Accountability in Government
Selected Performance Highlights
Second Quarter, Fiscal Year 2019

Background

Pursuant to the Accountability in Government Act (AGA), quarterly reports are required of key state agencies, including performance measures and targets approved for each fiscal year by the Department of Finance and Administration (DFA) in consultation with LFC, as well as other measures agencies consider important to operations.

This year's second quarter performance reporting provided unique challenges and opportunities for state agencies. New leadership and staff transitions may have made gathering and reporting data less routine than usual, but at the same time, this quarter marks a definitive end to performance overseen by the previous administration and a baseline to begin tracking performance accomplished by the current leadership.

Agency performance measures are listed in tables in the body of the report cards, along with a green, yellow, or red rating that indicates how well the agency is progressing in meeting its performance targets. Yellow ratings may be assigned even when an agency appears to be meeting its targets if the data is unclear or if the target has been set too low. Where relevant and timely data is available, LFC analysts may add national or regional benchmarks to provide context for the state's outcomes.

Performance of note for the second quarter of FY19 by major area:

Taxation and Revenue Department *(page 7)*

High turnover and vacancy rates at all levels are having a significant impact on the Tax and Revenue Department's ability to maintain high levels of efficiency and accountability. Vacancies of mid-management and senior level staff make it difficult for the department to provide effective management, oversight, and direction.

Human Services and Medicaid *(page 10)*

The Human Services Department (HSD) reverted $35 million from the Medicaid program to the general fund for FY18, and reports the program will end FY19 with a surplus of $126 thousand in general fund revenue largely due to declining enrollment and recoupments from Medicaid managed care organizations (MCOs). As FY19 proceeds, HSD will continue implementation of the state's federal

Medicaid waiver renewal, Centennial Care 2.0, including overseeing the start-up of the newest MCO, Western Sky Community Care.

Caseloads are also down for the Temporary Aid for Needy Families program, while caseloads for the Supplemental Nutrition Assistance Program remain essentially flat. The Child Support Enforcement Division, once one of HSD's strongest performing divisions, has not meet any of its performance targets so far this year.

Behavioral Health *(page 14)*

The number of New Mexicans receiving behavioral health services increased by nearly 20 percent over the first quarter of the year. The Centennial Care 2.0 waiver renewal includes expanded behavioral health services for adults and the Behavioral Health Services Division (BHSD) reports that a growing proportion of people are receiving behavioral health services through Medicaid managed care, while the fee-for-service portion has been declining. BHSD has three performance measures for managed care adult behavioral health, all of which measure continuity of care. The department reported performance well below the target for two of these and did not report any data on the third.

Department of Health *(page 16)*

Several Department of Health facilities are poised to benefit from expanded adult inpatient behavioral health services covered by the Centennial Care 2.0 Medicaid waiver renewal. Turquoise Lodge Hospital has moved to a new location with a plan for Joint Commission accreditation and increased bed capacity. However, the health facilities program did not meet its performance targets for patient falls with major injuries, or for residents successfully discharged.

New Mexico has had a lower employment rate for individuals with cognitive disabilities than the national average and neighboring states each year since 2014, and the average hourly wage for employed individuals on the Developmental Disabilities (DD) waiver dropped by nearly $1 per hour between the first and second quarters of FY19. The health certification, licensing and oversight program has provided no quarterly data on any of its performance measures, which include abuse and re-abuse rates for people on the DD and Mi Via waivers.

Children, Youth and Families *(page 20)*

The Children, Youth and Families Department reports enrollment in childcare assistance is down slightly, but more children are participating in high quality early childhood programs. As a result, costs continue to rise. The Protective Services program reports persistently high turnover rates and did not reach targets for any of its performance measures; the department has made no progress on reducing rates of repeat maltreatment and continues to struggle with achieving permanency for children in foster care. The Juvenile Justice Services program, on the other hand, has significantly reduced turnover to well below target, following 8.5 percent compensation increases passed in the last legislative session, and the population in juvenile detention facilities dropped to a new low of 130 children.

Public Safety *(NMCD, page 23; DPS, page 25)*

According to the New Mexico Corrections Department (NMCD), recidivism rates are increasing. Rates have remained near 50 percent over the last decade and rose to 52 percent in the second quarter of FY19. Violent assaults by inmates were low compared with previous year actuals, and NMCD credits the improvement to more effective evaluation of violent behavior and a focus on rehabilitation and other programs to divert violent behavior. Public correctional officers received the same 8.5 increase in compensation as the Children, Youth and Families protective services workers, but vacancy rates nonetheless reached a new high of 25 percent in the second quarter.

The Department of Public Safety appears to have finally conquered its backlog of rape kits, and reportedly only had three kits – out of a backlog that reached 1,389 – left to process as of March. The Law Enforcement program surpassed all but one of its performance targets for the quarter. The number of DWI saturation patrols for the first and second quarter combined is on track to reach FY18 actuals, and is substantially more than the target for the year, which may be an indication that the target was set too low. However, DWI arrests increased over the first quarter of the year but are not yet on track to meet the annual performance goal.

Courts and Justice *(page 27)*

The justice partners – the Administrative Office of the Courts (AOC), the Public Defender Department (PDD), and the District Attorneys – began coordinated performance reporting last year, and the unequal reporting of data across the criminal justice system quickly became clear. The Public Defender Department now reports a comprehensive suite of measures on a quarterly basis, and the District Attorneys have improved reliability of reporting and are considering adding more meaningful performance measurements. The courts, on the other hand, responded to difficulties with data collection by shifting many measures to semi-annual reporting, and then were unable to submit even those in a timely manner, resulting in a red rating for the Special Court Services program. AOC reports the courts now have a committee in place to improve performance reporting going forward.

The AOC's new jury management tool provided substantial improvements in average juror costs, outperforming the target and providing enough savings for juror pay to be restored to the statutory requirement. The District Attorneys report falling case referrals, together with preliminary police data for FY19, suggest a falling crime rate in New Mexico for the first time since 2010. Competition in the legal field led to an unexpected loss of attorneys in the last quarter, according to PDD, as three of its in-house attorneys and approximately 20 contract attorneys were lost to District Attorney offices, state agencies, and judgeships, or left their existing contracts for higher pay. The department nonetheless met all but one of its performance targets.

Public Education *(page 30)*

On January 30, 2019, PED established the final FY19 unit value at $4,190.85, a $31.62, or 0.76 percent, increase from the preliminary unit value of $4,159.23. The change resulted in distribution of an additional $20 million in formula funding to schools around the state, bringing the year's total distribution to $2.6 billion.

According to PED membership (MEM) counts, the state experienced an overall decline of 3,414 students between the first reporting dates of 2018 and 2019. Legislative staff projections suggest statewide MEM will continue to decline in FY20, despite significant MEM growth in areas of the state with highly productive extractive industries.

Higher Education *(page 32)*

Colleges and universities have maintained strong cash balances, with six institutions holding more than 20 percent unrestricted reserves compared to expenditures, and only four institutions maintaining balances below 10 percent.

The Higher Learning Commission requires a report on the Comprehensive Financial Index (CFI) from each accredited college and university, which provides a snapshot of the fiscal status of the schools. Most institutions in New Mexico posted strong CFI ratings. The University of New Mexico recorded the lowest CFI (lower the number, the weaker the fiscal health), the most recent step in a progressive decline for New Mexico's flagship university.

The CFI, while informative, is based on FY17 audited financial statements and is therefore dated by more than a year. Further, the picture it offers is often not completely reflective of the fiscal health of an institution. As an example, Northern New Mexico College posted one of the strongest FY17 CFIs, despite embezzlement by a fiscal officer at the college during that year.

Natural Resources *(EMNRD, page 34; NMED, page 36; OSE, page 38)*

The Forestry Division of the Energy, Minerals and Natural Resources Department increased the number of firefighters trained and forests treated, as the fire season slowed and staff returned from fire assignments. For the Oil Conservation Division, a rapid pace for approving drilling permits combined with a lowered performance target for oil and gas well inspections and low numbers of violations issued may suggest less than optimal agency regulatory efforts.

The New Mexico Environment Department met most performance targets in the second quarter. However, the agency received several yellow ratings where targets were not increased even though performance exceeded prior years, or where program performance was difficult to assess because most of the measures were reported as explanatory data only. In December, cash balances in the clean water state revolving loan fund were approximately $150 million, and $84 million was still unobligated. The department reports new loans for clean water project funding will likely not meet the annual goal because some local governments do not have capacity to take on more debt.

The Office of State Engineer (OSE) did not meet its quarterly target for number of water rights applications processed due to vacancies and the continued need to devote staff resources to investigate complaints of illegal water use. Consensus on accounting of credit water under the Rio Grande Compact is the subject of ongoing litigation. According to OSE however, provisional data suggests New Mexico over-delivered in CY18 and will have an accrued credit in CY19. The New Mexico unit fund, reported for the fiscal year in the second quarter, spent $5 million more in FY19 than in FY18 due to payments to the Bureau of Reclamation for an environmental impact statement related to the Gila River diversion project, and for reimbursements to local governments for non-unit fund water projects.

General Government *(SPO, page 40; DOT, page 41)*

The State Personnel Office stayed far below its target for state employees leaving state service voluntarily, yet also reported that only 61 percent of new hires completed their probationary period in the second quarter. Together, these factors help explain the state's highest reported vacancy rate, which reached 21.4 percent in the second quarter.

