use, care and upkeep of the space they occupy	Preserve and protect state-owned buildings and property Reduce tax-payer funded operational costs for agencies	Hanika-Ortiz Kehoe/Brandee GSD staff	Ongoing
3	Monitor organizational effectiveness of GSD's transportation services, including: <ul style="list-style-type: none"> • Vehicle rates and replacement • GPS monitoring program • Aircraft user fees • Surplus property sales 	Identify policies and practices that may negatively impact operations Monitor motor pool and aircraft user fees and surplus property sales	Successful delivery of high-quality, responsive transportation and surplus state property services	Hanika-Ortiz GSD staff	Ongoing
4	Attend the following meetings: <ol style="list-style-type: none"> 1. Capitol Buildings Planning Commission 2. State Board of Finance (GSD - CBRF) 3. Investments & Pension Oversight Committee 4. Monthly RHCA, PSIA, PERA, ERB Board meetings 5. Quarterly Procurement Reform Task Force 6. Monthly Interagency Benefits Advisory Committee 7. Annual Risk Management Advisory Board 	Ongoing updates and activity reports	Better program understanding and more informed budget recommendations	Hanika-Ortiz	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Boards and Commissions: Sunny Liu

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	GOAL: Hold sunset review hearings of agencies scheduled for termination on July 1, 2017.	Hearing topic/activity report items	Possible legislation	Liu	September 2016
2	ISSUE: In 2015, about 26 percent of the workforce in New Mexico was licensed and average education or experience time required for licensure was 413 days. Licensing laws in the U.S. increase prices for goods and services up to 16 percent without comparable increases in quality and unlicensed workers earned 10 percent to 15 percent lower wages than similar licensed workers. GOAL: Determine if existing lines of licensure can be eliminated, combined, or otherwise streamlined; identify burdensome regulations that create barriers for workforce development and economic growth.	Hearing topic/briefing/activity report items	Possible legislation Make New Mexico an easier place to do business to encourage entrepreneurs to stay in the state and incentivize skilled workers from other states to move to New Mexico, and reduce burdensome regulations and associated costs	Liu and Clark	December 2016
3	ISSUE: Since 1977, the Texas Sunset Advisory Commission sunset process has eliminated 37 agencies, consolidated 46 agencies, and saved the state \$980 million after conducting nearly 500 sunset reviews. GOAL: Identify best practices for sunset reviews of regulatory programs from other states.	Hearing topic/activity report items	Policy recommendations	Liu	December 2016
4	ISSUE: Access to health care will be strained under the Affordable Care Act, especially in rural areas. GOAL: Identify regulatory actions that expand telehealth services, practitioner scope of practice, and workforce redistribution to fill health care access gaps.	Hearing topic/activity report items	Policy recommendations	Liu	December 2016

2016 INTERIM WORK PLAN SUMMARY

Boards and Commissions: Sunny Liu

5	<p>ISSUE: The State Racing Commission continues to maintain a backlog of infractions due to enactment of tougher sanctions and increased equine testing.</p> <p>GOAL: Streamlined sanction resolution process.</p>	Hearing topic/activity report items	Policy and budget recommendations	Liu	September 2016
SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	<p>ISSUE: The Pueblo of Pojoaque is operating class III gaming facilities with an expired tribal-state compact until the 10th Circuit Court of Appeals rules on its lawsuit against the state.</p>	Activity report items updating members on the status of lawsuit and further actions taken by the Pueblo of Pojoaque.	Inform legislators about the progress of litigation and issues related to tribal gaming.	Liu	Ongoing
2	<p>ISSUE: HB219 authorizes \$16.1 million in capital outlay projects for the Department of Game and Fish. Historically, projects have not progressed as scheduled.</p> <p>GOAL: A better understanding of federal guidelines and DGF capital projects to maximize use of the game protection fund.</p>	Study federal acts (Pittman-Robertson and Dingell-Johnson Acts) and other state wildlife agencies that use federal funds for wildlife administration; review progress of DGF capital projects.	Budget recommendations	Liu, Kehoe, Armstrong, and evaluators	September 2016
3	<p>ISSUE: In 2015, New Mexico had the second highest fatality rate for opioid drug overdose in the nation.</p> <p>GOAL: A better understanding of how prescription monitoring program (PMP) implementation and naloxone utilization affects opioid drug overdose rates.</p>	Study PMP and naloxone usage in New Mexico and the surrounding states.	Policy recommendations	Liu	December 2016
4	<p>GOAL: Attend board and commission meetings to understand agency functions.</p>	Activity report items	Budget recommendations	Liu	September 2016
5	<p>ISSUE: The Consumer Financial Protection Bureau is expected to promulgate new regulations on the consumer lending industry with regard to short-term credit.</p>	Updated report (compiled from the House Memorial 131 study group of the 2015 interim)	Possible legislation	Liu	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Finance and Administration: Carlie Malone

