Highlights

Performance Trends

Program ratings between the second and third quarters remained mostly the same, an indication trends are continuing and those programs on track to miss their marks are still likely to fall short. Of the 60 programs with ratings in the third quarter, five saw improvements between quarters and six saw a ratings downgrade. Still, most programs are either hitting their targets or close to hitting their targets, or on track to do so by the end of the fiscal year. Just 11 of the 60 programs were rated as red.

Nevertheless, it is important to note a green rating could mean a target has been set too low. Raising the target can result in better information on the effectiveness of the program and provide an incentive for the program to strive for continued improvement. Similarly, a red rating is intended as a "red flag" to alert policymakers to a potential problem. Why the program is not meeting its targets is a question best answered by other components of the Legislating for Results framework, such as LegisStat.

Among the findings in the quarterly report cards:

Child Well-Being

Early Childhood Education and Care Department, page 6. The department reported only 406 families enrolled in Medicaid-funded Home Visiting, well below the performance target of 1,500. Medicaid-funded Home Visiting allows the state to receive federal revenues to grow state services. Additionally, ECECD is developing a Medicaid billing system to streamline the billing process and eliminate the duplication of data entry for providers.

Children, Youth and Families Department, page 9. Incidents of repeat child maltreatment continue to hover around 14 percent while the national rate is 8 percent. In the third quarter, serious injuries with prior Protective Services involvement in the last year ticked up. This measure is important because sometimes serious injury cases are precipitated by prior low risk involvement that later escalates. The agency said these cases are being reviewed using a tool to analyze decision making and identify systemic risks within the system.

Education

Public Education Department, page 13. PED has not yet publicly reported student graduation rates in two years nor released student achievement data. On average, school districts and charter schools plan to provide more school days in FY24, although part of the extended year will include time for teacher professional work without students.

Higher Education Institutions, page 16. Tuition at New Mexico higher education institutions has grown at the fastest rate in the western United States. Over the past 10 years, tuition at New Mexico four-year institutions has grown by 72 percent on average compared with a 29.2 percent average increase for institutions in 16 western states and territories. However, New Mexico four-year institution tuition of $8,100 is still lower than the western state average of 9,570. Additionally, student retention rates at four-year institutions fell more than twice the national average in 2021. Retention rates for the U.S. are down 1.9 percent while the New Mexico rate fell by 5.2 percent, reversing a multi-year improvement and dropping the retention rate to its lowest point in over a decade.

Health

Department of Health, page 19. The global pandemic continued to affect the intake and capacity of the Facilities Management Program, which provides services for behavioral healthcare for adults and adolescents, addictions treatment services, long-term care, and transitional living services. Many of the state facilities with declining occupancy will also experience significant operational funding strains if they are unable to reverse the trend. To increase census, the program is developing a needs assessment at the facility level to determine how to safely open more beds and with recommendations, such as developing recruitment and retention campaigns and case mix, that can be implemented to ensure admitted patients will not necessitate an immediate increase in staffing. During the third quarter of FY23, the facilities statewide census was 44 percent of total beds. Additionally, the department is reporting a possible shortfall of several million dollars due to low census.

Aging and Long-Term Services Department, page 23. The Aging Network is not on track to meet targeted performance for the hours of caregiver support for FY23 and continues to fall below pre-pandemic levels. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. These services are provided by area agencies on aging, contract providers, and the New Mexico chapter of the Alzheimer's Association. The department reported the number of hours of caregiver support were 16,280 hours of respite care, 21,869 of adult daycare, 13,558 hours of homemakers, and 3,093 hours of other support services.

Human Services Department, page 25. The Human Services Department's Medicaid Program enrolls 46.8 percent of New Mexicans, making it the largest per capita Medicaid Program in the country, but the program's performance continues to lag behind targeted levels. Notably, performance measures for maternal and child health are well below targeted levels. Third quarter reported data indicates 8.4 percent out of a targeted 67 percent of children ages 3 through 21 received one or more well-child primary care visits.

Supplemental Nutrition Assistance Program (SNAP) enrollments and recertifications are also lagging behind levels required by the federal government and under the *Debra Hatten-Gonzales* lawsuit. A target of 98 percent is the goal for timely processing of SNAP cases. However, for the third quarter, The department reported a timely completion rate of 71.3 percent for expedited SNAP cases and 33.6 percent for regular SNAP cases.

Behavioral Health Collaborative, page 29 The data for the third quarter of FY23 indicates 156,286 persons received behavioral health services across Medicaid managed care, fee-for-service, and non-Medicaid programs, a 53 percent decrease from the second quarter. The individuals receiving behavioral health services represent an 8.5 percent decrease, or 14,525 fewer persons, compared with the same period in FY22.

Justice and Public Safety

Courts and Justice, page 31. Most criminal justice measures are returning to prepandemic averages, but many partners face persistent changes and challenges that stymie overall justice system goals. Persistent hiring and retention challenges make it difficult to keep skilled staff in critical roles. Treatment court outcomes remain strong, and jury trials are returning to prepandemic averages. Cases referred to district attorney offices remain below prepandemic averages, but staffing issues make workload in some districts unsustainable.

Department of Public Safety, page 36. After a governor-ordered special-deployment operation in Albuquerque resulted in a significant drop in saturation patrols (a type of operating aimed at reducing DWIs) in the second quarter, the Department of Public Safety saw a large increase in these operations in the third quarter, putting it on track to match FY22 levels. Force strength fell slightly this quarter because the State Police cancelled a spring lateral class in favor of holding a larger class in the fall. While ensuring complete crime reporting remains a concern, State Police could begin reporting data through the new National Incident-Based Reporting System as early as this fall, which represents a significant step forward.

Corrections Department, page 39. In the third quarter of FY23, the Corrections Department saw declines in its incarcerated population, although populations appear to be stabilizing after three years of declines, and recidivism rates saw their ninth consecutive quarter of improved or sustained performance. The agency made massive improvements in inmate education, with the number of inmates receiving a high-school equivalency (HSE) certificate increasing more than tenfold compared with the second quarter, which was the result of concerted efforts on the part of the department's Reentry Program to improve its educational programs and options for attaining HSE certificates.

Natural Resources

Energy, Minerals, and Natural Resources Department, page 43. The Oil Conservation Division made significant progress toward its FY24 goal of plugging 50 orphaned wells. By the end of September, OCD will have obligated 100 percent of the initial federal grant for plugging contracts. The State Forestry Division observed positive wildfire effects on some properties where state resources improved forest conditions and consulted with landowners on management during suppression activities. The Energy Conservation and Management Division was awarded $14 million in federal grants to help reinforce vulnerable electric systems and modernize the grid as utilities transition to renewable energy resources.

Office of the State Engineer, page 46. New Mexico significantly reduced its water debt to Texas under the Rio Grande Compact to 93 thousand acre-feet in the third quarter, well below the compact compliance threshold of 200 thousand acre-feet. The number of water rights settlements offered through the agency's litigation and adjudication program increased and continues to improve the state's ability to secure water supplies for periods of increased drought. The agency continues to await a ruling by the special master assigned by the U.S. Supreme Court regarding the *Texas v. New Mexico* water rights case; all states involved agreed to a proposed settlement in February 2023.

Environment Department, page 48. Regulatory programs continued to demonstrate mixed results on compliance levels in the third quarter of FY23. However, the Environment Department (NMED) continues to make progress toward achieving its performance goals despite maintaining a vacancy rate of 19 percent. NMED announced major settlements, including a $100 thousand citation charged to Rust Movie Productions LLC, the largest occupational safety and health penalty in New Mexico since 2010. NMED also agreed to a $6.2 million settlement with oil and gas producer Matador Production Company related to its release of significant amounts of volatile organic compounds in the Permian Basin.

Economic Development

Economic Development Department, page 51. The Economic Development Department improved most performance targets in the third quarter. The Department reports especially high outcomes for film, with an uptake in major productions filming in the third quarter leading to an increase in GRT revenue and direct spending from film companies. The department also began voluntarily reporting metrics on federal grants awarded, and in turn allocated, to local communities. The final quarter report card will expand on these newly reported measures.

Tourism Department, page 54. Performance for the Tourism Department remained steady in the third quarter and included the highest revenue earnings from the *New Mexico Magazine* of the year. The Legislature has heavily invested in initiatives within the Tourism Development Program, (including the cooperative marketing grant program and initiatives to build up local tourism infrastructure) but the department lacks meaningful measures in the program.

General Government

General Services Department, page 56. The department is projecting a year-end deficit in the employee group benefits fund that exceeds earlier projections, meaning the department will end the year with a continued deficit, despite additional appropriations designed to ensure the fund has sufficient resources to continue to pay health insurance claims. Balances in other risk management funds held steady, but the net position of the public liability fund remains low.

State Personnel Office, page 60. The State Personnel Office reports the time it takes to fill a vacant position has fallen from 72 days to 65 days. Though still above prior-year performance, this represents an improvement. Vacancy rates for classified employees remain stubbornly high. Additionally, state agencies approved a large number of out-of-cycle salary increases in the third quarter.

Taxation and Revenue Department, page 61. The Taxation and Revenue Department fell short of its target for collectible audit assessments but is on track to meet its annual target for tax collections, with nearly all categories of collections being substantially higher than those submitted in the third quarter of FY22. TRD anticipates issuing over $600 million in tax rebates through FY24 and processed over one million personal income tax returns.

By FY27, the state could be at risk of forfeiting close to $100 million of uncollected taxes because of the statute of limitations, unless the debt is secured in a lien. TRD states debt is collectible after 10 years and expired debt can be reactivated. TRD also states debt within one to four years is easiest to collect, and the largest debt category is sole proprietors. Due to 2016 legislation, TRD cannot collect balances in protest until after 90 days, a fluid 3 month amount that is hard to pin down, essentially making the forgone FY24 amount closer to $37.9 million depending on how much was protested, and would be in addition to the uncollected total. The top collection revenue sources have been gross receipts tax, at $72.9 million, and Personal Income Tax, at $28.8 million.

Infrastructure

Department of Transportation, page 64. Cost increases have had an impact on the cost for road construction and maintenance projects, but overall road conditions have improved from prior years, as supplemental funding has allowed the department to increase construction and maintenance activity. The department is below its pavement preservation target but is working to increase preservation projects in the fourth quarter to meet the annual goal.

Information Technology Projects, page 67. Projects led by the Department of Information Technology (DoIT) show improvements this quarter, with the P25 public safety radio project receiving a yellow rating overall but showing progress on schedule risks, and the enterprise cybersecurity project will be wrapped up in early FY24 as DoIT moves to an operational cybersecurity program. Other projects face substantial risks due to changes in agency and project leadership, including the Medicaid management information system replacement (MMISR) project led by the Human Services Department, which has been increased to a red rating overall this quarter. A total of nine projects are rated yellow or moderate risk, two are green or low risk, and only one—the MMISR project—is rated red or high risk this quarter, but several projects are trending downward, facing risks associated with schedule delays and budget discrepancies. These projects should be monitored to mitigate heightened risks and prevent further delays or issues.

Investments

Fund Performance, page 81. The value of New Mexico's combined investment holdings grew by $3.51 billion quarter-over-quarter. For the year, funds gained $5.07 billion, or 7.7 percent. Over the last five years, the state's combined investment holdings grew $20.2 billion, or 39.8 percent. No fund met its return targets for the one-year period, but most hit their targets in out-periods. When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's investment funds performed well for the year, with all funds ranking in the top quartile.

Report Card Rating Rubric

Green	Yellow	Red
Agency has met the quarterly target or is on track to meet the annual target.	Agency has met the quarterly target or is on track to meet the annual target.	Agency slightly missed the target or is off track for meeting the annual target.

Fine Tuning

- Did the agency provide the data? How reliable is the data? Is the collection method transparent?
- Does the measure gauge a core function of the agency? Is the measure a good gauge of effectiveness?
- Does the agency use the information internally? Does the agency have a plan to maintain or improve performance.

Department/Program	Q2	Q3	
Early Childhood Education and Care Department			
Family Support and Intervention	Y	Y	
Early Education, Care, and Nutrition	G	G	
Policy, Research, and Quality	Y	Y	
Children, Youth and Families Department			
Protective Services	Y	Y	
Juvenile Justice Services	Y	Y	
Behavioral Health Services	Y	Y	
Public Education Department			
Department Operations	Y	R	↓
Department of Health			
Public Health	Y	Y	
Epidemiology and Response	R	R	
Scientific Laborator	R	G	↑
Facilities Management	Y	Y	
Developmental Disabilities Support	Y	Y	
Health Certification, Licensing and Oversight	G	Y	↓
Aging and Long-Term Services			
Consumer and Elder Rights	Y	Y	
Adult Protective Services	Y	Y	
Aging Network	R	R	
Human Services Department			
Medical Assistance	Y	R	↓
Income Support	R	R	
Child Support Enforcement	Y	Y	
Behavioral Health Collaborative			
Behavioral Health	Y	Y	
Courts and Justice			
Administrative Support	G	G	
Special Court Services	Y	Y	
Statewide Judiciary Automation	G	G	
District Attorneys	G	G	
Public Defender	G	G	
Department of Public Safety			
Law Enforcement	G	G	
Statewide Law Enforcement Support	G	G	
Corrections Department			
Inmate Management and Control	Y	Y	
Reentry	Y	G	↑
Community Offender Management	Y	Y	
Energy, Minerals and Natural Resources			
Energy Conservation and Management	Y	G	↑
Healthy Forests	Y	R	↓
State Parks	G	G	
Mining and Minerals	G	G	
Oil Conservation	Y	G	↑
State Engineer			
Water Resource Allocation	Y	Y	
Interstate Stream Commission	Y	Y	
Litigation and Adjudication	Y	Y	

Department/Program	Q2	Q3	
Environment Department			
Water Protection	Y	Y	
Environmental Protection	Y	Y	
Environmental Health	Y	Y	
Resource Protection	Y	Y	
Economic Development Department			
Economic Development	G	G	
New Mexico Film Office	G	G	
Outdoor Recreation	G	G	
Tourism Department			
Marketing and Promotion	G	G	
New Mexico Magazine	G	G	
Tourism Development	G	Y	↓
General Services Department			
Risk Management Funds	Y	Y	
Group Health Benefits	R	R	
Facilities Management	R	R	
State State Purchasing	G	G	
Transportation Services	R	R	
State Printing	G	G	
State Personnel System			
Human Resource Management	R	Y	↑
Taxation and Revenue Department			
Tax Administration	Y	Y	
Compliance Enforcement	R	R	
Motor Vehicle	Y	Y	
Program Support	G	G	
Property Tax	Y	Y	
Department of Transportation			
Project Design and Construction	G	Y	↓
Highway Operations	G	G	
Modal	R	R	
Program Support	G	G	

Programs with a Rating Upgrade	5
Programs with a Rating Downgrade	6
Total Q3 Green Ratings	22
Total Q3 Yellow Ratings	27
Total Q3 Red Ratings	11

PERFORMANCE REPORT CARD
Early Childhood Education and Care Department
Third Quarter, Fiscal Year 2023

Early Childhood Education and Care

The Early Childhood Education and Care Department (ECECD) added several additional measures in FY23 for the early education prekindergarten program. However, these measures are annually measured and will not be reported until the close of FY23. National reported declines in math and reading proficiency for young children, due to the global pandemic, have elevated the importance for expanding early education programs to remedy the losses. LFC staff found participation in prekindergarten corresponds with a 10 percent increase in college entrance. Additionally, a large body of national research and LFC evaluations have consistently found prekindergarten programs increase math and reading proficiency for low-income 4-year-olds, lower special education and retention rates, and lessen the negative effects of mobility, or a child changing schools throughout the school year.

ACTION PLAN

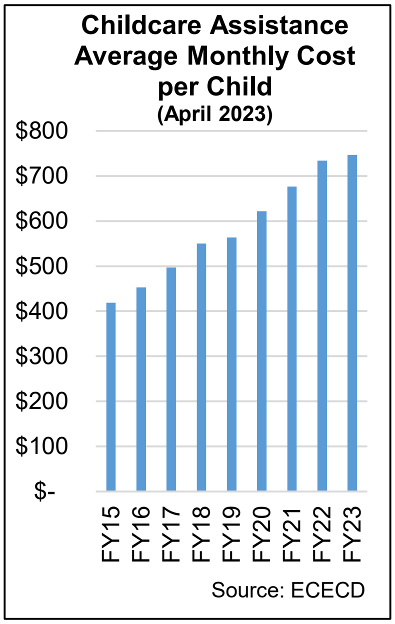
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

Family Support and Intervention

The program—composed primarily of the Family, Infant, Toddler (FIT) developmental disabilities intervention program, Families First case management program, and Home Visiting parental education and supports program—reported meeting performance targets for families demonstrating progress in positive parent-child interactions and children receiving regular well-child visits. These measures monitor Home Visiting progress in supporting new families to attain health and developmental goals for young children. The program also reported only 406 families enrolled in Medicaid-funded Home Visiting, well below the performance target of 1,500. Medicaid-funded Home Visiting allows the state to receive federal revenues to grow state services. Additionally, ECECD is developing a Medicaid billing system to streamline the billing process and eliminate the duplication of data entry for providers.

ECECD reported the Centennial Home Visiting Program has funded 933 slots in 15 counties, in partnership with nine home visiting providers. The department stated concerns that referrals are lower than expected, resulting in only 406 families being enrolled. To improve referrals, ECECED is working to develop relationships with birthing hospitals and advertise the program widely in the maternal health field.

Budget: $68,850.3 **FTE:** 41	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of families enrolled in Centennial home visiting	135	299	1,500	382	380	406	R
Average annual number of home visits per family	27	NA	12		Reported Annually		
Percent of children enrolled in home visiting for longer than six months who receive regular well-child exams as recommended by the American Academy of Pediatrics	NA	86%	80%	87%	87%	89%	G
Percent of parents participating in home-visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions	74%	73%	75%	77%	76%	81%	G
Percent of women enrolled in families first and home visiting who are eligible for Medicaid who access prenatal care in the first trimester	NA	93%	75%	92%	92%	89%	G
Percent of children participating in the family infant toddler program for at least six months who demonstrate substantial increase in their development as measure by the early childhood outcomes tool	NA	76%	75%		Reported Annually		

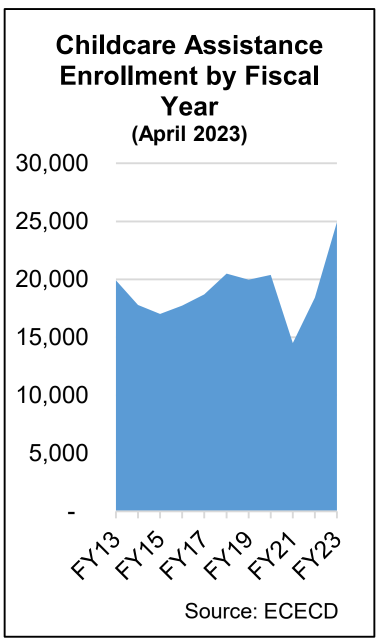


Percent of women who are pregnant when they enroll in home visiting who access postpartum care	NA	80%	90%	71%	71%	74%	Y
Percent of women who are pregnant when they enroll in Families First who access postpartum care	NA	80%	90%	95%	97%	96%	G
Percent of eligible infants and toddlers with individual family service plan for whom an initial evaluation and initial assessment and an initial individual family service plan meeting were conducted within the forty-five-day timeline	NA	NA	100%	92%	88%	95%	Y
Program Rating	R	Y					Y

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

Early Education, Care, and Nutrition

The Early Education, Care, and Nutrition Program, primarily composed of Childcare Assistance and the Family Nutrition Bureau, met all performance targets. Prior to the pandemic, Childcare Assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. However in fall 2020, enrollment declined significantly to 15 thousand. In FY21, average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to $676, or $8,117 annually. At the close of FY22, monthly enrollment has continued to increase from nearly 22 thousand, and the average monthly cost continued to grow to $734, or $8,810 annually. In April 2022, ECECD announced Childcare Assistance income eligibility would increase to 400 percent of the federal poverty level (FPL) and all co-payments would be waived. As of April 2023, and average monthly enrollment in FY23 was 24,922 and with an average monthly cost of $747, or $8,965 annually.



Budget: $271,105.6 **FTE:** 146	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Percent of infants and toddlers participating in the childcare assistance program enrolled in childcare programs with four- or five-stars	NA	60%	40%	58%	57%	59%	G
Average monthly copay as a percentage of monthly income	NA	NA	10%	0%	0%	0%	G
Program Rating	R	Y					G

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

Prekindergarten

During the pandemic, all public school and most private school prekindergarten programs were forced to close in-person programs and conduct programs virtually. In spring 2021, virtual class sessions lasted on average approximately 30 minutes to 45 minutes, depending on children's ability to remain attentive and parents' abilities to assist and support their children in remote learning. The pandemic also resulted in the programs being unable to assess children and provide the data. In FY21, ECECD contracted for 13,608 prekindergarten and early prekindergarten slots. The program did not meet targeted performance for FY22. FY23 performance will be reported at the close of the fiscal year.

Budget: $111,043.6 **FTE:** 11	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Percent of children who were enrolled for at least six months in the state-funded prekindergarten program who score at first step for K or higher on the fall observation kindergarten observation tool	No Report	54%	75%	Reported Annually			
Percent of children participating in the state-funded New Mexico prekindergarten program (public and private) for at least six months showing measurable progress on the school readiness spring preschool assessment tool	No Report	92%	90%	Reported Annually			
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, that are proficient in math in Kindergarten	NA	NA	37%	Reported Annually			
Percent of children who participated in a New Mexico Pre-K program, for at least nine months, that are proficient in literacy in Kindergarten	NA	NA	32%	Reported Annually			
Measure							
Program Rating	R	Y					

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

Policy, Research, and Quality

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

Budget: $21,101.2 **FTE:** 29.5	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Percent of early childhood professionals, including tribal educators, with degrees or credentials in early childhood fields	NA	NA	45%	Reported Annually			
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system	NA	51%	60%	63%	64%	64%	G
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level	NA	60%	50%	61%	60%	60%	G
Program Rating		Y					Y

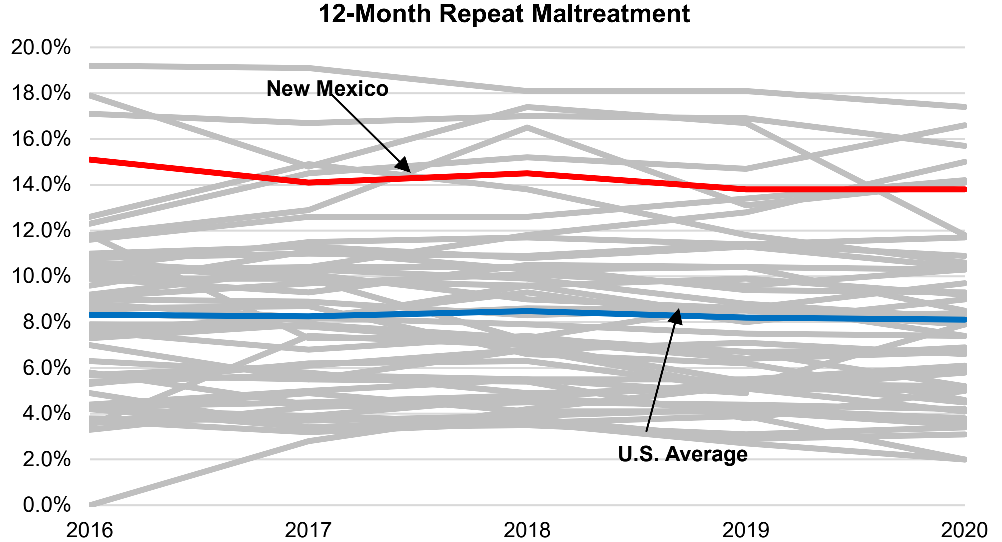
*Measure is classified as explanatory and does not have a target.

New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of an initial allegation. There are several evidence-based options to reduce and prevent repeat maltreatment and better leverage the child welfare workforce, including improving the use of screening and assessment tools, intervening early with the level of intervention based on the level of risk, and following through with the appropriate supports and services. In recent years, the state enacted legislation and significantly increased appropriations in support of these objectives. However, delivering the right interventions to the right people at the right time is easier said than done. In a February 2023 press release the governor declared the child welfare system "is fundamentally broken." This came 32 years after the taskforce that led to the establishment of the Children, Youth and Families Department (CYFD), said the system was crisis-oriented and failed to support families. For FY24, the Legislature increased appropriations significantly for the child welfare system to adjust salaries, fill vacancies, improve access to behavioral health services, and boost prevention programming for evidence-based programs.

Protective Services

Prevention and early intervention is the key to reducing repeat child maltreatment. Over the long-term, child maltreatment causes physical, psychological, and behavioral consequences leading to increased costs to the child welfare, behavioral health, and physical healthcare systems. Several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. Between FY18 and FY22, CYFD preventive services expenditures grew from about $1.1 million to $11.1 million, a tenfold increase, with most of the increase occurring in the last two years. During the same period, repeat maltreatment hovered around 14 percent, but it remains well above the national benchmark of 8 percent. Serious injuries with prior Protective Services involvement in the last year ticked up in the third quarter. This measure is important because sometimes serious injury cases are precipitated by prior low risk involvement that later escalates. The agency said these cases are being reviewed using a tool to analyze decision making and identify systemic risks within the system.

12-Month Repeat Maltreatment



Source: ACF Children's Bureau

ACTION PLAN

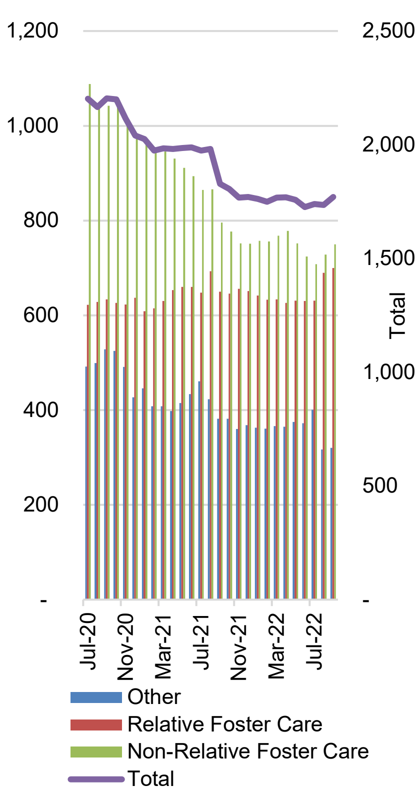
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

***Kevin S., et al. v. Blalock and Scrase* Lawsuit Settlement**

The lawsuit against CYFD alleged

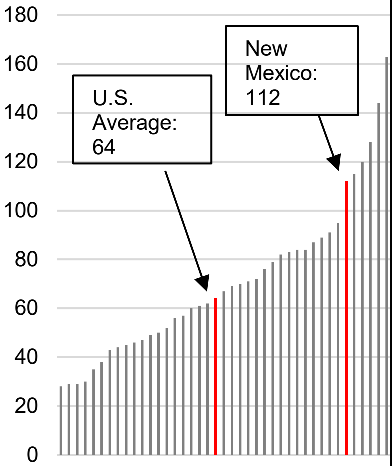
- Systemic failures resulting in harm to children in foster care,
- Lack of stable placements,
- Behavioral health needs unmet,
- No trauma sensitive system, and
- Little behavioral health capacity.

Children in Care by Placement Type



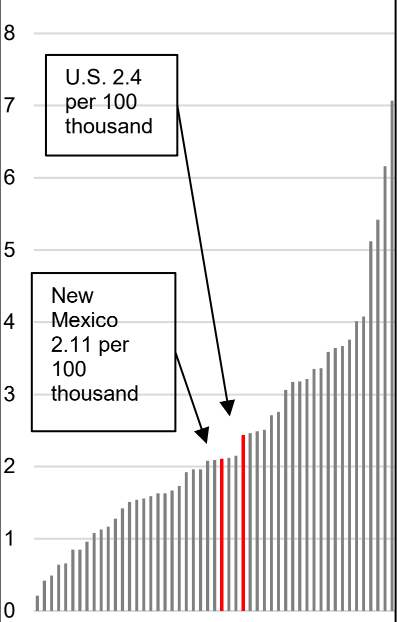
Source: CYFD

National Caseloads of Investigations and Alternative Response Workers 2021*



*Completed reports per investigation and alternative response worker; some states do not report
Source: ACF Child Maltreatment

Child Fatality Rate per 100,000 Children 2021



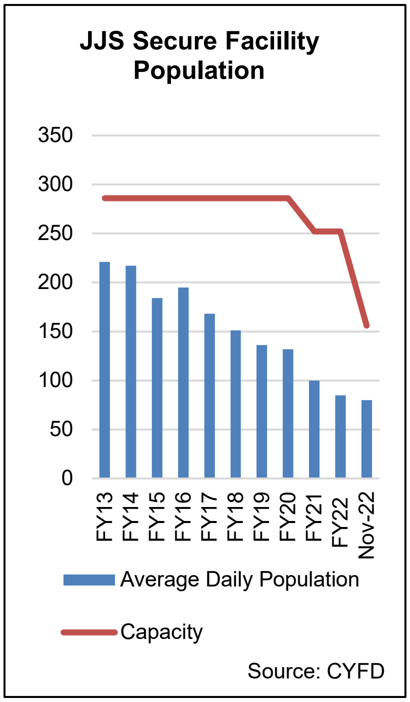
Source: ACF Child Maltreatment 2021

Budget: $195,773.8 **FTE:** 1,111	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Maltreatment							
Children who were victims of a substantiated maltreatment report during a 12-month period who were victims of another substantiated maltreatment allegation within 12 months of their initial report	14%	14%	9%	14%	14%	14%	R
Rate of maltreatment victimizations per one hundred thousand days in foster care	14.7	10.1	8.0	7.8	6.6	9.1	Y
Families with a completed investigation that participated in family support or in-home services and did not have a subsequent substantiated abuse report within 12 months	New	75%	20%	75%	77%	77%	G
Serious injuries with prior protective services involvement in the last year	New	43%	26%	17%	14%	36%	R
Turnover rate for protective service workers	26%	37%	30%	39%	37%	41%	R
Average statewide central intake call center wait time in seconds	27	30	180	26	23	34	G
Foster Care							
Children in foster care who have at least one monthly visit with their caseworker*	98%	96%		92%	91%	93%	
Children in foster care for more than eight days who achieve permanency within 12 months of entry into foster care	30%	36%	30%	34%	35%	34%	G
Children in foster care for 12 to 23 months at the start of a 12-month period who achieve permanency	40%	42%	35%	42%	41%	40%	G
Children in foster care for 24 months, or more, at the start of a 12-month period who achieve permanency	41%	38%	32%	32%	33%	34%	G
Foster care placements currently in kinship care settings	42%	49%	35%	48%	51%	51%	G
Indian Child Welfare Act foster care youth who are in an appropriate placement	73%	72%	35%	82%	79%	75%	G
Relative placements that transition to permanency or are still stable after 12 months	78%	74%	35%	81%	71%	75%	G
Children who enter care during a 12-month period and stay for >8 days, placement moves rate per 1,000 days of care	5.6	5.7	4.0	7.3	7.6	7.2	R
Program Rating	Y	Y					Y

Juvenile Justice Services

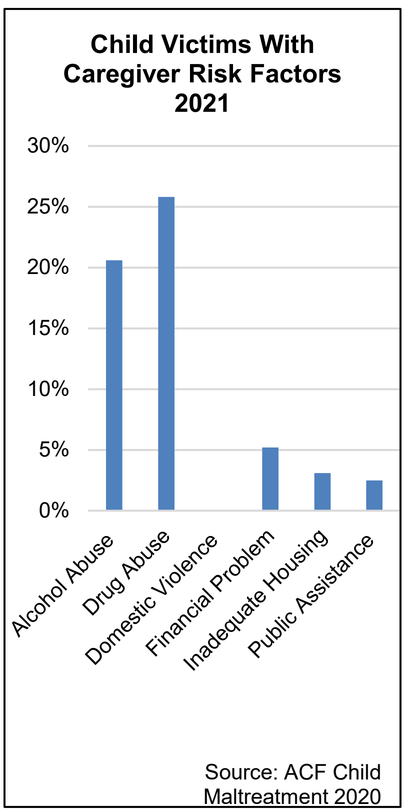
The Juvenile Justice Services (JJS) secure population continues shrinking and in November 2022 there were a total of 80 clients in secure facilities, a 63 percent decrease since FY13. Because of the continual downward population trend, in January 2022 the department closed the Camino Nuevo Youth Center after ceasing to hold clients at the

San Juan County Detention Center in FY21. Physical assaults in the facilities are significantly down and there is currently a two-to-one student teacher ratio. With the reduced population and low ratios, the program should start performing better on improving math and reading scores. The turnover rate for youth care specialists increased from 18 percent in FY21 to 46 percent in the third quarter of FY23. The department says the high turnover is the result of staff taking outside positions that allow telecommuting. The department says it submitted a pay equity study to the State Personnel Office in January 2023. The department is also working to ensure salaries take into account educational attainment and years of service.