The Department of Transportation (DOT) reported its vacancy rate was 20.2 percent at the end of the second quarter, significantly higher than historic averages. Despite this, the department continues to control costs and complete projects on time. The department is meeting its performance targets for highway miles rated in good condition, but those targets may be set too low. The state had fewer highway miles rated in good condition in 2018 than in 2015, and New Mexico's road conditions continue to deteriorate. DOT reported total traffic fatalities for the first and second quarters were up by 8 percent compared to the same period in FY18, although total alcohol-related traffic fatalities were down 39 percent compared to this same period.

Information Technology Projects *(page 43)*

HSD's Medicaid Management Information System Replacement (MMISR) project, by far the state's largest current IT project at an estimated total cost of over $175 million, continues to raise concerns about deliverables and extended deadlines, project schedules, and staffing issues, all of which pose risks to successful completion of the project. Other projects of concern include the State Treasurer's Integrated Treasury Solution, which is finished but does not adequately meet the agency's business needs, and the Comprehensive Child Welfare Information System project at the Children, Youth and Families Department, where the department has not progressed past the initiation phase.

Investments *(coming soon)*

The second quarter investment report presents data for the full prior calendar year and preparing it is often a more demanding effort than other quarters. The report is still being developed and will be posted as soon as it is available at: www.nmlegis.gov/Entity/LFC/Quarterly_Investment_Reports

Delayed report cards

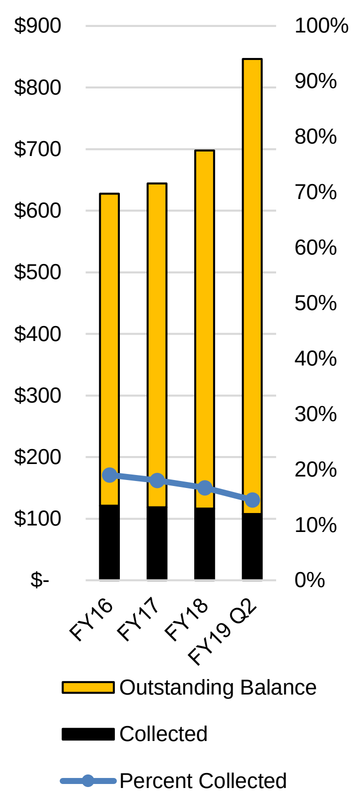
Due to the time constraints of the legislative session for both agency and LFC staff, some report cards are still under development. When complete, second quarter report cards for the Economic Development Department, the General Services Department, the Tourism Department and the Workforce Solutions Department will be posted at: [https://www.nmlegis.gov/Entity/LFC/Performance Dashboard.](https://www.nmlegis.gov/Entity/LFC/Performance Dashboard)

ACTION PLAN

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

The Motor Vehicle Division is now deploying the division's mobile unit to special events such as the state fair and to remote areas of the state to help facilitate the conversion to Real ID compliant licenses and personal identification cards.

Collection of Outstanding Balances from the End of the Prior Fiscal year
(in millions)



Source: TRD and LFC files

Taxation and Revenue Department

The department is failing to meet its performance targets for call center wait times at Motor Vehicle Division (MVD) field offices and for tax protest cases resolved, which may be symptomatic of high employee turnover and vacant positions at all organizational levels. Vacancies of mid-management and senior level staff make it difficult for the department to provide effective management, oversight, and direction, but the new administration has started to fill key positions. The agency needs to develop additional robust performance measures and improve its quarterly reporting to ensure accountability.

Tax Administration

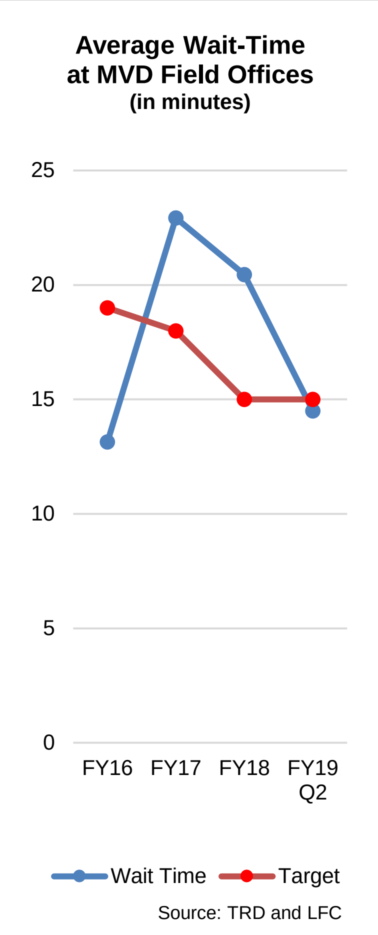
The Tax Administration Program is likely on track to meet its annual collections performance targets. At the end of the second quarter, the program collected $107.2 million, or 14.5 percent, of the $738.5 million collectible-outstanding balance, nearly half of its target for FY19. Additionally, the program collected $14.8 million, or 43 percent, of $34.6 million in collectible audit assessments, almost half of the collections target for FY19. The department has not provided the number of electronically filed tax returns for the last two quarters, resulting in a yellow rating for that measure.

TRD has often failed to provide requested data and information in a timely manner. For example, the department has not provided a complete inventory of all outstanding tax protest cases as requested by the LFC months ago. The LFC has also long sought detailed information about the type and cost of business tax credits. Obtaining this information is needed to produce more accurate and reliable revenue forecasts. TRD has made some progress recently in addressing these issues, and new leadership may further improve the agency's responsiveness.

Budget: $30,200 **FTE:** 495.8

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year	18%	17%	28%	10%	15%		G
Collections as a percent of collectible audit assessments generated in the current fiscal year plus assessments generated in the last quarter of the prior fiscal year	58%	50%	65%	47%	43%		Y
Electronically filed personal income tax and combined reporting system returns*	86%	87%	N/A	Not reported	Not reported		Y
Program Rating	Y	Y					

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



Motor Vehicle

The Motor Vehicle Program reports two major issues for not achieving its target of registered vehicles with liability insurance. The first is a tracking error in the number of vehicles observed by the insurance verification vendor. The second issue is late and inaccurate reporting by insurance companies. The agency is working to ensure only registered vehicles are tracked for insurance coverage for more accurate reporting. There are 38 MVD field offices equipped with "q-matic" systems, measuring wait-times for all transaction types. The program served 367 thousand customers in the second quarter with an average wait time of 14:29, surpassing the target of 15 minute average wait time. MVD is not achieving its target of less than 5 minutes for call center wait times with an average wait time of 11:34; however, this represents a reduction of 4 1/2 minutes from the average wait time in the first quarter.

Budget: $32,200 **FTE:** 338

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Registered vehicles with liability insurance	90%	90%	93%	90%	91%		G
Average wait time in "q-matic" equipped offices, in minutes	22.56	20:45	<15:00	16:00	14:29		G
Average call center wait time to reach an agent, in minutes	4:33	3:55	<5:00	16:00	11:34		R
Program Rating	G	Y					Y

Compliance Enforcement

The number of tax investigations referred to prosecutors annually is typically fewer than 10, causing the tracking of this measure to fluctuate significantly between each quarter. The total will be reported annually.

Budget: $1,600 **FTE:** 21

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year*	67%	113%	85%		Annual		
Program Rating	G	G					

* Annually reported measure.

Property Tax

The Property Tax Program lost ground in the second quarter for the amount and percentage of delinquent property tax collected and distributed to counties. The program collected and returned $2 million during the second quarter. Cumulative collections thus far in FY19 are $5.1 million, about 40 percent of the target for FY19. The amount collected and distributed is expected to increase due to late accountings of some counties.

Budget: $4,000 **FTE:** 39

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Delinquent property tax collected and distributed to counties, in millions	$11.2	$14.6	$13.0	$2.2	$2.0		Y
Program Rating	G	G					Y

Program Support

The department is not on track to meet its performance target for the number of tax protest cases resolved. Staff vacancies in the protest office are a major contributing factor. The Tax and Revenue Department has provided the LFC with information on potential liabilities to the state for forecasting purposes. Information requested from the department is to demonstrate the number of tax protests cases submitted by tax program with associated dollar amounts. Agency has failed to report quarterly results for internal audit recommendations implemented for first two quarters.

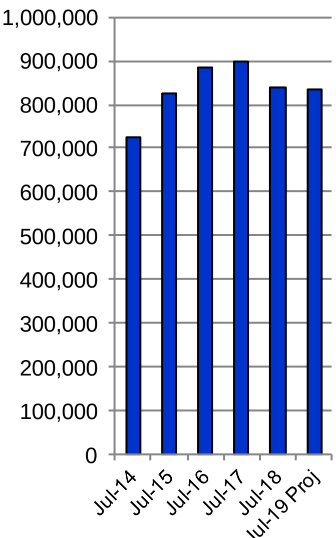
Budget: $32,200 **FTE:** 338

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Tax protest cases resolved	1,524	1,315	1,500	226	197		R
Internal audit recommendations implemented	91%	94%	91%	Not reported	Not reported		R
Program Rating	G	G					R

ACTION PLAN

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

Total Medicaid Enrollment



Source: HSD December 2018 Medicaid Projection

The Medicaid and Temporary Assistance for Needy Families (TANF) caseloads were down compared with a year ago, but the cases for the Supplemental Nutrition Assistance Program were up slightly. The Medicaid caseload in December was 832,316 individuals, a 2.5 percent decrease from one year ago. The TANF caseload was 10,762 cases in December 2018, a decrease of 8.2 percent from December 2017. The Supplemental Nutrition Assistance Program (SNAP) caseload in December 2018 was 222,004 cases, a 0.3 percent increase from one year ago.

Human Services Department

The Human Services Department (HSD) has several changes in FY19 including implementing a federal Medicaid waiver renewal, Centennial Care 2.0, overseeing new Medicaid managed care organizations (MCOs), including Western Sky Community Care, and working to comply with a new consent decree addressing the Hatten-Gonzales lawsuit regarding systemic problems with eligibility and enrollment determinations in Medicaid and the Supplemental Nutrition Assistance Program.

