

April 28, 2022

2022 Interim Work Plan

Accountability in Government Act Performance Reporting

- The purpose of the Accountability in Government Act (AGA) is to provide for more cost-effective and responsive government services by using the state budget process and defined outputs, outcomes and performance measures to annually evaluate the performance of state government programs. The AGA traded budget flexibility for information about how state agencies economically, efficiently, and effectively carry out their responsibilities and provide services.
- To facilitate reviews of agency performance, the Legislative Finance Committee (LFC) staff developed a dashboard report, a report card, to add emphasis and clarity to the reporting process and focus budget discussions on evidence-based initiatives and programming. Report cards and associated analysis of performance has continued to serve policymakers and the public well on how New Mexico state government delivers services. Performance reports serve as a key linchpin in the Legislative Finance Committee's overall "Legislating for Results" policy and budgeting framework. All funds outperformed their targets for the three- and 10-year periods.
- The LFC has long held hearings on performance reports, inviting agencies to present on their performance results and action plans for improvement, or staff led presentations on the state's performance overall. While informative, the meetings are often driven by an agency narrative that may not effectively answer legislative priorities.
- Agencies have not widely adopted practices for "Managing for Results" and thus sometimes struggle to effectively implement evidence-based programs funded by the Legislature or operate services effectively and efficiently.

LFC – LegisSTAT Performance Hearings

- In 2021, LFC built on the existing Legislating for Results framework through a first of its kind legislatively driven performance improvement hearing process called LegisSTAT. PerformanceSTAT meetings are a longstanding tool used by leadership to drive performance improvements at the federal, state, and local levels. Often, the STAT meetings are held by executive leadership and focus on high priority performance challenges. The meetings take a subset of specific performance metrics and focus on specific actions managers can, and do, take to make improvement until performance improves to a satisfactory level.
- A couple of key differences exist between LFC's performance hearings and STAT meetings – a STAT meeting is more collaborative and less "agency-driven", there is a

greater emphasis on action plans and reporting actions taken from the last meeting, and there is a regular schedule of meetings.

- LFC staff are proposing to continue LFC LegisSTAT using a mix of the full committee and focused subcommittees on LegisSTAT, public schools and higher education. A proposed goal is to have a LegisSTAT hearing for each LegisSTAT agency at least 2 times in the interim – once during the summer and once as part of the fall budget request hearing. LegisSTAT hearings would wind down for an agency as it meets performance goals. A proposed hearing schedule and work plan is provided below.
 - May
 - Public Schools – LFC Public School Subcommittee
 - Higher Education – LFC Higher Education Subcommittee
 - June
 - Economic Development Department – Full Committee
 - July
 - Tourism Department – Full Committee
 - Workforce Solutions Department – Full Committee
 - Early Childhood Services Department – LFC LegisSTAT Subcommittee
 - Behavioral Health Collaborative – LFC LegisSTAT Subcommittee
 - August
 - CYFD: Child Protective Services – Full Committee
 - September
 - AOC: Pretrial Services – LFC LegisSTAT Subcommittee
 - HSD: Medicaid for Pregnant Women & Infants – LFC LegisSTAT
 - October/November/December Budget hearings
 - All agencies listed above in Full Committee and Public Schools/Higher Education in respective Subcommittees

Next Steps.

- Staff are reviewing, with the Committee’s consultants Andy Feldman and David Yokum, 2021 LegisSTAT to identify opportunities for improvement in staff support for the Committee and coordination and follow up with agencies to ensure action items covered in the hearing have proper follow through. Consultants will watch hearings and be available to communicate with Committee members real time, and will assist with efforts to assist with engaging members and agencies, including focusing time on specific aspects performance and action steps to improve. Staff will also work with other agencies and programs not part of LegisSTAT hearings on similar agency led efforts to improve performance.
- Staff will also continue to work with agencies and DFA to refine and improve performance metrics.
- Staff will also work to develop training for LFC staff and agency staff on a broader set of Best Practices for Results Driven Government, including an initial rating of agency practices towards the end of the summer, knowing that initial scores will be low and working with agencies to establish improvement plans for the next year.

LFC 2022 STAFF INTERIM WORK PLANS

TABLE OF CONTENTS

PAGE NO.

PUBLIC SCHOOLS AND HIGHER EDUCATION	
Sunny Liu/Connor Jorgensen.....	1
HEALTH AND HUMAN SERVICES	
Kelly Klundt/Ruby Ann Esquibel/Eric Chenier.....	6
ECONOMIC DEVELOPMENT	
Amanda Dick-Peddie	16
PUBLIC SAFETY	
Ellen Rabin.....	20
TRANSPORTATION/PENSIONS AND BENEFITS	
Joseph Simon	31
NATURAL RESOURCES	
Caitlyn Wan	35
CAPITAL OUTLAY	
Nina Chavez/Cally Carswell	39
JUDICIARY/GENERAL GOVERNMENT	
Ginger Anderson.....	45
Jessica Hitzman.....	49
David Saavedra	55
REVENUE/ECONOMISTS	
Ismael Torres and Jennifer Faubion.....	61

2022 INTERIM WORK PLAN SUMMARY

Public Education/Higher Education (Sunny Liu/Connor Jorgenson)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: <i>Higher Education Funding Formula</i>. The higher education performance-based funding formula was intended to allocate resources to those institutions providing the best outcomes for students. While the number of awards conferred has increased, the formula has not equalized funding on a per-student basis and disparities in state funding for institutions persists. The higher education department has committed to forming a workgroup with the LFC to address issues in formula weighting and inequities among institutions.</p> <ul style="list-style-type: none"> Goal: Staff the LFC workgroup or subcommittee that will review the formula Goal: Attend HED workgroups Goal: Develop a list of possible revisions to the formula for adoption by the LFC 	<ul style="list-style-type: none"> Potential brief and subcommittee hearing topic Volume 1 Activity reports Proposed formula revisions 	<ul style="list-style-type: none"> Improved transparency and accountability Consensus agreement on funding formula revisions Simplified understanding of the mechanics of the funding formula 	Jorgensen, Helms	December 2022
2	<p>Issue: <i>Educator Pipeline</i>. Recent increases in educator pay will make New Mexico more competitive. Additionally, the Legislature increased funding for teacher residency programs which should improve teacher preparation thereby reducing turnover. However, the state continues to report high numbers of teacher vacancies, high rates of alternative licensing, low candidate diversity, and chronically high attrition rates.</p> <ul style="list-style-type: none"> Goal: Monitor and evaluate statewide trends in teacher compensation, preparation, licensure, retention, recruitment, placement, diversity, experience, and working conditions Goal: Identify ways to improve educator competencies and develop advancement pathways for master teachers 	<ul style="list-style-type: none"> LegisSTAT reports LFC subcommittee presentation Potential program evaluation School district dashboards Performance measures Activity reports Volumes 1, 2, and 3 	<ul style="list-style-type: none"> Competitive compensation with other states and professions Adequately and appropriately prepared educators Improved recruitment and retention in hard-to-staff subjects and geographic areas 	Helms, Liu, Jorgensen LESC	July 2022

	<ul style="list-style-type: none"> Goal: Monitor and evaluate teacher residency programs 				
3	<p>Issue: <i>Extended Learning</i>. Participation in K-5 Plus, Extended Learning Time (ELT) programs remain mixed, and PED will pilot numerous alternative programs in FY23. Improving participation rates in evidence-based programs will improve student outcomes.</p> <ul style="list-style-type: none"> Goal: Monitor K-5 Plus, K-12 Plus, and ELTP participation Goal: Identify ways to improve the quality and increase the quantity of instructional time 	<ul style="list-style-type: none"> LegisSTAT reports LFC subcommittee presentation Quarterly report card Potential committee-sponsored legislation Activity reports Volumes 1, 2, and 3 	<ul style="list-style-type: none"> Reduced student achievement and opportunity gaps Reduced childcare needs and juvenile delinquency Improved collaboration between schools and community partners 	Liu	June 2022
4	<p>Issue: <i>Accountability Systems</i>. New Mexico waived statewide testing requirements for FY20 and FY21. In resuming tests for FY22, the state needs to identify a new baseline of outcomes and provide timely data for interventions.</p> <ul style="list-style-type: none"> Goal: Reconcile changes to state assessments, educator evaluations, and school accountability systems Goal: Establish regular performance-based budgeting metrics, targets, and reporting requirements for schools Goal: Report performance results and develop ways to hold schools accountable for addressing student needs 	<ul style="list-style-type: none"> LegisSTAT reports LFC subcommittee presentation Quarterly report card School district dashboards Activity reports Volume 1 	<ul style="list-style-type: none"> Increased focus on evidence-based practices Improved transparency and accountability Improved capabilities to study longitudinal impacts More timely interventions 	Liu	May 2022
5	<p>Issue: <i>Higher Education Enrollment</i>. Total enrollment at the state's higher education institutions continues to decline despite high school graduation rate increases. The GAA includes language requiring higher education institutions to provide an enrollment management plan with performance goals to increase enrollment. Lower enrollment levels, telecommuting and online courses require reexamination of space needs.</p> <ul style="list-style-type: none"> Goal: Work with institutions of higher education to identify effective enrollment and recruitment strategies. 	<ul style="list-style-type: none"> LegisSTAT report Policy brief and potential LFC hearing topic Volume 1 Activity reports 	<ul style="list-style-type: none"> Improved strategies for student recruitment and retention Uniform performance metrics centering on student enrollment activities Improved accountability and transparency 	Jorgensen	July 2022

	<ul style="list-style-type: none"> Goal: Work with institutions of higher education to identify administrative obstacles to enrollment or recruitment strategies. 				
6	<p>Issue: <i>Nonrecurring Higher Education Appropriations</i>. Higher education institutions received a number of nonrecurring appropriations including endowment programs for nursing and teaching and applied research grants. The additional funding will allow the institutions to expand faculty in select programs and provide matching funds for research grants. This funding will be distributed to each institution by the Higher Education Department for the 2022-2023 academic year.</p> <ul style="list-style-type: none"> Goal: Monitor distribution of endowment funds. Goal: Determine impact of endowment funding on program budgets and enrollment. Goal: Monitor research grant awards. 	<ul style="list-style-type: none"> Volume 1 and 3 Activity reports 	<ul style="list-style-type: none"> Improved accountability and transparency 	Jorgensen	December 2022
7	<p>Issue: <i>At-Risk Student Interventions</i>. Despite increasing funds for at-risk students through formula funds and direct appropriations, disparities in student performance remain. Funding for Native American initiatives has grown; however, the state lacks accountability for results or efficient spending practices.</p> <ul style="list-style-type: none"> Goal: Analyze tribal education department and tribal library services and requested needs Goal: Monitor spending of family income index and at-risk intervention funds Goal: Examine role and effectiveness of Community Schools in addressing at-risk student needs and performance Goal: Develop oversight mechanisms for at-risk spending 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Site visits Volumes 1, 2, and 3 Activity reports 	<ul style="list-style-type: none"> Improved at-risk student outcomes Equitable distribution of operational and capital outlay funding Increased tribal collaboration and engagement 	Liu, Helms, Jorgensen, Chenier, Dick-Peddie, Chavez	Ongoing
8	<p>Issue: <i>Financial Aid/Tuition Assistance</i>. New Mexico became a national leader in providing for tuition-free higher education for residents seeking a higher education. However, there are concerns about what the cost of the opportunity scholarship will be and how it may affect student enrollment and completion. An increased focus on student support, in addition to tuition assistance, will likely be necessary to improve student outcomes.</p>	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Volume 1 Activity reports 	<ul style="list-style-type: none"> More efficient budgeting and spending practices Improved transparency and accountability Maximized use of state resources 	Jorgensen	December 2022

	<ul style="list-style-type: none"> Goal: Work with the higher education department and institutions to determine what the annual cost of the opportunity scholarship will be going forward and how it may impact the need for funding through the formula. Goal: Monitor work study program expenditures and outcomes. 				
9	<p>Issue: <i>Federal Relief Funds</i>. Schools will receive \$1.5 billion from federal emergency relief funds to address Covid-19 and operational needs. This nonrecurring support will affect how schools spend funds, given an impending fiscal cliff in FY24.</p> <ul style="list-style-type: none"> Goal: Monitor public school federal fund expenditures, particularly items relating to addressing learning loss Goal: Monitor school operational reserve balances 	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Volumes 1 and 3 Activity reports 	<ul style="list-style-type: none"> More efficient budgeting and spending practices Improved transparency and accountability Maximized use of state resources 	Liu, Fischer, Chenier, Helms	July 2022
10	<p>Issue: <i>Public School Capital Outlay</i>. State funding for public school capital outlay is outpacing awards due to recent growth in severance taxes, changes to the local-state match formula, additional federal aid, and increasing construction costs. Districts continue to request waivers and applications are decreasing despite ongoing need for school repair and replacement.</p> <ul style="list-style-type: none"> Goal: Identify reasons for low participation in state projects Goal: Assess facility conditions and evaluate local capacity to finance projects Goal: Monitor spending of uncredited Impact Aid revenue 	<ul style="list-style-type: none"> PSCOOTF/LFC hearing briefs Potential PSCOOTF-sponsored legislation Volume 3 Activity reports 	<ul style="list-style-type: none"> Equitable distribution of capital outlay funds Improved facility conditions 	Liu, Carswell, LESC, PSFA, PSCOOTF	July 2022

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: <i>Dual Credit</i>. Growth in dual credit coursework does not appear to be contributing to increased degree production at New Mexico higher education institutions (HEI) and accurate cost-sharing of dual credit programs between public schools and HEIs remains unclear.</p>	<ul style="list-style-type: none"> Policy brief and potential LFC hearing topic Performance measures Activity reports Volume 1 	<ul style="list-style-type: none"> Increased postsecondary degree production Improved college and career guidance and student readiness 	Helms, Jorgensen, Liu	August 2022