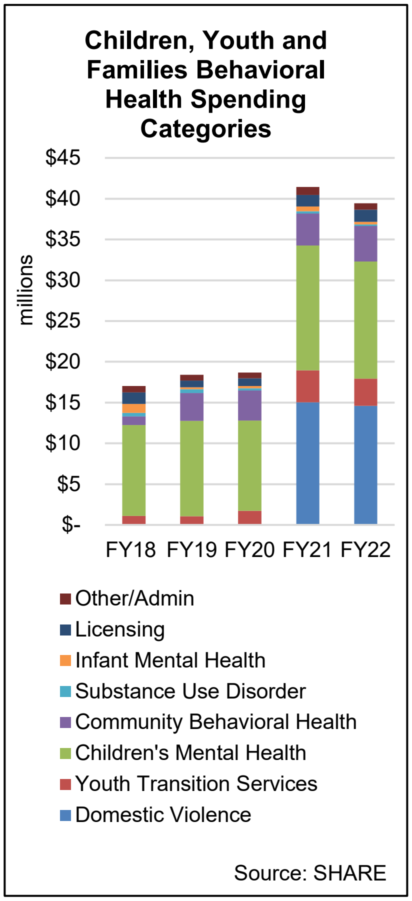
Budget: $76,110.4 **FTE: 767**	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23Q2	FY23 Q3	Rating
Physical assaults in Juvenile Justice Facilities *(target is annual; quarterly numbers are cumulative)*	224	155	<245	49	45	37	G
Eligible juvenile justice involved youth that are participating in fostering connections	New	50%	60%	57%	43%	60%	G
JJS clients who successfully complete formal probation.	90%	87%	87%	92%	95%	91%	G
Recidivism rate for youth discharged from active field supervision.	18%	15%	20%	11.6%	12%	14%	G
Recidivism rate for youth discharged from commitment.	33%	35%	55%	37%	39%	37%	G
Clients with improved math scores	No data	44%	56%	N/A	58%	N/A	
Clients with improved reading scores	No data	33%	56%	N/A	58%	N/A	
Substantiated complaints by clients of abuse and neglect in JJS facilities.	2	2	5	2	0	0	G
Turnover rate for youth care specialist.	18%	39%	21%	40%	41%	46%	R
Youth being formally supervised by field services currently in kinship care settings	17%	15%	35%	14%	17%	15%	R
Indian Child Welfare Act Youth formally supervised in the community who are in an appropriate placement.	61%	81%	90%	75%	78%	N/A	R
Program Rating	Y	Y					Y

Behavioral Health Services



Behavioral Health Services reported there were no infants receiving a recommendation for family reunification from a mental health team. This is because most of those served with infant mental health services were not separated from their families to begin with. However, the department says that three infants were served reunited with their families in the second quarter of FY23 and these children will be monitored going forward. The program's action plan is to support the community of practice through clinical consultation and increase competency in the delivery of child parent psychotherapy (CPP). On the last measure for community behavioral health clinicians (CBHC), the department says they have filled several vacant positions and have also worked to increase consultation with investigations and permanency planning workers in the Protective Services Program. The department received $963.4 thousand in FY24 to establish three more CBHC teams and LFC will be monitoring the department's roll out of the additional teams over the next few months.

PERFORMANCE REPORT CARD
Children, Youth and Families Department
Second Quarter, Fiscal Year 2023



Budget: $52,304.3 **FTE:** 119	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Infants served by infant mental health teams with a team recommendation for unification who have not had additional referrals to protective services	70%	100%	90%	No Infant	No Infant	No Infant	Y
Children and youth in department custody who are placed in a community-based setting	90%	91%	70%	94%	96%	92%	G
Clients enrolled in multisystemic therapy who demonstrate improvement in mental health functioning	92%	90%	75%	86%	92%	87%	G
Domestic violence program participants who agree they have strategies for enhancing their safety.	0%	90%	80%	89%	96%	91%	G
Domestic violence program participants who agree that staff and advocates regularly discuss their safety needs, including specific things they can do to keep themselves safe	95%	93%	80%	93%	91%		G
Increase in supportive or independent housing options for youth ages 16-21 years from baseline FY20 levels	15%	25%	20%	25%	25%	25%	G
Department-involved youth in the estimated target population who are receiving services from community behavioral health clinicians	65%	65%	75%	71%	63%	72%	Y
Program Rating	G	Y					Y

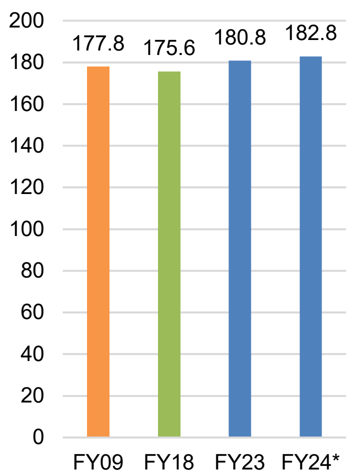
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Public Education Department
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

Average New Mexico School Days



*Preliminary calendars using a weighted average of school days
Source: PED, LFC Files

Public Schools

As of the third quarter, the Public Education Department (PED) has still not publicly reported any data on student graduation rates or interim (iMSSA) math and reading scores for FY23. PED has not reported high school graduation rates for FY22, a metric typically reported during the second quarter in prior years. Additionally, changes in the school funding formula for operational and capital funding have extended the average length of school calendars statewide and increased demand for school facility replacements but has also created new fiscal challenges.

Department Operations

To date, PED has not reported high school graduation rates for the class of 2022, even as the class of 2023 graduates. The lack of timely reporting for graduation data suggests the department is reacting to student outcomes rather than proactively monitoring student progress and intervening in schools with low graduation rates. Likewise, PED has not reported interim testing data, despite requiring all schools to participate in iMSSA tests at the beginning, middle, and end of the school year for FY23.

PED reported further delays in processing time for reimbursements, up from 34 days in the second quarter to 53 days this quarter, due to an increased volume of requests for reimbursement, particularly from federal pandemic relief funds, and staff vacancies in the department. The department has recently reclassified positions in the budget bureau and is dedicating more staff to processing reimbursements. PED has only completed 12 school audits on teacher cost index calculations and does not appear to be on track to meet the targeted number of audits (30) by the end of the fiscal year.

PUBLIC EDUCATION DEPARTMENT **Budget:** $20,869.0 **FTE:** 285.2	**FY21 Actual †**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
High school graduation rate (4 year)	76.8%	No report	80%			No report	R
Reading proficiency (4th grade)	52.8%	35.4%	35%			No report	R
Math proficiency (4th grade)	16.4%	24.3%	35%			No report	R
Reading proficiency (8th grade)	42.5%	33.3%	35%			No report	R
Math proficiency (8th grade)	18.8%	19.8%	35%			No report	R
Average budget adjustment request processing, in days	6.7	8.0	10.0	7.9	7.7	6.5	G
Data validation audits of funding formula	24	20	30	1	9	2	R
Average reimbursements processing, in days	40	37	24	31	34	53	R
Program Rating	Y	Y		R	Y		R

†Proficiency rates reflect students that voluntarily tested in FY21 and are not a representative sample of the population

K-12 Plus Implementation

Since the 2019 court order in the *Martinez-Yazzie* education sufficiency lawsuit, the state has added a weighted average of 7.2 days (about one week of school) to calendars across the state. A 2018 LFC evaluation found schools statewide shortened calendars following the Great Recession; however, the average has steadily increased following the introduction of new factors in the school funding formula linking school calendars to additional appropriations (i.e. K-5 Plus and K-12 Plus).

PED has been collecting preliminary school calendars from districts and charter schools this quarter but continues to receive revisions. Preliminary data suggests total school days have increased but may change as PED finalizes budget and calendar approvals on July 1. New statutory provisions, effective July 1, 2023, will allow schools to count a portion of teacher professional work time as instructional hours even though students are not receiving direct instruction from teachers. As such, the increase in days from FY23 to FY24 may not be a net increase in student instructional days.

An initial staff review of 2023-2024 school year calendar proposals for the 20 largest school districts (representing 75 percent of statewide enrollment) found only a few large districts planned to add new student instructional days. Most large districts chose to keep the same calendar, preserving the months of June and July for summer, despite new flexibilities offered through K-12 Plus programs.

	2022-2023 School Year				2023-2024 School Year				
	Instructional Days	Non-Instructional Days	First Day for Students	Last Day for Students	Instructional Days	Non-Instructional Days	First Day for Students	Last Day for Students	Change in Instructional Days
Albuquerque	178	6	10-Aug	25-May	182	6	3-Aug	31-May	4
Las Cruces	184	6	20-Jul	2-Jun	184	6	19-Jul	31-May	
Rio Rancho*	186	4	5-Aug	26-May	184	6	3-Aug	24-May	(2)
Santa Fe	174	6	17-Aug	24-May	175	5	15-Aug	23-May	1
Gadsden	180	10	1-Aug	25-May	180	10	31-Jul	23-May	
Gallup**	181	2	11-Aug	26-May	188	4	3-Aug	6-Jun	7
Farmington	175	10	15-Aug	25-May	180	4	11-Aug	24-May	5
Roswell	188	6	4-Aug	26-May	184	10	8-Aug	24-May	(4)
Hobbs	183	8	8-Aug	26-May	183	8	9-Aug	24-May	
Los Lunas	187	4	1-Aug	25-May	187	4	1-Aug	24-May	
Clovis	170	13	11-Aug	23-May	170	13	10-Aug	23-May	
Carlsbad	178	8	9-Aug	25-May	178	10	7-Aug	23-May	
Alamogordo	178	6	11-Aug	26-May	178	6	11-Aug	24-May	
Deming	185	7	18-Jul	25-May	182	11	1-Aug	30-May	(3)
Central	190	5	8-Aug	8-Jun	178	7	7-Aug	24-May	(12)
Artesia	178	6	11-Aug	25-May	178	6	14-Aug	24-May	
Los Alamos	180	8	10-Aug	26-May	190	6	9-Aug	7-Jun	10
Belen	186	0	3-Aug	26-May	184	8	2-Aug	29-May	(2)
Lovington	189	4	8-Aug	26-May	189	4	2-Aug	24-May	
Grants***	200	7	1-Jul	12-Jun	173	8	14-Aug	24-May	(27)

*Rio Rancho's FY24 calendar notes the district will provide 180 days for elementary schools and 185 days for secondary schools
**Gallup's FY24 calendar is still pending board approval and union agreement
***Grants FY23 calendar included 25 days for K-5 Plus and 10 days for ELTP that were eliminated in the FY24 calendar

Notably, some large districts with existing K-5 Plus or Extended Learning Time programs chose to reduce student instructional days and add more professional work days for teachers instead. For example, Rio Rancho reduced instructional days but increased non-instructional days. Still, the district (along with Albuquerque) removed

Funding Formula Calendar Units

*Preliminary calendars
Source: PED

half-days from the FY24 calendar, aligning daily schedules with parent needs and transportation routes to meet local circumstances. Other medium-sized school districts also added days to meet new instructional hour requirements, including Alamogordo (184 days), Artesia (183 days), Belen (189 days), Bloomfield (192 days), and West Las Vegas (187 days).

Funding Formula

Statewide, school districts and charter schools are poised to generate an estimated 15.3 thousand K-12 Plus program units in the FY24 preliminary funding formula, about 1,950 more units than the estimated baseline of 13.3 thousand units that would have been generated from FY23 school calendars. The increase in units means school districts and charter schools proposed a net increase in instructional days statewide for next year, despite most large districts choosing to keep calendars the same. However, the total program units attributable to the state's calendar reform efforts remain largely the same as last year, given recent declining participation in the former K-5 Plus and Extended Learning Time programs.

PED set the FY24 preliminary unit value at $6,241.67, an increase of $719.17, or 13 percent, from the prior year. As such, only $95 million of the $252 million appropriation for calendar reforms will be attributable to K-12 Plus formula units, with the remainder used to meet the 1,140 instructional hour requirement. PED will calculate K-12 Plus units and funding after the first reporting date of 2023 (around October) and update estimates on distributions then.

Public School Capital Outlay

In addition to changes in the operational funding formula for schools, the state enacted a temporary change in the capital outlay funding formula for schools, reducing the local share of financing school facility projects between FY24 and FY26. As such, the Public School Capital Outlay Council (PSCOC) plans to award over $704 million to replace aging school facilities in FY24, nearly triple the amount awarded in FY23 at $229.1 million. PSCOC is also anticipating about $363 million in new project applications for FY24 as the new law takes effect.

In May 2023, the council received a request from Los Alamos Public Schools to waive the local share requirement for two elementary schools, noting rapid cost escalation has caused the two projects to become unaffordable. The schools are similarly sized and will cost between $645 per square foot and $765 per square foot. PSCOC is also scheduled to review 13 more applications for facility replacements—11 of which are likely to also request a waiver of the local share requirement. Labor shortages, material costs, and fewer bidders are driving up construction project costs and may reduce the council's ability to leverage funds efficiently in the short term.

Elementary P.E. Units

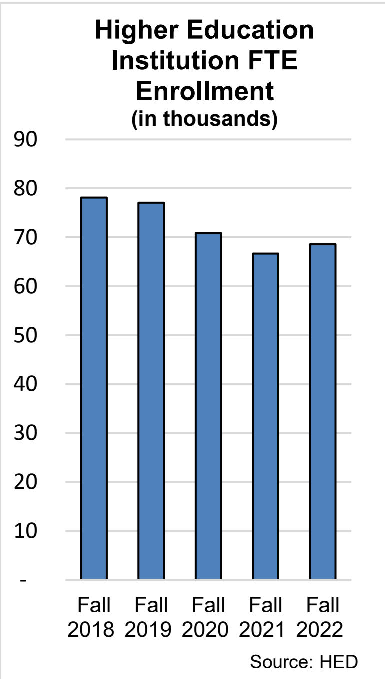
Starting in FY23, PED began authorizing schools to generate elementary physical education (P.E.) program units in the funding formula, ending a decades-long freeze on this formula component.

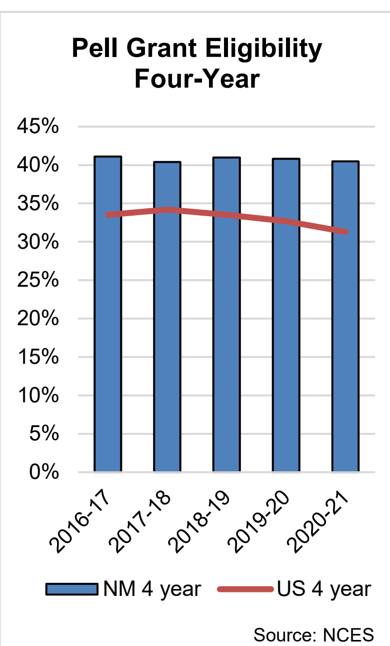
Elementary P.E. units nearly doubled, from 3,645 units in the FY23 preliminary formula to 6,810 units in the final formula, effectively redistributing $17.5 million in formula funds to schools with elementary P.E. programs.

Higher Education Institutions

ACTION PLAN

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





New Mexico higher education institutions (HEI) experienced their first enrollment increase in a decade in the fall 2022 semester. The increase affected nearly every institution and was likely driven by the creation of the opportunity scholarship. While an undoubtedly positive development, it is unclear how long-lasting the enrollment increase may be.

Further, it is likely that many of the new students entering New Mexico HEIs will require additional support to counter pandemic-related learning loss as well as behavioral health supports to address widespread mental health challenges faced by students. While these issues are well-known and national in nature, the state does not have a coordinated structure to address student needs and HEIs are challenged to develop support programs to counter a worrying trend of falling student retention.

Students

New Mexico is the fourth poorest state in the nation, which leads to the state having a significantly higher proportion of students at four-year institutions receiving Pell grants than the national average. Numerous studies have shown that students receiving Pell grants are less likely than non-Pell grant recipients to graduate.

In addition to being poorer than their national peers, New Mexico students are less prepared for college success as measured by SAT scores. The SAT test includes benchmarks based on test scores which correlate to a 75 percent chance that a student earn at least a C their first course in algebra, statistics, precalculus, history, literature, social science or writing. The data show that New Mexico test-takers are less likely than their national peers to meet benchmarks.

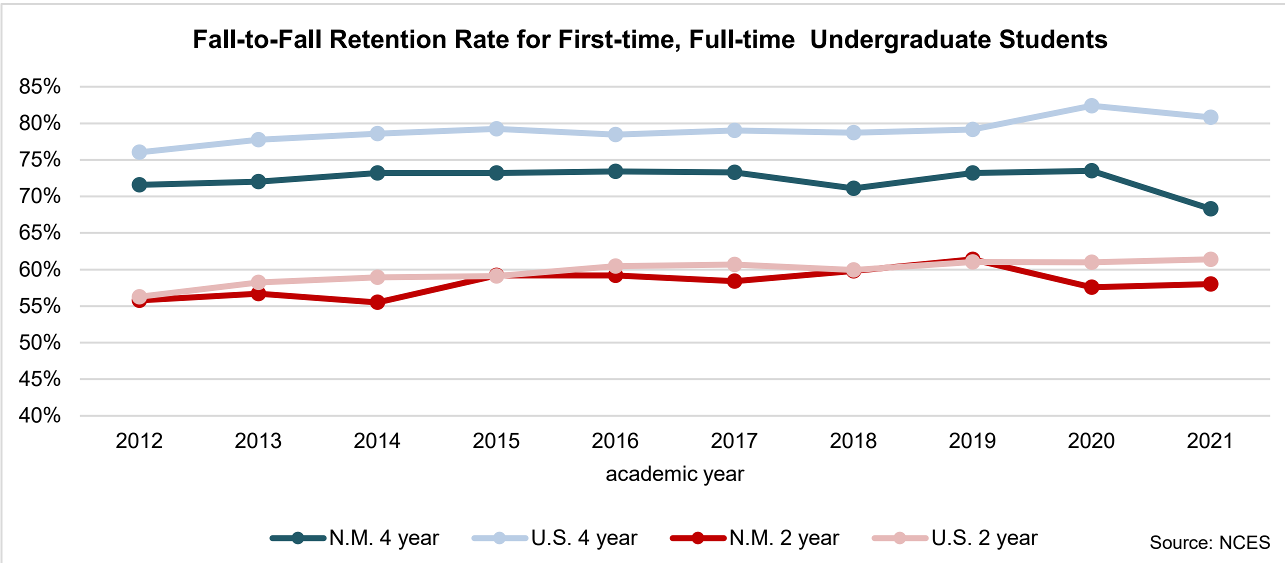
Percent of Students Meeting SAT Benchmarks for Math and Language
2022 Test Data

	U.S.		N.M.	
Race/Ethnicity	**Meeting Both**	**Meeting Neither**	**Meeting Both**	**Meeting Neither**
American Indian/Alaska Native	22%	54%	8%	71%
Asian	75%	11%	70%	11%
Black/African American	19%	54%	22%	42%
Hispanic/Latino	26%	47%	22%	52%
Native Hawaiian/Other Pacific Islander	24%	51%	N/A	N/A
White	53%	21%	51%	21%
Two or More Races	52%	22%	56%	21%
No Response	31%	49%	17%	58%

Source: The College Board

New Mexico high school graduation now requires all students to take the SAT. However, the requirement was waived due to the pandemic and only 42 percent of graduating seniors took the exam in 2022. Because only a minority of students took the SAT exam in 2022, there is a high likelihood that those who did take the test intend on going on to higher education making it likely the gap between New Mexico student performance and the national average will widen as more students take the SAT.

Lack of preparedness is likely leading to students at four-year institutions, both full-time and part-time, being much less likely to persist than their peers nationally. Data from the National Center for Education Statistics show a nationwide reduction in student retention, but the declines for New Mexico students were particularly acute. While retention for the U.S. on average fell by 1.6 percent, New Mexico's retention rate fell by 5.2 percent, reversing a multi-year trend of increasing retention rates and dropping retention to its lowest point in over a decade. It is likely that falling retention is pandemic related and this will be a passing trend.



Data show persistence of full-time students at New Mexico two-year colleges is slightly lower than the national average, but there was no appreciable widening of the gap in 2021.

Affordability

Tuition at New Mexico colleges and universities is lower than for the western region on average, but it has grown at the fastest rate of all western states. According to the Western Interstate Commission on Higher Education (WICHE), New Mexico's average annual resident tuition and fees at four-year public institutions are $8,100, 15.3 percent less than the regional average. However, tuition and fees in New Mexico increased 72 percent over the past 10 years, more than double the regional 10-year average growth of 29 percent.

Total Tuition and Fees at 4-Year and 2-Year Institutions in Selected States

	4-Year			2-Year		
State	**2022-23**	**2012-13**	**10-Year Change**	**2022-23**	**2012-13**	**10-Year Change**
Arizona	$10,273	$8,763	17.2%	$2,579	$2,242	15.1%
California	$9,519	$8,463	12.5%	$1,380	$1,380	0.0%
Colorado	$11,025	$7,583	45.4%	$5,042	$3,658	37.8%
Nevada	$7,990	$5,834	37.0%	$3,778	$2,700	39.9%
New Mexico	**$8,100**	**$4,708**	**72.0%**	**$2,092**	**$1,506**	**38.9%**
WICHE Average*	$9,570	$7,408	29.2%	$3,083	$2,499	23.4%

*WICHE Average includes 16 states and territories

Source: WICHE

New Mexico two-year institutions also experienced higher-than-average tuition increases, but tuition is still 32 percent lower than neighboring states. Tuition at New Mexico two-year institutions is about 25 percent of the cost of tuition at four-year institutions, in-line with Arizona and significantly below that of Colorado and Nevada.

Four-Year Institution Tuition and Fees

Inst.	2022-23 Tuition/Fees	10-Year Change
ENMU	$6,738	54.9%
NMHU	$6,984	99.3%
NM Tech	$9,058	54.2%
NMSU	$8,408	39.2%
NNMC	$5,064	79.1%
UNM	$10,880	79.8%
WNMU	$9,572	121.9%

Source: WICHE

While New Mexico tuition and fees are less than many other western states, these costs vary significantly by institution. The state, through the lottery and opportunity scholarships, pays the majority of student tuition and fee costs. This creates a dynamic where HEIs and their respective board of regents may have an incentive to increase tuition at a faster rate because they do not compete for enrollment on a price basis. While this dynamic allows institutions flexibility to match revenue to institutional need, it may increase state costs to fully fund scholarships.

Opportunity Scholarship

The Legislature recognized the importance of higher education in economic development and overwhelmingly supported the creation of the Opportunity Scholarship to pay the portion of tuition and fees not covered by the existing lottery scholarship and other aid programs. The new scholarship will effectively result in tuition-free college for New Mexicans who do not already hold a bachelor's degree.

At the time of the creation of the scholarship program, the cost was estimated at approximately $100 million per year. However, a combination of factors including use of the scholarship to pay the first semester of costs for students who will receive lottery scholarships in the second semester and higher than anticipated increases in tuition and enrollment resulted in an annual cost of $146 million. The ability of the Opportunity Scholarship to deliver tuition free higher education is dependent on the Legislature's ability to fully fund the program. This will require the Higher Education Department to work with HEIs to deliver timely information on enrollment and tuition increases. Additionally, as the state takes an increasing financial stake in student subsidization, HEIs will be challenged to show that students receiving these subsidies are being supported on their way to successful completion of their studies.

Additionally, institutions should be mindful of the state's previous experience with rapid expansion of college subsidy programs. In the first year after creation of the Legislative Lottery Scholarship, graduation rates at state universities decreased from approximately 42 percent for the 1996 cohort to 38 percent for the 1997 cohort and graduation rates remained low for several years after lottery scholarship creation, suggesting initial student cohorts had less college preparation or student support than needed.

ACTION PLAN

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

The U.S. Center for Disease Control (CDC) reported in 2019 37.5 percent of New Mexico high school youth reported currently using any tobacco product, including e-cigarettes. Among New Mexico high school youth, 8.9 percent reported currently smoking cigarettes.

CDC also reported in New Mexico 9 percent of cigarette smokers are Spanish-speaking, but only 5 percent of the state's Quitline users are.

Department of Health

The Department of Health (DOH) reported some improvements in performance across the agency during the second quarter of FY23.

Public Health

The mission of public health is to reduce the leading causes of preventable death and disability, especially for underserved populations and those with health disparities. The Public Health Program reported mixed performance during the second quarter of FY23. Programs dedicated to smoking cessation activities continued to report low performance. Tobacco use can lead to tobacco or nicotine dependence and serious health problems. Public health programs nationally have been focused on reducing nicotine activities to prevent the risk of developing smoking-related diseases. The U.S. Center for Disease Control (CDC) reports cigarette smoking as the leading cause of preventable disease and death in the United States. In 2020, an estimated 12.5 percent (30.8 million) of U.S. adults currently smoked cigarettes. DOH reported the nicotine use prevention and control program served 1,232 adult cigarette users during the third quarter.

Budget: $213,192.6 **FTE:** 786	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Percent of female New Mexico department of health's public health office family planning clients, ages fifteen to nineteen, who were provided most or moderately effective contraceptives	88.8%	86%	62.5%	88.6%	85.3%	89.4%	G
Percent of school-based health centers funded by the department of health that demonstrate improvement in their primary care of behavioral healthcare focus area	73%	91%	≥95%	Reported Annually			
Percent of New Mexico adult cigarette smokers who access New Mexico department of health cessation services	1.9%	1.9%	≥2.6%	0.3%	0.3%	0.4%	R
Number of successful overdose reversals in the harm reduction program	2,572	3,420	2,750	965	722	404	Y
Percent of preschoolers ages nineteen to thirty-five months indicated as being fully immunized	65%	66%	≥65%	68%	70%	69%	G
Number of community members trained in evidence-based suicide prevention practices	NA	NA	225	126	248	147	G
Program Rating	R	R					Y

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

Epidemiology and Response

The Epidemiology and Response Program monitors and provides health information, prevents disease and injury, promotes health and healthy behaviors, responds to public health events, prepares for health emergencies, and provides emergency medical and trauma services and vital records to New Mexicans.

In 2021, DOH reported 520 New Mexico residents died by suicide in 2020, an increase of five suicides as compared with 2019. New Mexico had the fourth highest age-adjusted rate for suicides in the nation in 2019. New Mexico had a crude suicide rate of 24.6 deaths per 100 thousand residents in 2020, 23 percent higher than the crude rate in 2010 (19.9 deaths per 100 thousand residents).

In September 2022, DOH reported provisional data show a small decline in the 2021 rate of suicide among youth ages 5 to 18 years compared with the year before. Final figures from 2021 are expected in mid-to-late fall of this year.

Program performance metrics in the program are centered on improving health statuses, substance use deaths, and suicide prevention. The program has failed to reach targeted performance measures. The program identified five emergency departments with higher-than-average rates of suicide attempts that also had the capacity to implement a secondary prevention of suicide program. As of September 2022, the five identified emergency department sites were Christus St. Vincent Regional Medical Center, Presbyterian Espanola Hospital, Taos Holy Cross Hospital, Artesia General Hospital, and San Juan Regional Medical Center. Additionally, during the third quarter DOH reported 183 people receiving alcohol screening and brief intervention services, an increase of 50 more individuals second quarter. Of those individuals, males received 63 percent diagnosis and brief intervention for alcohol. Individuals ages 35 years to 44 years, an estimated 30 percent, had the most diagnoses and brief intervention for alcohol.

Budget: $127,901.5 **FTE:** 298	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis	NA	NA	3,408	71	69	89	G
Percent of death certificates completed by Bureau of Vital Records & Health Statistics within ten days of death	50%	50%	64%	55%	56%	48%	R
Percent of hospitals with emergency department based self-harm secondary prevention programs	2.5%	5%	7%	5%	5%	5%	R
Rate of persons receiving alcohol screening and brief intervention services	52.2	69.1	72.6	5.3	11.5	Not Reported	R
Program Rating	R	R					R

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

Scientific Laboratory

The Scientific Laboratory Division (SLD), which provides a wide variety of laboratory services and programs that support the citizen and other agencies in New Mexico, met targets for the third quarter of FY23. During the quarter, 98 percent of cases were analyzed in 30 days and 96 percent of cases were analyzed in 15 days.

Budget: $15,956.0 **FTE:** 191	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within fifteen calendar days	NA	NA	95%	81%	88%	96%	G
Program Rating	G	G					G

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

Facilities Management

The global pandemic continued to affect the intake and capacity of the Facilities Management Program (FMD), which provides services for behavioral healthcare for adults and adolescents, addictions treatment services, long-term care, and transitional living services. Many of the state facilities with declining occupancy will also experience significant operational funding strains if they are unable to reverse the trend. To increase census, the program is developing a needs assessment at the facility level to determine how to safely open more beds and with recommendations, such as developing recruitment and retention campaigns and case mix, that can be implemented to ensure admitted patients will not necessitate an immediate increase in staffing. During the third quarter of FY23, the facilities statewide census was 44 percent of total beds. Additionally, the department is reporting a possible shortfall of several million dollars due to low census.