In December 2018, HSD received approval from the federal Centers for Medicare and Medicaid Services (CMS) for its 1115 waiver renewal, Centennial Care 2.0. However, HSD is awaiting final CMS approval of the special terms and conditions (STCs), which is expected in March 2019. Pending finalization of the STCs, HSD received a letter from CMS with guidance about certain STCs so the state can move forward with rule promulgation and the program rollout that began on January 1, 2019. Despite multiple legal appeals, HSD prevailed on its selection of three newly-contracted MCOs—Blue Cross Blue Shield of New Mexico, Presbyterian Centennial Care, and Western Sky Community Care—for services beginning on January 1, 2019. HSD and LFC will continue to monitor the transition of clients under Centennial Care 2.0, the MCOs' provider network sufficiency and access to care, and quality of care and health outcomes.

The special master's report in the Hatten-Gonzales lawsuit concluded the Income Support Division's field operations have management problems, and need to improve the timeliness of Medicaid and SNAP eligibility determination approvals. HSD indicates for the second quarter, the timeliness of approved expedited SNAP applications was 99 percent, and 98.5 percent of regular SNAP applications were processed timely.

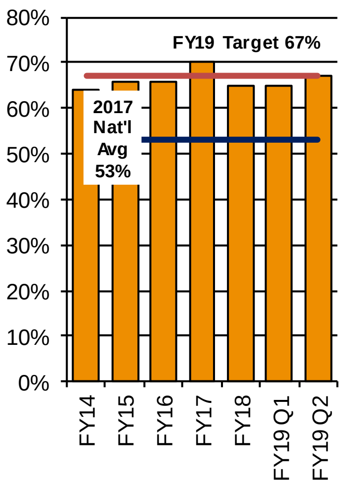
Medical Assistance Division

Closing FY18, HSD reverted $35 million to the general fund associated with incurred but not reported claims and MCO recoupments. Additionally, in its most recent January 2019 projections, HSD reported the Medicaid program will end FY19 with a surplus of $126 thousand in general fund revenue largely due to declining enrollment and recoupments.

For FY20, HSD reports a projected concentration of members in higher cost cohorts, increases in the physical health and the long-term services and supports service areas, as well as implementing rate increases for nursing homes, primary care and behavioral health providers. In the behavioral health program, utilization of autism services and intensive outpatient services increased, driving up program costs.

HSD is unable to report quarterly data on several Healthcare Effectiveness Data and Information Set (HEDIS) performance measures because HEDIS data is reported annually in June. HEDIS is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. HSD requires MCOs to report annually on the HEDIS measures; however, HSD and their consultant firm, Mercer, use encounter data to determine preliminary quarterly performance measure data pending final HEDIS results. But preliminary quarterly data for certain measures is not shared with LFC, and some common performance measures were excluded entirely from reporting.

Medicaid Children Receiving Annual Dental Visit



Source: HSD Quarterly Report

New performance measures for Medicaid requested by HSD in FY19 included additional measures for activities in which the program has traditionally done well but do not directly measure healthcare outcomes. These new measures were expenditures through school-based service programs, members served by health homes, members with a nursing facility level of care served in the community, and return on investments for program integrity recoveries.

HSD changed the following measures for FY18 to annual reporting versus quarterly: eligible jail-involved individuals enrolled in Medicaid prior to release, members receiving hepatitis C treatment, and members receiving services under value-based purchasing agreements.

Budget: $5,262,696.9 **FTE**:183.5

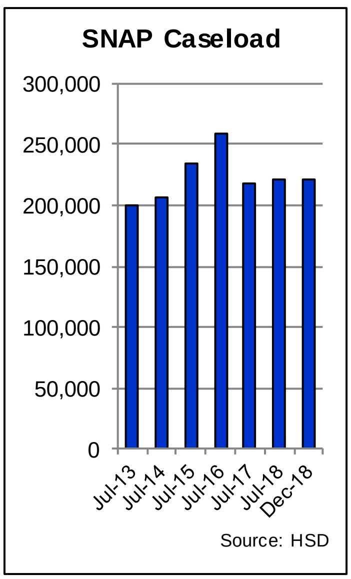
Measure	FY17 Actual	FY18[1] Actual	FY19 Target	Q1	Q2	Q3	Rating
Infants in Medicaid managed care who had 6 or more well-child visits with a primary care physician during their first 15 months*	59%	44%	N/A	Annual	Annual		Y
Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year*	84%	71%	N/A	Annual	Annual		Y
Children ages 2 to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	70%	65%	67%	65%	67%		G
Individuals in managed care with persistent asthma appropriately prescribed medication	56%	44%	N/A	Annual	Annual		Y
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	5%	5%	6%	5%	4%		G
Hospital readmissions for adults 18 and over within 30 days of discharge	7%	7%	10%	7%	7%		G
Emergency room use categorized as non-emergent per one thousand Medicaid member months[2]	504	513	0.25	517	0.52		R
Individuals with diabetes in Medicaid managed care ages 18 through 75 whose hospital admissions had short-term complications	663	524	325	524	N/A		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*	73%	No Report	N/A	Annual	Annual		Y
Medicaid managed-care members with a nursing facility level of care being served in the community.	New	87%	75%	87%	87%		G
Program Rating							Y

[1]HSD uses a rolling average; the most recent unaudited data available includes the last two quarters of FY18 and the first two quarters of FY19. The data for HEDIS measures is preliminary.
[2]The target is a per capita target whereas the data is per 1,000 members. HSD reports it will use a consistent methodology in the future.
*Measures are Healthcare Effectiveness Data and Information Set (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. HSD declined to report quarterly encounter-based data on these measures or specify data pulled from bundled services.

Income Support Division

Beginning on January 1, 2019, the Medical Assistance Program will begin implementation of a Medicaid-funded home-visiting pilot program for families with newborns, in collaboration with the Children, Youth and Families Department, using the "Parents as Teachers" model and the "Nurse Family Partnership" evidence-based model. The program will initially be rolled out in Bernalillo, Curry, and Roosevelt counties.

The Income Support Division (ISD) improved its timeliness in processing enrollment for expedited Supplemental Nutrition Assistance Program (SNAP) cases. However, no data was provided for the second quarter for participation rates for both two-parent recipients and families meeting TANF work requirements. The first quarter performance for both of these measures was well below the target. The program continues to report it is monitoring its New Mexico Works service vendor, providing training to employees on working with individuals with multiple barriers to employment, and implementing dedicated teams to follow up with clients with daily phone calls, letters, and home and site visits. But outcomes do not seem to reflect these efforts. It would be helpful for ISD to report on the following performance measures: TANF clients who obtain a job during the year and children eligible for SNAP with family incomes at 130 percent of the federal poverty level. HSD's December 2018 monthly statistical report indicated, out of 7,024 adults receiving TANF services, 250 were newly employed.

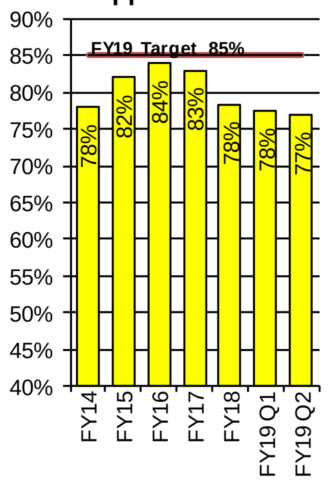


Budget: $969,047.7 **FTE**: 1,148

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Regular supplemental nutrition assistance program cases meeting the federally required measure of timeliness of 30 days	94.0%	99.1%	98.0%	98.5%	98.5%		G
Expedited supplemental nutrition assistance program cases meeting federally required measure of timeliness of 7 days	92.3%	98.1%	96.0%	98.8%	99.0%		G
Temporary assistance for needy families clients who obtain a job during the fiscal year*	54.6%	No Report	No Report	No Report	No Report		Y
Children eligible for supplemental nutritional assistance program participating in the program with family incomes at 130 percent of poverty level*	92.2%	No Report	No Report	No Report	No Report		Y
Two-parent recipients of temporary assistance for needy families meeting federally required work requirements	59.5%	59.5%	62.0%	47.0%	No Report		R
All families recipients receiving temporary assistance for needy families meeting federally required work requirements	53.6%	48.9%	52.0%	44.4%	No Report		R
Program Rating							Y

*Measures are classified as explanatory and do not have a target. Ratings are based on comparison with prior-year performance.

Child Support Enforcement Division



Source: HSD Quarterly Report

The Child Support Enforcement Division (CSED) reports declining performance due to staff attrition and resulting increased workloads, and policies that do not allow case closure. However, for the last two fiscal years the Legislature has appropriated 100 percent of the funding requested by CSED for the program's personnel, but this has resulted in little improvement in performance over the past two years. The percent of support owed that is collected is higher than previous years' performance, but the results are still below the target of 62 percent which is based on the national average. This measure, along with the percent of cases with support orders, are the two primary indicators of the overall effectiveness of the Child Support Program, and both measures continue to decline. The recommendations from CSED's Business Assessment Review included implementing new Federal Modernization Rules throughout the division to improve performance. Implementation of the some of the rules would require statutory change as well as changes within the regional offices to focus on job support, employer recoveries, and targeting high success rate cases.