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: New Mexico’s Oil and Natural Gas Administration and Revenue Database (ONGARD) is 20+ years old and well past its useful life. The 2016 Legislature appropriated \$12 million for modernization of the system. Stabilization was completed with funding appropriated in 2012 and the tri-agency stakeholder—TRD, SLO, and EMNRD—will move forward with modernization.</p> <p>Goal: Monitor the modernization project.</p>	<p>Periodic updates on the status of tri-agency modernization plans and efforts.</p> <p>Attend periodic stakeholder meetings.</p>	<p>Keep LFC informed of planning for modernization of ONGARD and long-term viability of revenue collection and distribution.</p>	<p>Malone Armstrong</p>	<p>Ongoing</p>
2	<p>Issue: The Taxation and Revenue Department has made modest progress regarding audit and compliance efforts, but would benefit from a thorough tax gap analysis to identify where best to focus audit efforts.</p> <p>Goal: Reduce the tax gap through increased audit and compliance practice/strategies.</p>	<p>Activity reports regarding agency progress on audit and compliance practices and improvements, audit plans, and collections goals and achievements for FY17.</p>	<p>Improved knowledge regarding audit and compliance efforts throughout the state, tax collection gaps, and noncompliance areas as well as agency efforts and resource use for audit and compliance efforts.</p>	<p>Malone</p>	<p>Ongoing</p>
3	<p>Issue: New Mexico state law requires all agencies and political subdivisions to be audited annually by the state auditor or an IPA. Other states audit requirements are not as far-reaching.</p> <p>Goal: Review NM audit requirements as compared with requirements in other states.</p>	<p>Hearing brief and activity reports on audit requirements in New Mexico.</p>	<p>Develop knowledge of statewide audit best practices.</p>	<p>Malone</p>	<p>July</p>

2016 INTERIM WORK PLAN SUMMARY

Finance and Administration: Carlie Malone

4	<p>Issue: The state has struggled with SHARE performance issues since incomplete initial implementation of the program in 2006. The Legislature appropriated about \$4 million (Laws 2015) to address system functionality and historical imbalances.</p> <p>Goal: A fully integrated SHARE system with cash balances reconciled.</p>	<p>Activity reports and hearing brief on the progress and status of the DFA and DoIT projects to complete cash reconciliation and upgrade SHARE.</p>	<p>Maintain in-depth knowledge of SHARE remediation status.</p>	<p>Malone</p>	<p>Ongoing</p>
5	<p>Issue: The state has struggled to execute capital outlay projects in a timely manner and a backlog of projects exists.</p> <p>Goal: Work with the Department of Finance and Administration to determine strategies for expediting the execution of capital projects.</p>	<p>Brief on reasons for capital projects backlog and strategies for eliminating the backlog and preventing future backlogs.</p>	<p>Inform capital budgeting and approval process.</p>	<p>Kehoe Pacheco Malone</p>	<p>Ongoing</p>

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Many disparate appropriations are housed in the Department of Finance and Administration special appropriations. These appropriations often duplicate similar programs in other agencies.</p> <p>Goal: Determine to what extent appropriations can be better allocated to agencies where activities are already performed or whose purpose is more aligned with that of the appropriation.</p>	<p>Produce proposal for transferring appropriations currently in DFA special appropriations to other agencies for administration.</p>	<p>Inform FY18 budget recommendation.</p>	<p>Malone</p>	<p>June</p>