Budget: $183,833.3 **FTE: 1,930**	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of medication errors causing harm per one thousand patient days within identified categories	0.6	0.2	2.0	0	0	0	G
Percent of medical detox occupancy at Turquoise Lodge Hospital	70%	69%	75%	68%	74%	69%	R
Percent of medication assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital	NA	73%	65%	100%	100%	100%	G
Percent of patients educated on medication assisted treatment options while receiving medical detox services	NA	89%	90%	99%	50%	100%	G
Percent of patients eligible for naloxone kits who received the kits	NA	NA	50%	26%	61%	50%	G
Percent of licensed beds occupied	58%	52%	75%	41%	42%	44%	R
Percent of eligible third-party revenue collected at all agency facilities	92%	93%	93%	82%	84%	94%	G
Program Rating	R	R					Y

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

Developmental Disabilities Supports

DOH reported an increase in the number of individuals receiving services in the Developmental Disabilities (DD) and Mi Via Medicaid waivers programs. The number of individuals on the waiting list is decreasing, and as the program continues, it plans to eliminate the list. In addition to the provider rate, which will increase in FY23, DD waiver providers statewide recently received a one-time payment of $136 million. This payment is part of the federal plan for "super allocation"; DD providers will receive temporary Covid-19 economic recovery payments, which will boost provider rates over three years starting at 15 percent in year one and scaling down to 10 percent in year two and 5 percent in year three.

Budget: $193,412.8 FTE: 204	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Percent of adults between ages 22 and 64 served on a developmental disabilities waiver (traditional or mi via) who receive employment supports	18.4%	9.8%	27%	9.5%	9.5%	9.5%	R
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)	83%	85%	86%	88%	91%	92%	G
Percent of developmental disabilities waiver applicants who have a services plan and budget in place within ninety days of income and clinical eligibility determination	97%	96%	95%	90%	85%	81%	R
Program Rating	R	G					Y

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

Health Certification Licensing and Oversight

The Health Certification, Licensing, and Oversight Program met a majority of performance measures targets during the first quarter of FY23. The program reported a lower rate of re-abuse for individuals on the Developmental Disabilities and Mi Via waivers, a key indicator for safety.

Budget: $17,510.0 FTE: 174	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
CMS: Percent of nursing home survey citations upheld when reviewed by the Centers for Medicare and Medicaid Services and through informal dispute resolution process	77%	88%	90%	100%	100%	100%	G
IDR: Percent of nursing home survey citations upheld when reviewed by the Centers for Medicare and Medicaid Services and through informal dispute resolution process	90%	57%	90%	75%	66%	18%	R
Percent of abuse, neglect, and exploitation investigations completed according to established timelines	96%	95%	86%	96%	96%	98%	G
Percent of acute and continuing care facility survey statement of deficiencies (CMS Services form 2567/state form) distributed to the facility within 10 days of survey exit	82%	86%	85%	93%	88%	100%	G
Re-abuse rate for developmental disabilities waiver and mi via waiver clients	6%	6%	NA	1.4%	0.7%	1.3%	G
Program Rating	Y	Y					G

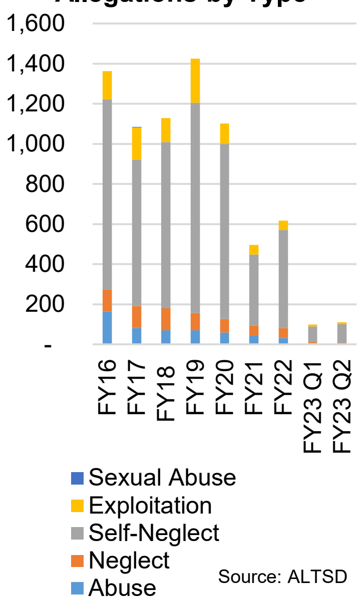
*Measure is classified as explanatory and does not have a target.

PERFORMANCE REPORT CARD
Aging and Long-Term Services Department
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

Substantiated Allegations by Type



Source: ALTSD

The Aging and Long-Term Services Department (ALTSD) reported some decline in performance during the third quarter of FY23. The department's mission is to serve older adults and adults with disabilities so that they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

Consumer and Elder Rights

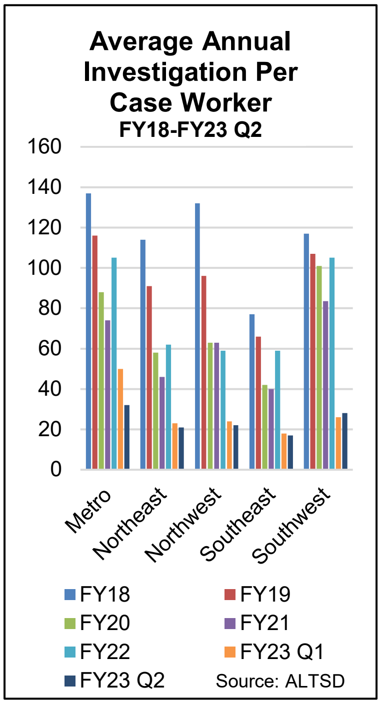
During the third quarter of FY23, the Aging and Disability Resource Center (ADRC) received 6,847 calls, an average of 116 per day, on trend with the close of FY22 but lower than pre-pandemic levels. The department reported consistent turnover contributed to the high vacancies and low performance. Additionally, the program is exploring an upgrade to the call system to alleviate the issue of abandoned calls, allowing immediate callbacks instead of calls going to voicemail. The top topics for which people contact ADRC include assistance with Medicaid, Medicare, senior centers, and Covid-19. The program reported ombudsmen in-person visits to nursing homes and assisted-living facilities is increasing as pandemic restrictions change.

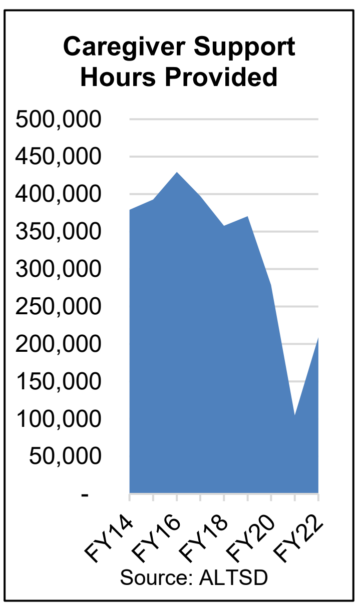
Budget: $5,185.7 **FTE:** 48	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Percent of calls to the Aging and Disability Resource Center that are answered by a live operator	44%	52%	90%	87%	82%	77%	R
Percent of residents who remained in the community six months following a nursing home care transition	84%	86%	90%	98%	98%	99%	G
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	99%	81%	92%	85%	75%	91%	R
Percent of facilities visited monthly	18%	32%	40%	36%	39%	50%	G
Percent of ombudsman complaints resolved within 60 days	93%	99%	97%	100%	100%	100%	G
Program Rating	R	R					Y

Adult Protective Services

The Adult Protective Services Program (APS) began reporting on repeat maltreatment substantiations within six months of a previous substantiation of abuse or neglect in FY21. This performance measure assists the state in assessing the effectiveness of the program in preventing maltreatment. In the third quarter of FY23, the program continued to report no instances of repeat maltreatment. Additionally, the program reported an increase in the number of investigations and may reach annual targeted performance. The program met the performance target for priority investigations, making face-to-face contact quickly and increased the outreach events. Previously, the department was providing outreach through virtual platforms, but it is now returning to a regionally based outreach approach.

Budget: $14,408.8 **FTE:** 128	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	4,355	5,550	6,150	1,537	1,591	1,845	G
Percent of emergency or priority one investigations in which a caseworker	99%	99%	99%	99%	100%	99%	G





makes initial face-to-face contact with the alleged victim within prescribed timeframes							
Percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	4%	0%	5%	0%	0%	0%	G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	132	180	141	70	99	103	G
Percent of contractor referrals in which services were implemented within two weeks of the initial referral	64%	60%	99%	70%	73%	74%	R
Number of referrals made to and enrollments in home care and adult day care services as a result of an investigation of abuse, neglect, or exploitation	89	238	600	25	56	49	R
Percent of priority two investigations in which a caseworker makes initial face to face contact with the alleged victim within prescribed time frames	99%	98%	99%	98%	99%	99%	G
Program Rating	R	R					Y

Aging Network

The Aging Network is not on track to meet targeted performance for the hours of caregiver support for FY23 and continues to fall below pre-pandemic levels. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. These services are provided by area agencies on aging, contract providers, and the New Mexico chapter of the Alzheimer's Association. The department reported the number of hours of caregiver support were 16,280 hours of respite care, 21,869 of adult daycare, 13,558 hours of homemakers, and 3,093 hours of other support services.

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget: $45,535.0 **FTE:** 18							
Percent of older New Mexicans receiving congregate, and home delivered meals through Aging Network programs that are assessed with "high" nutritional risk	16%	15%	15%	16%	17%	18%	G
Number of hours of services provided by senior volunteers, statewide	607,258	733,910	1,700,000	140,199	98,659	114,727	R
Number of outreach events and activities to identify, contact and provide information about aging network services to potential aging network consumers who may be eligible to access senior services but are not currently accessing those services	1,135	802	50	138	224	163	G
Number of meals served in congregate, and home delivered meal settings	5,141,387	4,443,066	4,410,000	1,052,231	957,658	1,41,817	Y
Number of transportation units provided	68,180	136,426	637,000	53,723	50,630	57,484	R
Number of hours of caregiver support provided	104,730	167,701	444,000	48,986	44,490	54,801	R
Program Rating	R	R					R

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

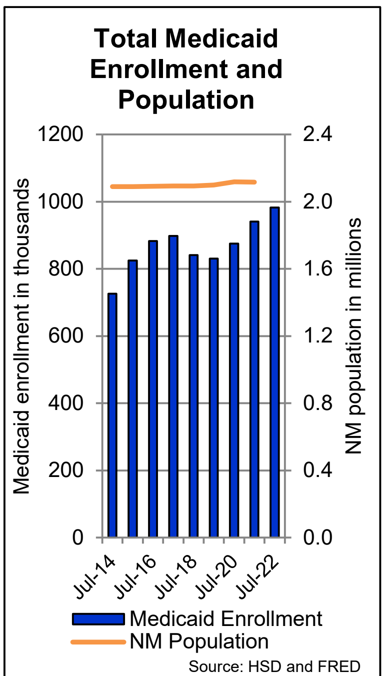
PERFORMANCE REPORT CARD
Human Services Department
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

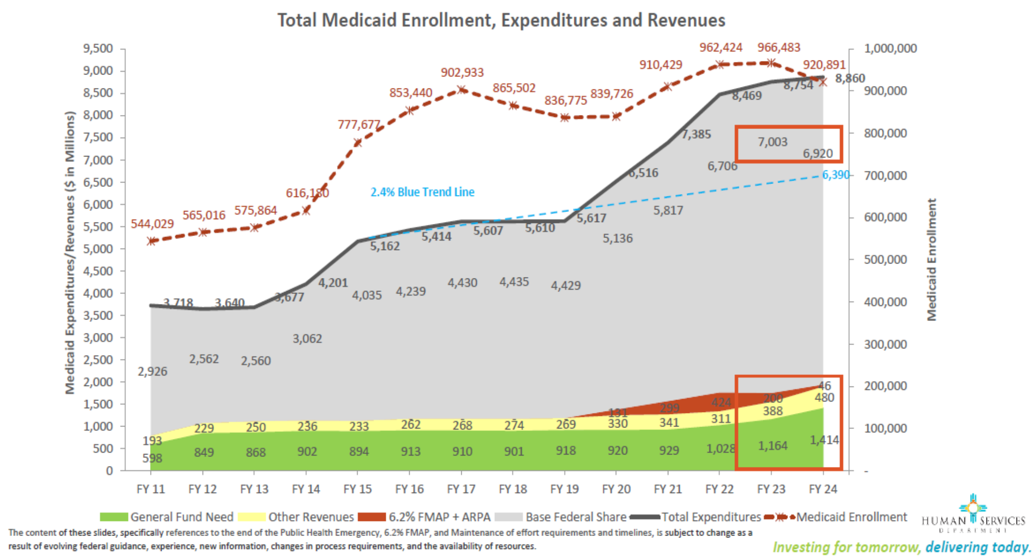
The Medicaid caseload in April 2023 was 990,982 individuals, a 2.7 percent increase over a year ago. The count of Medicaid recipients increased by 2,176, or 0.2 percent, over March 2023.

In April 2023, 385,787 children were on Medicaid, a decrease of 213 children, or 0.06 percent, below April 2022. The number of children on Medicaid grew by 332 members, from March 2023 to April 2023.



The Human Services Department's Medicaid Program enrolls 46.8 percent of New Mexicans, making it the largest per capita Medicaid Program in the country. Medicaid represents 14 percent of the state's general fund spending, but the program's performance continues to lag behind targeted levels. Notably, performance measures for maternal and child health are well below targeted levels.

Medicaid managed care organizations (MCOs) receive per-member per-month (PMPM) payments for most Medicaid enrollees even if they don't access services. Utilization rates appear below the projected levels on which the PMPM rates were built, resulting in HSD clawing back MCO recoupments. Network adequacy must be maintained ensuring Medicaid clients have access to MCO-funded services.



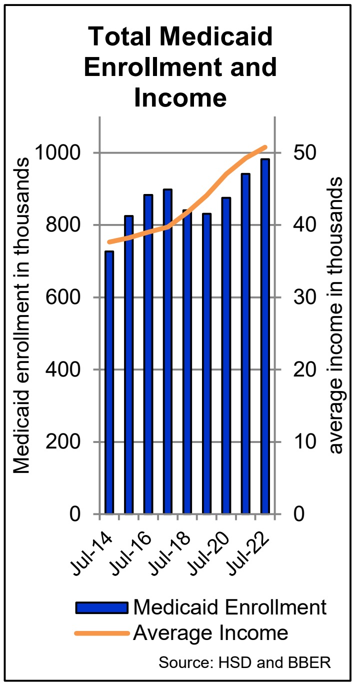
Source: HSD

The Income Support Division's (ISD) Temporary Assistance for Needy Families (TANF) Program reported only 1.5 percent out of a targeted 37 percent of TANF recipients earned sufficient income to impact their eligibility to receive cash assistance. Supplemental Nutrition Assistance Program (SNAP) enrollments and recertifications are also lagging behind levels required by the federal government and under the *Debra Hatten-Gonzales* lawsuit.

Pandemic-Related Enrollment and Funds. The public health emergency (PHE), federal policy, and workforce participation impact the Medicaid program's enrollment, utilization, costs, and outcomes. In 2020, the federal Families First Coronavirus Response Act included a 6.2 percent increase in the federal Medicaid matching rate. States were required to continue Medicaid eligibility for enrolled individuals through May 11, 2023 when the PHE ended. During the PHE, Medicaid enrolled over 170 thousand new members, for a total approaching 991 thousand members.

In March 2023, HSD sent out over 40 thousand letters requesting Medicaid enrollees recertify their enrollment in the program. These letters targeted both the PHE "maintenance of effort" enrollees as well as regular Medicaid clients. HSD started disenrolling or unwinding ineligible Medicaid clients in April 2023, with almost 30 thousand members losing eligibility due to procedural denials based on incomplete renewal packets. More recertifications will be forthcoming during ensuing months.

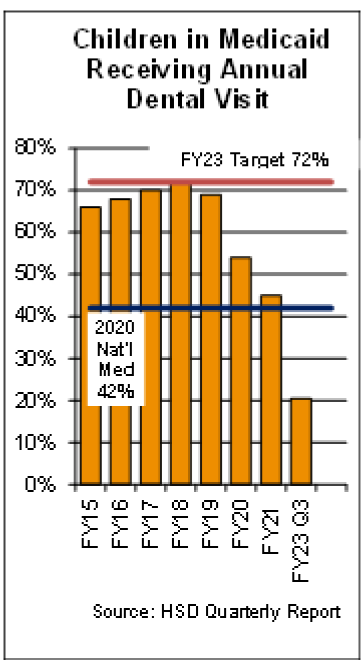
Medical Assistance Division



The Medicaid Program's performance measures are not on trend to meet targeted levels. However, when comparing FY23 third quarter data with FY22 third quarter data, multiple performance measures show improvement and are trending in a positive direction. Some of these measures include percent of infants and children in Medicaid managed care who had six or more well-child visits in the first 15 months of life, percent of Medicaid managed care member deliveries who received a prenatal care visit in the first trimester or within 42 days of eligibility, and percent of children and adolescents in Medicaid managed care ages three to twenty-one years who had one or more well-care visits during the measurement year.

Third quarter reported data indicates 8.4 percent out of a targeted 67 percent of children ages 3 through 21 received one or more well-child primary care visits. HSD reports this rate is based on Healthcare Effectiveness Data and Information Set (HEDIS) data, which are based on a calendar year and do not align with the state fiscal year quarterly reporting. MCO strategies to improve well-child visits include increasing outreach calls, instituting value-based contracts with providers, creating a reward program for well-child visit compliance, offering assistance with scheduling appointments and transportation, and implementing a member texting campaign.

Home Visiting. Participation in Centennial Home Visiting (CHV) remains low despite federal and Medicaid funding for the program. CHV provides in-home services to children and primary caregivers, seeks to improve maternal and child health and child development and school readiness, encourages positive parenting, and connects families to support in their communities. MAD will leverage the Centennial Rewards program to incentivize CHV participation, well child visits, and immunizations.



Budget: $7,269,255.3 **FTE: 219.5**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months*	51%	44.6%	N/A	54%	61.3%	33%	R
Children and adolescents ages 3 to 21 enrolled in Medicaid managed care who had one or more well-care visits during the measurement year*	39.3%	16.7%	67%	28.7%	40.2%	8.4%	R
Children ages 2 to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	56%	37.7%	72%	44.7%	51.2%	20.3%	R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	6.7%	6.8%	<5%	7.3%	7.6%	5%	Y
Hospital readmissions for adults 18 and over within 30 days of discharge	8.8%	11%	<8%	11.2%	11.9%	9.4%	R
Emergency department use categorized as nonemergent care	50%	53%	45%	53%	55%	56%	R
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization*	70%	59.3%	83%	59.4%	63%	62%	R
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was >9 percent during the measurement year*	53%	77.4%	86%	72.8%	66.5%	83.3%	R
Program Rating	Y	R					R

*Measures are HEDIS measures, which represent a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. The most recent unaudited data available reported under FY22 actuals includes the last quarters of FY22. The data for HEDIS measures is preliminary and will be finalized in June 2023.

Income Support Division

The Income Support Division's (ISD) performance for all ISD performance metrics fell short of targeted levels.

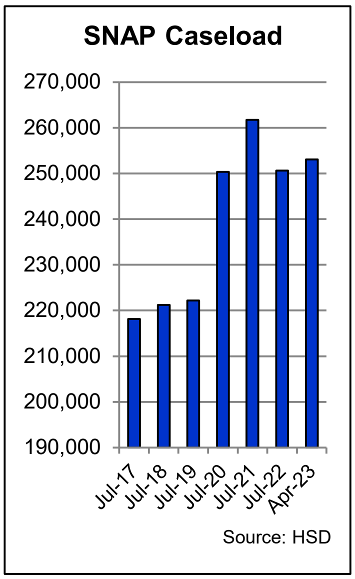
Concurrently, the Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads continued to decline from the previous year. The performance measure "TANF recipient's ineligible for cash assistance due to work-related income" reflects adults whose new employment income exceeded TANF guidelines. Despite unemployment substantially declining in New Mexico, just 1.5 percent of TANF recipients were ineligible for cash assistance due to work-related income.

The Workforce Solutions Department (WSD) is partnering with ISD to collaborate on employment placements for TANF Career Link Program and Wage Subsidy Program participants. WSD started a campaign called "Ready NM" with access to training, education, and employment resources that can assist TANF participants.

HSD reports it is not meeting timeliness requirements for SNAP enrollments. Enrolling 95 percent of expedited cases within a seven-day timeframe is required by the federal government, unless there is a waiver. ISD reports it has a special dedicated team to work on enrolling expedited cases and is working with WSD and Department of Health to identify staff to work overtime to assist with outstanding recertifications as well as contracting with temporary staff.

The Office of Superintendent of Insurance (OSI) implemented network adequacy compliance reporting requirements for commercial health insurance beginning January 1, 2022. OSI also implemented more rigorous standards for existing network adequacy compliance reporting.

Medicaid MCOs should be required to comply with OSI regulations for network adequacy and reporting as well as federal requirements.



The Supplemental Nutrition Assistance Program (SNAP) caseload in April 2023 was 253,072, a 4.2 percent decrease from a year ago and an increase of 3,287 cases, or 1.3 percent, over March.

The Temporary Assistance for Needy Families (TANF) caseload was 8,088 in April 2023, a decrease of 30 percent from a year ago and a decrease of 199 cases, or 2.4 percent, below March.

Budget: $1,086,913.5 **FTE: 1,134**

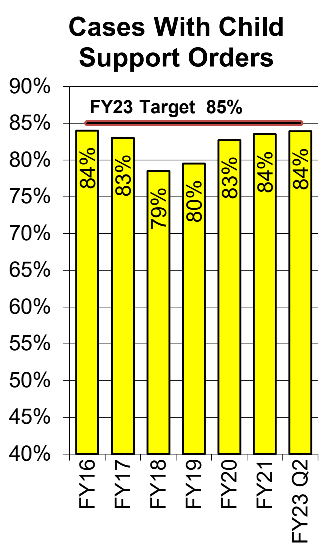
	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	98.6%	95.7%	98%	40.6%	70.8%	33.6%	R
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	98.5%	92.1%	98%	62%	66.5%	71.3%	R
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	7.6%	1.9%	37%	1.6%	2.1%	1.5%	R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	8.4%	2.7%	52%	10.6%	16.6%	12.4%	R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	9%	2.7%	37%	6.4%	7.3%	9.8%	R
Program Rating	Y	R					R

Child Support Enforcement Division

The Child Support Enforcement Division (CSED) is modernizing the program to set accurate child support obligations based on the noncustodial parent's ability to pay alongside increasing consistent and on-time payments to families, moving nonpaying cases to paying status, improving child support collections, and incorporating technological advances that support good customer service and cost-effective management practices. CSED expected performance to improve with these efforts; however, performance for all CSED performance metrics fell short of targeted levels.

HSD's partnership with the Workforce Solutions Department (WSD) does not yet appear to be positively affecting work program performance outcomes for TANF participants. WSD is slated to assist TANF participants with gaining skills, experience, and resources to improve the family's financial stability, find employment, and earn living wages.

WSD previously reported staffing issues. However, at the end of FY22, WSD's TANF program reported a vacancy rate of only 8 percent. With TANF caseloads declining, low statewide unemployment, and more WSD staff, TANF outcomes could rebound to prepandemic levels.



Source: HSD Quarterly Report

CSED reported child support collections totaled $32.8 million, which may result in collections falling short of the FY23 target of $145 million. However, CSED reports collections typically show an increase in the third and fourth quarters of the year.

CSED is assisting unemployed or underemployed noncustodial parents through the Supporting, Training, and Employing Parents Up Program. The program is in collaboration with WSD to develop job opportunities to assist noncustodial parents with meeting their child support obligations. During the 2021 legislative session, statutory changes were made to assist CSED with setting orders based on new guidelines and reviewing cases for possible modifications for right-sized court orders that the noncustodial parents can pay on a more consistent basis. Implementation of those changes began in July 2021.

Beginning in January 2023, the distribution of child support payments moved to a Families First model, with more payments going directly to families and children rather than for TANF recoveries. This change was slated to improve the performance of child support owed that is collected.

Total dollars collected per dollars expended is a federal fiscal year performance measure. The FY22 actual performance for this measure decreased from the previous fiscal year due to several IT expenditures for modernization projects, including the mainframe replatform project implemented in February 2022. CSED is in the planning stages of replacing its current child support enforcement IT system, which should continue to enhance the program's performance efficiency.

Budget: $35,995.4 **FTE: 370**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Noncustodial parents paying support per total cases with support orders	55.7%	52.4%	58%	50.1%	50.3%	51%	R
Total child support enforcement collections, in millions	$147.4	$130.3	$145	$28.7	$27.8	$32.8	Y
Child support owed that is collected	60.9%	57.6%	60%	56.8%	56.7%	57.8%	R
Cases with support orders	83.5%	83.1%	85%	83.9%	84.1%	84.3%	Y
Total dollars collected per dollars expended	$2.90	$2.69	$4.00	No Report	No Report	No Report	R
Average child support collected per child	NEW	$127.92	N/A	$116.07	$113.96	$136.58	Y
Program Rating	R	R					Y

Note: Children with paternity acknowledged or adjudicated are reported in the federal fiscal year.

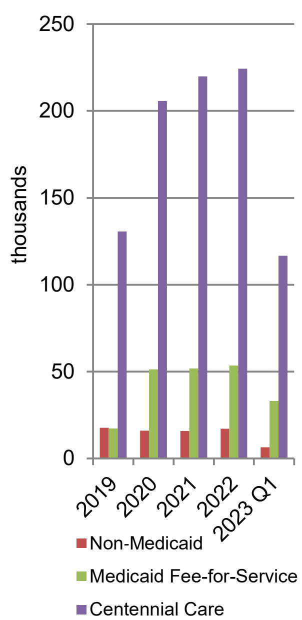
PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Third Quarter, Fiscal Year 2023

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

ACTION PLAN

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

Individuals Served Annually in State-Funded Substance Abuse or Mental Health Programs



Source: HSD

Notable behavioral health interventions include San Juan County's Mental Wellness Center, a service and access hub, and Santa Fe County's Connect program, a "no wrong door approach" to assisting persons with behavioral health needs and addressing other social determinants of health.

The data for the third quarter of FY23 indicates 156,286 persons received behavioral health services in Medicaid managed care, fee-for-service, and non-Medicaid programs, a 53 percent decrease from the second quarter. The individuals receiving behavioral health services represent an 8.5 percent decrease, or 14,525 fewer persons, compared with the same period in FY22. The Human Services Department reports the decrease in people receiving services is expected to improve as claims lags are updated.

Since 2017, behavioral health providers have increased in the state by over 50 percent. Yet about one in three hospitals do not offer medication-assisted therapy (FY21), just over 1 percent of Medicaid recipients received screening, brief intervention and referral to treatment (SBIRT), and Department of Health facilities offer evidence-based programs but operate below capacity. Behavioral health performance outcomes remain poor in New Mexico and the state continues to have some of the worst behavioral health outcomes in the country. In recent years, state and federal funding for behavioral health have notably increased in both the Medicaid Program and the Behavioral Health Services Division. Several initiatives have been implemented; however, these efforts may not yet be fully reflected in the behavioral health performance outcomes.

The Behavioral Health Collaborative (BHC) needs to enhance its role coordinating overarching behavioral health services across state agencies, including Medicaid. Performance data across agencies would provide a comprehensive overview of the systemic outcomes. BHC is in the process of procuring an administrative services organization (ASO), with the current ASO being Falling Colors. Comprehensive data shared by the ASO would be helpful in tracking performance across departments.

Existing Problem

New Mexico had some of the poorest substance use and behavioral health outcomes in the country even before the Covid-19 pandemic further exacerbated anxiety, depression, and substance use. In New Mexico, 19 percent of adults experience mental illness, and as of 2020, New Mexico had the second highest suicide rate in the nation, a rate of 24.8 per 100 thousand people. BHSD reports in the past year over 60 percent of adults with moderate mental illness and 30 percent of adults with serious mental illness did not receive treatment.

The U.S. Centers for Disease Control and Prevention reports in 2020 New Mexico had the 11th highest drug overdose death rate in the United States. New Mexico's drug overdose death rate was 39 per 100 thousand. New Mexico's alcohol-related death rate, 86.6 per 100 thousand people, was over twice the U.S. rate of 41.5. About two out of three drug overdose deaths in New Mexico in 2020 involved an opioid, and the methamphetamine death rate grew 2.8 times higher than in 2015. The fentanyl-involved death rate in 2020 was seven times greater than in 2016.

Behavioral Health System of Care

Access to Behavioral Health Services. In 2021, BHSD reported there were 6,295 prescribing and 4,057 nonprescribing Medicaid behavioral health providers in New Mexico. Total behavioral health practitioners increased from approximately 500 providers. Behavioral health organizations grew from 368 in 2020 to 388 in 2021. The total number of behavioral health encounters provided by a behavioral health professional or nonbehavioral professional increased from 2,498,234 in 2020 to 2,985,516 encounters in 2021.

PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Third Quarter, Fiscal Year 2023

Approximately 75 percent of all people served were Medicaid managed care members, 21 percent were Medicaid fee-for-service members, and four percent were non-Medicaid persons. The top five behavioral health provider types were physicians including psychiatrists, nurse/certified nurse practitioners (CNPs), which includes psychiatric certified CNPs, federally qualified health centers, licensed clinical social workers, and licensed professional clinical counselors. During this quarter, the average number of visits per paid encounters for unduplicated non-Medicaid recipients served was notably higher at 7.7 visits, than for all unduplicated Medicaid managed care clients at 5.46 visits, or Medicaid fee-for-service clients at 5.85 visits.

Provision of Behavioral Health Services. During the pandemic, New Mexico Medicaid managed care organizations (MCOs) and non-Medicaid programs allowed behavioral health providers to bill for telephone visits using the same rates as in-person visits. In FY20, 22,575 unduplicated members were served through telehealth services. However, in FY23 the use of telehealth and telephone services to provide behavioral health services is holding steady. In the first quarter, 38,089 unduplicated persons were served in rural and frontier areas through telemedicine as compared with 38,096 persons served last year. The decline is attributed to the lag in claims reporting and decreased utilization as the pandemic declines and people return to office visits. In 2023, the Legislature appropriated $1 million in opioid settlement funding to support telehealth services, particularly in rural areas.

BHC Budget: $924,292.1 **FTE: 53**

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	42.5%	42.8%	35%	42.7%	42.8%	38.2%	G
Medicaid members ages 6 to 17 discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	53.7%	50.8%	51%	53.5%	53.5%	47.6%	Y
Medicaid members ages 18 and older discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	53.7%	31.8%	51%	32.8%	32.7%	28.3%	R
Increase in the number of persons served through telehealth in rural and frontier counties*	74.8%	-9.5%	N/A	7.3%	-4.7%	-13.8%	Y
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	10.8%	9.8%	5%	10.8%	10%	7%	R
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	200,932	212,486	200,000	256,241	294,958	156,286	R
Emergency department visits for Medicaid members ages 13 and older with a principal diagnosis of alcohol or drug dependence who receive follow-up visit within seven days and 30 days	13.4% 7day; 19.8% 30 day	12.4% 7 day; 19.8% 30 day	25%	13% 7 day; 20.2% 30 day	12.4% 7 day; 20% 30 day	20% 7 day; 30.6% 30 day	Y
Persons receiving telephone behavioral health services in Medicaid and non-Medicaid programs	75,140	62,439	60,000	25,919	34,748	42,040	G
Program Rating	Y	Y					Y

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

Alcohol Abuse, Opioids, and Overdoses

The Department of Health's *New Mexico Substance Use Epidemiology Profile, 2021* indicates New Mexico had the highest alcohol-related death rate in the United States since 1997. New Mexicans die of alcohol-related causes at nearly three times the national average, higher than any other state. Alcohol is involved in more deaths than fentanyl, heroin, and methamphetamine combined. Negative consequences of using excessive alcohol also affect domestic violence, crime, poverty, unemployment, and exacerbates mental illness, all of which are social determinants of health.