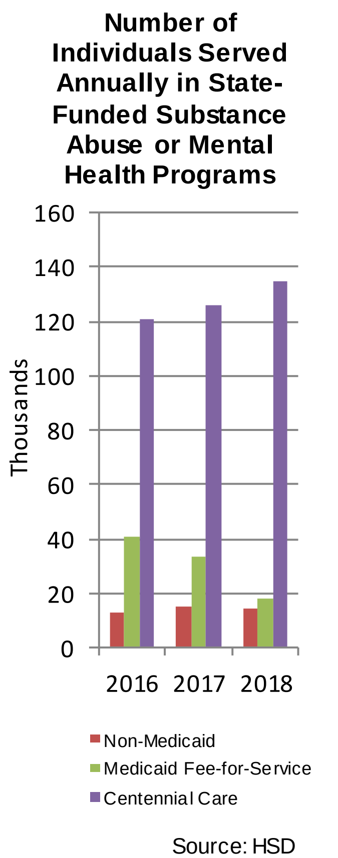
Budget: $31,254.6 **FTE**: 378

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Support arrears due that are collected	64.2%	62.1%	67%	No Report	46.8%		R
Total child support enforcement collections, in millions	$139.6	$139.8	$140	No Report	$63.6		Y
Child support owed that is collected	56.3%	57.8%	62%	56.5%	57.2%		R
Cases with support orders	83%	78.5%	85%	77.5%	77.1%		R
Program Rating							R

Note: Children with paternity acknowledged or adjudicated is reported in the federal fiscal year.
*Measures are classified as explanatory and do not have a target. Ratings are based on comparison with prior year performance.

ACTION PLAN

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



HSD reports the total number of individuals receiving behavioral health services decreased from 2017 to 2018, from 174,072 clients to 166,939 clients, but the number of people grew who were receiving behavioral health services through Centennial Care Medicaid managed care.

Behavioral Health Collaborative

People in New Mexico's behavioral health system face challenges with access to care, and although improvements have been made to the behavioral health system, more work remains to meet current behavioral health needs. Based on 2019 data from the U.S. Health Resources and Services Administration, in New Mexico, only 33 percent of youth with major depression received mental health treatment and 56 percent of adults with mental illness received treatment.

According to the *2019 State of Mental Health in America*, New Mexico improved from 46th to 31st in the national overall adult behavioral health rankings, and is 37th in the youth behavioral health rankings. New Mexico's drug overdose death rate has improved from 50th in the country to 32nd, as other states rates have rapidly increased. However, New Mexico continues to lead the country in adults and youth with substance abuse disorders, high suicide rates, and an unmet need for individuals with mental illness of 21.6 percent. New Mexico's death rate from alcohol-related chronic disease has been first or second in the nation for the past several years and is almost double the national rate. The leading causes of alcohol-related chronic disease mortality include chronic liver disease, alcohol dependence and abuse, hypertension, and stroke.

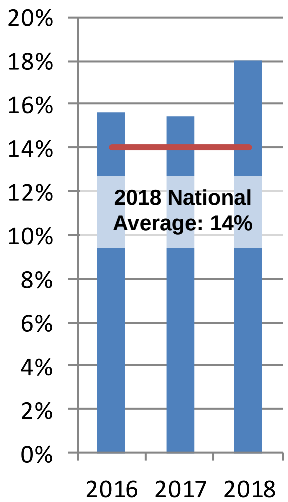
Since 2014, Medicaid has provided health coverage to thousands of New Mexicans who were previously uninsured and lacked regular access to physical and behavioral health services. Medicaid behavioral health expansion provides for the treatment of depression, post-traumatic stress disorder, bi-polar disorder, and substance use disorders (SUD). According to the Behavioral Health Services Division (BHSD) of the Human Services Department (HSD), individuals with both chronic physical health conditions and mental health conditions cost 60 percent to 75 percent more than clients without co-morbid conditions.

For FY19 to date, 166,939 persons were served across all funding sources, a 19.6 percent increase, or 27,433 persons, over the prior quarter. Medicaid's 134,597 Centennial Care members account for 80.6 percent of all persons served in this quarter, and increased 20.5 percent, or 22,943 persons, over the prior quarter. There were 18,153 Medicaid fee-for-service members served in this period, a 14 percent, or 2,230 persons, increase over the prior quarter. There were 14,189 non-Medicaid members served, an 18.9 percent increase, or 2,260 persons, over the prior quarter.

As of January 2019, Medicaid's Centennial Care 2.0 began initial implementation of new Medicaid-funded behavioral health services for adults, including funding for supportive housing, accredited adult residential treatment centers, social detoxification services, expanding Medicaid health homes, treating co-occurring serious mental illness, and substance use disorders, and screening, brief interventions, and referral to treatment (SBIRT).

The federal Substance Abuse and Mental Health Services Administration estimates that for each dollar spent on behavioral health treatment, states save seven dollars in reduced demand for emergency room services, inpatient facilities, incarceration and the criminal justice system, homeless services, and unemployment costs.

People with Alcohol or Drug Dependency who Received Two or More Services within 30 Days of Initial Visit



Source: HSD

HSD reported 18.6 percent of people with a diagnosis of alcohol or drug dependency received two or more additional services within 30 days of initiating treatment. This outcome is well below the FY18 target of 40 percent, and the outcome has remained stagnant at near 15 percent for the last three years. This measure includes both non-Medicaid and Medicaid populations. The performance for non-Medicaid clients has already met and exceeded the FY19 target of 25 percent. However, Medicaid clients represent 80 percent of the targeted population, and the Medicaid client performance was 15.6 percent. With the addition of residential substance abuse services to the Medicaid benefit package effective January 2019, HSD anticipates there will be notable service improvements.

The percent of individuals discharged from inpatient services who received follow-up services after seven days decreased to 39 percent, and missed the FY19 target of 50 percent. HSD initiated a new performance measure in the Centennial Care contract in 2017 and 2018 that tracks follow-up within seven days after release from inpatient psychiatric hospitals stays of four or more days for two groups: 6 to 18 year-olds, and 18 years and over. The 2017 performance improved for both youth and adults by 11 percent and 12 percent, respectively. This measure will continue to be a tracking measure in the 2019 Centennial Care contract.

HSD reports in FY18, 1,256 youth on probation were served with behavioral health services across Medicaid and non-Medicaid resources, representing a 3.4 percent decrease from FY17, and below the FY18 target of 62 percent. However, HSD notes the trend of numbers of juveniles on probation in New Mexico is decreasing overall.

Medicaid's Centennial Care 2.0 will begin waiving the Institutions of Mental Diseases (IMD) exclusion prohibiting Medicaid reimbursement for private and state-run hospitals that provide inpatient psychiatric services. This will provide additional revenue opportunities for Department of Health and other facilities.

Budget: $59,653.7 **FTE:** 44

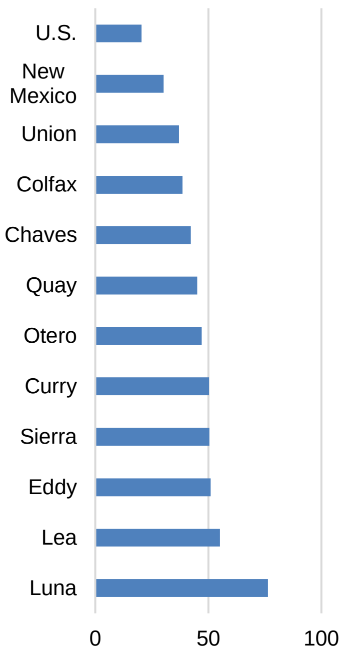
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Adults diagnosed with major depression who received continuous treatment with an antidepressant medication	35%	30%	N/A*	No Report	No Report		Y
Individuals discharged from inpatient facilities who receive follow-up services at seven days	43%	45%	50%	41%	39%		R
Individuals discharged from inpatient facilities who receive follow-up services at thirty days	64%	65%	70%	59%	60%		R
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	7%	6%	5%	7%	5.8%		Y
Suicides among fifteen to nineteen year olds served by the behavioral health collaborative and Medicaid programs	0	No Report	N/A*	No Report	No Report		Y
Program Rating							Y

*HSD declined to report data on these measures but the measures are included to provide baseline data.

ACTION PLAN

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

Births to Teens Ages 15-19 per 1,000 Girls, 2015-2017



Source: NM IBIS

Department of Health

The department recently undertook several initiatives which could lead to improvements for some of the department's most important services, such as adjusting compensation for most direct-care staff by almost 25 percent to improve salary competitiveness at the facilities and submitting a request to the federal government for a 2 percent across the board rate adjustment for developmental disabilities waiver service providers. Meanwhile the Legislature is considering provisions to allow for further compensation adjustments in the facilities and rate adjustments for Family, Infant, Toddler program providers. Additionally, improving billing for department programs and ensuring the facilities are prepared to leverage new Medicaid Centennial Care 2.0 provisions for behavioral health and substance use disorders will go a long way to ensure department driven initiatives are fully funded.