2016 INTERIM WORK PLAN SUMMARY

Finance and Administration: Carlie Malone

2	<p>Issue: Many services provided by the Taxation and Revenue Department may benefit from online automation, particularly with regard to MVD services and RPD services.</p> <p>Goal: To compare NM practices with those of other states and identify areas for increased efficiency.</p>	Produce white paper or hearing brief on online service provision for taxation and motor vehicle services.	Inform FY18 budget recommendation	Malone	July
3	<p>Issue: The current CAFR compilation process is manual and time-consuming. DFA was appropriated nearly \$2 million in the 2014, 2015, and 2016 legislative sessions purchase software (Hyperion) to automate the CAFR process and support.</p> <p>Goal: A timely and reliable audited annual CAFR.</p>	Activity reports on CAFR project and FY15 CAFR progress.	Improved FY18 budget recommendation.	Malone	Ongoing
4	<p>Issue: Legislation passed during the 2015 session moved Forfeiture Act responsibilities to the State Treasurer's Office (STO) but did not provide any funding for the new responsibilities. STO estimates the cost of administration at \$2 million.</p> <p>Goal: Identify a solution for the disposition of forfeited items and a sustainable funding source for the program.</p>	Periodic meetings with STO staff to establish a proposed solution for making the activities sustainable. Potentially draft necessary changes to the Forfeiture Act for committee sponsored legislation.	Inform FY18 budgeting and legislation.	Malone Clark	Ongoing

2016 INTERIM WORK PLAN SUMMARY

Finance and Administration: Carlie Malone

5	<p>Issue: During the 2015 session, legislation (SB 356) was passed and signed to move the administrative hearings bureau out of to create independence. NM has many other agencies with administrative hearings—i.e. PED, RLD, OSE that may lack independence. About half of the states have consolidated, independent offices of administrative hearings to avoid potential conflicts of interest and provide uniform processes and procedures for administrative hearings.</p> <p>Goal: Review the benefits of a consolidated, independent office of administrative hearings.</p>	<p>Report on the scope of administrative hearings in NM across agencies and the benefits of consolidation into an independent office.</p>	<p>Inform potential legislation to form a consolidated office of administrative hearings.</p>	Malone	July
6	<p>Issue: Small political subdivisions and local public bodies continue to struggle with financial reporting requirements and be at-risk for withheld capital outlay funding for non-compliance with financial reporting. The Office of the State Auditor recently awarded \$160 thousand appropriated in 2014 to such entities in need of assistance, but could not provide assistance to all entities in need. The 2015 and 2016 Legislatures approved an additional \$160 thousand to OSA for the same purpose.</p> <p>Goal: All eligible entities become compliant with financial reporting requirements and reduce the impacts of noncompliance, such as withheld capital outlay funding.</p>	<p>Monitor and report on progress of OSA in assisting entities granted funding to achieve financial reporting compliance.</p> <p>Monitor and report on OSA’s use of FY16 and FY17 \$160 thousand appropriations.</p> <p>Report on the number of entities on the at-risk list for late audits or unresolved audit findings periodically.</p>	<p>Inform need for funding in subsequent years to largely alleviate financial reporting non-compliance for local public bodies.</p> <p>Fewer entities on the at-risk list or at risk of ineligibility for capital outlay funds.</p> <p>Improved transparency for local government fiscal health.</p>	Malone in collaboration with the OSA	Ongoing

2016 INTERIM WORK PLAN SUMMARY

LFC Economists

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	The LFC economist manual is out of date. The printed reference documents for the revenue estimating and tracking processes, STB and GOB capacity estimating, and FIR writing are in need of an update. The numerous revenue forecasting models are also not centrally maintained.	An updated LFC economist manual A centralized repository of LFC forecasting models	An improved understanding of LFC processes and data sources.	Christina & Jon	June
2	Although revenue estimating error is unavoidable, continued work to attempt to improve accuracy of models could improve the work of the consensus revenue estimating group. Revenue models could benefit from a review to attempt to identify improvements. Examples include: <ol style="list-style-type: none"> 1. Income earnings on the STO portfolios, specifically the general fund investment pool (GFIP). 2. Forecast of severance revenues (including FML) can be improved by incorporating the minerals that ONGARD does not track. 3. Contributions to the LGPF and STPF; 4. Tobacco settlement revenue. 5. Lottery revenue to the lottery tuition fund. 	Improved LFC revenue models Sample forecast by end of May for FY17-18	Reduced forecasting error, improved confidence in revenue forecasts.	Christina & Jon	August
3	The LFC produces Finance Facts and new topics are added periodically. Proposed new topics include: <ol style="list-style-type: none"> (1) Insurance premium taxes, (2) Federal Mineral Leasing Act revenue, (3) Tobacco Master Settlement Agreement, (4) The revenue estimating process 	Production of four new finance facts	Informed legislators, staff, and public	Christina & Jon	July