According to the federal Substance Abuse and Mental Health Services Administration, 75 percent of people addicted to opioids began taking the drugs with a prescription.

Unintentional drug overdoses accounted for almost 86 percent of drug overdose deaths from 2015 to 2019 in New Mexico, according to the Department of Health. Forty-five percent of those accidental overdoses were caused by prescription opioids and 33 percent by heroin. Of those preventable deaths, nearly 40 percent were of Hispanic males and 18 percent were Hispanic females.

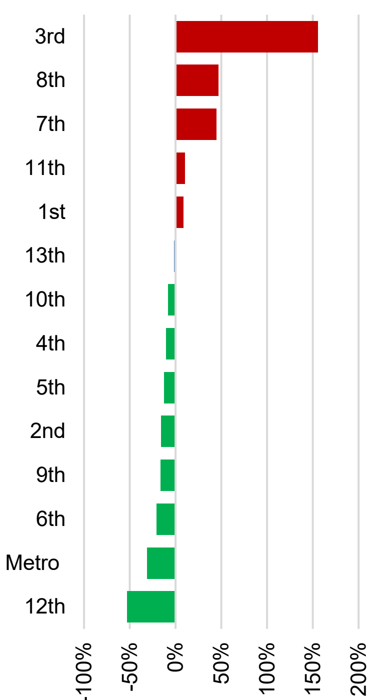
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Courts and Justice
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

Large Increase in Time to Disposition for Civil Cases in Some Districts
Percent Change in Days to Disposition FY22 Q3 vs FY23 Q3



Source: AOC

Most criminal justice measures are returning to prepandemic averages, but many partners face persistent changes and challenges that stymie overall justice system goals. Persistent hiring and retention challenges make it difficult to keep skilled staff in critical roles, an especially troubling issue for the state's dual responsibilities to enforce the law and provide a reasonably effective defense for indigent people accused of crimes.

Courts

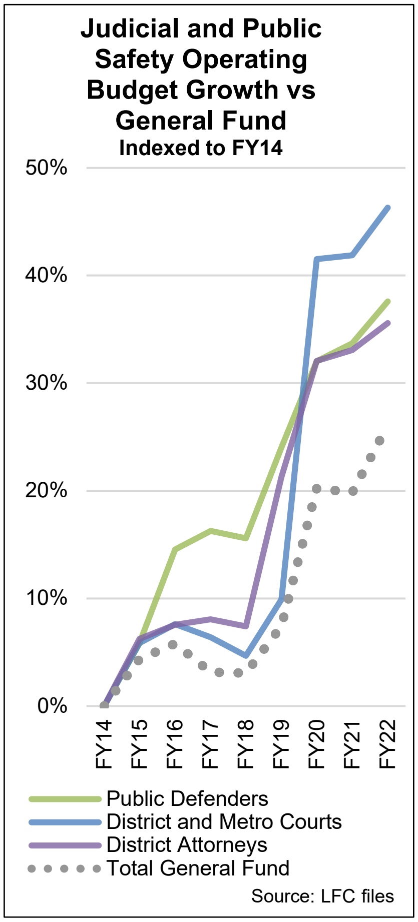
Administrative Support. In the third quarter of FY23, the time to dispose civil cases increased greater than 40 percent in three judicial districts compared with the third quarter of FY22, though most districts saw modest improvements. Civil cases constitute the vast majority of cases that courts process. While they do not garner as much public attention as criminal cases, civil case proceedings have significant consequences for families.

The age of active pending criminal cases and days to disposition in criminal cases both improved in the third quarter of FY23 compared with the first two quarters; however, both measures remain high compared with FY21 and FY22. Courts are processing more jury trials. The average cost per juror increased slightly from the second quarter of FY23.

Continuing recent trends, most defendants who are supervised by the courts in the pretrial period made most of their scheduled court appearances and were not charged with new offenses during the pretrial stage. This is consistent with past research that has identified that pretrial defendants are small contributors to New Mexico's overall violent crime rate.

Budget: $21,449.1 **FTE:** 60	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
<u>Administration Measures</u>							
Average cost per juror	$54.82	$56.4	$55	$56.4	$54.9	$58.9	Y
Number of jury trials for metro, district, and statewide courts*	533	574	N/A	178	183	215	
Average interpreter cost per session	$63	$64.1	$150	$49.5	$79.7	$83.1	G
Age of active pending criminal cases in days	364	524	365	303	344	256	G
Days to disposition in criminal cases	207	145	365	233	227	219	G
Cases disposed as a percent of cases filed	135%	101%	100%	95%	101%	98%	G
<u>Pretrial Services Measures</u>							
Percent of supervised defendants who make all scheduled court appearances	NEW	NEW	N/A	76%	74%	75%	
Percent of supervised defendants who are not charged with a new offense during the pretrial stage	NEW	NEW	N/A	84%	83%	80%	
Percent of released defendants who did not commit a new violent charge	NEW	NEW	N/A	95%	94%	95%	
Program Rating	Y	Y		G	G	G	G

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



Special Court Services. The Legislature has prioritized treatment courts in the last several years. Despite this, drug courts have seen a shift from oversubscription in FY13 to having about half of their capacity filled over the past 10 years. Drug and DWI courts report recidivism rates below the target. Graduation rates remain persistently low for drug-court participants but increased over the target for DWI-court participants.

Research underscores the efficacy of drug courts, in particular, and treatment in the criminal justice system generally. Many national researchers support the risk-needs-responsivity framework in the justice system, where all who come into the system are assessed and provided services that fit their individual needs. The RNR framework is not implemented in many districts.

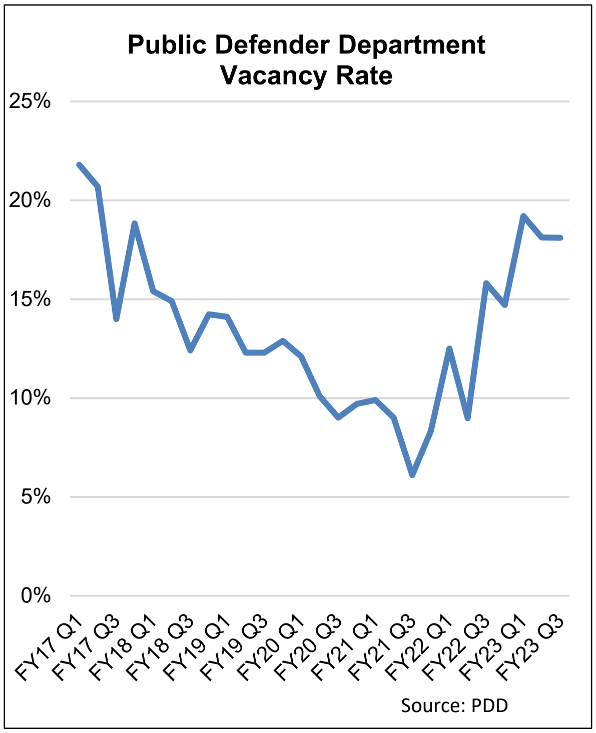
Monthly supervised child visitations and exchanges increased modestly compared with the second quarter of FY23. The number of cases to which court appointed special advocate (CASA) volunteers are assigned increased by 2 percent in the second quarter compared with the first quarter of FY23.

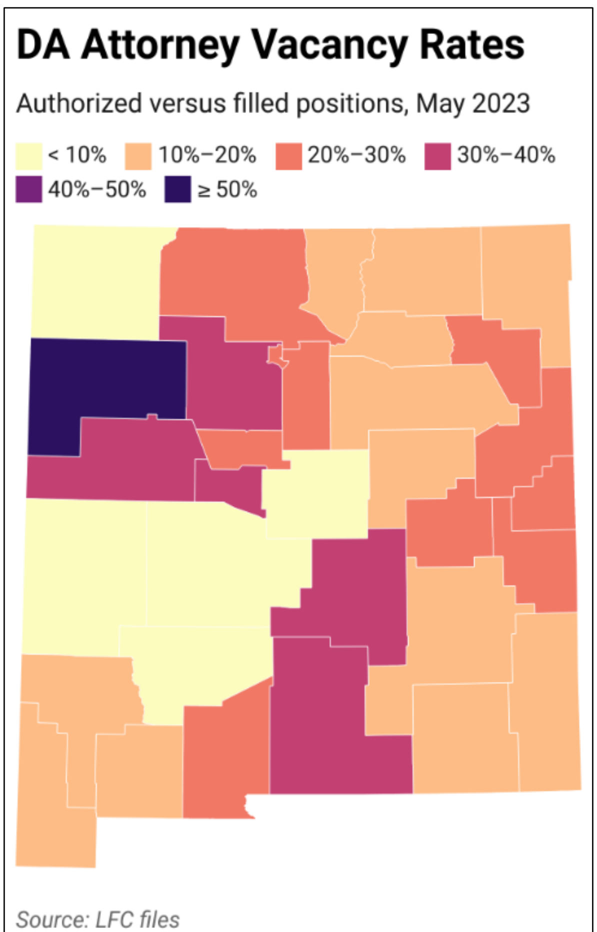
Budget: $16,934.8 **FTE:** 38	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY22 Q3	Rating
Cases to which CASA volunteers are assigned*	2,430	1,448	N/A	393	404	436	
Monthly supervised child visitations and exchanges conducted	11,211	12,012	N/A	3,179	2,577	2,673	
Average time to completed disposition in abuse and neglect cases, in days.*	161	148	N/A	141	150	159	
Recidivism rate for drug-court participants	18%	14%	12%	8.1%	12.3%	9.5%	G
Recidivism rate for DWI-court participants	10%	6.1%	9%	5.2%	5.0%	5.3%	G
Graduation rate for drug-court participants	61%	59.2%	70%	55%	59.4%	56.0%	R
Graduation rate for DWI-court participants	78%	89.5%	80%	62.5%	82.1%	87.5%	G
Cost per client per day for all drug-court participants*	$29	$37.10	N/A	$33.6	$33.7	$34.1	
Program Rating	R	Y		Y	Y	Y	Y

Statewide Judiciary Automation. AOC began reporting on new measures for the first quarter of FY20 to better gauge the success of the Statewide Judiciary Automation Program. AOC surpassed the target for the third quarter.

Budget: $15,679.3 **FTE:** 60.5	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Average time to resolve calls for assistance, in days	0.33	0.02	1	.11	.67	.67	G
Program Rating		G		G	G	G	G

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





Public Criminal Legal Attorneys

Recruiting and retaining attorneys continues to be an issue for both prosecution and defense attorney offices, especially in rural parts of the state. The recruitment and retention of public attorneys has been a consistent focus of the Legislature because limited staffing directly impacts justice outcomes.

Policymakers have a strong interest in reducing crime and have provided a range of solutions, such as law enforcement investments, creating new crimes and increasing penalties, and improving behavioral health initiatives.

Efforts to reduce crime may be thwarted because prosecutors are not sufficiently resourced to bring strong cases to trial and gain conviction of criminals. High vacancies also present challenges for the state to meet its affirmative responsibility to provide an adequate defense for indigent defendants. Chronically high vacancy rates make these dual priorities difficult to achieve and place a burden on communities.

In the 2023 session, the Legislature prioritized attorney recruitment and retention, providing compensation increases for both DA offices and the Public Defender Department higher than statewide compensation increases. The Legislature also appropriated $4 million for a public attorney recruitment and retention fund, including $2 million for both DA offices and the PDD to engage in out-of-state recruitment efforts.

PDD has submitted detailed reports of its vacancies over the past several fiscal years. Vacancy rate data from PDD was reported directly while vacancy information for district attorney offices is taken from the State Personnel Office and considers positions vacant for less than 12 months. However, this may not consider positions that have been recently unfunded.

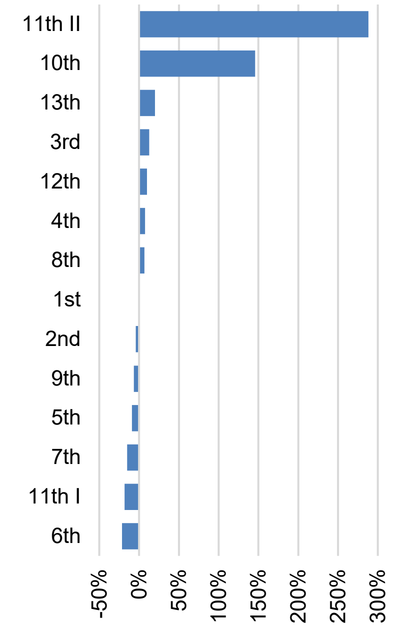
District Attorneys

In the third quarter of FY23, the number of cases referred to district attorney offices remains below prepandemic averages. On average, statewide offices were referred 1,046 cases in the third quarter of FY23 compared with an average of 1,256 cases between FY19 and FY20. Despite the lower number of referred cases, average cases added to attorney caseloads increased by 30 percent statewide in the third quarter of FY23 compared with prepandemic averages, with two districts increasing by over 100.

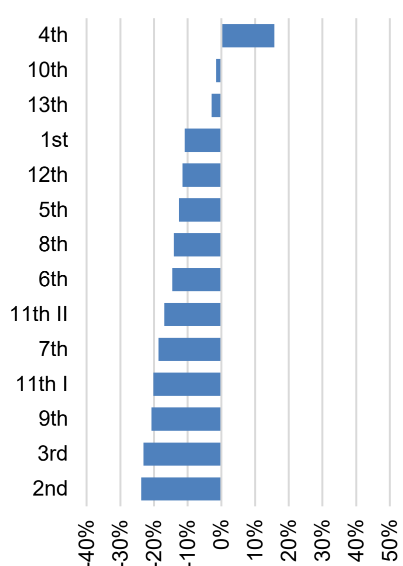
While cases referred have decreased, offices may not be able to keep up due to high vacancies. This trend was driven mostly by districts with very high attorney vacancies, especially in the 10th district (Harding, Quay, De Baca) and 11th district division II (McKinley), where attorney vacancies were 33 percent and 60 percent, respectively. Only the 4th district saw significant increases in cases referred from prepandemic averages. Most districts saw decreases of about 10 percent compared with prepandemic averages.

PERFORMANCE REPORT CARD
Courts and Justice
Third Quarter, Fiscal Year 2023

Cases Added Prepandemic vs FY23 Q3
Percent Change)



Cases Referred Prepandemic vs FY23 Q3
Percent Change



Data on caseloads should be interpreted with caution. The current measure “the average number of cases added to each attorney’s caseload” reports new cases added to attorney caseloads during the quarter but does not reflect the actual average number of cases assigned to attorneys during this time. Further, the measure is not indicative of the net change in attorneys’ caseloads during the quarter because it does not account for closed cases.

As a result, the measure does not indicate if attorneys’ caseloads increased or decreased during the quarter. In FY24, district attorneys will begin reporting average attorney caseloads, which will help discern trends in prosecution caseloads. However, further modifications may be required to appropriately report and measure caseloads and their impact on overall performance, such as data on attorney vacancies and information on the types of cases carried by attorneys.

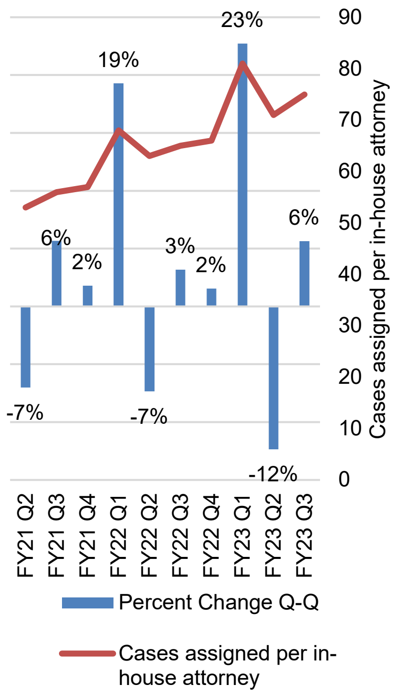
Budget: $94,382.5 **FTE:** 1,013	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Average number of cases added to attorney caseloads	205	92	170	94	77	91	G
Number of Cases Referred for Screening*	73,256	73,386	N/A	15,536	13,859	14,654	
1st District	4,731	4,105	N/A	1,173	1,042	1,193	
2nd District	19,039	16,434	N/A	4,418	4,319	4,465	
3rd District	4,365	5,174	N/A	1,406	1,207	1,072	
4th District	1,812	1,914	N/A	494	429	508	
5th District	6,584	6,147	N/A	1,650	1,381	1,589	
6th District	2,610	2,593	N/A	713	495	567	
7th District	1,654	1,796	N/A	373	374	368	
8th District	1,544	1,683	N/A	407	337	407	
9th District	2,513	2,412	N/A	572	527	603	
10th District	661	683	N/A	252	146	185	
11th Division I.	4,955	5,133	N/A	1,272	1,153	1,123	
11th District Div. II	2,327	2,172	N/A	491	381	442	
12th District	2,459	2,678	N/A	591	648	650	
13th District	5,836	6,139	N/A	1,724	1,420	1,482	
Program Rating	R	G		G	G	G	G

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

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Courts and Justice
Third Quarter, Fiscal Year 2023

Increase in In-House Case Assigned per Attorneys



Source: PDD

Public Defender

PDD continues to make improvements in key performance measure targets like the percentage of cases resulting in a reduction of filed charges and alternative sentencing targets. This is despite high vacancy rates among both attorneys and core staff.

Like district attorney offices, high vacancy rates have caseload impacts. Cases assigned per attorney has increased by 33 percent since the third quarter of FY21. High vacancy rates during peak of the pandemic were likely more manageable due to relatively lower case numbers. However, PDD has seen case numbers return to prepandemic averages without seeing a corresponding decrease in vacancy rates. Cases assigned to contract attorneys has also increased on average, though by a lower magnitude compared with in-house attorneys.

PDD did not meet the target for total reduced charges in felony, misdemeanor, and juvenile cases, but the measure is approaching the target and is higher than in FY21 or FY22. The total number of cases opened decreased slightly compared with the second quarter of FY23 but remained effectively flat compared with the first quarter of FY23.

Budget: 64,294.5 FTE: 488	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	48%	44%	70%	53%	61%	61%	Y
In-house attorneys	51%	45%	70%	59%	61%	65%	G
Contract attorneys	40%	41%	70%	43%	47%	51%	Y
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	6,312	7,090	5,000	2,049	3,045	4,140	G
In-house attorneys	4,570	5,333	4,000	1,517	2,208	3,003	G
Cases assigned to contract attorneys*	36%	34%	N/A	36%	39%	37%	
Average time to disposition for felonies, in days*	295	336	N/A	340	310	304	
In-house attorneys*	270	308	N/A	304	254	237	
Contract attorneys*	320	363	N/A	377	367	371	
Cases opened by Public Defender Department *	56,403	54,362	N/A	14,871	13,208	14,673	
In-house attorneys*	35,993	33,637	N/A	9,179	8,385	9,463	
Contract attorneys*	20,410	20,725	N/A	5,692	4,823	5,210	
Program Rating	Y	Y		G	G	G	G

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

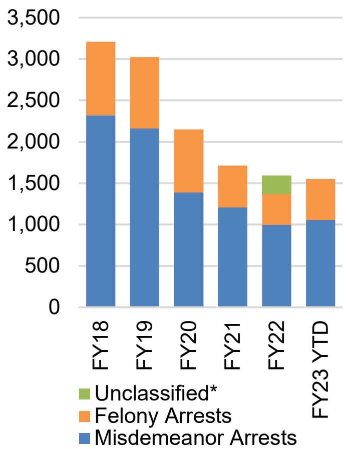
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

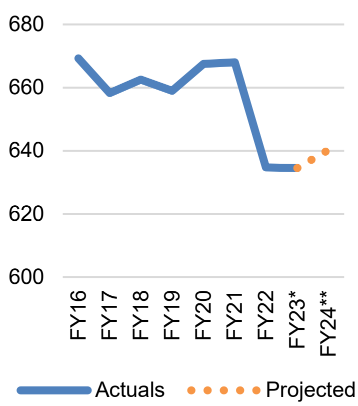
Average Quarterly NMSP Arrests
FY18 to FY23 Year to Date



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

Source: DPS

State Police Force Strength



Note: Reflects average force strength based on force strength at the end of each quarter.
*Actuals FY23 Q1 and Q2; projected by DPS for Q3 to Q4.
**Projected by DPS for FY24 Q1 to Q4.

Source: DPS

Department of Public Safety

New Mexico's policymakers are often forced to make decisions without the benefit of timely data on statewide crime trends. The Department of Public Safety (DPS) is in the midst of a multi-year transition to the new National Incident-Based Reporting System (NIBRS), which should allow it to provide more timely and comprehensive data. However, many agencies, including New Mexico State Police (NMSP), are still not reporting to NIBRS, and NMSP is not anticipated to be fully NIBRS compliant until this fall at the earliest. Ultimately, agencies' failure to transition to NIBRS promptly hindered understanding of crime in New Mexico, and the FBI's most recent reporting did not estimate the state's 2021 crime rate because so few agencies reported data.

Albuquerque has historically driven New Mexico's high violent crime rates, making up almost half the state's violent crimes despite comprising only about a quarter of the state's population. The Albuquerque Police Department reports crimes reported to it fell 2.5 percent in 2022, with violent crime falling 8 percent year-over-year and property crime declining 0.8 percent. Property crime has been declining for several years, dropping 28.6 percent over the past five years, and while violent crime saw a spike in 2021, it has dropped by a net of 3.3 percent since 2018.

Law Enforcement

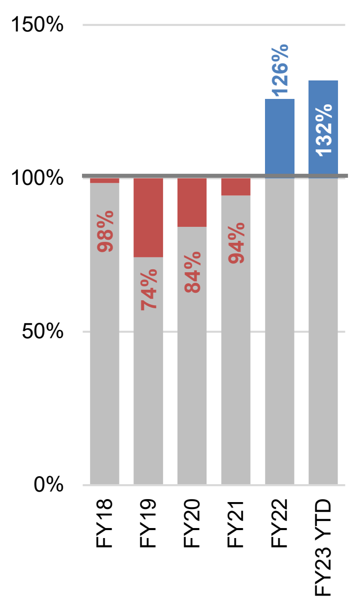
Operations. In the first quarter of FY23, the agency was on track to exceed its target for saturation patrols, and DWI arrests were in line with the first quarter of FY22. However, the agency reported only 173 saturation patrols were conducted in the second quarter of FY23, largely due to an operation in Albuquerque diverting some NMSP resources during the first half of the quarter. In the third quarter of FY23, NMSP conducted 662 saturation patrols, and DWI arrests in the first three quarters of the year are on track to match FY22 levels.

State police arrests rose slightly in the third quarter of FY23, up almost 8 percent compared with the prior quarter, but year-to-date arrests are down over 9 percent compared with FY22. Of the 1,602 arrests in the third quarter of FY23, 501 were for felony offenses and 1,101 were for misdemeanors.

Manpower. No State Police recruit or lateral schools graduated in the third quarter of FY23, and force strength fell by nine officers over the course of the quarter. The force is anticipated to fall to 633 officers by the end of the fiscal year, but recruit and lateral schools slated for FY24 should help reverse this trend, and the agency is projected to increase to 662 by the end of that year. During the 2023 legislative session, the Legislature passed legislation to create a new program to grow the law enforcement workforce in the state, and the 2023 GAA includes almost $90 million for law enforcement workforce.

Between FY21 and FY23, the Legislature invested $1.9 million into improving pay and reducing vacancies among dispatchers and transportation inspectors, with dramatically different results. While transportation inspector vacancies fell from 27 percent in FY20 to 9 percent in the third quarter of FY23, vacancy rates among dispatchers rose from 24 percent to 38 percent. Dispatcher vacancies critically impact officer and public safety, increasing the risk of missed radio transmissions and abandoned emergency calls. The 2023 GAA includes $1.2 million to increase dispatcher pay to try to reverse this trend.

Percent of Forensic Cases Completed



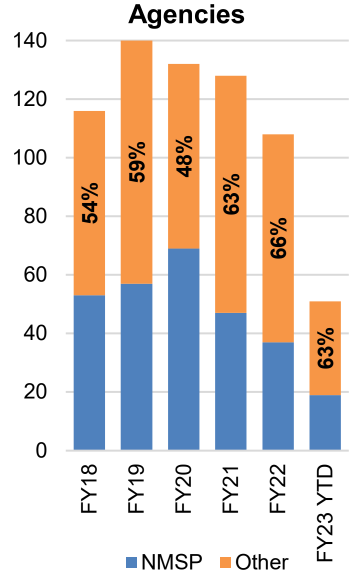
Note: Percentage indicates the share of total forensic cases received that were completed.

Source: DPS

Budget: $143,392.3 **FTE:** 1,068.3	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
DWI saturation patrols conducted	2,290	2,805	2,200	823	173	662	G
Proactive Special Investigations Unit operations to reduce DWIs and alcohol-related crimes*	New	488	N/A	276	222	297	
DWI arrests*	1,272	1,450	N/A	375	431	378	
Misdemeanor and felony arrests*	6,844	6,375	N/A	1,560	1,488	1,602	
Commercial motor vehicle safety inspections conducted	76,269	102,972	80,000	28,594	29,259	29,304	G
Investigations conducted by Criminal Investigation Bureau*	724	592	N/A	132	92	95	
Crisis intervention cases handled*	New	21	N/A	63	38	53	
Percent of total crime scenes processed for other law enforcement agencies*	63%	66%	N/A	73%	60%	60%	
Community engagement projects in counties with populations under 100 thousand	62	125	95	33	65	37	G
Commissioned state police officer vacancy rate*	8.7%	12.1%	N/A	13.6%	10.7%	11.9%	
Commissioned state police officer turnover rate*	6.44	10.87	N/A	2.08	2.48	1.57	
Graduation rate of the New Mexico State Police recruit school*	71%	54%	N/A	N/A[1]	68%	N/A[1]	
Transportation inspector vacancy rate*	29.6%	10.9%	N/A	6.6%	7.9%	9.2%	
Dispatcher vacancy rate*	25.3%	36.7%	N/A	35.8%	35.5%	37.6%	
Program Rating	Y	G		G	G		G

*Measure is classified as explanatory and does not have a target.
1. No state police recruit school classes graduated in the first or third quarter of FY23.

Crime Scenes Investigated or Processed by DPS for NMSP and Other Agencies



Note: Percentage indicates the share of total crime scenes investigated for other agencies.

Source: DPS

Statewide Law Enforcement Support

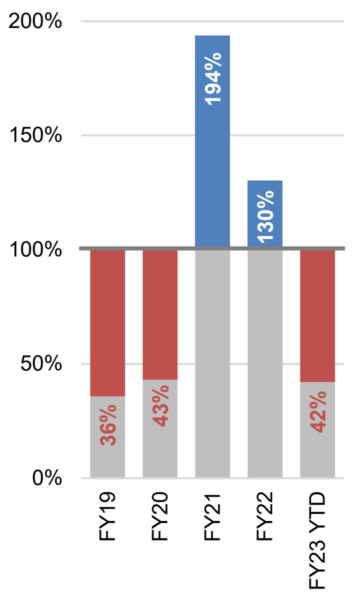
Forensic Laboratory. The forensic laboratory continues to make progress on reducing backlogged cases, which it reduced by 112 cases between the end of the second and third quarters. However, the vacancy rate among forensic scientists and technicians has been growing throughout the year, increasing from 25 percent in the first quarter to 29 percent in the second and 31 percent in the third. Training of forensic scientists can take one to two years before full productivity is reached. As a result, high turnover rates increase the number of nonproductive hours, impacting the bureau's performance. The Legislature has made significant investments in forensic scientist and technician pay over the past several years, and DPS is currently working with the State Personnel Office on a salary study for the laboratory, which the agency believes will support adding higher level forensic scientist positions to provide more options for career advancement among laboratory staff and improve retention. The 2023 GAA provides over $800 thousand to increase salaries for forensic scientists and add four additional staff positions.

Oversight and Misconduct. After carrying a backlog of complaint cases in FY19 and FY20, in FY21 and FY22, the Law Enforcement Academy Board (LEAB) began cutting down on this backlog, and at the close of FY22, 44 cases were outstanding.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2023

Percent of Complaint Cases Adjudicated



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

Source: DPS

However, the case backlog began to grow in the first half of FY23, with 30 more cases received than adjudicated. During the third quarter, LEAB did not meet, but 14 cases were received, increasing the total backlog to 88 cases at the end of the quarter. However, LEAB met early in the fourth quarter and adjudicated 16 cases, and the board is scheduled to meet again in June, which may help reduce this backlog. Of the 16 cases adjudicated at the beginning of the fourth quarter, 13 were disposed, of which nine resulted in revocations, two resulted in suspensions, one resulted in certification being denied, and one was dismissed. The remaining three adjudications were moved to different stages of the misconduct process.

LEAB's certification function will transfer to the new Law Enforcement Certification Board at the beginning of FY24, and the 2023 GAA includes an 86 percent budget increase for this function, including the addition of seven staff members. Laws 2023, Chapter 86, (Senate Bill 19), provides for the LEAB rules to continue in effect until the Certification Board and Standards and Training Council repeal them, meaning some of these backlogged cases will likely be adjudicated under the existing LEAB process.

Crime Reporting. DPS is required to collect and report crime data from all law enforcement agencies but has not publicly reported this data as it transitions to NIBRS. Unfortunately, some law enforcement agencies, including NMSP, are still not reporting through NIBRS. Between the end of March and mid-May, there was no change in the total number of agencies reporting to NIBRS, with 72 percent of the state's 116 nontribal law enforcement agencies were reporting to the system and 13 percent testing the system, which takes a minimum of six months. The remaining 15 percent of agencies were not reporting at all. NMSP completed its upgrade of its Records Management System in March and has begun collecting data necessary for testing (which will begin in July), meaning NMSP could begin reporting to NIBRS as early as this fall. The other four largest law enforcement agencies in the state are reporting to NIBRS, although the Albuquerque Police Department is one month behind in its reports. In FY23, DPS received a $100 thousand recurring budget increase to support other law enforcement agencies' compliance with crime reporting and other statutory reporting requirements.