	New Mexico Health Indicators	2015	2016	2017	US 2017
1	Drug overdose death rate per 100,000 population*	25	25	25	22
2	Births to teens aged 15-19 per 1,000 females aged 15-19*	34.2	29.4	27.6	19
3	Alcohol-related death rate per 100,000 population**	66	66	67	32
4	Fall-related death rate per 100,000 adults aged 65 years or older*	104	92	88	61
5	Heart disease and stroke death rate per 100,000 population**	188	196	198	
6	Suicide rate per 100,000 population*	23	22	23	14
7	Pneumonia and Influenza death rate per 100,000 population**	13.0	14.0	13.5	13.5
8	Diabetes hospitalization rate per 1,000 people with diagnosed diabetes**	184	162	162	
9	Third grade children who are considered obese**	19%	19%	20%	
10	Adults who are considered obese	30%	29%	28%	32%
11	Adolescents who smoke	11%	No Data	10.6%	9%
12	Adults who smoke**	17%	17%	17.5%	17%

*Indicates areas of greatest concern.
** Indicates national measures lagging behind state data.
Several U.S. measures for 2017 are not yet reported

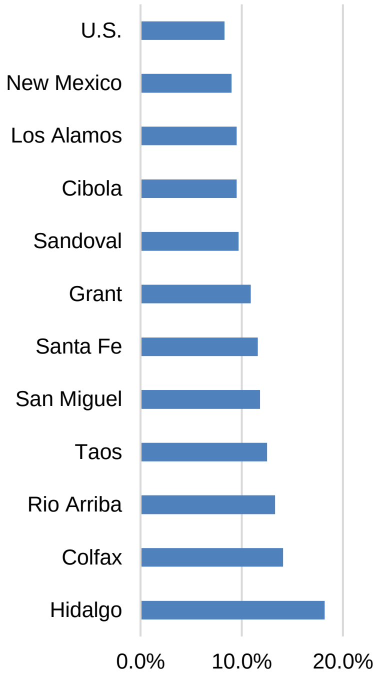
Source: DOH

Public Health

Early Childhood Health Indicators	Infant Mortality	Low Birthweight	Immunization Rate	Early Access to Prenatal Care
	2016	2016	2016	2016
	6.2	**9%**	**68.5%**	**63%**
	Per 1,000 children	2,331 children		24,503 children
	U.S. - 5.9 (2016)	U.S. - 8.2% (2016)	U.S. - 71% (2016)	U.S. -77% (2016)
	Worse	**Worse**	**Worse**	**Worse**
	2015 5.1	2015 8.70%	2015 70%	2015 66%
	Source: CDC	Source: DOH	Source: DOH	Source: DOH

Improving the health of mothers, infants, and children is an important goal because it determines the wellbeing of the next generation and predicts future health challenges for our communities. Maternal and child health is influenced by a variety of factors, all centered on a mother and her child's access to care. As seen in the table above, the state performed worse in 2016 on several important early childhood indicators including infant mortality, low birthweight, and access to prenatal care.

Low Birthweight Babies, by County 2015-2017



Source: NM IBIS

Budget: $175,593.3 **FTE:** 820.5

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Participants in the National Diabetes Prevention Program referred by a health care provider through the agency-sponsored referral system	70%	0%	50%		Annual		
Children in Healthy Kids, Healthy Communities with increased opportunities for healthy eating in public elementary schools	89%	90%	65%		Annual		
High school youth trained in the Evolvement youth engagement program to implement tobacco projects in their school or community	356	402	350	138	116		G
QUIT NOW enrollees who successfully quit using tobacco at 7-month follow-up	32%	30%	30%	32%	29%		Y
New Mexico adult cigarette smokers who access DOH cessation services	2.8%	2.8%	3%	0.6%	0.6%		Y
Teens who successfully complete teen outreach programming	345	325	350	320 enrolled	368 enrolled		G
Female clients ages 15-19 seen in DOH public health office who are provided most or moderately effective contraceptives	64%	61%	62%	84%	79%		G
Preschoolers (19-35 months) fully immunized	71.9%	61.8%	65.0%		Annual		
Number of successful overdose reversals per client enrolled in the DOH Harm Reduction Program	New	New	0.25		Annual		
Program Rating	G	G					Y

In 2016, there were

1,456

Alcohol related deaths in New Mexico

This equates to an average of **FOUR** people dying **EVERY DAY**.

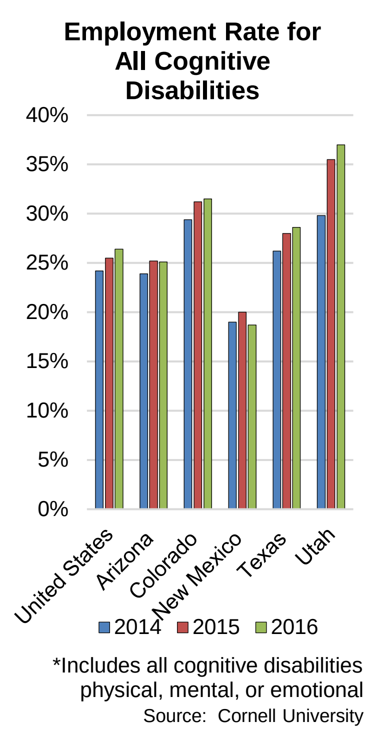
Epidemiology and Response

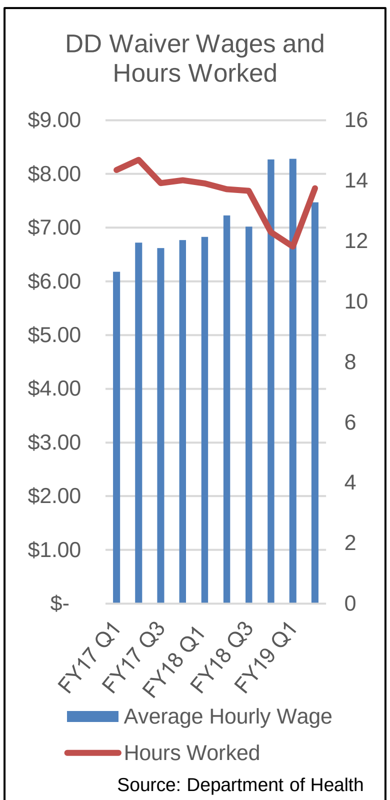
There is considerable unmet need for substance use disorder services and treatment. For example, New Mexico ranked 17th among states for the drug overdose death rate in 2017 and has some of the poorest substance outcomes in the country. The alcohol-related death rate is trending upward, increasing 35 percent between 2010 and 2017, and since 1981 the state ranked 1st, 2nd, or 3rd in the U.S. with rates double the national average.

Budget: $27,106.5 **FTE:** 191

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Retail pharmacies that dispense naloxone	34%	73%	67%	63%	60%		Y
Community members trained in evidence-based suicide prevention practices	52	65	70	75	61		G
Opioid patients also prescribed benzodiazepines*	14%	13%	10%	13%	No Data		Y
Program Rating	G	Y					Y

*Results data lag by one quarter





Health Facilities

Through new Centennial Care 2.0 Medicaid waiver changes New Mexico recently received approval to use Medicaid funding for many adult inpatient behavioral health service lines. These changes could result in significant savings to the general fund. Turquoise Lodge Hospital is moving towards being able to leverage more Medicaid funding and is also moving the hospital from its county-leased space in Bernalillo County to leased space at the Gibson Medical Center in Albuquerque while administrators plan for the design and construction of a new facility. Administrators say the move to the leased space will increase patient revenues because soon after the move, the hospital will receive Joint Commission accreditation status to leverage the IMD exclusion. The hospital will also increase capacity from 32 beds to 40 beds and will increase space for additional intensive outpatient treatment tracks. The Legislature is considering General Appropriations Act language requiring the department to study how to use the new funding and report to the Legislature and Governor.

Budget: $127,817 **FTE:** 1,793

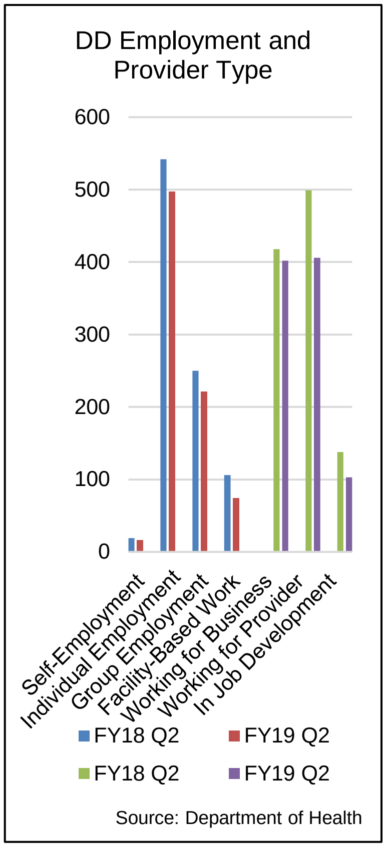
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Priority request for treatment clients admitted to Turquoise Lodge Hospital	43%	59%	50%	60%	60%		G
Turquoise Lodge Hospital detox occupancy rate	85%	86%	85%	88%	84%		G
Long-term care patients experiencing one or more falls with major injury	Not Reported	3.9%	0.5%	4.9%	3.9%		R
Eligible third-party revenue collected at all agency facilities	93%	88%	93%	72%	85%		Y
Number of significant medication errors per 100 patients	New	New	2	0.4	1		G
Residents successfully discharged	New	New	80%	76%	69%		Y
Program Rating	Y	Y					Y

Developmental Disabilities Support

A recent LFC evaluation of the Developmental Disabilities (DD) and Mi Via Medicaid waivers prompted discussion of whether the state should begin reforming the two waivers for providing services to people with developmental disabilities. Key recommendations included instituting the Community First Choice option to leverage a greater Medicaid match rate for people on the waiver waiting list and working to improve cost containment following several years of litigation. The Legislature is considering a $1.5 million appropriation to the department to develop a new supports waiver for people on the waiting list to access these services.

The report recommended working towards improved cost-containment by implementing a standardized, validated, and evidence-based assessment and allocation tool to determine appropriate levels of services. Several years ago, the department ended its use of an evidence-based tool after it was sued. However, the lawsuit settlement did not require the department to stop using the tool. The department should consider either reinstituting the tool or finding another evidence-based tool to determine appropriate service levels and types. The report also recommended monitoring budget allocation trends over time to determine the need for increased oversight and validation of client budgets.