4	Continuing education in advanced modeling techniques, statistical analysis and further econometric advances through online education courses and guidance from contract economist professionals.	Rebuild models for GRT/CIT/PIT and oil/gas.	Improve revenue forecast results	Christina & Jon	August/September
5	Bonding model needs to be streamlined and reliable for accurate forecast.	Rebuild model for STB/GOB	Improve revenue forecast results	Christina & Jon	July/August
6	Update estimated 1% revenue impact table.	Table providing forward view of revenue impact.	Quick reference	Christina & Jon	August

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>The revenue tracker is manually updated each month.</p> <p>The process can be automated through an Excel macro that takes the emailed TRD update, adjusts the revenue tracker spreadsheet and generates the new monthly forecast. This should free up time for the economists to simply verify the information.</p>	A program or Excel macro that automates the Monthly Revenue Tracker updates	<p>Less economist time devoted to clerical / data-entry tasks</p> <p>Faster updates to the forecast and revenue reports</p>	Christina & Jon	July
2	Analysts are not always aware of upcoming sunsets of tax preferences, and the revenue impacts of such sunsets are not always incorporated in the consensus revenue estimate. Maintaining a schedule of sunsets through the 5-year forecast period would better inform analysts.	A 5-year schedule of upcoming tax-expenditure sunsets.	More accurate revenue forecasting and fiscal impact reporting.	Christina & Jon	September

3	The public could benefit more from LFC-reported information if the committee's publications were more readily accessible. A "scheduled release" calendar of revenue and other reports to be posted on the LFC website could facilitate public use.	Release calendar posted to the LFC website; work with LCS	The LFC website as the public's primary source of up-to-date revenue reports	Christina & Jon	June
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Consensus Revenue Forecast Responsibilities: Presentation to LFC August XX, 2016

	TRD	DFA	LFC	DOT	Review Dates	Complete
First Meeting:						
Indicators	EWM	CT	CK			
Upside & Downside Risks						
Oil & Gas Prices	EI	CT	CK			
Oil & Gas Volumes	EI	CT	CK			
FY15 Tracking Report						
GenTax - FY16						
Small Revenue Discussion						
Tax Expenditures & Credits						
General Sales:						
Gross Receipts Tax	HD	RM	JC			
Compensating Tax	HD					
Selective Sales:						
Tobacco Taxes	EI					
Liquor Excise	EI					
Insurance Taxes		RM	JC			
Fire Protection Fund Reversion		RM	JC			
Motor Vehicle Excise	EI					
Gaming Excise	EI		JC			
Leased Vehicle Surcharge	EI					
Other:						
Gasoline Tax	EI					
Telecommunications Relay Surcharge	HD					
Boat Excise Tax	HD					
Income Taxes:						
Personal Income Tax	JKa	RM	JC			
Corporate Income Tax	JKa	RM	JC			
Severance Taxes:						
Oil and Gas School Tax	EI	CT	CK			
Oil Conservation Tax	EI	CT	CK			
Resources Excise Tax	EI	CT	CK			
Natural Gas Processors Tax	EI	CT	CK			
License Fees:	EI					
Financial Institution Receipts						
Manufactured Housing Receipts						
Construction Industry Receipts						
Securities Receipts						
Corporate Filing						
Alcohol and Gaming						
Corporate Special						
Public Utilities						
Other-Gaming License and Permit						
Other-Pipeline Fees						
Other-Motor Vehicle Misc						
Interest:						
LGP Interest			CK			
STO Interest			JC			
STPF Interest			CK			
Rents & Royalties:						
Federal Mineral Leasing	EI		CK			
State Land Office	EI		CK			
Other:						
TRIBAL REVENUE SHARING	EI		JC			
Miscellaneous Receipts:	EI		JC			
MVD Penalty Assessments						
Fines and Forfeitures						
Birth/Death Certificates						
District Judges' Receipts						
Secretary of State Fees						
Unclaimed Property						
Other-Media Lease Payments						
Other-Legislative Receipts						
Other-Supreme Court Fees						
Other-Small County Assistance						
Other-Law Enforcement Protection						
Other-Workers' Compensation						
Other-Environment Depl. Filing Fees						
Other-Public Defender						
Non-Recurring						
Other Transfers						
REVERSIONS		RM	CK/JC			
STB/GOB Bonding		CT	CK/JC			
Tobacco Master Settlement Agreement			CK			
General Fund Financial Summary		CT	CK			
Chiefs Final Meeting			CK/JC			
GF Revenue Tracking - FY16 Spreads Discussion			CK/JC			