Budget: $27,298.2 **FTE:** 183	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Percent of forensic cases completed	94%	126%	100%	196%	103%	104%	G
Forensic scientist and technician vacancy rate*	22.9%	25%	N/A	24.5%	28.6%	30.6%	
Complaint cases reviewed and adjudicated by the New Mexico Law Enforcement Academy Board*	194%	130%	N/A	79%	34%	0%	
New Mexico Law Enforcement Academy graduation rate for police*	73%	73%	N/A	N/A[1]	81%	N/A[1]	
New Mexico Law Enforcement Academy graduation rate for dispatchers*	100%	98%	N/A	100%	100%	100%	
Program Rating	G	G		G			G

*Measure is classified as explanatory and does not have a target.
1. No basic law enforcement academy classes graduated in the first or third quarter of FY23.

Corrections Department

ACTION PLAN

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

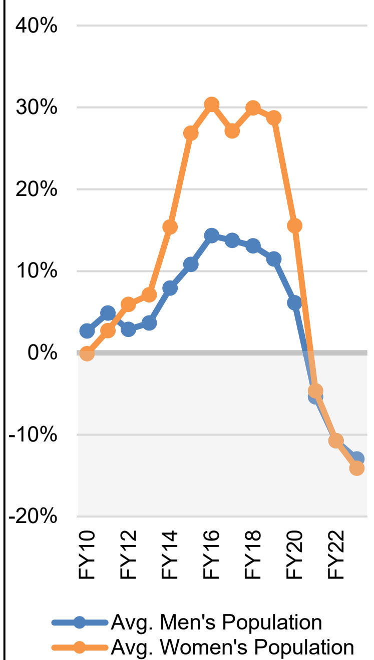
Although prison populations declined slightly in the third quarter of FY23, data suggest the overall population may be stabilizing after falling almost every month for over three years. This quarter, the Corrections Department (NMCD) sustained improvements in recidivism and made significant gains in metrics related to inmate education, but vacancy rates among correctional officers and probation and parole officers remain high.

In the first three quarters of FY23, the total prison population averaged 5,555, down 2.6 percent compared with FY22's average. However, a population increase seen in March was followed by small increases in April and May, with prisons holding an average of 5,574 inmates (5,065 men and 509 women) in May.

Inmate Management and Control

NMCD created a new Reentry Program starting in FY23, which consolidates the budgets of the Recidivism Reduction and Education bureaus, previously part of the Inmate Management and Control (IMAC) Program, as well as transitional services and community corrections contracts, previously part of the Community Offender Management (COM) Program. As a result, measures related to recidivism, education, and other programming previously reported under IMAC were transitioned to Reentry.

New Mexico Prison Population
Indexed to FY09



Note: FY23 population reflects data through May 2023.

Source: NMSC, LFC files

Staffing. Public and private correctional officer vacancies remain high, at 32 percent and 33 percent, respectively, for the third quarter of FY23, but improved slightly compared with the prior quarter. The Penitentiary of New Mexico drives public correctional officer vacancies, with an average of about 127 correctional officer positions unfilled this quarter. Around half of the custody positions were vacant at Guadalupe County Correctional Facility and Northeast New Mexico Correctional Facility. NMCD is working to reduce vacancies with advertising, satellite academies, rapid-hire events, and pay increases, including a 5 percent increase to starting pay for public correctional officers in January. The agency reports graduates from its correctional officer academy rose from 86 in FY22 to 111 in FY23, a 29 percent increase.

Although the department has been able to leverage reduced inmate population to allow safe operation of facilities despite high vacancies, vacancies at some facilities are particularly concerning. Western New Mexico Correctional Facility-North (WNMCF-N) in Grants, the only facility that can house medium- and maximum-security women, saw vacancies rise from 25 percent to 42 percent over the course of FY22, and an average of about 45 percent of correctional officer positions at that facility were vacant in the third quarter of FY23. This does not align with reduced populations; for example, on March 1, 2023, 90 percent of WNMCF-N's beds were occupied, while just 56 percent of its correctional officer positions were filled.

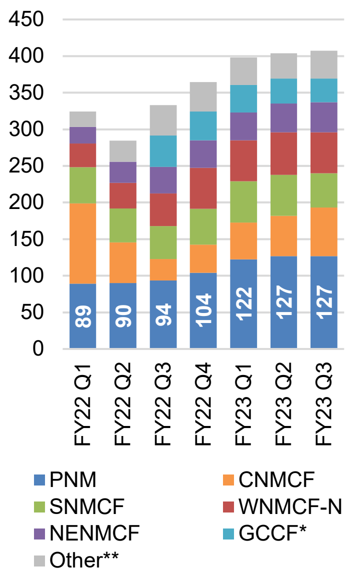
In-House Parole. Continued issues with NMCD's reporting on release-eligible inmates imprisoned past their release dates (those serving "in-house parole") is detailed under Data Quality Concerns on page 4, but, in FY24, the agency will replace the current metric with the average number of inmates serving in-house parole, which should resolve the issue. After increasing significantly in the second half of FY22, the average number of in-house parolees has decreased in FY23, and an average of approximately 67 individuals were serving in-house parole in the first three quarters of the year.

PERFORMANCE REPORT CARD
Corrections Department
Third Quarter, Fiscal Year 2023

Hepatitis C Treatment Program

In the third quarter of FY23, NMCD treated 145 additional inmates for hepatitis C, bringing the total number of inmates treated since the agency began its concentrated effort to eliminate the disease from prisons to 1,463, about 42 percent of the total identified infected population housed in New Mexico's prisons, with a treatment success rate of 87 percent. The department has expended all of the $22 million appropriated for this purpose, as well as $5.2 million from its operating budget. The 2023 General Appropriation Act includes $27 million in nonrecurring funds to continue this project in FY24, FY25, and FY26.

Estimated Vacant Correctional Officer Positions at Public Facilities



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

Source: SPO Organizational Listing Report

Budget: $286,715.2 **FTE:** 1,857	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Prison Violence							
Inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	6	4	10	2	1	2	G
Inmate-on-staff assaults resulting in injury requiring off-site medical treatment	3	4	3	1	0	1	G
In-House Parole							
Release-eligible female inmates still incarcerated past their scheduled release date[1,2]	0.6%	1.3%	3%	1.1%	0.7%	0.9%	Y
Release-eligible male inmates still incarcerated past their scheduled release date[1,2]	1.4%	1.4%	3%	1.5%	1.2%	1.2%	Y
Staffing							
Vacancy rate of correctional officers in public facilities	27%	29%	20%	34%	34%	32%	R
Vacancy rate of correctional officers in private facilities	25%	32%	20%	36%	38%	33%	R
Health							
Standard healthcare requirements met by medical contract vendor	90%	95%	98%	100%	100%	100%	G
Random monthly drug tests administered to at least 10 percent of the inmate population that are positive for drug use*	2%	3.2%	N/A	1%	1.4%	1.4%	G
Program Rating	Y	R		Y	Y		Y

*Measure is classified as explanatory and does not have a target.
1. Measure's yellow rating reflects outstanding reporting issues; see "Data Quality Concerns" on page 4.
2. Q1 measures for male and female inmates were reversed in Q1 and Q2 report cards and are corrected here.

Reentry

NMCD's new Reentry Program includes metrics related to recidivism, education, and programming, previously reported as part of IMAC and COM.

Recidivism. Every year, NMCD releases around 3,000 offenders into communities statewide. Reducing the rate at which these offenders commit new crimes is a crucial component to improving public safety and serves as the most important metric of NMCD's performance. However, many offenders are reincarcerated for technical parole violations or drug use, increasing costs without effectively improving public safety.

Although incomplete historical data regarding NMCD's overall recidivism rate makes it impossible to compare the agency's current performance to some years prior to FY21 (see "Data Quality Concerns" on page 4), the agency has improved or sustained its performance on this key metric for nine consecutive quarters, improving from 45 percent in the second quarter of FY21 to 34 percent between the second and third quarters of FY23. Reductions in the number and share of individuals admitted to prison due to parole revocations seen since FY21 support the accuracy of recidivism data because most parole terms last two years, meaning most individuals whose parole is revoked are included in measures of three-year recidivism. With almost three years of comparable data, it is clear the department has made significant strides in overall recidivism, and this measure is rated green. However, improved historical data is still necessary to fully evaluate the agency's long-term performance in this key area.

Similarly, while recent data regarding recidivism due to technical parole violations is not comparable to data reported prior to FY21 (see "Data Quality Concerns" on page 4), the considerable improvements reported in FY23, which averages 19 percent year-to-date, in comparison to 30 percent in FY21 and 24 percent in FY22 earn the measure a green rating. Recidivism for technical violations remained steady between the second and third quarters of FY23, at 18 percent. Additionally, recidivism due to new offenses fell about 1 percent this quarter compared with the previous quarter.

Education and Programming. In the third quarter of FY23, NMCD's Reentry Program massively increased the number of inmates who earned a high-school equivalency (HSE) certificate, increasing from 15 in the first quarter and just six in the second to 71 this quarter. HSE attainment is one of the most well-established and impactful interventions to reducing recidivism, making this a key metric of NMCD's performance. The agency credits its third-quarter improvement to extending teachers' hours, increased use of tablets, use of pre-HSE ready exams, and expanding HSE certificate offerings from just the high school equivalency test (HiSET) to include the GED. Although the agency may not achieve its FY21 target, its huge improvements in this area earned it a yellow ranking on relevant measures. Additionally, as of June 7, NMCD reported 147 inmates had earned an HSE certificate, suggesting the agency may be able to reach its target this year.

Budget: $23,544.9 **FTE:** 130	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Recidivism							
Prisoners reincarcerated within 36 months[1]	44%	37%	40%	35%	35%	34%	G
Prisoners reincarcerated within 36 months due to new charges or pending charges	14%	14%	17%	14%	17%	16%	G
Prisoners reincarcerated within 36 months due to technical parole violations[1]	30%	24%	20%	20%	18%	18%	G
Sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	6%	1%	5%	6%	8%	0%	G
Education							
Eligible inmates enrolled in educational, cognitive, vocational, and college programs	41%	45%	60%	35%	40%	44%	R
Percent of eligible inmates who earn a high school equivalency credential	9.7%	7.7%	80%	2.4%	1%	9%	Y
Number of inmates who earn a high school equivalency credential	118	82	165	15	6	71	Y
Other Programming							
Residential drug abuse program graduates reincarcerated within 36 months of release*	22%	22%	N/A	20%	19%	14%	G
Graduates from the women's recovery center who are reincarcerated within 36 months	27%	18%	20%	8%	14%	6%	G

Medication-Assisted Treatment

Laws 2023, Chapter 49, (Senate Bill 425) requires NMCD to provide medication-assisted treatment (MAT) to all inmates with MAT prescriptions by the end of calendar year 2025 and to all inmates by the end of FY26. NMCD has previously only provided MAT to pregnant women already undergoing such treatment, a very small fraction of the population who could benefit from the program, although the department recently received a grant from the Human Services Department to develop a pilot to treat other populations.

The 2023 General Appropriation Act contains $1 million in opioid settlement funds for NMCD to implement MAT in prisons.

LFC program evaluations have recommended expanding MAT in New Mexico, both inside and outside prisons. MAT is the standard of care for opioid disorders, and its use with psychosocial counseling has been shown to be safer and more effective than counseling alone. Ensuring the standard of care is delivered to inmates will require a system including screenings, access to MAT while in custody, and reentry services that effectively support ongoing recovery as offenders reintegrate into society.

Budget: $23,544.9 FTE: 130	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Graduates from the men's recovery center who are reincarcerated within 36 months	28%	18%	23%	15%	17%	20%	G
Program Rating	R	Y		Y	Y		G

*Measure is classified as explanatory and does not have a target.
1. Measure has outstanding reporting issues; see Data Quality Concerns on page 4.

Probation and Parole Reform

Changes to the state's systems of probation and parole passed during the 2023 legislative session were anticipated to significantly reduce the size of the incarcerated population, but opposition voiced by district attorneys led the governor to veto the most impactful change. Senate Bill 84 would have substantially revised the system governing violations of probation or parole conditions, creating a separate process for technical violations requiring the imposition of graduated sanctions prior to allowing an offender to be incarcerated or have their parole revoked. These changes were anticipated to significantly reduce recidivism, resulting in projected savings of over $20 million.

However, changes to medical and geriatric parole in Chapter 89 (Senate Bill 29) and the elimination of sentences of life without parole for youthful offenders were signed into law and are anticipated to result in moderate reductions in prison population and reincarceration.

Community Offender Management

Measures related to community corrections programming through the men's and women's recovery academies and recidivism due to technical parole violations moved to the Reentry Program for FY23.

Vacancy rates among probation and parole officers increased to 20 percent this quarter compared with 18 percent in the second quarter of FY23, while the average standard caseload per officer fell from 85 to 80. NMCD reports 26 percent of absconders were apprehended in the second quarter of FY23, an improvement over prior quarters but below the 30 percent apprehended in FY21 and under target.

Budget: $34,772.0 FTE: 378	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Average standard caseload per probation and parole officer	88	86	90	85	85	80	G
Contacts per month made with high-risk offenders in the community	94%	97%	97%	96%	97%	98%	G
Vacancy rate of probation and parole officers	16%	22%	15%	20%	18%	20%	R
Percent of absconders apprehended	30%	24%	30%	24%	23%	26%	Y
Program Rating	G	Y		Y	Y		Y

Data Quality Concerns

A number of issues in NMCD's quarterly reporting lead to concerns regarding overall data quality in the reports that have been outstanding for several months. Specific issues are outlined below.

Measure	Issue
Prisoners reincarcerated within 36 months	In the first quarter of FY21, NMCD reported its overall three-year recidivism rate had been reported incorrectly since 2016 due to a database error that erroneously counted all intakes to the parole system as prison admissions for purposes of calculating reincarceration rates. The agency has corrected this issue, but because it has not provided corrected historical data on this measure, it is unclear if FY21's recidivism results represent an increase or decrease from previous years. NMCD reports it is working on recalculating annual results for its three-year recidivism rate measure but has not yet provided results.
Release-eligible male and female inmates still incarcerated past their scheduled release date	NMCD reported this measure had previously been miscalculated and changed the calculation for FY21 but did not provide corrected historical reports. LFC and DFA analysts believe NMCD's altered calculation is incorrect (the original calculation is correct), but NMCD has not revised its reports for FY21, FY22, or FY23 despite explicit guidance to do so.
Prisoners reincarcerated within 36 months due to technical parole violations	In August 2021, NMCD reported several prior years' performance reports had excluded absconders when calculating recidivism rates for technical parole violations, although the measure is defined to include absconders. The department included absconders in its FY21 reports but had not informed LFC of this change. As a result, it is not possible to compare FY21's 30 percent recidivism rate for technical violations to prior years' performance, and it is not clear if this was an increase or decrease.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

Tax Credit Programs (Calendar Year 2022)

Tax Credit Name	Credit Cap (in thousands)	FY22 Expenditure (in thousands)
Solar Market Development Tax Credit	$12,000.0	$5,420.0
Sustainable Building Tax Credit	$5,000.0	$612.0
Renewable Energy Production Tax Credit	Varies *	$19,166.0
Agricultural Biomass Income Tax Credit	$5,000.0	$0

* 1 cent per kilowatt-hour (kWh) up to 400,000 megawatt-hours (MWh) annually per taxpayer for wind- or biomass-derived electricity. The aggregate cap for all wind projects is set at 2 million MWh.

* $0.015 cents to $0.04 cents per kWh up to 200,000 MWh annually per taxpayer for solar-light-derived or solar-heat-derived electricity, depending on the consecutive taxable year for which the credit is being claimed. The aggregate cap for all solar projects is set at 500,000 MWh.

Source: EMNRD & TRD

Energy, Minerals and Natural Resources Department

The Energy, Minerals and Natural Resources Department (EMNRD) received record levels of state and federal funding as it increased activity across several divisions. In addition to the nonrecurring funds appropriated in the special and regular sessions in 2021 and 2022, the federal Infrastructure Investment and Jobs Act delivered another $25 million for orphaned well cleanup, $960 thousand for the energy efficiency revolving loan program, $2.4 million for abandoned mine remediation, and $5 million for wildfire prevention, readiness, and firefighting equipment. The agency continues to work to deploy these resources and leverage state funding efficiently.

Energy Conservation and Management

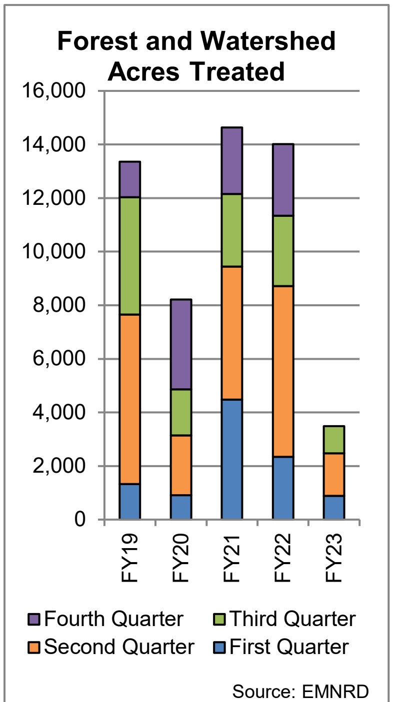
In the third quarter of FY23, the Energy Conservation and Management Division (ECMD) received 1,645 tax credit applications deemed complete and approved, with 1,633 approved within 30 days of receipt. ECMD is working to make improvements to its online application portal. The division is also working to create an inventory of alternative energy projects currently proposed, in process and completed in New Mexico.

Although not reflected in the division's performance measures, in late 2022, ECMD applied for grid modernization grant funding through the U.S. Department of Energy (DOE). This new program will bring over $35 million to New Mexico over five years, starting in 2023, to help reinforce vulnerable electric systems and modernize the grid as utilities transition to renewable energy resources. ECMD will be awarded $14 million in May 2023 to cover the first two years of the 5-year program. In 2023, the New Mexico Legislature allocated the match for year one in the state's FY 24 budget.

Budget: $3,810.1 **FTE:** 21	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Percent of completed applications for clean energy tax credits reviewed within thirty days of receipt	88%	92%	90%	99%	89%	92%	G
Program Rating	Y	G		G	Y		G

Healthy Forests

In response to a wildfire season that broke every record for wildfire size, intensity, and cost, the Healthy Forests program, also known as the State Forestry Division (SFD), increased its training capacity to prepare for the next wildfire season. The trend of decreasing training numbers has finally turned around for the Division. We believe New Mexico's historic and devastating 2022 wildfire season contributed to the Division's training success in Q3 of this year. However, decreased training numbers is still a phenomenon affecting the larger municipal and county fire departments as well. An additional concern is that federal agencies with firefighting capacity recently increased their pay and compensation packages and proposed further increases in the President's FY24 budget. These federal increases could subsequently depress the state and non-federal agency's ability to train, recruit and retain for wildfire suppression.



For FY23 SFD's experience of the extensive fire activity at the start of Q1 and heavy monsoon rains from July to September limited opportunities for contractors to perform work in the forests. Many access roads were too muddy and forest ground was too wet for tree-thinning during most of Q1 and Q2, and some of Q3, due to the wet winter, early spring storms, and persistent snowpack. During Q3, the Division observed positive wildfire effects on some properties where state resources improved forest conditions and consulted with landowners on management during suppression activities. In some fire-affected areas, in addition to thinning in Q3, the Division conducted critical re-seeding treatments, installed erosion control features (with directional felling of burned trees across the slope), and removed or treated invasive plants.

Budget: $17,388.3 **FTE:** 79	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training	1,229	883	1,500	60	86	1,184	R
Acres treated in New Mexico's forests and watersheds	14,637	14,020	14,500	888	1,586	6,476	R
Program Rating	Y	Y		Y	Y		R

State Parks

State Parks Division (SPD) visitation kept pace with previous years during the third quarter, with nearly 2.9 million visitors spending time in state parks. Winter conditions and cold temperatures established safe and predictable ice fishing during winter months, and a temperate spring has helped visitation remain high. As a result, SPD is on track to exceed attendance and revenue targets again for FY23.

SPD continued to plan for and invest the $20 million appropriated by the Legislature across the system focused on repairing, renovating, and replacing aging infrastructure. By the close of the third quarter, SPD had spent or encumbered $10.3 million of these funds after eleven months of availability and remains on track to expend these funds within the federal allocation period. Additionally, SPD continued to reduce its vacancy rate and is working to recruit both permanent and temporary staff to ensure state parks remain a significant draw for New Mexico's outdoor recreation economy.

Scheduled State Park Improvements FY23
(in thousands)

Project Location	Cost
Bluewater Lakes State Park	$780.4
Bottomless Lakes State Park	$1,613.8
Clayton Lake State Park	$58.4
Living Desert Zoo and Gardens	$141.5
Hyde Memorial State Park	$435.90
Navajo Lake State Park	$173.9
Oliver Lee Memorial State Park	$121.4
Pecos Canyon State Park	$620.0
Pecos Canyon State Park	$65.8
Rio Grande Nature Center	$164.4
Storrie Lake State Park	$153.4
State Parks Office Remodel	$168.5
Total	**$4,497.4**

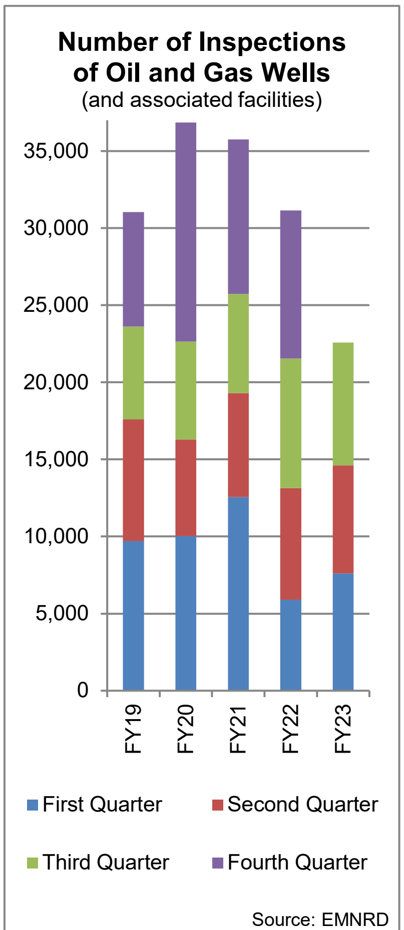
Budget: $24,173.5 **FTE:** 234.7	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of visitors to state parks	4,409,704	5,211,898	4,750,00	1,654,156	597,140	649,458	G
Amount of self-generated revenue per visitor, in dollars	$.64	$1.01	$1.00	$.75	$1.20	$1.21	G
Program Rating	Y	G		Y	G		G

Mining and Minerals

The Mining and Minerals Division (MMD), which houses the Abandoned Mine Lands Program, Coal Mine Reclamation Program, and Mining Act Reclamation Program, continues to work to ensure the responsible utilization, reclamation, and safeguarding of New Mexico's lands affected by mining. Coal production has significantly decreased over the past several years, while non-coal mineral production remains stable. The division will also be responsible for data collection, management, and documentation duties under the Water Data Act as it works to support the implementation of the state's *50-year Water Plan.*

Haskani Mine (a travertine mine) in Cibola County is out of compliance, and MMD revoked Denali Enterprises' operation permit for this site under the authority granted by the Mining Act (Chapter 69, NMSA 1978). The division is pursuing forfeiture of the $33 thousand financial assurance currently held at the Bank of America.

Budget: $8,873.6 **FTE:** 28	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	99%	99%	99%	99%	99%	99%	G
Program Rating	G	G		G	G		G



Oil Conservation

The Oil Conservation Division (OCD) reduced its vacancy rate from 25 percent in FY22 to 14.5 percent in FY23 and continues filling positions as its workload increases. As a result, the number of inspections and enforcement actions has risen in line with increases in oil and gas industry activity.

OCD received a $25 million initial federal grant to fund plugging and remediation at 200 well sites over 24 months under the federal Infrastructure Investment and Jobs Act's Orphan Well Program. ENMRD's 2022 annual report estimated more than 1,700 abandoned wells are located on state-owned or private land. The division expects to receive an additional $75 million over the next four years for expenditure through 2030. As required by the grant, the division successfully obligated 90 percent of the initial funding to 145 plugging projects. The Division anticipates plugging the remaining balance of those initial grant funds by September 2023. However, the "wells properly plugged" metric counts only completed plugging projects.

The division currently has three contract plugging crews working concurrently and correctly predicted a significant increase in well-plugging activity between the second and third quarters once it completed steps to ramp up the program. OCD has set an internal target of plugging approximately 200 wells by October 2023, well above its target of 50 for the year; however, crew availability remains a challenge.

Budget: $12,443.2 **FTE:** 79	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of inspections of oil and gas wells and associated facilities.	35,757	35,757	31,000	7,598	7,019	7,958	G
Number of abandoned wells properly plugged.	49	49	50	3	11	33	G
Number of violations issued with associated administrative penalties. *	3,174	3,213	N/A	523	675	543	
Program Rating	Y	Y		Y	Y		G

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

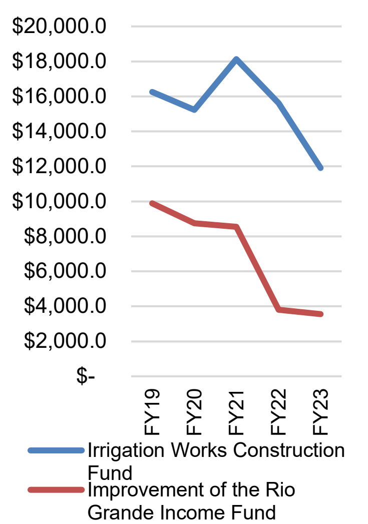
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Office of the State Engineer
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

OSE Fund Balances
(in thousands)



Source: LFC Files

Office of the State Engineer

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) spent significant time and resources working with the office of the Attorney General to navigate settlement negotiations and trial preparation in the *Texas v. New Mexico* water rights case on the Rio Grande. All states involved agreed in principle to a proposed settlement. The settlement was presented in October 2022 to the judge overseeing the case. However, the U.S. Department of Justice (DOJ) contends the proposal fails to address its concerns in the case. The proposed settlement was presented in February and is still awaiting the ruling of the special master assigned by the U.S. Supreme Court to advise the Court regarding the proposed consent decree.

A draft of the agency's *50-Year Water Plan* was reviewed by LFC staff as part of its participation in the Water Policy and Infrastructure Task Force (WPITF). The Plan is currently being revised based on additional guidance from the Governor's Office, particularly related to capturing specific actions being taken to support sound water management in New Mexico in the face of climate change. Plan recommendations largely align with those in the WPITF report and include several that would require OSE and ISC to take a more active role in water planning, project development, compliance, and enforcement.

Water Resource Allocation

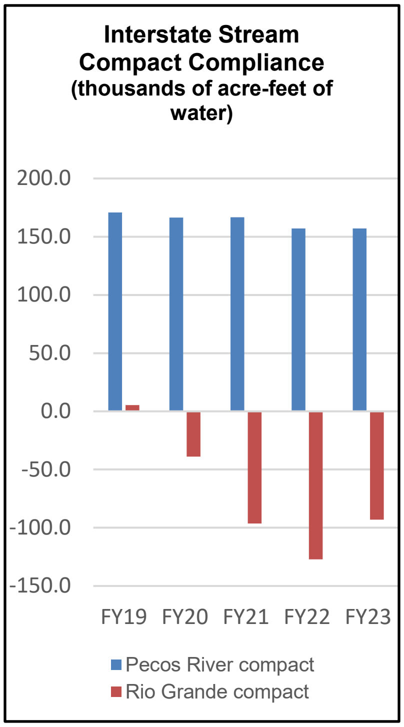
The Water Rights Division exceeded its target for the second quarter and processed 38 applications per month. Additionally, the division serves as "agency reviewers" under the New Mexico Finance Authority and Water Trust Board's project review team and as "cannabis water rights validation reviewers" for the Regulation and Licensing Division. Neither of these unfunded additional workloads are reflected in current performance goals, but they should be considered for inclusion to reflect agency productivity more accurately.

The Water Rights Abstract Bureau is responsible for populating and maintaining the Water Administration Technical Engineering Resource System (WATERS) and is on track to meet its target for FY23. The Dam Safety Bureau planned for over 90 inspections in FY23 but so far has only performed 23 field inspections. The bureau plans to use the federal emergency management agency's national dam safety grant funding to secure contract engineering assistance for inspections. However, the pace of inspections is not on track to meet this performance target in FY23.

Budget: $17,037.6 **FTE:** 171	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Number of unprotested and unaggrieved water right applications backlogged*	522	499	N/A	516	483	472	
Average number of unprotested new and pending applications processed per month	30.5	39	35	40	38	38	G
Number of transactions abstracted annually into the water administration technical engineering resource system database.	24,029	28,665	21,000	6,184	4,595	5,305	Y
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues	78	61	45	4	8	9	R
Program Rating	Y	G		Y	Y		Y

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

Interstate Stream Commission



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

Under the Rio Grande Compact, New Mexico under delivered by 30,800 acre-feet of water in 2021, which at the time represented a 32 percent increase in the size of the state's debit. New Mexico then over-delivered by 3,400 acre-feet in 2022, attributed largely to an above-average monsoon season. As a result of the 2022 over-delivery and further reductions resulting from an agreement related to the federal government's unauthorized release of water in 2011, New Mexico reduced its accrued debit for 2023 to 93 thousand acre-feet in the third quarter, well below the compact compliance debit threshold of 200 thousand acre-feet.

Budget: $12,996.4 **FTE:** 46	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Cumulative New Mexico Unit fund expenditures, in millions of dollars*	$22.1	$22.0	N/A	N/A	$22.3	$22.3	
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	166,600	157,200	>0	157,200	157,200	157,200	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet	-96,300	-127,100	>0	-127,100	-127,100	-93,000	Y
Program Rating	G	Y		Y	Y		Y

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

Litigation and Adjudication

The Litigation and Adjudication Program (LAP) is making progress in FY23 toward its goal of fully adjudicating water rights in the Lower Rio Grande Basin. The division made 75 settlement offers in the third quarter of FY23 and continued to increase the Lower Rio Grande Bureau's productivity. In addition, the program anticipates sending out additional offers in the Pecos adjudication for the fourth quarter of FY23, which will reduce dependency on the Lower Rio Grande Basin to meet this target alone.

Data continues to be entered into the LAP database and is being fused with hydrographic survey data to increase the accuracy of the division's second performance measure.

Budget: $7,618.2 **FTE:** 63	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Number of offers to defendants in adjudications	381	142	300	63	75	75	Y
Percent of all water rights with judicial determinations	76.2%	76.5%	77%	76.6%	76.7%	76.8%	Y
Program Rating	G	G		Y	Y		Y

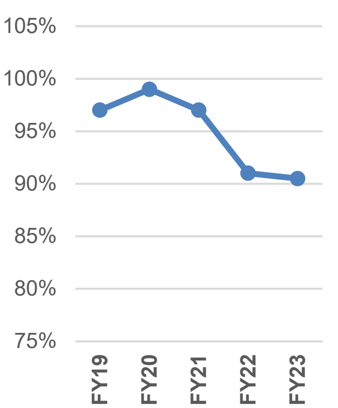
*Measure is classified as explanatory and does not have a target.