PERFORMANCE REPORT CARD
Department of Health
Second Quarter, Fiscal Year 2019



Familiy, Infant, Toddler Program (FIT)	Percent of Children With Substantially Increased Rate of Growth Upon Exiting FIT in:		
	Positive social-emotional skills (including social relationships)	**Acquisition and use of knowledge and skills (including early language/ communication)**	**Use of appropriate behaviors to meet their needs**
	2016	2016	2016
	72.1%	**74.0%**	**73.4%**
	1,609 Children	1,792 Children	1,757 Children
	Better	**Better**	**Same**
	2015 70.2%	2015 72.6%	2015 73.7%

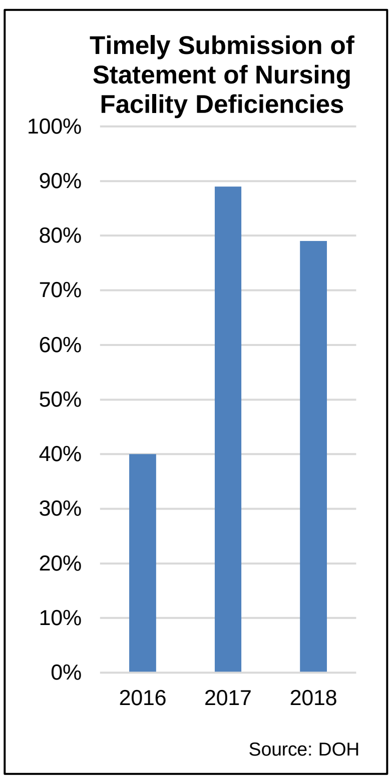
Source: GRADS

Budget: $420,368.7 **FTE:** 189

Measure	**FY17 Actual**	**FY18 Actual**	**FY19 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Individuals receiving developmental disabilities waiver services*	4,574	4,618	N/A	4,561	4,596		
Individuals on the developmental disabilities waiver waiting list* **	4,234	4,834	N/A	4,934	4,987		
Developmental disabilities waiver applicants who have a service plan in place within 90 days of income and clinical eligibility	92%	73%	90%	83%	87.5%		Y
Adults receiving community inclusion services through the DD Waiver who receive employment services	36%	30%	35%	28%	28%		R
Program Rating	Y	Y					R

*Measures are classified as explanatory and do not have a target.
** For FY19 the department and LFC agreed to change the way this measure is reported and will no longer report the total number of individuals on the central registry. The wait list result will now include only those determined eligible for services.

Health Certification, Licensing, and Oversight



The purpose of the health certification, licensing and oversight program is to provide health facility licensing and certification surveys, community-based oversight and contract compliance surveys and a statewide incident management system so that people in New Mexico have access to quality health care and that vulnerable populations are safe from abuse, neglect, and exploitation. There currently is no quarterly performance data provided by the program. One measure the program provided was on the timely submission of the statement of deficiencies to the surveyed entity. Timely submission allows nursing facilities to start making corrections and get back into regulatory compliance. Additionally, in FY18 the Incident Management Bureau processed 2,256 reports and conducted 955 investigations.

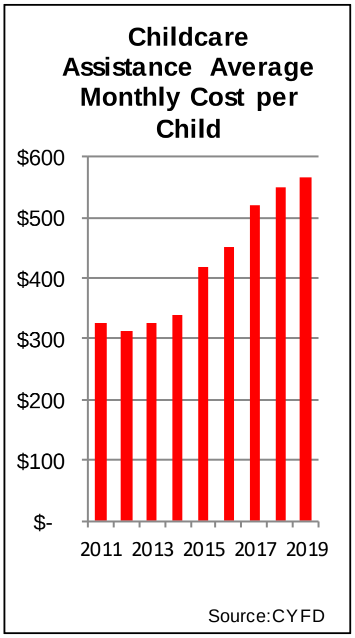
Budget: $13,798.5 **FTE:** 171

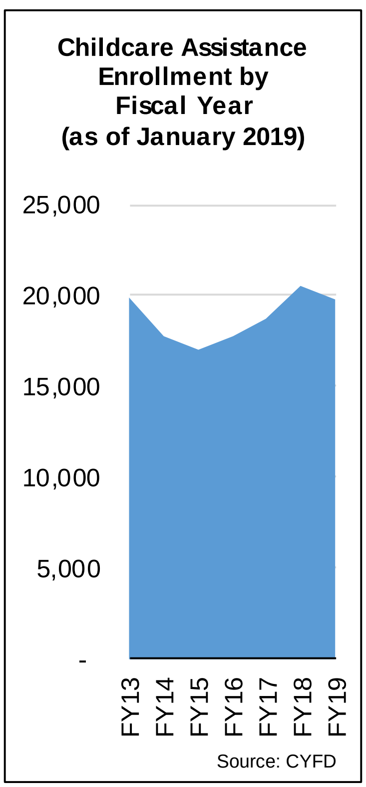
Measure	**FY17 Actual**	**FY18 Actual**	**FY19 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Abuse Rate for Developmental Disability Waiver and Mi Via Waiver clients	7%	7%	8%		Annual		
Re-Abuse rate (within 12 months- same person) for Developmental Disability Waiver and Mi Via Waiver clients	18%	6%	16%		Annual		
Percentage of long-stay nursing home residents receiving psychoactive drugs without evidence of psychotic or related condition*	New	16%	N/A		Annual		
Program Rating	Y	Y					Y

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

ACTION PLAN

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





Children, Youth and Families Department

The Early Childhood Services and Juvenile Justice Services programs met a majority of targeted performance outcomes, but the Protective Services Program continues to struggle. The turnover rate in the Protective Services Program increased above previous fiscal years; however, average caseloads remained relatively stable.

Early Childhood Services

The Early Childhood Services Program met a majority of performance targets in the second quarter of FY19. More childcare providers and children in care are participating in programs with the highest levels of quality resulting in continued increases for per child costs. Enrollment in childcare assistance is declining slightly while spending continues to rise.

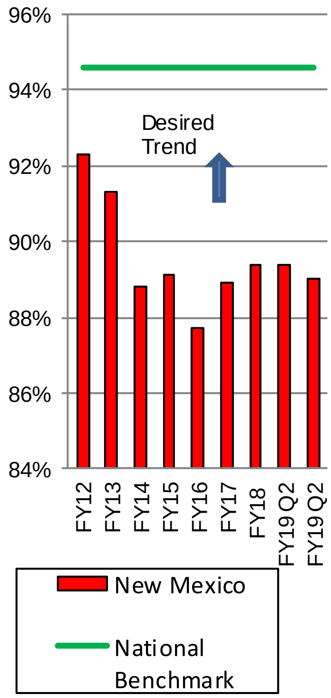
Budget: $255,804.4 **FTE:** 186.5

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Children receiving subsidy in high- quality programs	New	59.9%	53%	67.5%	66.4%		G
Licensed childcare providers participating in high-quality programs	New	38.2%	35%	39.9%	40.5%		G
Parents who demonstrate progress in practicing positive parent-child interactions	44%	45%	40%	45.1%	44.6%		G
Children receiving state childcare subsidy, excluding child protective services childcare, who have one or more protective services-substantiated abuse or neglect referrals	1.2%	1.2%	1.3%	0.5%	0.7%		G
Families receiving home-visiting services that have one or more protective- services-substantiated abuse or neglect referrals	New	1.9%	5%	0.3%	0.9%		G
Children in state-funded pre-kindergarten showing measurable progress on the preschool readiness for kindergarten tool	91%	94.9%	93%	Reported Annually			
Program Rating							G

Protective Services

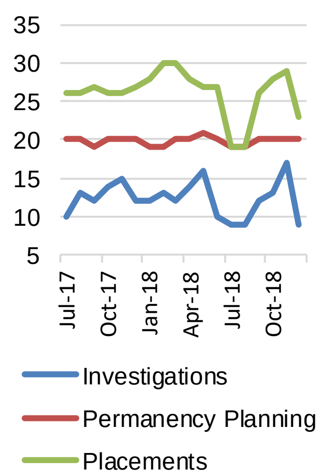
The Protective Services Program failed to meet a majority of targeted performance. Turnover rates were nearly 30 percent, resulting in workforce instability. The counties with the highest turnover rate in December include Sandoval, Bernalillo, and Lea. Counties with the highest repeat maltreatment rates include McKinley, Curry, Grant, Catron, Taos and Cibola.

Children not the Subject of Substantiated Maltreatment within Six Months of a Prior Determination of Substantiated Maltreatment



Source: CYFD/ NCANDS
*National Benchmark

Protective Services Average Caseloads



Budget: $152,767.6 **FTE:** 944

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Children who are not the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment	88.9%	89.4%	93%	89.4%	89.0%		R
Children who have another substantiated or indicated maltreatment report within 12 months of their initial report*	14.7%	14.7%	N/A	14.6%	14.2%		
Of children in foster care for more than eight days, percent of children who achieve permanency within 12 months of entry into foster care.	30.6%	28.5%	42%	27.6%	28.3%		R
Maltreatment victimizations in foster care	8.2	16.4	8	17.7	14.7		R
Children in foster care who have at least one monthly visit with their caseworker*	94.8%	94.8%	N/A	94.2%	92.4%		
Clients receiving domestic violence services with a personalized safety plan	91%	89.5%	90%	96.7%	81.4%		R
Turnover rate for protective services workers	25%	26.3%	20%	28.1%	28.2%		R
Program Rating							R

* Measures are classified as explanatory and do not have targets.