	<ul style="list-style-type: none"> Goal: Evaluate the impact of dual credit programs on terminal degree production or postsecondary employment Goal: Identify costs of programming and funding sources for dual credit at public schools and HEIs Goal: Compare student time spent at public schools and HEIs Goal: Monitor student success career technical education programs. 	<ul style="list-style-type: none"> Potential program evaluation progress report 	<ul style="list-style-type: none"> Increased focus on evidence-based practices Improved transparency and accountability More efficient budgeting and spending practices 		
2	<p>Issue: <i>Administrative & Fiscal Oversight</i>. The Public School Code includes 121 separate reporting requirements for schools, PED, and other education entities. Some critical reporting elements, such as standards-based assessment data or student membership counts, take months to certify and report. LEAs have local control over resource allocation regardless of how some funds are generated.</p> <ul style="list-style-type: none"> Goal: Identify bottlenecks in data collection and reporting Goal: Reduce unnecessary reporting requirements and streamline high-priority data items Goal: Examine the use of local resource allocation methods, including local funding formulas, and allocation of resources to the classroom vs. other cost centers. 	<ul style="list-style-type: none"> Potential program evaluation Activity reports 	<ul style="list-style-type: none"> More efficient budgeting and spending practices Improved transparency and accountability Maximized use of state resources 	Liu	Ongoing
3	<p>Issue: <i>Future of Athletic Programs in Higher Education</i>. The NCAA has issued new rules allowing college athletes to profit from use of their name, image, and likeness. This change may place New Mexico colleges and universities at a disadvantage in recruiting student athletes or may impose financial requirements.</p> <ul style="list-style-type: none"> Goal: Identify funding dedicated to athletic programs through state appropriations and other sources Goal: Monitor changes in recruitment practices in college athletic programs. 	<ul style="list-style-type: none"> Activity reports Volume 1 	<ul style="list-style-type: none"> Improved accountability and transparency 	Jorgensen	Ongoing

2022 INTERIM WORK PLAN SUMMARY

Health and Communities (Kelly Klundt)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: With a waiting list of 5,000 that can take as long as 12 years before an individual starts receiving services, recent appropriation increases for people with developmental disabilities (DD) and included funding eliminate the wait list over the few fiscal year. Increased temporary federal matching rates have increased the program an estimated \$7 million per quarter in addition to federal ARAP funding allowing the state to eliminate the wait list. Additionally, slow take up rate for the community supports waiver is resulting in unused capacity. Scaling the provider network to eliminate the wait list and monitoring both the traditional and community supports waivers will be essential in ensuring the financial plan approved by the legislature is successful.</p> <p>Goal: Monitoring system scaling and movement of individuals from the wait list to waivers. Monitor effectiveness of supports waiver, continue working towards improving the evaluation system to determine appropriate service levels on the DD waiver to reduce average costs, and speed up the individual budget allocation process for new enrollees. Increase enrollment for waivers. Monitor nonrecurring payments effect on system.</p>	<p>Output: Monitor and provide input on supports waiver and elimination of wait list implementation, make recommendations to improve system to determine appropriate service levels.</p> <p>Interim legislative hearings</p> <p>Community outreach to provider network to better understand system support needs</p> <p>Communicate with DOH and HSD</p>	<p>Outcome: Reduce the DD waiver waiting list, reduce average costs to the state, and improve outcomes for people.</p>	Klundt, DOH	Ongoing

2	<p>Issue: Department of Health state facilities continue to experience significant reductions individuals receiving services during the Covid-19 pandemic. This has resulted in unused capacity and lower revenues. As national Covid-19 controls loosen the facilities need to increase service capacity.</p> <p>Objective: Monitor facility capacity. Visit facilities to better understand underutilized capacity and facility needs.</p> <p>Goal: Increase capacity utilization and third party revenues to reduce or eliminate state facility funding deficits.</p>	<p>Output: Monitor facility capacity. Visit facilities to better understand underutilized capacity and facility needs.</p> <p>Update status from recommendations of recent program evaluation and interim legislative hearings</p> <p>Meeting and site visit with state facilities</p>	<p>Outcomes: Improved budget recommendation and performance measures.</p> <p>.</p>	Klundt, DOH, Evaluation Unit	
3	<p>Issue: Childcare assistance is the state's largest early childhood program. Monitoring of program growth and policy development needs to remain a legislative priority, to ensure high quality services, improve coordination, and to avoid duplication of federal Head Start and prekindergarten.</p> <p>Objective: Provide policy options to improve system continuity including monitoring of quality standards and underserved populations such as infants, continued monitoring or quality improvement, monitor system capacity, and collaboration with federally funded Head Start programs.</p> <p>Goal: Monitor quality of childcare assistance program continue to improve and receive evidence-based services.</p>	<p>Output: Continued monitoring of the implementation of quality improvements.</p> <p>Identify latest national policy trends regarding early childhood care and education system building.</p> <p>Possible interim legislative hearings after appropriate social distancing restrictions lifted.</p> <p>Monitor prekindergarten expansion and childcare assistance funding.</p> <p>Volume 1 Policy Discussion</p>	<p>Outcome: Improved budget recommendation and performance measures.</p>	Klundt, ECECD	December 2022
4	<p>Issue: The state prekindergarten and early prekindergarten programs were delivered remotely for most of height of the Covid-19 pandemic. While summer jump start was</p>	<p>Output: Continued monitoring of prekindergarten spending and enrollment.</p>	<p>Outcome: Improved budget recommendation and performance measures.</p>	Klundt, ECECD	December 2022

	<p>implemented to provide additional in person learning time and prekindergarten is reopening in person. The state needs to ensure quality of prekindergarten continues at the levels of services pre-pandemic.</p> <p>Objective: Monitor prekindergarten spending and capacity. Monitor prekindergarten outcome data.</p> <p>Goal: Monitor prekindergarten enrollment, spending, and system implementation.</p>	<p>Site visits to prekindergarten providers to better understand system and its needs.</p> <p>Identify latest national policy trends regarding how other states are re-implementing in-person prekindergarten and if expected outcomes and quality continue.</p> <p>Possible interim legislative hearings</p> <p>Volume 1 Policy Discussion</p>			
5	<p>Issue: The state has invested additional revenues to expand the Medicaid matched home visiting program. Implementation to expand Medicaid eligible providers has lagged behind appropriations resulting in unmatched federal revenues.</p> <p>Objective: Monitor the expansion for the Medicaid matched home visiting program. Provide policy options to expand program more quickly.</p>	<p>Output: Continued monitoring of Medicaid matched home visiting program.</p> <p>Identify latest national policy trends expand program.</p> <p>Possible interim legislative hearings</p> <p>Volume 1 Policy Discussion</p>	Outcome: Improved budget recommendation and performance measures.	Klunt, ECECD	December 2022
6	<p>Issue: Covid-19 has continued to created significant disruption to the health and human services safety net systems, including housing and healthcare, as well as support service related to early childhood, and community health. Treatment programs for substance use disorders, behavioral health services, care for the aging population, preventive services parents and families, have been disrupted.</p> <p>Goal: Monitor communications with health and human services providers, DOH and ECECD to remain informed about on the ground impacts resulting from the Covid-19 pandemic.</p>	<p>Output: Continued communications with DOH, ECECD, community healthcare and social service providers, and other state agencies.</p> <p>Possible interim legislative hearings.</p>	Outcome: Improved budget recommendation and performance measures.	Klunt, DOH, ECECD, ALTSD,	Ongoing

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: As a social safety net agency the Aging and Long-Term Services Department oversees funding the area agencies on aging (AAA), the state also appropriated increases funding for the agency to provide for emergency advancements and additional funding AAA.</p> <p>Goal: Improve Aging Network fund allocations and alleviate need for emergency advancements and monitor expenditures.</p>	<p>Output: Monitor emergency advancements and gain an understanding of the need.</p> <p>Monitor AAA allocations and system needs</p>	<p>Outcome: Ensure no adults go hungry, particularly because of wait lists or untimely reimbursements.</p>	Klundt, ALTSD	Ongoing
2	<p>Issue: Health and human services agencies performance measures' effectiveness have declined over the past several years.</p> <p>Objective: Ensure funding is resulting in improved outcomes for New Mexicans.</p> <p>Goal: Enhance health and human services agencies' performance measures.</p>	<p>Output: Collaborate with DOH, ALTSD, and ECECD and to add improved performance measures to budgets and quarterly reports.</p> <p>Collaborate on "Managing for Results" project in collaboration with DFA and health and human services agencies.</p>	<p>Outcome: Improved performance measures in DOH, CYFD, ALTSD, and ECECD FY23 budget recommendations.</p> <p>HSD report quarterly on Medicaid HEDIS measures and increase evidence-based performance measures for the Behavioral Health Collaborative.</p>	Klundt,	December 2022
3	<p>Issue: Monitor capital outlay needs and issues for DOH.</p> <p>Goal: Continued monitoring DOH facility needs and master planning. Especially related to the new plan to build more facilities at the New Mexico Veteran's Home.</p>	<p>Output: Monitor DOH and ALTSD capital outlay requests.</p> <p>Possible interim legislative hearings after appropriate social distancing restrictions lifted.</p>	<p>Outcome: Recommendations for FY24 budget.</p> <p>Policy discussions</p>	Klundt	Ongoing

2022 INTERIM WORK PLAN SUMMARY

Health and Human Services (Ruby Ann Esquibel)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: During the public health emergency, federal funds grew for multiple programs in the state.</p> <p>Objective: Monitor and track federal funds for hunger initiative programs, hospital funding, children's behavioral health services, and other initiatives.</p>	<p>Output: Track and monitor with HSD federal funding for hospitals, hunger initiatives programs, and other federal funds including additional funding for Medicaid and SNAP.</p>	<p>Outcome: LFC hearing on children's behavioral health services with CYFD and HSD.</p> <p>Collaborate with HSD on funding status of the Medicaid program.</p>	Esquibel, Chenier, HSD, CYFD	December 2022
2	<p>Issue: The federally declared public health emergency (PHE) is currently in effect through April 16, 2022. The Families First Coronavirus Response Act provided that a temporary 6.2 percentage-point increase in federal Medicaid matching funds is in effect from January 1, 2020, through the last day of the calendar quarter in which the PHE terminates. The federal Department of Health and Human Services (HHS) said it would provide states with 60 days' notice prior to terminating the PHE, and since notice has not yet been provided, it is expected the secretary of HHS will extend the PHE until at least September 30, 2022.</p> <p>During the PHE, Medicaid cannot disenroll anybody on the program. HSD will need to determine eligibility for the 957,000 enrollees and unwind the enrollment for those no longer eligible. HSD projects 85,000 are ineligible for Medicaid once the PHE ends. HSD estimates 40,000 will have coverage through their employer or spouse, and 20,000 to 40,000 will take up coverage on the New Mexico health insurance exchange.</p> <p>Objective: Analyze Medicaid enrollment, unwinding projections, and funding for people</p>	<p>Output: Attend Medicaid Advisory Committee meetings as a member of the committee; attend Medicaid projections; attend Medicaid rate meetings.</p> <p>Participate in Medicaid consensus estimating process.</p> <p>Attend monthly meetings with HSD leadership.</p> <p>Review Medicaid projection methodology with HSD regarding data, enrollment projections, and MCO and provider rate assumptions.</p> <p>Gain further understanding of HSD's Medicaid FY23 through FY24 enrollment and budget projection methodology and its role in HSD's Medicaid budget development.</p>	<p>Outcome: LFC hearings on the status of the Medicaid program's funding, federal funding, enrollment, and performance outcomes.</p> <p>Recommendations for FY24 budget.</p> <p>Collaborate with HSD on status of the Medicaid program.</p> <p>Present to, and collaborate with, the Legislative Health and Human Services Committee (LHHS) on Medicaid enrollment, funding, and performance outcomes.</p> <p>Participate in quarterly Medicaid projections with HSD and use the data to inform the HSD and Medicaid budget recommendation.</p>	Esquibel, HSD, LFC, LHHS	December 2022

	<p>eligible for Medicaid as the federal maintenance of effort requirements under the pandemic expire.</p> <p>Goal: Adjust FY24 budget recommendation to account for federal funds and enrollment and unwinding projections.</p>				
3	<p>Issue: New Mexicans continue to experience increases in healthcare premiums, high deductibles and out-of-pocket expenses, and increased pharmaceutical costs. Medicaid covers many New Mexicans, but many still lack coverage and have difficulty accessing health care.</p> <p>Chapter 33, Laws of 2022 (HB95) created the Health-Easy Enrollment Act allowing tax filers to check a box and be steered to enrolling in multiple public health insurance options including Medicaid and plans on the New Mexico health insurance exchange. Also, Chapter 136, Laws of 2021 (SB317/HB122) increased the health insurance premium surtax to provide subsidies to address rising healthcare costs for people in the state and created the health care affordability fund.</p> <p>The Office of Superintendent of Insurance (OSI), New Mexico health insurance exchange, Human Services Department, and the Taxation and Revenue Department are implementing multiple significant programs of expanding state-subsidized health insurance coverage options for New Mexicans.</p> <p>Objective: Determine the funding needs from the health care affordability fund and other revenue sources to fund insurance coverage for New Mexicans.</p> <p>Engage with the New Mexico Health Insurance Exchange (NMHIX) regarding expanding the number of people enrolled for coverage there and the resulting impact on Medicaid's enrollment and budget given that Medicaid funds about 80 percent of the budget for NMHIX.</p>	<p>Output: Collaborate with the Office of Superintendent of Insurance (OSI), the Interagency Health Care Affordability Working Group, Human Services Department (HSD), Taxation and Revenue Department, and New Mexico Health Insurance Exchange (NMHIX) to maximize health insurance coverage across multiple programs.</p> <p>Study policy options to provide coverage for residents of New Mexico including small business coverage under NMHIX and funded through the health care affordability fund.</p> <p>OSI is required to present a report and policy and funding options to the LFC by July 2022.</p> <p>Collaborate with HSD, NMHIX, OSI, New Mexico Medical Insurance Pool (NMMIP) and others regarding most cost effective methods to insure New Mexicans.</p>	<p>Outcome: Participate in quarterly meetings with NMHIX, and attend Interagency Health Care Affordability Working Group meetings. Participate in quarterly projections with HSD regarding Medicaid enrollment and funding as well as the impact of federal funding on the program and NMHIX.</p> <p>Per Chapter 136, Laws of 2021 (SB317/HB122), no later than June 30, 2022, OSI shall submit a plan to LFC and LHHS regarding coverage for eligible New Mexicans beginning July 1, 2023.</p> <p>Per Chapter 136, Laws of 2021 (SB317/HB122), prior to July 1 each year, OSI shall provide actuarial data from the health care affordability fund to LFC.</p> <p>Per Chapter 136, Laws of 2021 (SB317/HB122), OSI shall report by November 1 of each year to the governor, LFC, and LHHS data regarding the elimination of behavioral health coverage cost sharing.</p> <p>Per Chapter 136, Laws of 2021 (SB317/HB122), LFC shall report by November 1 of each year to the governor and LHHS data regarding the elimination of cost sharing, including effects on providers and patients with regard to costs for behavioral health services and the effects on health and social outcomes for patients, by using a set of performance measurement tools</p>	Esquibel, Dick-Peddie, LFC performance evaluators, HSD, OSI, NMHIX, TRD	Ongoing