ACTION PLAN

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

The Environment Department's (NMED) regulatory programs continued to demonstrate mixed results on compliance levels in the third quarter of FY23. However, NMED is prioritizing compliance enforcement and continues to make progress toward achieving its performance goals despite maintaining a vacancy rate of 19 percent.

NMED announced a couple of major settlements in the third quarter, including with Rust Movie Productions LLC ("RMP") regarding two citations following the October 2021 workplace fatality and injury on the set of the film "Rust." Under the settlement, RMP agreed to withdraw its contest of the citations and pay $100,000, the largest OSHA penalty in the New Mexico since 2010. NMED also agreed to a $6.2 million-valued settlement with Matador Production Company, an oil and gas producer, including a civil penalty of $1.15 million and at least $1.25 million on a diesel engine replacement project to reduce nitrogen oxide and carbon dioxide emissions. Matador will also spend $500 thousand to conduct aerial monitoring of its New Mexico facilities and to address leaks of methane and other pollutants identified. Finally, Matador will spend an estimated $2.5 million in injunctive relief and $800 thousand in mitigation costs to offset the harm caused by the alleged violations by reducing emissions from its operations.



Source: LFC Files

Water Protection

The Water Protection Division continues to assist communities seeking in developing internal capacity to utilize state and federal funding for infrastructure improvement and water resource management. Understaffing in the Drinking Water Bureau continues to cause delays in delivering compliance determinations and violation notices. The bureau is in the final stages of filling several critical positions in its compliance and assistance sections. However, the department reported concerns about the potential of losing several experienced employees to other entities, specifically the national labs.

During the third quarter of FY23, the Construction Programs Bureau processed disbursements for 38 new projects, totaling approximately $9.7 million. Additionally, the bureau disbursed funding for 34 capital outlay projects totaling approximately $7 million and four clean water state revolving fund projects totaling roughly $2.7 million.

The decline in the percentage of New Mexicans receiving water that meets health standards since FY21 was impacted mainly by stricter guidelines rather than more systems falling out of compliance. This trend will likely continue because of a rule proposed by the U.S. Environmental Protection Agency (EPA) limiting per- and polyfluoroalkyl substances (PFAS) in drinking water, which will likely go into effect in late 2023 or early 2024. Many public water systems throughout New Mexico struggle to comply with current drinking water requirements due to a lack of operational capacity, requiring NMED staff to provide more technical and compliance assistance.

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget: $34,875.0 **FTE:** 191.6							
Percent of population served safe and healthy drinking water	97%	97%	92%	89.4%	90.5%	89.2%	Y
Percent of surface water permittees inspected	N/A	N/A	10%	20%	20%	15%	G
Percent of groundwater permittees inspected.	19%	21.1%	65%	3.5%	5.6%	3.6%	R
Number of new water infrastructure projects	N/A	154	75	31	80	38	G
Program Rating	G	Y		Y	Y		Y

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Environment Department
Third Quarter, Fiscal Year 2023

Q3 Inspections Showing Regulatory Compliance, by NMED Program	
Ground water	100.0%
Surface water	100.0%
Liquid waste	99.4%
Radiation sources	88.9%
Restaurants/food manufacturers	65.3%
Solid & infectious waste	62.5%
Air emitting sources	37.5%
Hazardous waste	29.2%

Environmental Protection

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, NMED's regulatory compliance programs continually struggles to meet its target percentage of applicable entities inspected. The Environmental Protection Division's Air Quality (AQB) and Radiation Control Bureaus (RCB) are responsible for enforcing regulatory and compliance measures to protect the environment and prevent harm to human health.

In addition to inspections and monitoring, the RCB's work includes assisting nuclear workers who have become ill due to occupational exposures received while working for contractors or subcontractors at U.S. Department of Energy facilities or in the uranium industry. NMED contends that reaching the target of inspecting 85 percent of radiation sources would require 209 inspections from each staff member and is unachievable, given current staffing levels.

The AQB has deployed new air monitoring instruments that improve connectivity, efficiency and remote access to air quality data. The bureau worked with the New Mexico Climate Change Task Force to develop rules for reducing volatile organic compounds and oxides of nitrogen emissions in the oil and gas industry. After hiring a new manager for its inspections unit in November 2022, the bureau added two additional inspectors and improved the rate of inspections in the third quarter by more than 50%.

Budget: $33,261.2 **FTE:** 304.1	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Percent of ionizing and nonionizing radiation sources inspected	N/A	12.6%	85%	2.9%	4.3%	3.1%	R
Percent of air emitting sources inspected	N/A	20.5%	50%	12.4%	3.9%	6.3%	R
Percent of population breathing air meeting federal health standards	N/A	98.4%	95%	97%	99.9%	99.5%	G
Program Rating		R		Y	Y		Y

Environmental Health

The Environmental Health Division (EHD) continued to administer the state hemp extraction and manufacturing program, ensuring public health protection while supporting the growth and sustainability of the cannabis industry. EHD is also responsible for working to prevent workplace injuries and fatalities and avoiding unnecessary risks to public health from commercially prepared foods.

The Occupational Health and Safety Bureau conducts thousands of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau inspects approximately 1 percent of all workplaces each year. Still, it expects that a much higher percentage of workplaces are out of compliance at any given time, necessitating continuous refinement of the strategy by which the highest-risk workplaces are targeted.

The Environmental Health Bureau's (EHB) Food Safety Program inspections increased drastically in the third quarter but is still on track to fall short of its target for FY23 overall due to insufficient staff to perform the necessary inspections. Ideally, each restaurant and food manufacturer in the state should be inspected once per year. However, the same inspectors cover restaurants, food manufacturers, pools, and spas. Bureau staff currently have a compliance and enforcement workload of approximately

355 facilities per inspection FTE, well above federal Food and Drug Administration guidance that retail food inspectors (a much narrower role than EHB's inspectors) are assigned 280-320 inspections.

Budget: $28,466.1 **FTE:** 281.6	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of employers that did not meet occupational health and safety requirements for at least one standard compared to the total number of employers.	N/A	63.5%	55%	59.3%	60.0%	75.3%	Y
Percent of restaurants/food manufacturers inspected.	N/A	90.2%	80%	18.7%	18.6%	22.4%	Y
Percent of new or modified liquid waste systems inspected.	N/A	82.1%	85%	83%	84.5%	82.3%	Y
Program Rating		R		Y	Y		Y

Resource Protection

The Resource Protection Division (RPD) also failed to reach its inspection target in the third quarter. Solid Waste Bureau staff inspected eight of 45 active permitted solid waste facilities in the third quarter, well below the trajectory needed to inspect every permitted facility each year or meet the performance target of 85%. The bureau continues to work to reclassify existing vacancies to higher-level positions to improve recruitment and retention but reports that additional staffing is needed to improve on the rate of inspections.

In the third quarter of FY23, the Petroleum Storage Tank Bureau issued no further action (NFA) status determinations to 12 petroleum release sites. The total number of open underground storage tank (UST) sites is 873, and the total number of UST and above-ground storage tank release sites is 956. Notably, NFA status determinations are fluid throughout the year, based on the specific site conditions, staffing levels, and the availability of funding from the corrective action fund.

Budget: $17,925.9 **FTE:** 146.6	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of completed cleanups of petroleum storage tank release sites that require no further action.	N/A	1,964	1,948	1,984	1,984	1,996	G
Percent of solid and infectious waste management facilities inspected.	N/A	47%	85%	13.3%	13.3%	17.8%	R
Percent of hazardous waste facilities inspected.	N/A	4%	6%	0.7%	1%	1%	R
Program Rating		R		Y	Y		Y

With increased legislative investment in economic development initiatives, the Economic Development Department (EDD) will be expected to expand its role of oversight and coordination for newly created programs, such as the venture capital fund and opportunity enterprise acts.

The department surpassed performance targets on nearly every measure in FY22 and doubled rural job creation compared with FY21 which had lagged overall job creation since the pandemic. The department's strong performance continues into the third quarter of FY23. The committee should work with the agency and state budget division to increase performance targets for FY24 to reflect and maintain the momentum of the department's FY22 performance.

The agency's action plan reflects both its 20-year strategic plan and directives from legislators in the three EDD LegisStat hearings.

ACTION PLAN

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

Economic Development

Local Economic Development Act and Job Training Incentive Program. The Economic Development Division awarded one LEDA project in the third quarter. Acrosa Inc., a wind tower manufacturer, received $4 million in LEDA funds to create 250 jobs. The department notes it has several LEDA projects in the works for the fourth quarter to meet LEDA targets, including a solar manufacturing company in central New Mexico with the potential to create 3,000 jobs, an electronics manufacturing facility in southern New Mexico proposing to create 75 new jobs, and a beef processing facility in southwest New Mexico creating an unspecified number of new jobs.

For the Job Training Incentive Program (JTIP), the JTIP board approved 14 companies and a total of 340 trainees. Of this total, 111 are high-wage positions 106 are in Urban areas and five are rural, with annual salaries greater than $40 thousand. Six internships were approved, two of which are rural, and 54 incumbent workers will receive upskills training through JTIP's enhanced skills training program, Of the total trainees, 90 are located in rural areas including Alamogordo, Moriarty, Raton, Roswell, Santa Teresa, and Taos.

One Time Economic Development Funding at a Glance (in thousands)

Purpose	2021 Second Special Session	2022 Regular Session
Outdoor Equity Fund	$3,000	
Trails + Grants	$7,000	
Film Academy		$40,000
Local Economic Development Act		$50,000
Venture Capital Investment Fund		35,000
Federal Grants Administration	$435	$3,500
Local grant management		$1,500
Opportunity Enterprise Fund		$70,000
Job Training Incentive Program		$6,000
Subtotal	**$10,000**	**$201,000**
Grand Total		**$216,435**

Source: LFC Files

Additionally, the Film Crew Advancement Program (FCAP), one of the two job training incentive programs for Film and Multimedia programs, approved one company to train 39 crew members. The department reports $11.1 million in available JTIP funds, though the actual cash balance for the fund is over $35 million.

MainStreet. In addition to $10.7 million in private sector investments and 79 private building rehabilitations, local MainStreet programs reported 336 net new jobs and 39 new businesses across the state. Major MainStreet projects include a new office park, bakery, and restaurant in Corrales and five new businesses in the Grants MainStreet, including a nursing and home aide company.
The Legislature approved $10 million in severance tax bonds for MainStreet districts during the 2023 regular legislative session.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Economic Development Department
Third Quarter, Fiscal Year 2023

LegisStat Pilot Agency

The Economic Development Department (EDD) participated in the Legislative Finance Committee's first LegisStat panel, a new hearing format hyper-focused on performance metrics and agency action plans. The department has several unresolved LegisStat action items to be addressed in the interim, including

- How many of the short-term strategic plan action items has the department completed or nearly completed?
- How do newly funded economic development initiatives, like the venture capital investment fund or the opportunity enterprise fund, interact with the strategic plan?
- How is the department monitoring the return on investment from LEDA grants?
- How does the department ensure consistency in award criteria for LEDA?

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Jobs created due to economic development department efforts	5,012	5,263	4,000	811	14	540	Y
Rural jobs created	871	1,766	1,320	175	14	417	G
Average wage of jobs created due to economic development department efforts (in thousands)	$70.6	$61.4	$47.5	$54.9	$64.4	$57.1	Y
Jobs created through business relocations facilitated by the New Mexico partnership	147	64	2,250	17	0	83	R
Potential recruitment opportunities submitted by the New Mexico Partnership	60	$42	60	18	13	17	G
Wages of jobs created in excess of prevailing local wages (in thousands)	$24,948	232	$5,000	$10.9	$16.3	$6.2	G
Private sector investment in MainStreet districts, in millions	$58	69	$30	$7.8	$11.8	$10.7	G
Number of company visits to New Mexico for projects managed by the New Mexico Partnership	9	21	12	6	4	11	G
Private sector dollars leveraged by each dollar through Local Economic Development Act	128:1	$42	20:1	17:1	0	20	Y
Jobs created through the use of Local Economic Development Act funds	3,058	2,100	3,000	496	0	319	Y
Workers trained by Job Training Incentive Program	3,356	2,841	1,900	737	178	379	G
Program Rating	Y	Y					G

New Mexico Film Office

The film industry has become a top focus of this administration. LEDA has doled out large awards to film partners, including $21 million to Netflix and $7.7 million to NBC Universal. The Legislature also appropriated $40 million in one-time funding for a state-run film and media academy in 2022. Due to several large productions filming (primarily in the Albuquerque area) all film metrics, including total gross receipts paid by film productions and film worker days were significantly up compared with the second quarter.

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Direct spending by film industry productions, in millions	$257.3	$624	$530	$268.8	$67.42	$335.5	G
Film and media worker days	266,604	514,580	320,000	198,094	55,401	241,650	G
Total gross receipts paid by film industry productions, in millions	NEW	$30.6	$20	$14.7	$3.46	$19.85	G
Total wages paid by film industry productions to New Mexico residents, in millions	NEW	$121.2	$200	$48.6	$15.2	$56.8	G
Program Rating	Y	G					G

Outdoor Recreation

The Legislature heavily invested in the Outdoor Recreation division's two grant funds, appropriating $7 million to the trails+ fund, created to assist local entities in creating, maintaining, and improving recreational trails, and $3 million to the outdoor equity fund, designed to fund outdoor programming for underserved youth in the state. The division began accepting grant applications for the trails+ outdoor infrastructure grants in early March and announced the first 15 recipients of the grant, totaling $2.74 million. Approved projects include $400 thousand to McKinley County for a 22-mile trail connector, $99 thousand to Red River for restroom facilities in Mallette Park, and $78.9 thousand for trail improvements in Bloomfield. Though not a formal performance measure, EDD notes that the Outdoor Recreation Division has received over $14 million in earned media through social media, newsletter subscribers, and independent publications. The department will continue to report earned media for the remainder of FY23 and into FY24.

Budget: $482.2 **FTE: 4**	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY22 Actual**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
New outdoor recreation jobs created by the outdoor recreation division*	40	173	N/A	173	175	82	33	
Outdoor recreation projects funded or lead by the outdoor recreation division*	11	44	N/A	44	20	19	5	
Number of youth to participate in outdoor education programs through the division*	NEW	21,904	N/A	21,904	12,221	0	0	
Program Rating								G

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

PERFORMANCE REPORT CARD
Tourism Department
Third Quarter, Fiscal Year 2023

The department met or exceeded most performance targets for the third quarter of FY23, and submitted detailed and achievable action plans where performance was low. The New Mexico Tourism Department (NMTD) focuses on data for everything from workforce revitalization to marketing decisions and hosts a public economic recovery dashboard on its website. The dashboard features data from various sources on visitor spending, vaccination rates, small business performance, and hotel occupancy rates. This tool enables legislators and members of the public to track the efficacy of marketing and promotion spending.

ACTION PLAN

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

LegisStat Pilot Agency

The New Mexico Tourism Department participated in the Legislative Finance Committee's first LegisStat panel, a new hearing format hyper-focused on performance metrics and agency action plans.

The agency addressed key economic recovery indicators, including visitation rates and leisure and hospitality employment rates. The department answered final follow up LegisStat questions at its October budget hearing, and will be cycled out of the LegisStat process for now.

Tourism Recovery Metrics		
	June 2020	January 2023
Travel Spending*	-67.1%	-0.9%
Drive Market Visitors*	-54%	-7%
Passengers Deplaned At Albuquerque International Sunport	25,313	135,931
Hotel Occupancy rates*	25.9%	30.3%
*percentage increase (decrease) compared with FY19		

Marketing and Promotion

Workforce. After a nearly two yearlong recovery period, New Mexico surpasses the national average for leisure and hospitality employment according to Bureau of Labor Statistics data revisions. The department reports 4.8 percent more jobs in the sector in the third quarter of FY23 over the second quarter. The department participated in the ongoing LegisStat hearing format, wherein agencies consistently respond to specific metrics to gauge performance and encourage performance-based management. In response to July LegisStat hearing where members questioned how the department could collaborate with other state agencies to increase visitation and address workforce concerns, the secretary collaborated with the Workforce Solutions Department to match unemployed individuals with unfilled leisure and hospitality jobs. The department reports it also collaborated with the New Mexico Small Business Development Center to provide counseling and resources to keep businesses open, saving 2,000 tourism-related jobs in FY22.

Budget: $14,795.1 **FTE:** 16

Measure	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Change in New Mexico leisure and hospitality employment	-14%	19%	3%	21%	5.8%	4.8%	G
Change in total digital engagement	16.8%	-32%	3%	0.9%	1%	1%	G
Amount of earned media value generated in millions	$1.7	$5.2	$1.0	$5.1	$2.7	$3.7	G
Percent Open Rate of NMTrue E Newsletters	NEW	NEW	NEW	NEW	NEW	29.2%	
Program Rating		Y					G

Media and Engagement. The department leveraged pandemic-related closures to significantly grow its social media presence in FY21, but digital engagement fell in FY22. The department reported a small amount of growth in engagement in the second quarter of FY23. The agency offers several explanations for decreased engagement, most notably that new platform algorithms tend to boost "incendiary" or "controversial" posts. The agency's strategic plan addresses this directly, noting the department made a deliberate shift in posting neutral but engaging content and voluntarily reported other, more useful measures such as number of e-newsletters opened and website traffic activity.

Tourism and Outdoor Recreation

The Tourism Department works closely with the Economic Development Department's Outdoor Recreation Division to ensure trails are supported by the New Mexico True brand and expand outdoor tourism development. The department's received a $2.5 joint grant to build outdoor tourism infrastructure. Approved project examples include:

- $65.5 thousand to Clovis, New Mexico-Mental Health Resources Inc. will convert four acres of vacant land into the Richard Lucero Wellness Trail in Clovis, New Mexico for public, client, and staff use.
- $400 thousand to McKinley County-McKenzie Ridge Trail Connector is a 22-mile segment that links Hilso (McGaffey) Trail System to the Twin Springs Trail System as part of the overall 186-mile Zuni Mountain Trail Project. This project climbs along McKenzie Ridge.
- $99 thousand to Red River- The Town of Red River will install proper restroom facilities to compliment the town's substantial investments in the recreational features at Mallette Park. The park enjoys growing popularity with local residents and visitors alike.
- $202.3 thousand to Ruisdoso- The project will improve, design, and develop sheltered picnic areas, restrooms, pavilions, ADA, and dock improvements.

New Mexico Magazine

New Mexico Magazine revenues in FY22 were 30 percent higher than in FY21. Magazine revenue in the third quarter was the highest of the fiscal year so far, earning $101 thousand per issue. The department notes that the magazine held a photo contest for New Mexico landmarks, people, and culture, and winners were announced during the third quarter leading not only to increased readership but an increase in business advertising in the magazine.

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Advertising revenue per issue, in thousands	$182.2	$137	$75	$79	$95	$101	G
Program Rating	G	G		Y			G

Tourism Development

The New Mexico True Certified program continued to grow in FY22, and helped businesses weather the pandemic by creating holiday gift guides and various road trip guides. NMTD notes the New Mexico True Certified program has quadrupled since its creation in 2014 and is projected to continue growing as more businesses realize its branding potential.

There were 405 participants in the New Mexico True Certified program for the third quarter, bringing the total number of participants in the program for FY23 to 1,207, almost five times the target of 250. LFC and state budget division staff will collaborate to increase the target to reflect the agency's performance. The department did not meet the target for number of meetings conducted with Native American entities in the third quarter, and likely will not meet the annual target. NMTD hired a tribal liaison to strengthen its relationship with tribal entities.

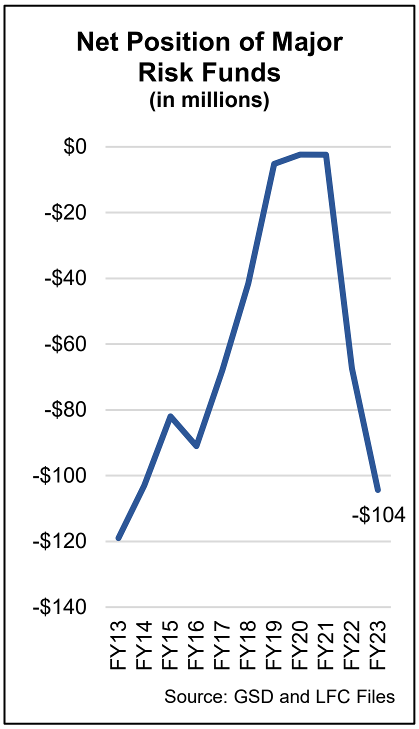
The Tourism Development Program's cooperative marketing grant initiative has also become a popular function of the agency. The grant, which requires matching funds from local governments, enhances local tourism campaigns with the expertise and brand power of the department while allowing communities chose attractions to highlight. The department worked with the state budget division and LFC staff to create new measures tracking the success of these programs in FY24 as funding increases.

Budget: $2,305.8 **FTE:** 18 **Measure**	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Number of meetings or events conducted with Native American entities	21	23	70	12	4	2	R
Number of participants in New Mexico True Certified Program	414	401	250	400	402	405	G
Program Rating		G		G			Y

PERFORMANCE REPORT CARD
General Services Department
Third Quarter, Fiscal Year 2023

ACTION PLAN

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



The General Services Department (GSD) continues to report a mounting deficit in the agency's largest program, employee group health benefits. Performance data indicate medical expenses are increasing while premiums have not increased to match expenses to revenues. Under these conditions, the department will be challenged to contain costs in FY23. Improved health benefits performance reporting is vital to provide insight into cost drivers, care quality, and employee satisfaction with the benefits offered.

Risk Management Funds

The department's Risk Management Division oversees the state's shared risk pools, including the public property fund, the workers compensation fund, and the public liability fund. Overall, the financial position of the three funds, determined by dividing the current assets by the current liabilities, is 44 percent, down from 56 percent in the first quarter. Projected assets are short of projected liabilities by $104 million. In FY21, assets were short of liabilities by only $2 million, and in FY22, assets were short of liabilities by $67 million. The public property fund remains well above the 50 percent target, and the workers' compensation fund remains slightly above target. Changes were driven mostly by the public liability fund, with projected liabilities of $105 million on assets of $27 million, or only 26 percent.

Budget: $102,700.7 **FTE:** 0	**FY21 Actual**	**FY22 Actual**	**FY23 Target**	**FY23 Q1**	**FY23 Q2**	**FY23 Q3**	**Rating**
Projected financial position of the public property fund*	523%	443%		225%	229%	240%	G
Projected financial position of the workers compensation fund*	61%	60%		69%	50%	52%	Y
Projected financial position of the public liability fund*	112%	66%		33%	26%	26%	R
Program Rating	G	G		Y	Y		Y

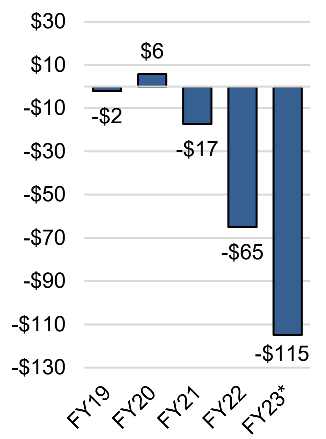
*Measure is classified as explanatory and does not have a target.

Group Health Benefits

Despite provisions of state law designed to prevent agencies from spending without available funds (see Section 6-5-6 NMSA 1978), the employee group health benefits program has been operating at a deficit since FY21. Despite persistent shortfalls, the department has not increased health insurance rates for participating employees, resulting in mounting shortfalls. For FY24, the Legislature included funding for a 10 percent rate increase, but to date a rate increase has not been announced. The department has taken some action to raise revenue for the fund. The department has begun implementing a one-time special assessment to address mounting shortfalls. Since the first quarter, the projected FY23 deficit has grown, from $29.2 million to $49.8 million. The department now projects the total year-end deficit at $115 million.

The department reports a decline in per-member-per-month healthcare costs, offsetting increases seen in the second quarter. The financial position of the health benefits fund makes cost containment an even more pressing concern; however, a cost-containment strategy alone will not enable the department to close the funding gap in the absence of rate increases.

Health Benefits Fund Balance
(in millions)



*Projected

Source: GSD

Budget: $421,493.3 FTE: 0	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Change in average per-member-per month total healthcare cost	5.9%	5%	5%	-6%	13.8%	-6.7%	G
Year-end fund balance of the health benefits fund, in millions*	$-17.3	$-65.1	N/A	$-94.3	$-108.8	$-114.9	R
Annual loss ratio for the health benefits fund	NEW	-118%	98%		Annual Measure		
State group prescriptions filled with generic drugs	86.5%	87%	80%	86.2%	82.5%	80.2%	G
Number of visits to the Stay Well Health Center*	6,248	4,540	N/A	1,691	2,155	1,901	Y
Percent of available appointments filled at the Stay Well Health Center*	50%	81%	N/A	62%	73%	43%	R
Percent of eligible state employees purchasing state medical insurance*	81%	80%	N/A		Annual Measure		
Program Rating	R	R		R	R		R

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

Facilities Management

The Facilities Management Division (FMD) is responsible for maintaining 6.8 million square feet of state-owned and leased space. FMD reports only 88 percent of scheduled preventive maintenance activities were completed on time, an improvement from prior quarters. The division reports better staffing has improved completion rates. On-time completion of capital projects improved as well, from 80 percent to 84 percent. These measures were upgraded from red to yellow because continued monitoring is warranted. The department reports 100 percent of office leases met adopted space standards; however, the department continues to exclude certain leases from this calculation. In the second quarter, the department excluded nine of the 14 leases processed. Routine exclusion of leases from the performance data negates the usefulness of this performance measure.

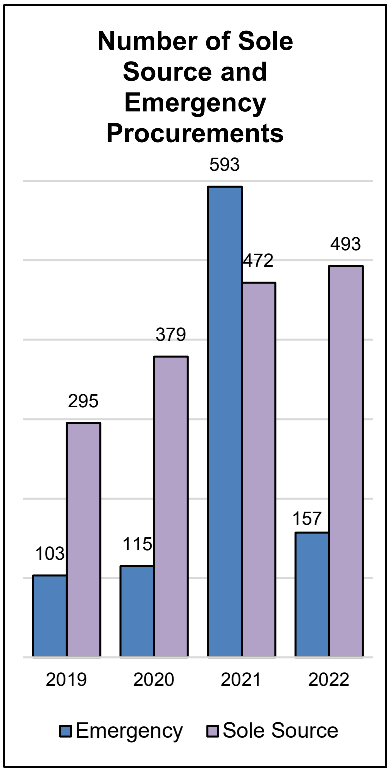
The state has yet to realize projected cost savings from the green energy initiatives, with the department reporting $85 thousand in energy savings in FY22. In August 2019, FMD began a $32 million project to reduce energy use in state facilities, estimated to save at least $1.4 million per year, with guaranteed savings of $1.1 million. The department reports year-to-date savings of $240 thousand.

Budget: $2,692.9 FTE: 28	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Capital projects completed on schedule	88%	93%	90%	91%	79.5%		Y
Preventive maintenance completed on time	48%	59%	80%	34.7%	73.5%	87.8%	Y
New office leases meeting space standards	100%	100%	85%		See Narrative		
Amount of utility savings resulting from green energy initiatives, in thousands*	$281.4	$85	N/A	$102.7	$62.2	$75.6	R
Program Rating	R	Y		Y	R		R

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

State Purchasing

The program reports all 77 executive agencies had designated chief procurement officers, and the agency met targets for procurement completion and timely contract review, sustaining improvement gained in FY22. The department reported an uptick in revenue received from pricelist purchases, rising from $3 million in FY21 to $3.8 million in FY22, a 27 percent increase, pointing to a rise in the number of agencies using price lists for procurement. Year-to-date, the purchasing division has collected $3.5 million in revenue, according to information from the state's accounting system.



Data reporting issues limit the usefulness of reporting for payments from vendors utilizing a statewide price agreement. GSD reports vendor payments are not due until 30 days after the end of the quarter, the same time performance reports are due from the department. When the department reports timely, fewer vendors have completed payments, as is evident by the third quarter total of 16 percent. Agency staff report most vendors complete payments. Shifting quarterly reporting from percent of payments received to revenue generated, currently an annual measure, could provide more useful and up-to-date information on the use of purchasing agreements.

In the 2023 session, the LFC-endorsed Senate Bill 76 proposed several changes to the Procurement Code as recommended by past LFC evaluations. These included repealing some widely used purchasing exemptions that circumvent competition and adding guardrails to the use of statewide price agreements. The bill received one hearing but no votes, and the recommended Procurement Code changes remain unaddressed.

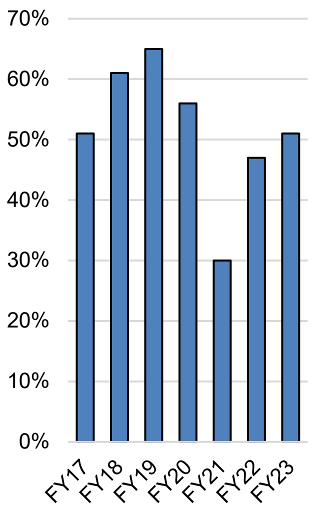
Budget: $2,692.9 **FTE:** 28	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Agencies with certified procurement officers	95%	100%	100%	100%	100%	100%	G
Procurements completed within targeted timeframes	NEW	88.5%	80%	94%	100%	90.5%	G
Revenue generated through pricelist purchases, in thousands*	$2,988	$3,803	N/A	Annual Measure			
Percent of estimated payments from vendor sales	NEW	99%	80%	66.6%	99.9%	16.2%	Y
Average number of days for completion of contract review	8.1	4	5	3.4	3.1	3.0	G
Program Rating	G	G		G	G	G	G

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

Transportation Services

State agencies continue to underutilize vehicles, with only 52 percent of leased vehicles being used daily or for at least 750 miles per month, although the agency states daily vehicle use will increase as state government returns to normal business operations. However, even prior to the shift in state government operations to remote work, vehicle use was below the 70 percent target level.

Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

Budget: $9,874.5 **FTE:** 31	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Percent of leased vehicles used for 750 miles per month or used daily	30%	47%	70%	48%	51%	52%	R
Average vehicle operation costs per mile*	$0.49	$0.55	$0.59		Annual Measure		
Program Rating	Y	R		R	R		R

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

State Printing

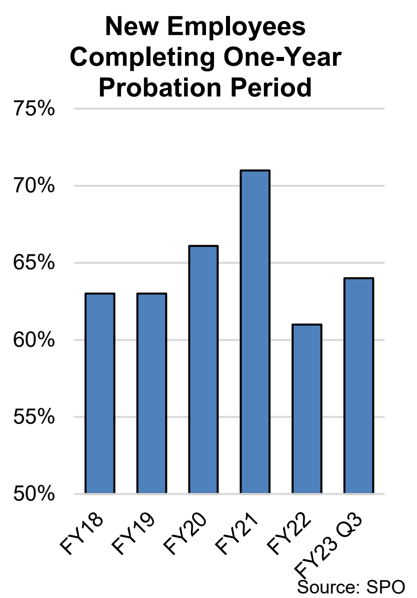
The State Printing Program reported recovery in sales from the downturn caused by the Covid-19 pandemic, with revenue exceeding expenditures in FY22. Sales typically peak in the second and third quarters because the program completes print jobs related to the legislative session. Additionally, the agency has reported an influx of printing jobs late in the fiscal year, suggesting continued sales growth. The division continues to perform well, with all printing jobs delivered on time in the second quarter.

Budget: $2,045.4 **FTE:** 9	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Revenue exceeding expenditures	-0.6%	21%	5%		Annual Measure		
Percent of printing jobs delivered on time	100%	100%	99%	100%	100%	100%	G
Sales growth in revenue	-11%	-2%	10%	2%	24%	43%	G
Program Rating	Y	G		G	G		G

PERFORMANCE REPORT CARD
State Personnel System
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

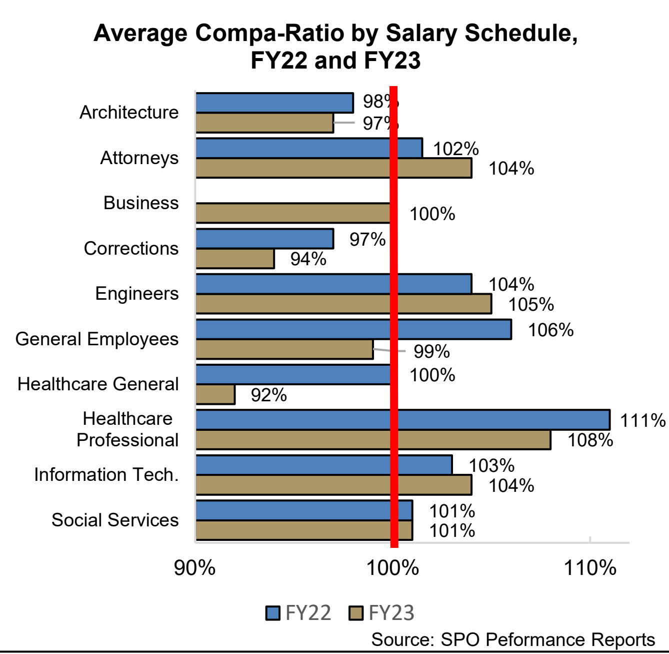


The state continues to face challenges related to employee recruitment and retention. The State Personnel Office (SPO) reports the classified service vacancy rate is 23.6 percent, up 19 percent from the rate in FY21, and fewer employees are completing their probationary period, with only 64 percent completing it in the third quarter. However, pay increases have improved the competitiveness of the state's salary schedules, and SPO reports agencies have reduced the time it takes to fill positions by a week, from 72 days in the first quarter to 65 days in the third quarter. SPO has created a task force with agency human resources officers to reduce the time it takes to fill vacant positions.

At SPO's request, a number of measures are classified as explanatory, meaning they do not have performance targets. However, ratings were given based, in part, on prior-year performance.

Budget: $4,117.6 **FTE:** 46	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Average number of days to fill a position from the date of posting*	50.5	69		72	72	65	Y
Classified service vacancy rate*	19.9%	22.8%		24.3%	23.7%	23.6%	R
Percent of classified employees who successfully complete the probationary period*	71%	61%		63%	65%	64%	R
Average classified employee compa-ratio*	103%	105%		98%	98%	98%	G
Average classified employee new hire compa-ratio*	98.6%	101.5%		96%	97%	97%	G
Number of hires external to state government*	1,996	2,969		775	810	704	G
Number of salary increases awarded*	NEW	NEW		56	95	807	
Average classified service employee total compensation, in thousands*	NEW	NEW		$98.3	$100	$99.3	
Cost of overtime pay, in thousands*	NEW	NEW		$10,656	$8,304	$10,048	
Program Rating	R	R		R	R		Y

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



SPO's quarterly report includes information on the average compa-ratio, or salary divided by midpoint of salary range, one possible indicator of salary competitiveness. Between FY22 and FY23 the average compa-ratio for state employees fell to 98 percent from 105 percent. Average compa-ratios for new state employees fell to 97 percent from 102 percent. This indicates new employees are accepting employment offers below the position midpoint, suggesting the salary is more competitive with the broader job market.

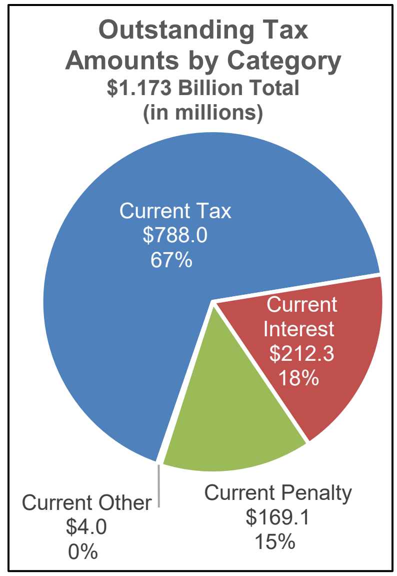
However, agencies processed a large number of temporary salary increases in the third quarter, which could indicate some positions are requiring additional compensation. In the third quarter, agencies awarded 807 increases. SPO reports agencies have, in particular, taken advantage of temporary recruitment differentials to aid in hiring. Year-to-date salary increases totaled 958.

PERFORMANCE REPORT CARD
Taxation and Revenue Department
Third Quarter, Fiscal Year 2023

For the third quarter of FY23, the Taxation and Revenue Department (TRD) fell short of its target for collectible audit assessments but is on track to meet its annual target for tax collections, with nearly all categories of collections being substantially higher than those submitted in the third quarter of FY22. TRD anticipates issuing over $600 million in tax rebates through FY24 and accepted over one million personal income tax returns.

ACTION PLAN

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



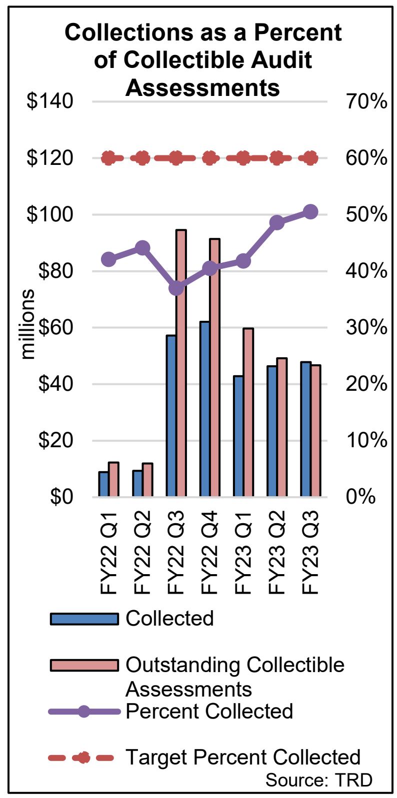
Tax Administration

Of the $1 billion in outstanding tax collections for the state, the program collected $124.5 million at the end of the third quarter, slightly under 10 percent of the outstanding balance. According to data on outstanding amounts, an estimated $26.5 million would be uncollectable after FY24 due to the 10 year statute of limitations for tax collections. As the collections for the tax gap widens each year, outstanding amounts compound. For the past few years, audits were performed on taxpayers that have an indication of being collectable. By FY27, the state could be at risk of forfeiting close to $100 million of uncollected taxes because of the statute of limitations, unless the debt is secured in a lien. TRD states debt is collectible after 10 years and expired debt can be reactivated. TRD also states debt within one to four years is easiest to collect, and the largest debt category is sole proprietors. Due to 2016 legislation, TRD cannot collect balances in protest until after 90 days, a fluid three month amount that is hard to pin down, essentially making the forgone FY24 amount closer to $37.9 million depending on how much was protested. This is in addition to the uncollected total. The top collection revenue sources have been gross receipts tax, at $72.9 million, and personal income tax, at $28.8 million.

Budget: $23,383.8 **FTE:** 340.66

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	17.6%	15.5%	20%	6.3%	9.8%	10.1%	R
Collections as a percent of collectible audit assessments generated in the current fiscal year	30.3%	40.5%	60%	41.8%	48.6%	50.5%	G
Program Rating	R	R		Y	Y	Y	

*Target is cumulative



Compliance Enforcement

The Tax Fraud and Investigation Division reported one case referred for prosecution and 43 open investigations. Court jurisdictions must set dates for open cases. Without confirmed court dates, the division anticipates it will continue to lose criminal charges on specific, pending cases due to the statute of limitations. Court scheduling continues to be delayed and no pending cases have been prosecuted in the third quarter.

Budget: $1,870.3 **FTE:** 21

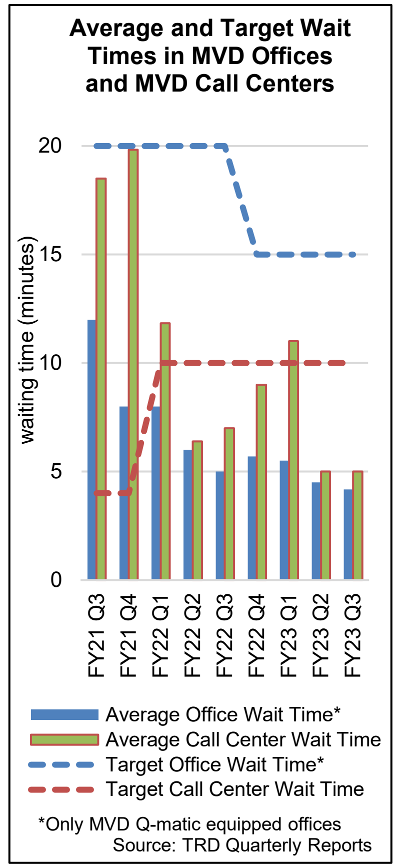
Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	67%	50%	85%	0%	20%	20%	R
Successful tax fraud prosecutions as a percent of total cases prosecuted*	N/A	100%	100%	0%	0%	0%	R
Program Rating	R	G		R	R	R	

Motor Vehicle

During the third quarter of FY23, Motor Vehicle Division average wait times in both "Q-matic" equipped offices and call centers remain lower than average, and continued to be less than half the waiting time—a little over five minutes per call. MVD remains on track to reach FY23 performance targets.

Budget: $47,865.2 **FTE:** 332

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Registered vehicles with liability insurance	91.0%	91.1%	92%	91%	90.5%	90%	Y
Average wait time in "q-matic" equipped offices, in minutes	8:00	6.48	5:00	5:27	4:49	4:17	G
Average call center wait time to reach an agent, in minutes	15:11	8:38	10:00	10:58	5:05	5:02	G
Program Rating	Y	Y		G	Y	Y	



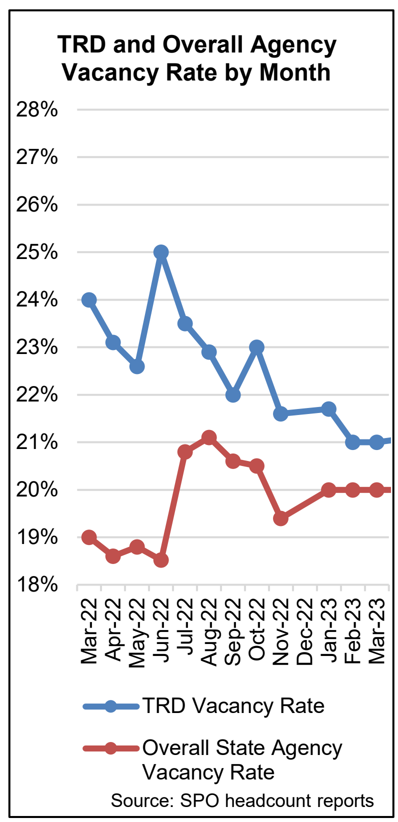
Program Support

The division reports 2 percent of tax protest cases were scheduled for hearing at the Administrative Hearings Office compared with 4 percent last quarter. The division is on track to meet its performance target for the number of tax protest cases resolved, resolving 497 protest cases in the third quarter of FY23, or about 33 percent of its total target number of cases for FY23. No new audits were implemented this quarter. A total of 40 internal audits were processed and resolved with five procedures transferred to another department and five canceled.

Budget: $10,501.5 **FTE:** 102

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Tax protest cases resolved	1,590	1,690	1525	435	387	497	G
Internal audit recommendations implemented	100%	97%	90%	100%	0%	0%	G
Program Rating	G	G		G	G	G	

*Measure is explanatory and does not have a target



Property Tax

The Property Tax Program collected and distributed $3.7 million to counties in delinquent property taxes in the third quarter of FY23, about 73 percent of the annual target, recovering 6.5 percent of total delinquent property taxes. The program has scheduled delinquent property tax auctions in McKinley, Torrance and Mora counties. A temporary restraining order that has restricted a large number of delinquent parcels in Valencia County continues to be in place. The total statewide outstanding amount in property taxes is $15.7 million. The program also states that, of the $150 thousand in delinquent parcels for the state, $50 thousand is in Valencia County alone, a workload volume that exceeds the division's workforce capacity.

Budget: $6,414.2 **FTE:** 40

Measure	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Delinquent property tax collected and distributed to counties, in millions	$8.2	$12.0	$10.0	$2.0	$1.6	$3.7	Y
Percent of total delinquent property taxes recovered	18.7%	23.0%	15%	3.8%	2.8%	6.5%	Y
Program Rating	G	G		Y	Y	Y	

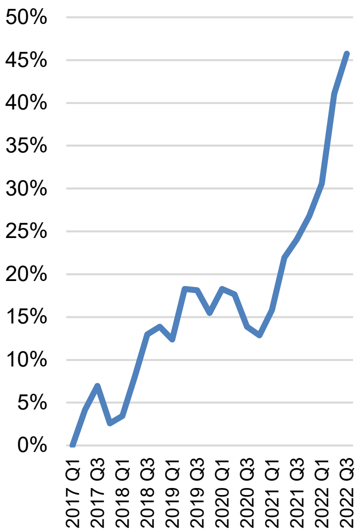
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Transportation
Third Quarter, Fiscal Year 2023

ACTION PLAN

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

Nationwide Percentage Increase in Highway Construction Costs
(from Q1 2017)



Source: Federal Highway Administration, National Highway Construction Costs Index

After years of worsening road conditions, the Department of Transportation (NMDOT) reports investments in state roads are improving conditions. In recent years, the Legislature has made significant nonrecurring appropriations for road construction and maintenance, which has improved overall road conditions. Additionally, NMDOT has done well managing projects, generally completing projects on time and on budget. However, the department has experienced price spikes and delays due to supply chain disruptions affecting the broader economy.

Project Design and Construction

To judge the performance of the department's project planning and execution, measures covering the ability of the department to plan and complete projects on time and within budget are tracked. The department has significantly improved its ability to put projects out to bid as scheduled. NMDOT scheduled 10 projects for bid in the third quarter and all 10 projects were put out to bid. NMDOT reports maintaining a project-letting schedule is a key goal of the department; maintaining the schedule allows the contracting community to appropriately plan for upcoming projects.

On-time project completions improved in the third quarter after falling significantly short of target in the first half of the year. The reported 90 percent of on-time projects in the third quarter meets the target level, but the department reports year-to-date totals of 80 percent, which is below target. The rating for this measure was upgraded from red to yellow, recognizing both the improvement and the need for continued monitoring of this measure.

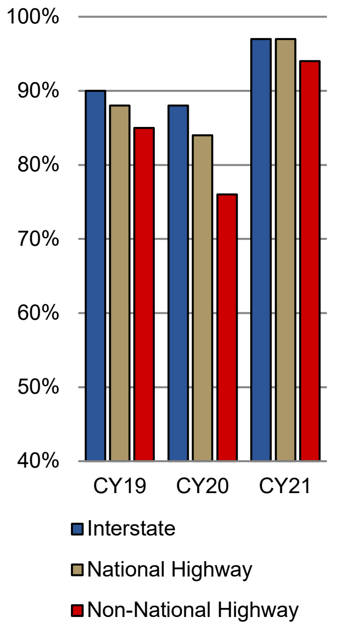
The department reports construction costs have climbed, and while the department has typically been able to minimize cost overruns once a bid had been accepted, the third quarter reports show total costs exceeded bid amounts by $10.1 million on the 21 projects completed in the third quarter, a variance of 6 percent. NMDOT reports these overruns were due to exceptional reasons the department does not expect to reoccur in the fourth quarter; year-to-date amounts meet the target of 3 percent.

Budget: $772,174.5 **FTE:** 368	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Percent of projects let to bid as scheduled.	77%	98%	75%	92%	100%	100%	G
Projects completed according to schedule	94%	89%	90%	75%	75%	90%	Y
Final cost-over-bid amount on highway construction projects	-0.2%	1%	3%	-0.6%	2.9%	6.0%	Y
Program Rating	G	G		G	G		Y

Highway Operations

While maintenance activity typically falls in the second and third quarters, year-to-date performance suggests the department will fall short of the targeted 3,500 miles of pavement preserved in FY23. The department typically preserves about 1,100 miles of pavement in the fourth quarter and a similar performance in the current year would leave the department well short of the annual goal. Overall, the number of bridges rated in

Percent of Miles Rated In Good Condition



Source: NMDOT

poor condition remains below target; in future years, the department will have access to additional federal and state funds to remediate the 4 percent of bridges currently listed in poor condition.

Despite the shortfall in pavement miles preserved, strong overall performance for road conditions in the most recent road condition survey allows the program to retain its overall green rating. However, the department should be concerned by an influx of vehicle damage claims received by the General Services Department. The department should work together to identify roads in need of maintenance because of vehicle damage. Additionally, the Legislature and DFA should consider adding a performance measure for vehicle damage claims to future performance reports.

Budget: $308,722.2 **FTE:** 1,859.7	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Statewide pavement miles preserved	3,852	4,373	3,500	907	983	264	R
Bridges in fair condition or better, based on deck area	96%	90%	95%	96%	96%	96%	G
Program Rating	G	G		G	G		G

NMDOT assesses all New Mexico roads each calendar year using a pavement condition rating (PCR) score to measure roadway conditions. For calendar year 2021, road condition data shows significant improvement in New Mexico's roadways, which reflects the significant additional resources appropriated by the Legislature for road maintenance activities.

A PCR score of 45 or less indicates a road in poor condition. In 2021, the average PCR score for the state was 72.1, up from the average 2020 score of 54.9 and average score of 57.4. The number of lane miles with a rating of below 45 fell by nearly 80 percent, from 6,805 in 2020 to 1,451 in 2021.

2021 Road Condition Survey	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Target	2021 Actual	Rating
Interstate miles rated fair or better	93%	95%	90%	88%	>90%	97%	G
National highway system miles rated fair or better	89%	97%	88%	84%	>86%	97%	G
Non-national highway system miles rated fair or better	79%	84%	85%	76%	>75%	95%	G
Lane miles in poor condition	4,606	3,783	4,420	6,805	<5,425	1,451	G
Program Rating	G	G	G	Y	G		G

Special Transportation Appropriations

GAA of 2023

for regional airports	$55,000,000
for state roads, MIPS	$232,000,000
for w ildlife corridors	$5,000,000
for ports of entry*	$7,000,000
Total	**$299,000,000.00**

*The appropriations for ports of entry is from the weight distance tax identification permit fund.

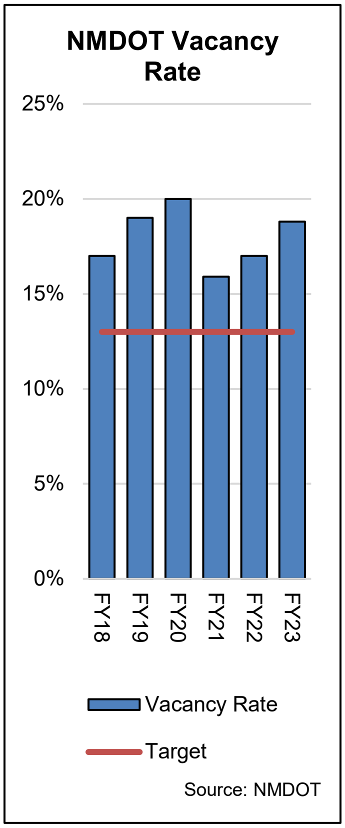
Modal

The department's Modal Program is responsible for traffic safety initiatives, transit programs, and the Aviation Division. NMDOT's reported traffic fatalities reflect a broader nationwide trend of increased traffic fatalities, with federal data indicating more traffic fatalities in 2021 than in any year since 2005. New Mexico's traffic fatalities have been above targets, although the department has reported fewer alcohol-related fatalities.

A temporary reduction in fares for the New Mexico Rail Runner has helped boost ridership, but the train continues to struggle with ridership well below prepandemic ridership levels. Additionally, the department's "park and ride" service is not on track to meet its target in FY23.

Budget: $75,605.0 **FTE:** 126	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Traffic fatalities	411	464	<400	139	118	90	R
Alcohol-related traffic fatalities	113	72	<150	35	23	14	G
Non-alcohol-related traffic fatalities	298	392	<250	104	95	76	R
Occupants not wearing seatbelts in traffic fatalities	171	193	<140	59	45	30	R
Pedestrian fatalities	76	100	<85	19	33	27	R
Riders on park and ride, in thousands	53.6	100.4	235	36.5	31.5	35.3	R
Riders on the rail runner, in thousands*	40.9	317.2	N/A	137.5	127.9	133.4	R
Program Rating	R	R		R	R		R

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



Program Support

NMDOT reports departmental safety initiatives are reducing workplace injuries and the department is on track to beat targets, as well as to reduce the number of injuries from the prior year. Of the 27 employee injuries year to date, only four occurred in a work zone, a significant improvement from FY22 and FY21. While the department's current vacancy rate is well above target, it remains below overall state employee rates.

Budget: $48,544.5 **FTE:** 252.8	FY21 Actual	FY22 Actual	FY23 Target	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Vacancy rate in all programs	15.9%	17%	13%	18.8%	19.3%	19.8%	Y
Employee injuries	35	59	90	10	7	10	G
Percent of invoices paid within 30 days	93%	93%	90%	94%	92%	91%	G
Employee injuries occurring in work zones	11	17	35	1	1	2	G
Program Rating	G	G		G	G		G

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

June 2023

IT Project Status Report – FY23 Third Quarter

Project Status Legend

G	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
Y	Project has potential risk to scope, cost, schedule, or deliverables; independent verification and validation (IV&V) or LFC staff has identified one or more areas of concern needing improvement.
R	Significant issues limit success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed.
Status Trend	↗ Project status has improved this quarter (example: Schedule risk decreased, moved from red to yellow) ↘ Project status has declined since last quarter (ex. Budget risk increased, moved from green to yellow)

DoIT-Led Projects

Y ↗ The **P25 public safety radio project** ($65.2 million; 97.3 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated cost of $170 million. The agency had 34 confirmed agency subscribers at the end of the third quarter, including Los Lunas school police, Office of Superintendent of Insurance, Doña Ana fire and sheriff departments, and the city of Rio Rancho police department. Deployments continue to track with the agency's infrastructure capital improvement plans, reducing schedule risk this quarter.

Y ↗ DoIT's **cybersecurity project** ($7 million; 86.4 percent expended) aims to monitor and address state cybersecurity risks. DoIT has onboarded all 72 executive branch agencies and some judicial and legislative branch entities to its vulnerability scanning program. DoIT has also implemented an attack surface management and penetration testing program—two deliverables not originally in the project scope. In addition, DoIT has implemented the security operations center, a key deliverable of the project.

Y ↗ 2021 legislation created a new **statewide broadband program** ($237.2 million; 4.8 percent expended) within DoIT and the new Office of Broadband Access and Expansion (OBAE). OBAE has signed award agreements for the first and second waves of the Connect New Mexico pilot grant program and is currently reviewing the third round of applications. The agency continues to hold regional broadband meetings, boot camps, and listening sessions for stakeholders, including the May 2023 statewide broadband summit and tribal rountable.

Executive Agency IT Projects

R The Human Services Department's (HSD) **child support enforcement system replacement (CSESR) project** ($32.9 million; 44.8 percent expended) aims to replace the legacy child support application. The executive steering committee approved an increased budget in October 2022 of $76 million—up from $70 million—resulting from expanding the project timeline, posing risk. The initial completions date was August 2025, but HSD now expects completion in June 2027—a change recently certified by the project certification committee.

R ↘ HSD's **Medicaid management information system replacement (MMISR) project** ($294.5 million; 60.8 percent expended)**,** which will replace the legacy MMIS application, is supported by a 90 percent federal funding match at a total estimated cost of $346.3 million. The project has seen substantial delays—estimated to be completed in FY27—and cost overruns. Although HSD has made progress on receiving federal approvals for funding, substantial changes to project and agency leadership pose significant risk to this high-dollar project.

Y The Children, Youth and Families Department's **comprehensive child welfare information system (CCWIS) project** ($17.5 million; 57.7 percent expended) is intended to replace the old Family Automated Client Tracking

System, or FACTS. Initially expected in FY23, the project is now estimated to be completed in FY25. The new project implementation vendor is expected to start in July 2023, at which point CYFD will know whether the July 2025 completion date is manageable. Project costs also increased from $45 million to $71 million, but CYFD was also approved for a simplified cost allocation methodology by federal partners and the Human Services Department, which should improve future budget risks. In addition, CYFD is completing its procurement in the next quarter, at which point the agency will have better total cost estimates.

Y

The Correction's Department's (NMCD) **offender management system replacement project** ($16.3 million; 99.5 percent expended) will replace the 15-year-old legacy client server for $16.3 million, of which $2.3 million is from the agency operating budget. The agency is still undergoing training and has decided to coordinate the system to go live with the start of the new fiscal year, so the system is not expected to launch fully until FY24. Any further spending will come out of the agency operating budget, not tracked in the total project budget.

G

NMCD's **electronic health records project** ($6.7 million; 35.9 percent expended) is intended to replace the existing paper healthcare records system with an electronic-based system that will integrate and exchange information across systems. NMCD is in the planning phase. The agency has purchased software through a price agreement and has made progress on contracting, having completed a sole source procurement for the professional services component of the project. The agency plans to come to the Project Certification Committee in the next fiscal year to release an additional $2.7 million from the project budget to support implementation services.

Y

The Department of Public Safety's (DPS) **records management system (RMS) project** ($7.4 million; 54.3 percent expended) and **computer-aided dispatch (CAD) project** ($3 million; 43.7 percent expended) will provide public safety agencies with a new data repository for $7.4 million. DPS has divorced the project timelines after going live with RMS in the third quarter of FY23. DPS completed training for RMS and is determining needed functionality for the warrants component, currently being piloted with the Administrative Offices of the Courts. For CAD, the agency continues with geographic information system upgrades, to be completed by the University of New Mexico's Earth Data Analysis Center.

G

DPS's **intelligence-led policing project** ($6.2 million; 2.9 percent expended) will implement a new system to incorporate the needed data and analytics functions to generate valuable intelligence to more efficiently direct law enforcement resources in a proactive rather than reactive approach. DPS brought on a business analyst and data engineer and is contracting with the New Mexico Insitute of Mining and Technology Institute for Complex Additive Systems Analysis (ICASA) to complete assessments to determine the requirements for the DPS data lake.

Y

The Higher Education Department's **longitudinal data system (LDS) project** ($7.5 million; 28.1 percent expended) will implement a cloud-based data repository to aggregate New Mexico's education and workforce data for a total estimated cost of $9.9 million. HED has started to ingest 11 different data systems from five partner agencies into its New Mexico longitudinal data system (NMLDS) repository. The agency plans to go live with initial data visualizations in July 2023, just a few weeks behind the initial project schedule, but project budget reconciliations are needed because the agency continues to cite a total project cost above the certified project budget.

Y

The Regulation and Licensing Department's **permitting and inspection software modernization project** ($7.3 million; 40 percent expended) will replace the legacy system Accela for $7.3 million. RLD is implementing an additional 17 boards as part of this certified project. The timeline for implementing the modernization was shortened after the agency experienced a cyber-attack to its on-premise licensing system, but RLD expects the rest of the boards to be implemented by the end of calendar year 2023. RLD has not reported additional spending in FY23 because the vendor contract requires completion of all deliverables before a payment can be made, so invoices for the remaining balances should be complete in the coming months, which improves budget risk.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Third Quarter, Fiscal Year 2023

OVERVIEW

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

Project Description:

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

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) has certified all its prior available funding for the P25 public safety radio project, with 34 confirmed agency subscribers at the end of the third quarter. New subscribers include Los Lunas school police, Office of Superintendent of Insurance, Doña Ana fire and sheriff departments, and the city of Rio Rancho police department. The agency projects 40 percent state coverage by the end of FY23 and expects revenue of $6 million per year once the project is complete.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	Y	Y	Y	Y	Y	Y
Schedule	Y	Y	Y	Y	G	G
Risk	Y	R	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

DoIT received the requested $26 million for the project during the 2023 legislative session, but funds will not be received until July 2023 due to the funding cycle for capital outlay. The agency spent or encumbered over 97 percent of prior available funds.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$65,164.3	$0.0	$65,164.3	$63,382.9	$1,781.4	97.3%

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

Schedule

DoIT still expects project closeout in June 2027 and updates deployment plans on an ongoing basis. Deployments continue to track with the agency's infrastructure capital improvement plans, reducing risk this quarter. DoIT is currently making progress on coverage expansions and equipment upgrades for three state parks, State Police, the city of Santa Fe, Los Lunas/Belen, Doña Ana County, and the Corrections Department, including eight correctional facilities.

Risk

DoIT continues to show progress on spending available funds and has received additional investments from the state, improving DoIT's ability to remain on track with planned deployments. The agency has implemented full encryption for state consoles, improving security on the system. However, the large capital cost and long-term deployment schedule continue to pose some level of risk, which has been manageable.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Third Quarter, Fiscal Year 2023

OVERVIEW

Project Phase	Implementation
Start Date	11/26/18
Est. End Date	6/30/20
Revised	6/30/23
Est. Total Cost	$7,000.0

Project Description:

The enterprise cybersecurity project will establish a framework and foundation for the state's cybersecurity structure, including identifying tools for compliance monitoring and cybersecurity management, and implement an enterprise cybersecurity operations center.