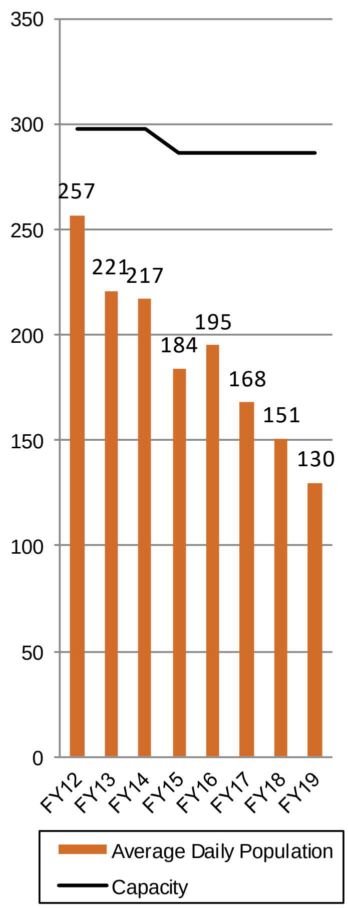
Juvenile Justice Services

Clients completing terms of supervised release and turnover rates fell further below targeted performance, but still out performed the previous fiscal year. Client-to-staff battery and physical assaults in juvenile facilities are on track to meet targeted annual performance. Recidivism rates, however, are climbing.

Budget: $72,091 **FTE:** 891.8

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Clients who successfully complete formal probation	82.7%	85.6%	85%	83.8%	85.3%		G
Substantiated complaints by clients of abuse or neglect in juvenile justice facilities	9.5%	10.7%	8%	0%	0%		G
Clients successfully completing term of supervised release	52.5%	59.3%	70%	66.7%	63.8%		R
JJS facility clients age 18 and older who enter adult corrections within two years after discharge from a JJS facility*	11%	6.9%	N/A	22.6%	27.0%		

Secure Juvenile Justice Facilities Population Census (as of February 2019)



Source: CYFD

Incidents in JJS facilities requiring use of force resulting in injury	1.7%	1.3%	1.5%	1.9%	1.7%		Y
Physical assaults in juvenile justice facilities	398	284	<300	70	120		G
Client-to-staff battery incidents	143	81	<130	25	43		G
Turnover rate for youth care specialists	20.6%	30.8%	18%	2.8%	9.1%		G
Program Rating							Y

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

Behavioral Health Services

The Behavioral Health Services (BHS) Program reported infant mental health team services continued to exceed targeted performance.

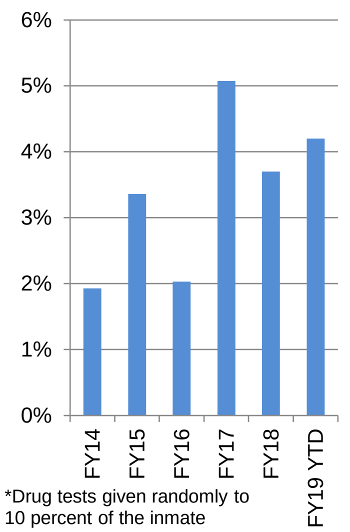
Budget: $18,244.4 **FTE:** 78.5

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Youth receiving community-based and juvenile detention center behavioral health services who perceive they are doing better in school or work because of received services	71.2%	72%	83%	Reported Annually			
Infants served by infant mental health programs who have not had re-referrals to the Protective Services program	90%	91%	92%	100%	100%		G
Program Rating							G

ACTION PLAN

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

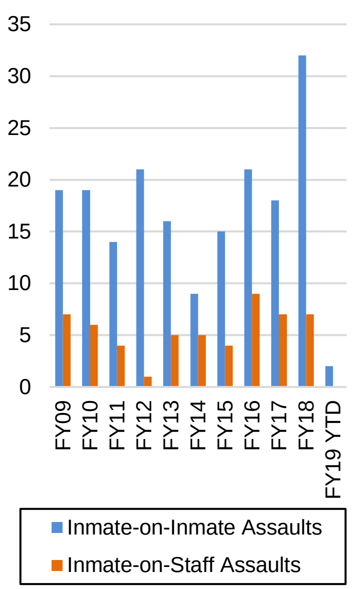
Positive Random Monthly Drug Tests*



*Drug tests given randomly to 10 percent of the inmate

Source: Corrections Department

Violence in Prisons



Source: LFC files

New Mexico Corrections Department

The inmate population housed at the New Mexico Corrections Department (NMCD) fell 0.3 percent in FY18 compared with FY17. However, the inmate population has increased over the last decade, largely driven by technical parole revocations related to substance use. An LFC program evaluation released in October estimated technical revocations cost the state $40 million in FY17. Recidivism rates have remained near 50 percent over the last decade and were 52 percent in the second quarter of FY19. These rates show the importance of developing graduated sanctioning steps for parolees to reduce revocations to prison and providing evidence-based programming within prisons.

The Legislature included 8.5 percent pay increases for correctional officers and probation and parole officers in FY19 after recognizing continued critical vacancy rates and increasing violence within prisons. However, vacancy rates among correctional and probation and parole officers have risen over the first half of the fiscal year. NMCD explains vacancy rates have risen due to retirements throughout the end of the year and losses to more highly paid federal jobs.

Inmate Management and Control

The percent of inmates held in prison past their release date has improved since FY13 when 23 percent of women and 19 percent of men remained detained. However, release-eligible rates have remained around 9 percent of the total inmate population for the last three fiscal years, mostly due to the lack of transitional housing opportunities and parole programs. Rates of inmate-on-inmate and inmate-on-staff assaults are low compared with previous year actuals; NMCD credits the improvement to more effective evaluation of violent behavior by the Predatory Behavior Management team and a focus on rehabilitation and other programs to divert violent behavior.

Budget: $280,666.5 **FTE:** 1,870

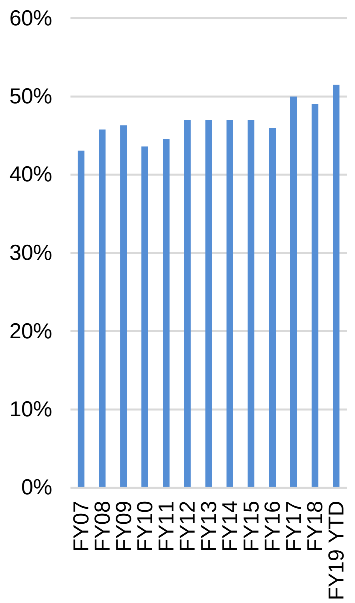
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Inmate-on-inmate assaults with serious injury	15	32	10	1	1		G
Inmate-on-staff assaults with serious injury	6	7	4	0	0		G
Prisoners reincarcerated within thirty-six months	50%	49%	40%	51%	52%		R
Participating inmates who have completed adult basic education*	62%	64%	N/A	67%	78%		
Release eligible female inmates still incarcerated past their scheduled release date	8%	9%	5%	9%	9%		R
Release eligible male inmates still incarcerated past their scheduled release date	9%	9%	5%	10%	10%		R
Residential drug abuse program graduates reincarcerated within thirty-six months of release*	No report	18%	N/A	46%	22%		
Random monthly drug tests administered to at least 10 percent of the inmate population testing positive for drug use*	5.1%	3.7%	N/A	4.8%	3.6%		
Vacancy rate of public correctional officers	24%	22%	15%	24%	25%		R
Program Rating	Y	Y					Y

*Measures are classified as explanatory and do not have targets.

Community Offender Management

The average standard caseload per probation and parole officer increased to 118 cases per officer from 114 per officer in the first quarter, reflecting a spike in vacancy rates among probation and parole officers. Probation and parole officers received an 8.5 percent pay increase effective July 1, 2018; it remains to be seen if the improved pay will affect vacancy rates. Notably, the three-year recidivism rate of male offenders after graduation from the recovery academy is increasing compared with previous years.

Corrections Department Recidivism Rates



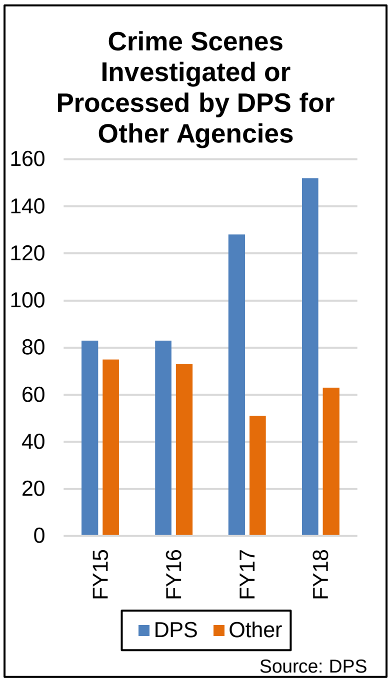
Source: LFC files

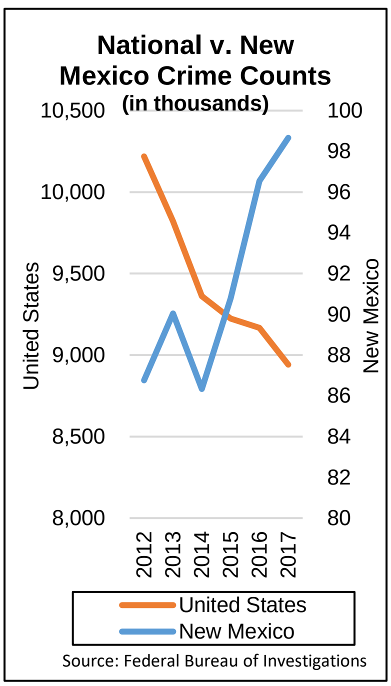
Budget: $34,773 **FTE:** 376

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Contacts per month made with high risk offenders in the community	96%	99%	95%	100%	99%		G
Average standard caseload per probation and parole officer	113	114	100	114	118		R
Male offenders who graduated from the men's recovery center and are reincarcerated within thirty-six months	25%	21%	21%	31%	34%		R
Female offenders who graduated from the women's recovery center and are reincarcerated within thirty-six months	New	21%	18%	17%	15%		G
Absconders apprehended	28%	29%	32%	34%	31%		G
Vacancy rate of probation and parole officers	17%	18%	15%	19%	24%		R
Program Rating	Y	Y					Y

ACTION PLAN

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





Department of Public Safety

The Department of Public Safety (DPS) is the primary law enforcement in many areas of the state, conducting crime scene investigations, special operations like bomb dismantlement, and traffic enforcement. DPS frequently assists other agencies with special services free of charge, including officer-involved shooting investigations, crime scene investigations, crash reconstruction, air support, and tactical missions.