	Goal: Ensure cost effective health insurance coverage for New Mexicans.		related to health care quality assurance, developed by a nationally recognized organization.		
4	<p>Issue: New Mexico has high rates of substance use disorder (SUD), mental health issues, and homelessness. The Legislature has maintained funding within the Medicaid program and HSD's Behavioral Health Services Division to reduce county reincarceration and homelessness rates, housing assistance, medication-assisted treatment in jails and prisons, grants to local Law Enforcement Assisted Diversion (LEAD), and to assist with justice-related services and housing.</p> <p>Goal: Improve access to services and health outcomes from SUD including alcohol and methamphetamine use, as well as behavioral health services for incarcerated and homeless individuals.</p>	<p>Output: Improve access to behavioral health services and maintain a sufficient behavioral healthcare workforce, and improve behavioral health outcomes within the justice-involved system.</p> <p>Work with DOH, HSD, Corrections Department (CD), and counties and develop recommendations for interventions to improve access to care for substance use disorder, and recommend policy options to address alcohol and methamphetamine misuse.</p>	<p>Outcome: LFC hearing on SUD and justice-involved behavioral health issues.</p> <p>Reduce incarceration and reincarceration rates and reduce substance use disorder deaths.</p> <p>Track leveraging federal matching funds, how local governments receive and use funding, and the effectiveness of the program and services.</p> <p>Attend quarterly Behavioral Health Collaborative meetings.</p>	Esquibel, Rabin, Klundt, HSD, Medicaid, BHSD, Corrections, DOH	Ongoing
5	<p>Issue: New Mexico's Medicaid program is leveraging hundreds of millions of dollars under the home and community-based services (HCBS) Medicaid waiver to provide services to people with developmental disabilities and people receiving long-term services and supports.</p> <p>Objective: Review and monitor the status and implementation of New Mexico's federally-approved plan for HCBS.</p> <p>Goal: Expand service provision for those eligible for services under New Mexico's Medicaid home and community-based waiver.</p>	Output: Monthly status updates on numbers of developmentally disabled individuals and other individuals receiving Medicaid long-term services and supports.	<p>Outcome: Collaborate with HSD and DOH on status of HCBS waiver implementation.</p> <p>Monitor funding status through quarterly Medicaid funding projection meetings.</p> <p>.</p>	Esquibel, Klundt, HSD, DOH	Ongoing
6	<p>Issue: Maintaining a sufficient healthcare workforce is a major challenge in New Mexico.</p> <p>Chapter 87, Laws of 2021 (HB 67) passed the Primary Care Council Act to further focus on the issue of addressing New Mexico's healthcare workforce.</p> <p>Objective: Collaborate with HSD, UNM Health Sciences Center, Burrell, DOH and others</p>	Output: Collaborate with HSD regarding implementation of Medicaid funding to support expanding graduate medical education positions in family medicine and psychiatry programs and start new residencies, especially in rural settings.	<p>Outcome: HSD, UNM, DOH recommendations for FY24 budget.</p> <p>Policy discussions.</p> <p>Legislative hearings.</p> <p>Medicaid regulatory changes.</p>	Esquibel, Jorgensen	Ongoing

	<p>regarding expanding graduate medical education and other opportunities in primary care in rural areas.</p> <p>Participate with the new Primary Care Council.</p> <p>Goal: Maintain Medicaid-funded primary care and other healthcare residencies in rural New Mexico, and increase primary care for New Mexicans.</p>	<p>Attend the new Primary Care Council's meetings.</p> <p>Review other opportunities to expand New Mexico's healthcare workforce.</p>	<p>Participate with the new Primary Care Council on opportunities to expand primary care access for New Mexicans.</p>		
SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Pharmaceutical costs continue to rise and increase costs for Medicaid, Corrections, and the Interagency Benefits Advisory Council (i.e., state and local government employees, APS, NMPSIA, RHCA).</p> <p>Objective: Cost effective pharmaceutical purchasing for state and public entities.</p> <p>Goal: Implement innovative group pharmaceutical purchasing and review innovative approaches to pharmaceutical benefits management.</p>	<p>Output: Attend the General Services Department's Interagency Pharmaceutical Purchasing Council meetings.</p> <p>Collaborate with the Office of Superintendent of Insurance (OSI) and others on health insurance regulatory changes to address innovative measures for pharmaceutical benefits management (PBM) and other strategies to reduce the cost of pharmaceuticals within Medicaid, IBAC and other insurance coverage.</p>	<p>Outcome: Implement and leverage group purchasing of pharmaceutical benefits.</p> <p>Explore innovative models of pharmaceutical purchasing and pharmacy benefits management.</p> <p>Deliver cost effective pharmacy benefits for New Mexicans.</p>	Simon, Esquibel	Ongoing
2	<p>Issue: Health and human services agencies performance measures' effectiveness have declined over the past several years.</p> <p>Objective: Ensure funding is resulting in improved outcomes for New Mexicans.</p> <p>Goal: Enhance health and human services agencies' performance measures.</p>	<p>Output: Collaborate with HSD to add improved performance measures to budgets and quarterly reports, and to enhance quarterly reporting.</p> <p>Collaborate on "Managing for Results" with DFA and HSD.</p> <p>Coordinate performance measurement efforts with HSD's scorecard reporting.</p>	<p>Outcome: Improved performance measures in HSD's FY24 budget recommendations.</p> <p>Improve HSD's quarterly reporting on Medicaid HEDIS measures including EPSDT, prenatal visits, and well child visits. Increase quarterly reporting on evidence-based performance measurement for the Behavioral Health Collaborative.</p>	Esquibel	December 2022

2022 INTERIM WORK PLAN SUMMARY

Health and Communities

(Eric Chenier)

Analyst name and agency: Eric Chenier, CYFD, WSD, and Federal Funds

PRIMARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The state's inadequate behavioral health and social worker workforce, along with poor recruitment and retention, caused Child Protective Services (CPS) to have the 3rd highest social worker caseload in the country, has attracted lawsuits bringing the state under court supervision, led to child and adolescent behavioral health specialist shortages, and fewer services so that children and families fall through the cracks.</p> <p>Objective: Expand social worker and behavioral health workforce pipeline to CYFD and provider agencies to improve recruitment and retention, address workforce related lawsuits, reduce CPS caseloads, and provide adequate services.</p>	Output: Engage CYFD, higher education, and other entities in planning to use the \$20 million appropriation for provider startup costs and \$50 million for higher education social worker endowments. LFC hearings	Outcome: Reduce caseloads, provide adequate behavioral health services, and eliminate workforce related maltreatment.	CYFD, HSD, and Eric	Ongoing
2	<p>Issue: Between 2016 and 2020 New Mexico's child victim rate ranking ranged between fourth and tenth highest in the nation and child deaths in 2020 ranked sixteenth nationally. CYFD has federal and state resources to implement evidence-based interventions to reduce maltreatment through prevention. The department has not prioritized prevention as much as the federal government or the Legislature would like.</p> <p>Goal: Expand evidence-based services to prevent child maltreatment and keep families together.</p>	Output: Work with CYFD on meeting federal requirements to draw more family's first prevention funds and expand prevention pilots if proven successful. LFC hearing	Outcome: Prevent maltreatment and improve the state's rankings.	CYFD, Federal Government, Eric, and evaluators	Ongoing

3	<p>Issue: CYFD's Behavioral Health Services Program general fund budget grew from \$13 million in FY15 to \$44 million in FY23, a 240 percent increase. However, data reported by the program is scant and the department may not use much data to manage the program and improve behavioral health outcomes for children.</p> <p>Goal: Improve behavioral health reporting and match data and reporting standards set by the Protective Services Program.</p>	<p>Output: Work with CYFD policy and accountability office and others to improve reporting.</p> <p>LFC Hearings</p>	<p>Outcome: Improve behavioral health outcomes for children by allowing management and the Legislature to better understand program performance.</p>	<p>CYFD, Falling Colors, BH Collaborative, Eric and evaluators</p>	<p>Ongoing</p>
4	<p>Issue: Across sectors, the state is in need of every worker it can get, especially teachers, nurses, and social workers. According to the U.S. Bureau of Labor Statistics, low labor force participation rates cause rising dependency ratios because fewer workers are available to support those who do not work, higher tax rates because of a shrinking base, and slower economic growth because fewer people are working. Low participation rates may be the result of youth not working as much as in the past, childcare deserts, and continued concerns with Covid-19.</p> <p>Goal: Improve the labor force participation rate.</p>	<p>Output: Participate in taskforce to determine how to spend the \$10 million appropriation for youth apprentices and adult reemployment.</p> <p>LFC Hearing</p> <p>LegiStat Hearing</p>	<p>Outcome: Improve labor force participation by improving the youth employment pipeline, improve childcare access, and improve local workforce board coordination.</p>	<p>WSD, ECECD, Eric, and Kelly?</p>	<p>Ongoing</p>

5	<p>Issue: For pandemic relief and infrastructure upgrades, the federal government expanded funding to the states at unprecedented rates. Pandemic aid since April 2020 exceeded \$20 billion and the federal government is continuing to allocate federal infrastructure funds. Much of the available funding is through the competitive grant process and state and local governments will need to be persistent to win these awards. The large influx of funds also poses historically large accountability questions.</p> <p>During the 2021 special legislative session and the 2022 regular legislative session the Legislature appropriated about \$1.8 billion in federal and state nonrecurring appropriations for 78 items. Many of these appropriations have the potential to be transformational for the state of New Mexico.</p> <p>Goal: Ensure federal funds are spent effectively and that state agencies and local governments take full advantage of legislative appropriations and federal competitive awards, improving outcomes.</p>	Output: LFC Hearings, LFC federal funds report	Outcome: Federal funds are spent timely and competitive grants are applied for and used effectively improving outcomes in various areas.	DFA, Eric, and Micaela	Until federal and state nonrecurring funds are spent.
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2022 INTERIM WORK PLAN SUMMARY

Economic Development (Amanda Dick-Peddie)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Economic development and related agencies received millions in state and federal aid throughout the last two years. The legislature must track the how agencies are spending these large appropriations in order to make informed decisions on future spending initiatives.</p> <p>Goal: Track actions plans on balances and returns on investment from federal funding and state appropriations to Tourism, Economic Development, and Cultural Affairs departments.</p>	<p>Activity Report Items, memos, budget recommendations, participation in monthly federal funding reports.</p>	Ensuring public and relief funds are spent responsibly and in a timely manner.	Dick-Peddie	September 2022/Ongoing.
2	<p>Issue: The department received \$1.5 million in federal Economic Development Administration money to procure a statewide economic development plan, released October 2021. An executive order accompanied the plan release, directing the Regulation and Licensing Department, in consultation with EDD, to simplify and streamline rules and regulations for business creation, but it is unclear what other steps the Department has made to implement the plan.</p> <p>Goal: Fully understand the department's direction for implementing the strategic plan and issues raised within the plan.</p>	<p>Activity Report Items, memos, budget recommendations, meetings with other stakeholders.</p> <p>June hearing.</p>	Legislators and executive agencies are on the same page on how to create lasting economic growth in the state.	Dick-Peddie	May 2022 and ongoing

3	<p>Issue: The Economic Development Department has received significant Local Economic Development Act and JTIP funding, including \$50 million for LEDA and a total of \$7 million for JTIP in the 2022 Regular Legislative Session.</p> <p>Goal: Ensure accurate reporting with greater detail, evaluate relationship between JTIP & LEDA awards and job creation levels. Evaluate claw-backs, contracts, and cost per job.</p>	<p>Activity report items, attend JTIP board meetings, possible memo to LFC director, Budget recommendations.</p> <p>Evaluation, LegisSTAT hearing.</p>	<p>Track and report JTIP & LEDA expenditures, review recent contracts for claw-back provisions.</p> <p>Results: Ensure the process is transparent and clawback provisions protect taxpayer funds, determine the correlation between LEDA funds, JTIP awards and job creation and determine cost efficiency.</p>	Dick-Peddie Evaluators	September 2022 and ongoing
4	<p>Issue: While the Tourism Department has heavily invested in funding and tracking outcomes for marketing, other tourism initiatives, such as capital priorities, beautification, and cooperative grants, have become secondary.</p> <p>Goal: Continue to evaluate ROI on marketing funding, as well as track how the agency is working on tourism development in the state.</p>	<p>Budget recommendation, activity report items.</p> <p>LegisSTAT hearing, Tourism Development hearing.</p>	Better outcomes and results-based funding for not only advertising but development.	Dick-Peddie	September 2022 and ongoing
5	<p>Issue: The Cultural Affairs Department has Museums and historic sites with substantial deferred maintenance. Cultural Affairs received \$14 million in capital outlay funds during the 2022 regular legislative session.</p> <p>Goal: Ensure accurate reporting and feasibility studies are being done, track progress on projects.</p>	Budget recommendation, activity report items. Quarterly meetings and reporting with capital team.	Work with the Department of Cultural Affairs to continue to improve transparency of capital costs and potential extended use of historic sites.	Dick-Peddie, Chavez, Carswell	October 2022 and ongoing