**Proposed Program Evaluation Work Plan - 2016
PROJECTS FOR PROGRAM EVALUATION UNIT**

PART I: PROGRAM EVALUATION PROJECTS						
A. Current Priority				Staff and Due Date		
Agency Code	Agency Name	Project Descriptions		Lead Evaluator	Evaluation Staff	Hearing Date
630	HSD	Health Notes: Managed Care Provider Network & Access to Care		Jenny Felmley		April-16
631	WSD	Local Workforce Board Job Training and Employment Programs - Service Outcomes, Cost Effectiveness and Coordination with State		Michele Aubel		April-16
630	HSD	Special Review: Eligibility Lawsuit Impact on Medicaid Enrollment and Cost		Jon Courtney		April-16
	School Districts	Assessing "Time on Task" and efforts to extend learning time.		Madelyn Serna Marmol	Nathan Eckberg Yann Lussiez	May-16
950	HED	STEM: Educational Costs, Degree Production and Labor Market Outcomes; Tech Transfer Impact		Travis McIntyre		May-16
690	CYFD	Effectiveness of Cambiar Facility Program and Community-Based Juvenile Justice Services		Brian Hoffmeister	Maria Griego Pam Galbraith	June-16
B. Next Priority				Staff and Due Date		
Multiple	Multiple	Health Notes: Pharmaceutical Costs		Jenny Felmley	Analysts	August-16
Multiple	Multiple	Results First: Children's Mental Health (J. Paul Taylor Taskforce)		Jon Courtney	Maria Griego Travis McIntyre	August-16
333	TRD	Tax Gap/Audit and Compliance/Fraud		Michele Aubel	Nathan Eckberg Yann Lussiez	September-16
665/630	DOH/HSD	Cost, Quality and Financial Performance of Nursing Homes in New Mexico		Brian Hoffmeister	Madelyn Serna Marmol Pam Galbraith	October-16
Multiple	Multiple	Procurement: Use of Price Lists; Emergency/Sole Source; & Performance Based Professional Services		Late Summer Start	Joint with Office of the State Auditor	December-16
PART II: Follow-up: Progress Reports (40-60 hour projects)						
A. Current Priority				Staff and Due Date		
Agency Code	Agency Name	Project Descriptions		Lead Evaluator	Evaluator/Analyst	Report Date
665	DOH	Status of Rural Healthcare Tax Credit		Griego	Cheiner	Summer
	Multiple	Water Trust Board		Aubel	Kehoe	Summer

Proposed Program Evaluation Work Plan - 2016

PROJECTS FOR PROGRAM EVALUATION UNIT

	Multiple	Early childhood gaps analysis and accountability		Courtney	Klundt	Summer
630	HSD	Leveraging Medicaid		Hoffmeister	Courtney	Fall
	PED	Boosting high school graduation		Eckberg	Elkins	Fall
665	DOH	Teen pregnancy prevention		Lussiez	Cheiner	Fall
	DPS	Motor Transportation Division		Aubel	Rodgers	Fall

PART III: INFORMATION TECHNOLOGY (IT) REVIEWS

A. IT Current Priority

			Staff and Due Date		
Agency Code	Agency Name	Project Descriptions	Lead Evaluator	Evaluation Staff	Hearing Date
361	DoIT	Review of Information Technology Rates and Project Oversight, including follow-up on 2010 report	Brenda Fresquez		September-16

B. IT PARKING LOT

			Staff and Due Date		
341	DFA	Update on E911			
350	GSD	Risk Management Claims System and Enterprise Content Management (ECM)			

PART IV: PARKING LOT

Agency Code	Agency Name	Project Descriptions			
630	HSD/Others	Centennial Care: Client Outcomes from Behavioral Health Services Expansion for Adults			
630	HSD	Health Notes: Managed Care Rates			
516	DG&F	Game & Fish: Review of Agency Operations			
950	HED	Cost Drivers in Higher Education and Efforts to Improve Efficiency			
630	HSD	Health Notes: Utilization Trends in Medicaid Managed Care			
924	PED	Impact of Student Mobility on Student, School, and Teacher Performance and Strategies for Improving Outcomes			
950	HED	Evaluation of Nursing Programs in Higher Education		UNM Internal Audit	
	IBAC	Health Notes: Cost and Utilization Trends Among IBAC agencies			
924	PED	Teacher mentor programs and support for alternative licensure			