Enterprise Cybersecurity Project

Overall Status

DoIT has onboarded all 72 executive branch agencies and some judicial and legislative branch entities to its vulnerability scanning program. In addition, with available funds, the agency has delivered an attack surface management program, which assesses potential threats to assets, and a penetration testing program, which performs tests to evaluate a system's security—two deliverables outside the original project scope. DoIT is preparing to close the project and transition to an operational cybersecurity program under the newly created Cybersecurity Office.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	Y	Y	Y	Y	G	G
Schedule	Y	Y	Y	G	G	G
Risk	R	Y	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

The total project budget is currently certified. Less than $1 million remains from the initial project budget, but DoIT plans to spend down the remaining balances by the end of FY2 and will close the project during the second quarter of FY24. All cybersecurity funding at DoIT will transition to the new Cybersecuirty Office, created by Senate Bill 280. The agency has secured $4 million for recurring cybersecurity operations and is spending a $19 million appropriation for cybersecurity outside of this certfied project.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$7,000.0	$0.0	$6,951.1	$6,003.6	$947.5	86.4%

[1]$48,896 in prior funding was unused by June 2020 and was not reauthorized.

Schedule

The agency is on track to close the project in FY24 once the Cybersecurity Office is established. DoIT has fully implemented its Security Operations Center (SOC) for all executive agencies, a key deliverable of the project. The new office will operate the center, expected to cost around $150 thousand per month for all its users.

Risk

The successful deployment of a SOC highlights a major project accomplishment and provides the foundation for the agency's operational cybersecurity program, to be spearheaded by the new Cybersecurity Office. Moving forward, the agency plans to operationalize its security programs to improve onboarding, coordination, and reporting processes. Continued recurring investments will be essential to ensure the state can build upon these new programs to fully operationalize and centralize its cybersecurity efforts.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Department of Information Technology
Third Quarter, Fiscal Year 2023

OVERVIEW

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

Project Description:

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

Connect NM Pilot Grant Awards

Applicant	Award	Match Share
Wave One – Sept 2022		
Central NM Electric Coop	$6,569.8	$2,191.0
SWC Telesolutions	$8,482.1	$6,028.6
Socorro Electric Cooperative	$5,096.0	$2,379.7
Comcast: Phase One: Vado, La Mesa, Berino, Anthony, Chamberino	$8,259.3	$8,259.3
Comcast Phase Two: Chaparral, La Union, Santa Teresa, and Sunland Park	$8,836.2	$8,836.2
Subotal	**$37,243.3**	**$27,694.7**
Wave Two – Dec 2022		
SWC Telesolutions	$1,041.9	$1,058.8
Tularosa Comm.	$7,447.5	$2,486.7
Valley Telephone Cooperative	$3,704.8	$1,994.9
Western NM Telephone Company	$5,114.4	$1,704.8
Subtotal	**$17,308.6**	**$7,245.3**
Grand Total	**$54,551.9**	**$34,940.0**

* Awards are in varying stages of approval and are not currently included in spent amounts.

Statewide Broadband Program

Overall Status

For the Statewide Broadband Program, the Office of Broadband Access and Expansion (OBAE) has signed award agreements for the first and second waves of the Connect New Mexico pilot grant program, funded with a $123 million appropriation in 2021. OBAE is currently reviewing the third round of applications. The agency continues to hold regional broadband meetings, boot camps, and listening sessions for state and local stakeholders, including the May 2023 statewide broadband summit and tribal rountable.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	R	R	R	Y	Y	Y
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	Y	Y	Y	Y
Overall Rating	R	R	R	Y	Y	Y

Budget

OBAE received $5 million from the National Telecommunication and Information Administration for the Broadband Equity, Access and Deployment (BEAD) grant and $741 thousand for the federal digital equity planning grant program. The funds will support the development of a digital equity and five-year broadband plan. The agency is on track for spending available state funds before expiration, including Connect New Mexico funds, which have been re-appropriated to the office to expand allowable uses.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$112,680.6	$130,307.3	$242,987.9	$11,634.3	$231,353.6	4.8%

[1] State funding includes connect New Mexico and other DoIT funds. Federal funding includes $123 million from ARPA funds, $1.5 million in CARES Act funding, $5 million from the BEAD planning grant, and $741 thousand from the Digital Equity planning grant.

Schedule

The office continues to make progress on administering grants and meeting deadlines for federal grant opportunities, including upcoming deadlines for the BEAD program and federal Middle Mile grant program. Federal partners plan to announce New Mexico's allocations for the BEAD program in June 2023. OBAE's statewide broadband program does not have an explicit end date, but project activities will likely continue in alignment with timelines for federal grant programs.

Risk

The agency has closed its third round of applications for the Connect New Mexico pilot grant program and is contracting with digital equity and other broadband consultants to complete the required plans for federal grant programs. The office continues to expand its staffing and make progress on spending available funds, further reducing risk.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Human Services Department
Third Quarter, Fiscal Year 2023

OVERVIEW

Project Phase	Implementation
Start Date	12/18/13
Est. End Date	6/30/19
Revised	6/28/27
Est. Total Cost	$65,581.9
Revised	$76,699.4

Project Description:

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

Child Support Enforcement System Replacement Project

Overall Status

The child support enforcement system replacement (CSESR) project includes improvements to the system design (refactoring) and an upgrade of the old system to a new, modern cloud platform (replatforming), completed in February 2022, as well as a complete replacement of the system with new architecture, currently underway. The Human Services Department (HSD) has published its request for quotes and has selected a vendor for project management services, but delays in receiving federal approval for the contract and other schedule delays pose risk to the project.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	Y	Y	Y	R	R	R
Schedule	Y	Y	Y	R	R	R
Risk	Y	Y	Y	Y	Y	Y
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

The agency did not request additional funds for FY24. The executive steering committee approved an increased budget in October 2022 of $76 million—up from $70 million—resulting from expanding the project timeline. The project should be monitored to prevent any increases to the project budget resulting from the schedule change.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$10,018.6	$22,848.0	$32,866.6	$14,734.3	$18,132.3	44.8%

Schedule

The executive steering committee approved an extended timeline through FY27, which has been certified by the Project Certification Committee as of April 2023. The project was expected to be completed in August 2026 but is now expected to be completed in June 2027. HSD notes the timeline may further change depending on the vendor and solution selection, but HSD notes it will reassess the need for any further schedule changes during each subsequent certification phase.

Risk

Changes to schedule and the increased budget pose substantial risk to the project. The agency will develop a project management plan following contracting and will return to the Project Certification Committee in July 2023 for planning certification of the phase two replacement effort.

INFORMATION TECHNOLOGY REPORT CARD
Human Services Department
Third Quarter, Fiscal Year 2023

OVERVIEW

Project Phase	Implementation
Start Date	12/18/13
Est. End Date	12/30/21
Revised	8/31/26
Est. Total Cost	$221,167.8
Revised	$346,319.8

Project Description:

The Medicaid management system replacement project will replace the current Medicaid management information system (MMIS) and supporting applications, including the Medicaid information technology architecture, to align with federal Centers for Medicare and Medicaid Services (CMS) requirements.

Medicaid Management Information System Replacement Project

Overall Status

The Human Services Department's (HSD) Medicaid management information system replacement (MMISR) project has experienced several delays and continues to face risk given the large project cost and substanital changes to agency and project leadership. HSD has made progress on receiving federal approvals for funding and should be fully funded for the project given FY24 appropriations, barring any further cost increases.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	R	Y	Y	Y	Y	Y
Schedule	R	R	R	R	R	R
Risk	R	Y	Y	Y	R	R
Overall Rating	R	Y	Y	Y	R	R

Budget

The agency was appropriated $7.4 million in computer systems enhancement funds for FY24, with an associated $67.5 million federal match. If FY24 federal funding amounts are received as planned, the project will be fully funded based on the most recent project budget ($346 million). HSD was approved for its advanced planning update for FFY23 in the amount of $111 million and is planning another update in June 2023 for FFY24.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$30,331.7	$264,215.6	$294,547.2	$179,129.9	$115,417.3	60.8%

Schedule

HSD and the Children, Youth and Families Department continue to submit annual required updates to federal partners. HSD expects to complete the YesNM portal by the end of 2023. However, the substantial delays in the project, coupled with the fact that many other agency projects and systems rely on the completion of certain MMIS modules before they can integrate, pose a significant risk.

Risk

The advanced planning document is approved by the federal partners as of January 2022. The agency has revised its request for quotes for the data services module and expects resubmissions in the next quarter. HSD also reported progress on the first system integration with the new vendor. However, the agency has seen significant losses of leadership, including HSD's Chief Information Officer and primary project manager for MMISR, resulting in a significant increase to risk this quarter.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Children, Youth and Families Department
Third Quarter, Fiscal Year 2023

OVERVIEW

Project Phase	Implementation
Start Date	9/1/17
Est. End Date	10/31/22
Revised	6/31/25
Est. Total Cost	$36,000.0
Revised	$71,068.0

Project Description:

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

Comprehensive Child Welfare Information System Replacement/New Mexico Impact Project

Overall Status

The Children, Youth and Families Department (CYFD) and other stakeholders are now referring to the comprehesive child welfare information system (CCWIS) replacement project as the New Mexico Impact Project. CYFD obtained approval for a simplified cost allocation, designating 39.55 percent of project costs as shared Medicaid costs eligible for a 90 percent federal match, while 60.45 percent of costs qualify for a 50 percent federal match from the Administration on Children and Families (ACF).

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	R	Y	R	R	R	R
Schedule	R	R	R	R	R	R
Risk	R	Y	Y	Y	Y	Y
Overall Rating	R	Y	Y	Y	Y	Y

Budget

For FY24, the agency is receiving $18 million from the general fund, $11 million from federal funds, and $3 million from the Human Services Department (HSD), to be included in the fourth quarter report. CYFD hired a new project budget analyst and was approved for a simplified federal cost allocation methodology, which will mitigate risk. Budget uncertainty still poses risk because CYFD has yet to finish its procurement—expected in the next quarter—at which point CYFD will develop better cost estimates. CYFD is up to date on federal reimbursements through the end of the third quarter.

Budget Status Overview
(in thousands)

State	Federal (ACF)	Medicaid Revenue from HSD	Total Historical Funding*	Spent to Date	Balance	% of Appropriations Spent
$16,523.7	$2,351.7	$1,117.6	$19,993.0	$10,064.3	$9,928.7	50.3%

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

Schedule

CYFD is nearing completion of its procurement. The new project implementation vendor is expected to start in July 2023, at which point CYFD will reassess its June 2025 timeframe. The procurement was delayed by three weeks, resulting primarily from leadership changes at the agency and needed approval processes within state purchasing.

Risk

The simplified cost allocations should significantly improve budget and schedule risks for the project in future quarters, as pending federal approvals have been the primary impetus behind prior schedule delays. Additional progress on budget reconciliations and estimates following the close of the procurement should also improve risk next quarter.

OVERVIEW

Project Phase	Implementation
Start Date	5/1/15
Est. End Date	6/30/19
Revised	12/31/22
Est. Total Cost	$14,230.0

Project Description:

The offender management system replacement project will replace the legacy client server offender management system with a commercial-off-the-shelf (COTS), web-based solution. The COTS solution has 17 modules associated with agency requirements.

Offender Management System Replacement Project

Overall Status

The Corrections Department (NMCD) is nearing completion of the offender management system, intended to provide more automated and streamlined operations for corrections and other staff. The agency is still undergoing training and has decided to coordinate system go live with the start of the new fiscal year, so the system is not expected to launch fully until FY24 with some post-implementation assessments planned in the following months after go live.

Measure	FY21 Rating	FY22 Rating	FY23 Rating	FY23 Q2	FY23 Q3	Rating
Budget	G	G	G	G	G	G
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	Y	G	G	G	G
Overall Rating	Y	Y	Y	Y	Y	Y

Budget

The project is fully funded and NMCD did not request additional funding in FY24. The agency is anticipating a small reversion of around $10 thousand from the state computer systems enhancement fund appropriation. Any further spending will come out of the agency operating budget, not tracked in the total project budget. NMCD expects the system to cost around $500 thousand per year to operate and maintain, with a 2.5 percent cap on cost increases through at least 2028.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$14,230.2		$16,527.0	$16,446.2	$80.8	99.5%

[1]Amount includes $2.3 million contributed from business areas and the agency operating budget.

Schedule

The agency is still in progress on training and testing, impacting the implementation date. NMCD decided to align the release of the system with the start of the new fiscal year. However, the agency's computer systems enhancement funding has already expired as of June 2022, and the agency is using operating funds to complete the project, so expenditure timelines are not necessarily impacted by any schedule delays.

Risk

System functionalities include modules for accessing offender demographics and personal information, court and disposition information, offender relationships, good-time calculations, and docket assignments in one unified system. The agency has reduced its IT vacancy rate from 37 percent to 29 percent in the third quarter, improving project risk as the agency builds more capacity for monitoring and overseeing its IT projects.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

INFORMATION TECHNOLOGY REPORT CARD
Corrections Department
Third Quarter, Fiscal Year 2023

OVERVIEW

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

Project Description:

The electronic health records (eHR) project will replace the existing paper healthcare record system at the Correction's Department to allow systems to integrate and exchange patient information among providers and improve continuity of care for New Mexico's roughly 5,700 inmates.

Electronic Health Records Project

Overall Status

The Corrections Department (NMCD) is currently in the planning phase for the electronic health records (EHR) project. The agency has completed and signed its professional services contract for the project and received approval for additional staff augmentation and independent verification and validation (IV&V) services through the next fiscal year.

Measure	FY21 Rating	FY22 Rating	FY23 Rating	FY23 Q2	FY23 Q3	Rating
Budget	NEW	NEW	G	G	G	G
Schedule	NEW	NEW	G	G	G	G
Risk	NEW	NEW	G	G	G	G
Overall Rating	NEW	NEW	G	G	G	G

Budget

The agency continues to make progress on spending available funds and reports additional encumbrances of $283.5 thousand in the third quarter. In FY20, $750 thousand was appropriated to the agency to begin the project. However, during a special Legislative session, the monies appropriated for the project were recouped. During the FY21 funding cycle, NMCD was appropriated $500 thousand to initiate planning and an additional $6.2 million to continue the project in FY22.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
$6,738.0		$6,738.0	$2,418.9	$4,319.1	35.9%

Schedule

NMCD has purchased software through a price agreement and has made progress on contracting, having completed a sole source procurement for the professional services component of the project. The agency is planning a kick-off meeting with the vendor in July 2023, and part of the requirements gathering process will include facility visits and demonstrations from the vendor. Implementation is expected to begin in FY24.

Risk

The agency presented at the Technical Architecture Review Committee and was approved for the initial system architecture, improving risk. The agency plans to come to the Project Certification Committee in the next fiscal year to release an additional $2.7 million from the project budget to support implementation services. The agency continues to mitigate risks and reduce its IT vacancy rate—from 37 percent to 29 percent in the third quarter.

INFORMATION TECHNOLOGY REPORT CARD
Department of Public Safety
Third Quarter, Fiscal Year 2023

OVERVIEW

RMS

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

CAD

Project Phase	Implementation
Start Date	9/23/20
Est. End Date *Revised*	12/21/21 8/31/23
Est. Total Cost	$3,000.0

Project Description:

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

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

Records Management System/Computer-Aided Dispatch Projects

Overall Status

The Department of Public Safety (DPS) is pursuing both the records management system (RMS) and computer-aided dispatch (CAD) projects simultaneously, but the agency has divorced the project timelines after going live with RMS in the third quarter of FY23. DPS completed training for RMS and is determining needed functionality for the warrants component, currently being piloted with the Administrative Offices of the Courts. For CAD, the agency continues with geographic information system upgrades (GIS), to be done by the University of New Mexico's Earth Data Analysis Center.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	G	G	G	G	G	G
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	G	G	Y	Y	Y
Overall Rating	Y	G	G	Y	Y	Y

Budget

The agency did not request additional funds to support the projects for FY24. Despite going live with RMS in March 2023, the agency has only spent half of its appropriations for that project. The agency reports the GIS components will not contribute to project budget increases.

Budget Status Overview
(in thousands)

	State	Federal	Total Available Funding	Spent to Date	Balance	% of Appropriations Spent
RMS	$7,381.3		$7,381.3	$4,004.9	$3,376.4	54.3%
CAD	$3,000.0		$3,000.0	$1,309.6	$1,690.4	43.7%

Schedule

Due to delays, DPS separated the planned go-live for the RMS and CAD systems and completed go live for RMS this quarter. DPS expects to go live with CAD in August 2023. The agency's schedule risk remains moderate and could increase if additional delays are experienced, but completion of train-the-trainer processes help mitigate that risk as the agency develops in-house expertise surrounding system functionalities.

Risk

Since RMS has been implemented, the risk for that project is low, but the continued delays in the GIS components of the CAD system contribute to project risk. DPS will undergo a six-month re-evaluation of the RMS in September 2023 to address any issues, and, at that point, CAD should also be in its six-month re-evaluation period pending any further delays to GIS, testing, or training.

OVERVIEW

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

Project Description:

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

Intelligence-Led Policing Project

Overall Status

The Department of Public Safety (DPS) is currently in the planning phase for the intelligence-led policing project, which will incorporate the needed data and analytics functions for more comprehensive investigations and policing efforts. DPS brought on a business analyst and data engineer and is contracting with the New Mexico Insitute of Mining and Technology Institute for Complex Additive Systems Analysis (ICASA) to complete assessments to determine the requirements for the DPS data repository.

Measure	FY21 Rating	FY22 Rating	FY23 Rating	FY23 Q2	FY23 Q3	Rating
Budget	NEW	NEW	G	G	G	G
Schedule	NEW	NEW	G	G	Y	Y
Risk	NEW	NEW	G	G	G	G
Overall Rating	NEW	NEW	G	G	G	G

Budget

The agency is receiving an additional $2.2 million in FY24 to continue the project planning and implementation phases, with ancticipated non-recurring costs of $6.2 million and recurring costs over the first five years of $15.9 million. The agency has made progress on spending, reporting a 5 percentage point increase since the prior quarter.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$3,380.0		$3,380.0	$267.5	$3,112.5	7.9%

Schedule

DPS is planning for a data repository to be rolled out at the agency by 2024. The system will be hosted at DPS, but individual users and agencies will be able to utilize their own data analytics and visualization tools using the data. The project is tracking with a planned June 2025 end date.

Risk

The agency notes it is actively considering ways to ensure compliance with Criminal Justice Information Services (CJIS) requirements and is working with vendors to meet the agency's data needs without compromising data security. DPS plans to include agencies and other stakeholders in its future discussions regarding data governance. The agency continues to monitor and manage known risks.

OVERVIEW

Project Phase	Implementation
Start Date	8/27/20
Est. End Date	6/30/24
Est. Total Cost *Revised*	$11,030.0 $9,930.0

Project Description:

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

New Mexico Longitudinal Data System Project

Overall Status

The Higher Education Department (HED) has started to ingest 11 different data systems from five partner agencies into its New Mexico longitudinal data system (NMLDS) repository. HED is utilizing a master unique identifier across data systems to match and integrate existing datasets into the system, which will allow for data matches and additional reporting capabilities. The agency plans to go live with initial data visualizations in July 2023, just a few weeks behind the initial project schedule.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	NEW	G	G	G	Y	Y
Schedule	NEW	G	Y	Y	Y	Y
Risk	NEW	Y	Y	Y	Y	Y
Overall Rating	NEW	G	G	G	Y	Y

Budget

HED is citing project costs of $10.9 million—up from the certified budget of $9.9 million. According to HED, this reflects an increase in development and professional services costs. For FY24, HED did not receive additional state funding but was budgeted $2.5 million from the federal State Longitudinal Data System grant. HED will apply in June 2023. If received, the project would be fully funded based on the certified project budget of $9.9 million.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding[1]	Spent to Date	Balance	% of Appropriations Spent
$3,954.3	$3,500.0	$7,454.3	$2,200.1	$5,254.2	29.5%

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

Schedule

The agency was approved for an eight-week delay to the overall project timeline due to purchase order issues and incomplete data from partner agencies. HED is now expecting data visualization functionality by July 2023. HED is currently undergoing training for its machine learning model, which will identify matches across datasets. The final completion date is being reviewed by executive leadership, posing risk until approved.

Risk

Project delays continue to impact the timelines for delivering initial visualizations, increasing risk this quarter. However, the new project management team—which includes both internal and external project management staff—will help mitigate these risks as they develop organizational change management and risk management plans.

INFORMATION TECHNOLOGY REPORT CARD
Regulation and Licensing Department
Third Quarter, Fiscal Year 2023

OVERVIEW

Project Phase	Implementation
Start Date	5/23/18
Est. End Date	9/30/23
Est. Total Cost	$7,297.0

Project Description:

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

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) is implementing 17 additional boards within the certified project to complete the modernization. RLD reports initial deliverables for the most recent set of six boards are complete and reporting will continue on the implementation of the additional 17 boards. While the project began in 2018, the timeline for the project was significantly shortened due to a cyber-attack in October 2022 that compromised the online legacy renewal process.

Measure	FY21 Rating	FY22 Rating	FY23 Q1	FY23 Q2	FY23 Q3	Rating
Budget	G	G	G	Y	G	G
Schedule	Y	Y	Y	Y	Y	Y
Risk	Y	G	G	G	Y	Y
Overall Rating	Y	G	G	Y	Y	Y

Budget

The agency is implementing 17 other boards through a $5 million special appropriationthat will be tracked in future quarters. The certified project is expected to close under budget from initial estimates. RLD has not reported additional spending in FY23 because the vendor contract requires completion and acceptance of deliverables before a payment can be made, so invoices for the remaining balances should be complete in the coming months, which improves budget risk.

Budget Status Overview
(in thousands)

State	Federal	Total Available Funding*	Spent to Date	Balance	% of Appropriations Spent
$7,297.0		$7,297.0	$2,918.6	$4,378.4	40.0%

*$4.4 million is from various RLD fund balances.

Schedule

All six planned boards for this phase are live for renewals and new applications in Salesforce. Remaining deliverables for the public facing portal, financial processing, and refunds, and the complaints and compliance module are also complete for those boards. The remaining 17 boards are expected to be completed prior to the end of the 2023 calendar year, at which point the agency will close the certified project.

Risk

RLD's accelerated timeline poses a risk to the project, as the agency will need to meet key deliverables on a much shorter timeframe than initially planned. However, budget risks are more manageable given the status of invoicing for the last set of six boards, which is in progress. RLD updates the project certification committee on spending of the special appropriation every quarter, helping mitigate risk.

Investment Performance Quarterly Report, Third Quarter, FY23

THIS REPORT details the comparative investment performance of the three investment agencies: the Educational Retirement Board (ERB), the Public Employees Retirement Association (PERA), and the State Investment Council (SIC), which manages the land grant permanent fund (LGPF), the severance tax permanent fund (STPF), and the early childhood education and care trust fund (ECTF).

Agency performance and market environment information are derived from the investment performance reports submitted by PERA, ERB, and SIC.

Markets continued their rebound in the third quarter of FY23, with state investments gaining value. However, volatility remains due to stubborn inflation, a changing federal funds rate outlook, unpredictable oil prices, bank failures, and a lingering recession risk. Quarterly returns turned positive while annual returns remain negative after a challenging 2022 environment. The state's risk-averse investments performed worse than peer funds in the quarter amid strong markets, but annual returns beat peer funds. Outyear returns also generally performed worse than peers because of the state's risk-averse philosophy.

Investment Performance Highlights

- The value of New Mexico's combined investment holdings grew by $3.51 billion quarter-over-quarter, to an ending balance of $70.84 billion, with across-the-board gains bolstered further by distributions to the ECTF and the STPF. For the year, funds gained $5.07 billion, or 7.7 percent. Over the last five years, the state's combined investment holdings grew $20.2 billion, or 39.8 percent.
- One-year returns remained negative for most funds, ranging from -3.24 percent (PERA) to 0.06 percent (ECTF). Average investment returns over the last 10 years ranged from 6.43 percent (PERA) to 7.7 percent (ERB).
- ERB and PERA's one-year fund balance dropped more than its annual investment losses due to excess benefit payments over contributions. Conversely, the LGPF, the STPF, and the ECTF's balances benefited from distributions from oil and gas taxes and royalties which positively offset their losses.
- No fund met its return targets for the one-year period, but most hit their targets in out-periods, when annualized.[1] Most funds outperformed their policy indices for multiple periods due to a diversified portfolio stack that leans toward private equity and other alternative assets, such as real estate.
- When compared with peer funds greater than $1 billion on a net-of-fee basis, the state's investment funds performed well for the year, with all funds ranking in the top quartile. ERB performed in the top ten percent for all periods except the three-year. PERA performed below the median for all periods except the one-year period, and the STPF ranked in the bottom quartile for those same periods. The LGPF ranked above the median for the five- and ten-year periods.

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

	PERA		ERB		LGPF		STPF		ECTF	
Returns (%)	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**
Quarter	3.50	4.49	2.76	3.29	3.46	3.22	3.11	**2.99**	1.99	2.40
1-Year	-3.24	**-7.32**	-1.97	**-2.43**	-2.34	**-2.91**	-3.23	**-3.60**	0.06	-2.39
3-Year	**9.50**	**8.97**	**11.52**	**10.74**	**10.84**	**10.84**	**8.95**	9.37		
5-Year	5.77	**4.25**	**7.57**	**6.92**	6.61	6.83	5.29	6.00		
10-Year	6.43	**5.66**	**7.68**	**7.15**	**7.27**	7.39	6.49	7.00		

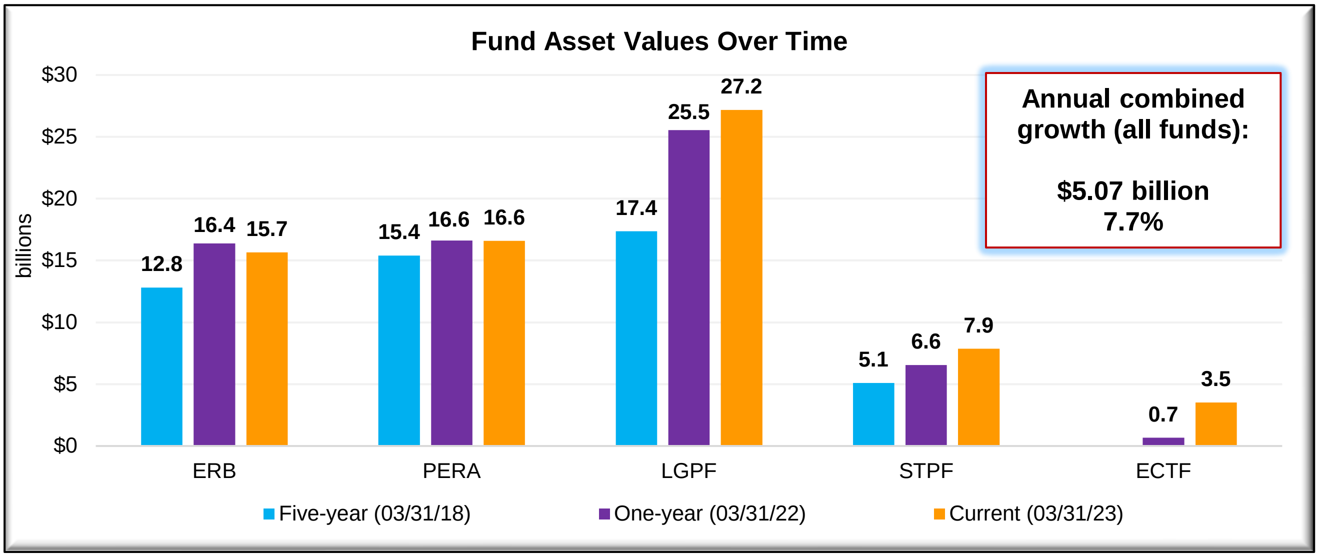
Note: A bolded fund value indicates returns that exceed the fund's long-term target. A bolded policy index value indicates returns that exceed the policy index. Quarterly data is not annualized.

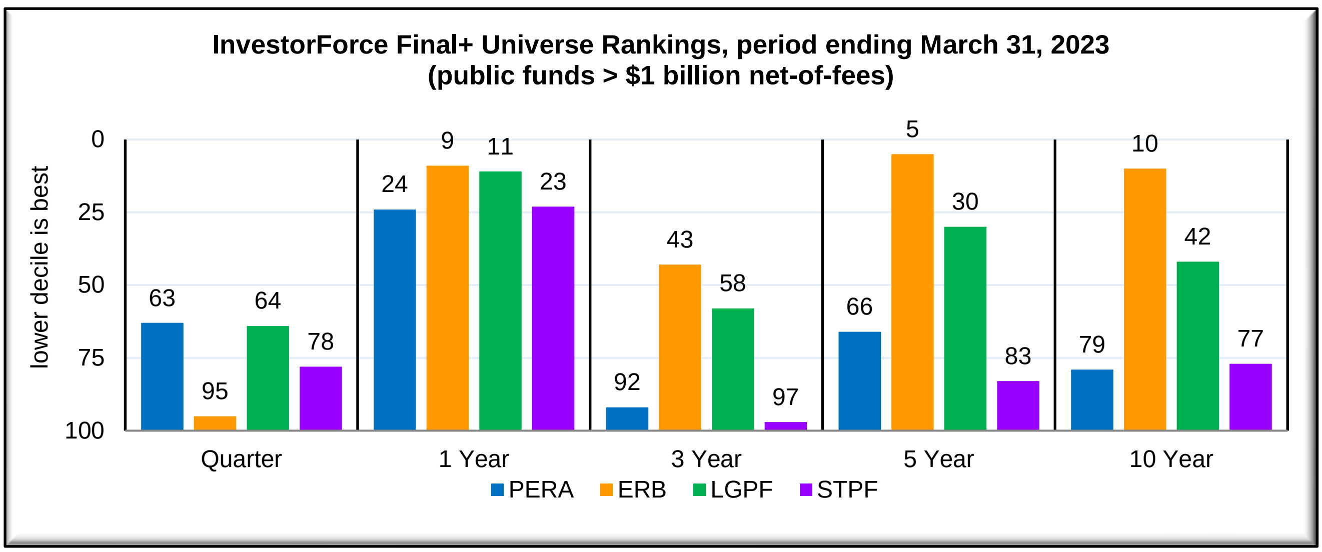
[1] The funds' long-term return targets are 7.25 percent (PERA), 7 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).

Investment Agency Performance Dashboard

Quarter Ending March 31, 2023

This report details the investment performance of three investment agencies: the Educational Retirement Board (ERB), the Public Employees Retirement Association (PERA), and the State Investment Council (SIC) which manages the land grant permanent fund (LGPF), the severance tax permanent fund (STPF), and the early childhood education and care trust fund (ECTF).





Risk Profiles, Five Years Ending 3/31/23, Net of Fees				
Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	7.1	8.0	9.4	9.2
Sharpe Ratio**	0.9	0.6	0.6	0.5
Beta***	0.3	0.4	0.5	0.5

Aggregate Value of New Mexico Investment Holdings

$70.8 billion

*measures variability from the mean return; higher is more volatile
**higher numbers indicate higher return-to-risk level; a good ratio is 1 or better
***represents the volatility of the portfolio versus the S&P 500. Beta = 1: portfolio moves with the market. Beta < 1: portfolio is less volatile than market. Beta > 1: portfolio is more volatile than the market.

Source: Agency Investment Reports

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