6	<p>Issue: The Legislature appropriated \$10 million for tribal libraries, and distributions from the rural libraries endowment fund are set to begin in FY23. While the Cultural Affairs Department has a preliminary plan for allocating funding to rural and tribal libraries, more detail is needed.</p> <p>Goal: Discuss current funding and analyze how much funding should go to materials, operations and construction of new libraries. Work with PED and IAD to ensure stakeholders are on the same page.</p>	Activity report items, site visits, possible memo to LFC director.	Improved access to library services in rural and tribal communities.	Dick-Peddie, Chenier, Liu	September 2022
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SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: In addition to LEDA and JTIP appropriations, the Legislature prioritized other economic development funding initiatives such as venture capital, and funding for spec space. With an influx of funding to brand new programs, legislative oversight and collaboration is necessary to ensure these programs fill the gaps in economic development opportunities as intended</p> <p>Goal: Stay up to date on development of programs at NMFA, state investment council, and the Economic Development Department.</p>	<p>Activity report items, possible memo to LFC director</p> <p>Possible Hearing</p>	Attend meetings with all key players for updates.	Dick-Peddie, Torres	June 2022

2	<p>Issue: The Office of Superintendent of Insurance is tasked with managing the newly-established Health Care Affordability Fund, and will receive over \$60 million from the fund to decrease healthcare costs for small businesses and individuals coming off Medicare.</p> <p>Goal: Track the expenditure of funds at OSI, track the success of new and future programs and monitor revenue projections and expenditures for the fund.</p>	Activity report items, regular meetings with OSI.	Budget recommendations, clear understanding of available funds, reduced cost of healthcare in the state.	Dick-Peddie, Esquibel	September 2022/ongoing
3	<p>Issue: The tourism industry has expanded significantly and received substantial funding, but workforce is still down in the sector.</p> <p>Goal: Continue to work with department to ensure collaboration between Workforce Solutions Department, Tourism Department, and Economic Development Department</p>	Budget recommendation, activity report items, LegisSTAT hearing and update.	Understanding of why gaps in leisure and hospitality employment persist as overall recovery begins.	Dick-Peddie	Interim
4	<p>Issue: The Public Regulation Commission will be restructured mid-FY23, and there is still very little known about recommendations for the new structure and transition.</p> <p>Goal: Work with current PRC to understand transition goals and potential changes to the organization ahead of the FY24 budget cycle.</p>	<p>Budget recommendation, activity report items, attend meetings.</p> <p>Possible hearing with bullets or brief</p>	Well vetted budget recommendation ahead of the January 2023 PRC transition.	Dick-Peddie	September 2022

	<p>Issue: The Legislature recently implemented changes to medical malpractice laws and the Patient Compensation fund, along with judicial rulings over how medical costs are calculated. The fund also received an infusion of appropriations to better ensure solvency.</p> <p>Goal: Monitor the fiscal solvency of the fund and the impact of changes on the network of providers and hospitals.</p>	<p>Possible budget recommendation, activity report items, and attend meetings.</p>	<p>Understand the fiscal solvency of the fund and whether malpractice changes and insurance is positively or negatively impacting access to medical care.</p>	<p>Dick-Peddie</p>	<p>Interim</p>
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2022 INTERIM WORK PLAN SUMMARY

*Public Safety
(Ellen Rabin)*

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: New Mexico's public safety outcomes remain some of the worst in the nation, resulting in significant costs to the state. There are many differing proposals to address these issues, and producing a budget recommendation that both aligns with the Legislature's policy direction and supports best practices, evidence- and research-based policies, and effective programs requires ongoing collaboration between staff and legislators.</p> <p>Goal: Convene legislative public safety fiscal working group to propose cost-saving reforms and investments in evidence-based programming and other methods to improve criminal justice outcomes. Monitor the Sentencing Commission's (NMSC) project to rewrite the criminal code.</p>	Work group proposal and high-level tracking sheet, meetings with stakeholders, FY24 budget recommendation(s) and narrative(s), and recommended legislation.	Reduced costs to the justice system and reprioritization of funding towards effective interventions to prevent crime, reduce recidivism, and address victim needs.	Rabin/ Courtney	December 2022
2	<p>Issue: The criminal justice system often deals with downstream effects of failures outside that system, and a broader view of public safety requires examining the impact of such factors on crime. A growing body of research has identified many outside-the-system approaches that could influence criminal behavior. Significantly, these interventions may help prevent crime, not simply address its effects.</p>	Activity reports, committee hearing, policy brief, and budget recommendations.	Prioritization of funding towards evidence-based strategies outside the criminal legal system to prevent violent crime, reduced violent crime, and reduced costs to the criminal justice system.	Rabin/Tolman/ Klundt/ Esquibel/ Carswell/ Courtney	December 2022

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	Goal: Convene a panel of experts to provide insight on current research- and evidence-based strategies to reduce violent crime outside the traditional criminal legal system. Research, summarize, and recommend effective outside-the-system interventions, specifically focusing on healthcare and infrastructure impacts on crime and interventions in these sectors during the 2022 interim.				
3	Issue: Although the Corrections Department's (NMCD) three-year recidivism rate has seen some improvements recently, it remains extremely high. NMCD has created a new Reentry Program (effective in FY23) that consolidates recidivism reduction, educational, and community correction programming, as well as transitional services. By September 1, 2022, NMCD must develop and report on a recidivism-reduction programming plan for FY23 through FY25 (including a process for monitoring programming efficacy), and the agency is developing new pilot programs to test promising practices to reduce recidivism. The Legislature appropriated funds from FY21 through FY22 for NMCD to pilot reentry programming with a randomized control trial, with an assessment of programming effectiveness on recidivism due in October 2023. It is not clear if NMCD is employing risk-needs assessments to match offenders to effective programming. The process for granting and revoking parole is opaque and not well understood, and NMCD has had significant issues in its performance reporting	Activity reports, performance measure recommendations, committee hearing, policy brief, update on 2019 COMPAS memo, budget recommendations, and improved performance measures aligned to the agency's programming plan.	Improved data and accountability on reentry programs, improved reentry process, increased funding for effective recidivism reduction programs, and reduced recidivism.	Rabin	December 2022

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	<p>on recidivism and parole revocation for technical violations.</p> <p>Goal: Develop more robust performance measures for the Reentry Program and the Parole Board to effectively monitor their output and outcomes and improve accountability. Use NMCD's programming plan to assess the agency's FY24 budget request and direct funds to effective programs. Monitor reentry and recidivism reduction programming pilot projects. Examine programming offerings both inside and outside the Reentry Program. Examine the process of granting and revoking parole (including analyzing parole files, attending hearings, and interviewing and observing NMCD reentry staff and probation and parole officers) and provide policy and budgetary recommendations to address issues in this area to reduce barriers to successful reentry and reintegration (including reduced rates of incarceration of release-eligible inmates and parole revocations).</p>				
4	<p>Issue: New Mexico has the one of the highest per capita rates of people killed by police in the country. The Law Enforcement Academy Board (LEAB) has been responsible for overseeing police officer training and conduct but has faced some significant limitations in fully executing this role; Laws 2022, Chapter 56 (House Bill 68), establishes a new Law Enforcement Certification Board (effective FY24) to take over issues related to misconduct that will be a separate agency. HB68 also reforms the agency overseeing</p>	Activity reports, policy brief, committee hearing, recommended performance measures, and FY24 budget narrative and recommendation.	Improved police training and accountability, independent and effective process for addressing officer misconduct, and improved public confidence in law enforcement.	Rabin	November 2022

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	<p>police training (the New Mexico Law Enforcement Standards and Training Council) and adds training requirements (effective FY24).</p> <p>Goal: Monitor planning for new Certification Board to ensure limitations of the existing LEAB are avoided. Monitor planning and implementation of new training processes and requirements. Develop FY24 performance measures and budget recommendation for the Certification Board and Standards and Training Council.</p>				
5	<p>Issue: Laws 2022, Chapter 56 (House Bill 68) and the 2022 GAA modify and create several programs to provide grants or otherwise distribute funds to promote public safety across many agencies, including crime reduction grants (NMSC, \$2 million nonrecurring and \$150 thousand nonrecurring), funding for law enforcement recruitment and retention (both the Department of Public Safety, \$5 million nonrecurring and recurring LEPF distributions starting in FY24, and the Department of Finance and Administration [DFA], \$50 million nonrecurring), law enforcement training grants (DFA, \$4 million nonrecurring), violence intervention program grants (Department of Health, \$9 million nonrecurring and \$1.7 million recurring), and grants to improve and standardize pretrial services (Administrative Office of the Courts [AOC], \$4 million nonrecurring). Overall, \$1.9 million in recurring funds and \$74</p>	<p>Activity reports, memo, recommended performance measures, and budget recommendations.</p>	<p>Successful implementation of programs to fund effective solutions to issues in the criminal justice system, including violent crime, law enforcement staffing shortages, law enforcement training deficiencies, and insufficient pretrial services and monitoring.</p>	<p>Rabin/ Saavedra/ Klundt/ Hitzman</p>	<p>Ongoing</p>

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	<p>million in nonrecurring funds were appropriated for these programs.</p> <p>Goal: Monitor and evaluate implementation and administration of these programs to ensure they are having the intended impact, including establishing performance measures.</p>				

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Significant reductions in prison populations and changes to NMCD's classification system provide savings within the prison system, and future reforms to the criminal code (including sentencing reform) and the probation and parole systems could produce further savings to reinvest in effective interventions to address the root causes of crime (and reduce recidivism) inside and outside prisons, improve swiftness and certainty of justice for the most violent crimes, and better serve individuals and communities victimized by violent crime. The state must ensure these savings are captured and reinvested in effective programs, and future criminal justice reform efforts should contain mechanisms to capture and reinvest savings.</p> <p>Goal: Develop a system for identifying, capturing, and reinvesting savings from reduced criminal justice involvement and</p>	Activity reports, memo on recommended system, recommended legislation, savings projections, and budget recommendations.	Increased investments in effective interventions to prevent crime, reduce recidivism, and address victim needs, as well as investments in underfunded criminal justice system partners.	Rabin/Saavedra	December 2024 (2022 interim deliverables: activity reports)

	reduced incarceration. Research justice reinvestment legislation implemented in other states (Louisiana, Utah, Kansas) to enact reforms and redirect savings.				
2	<p>Issue: The Legislature has made significant investments in prison healthcare, including a \$22 million nonrecurring appropriation to treat hepatitis C among affected inmates in FY20 through FY23. Increases in NMCD's contract with private vendors for inmate medical care are driving the agency's operational costs and have gone from making up about 16 percent of the agency's budget to 20 percent in the past decade, while the actual value of the healthcare provided is not well known and private vendors' transparency has been called into question. The Legislature has appropriated \$6.7 million to NMCD to implement an electronic health records (EHR) system.</p> <p>Goal: Review other states' correctional healthcare systems to identify potential opportunities for cost savings and improved outcomes within the prison healthcare system, including states whose public university runs its prison healthcare options (Connecticut, Georgia, New Jersey, and Texas). Assess the possibility of implementing a different structure of healthcare provision in New Mexico and make relevant recommendations. Monitor planning and implementation of NMCD's EHR system.</p>	Activity reports, policy brief, IT report cards and possible project spotlights, recommended legislation, and budget recommendations.	Reduced inmate healthcare costs, improved inmate health outcomes, and increased transparency into inmate healthcare system.	Rabin/Hitzman	December 2023 (2022 interim deliverables: activity reports, IT report cards and possible project spotlights)
3	Issue: Law enforcement officers with significant misconduct allegations or determinations against them often move among law enforcement agencies in New Mexico, including officers who were previously terminated or resigned in lieu of	Committee hearing (see item 1.4), hearing brief, activity reports, and site visits.	Improved quality of state and local law enforcement officers and other public employees and reduced liability and associated costs for state and local governments and other public entities.	Rabin/Liu/Simon/Helms	October 2022

	<p>termination. Law enforcement agencies and local governments have raised concerns regarding the impact of such transfers on law enforcement quality and liability, including increasing insurance costs. A proposal to create a database to improve tracking of such officers was removed from House Bill 68 prior to its passage. Similar issues have previously been identified in public schools, and the Legislature has passed significant reforms to teacher licensure and tracking to ameliorate these issues, which the Public Education Department (PED) is in the process of implementing. The passage of the New Mexico Civil Rights Act may create liability among other positions in state and local government that should be addressed.</p> <p>Goal: Identify impediments to law enforcement agencies having or considering relevant misconduct information when hiring. Monitor PED implementation of licensure and tracking reforms to assess the feasibility of similar reforms to law enforcement certification and identify lessons learned for cooperation between state regulators and local public employers. Identify other types of positions or areas of government that may face similar issues currently or in the future.</p>				
4	<p>Issue: NMCD has had a number of issues in performance reporting in recent years, and some measures still lack historical data to compare with current results. Limitations of the agency's current database system have restricted what information it is able to report and made much of its reporting significantly more labor intensive. NMCD's new \$15.5 million Offender Management System (OMS) is set to go live by the end of June 2022 and should provide substantially improved reporting capabilities.</p>	<p>Activity reports, IT report cards and possible project spotlights, committee hearing (see item 1.3), and FY24 performance measure recommendations.</p>	<p>Improved visibility into NMCD's performance and ability to evaluate efficacy of agency programs.</p>	<p>Rabin/Hitzman</p>	<p>August 2022</p>

	<p>Goal: Monitor implementation of the new OMS and assess the system's reporting capabilities to inform FY24 performance measure recommendations.</p>				
5	<p>Issue: Data-based decision making in the criminal justice system is improving and has the potential to reduce crime, recidivism, and spending. Improved understanding of current crime trends and the impact of these trends on the wider criminal justice system is necessary to ensure budgets and policies are properly targeted. However, much of this data is siloed, and obtaining reliable data streams from local criminal justice partners has been difficult. NMSC and AOC have received funding in the 2022 GAA and prior years to support data integration efforts, and this year's GAA also includes funds for DPS to assist local law enforcement agencies to comply with reporting requirements and for the Administrative Office of the District Attorneys to implement a new case management system.</p> <p>Goal: Monitor progress on data integration efforts led by NMSC and work with the commission to ensure the creation of reliable data streams for criminal justice data relevant to lawmakers.</p>	Activity reports, stakeholder meetings, and budget narratives.	Integrated data sharing between justice partners, improved understanding of crime trends and their impact on costs to the criminal justice system (enforcement, adjudication, and incarceration), and improved data on how individuals navigate the criminal justice system.	Rabin/Saavedra/Hitzman	Ongoing
6	<p>Issue: NMCD's classification system has shown itself to be insufficient to meet current needs, and the agency is currently in the process of reevaluating and redesigning the system and made some changes in June 2021. Facility capacity and design should be right-sized to meet the needs of a new classification system, the <i>Duran</i> settlement agreement, and declining prison populations. The agency rescinded plans to close Springer</p>	Site visits, activity reports, budget narrative(s), and budget recommendation(s).	Improved FY24 operating and capital budget recommendations.	Rabin/Carswell	Ongoing

	<p>Correctional Center and took over operations of two private prisons in November 2021, despite significant excess capacity in the prison system, which had an average of 1,600 empty beds in FY21.</p> <p>Goal: Monitor NMCD’s continuing efforts to redesign its inmate classification system and the impact of classification and other changes (including population declines, <i>Duran</i> settlement, etc.) on facility capacity usage. Evaluate the agency’s usage of non-state-owned prison facilities.</p>				
7	<p>Issue: 2022 House Memorial 11 and Senate Memorial 6 (duplicates) requested New Mexico Counties convene a task force to study the costs, benefits, and feasibility of transitioning the state to a unified jail and prison system and report its finding to the Legislature by December 1, 2022. Because the jail system is not state-funded, LFC does not conduct financial or other oversight over jails and has little visibility into jails’ operations or funding.</p> <p>Goal: Monitor the work of the task force, evaluate its findings and estimate the fiscal impact of proposals (including capital costs), and make recommendations regarding prison and jail structures and mechanisms to improve legislative oversight of jails.</p>	Activity reports, site visits, memo, and budget recommendations.	Informed recommendations regarding proposals to restructure the prison and jail systems and increased visibility into jail operations.	Rabin/Saavedra/ Hitzman/ Carswell	December 2022
8	<p>Issue: Several bills introduced in the 2022 session sought to change the state’s policies regarding pretrial detention and narrow the circumstances under which offenders could be released, including the introduced version of House Bill 5, which sought to create a rebuttable presumption against pretrial release for individuals charged with certain crimes. LFC analysis showed such policies</p>	Activity reports, site visits, budget recommendation(s), and budget narrative(s).	Improved FY24 budget recommendation(s) and policy analysis (such as FIRs).	Saavedra/Rabin	Ongoing

	<p>were unlikely to significantly reduce violent crime and could pose significant costs to counties. These proposals were unsuccessful, but their proponents are likely to bring them forward again. Chapter 56 (House Bill 68) implements changes regarding sharing GPS monitoring data for defendants on pretrial release with law enforcement, and AOC received funding to ensure 24/7 monitoring and improve pretrial services and supervision.</p> <p>Goal: Monitor AOC and court efforts to provide 24/7 pretrial supervision monitoring and improve pretrial services. Evaluate proposals to expand supervision, increase detention, or change requirements to allow noncourt personnel to access GPS location monitoring records.</p>				
9	<p>Issue: During the 2021 and 2022 legislative sessions, LFC staff began developing standardized processes for estimating the fiscal impact of crime-related bills and template language for such proposals. However, these processes and language have not been finalized or documented, which creates obstacles to the use of these tools by others (such as contractors).</p> <p>Goal: Develop tools, templates, and instructional documentation for analyzing crime-related legislation.</p>	Tools, templates, and instructional documentation for analyzing crime-related legislation.	Standardized analysis of crime-related legislation during future legislative sessions, including ensuring fiscal impact estimates are provided for the majority of bills.	Rabin/Tolman	May 2022
10	<p>Issue: Significant research has been and continues to be conducted in the areas of public safety and criminal justice. However, it can be difficult to stay up-to-date with the most recent research and find relevant articles for specific reports or analysis.</p>	System for organizing academic research and other relevant documents and system documentation.	Increased familiarity with relevant research and integration of new research into reports, policy briefs, and recommendations.	Rabin/Tolman	May 2022

	Goal: Create a shared, searchable system for organizing academic research and other relevant documents, including the ability to search for documents by year and topic.				
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2022 INTERIM WORK PLAN SUMMARY

Transportation/Pensions and Benefits

(Joseph Simon)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Over the past four years, the Legislature has approved significant new investments in New Mexico's roadways, transit systems, and other programs managed by the New Mexico Department of Transportation (NMDOT), with over \$800 million for major investments in state roads and bridges, \$231 million for local roads and bridges, \$29 million for airports, and \$76 million for other projects. Additionally, the federal infrastructure bill will result in an increase of more than \$100 million per year in federal formula funds, with additional opportunities to apply for competitive grants. These additional investments will allow NMDOT to develop and implement a comprehensive plan on how to fund the state's long-term transportation needs. The significant influx of resources for new projects will also require safety measures in work zones.</p> <p>Objective: Monitor how the NMDOT is using additional resources and how resources are prioritized to improve road conditions. Given the influx of resources, determine how the department intends to control costs to provide taxpayers the best return-on-investment and ensure projects are safely completed.</p>	<p>Quarterly reporting on major investment projects throughout New Mexico.</p> <p>Attend Transportation Commission meetings.</p> <p>Activity reports</p> <p>Interim policy brief</p>	Improved project oversight and transparency for road projects.	Simon	Ongoing

2	<p>Issue: Although much of the state’s workforce has been working remotely for the past two years, the state continues to lease space in private buildings for agency offices. Although the state workforce is beginning to return to the office for more hours, employees in some agencies continue a part-time remote work schedule, making it possible for agencies to consider reducing office space and consolidating to make better use of state-owned space. At the same time, the Legislature has appropriated funds for new office space, including \$85 million for a new executive office building. The Facilities Management Division of the General Services Department should develop a comprehensive plan for how the state will provide office space to meet future workforce needs.</p> <p>Objective: Monitor policies and plans to use state facilities more efficiently. Identify where consolidation of agencies into state-owned space will result in savings.</p>	<p>Attend monthly facilities meetings between state agencies and the Facilities Management Division.</p> <p>Activity reports</p> <p>Oversight Issues for Volume II Charts/graphs for Volume III</p>	<p>Increased efficiency of state space utilization.</p> <p>Improved understanding of the capital needs of state agencies.</p>	Simon/Chavez/ Carswell	Fall 2022
3	<p>Issue: Employee vacancy rates and turnover at state agencies remain high. In an effort to stabilize state agencies, the Legislature approved significant pay increases for public employees. Proposals from the executive would appear to target employees on the state’s general salary schedule in a way that would move more employees towards each pay band’s midpoint. The State Personnel Office conducts salary studies to determine whether pay is adequate to attract and retain qualified applicants; however, it is not clear that current classification system adequately recognizes job market conditions to provide competitive pay. Additionally, the state does not currently have a uniform remote work policy. Adopting a statewide remote work policy would allow provide equitable results across agencies.</p> <p>Objective: Determine the adequacy of state salaries to best promote the recruitment and retention of effective state employees. Measure the competitiveness of state compensation with other public employers and with private industry.</p>	<p>Attend Personnel Board meetings.</p> <p>Monthly headcount reports.</p> <p>Activity reports.</p> <p>Interim policy briefs.</p> <p>Coordinate with evaluation team to review effectiveness of state personnel system.</p>	<p>Recommendation for a compensation package that balances the obligations of the state with the preferences of workers</p> <p>Identification of high value, high turnover positions</p>	Simon	Fall 2020

4	<p>Issue: The cost of public employee's healthcare continues to rise, with both the General Services Department (GSD) and Public Schools Insurance Authority (NMPSIA) reporting large increases in costs. While NMPSIA has consistently raised rates to cover increased costs, GSD has declined to raise rates, subsidizing member benefits with nonrecurring general fund appropriations. Even with the subsidy, GSD's health benefits fund remains at a significant deficit, raising the likelihood of significant increases in payroll deductions, member cost sharing, or a combination of both.</p> <p>Additionally, previous LFC program evaluations have found the state has failed to realize the full potential of combined purchasing of health plans offered by GSD, NMPSIA, the Retiree Healthcare Authority (RHCA), and Albuquerque Public Schools (APS).</p> <p>Objective: Study differences in plans and cost structures offered by GSD, NMPSIA, RHCA, and APS. Determine the needs of public employers to fully fund the cost of employee benefits through employer and employee premiums without additional subsidies from the general fund.</p>	<p>Assess benefits provided by GSD, NMPSIA, RHCA, and APS.</p> <p>Review prescription drug purchasing arrangements to determine if state government is using its combined purchasing power to get the best possible price.</p> <p>Attend meetings of the Risk Management Advisory Board; NMPSIA, and RHCA.</p> <p>Interim policy brief.</p> <p>Activity Report.</p>	<p>Recommendation for health benefits rates that fully fund the cost of covered benefits, ensure fairness across employee benefits plans, and realizes the full benefit of the state's joint purchasing power.</p>	Simon	Fall 2020
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SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Monitor effectiveness of enterprise services:</p> <ul style="list-style-type: none"> State fleet operations State purchasing Surplus property sales State printing and graphics services 	<p>Identify policies and practices that may negatively impact operations.</p> <p>Monitor operating revenues and expense from enterprise operations.</p>	<p>Better program understanding and more informed budget recommendations</p> <p>Activity reports</p>	Simon	Ongoing
2	<p>Recently improve payroll contribution increases have been forecast to improve the health of the state's pension systems but proposals to change the plans' return-to-work policies could compromise those gains if not carefully managed to ensure employees are not incentive to retire early. Additionally, some have suggested the state consider alternative retirement programs, such as a hybrid defined benefit-defined contribution plan.</p>	<p>Policy analysis on proposals that could significantly impact state finances</p> <p>Investment performance and funding status updates</p>	<p>Better program understanding and more informed budget recommendations</p> <p>Activity reports</p>	Simon	Ongoing

3	Addition meetings to attend: <ol style="list-style-type: none"> 1. Public Employees Retirement Association 2. Educational Retirement Board 3. Retiree Health Care Authority 4. Interagency Benefits Advisory Council 5. Public Employees Labor Relations Board. 	Ongoing updates	Better program understanding and more informed budget recommendations Activity reports	Simon	Ongoing
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2022 INTERIM WORK PLAN SUMMARY

Natural Resources (Caitlyn Wan)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: More than \$30 million was appropriated for drought mitigation initiatives, and the Office of the State Engineer (OSE) should have opportunities to leverage additional federal funds for water infrastructure projects.</p> <p>The clean water state revolving fund, administered by the Environment Department (NMED), will receive an influx of federal funds. This program has historically been underutilized because communities prefer other options for funding water infrastructure projects to loans, even after NMED lowered interest rates to 0 percent.</p> <p>The Energy, Minerals and Natural Resources Department's (EMNRD) orphan oil and gas well-plugging program has lagged in FY22, despite substantial investments. Both competitive and formula grants for this purpose were part of the federal infrastructure package, and EMNRD will need to commit resources to applying for and administering the funds.</p> <p>Goal: Monitor agency success in applying for federal grants. Track federal dollars received, agency spending plans, and program performance. Participate in Water Policy and Infrastructure Task Force to assist executive agencies with project planning and decision-making. Ensure NMED develops a plan to get available infrastructure funds to communities, innovating where possible. Monitor plugging activity and ensure adequate steps are taken to address environmental concerns of unplugged wells on state lands.</p>	<p>Activity report items. Volume 1 and 2 discussion.</p> <p>Activity report and OSE performance report card updates on progress of the task force. Brief and hearing in Artesia.</p> <p>Quarterly reporting on new loans made for community water infrastructure projects.</p> <p>Provide updates on the status of well-plugging efforts and justification for EMNRD not meeting its target in quarterly report cards and activity reports. Track expenditures from the oil reclamation fund. Activity report updates on federal legislation and funding.</p>	<p>Ensure funds are spent wisely and efficiently. Long-term solutions to ongoing water use issues that should improve settlement results in Texas v. New Mexico and ensure New Mexico's compliance with interstate compacts, preventing interstate conflict in the future.</p> <p>Accountability and oversight related to a large financial investment.</p> <p>Informative performance reporting that leads to a more informed, data-driven budget recommendation.</p>	Wan, Carswell, Chavez	May, plus ongoing monitoring and updates.

2	<p>Issue: Several agencies request capital outlay funds to address water quality, supply, and infrastructure, and it is often unclear how much agencies coordinate to jointly address these overlapping needs. Additionally, publicly owned dams in NM have remediation needs estimated to collectively cost hundreds of thousands of dollars.</p> <p>Goal: Ensure agencies are looking for new ways to collaborate on water infrastructure projects and capital appropriations address multiple needs at once, to whatever extent possible. Leverage funding and agency resources to address high-priority dam remediation and maintenance.</p>	Volume 1 discussion; more informed capital outlay recommendations that integrate requests for water infrastructure funding.	More efficient spending of capital outlay dollars and potential cost savings. Ability to accomplish more improvements in multiple areas of need with each appropriation.	Wan, Carswell, Chavez	October
3	<p>Issue: Performance measures for OSE do not effectively demonstrate progress towards the agency's key objectives and overall mission. Data on metrics of interest to legislators, such as statewide dam safety, are also absent.</p> <p>Goal: Work with OSE and DFA to develop measures that better reflect the agency's work and core purpose, and to improve performance reporting to convey the meaning and relevance of the data presented. Work with OSE to ensure strategic plan has meaningful goals and objectives that can be measured.</p>	Performance measures that focus on progress towards OSE's strategic goals rather than administrative processes. More informative quarterly performance report cards.	Additional information regarding agency performance and areas in need of improvement, leading to a more informed, data-driven budget recommendation.	Wan	July
4	<p>Issue: The Energy, Minerals and Natural Resources Department (EMNRD) received \$20 million for state park improvements and \$20 million for State Forestry initiatives and projects.</p> <p>Goal: Ensure EMNRD's plans for spending the funds aligns with the Legislature's vision to elevate the state park experience and draw more visitors. Set goals and expectations for forestry investments.</p>	Quarterly performance reporting, Vol 1 discussion, activity report items. Visit parks to observe condition of facilities, paths, signage, etc. Meet with new State Parks Director to discuss vision and goals, get updates on modernization initiative and infrastructure improvements. Visit sites of forest treatment projects. Meet with the partners pursuing a New Mexico Reforestation Center.	Modern, exemplary state parks. Healthy forests that are more resilient to fire and drought. Informed budget recommendations.	Wan	October

SECONDARY ISSUES

Rank	Issues/Goals & Objectives	Output	Outcome/Results	Joint Project	Finish Date
1	<p>Issue: The Rio Grande Trail Commission has existed for several years with the goal of creating a trail that spans the state and connects several state parks, but it seems little progress has been made. The trail could be a major tourism draw and economic development driver if planned and executed wisely.</p> <p>Goal: Initiate cross-agency collaboration (EMNRD, Economic Development, Tourism) to reenergize the effort and ensure the project is designed with not only natural resource protection and access in mind, but economic development and tourism promotion as well.</p>	Attend Rio Grande Trail Commission meetings. Attend interagency planning meetings, when possible. Activity report items and performance report card discussion.	Long-term strategy and objectives for promoting tourism in NM, driving economic development in regions along the trail, and increasing state park visitation.	Wan, Dick-Peddie	Summer
2	<p>Issue: The Texas v. New Mexico lawsuit has entered the final stage of litigation which will result in either trial or settlement.</p> <p>Goal: Closely monitor litigation, provide comprehensive analysis on outcome, money spent on litigation, and implications for future water use in New Mexico.</p>	<p>Activity report items, budget recommendations, Volume 1 discussion.</p> <p>Work with appropriate agencies to ensure policies are in place to implement reforms successfully.</p>	<p>Provide the Legislature with actual cost and policy implications of case outcome.</p> <p>Improvement in interstate water deliveries.</p>	Saavedra, Wan, Evaluators	Ongoing
3	<p>Issue: EMNRD and NMED began implementing methane capture and ozone precursor emissions rules in FY22. LFC staff should collaborate with the agencies to analyze whether these regulations have economic implications for the state, and monitor other opportunities and work for low carbon work, including energy conservation.</p> <p>Goal: Produce research and analysis of NM's new rules and similar policies in other states.</p>	Literature review on existing research; bullets or brief and/or hearing.	Provide LFC & the Legislature with information on whether these regulations have a significant negative effect on the state's oil & gas industry, and to help prepare the state for any potential economic impact. Verify and supplement agency analysis with LFC staff perspective and expertise.	Wan, Economists	September

4	Goal: Attend board and commission meetings (Game Commission, Interstate Stream Commission, etc.) as well as Water and Natural Resource Committee and Radioactive and Hazardous Materials Committee meetings in the interim.	Activity report items to inform legislators of board and commission activities.	Informed policy and budget recommendations.	Wan	Ongoing
5	Issue/Goal: Monitor progress in implementing the RAPS system for the State Land Office.	Regularly receive status and oversight reports from SLO.	Provide additional oversight and accountability for state funds; inform legislators of project progress.	Wan	Ongoing
6	Issue/Goal: Monitor implementation and activity of Volkswagen settlement funds.	Attend and report on VW settlement team meetings. Determine when next round of applications will start and report on process.	Provide oversight and accountability for state funds; inform legislators of project progress.	Wan	Ongoing

2022 INTERIM WORK PLAN SUMMARY

Capital Outlay

(Nina Chavez/Cally Carswell)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Outstanding capital outlay funds totaled \$2.3 billion in October 2021. Balances, reauthorizations, and project backlogs are likely to grow further due to continued revenue strength, limited agency capacity to manage thousands of authorized projects, supply chain issues, and rising construction costs. Issues slowing down progress are more quickly recognized and addressed through regular tracking and reporting.</p> <p>Goals/Objectives: Identify bottlenecks contributing to project delays; assess agency capacity and workload to manage capital projects; propose updated project vetting criteria for 2023 funding requests; and provide members with in-depth reviews of major projects.</p>	<p>Continue quarterly capital outlay reporting. Highlight common causes of delays in activity reports, quarterly reports, in-depth project reviews, subcommittee meetings, and budget narratives. Develop an approach to reporting on the public benefits produced or lacking from capital appropriations.</p> <p>Conduct site visits to gauge the success and value of capital projects and include highlights in the quarterly report.</p> <p>Review and consider current project status, readiness, and need when producing a framework for critical funding needs.</p>	<p>Project oversight resulting in quantifiable accountability and timely expenditure of funds for state-owned and local projects.</p> <p>Budget recommendations that prioritize need and readiness.</p>	Carswell, Chavez, and other analysts	Ongoing

2	<p>Issue: New Mexico statute (Section 6-3-21 NMSA 1978) requires the executive to produce budget recommendations, including for capital expenditures. While LFC provides a recommendation for capital outlay, the executive does not, providing limited opportunity for review or alignment of capital priorities between the legislature and executive.</p> <p>Goals/Objective: Work with DFA to encourage the executive to submit a capital budget recommendation.</p>	<p>Tracking of executive projects that were not reviewed in budget hearings, did not appear on agency ICIPs, or were not planned and vetted prior to funding.</p> <p>Meetings with DFA.</p>	<p>Submission of a proposed executive capital budget prior to the 2023 session.</p>	<p>Carswell, Chavez</p>	<p>January 2023</p>
3	<p>Issue: There is no formal process for introducing capital outlay legislation. Generally, an LFC member introduces a bill to fund state agency needs based on recommendations from LFC staff and local projects are added later.</p> <p>Goal: Develop a framework of critical funding needs for state-owned facilities and other capital outlay requests for consideration by the 2023 Legislature.</p>	<p>Determine priorities by reviewing status of current project funding and progress, infrastructure capital improvement plans, 2022 requests, site visits, and HED, executive and FMD interim hearings.</p>	<p>Develop legislation for effective funding recommendations based on FCI and critical state-asset needs for LFC and legislative review. Identify and report expected future needs (not necessarily requests) based on site visits.</p>	<p>Carswell, Chavez, and other analysts</p>	<p>December 2022</p>
4	<p>Issue: Funding available for capital improvements to public schools through the Public Schools Capital Outlay Council is underutilized, with uncommitted balances topping \$500 million.</p> <p>Goal: Develop strategies to deploy available funding to public schools.</p>	<p>Attend meetings as needed, develop proposed funding strategies.</p>	<p>A more equitable and effective system for funding public school capital outlay statewide.</p>	<p>Public education analysts, Carswell, Chavez</p>	<p>Ongoing</p>

5	<p>Issues: The state workforce shrunk by several thousand positions since peak employment. Additionally, a number of agencies have stated they intend to continue with remote work for some employees. The combination of a smaller workforce and more teleworkers should greatly reduce the need for leased space and allow for more consolidation of agencies into existing state space.</p> <p>Objectives: Work with agencies and GSD to identify potential areas for savings and to better understand the need for capital outlay appropriations for state facilities. Work with analysts to identify costly leases and inefficient use of state-owned space to reduce operational costs for agencies. Work with GSD and capital outlay staff to monitor implementation of the facilities master plan and get updated facility condition information.</p>	<p>Committee hearing, brief, activity reports, budget narrative, meetings with stakeholders.</p> <p>Work with analysts to develop analyses of different options.</p> <p>Attend monthly agency capital outlay meetings.</p>	<p>Increased efficiency of state space utilization.</p> <p>Improved understanding of the capital needs of state agencies.</p>	Simon, Carswell, Chavez, Fischer, Courtney	Fall 2022
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SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibilit	Finish Date
1	<p>Issue: In preparing evaluations and budget recommendations, LFC staff often requires information on the status of capital projects.</p> <p>Goal: Coordinate with and provide information to program evaluators and analysts to ensure the effectiveness of agency operating funds and capital project accountability.</p>	Generate reports as needed by analysts/evaluators and legislators. Attend agency meetings as needed.	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	Carswell, Chavez, analysts, and evaluators	Ongoing

2	<p>Issue: Legislators, constituents, and the media often have questions regarding capital outlay projects and funding.</p> <p>Goal: Respond to requests for information timely and accurately.</p>	Generate reports as needed by legislators, constituents, and members of the media.	Informed discussion by legislators and the public of the status of individual capital projects and outstanding	Carswell, Chavez	Ongoing
3	<p>Issue: The criminal justice system often deals with downstream effects of failures outside that system, and a broader view of public safety requires examining the impact of such factors on crime. A growing body of research has identified many outside-the-system approaches that could influence criminal behavior, including targeted infrastructure investments.</p> <p>Goal: Research infrastructure impacts on crime and identify opportunities for outcomes-oriented capital investments in New Mexico.</p>	Activity reports, committee hearing, and policy brief, to include original analysis on opportunities for targeted infrastructure investments to reduce crime in New Mexico communities.	Improved understanding among legislators of opportunities to use capital outlay dollars to impact diverse policy priorities, including crime reduction.	Rabin, Tolman, Klundt, Esquibel, Carswell, Courtney	December 2022

4	<p>Issue: NM Corrections Department's classification system has shown itself to be insufficient to meet current needs, and the agency is currently in the process of reevaluating and redesigning the system and made some changes in June 2021. Facility capacity and design should be right-sized to meet the needs of a new classification system, the <i>Duran</i> settlement agreement, and declining prison populations. The agency rescinded plans to close Springer Correctional Center and took over operations of two private prisons in November 2021, despite significant excess capacity in the prison system, which had an average of 1,600 empty beds in FY21.</p> <p>Goal: Monitor NMCD's continuing efforts to redesign its inmate classification system and the impact of classification, population declines, and legal settlements on facility capacity usage. Evaluate the agency's usage of non-state-owned prison facilities.</p>	Site visits, activity reports, and budget recommendations.	Improved FY24 capital budget recommendations for NMCD.	Rabin, Carswell	Ongoing
5	<p>Issue: 2022 House Memorial 11 and Senate Memorial 6 (duplicates) requested New Mexico Counties convene a task force to study the costs, benefits, and feasibility of transitioning the state to a unified jail and prison system and report its finding to the Legislature by December 1, 2022. Because the jail system is not state-funded, LFC does not conduct financial or other oversight over jails and has little visibility into jails' operations or funding.</p> <p>Goal: Monitor the work of the task force, evaluate its findings and estimate the fiscal impact of proposals (including capital costs), and make recommendations regarding prison and jail structures and mechanisms to improve legislative oversight of jails.</p>	Activity reports, site visits, memo, and budget recommendations.	Informed recommendations regarding proposals to restructure the prison and jail systems and increased visibility into jail operations.	Rabin, Saavedra, Hitzman, Carswell	December 2022

2022 INTERIM WORK PLAN SUMMARY

General Government
(Ginger Anderson)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Tax policy issues are of interest, given the large increase in investments in rebates, income support programs, and other tax incentives. These incentives and programs should be monitored to assess the impacts on New Mexicans, such as GRT and LICTR.</p> <p>Goals/Objective: Monitor and assess the impacts of New Mexico's tax policies, including investments in rebates, income support programs, and other tax incentives.</p>	<p>Activity reports</p> <p>Site visits (as feasible)</p> <p>Volume I, II</p>	<p>Improved MVD performance and services</p> <p>Alignment of MVD services with actual customer volumes and needs</p> <p>Improved budget recommendations for FY24</p>	Anderson/ Torres/Faubion	Ongoing
2	<p>Issue: New legislation has legalized the recreational use and sale of cannabis, creating the need for oversight and monitoring of state agency regulatory activity and costs, tax collection, and general compliance.</p> <p>Goals/Objectives: Oversee and report on status of cannabis sales in New Mexico. Monitor regulatory activities, as well as collections and compliance activities within the Taxation and Revenue Department and Regulation and Licensing Department.</p>	<p>Activity reports</p> <p>Memo/Brief on status of Cannabis Sales</p> <p>Volume I, II</p>	<p>Increased oversight of the state's cannabis industry, including regulatory and tax-related activities</p>	Anderson/ Hitzman	Ongoing

3	<p>Issue: Gaming revenues have decreased following Covid-19 restrictions and revenue to the general fund from gaming taxes decreased 46 percent from FY20. New Mexico has yet to officially legalize sports betting, however tribal entities have reported an increase in sports betting activities. The state may benefit from better tracking and evaluation of gaming trends, including sports betting.</p> <p>Goals/Objectives: Track revenues from gaming activities in the state over time. Assess the revenue impacts of expanded gaming activities.</p>	<p>Hearing brief or memo</p> <p>Activity reports</p> <p>Volume I, II</p> <p>Volume III Graphs</p>	<p>Better understanding of gaming revenue trends and patterns in New Mexico</p> <p>Improved gaming revenue tracking</p> <p>Improved budget recommendations for FY24</p>	Anderson	Ongoing
4	<p>Issue: Some boards and commissions are scheduled to sunset on July 1, 2022 and cease operations on July 1, 2023. A sunset review hearing must be held to make recommendations on extended agency life.</p> <p>Goals/Objectives: Provide relevant information to legislators on commission/board performance, budget, policy issues, etc. Hold a sunset review hearing for each board/commission scheduled to sunset.</p>	<p>Sunset review brief for each board/commission on performance, budget, responsibilities, key industry issues, etc.</p> <p>Sunset review hearing</p> <p>Volume II</p>	Recommendation on extension of agency life	Anderson/ Hitzman	June 2022 – September 2022

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: TRD continues to fall behind its performance target for audit collections. The agency has implemented a new analytics tool that appears to be contributing to modest improvement in performance but further progress needs to be made on this measure to help address the state's tax gap.</p> <p>Goals/Objectives: Monitor performance and progress on collectible audit assessments. Assess performance and efficacy of the agency's analytics tool.</p>	<p>Reporting through quarterly report card</p> <p>Volume II</p>	Improved oversight and monitoring of key performance metric	Anderson	Ongoing

2	<p>Issue: New Mexico has a selective sunset review process, with a limited number of entities subject to periodic review. In addition, the process is somewhat ad hoc, with limited time and resources available for in-depth review of entities scheduled for sunset review. The legislature could consider a more comprehensive sunset review process encompassing more agencies, with a more standardized, in-depth process that also considers occupational licensing regulatory issues.</p> <p>Goals/Objectives: Review sunset review best practices and evaluate New Mexico's process compared to best practices. Make recommendations for potential legislative and/or internal changes to sunset review.</p>	<ul style="list-style-type: none"> • Recommendations memo • Creation/enhancement of sunset review procedures and templates 	<ul style="list-style-type: none"> • Improved sunset review process • Recommendations to legislature and/or LFC on potential sunset review changes 	Nichols	June 2023
3	<p>Issue: MVD services and operations have undergone significant changes due to Covid-19 restrictions, including moving to an appointment-only model and adding other expanded online services and offerings. MVD should assess its future staffing, office space, and budget needs, as well as assess whether current online and mobile offerings are meeting customer needs.</p> <p>Goals/Objective: Assess MVD performance and compare current performance to pre-pandemic performance. Assess customer needs and determine how MVD can best meet needs. Assess budget and staffing needs for MVD.</p>	<p>Activity reports</p> <p>Site visits (as feasible)</p> <p>Volume I, II</p>	<p>Improved MVD performance and services</p> <p>Alignment of MVD services with actual customer volumes and needs</p> <p>Improved budget recommendations for FY24</p>	Anderson	Ongoing

4	<p>Issue: New federal regulations through the Horse Racing Integrity and Safety Act (HISA), which goes into effect July 2022. These programs will bring uniformity and improved safety, transparency and efficiency to all state racing jurisdictions but will require additional payments from states to implement, and the SRC received \$500 thousand in FY23 for this purpose. SRC should evaluate the potential costs of the new act over the long term and assess whether performance and safety measures improve with its passage.</p> <p>Goals/Objective: Review and assess agency performance relating to horseracing safety and efficiency following implementation of HISA. Understand and evaluate the need for funding or other supports to implement provisions of HISA in future years.</p>	<p>Activity reports</p> <p>FY24 budget recommendations</p> <p>FY24 performance measure target recommendations</p> <p>Volume I, II</p>	<p>Informed budget recommendations for FY24</p> <p>Improved safety and integrity in horseracing statewide</p> <p>Alignment of operations and federal requirements</p> <p>Improved oversight of the state's racehorse industry</p>	Anderson	Ongoing
5	<p>Other work:</p> <ul style="list-style-type: none"> • Quarterly report card reviews • Monitor meetings <ul style="list-style-type: none"> ○ (TRD Tax Policy Workgroup, boards and commissions as relevant) • Sunset review issues • Economic tax policy issues 	<p>Activity reports and/or memos</p> <p>Reporting to Director/Deputy Director</p>		Anderson	Ongoing

2022 INTERIM WORK PLAN SUMMARY

General Government & IT (Jessica Hitzman)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: The Department of Finance and Administration (DFA) received over \$336 million, including \$213.9 million in federal funding, for FY23 initiatives such as:</p> <ul style="list-style-type: none"> - law enforcement retention, - hunger, - recreation, - housing programs, - conservation, and - quality of life projects. <p>However, DFA has limited processes in place for tracking and monitoring the historic levels of federal funding received by the state. Monitoring and evaluating these initiatives can help ensure these programs have the intended impact.</p> <p>Goal/Objective: Understand and oversee DFA's process for managing, allocating and overseeing federal ARPA and other nonrecurring funding. Report progress on federal and other funding initiatives.</p>	<p>Review of best and existing practices for grant administration processes in NM and other states;</p> <p>Federal funding updates;</p> <p>Activity reports;</p> <p>Volume I publications;</p> <p>FY24 budget recommendations.</p>	<p>More efficient administration of federal funding;</p> <p>Improved oversight and accountability over federal stimulus funds.</p>	<p>Hitzman</p> <p>Rabin</p> <p>Esquibel</p> <p>Jorgensen</p> <p>Chenier</p> <p>Carswell</p> <p>Chavez</p>	Ongoing

2	<p>Issue: New Mexico statute (Section 6-3-21 NMSA 1978) requires legislative and executive budget recommendations be public by January 5th in even-numbered years or January 10th in odd-numbered years, to include debt charges, anticipated revenues and expenditures (including capital expenditures). While LFC provides a recommendation during the budget request cycle for capital outlay, the executive does not, providing limited opportunity for review or alignment of capital priorities between the legislature and executive.</p> <p>Goals/Objective: Ensure DFA submits a capital budget recommendation during the agency budget request cycle to ensure alignment with legislative capital priorities.</p>	<p>Activity reports and/or memos; FY24 budget recommendations.</p>	<p>Enhanced oversight of capital outlay funds; Alignment of legislative and executive capital budget recommendation priorities; Better vetting of capital outlay funding requests and timely completion of projects.</p>	<p>Hitzman Carswell Chavez</p>	<p>Fall 2022</p>
3	<p>Issue: The Department of Finance and Administration's (DFA) Local Government Division oversees the allocation and administration of local government budgets, including capital project funds, which are not effectively tracked or monitored. Tracking of local government funds and projects is limited and there is uncertainty surrounding the oversight of local government funds and projects.</p> <p>Goal/Objective: Ensure DFA is effectively monitoring and reporting on local government budgets, projects, and reserves, as well as other pertinent information around local government capital outlay and other funding initiatives.</p>	<p>Local Government reports; Activity reports; FY24 budget recommendations.</p>	<p>More efficient administration of local project funding and capital outlay for local governments; Improved reporting and understanding of local funding initiatives.</p>	<p>Hitzman Carswell Chavez</p>	<p>Ongoing</p>

4	<p>Issue: The state has 58 total certified Information Technology (IT) projects totaling over \$751 million, not including capital projects, and general fund spending on IT projects increased in FY23, with over \$64 million in general fund revenues appropriated. Some projects are high risk due to the complexity and overall cost. Other projects have fallen significantly behind schedule. These projects should continue to be monitored for progress and potential risks.</p> <p>Goals/Objectives: Monitor, oversee and report on the status of ongoing and new IT projects, including projects relating to public safety and those slated to complete this year. Develop an IT project inventory.</p>	<p>Quarterly IT report cards;</p> <p>Develop agency IT project inventory/ database;</p> <p>Develop project spotlight reports;</p> <p>Report to Science, Technology and Telecommunication Committee and Project Certification Committee;</p> <p>Activity reports.</p>	<p>Keep legislators and stakeholders informed on key decisions regarding IT systems;</p> <p>Propose language in the GAA that could improve IT oversight, efficiency and accountability;</p> <p>Informed IT funding recommendations.</p>	<p>Hitzman</p> <p>Related Analysts</p>	<p>Ongoing</p> <p>September 2022 (OMS project)</p> <p>Spring/Summer 2022</p>
5	<p>Issue: With an additional \$123 million appropriated for broadband during the 2021 Special session and another \$20 million appropriated for both broadband and cybersecurity during the 2022 Legislative Session, progress reporting on broadband initiatives and establishing project priorities is essential.</p> <p>Goals/Objectives: Track DoIT spending on the rural and statewide broadband projects and evaluate progress on reaching statewide connectivity, digital equity, and digital inclusion goals.</p>	<p>Publish quarterly IT report cards;</p> <p>Update the broadband progress report;</p> <p>Update flow chart of sources and uses of broadband funding;</p> <p>Attend pertinent broadband meetings.</p>	<p>Keep legislators and stakeholders informed on key broadband decisions and accomplishments;</p> <p>Informed IT budget recommendations;</p> <p>Accurate tracking and reporting on broadband funds and initiatives.</p>	<p>Hitzman</p> <p>Liu</p> <p>Carswell Chavez</p>	<p>Ongoing</p> <p>April 2022 Hearing</p>

6	<p>Issue: Since 2018, a majority of existing funding for cybersecurity has gone to support pilot-type activities and needs assessments. During the 2022 legislative session, DoIT and other agencies, including the Department of Public Safety, the Public Education Department and the Secretary of State's office, received more funding for cybersecurity programs and IT personnel that need consistent oversight to ensure agency projects and initiatives achieve intended goals.</p> <p>Goals/Objectives: Monitor cybersecurity projects and continue to evaluate progress with cybersecurity needs assessments, upgrades and project management services.</p>	<p>Publish quarterly IT report cards on cybersecurity projects;</p> <p>Attend and report to Science, Technology and Telecommunication Committee during the interim;</p> <p>Complete activity reports;</p> <p>Complete Volume I Policy brief;</p> <p>Attend cybersecurity webinars.</p>	<p>Keep legislators and stakeholders informed on key decisions relating to cybersecurity;</p> <p>Improved accountability and trust in IT systems, including election systems;</p> <p>Improved oversight of cybersecurity spending and coordination between agencies.</p>	<p>Hitzman</p> <p>Liu</p> <p>Related Analysts</p>	<p>Ongoing</p> <p>April 2022 Hearing</p>
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SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibilit	Finish Date
1	<p>Issue: Criminal justice data is siloed, and obtaining reliable data streams from local criminal justice partners has been difficult. NMSC and AOC have received funding in the 2022 GAA and prior years to support data integration efforts, and this year's GAA also includes funds for DPS to assist local law enforcement agencies to comply with reporting requirements.</p> <p>Goals/Objectives: Monitor progress on data integration efforts led by NMSC and work with the commission to ensure the creation of reliable data streams for criminal justice data relevant to lawmakers.</p>	<p>Site visits;</p> <p>Memos & Activity reports;</p> <p>Periodic meetings with NMSC and other agencies;</p> <p>FY24 budget recommendations.</p>	<p>Integrated data sharing between justice partners;</p> <p>Improved data on how individuals navigate the criminal justice system;</p> <p>Informed budget recommendations.</p>	<p>Hitzman</p> <p>Rabin</p> <p>Saavedra</p>	<p>Ongoing</p>

2	<p>Issue: The State Records Center and Archives (SRCA) continues to face space constraints and agencies struggle to find space outside of the archives for storing documents, often placing record boxes in hallways or other areas with limited security and accessibility. Examining new ways for storing records, such as microfilming or scanning and digitizing, could free up space at SRCA and allow agencies to electronically store records as they are created while meeting record retention requirements.</p> <p>Goals/Objectives: Examine alternative document storage options for agencies and the SRCA to free up space and create more accessible, secure file storage to meet record retention policy requirements.</p>	<p>Review of storage options, current policies & best practices;</p> <p>Memos & Activity reports;</p> <p>Meetings with agencies regarding storage needs and IT capabilities, including the SRCA;</p> <p>Review of existing document storage, scanning or digitization projects, such as the LOPD survivable storage project.</p>	<p>Informed budget/IT recommendations;</p> <p>Streamlining of how records are stored and expanded options for agencies;</p> <p>Improvements to record security and accessibility/searchability;</p> <p>Increased space and capacity at SRCA and agency offices.</p>	Hitzman	Ongoing
3	<p>Issue: 2022 House Memorial 11 and Senate Memorial 6 (duplicates) requested New Mexico Counties convene a task force to study the costs, benefits, and feasibility of transitioning the state to a unified jail and prison system and report its finding to the Legislature by December 1, 2022. Because the jail system is not state-funded, LFC does not conduct financial or other oversight over jails and has little visibility into jails' operations or funding.</p> <p>Goal: Monitor the work of the task force, evaluate its findings and estimate the fiscal impact of proposals (including capital and county reimbursement costs), and make recommendations regarding prison and jail structures and mechanisms to improve legislative oversight of jails.</p>	<p>Activity reports;</p> <p>Site visit;</p> <p>Memo for LFC hearing;</p> <p>FY24 and future budget recommendations.</p>	<p>Informed recommendations regarding proposals to restructure the prison and jail systems and increased visibility into jail operations;</p> <p>Better understanding of local and state costs for jail and prison restructuring.</p>	<p>Hitzman</p> <p>Rabin</p> <p>Saavedra</p> <p>Carswell Chavez</p>	December 2022

4	Other work: <ul style="list-style-type: none"> - Information technology reports & funding issues - DFA contract reporting & special appropriations - Monthly Budget Adjustment Request (BAR) reporting & authority - Local government relations - Elections issues - Monthly meetings - Board of Finance, Project Certification Committee, Connect New Mexico Council 	Activity reports and/or memos; FY24 budget recommendations.		Hitzman	Ongoing
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2022 INTERIM WORK PLAN SUMMARY

Judiciary (David Saavedra)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	<p>Issue: Judges are set to receive pay increases of approximately 17 percent in FY24, outpacing pay increases for other justice partners and state employees, and the judiciary will likely request more funding for pay for FY25.</p> <p>Goal: Analyze salaries of judges, justices, and magistrates. Determine if salaries truly outpace that of executive branch employees, and analyze potential issues with compaction and retirement contributions.</p>	Activity reports, possible brief.	Prevent judicial employee compaction and provide input on potential legislation to increase judge salaries.	Saavedra/Simon	November 2022
1	<p>Issue: Drug courts are largely successful nationwide, and there are various ways to fund them, including leveraging Medicaid or federal grants. Given increased funding in recent years, New Mexico drug courts as well as other specialty courts will be pressed to ensure cost-effectiveness and good outcomes.</p> <p>Goal: Evaluate the impact of increased funding, encourage best practices, and review drug court billing models for cost-effectiveness and improved outcomes.</p>	Activity reports, site visits, report cards, and budget recommendation.	Increased enrollment in drug courts and reduced rates of substance-use disorder in the communities and	Saavedra/ Esquibel/ Courtney	November 2022
2	<p>Issue: Several bills introduced in the 2022 session sought to change the state's policies regarding pretrial detention and narrow the circumstances under which offenders could be released, including the introduced version of House Bill 5, which sought to create a</p>	Activity reports, site visits, budget recommendation(s), and budget narrative(s).	Improved FY24 budget recommendation(s) and policy analysis (such as FIRs).	Saavedra/Rabin	Ongoing

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	<p>rebuttable presumption against pretrial release for individuals charged with certain crimes. LFC analysis showed such policies were unlikely to significantly reduce violent crime and could pose significant costs to counties. These proposals were unsuccessful, but their proponents are likely to bring them forward again. Chapter 56 (House Bill 68) implements changes regarding sharing GPS monitoring data for defendants on pretrial release with law enforcement, and AOC received funding to ensure 24/7 monitoring and improve pretrial services and supervision.</p> <p>Goal: Monitor AOC and court efforts to provide 24/7 pretrial supervision monitoring and improve pretrial services. Evaluate proposals to expand supervision, increase detention, or change requirements to allow noncourt personnel to access GPS location monitoring records.</p>				
3	<p>Issue: Improved reporting from the Public Defender Department has demonstrated strengths and weaknesses in indigent defense. The legislature recognized contract attorneys lag far behind the in-house public defenders, and increased resources for contract defenders accordingly.</p> <p>Goal: Evaluate pay scales for contract and in-house defense and determine the most cost effective and equal access to justice solutions for providing indigent defense in New Mexico. Review PDD standards of indigence. Evaluate alternatives for providing indigent</p>	Activity reports, budget narrative, and budget recommendation.	Improved indigent defense system.	Saavedra	October 2022

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
	defense in rural NM and determine which is most efficient and desirable.				
4	<p>Issue: Significant reductions in prison populations and changes to NMCD's classification system provide savings within the prison system, and future reforms to the criminal code (including sentencing reform) and the probation and parole systems could produce further savings to reinvest in effective interventions to address the root causes of crime (and reduce recidivism) inside and outside prisons, improve swiftness and certainty of justice for the most violent crimes, and better serve individuals and communities victimized by violent crime. The state must ensure these savings are captured and reinvested in effective programs, and future criminal justice reform efforts should contain mechanisms to capture and reinvest savings.</p> <p>Goal: Develop a system for identifying, capturing, and reinvesting savings from reduced criminal justice involvement and reduced incarceration. Research justice reinvestment legislation implemented in other states (Louisiana, Utah, Kansas) to enact reforms and redirect savings.</p>	Activity reports, memo on recommended system, recommended legislation, savings projections, and budget recommendations.	Increased investments in effective interventions to prevent crime, reduce recidivism, and address victim needs, as well as investments in underfunded criminal justice system partners.	Rabin/ Saavedra	December 2024 (2022 interim deliverables: activity reports)

SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Issue: Laws 2022, Chapter 56 (House Bill 68) and the 2022 GAA modify and create	Activity reports, memo, recommended performance	Successful implementation of programs to fund effective	Rabin/ Saavedra/ Klundt/ Hitzman	Ongoing

	<p>several programs to provide grants or otherwise distribute funds to promote public safety across many agencies, including crime reduction grants (NMSC), funding for law enforcement recruitment and retention (both DPS and DFA), law enforcement training grants (DFA), violence intervention program grants (DOH), and grants to improve and standardize pretrial services (AOC). Overall, \$1.9 million in recurring funds and \$74 million in nonrecurring funds were appropriated for these programs.</p> <p>Goal: Monitor and evaluate implementation and administration of these programs to ensure they are having the intended impact, including establishing performance measures.</p>	measures, and budget recommendations.	solutions to issues in the criminal justice system, including violent crime, law enforcement staffing shortages, law enforcement training deficiencies, and insufficient pretrial services and monitoring.		
2	<p>Issue: The unified priorities process for the district attorneys was successful in helping legislators benchmark needs around the state, but faces headwinds in continuing implementation.</p> <p>Goal: Improve the unified priorities process and resulting requests to the Legislature.</p>	Activity reports, budget recommendations.	Improved FY24 budget recommendations.	Saavedra	August 2022
3	<p>Issue: Data-based decision making in the criminal justice system is improving and has the potential to reduce crime, recidivism, and spending. Improved understanding of current crime trends and the impact of these trends on the wider criminal justice system is necessary to ensure budgets and policies are properly targeted. However, much of this data is siloed, and obtaining reliable data streams from local criminal justice partners has been difficult. NMSC and AOC have received funding in the 2022 GAA and prior years to support data integration efforts, and this year's GAA also includes funds for DPS to assist local law enforcement agencies to</p>	Activity reports, stakeholder meetings, and budget narratives.	Integrated data sharing between justice partners, improved understanding of crime trends and their impact on costs to the criminal justice system (enforcement, adjudication, and incarceration), and improved data on how individuals navigate the criminal justice system.	Rabin/ Saavedra/ Hitzman	Ongoing

	<p>comply with reporting requirements and for AODA to implement a new case management system.</p> <p>Goal: Monitor progress on data integration efforts led by NMSC and work with the commission to ensure the creation of reliable data streams for criminal justice data relevant to lawmakers.</p>				
4	<p>Issue: New Mexico lags in national rankings in Medicaid fraud recovery despite high number of claims, most notably in the recent audit of behavioral health providers. Though statutorily required to provide Medicaid fraud data to the legislature, current reports from the agency lack meaningful insights.</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, work with agency to create improved reporting dashboard.</p>	Organize meeting with agency staff to discuss audit compliance and enforcement efforts; updates on Medicaid fraud prosecutions; determine what actions should be taken to limit Medicaid fraud in New Mexico; activity reports	Better understanding of the Medicaid enforcement system, improved quarterly data.	Saavedra/ Esquibel/ Evaluators	August 2022
5	<p>Issue: The <i>Texas v. New Mexico</i> lawsuit has entered the final stage of litigation which will result in either trial or settlement.</p> <p>Goal: Closely monitor litigation, provide comprehensive analysis on outcome, money spent on litigation, and implications for future water use in New Mexico. Provide the Legislature with actual cost and policy implications of case outcome. Work with appropriate agencies to ensure policies are in place to implement reforms successfully.</p>	Committee hearing, hearing brief or bullets, activity reports, and budget recommendation.	Improved understanding of fiscal and policy implications of case outcome, improved FY24 budget recommendations, and better understanding of interstate water deliveries.	Saavedra/Wan/ Evaluators	June 2022
6	<p>Issue: 2022 House Memorial 11 and Senate Memorial 6 (duplicates) requested New Mexico Counties convene a task force to study the costs, benefits, and feasibility of transitioning the state to a unified jail and</p>	Activity reports, site visits, memo, and budget recommendations.	Informed recommendations regarding proposals to restructure the prison and jail systems and increased visibility into jail operations.	Rabin/Saavedra/ Hitzman/ Carswell	December 2022

	<p>prison system and report its finding to the Legislature by December 1, 2022. Because the jail system is not state-funded, LFC does not conduct financial or other oversight over jails and has little visibility into jails' operations or funding.</p> <p>Goal: Monitor the work of the task force, evaluate its findings and estimate the fiscal impact of proposals (including capital costs), and make recommendations regarding prison and jail structures and mechanisms to improve legislative oversight of jails.</p>				
7	<p>Issue: In the last couple of years, revenue generated from state-involved litigation has significantly increased, but the Legislature typically is not informed of ongoing settlements until after adjudication, making it difficult to predict how much revenue will be available for appropriation.</p> <p>Goal: While staying mindful of confidentiality, work with the AG's office for periodic updates and reports on litigation, settlement projections, and fund restrictions.</p>	Activity Report, Revamped Consumer Settlement Fund sources and uses document.	Improved and more regular contact between the Legislature and the Attorney General, more legislative input on how settlement revenues can be leveraged for evidence-based programs in and out of agency operating budget.	Saavedra	Ongoing
8	Judiciary: Attend Criminal Justice Coordinating Council meetings, Chief Judges Council meetings, Judiciary Budget Committee meetings, and Drug Court Advisory Committee meetings.	Activity reports and budget recommendations.	Improved communication between the legislative and judicial branches regarding legislative intent, judiciary status, progress, problems, and goals.	Saavedra	Ongoing
9	PDD: attend commission meetings and training events	Activity reports and budget recommendation.	Improved understanding of the relationship between PDC and PDD to inform budget and policy recommendations.	Saavedra	Ongoing
10	DAs: attend meetings and training events	Activity reports and budget recommendation.	Better understand budget needs for recommendations.	Saavedra	Ongoing

2022 INTERIM WORK PLAN SUMMARY

Economists

(Ismael Torres/Jennifer Faubion)

PRIMARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Several significant, outstanding tax policy issues were unaddressed this session, and legislators and staff continue to cite the need for comprehensive tax reform. Analyze the tax code and conduct comparative analyses to determine who pays in our system, how New Mexico compares to other states, and how to address tax deficiencies, inequalities, and inefficiencies.	Hearing, brief, or memo Possible LFC sponsored legislation	Informed legislators, staff, and public Improved tax structure	LFC economists, TRD economists, DFA economists, other tax policy experts	December 2022
2	Continue to work with TRD on PIT, GRT, insurance, and corporate income tax reporting, especially regarding the disaggregation of data. Improve accuracy of existing revenue forecasting models. Revise GRT effective tax rate calculations and improve forecasting of revenue impacts from significant changes in the oil and gas industry. Update databases used for fiscal impact reports and revenue forecasting models. Update all models to reflect 2022 legislative session and better capture inflation and wage increases. Update state investment models to reflect increasing interest rate environment.	Improved LFC revenue models and tracking	Reduced forecasting error, improved confidence in revenue forecasts and fiscal impact report estimates, improved oil and gas impact forecasting for gross receipts and income taxes, improved FIR analyses	LFC economists, TRD economists, DFA economists	Interim
3	With the move to destination-based sourcing of GRT in FY22, local governments will see significant shifts in GRT revenues. Work with TRD to track the net changes to state and local government revenues due to destination sourcing. Identify any potential issues with the change and whether statutory adjustments are needed.	Possible hearing, memo or brief	Informed legislators, staff, and public	LFC economists, TRD economists, other experts	Interim

4	The proliferation of development programs created to recover from the pandemic is an unprecedented state investment in the New Mexico's economy. Tax incentives, grants, loans, and other state programs require evaluation with a focus on economic impact. LFC economists will lead and support LFC analyst and evaluator work to study and form recommendations on recent tax changes and state investments in economic development.	Publication, Presentation at conference, Hearings, memos, briefs, evaluations, and possible LFC sponsored legislation	Informed legislators, staff, and public Improved state incentives	LFC economists, analysts, evaluators	Interim
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SECONDARY ISSUES					
Rank	Issues/Goals & Objectives	Output	Outcome/Results	Responsibility	Finish Date
1	Recreational cannabis sales begin on April 1, 2022. Work with TRD and RLD on production, demand, and revenue estimates and reporting. Monitor market development of the recreational cannabis industry to develop tax policy recommendations and a new consensus revenue estimating forecast framework.	Possible memo, forecast models, FIR analysis on cannabis changes	Informed legislators, staff, and public	LFC economists, TRD economists, DFA economists, RLD staff	Interim
2	Property values continue to grow at an unprecedented rate contributing to rising inflation and the state's bonding capacity. As the Legislature considers increasingly complex changes to property taxes, LFC economists will work with the Board of Finance, the DFA Local Government Division and the TRD Property Tax Division to develop property tax and state bonding models.	Forecast models, FIR analysis, memos	Informed legislators, staff, and public	LFC economists, TRD, DFA	Interim

3	<p>The extreme volatility in oil and gas prices/production coupled with the outsized share of recurring revenues leaves state finances and economic health vulnerable to non-business cycle swings. Evaluate effects of federal and state policies on New Mexico production, including long-term production potential.</p> <p>Rystad Energy projects New Mexico oil production will peak by 2030. Work with LFC staff, relevant state agencies, and field experts to develop diversification strategies that will support the state's financial security. through industry development, tax reform, and other relevant income streams. Evaluate the impact of recent legislation on the state's oil dependence.</p>	Hearing, brief, research materials	Informed legislators, staff, and public	LFC economists, LFC analysts, Relevant Experts, State Agencies	Interim
5	Produce Finance Facts and periodically update existing publications. Proposed updated topics include general fund reserves, oil and natural gas revenue, and PIT changes. Update the fiscal structure Finance Facts to reflect changes made up through the 2022 legislative session. Explore creating more accessible and dynamic resources for legislators and the public, including interactive revenue forecasts and tracking platforms using Tableau or other similar software.	Production of updated finance facts & update fiscal overview	Informed legislators, staff, and public	LFC economists	May 2022
6	The LFC economist manual needs continual refreshing to improve instructional guides. Update resource library, improve summaries essential economist functions and procedures, and update instructional guides for existing forecast models.	<p>An updated LFC economist manual</p> <p>A centralized repository of LFC forecasting models</p>	An improved resource library and guidance for current future economists	LFC economists	Interim
7	Continuing education in advanced modeling techniques, statistical analysis, and national tax policy trends through online education courses and industry conferences.	Activity report items	Improve revenue forecast results	LFC economists	Interim