To help combat crime rates, DPS has joint operations to more effectively utilize manpower and resources. For example, the department formed the Auto Theft Suppression Unit with the Albuquerque Police Department which recovered 102 stolen vehicles and resulted in 121 felony arrests in FY18. A 2018 LFC program evaluation of Bernalillo County identified proactive traffic stops and collaborative efforts as effective methods of crime prevention.

Law Enforcement

Commercial motor vehicle inspections are on track to surpass FY17 and FY18 annual figures as a result of the department focusing on areas data shown to be high crime and high crash. Additionally, DPS is training state police patrol officers on advanced enforcement, including commercial motor vehicle safety, positively impacting highway safety.

Budget: $124,387.4 **FTE:** 1,084.2

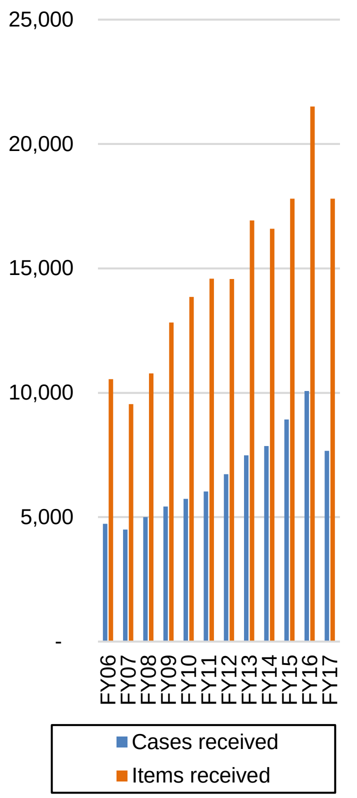
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Data-driven traffic-related enforcement projects held	New	1,926	1,700	816	1,030		G
Driving-while-intoxicated saturation patrols conducted	New	3,184	975	656	999		G
Commercial motor vehicle safety inspections conducted	96,802	88,078	70,000	26,645	22,694		G
Driving-while-intoxicated arrests	2,931	2,574	2,250	431	544		Y
Program Rating	G	G					G

Statewide Law Enforcement Support

DPS surpassed targets for forensic firearm/toolmark and biology/DNA cases but missed targets for latent fingerprint and chemistry cases as the department struggles with a 22 percent vacancy rate. DPS had greater than 100 percent case completion rates in latent print cases because scientists completed backlogged cases in addition to cases received this quarter. High turnover rates increase the number of nonproductive hours while the training of forensic scientists can take one to two years before they become fully productive.

New Mexico law enforcement agencies reported 1,133 rape kits eligible for DPS laboratory testing in 2015. The backlog was completed in June 2018. Since hiring a Sexual Assault Kit Inventory coordinator in May 2017, an additional 256 kits have been

Forensic Laboratory Workload FY06-FY17



Source: Department of Public Safety

identified across the state. DPS has received and completed testing of 1,389 kits as of March 4, 2019; three cases are pending. The department continues to ensure that all backlogged kits have been submitted to the department for testing before officially marking the backlog cleared. 440 of the kits were eligible for entry into federal criminal databases and 175 of those kits resulted in a "hit," meaning the evidence in an unsolved case matched the DNA profile from a convicted offender or an arrestee.

Department of Public Safety
FY19 Q2 Forensic Cases Received and Completed

Case Type	Cases received	Case completed	Completion rate	Backlog
Firearm and Toolmark	248	113	46%	135
Latent Fingerprint	146	216	148%	-
Chemistry	1,261	843	67%	418
Biology and DNA	560	506	90%	54

Source: Department of Public Safety

Budget: $21,432.4 **FTE:** 164

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Forensic firearm/toolmark cases completed (255 cases)	NEW	96%	90%	97%	46%		G
Forensic latent fingerprint cases completed (150 cases)	NEW	105%	90%	89%	148%		Y
Forensic chemistry cases completed (710 cases)	NEW	91%	90%	59%	67%		Y
Forensic biology and DNA cases completed (615 cases)	NEW	116%	65%	130%	90%		G
Program Rating	**N/A**	G					G

ACTION PLAN

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

Additional measures suggested for the judiciary:

- Appearance rate: percentage of supervised defendants who make all scheduled court appearances.
- Reoffenders: number (or percentage) of supervised defendants who are not charged with a new offense during the pretrial stage.
- Concurrence rate: ratio of defendants whose supervision level or detention status corresponds with assessed risk.
- Release Success rate: percentage of released defendants who don't violate conditions of their release, appear for all scheduled court appearances, and are not charged with a new offense during pretrial supervision.
- Pretrial detainee length of stay: average length of stay in jail for pretrial detainees who are eligible by statute for pretrial release.

Courts and Justice

Beginning in FY18, all justice partners began reporting quarterly. Since the district attorneys and the Public Defender Department joined the Administrative Office of the Courts in the new, comprehensive report card format, the unequal reporting of data across the criminal justice system has become apparent. The courts have transitioned many measures to semi-annual reporting, reducing their reliability and value. District attorneys have improved reliability of reporting, but lack critical performance measurements. The Public Defender Department has improved dramatically in the last year, and now reports a comprehensive suite of measures on a quarterly basis. In response to legislative interest, the judiciary has formed a performance measures committee to improve measures for the courts.

COURTS

Administrative Support

The new jury management tool, implemented by the Administrative Office of the Courts in FY18, provided substantial improvements in average juror costs, outperforming the target. The courts realized further cost savings due to the passage of House Bill 385 during the 2017 regular legislative session, which limited travel reimbursements to jurors traveling more than 40 miles. Savings allowed for juror pay to be restored to the statutory requirement. Despite the progress made for jurors, average interpreter cost per session remained above the target for FY18, and has continued to rise in Q2 of FY19.

Budget: $14,128.5 **FTE:** 49.8

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Average cost per juror	$67.44	$59.72	$50.00	$44.65	$41.07		G
Number of jury trials*	NEW	NEW	N/A	902	230		
District*	NEW	NEW	N/A	650	149		
Magistrate*	NEW	NEW	N/A	181	71		
Metropolitan*	NEW	NEW	N/A	71	10		
Average interpreter cost per session	NEW	$152.50	$100.00	$154.74	$168.32		R
Program Rating							Y

*Measures are classified as explanatory and do not have targets.

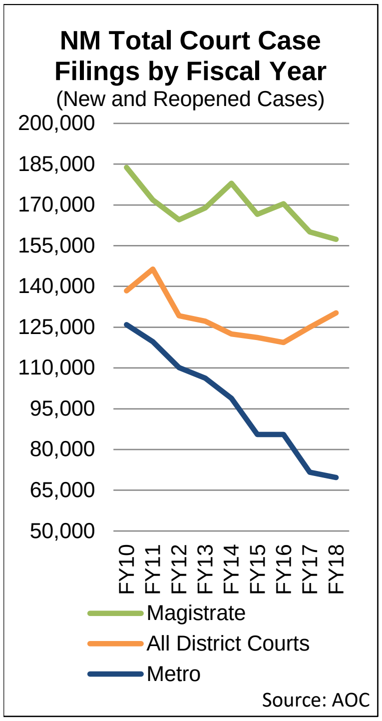
Special Court Services

In FY18, the courts implemented new quarterly measures to better measure the efforts of drug courts. Data collection and reporting proved to be a challenge and measures will only be reported semiannually for FY19. Semiannual measures for the second quarter were not reported by the courts by the deadline. There is significant concern about the courts' ability to meet reporting requirements with meaningful measures. In FY18, drug courts experienced a continuing trend of lower graduation rates and higher recidivism, although still significantly lower than the FY18 average recidivism rate of 49 percent for those incarcerated in state prison. The declining number of participants in specialty courts remains a concern despite its exclusion from quarterly reporting.

Program Rating R

Statewide Judiciary Automation

Complications with the Odyssey case management system and the associated increased workload caused times per service call to more than double in FY17 and remain high through FY18. The new system incorporates all call types regardless of difficulty and measures time to resolve calls from several minutes to weeks. LFC staff recommends more appropriate performance measures for FY20, including those that measure core functions of development, enhancement, and maintenance for court automation.



Budget: $9,747 **FTE:** 53.5

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Average time to resolve calls for assistance, in hours	80	667	10	60	47		R
Program Rating							R

Magistrate Court

Magistrate court case filings have declined similar to district and metropolitan courts. Reporting by the Administrative Office of the Courts was incomplete for Q1 of FY19. There is significant concern about the courts' ability to meet reporting requirements with meaningful measures.

Budget: $33,465.3 **FTE:** 344.5

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Number of active cases pending*	NEW	17,794	N/A	No Report	26,876		
Cases disposed as a percentage of cases filed	101%	100%	100%	137%	102%		G
Program Rating							Y

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

DISTRICT ATTORNEYS

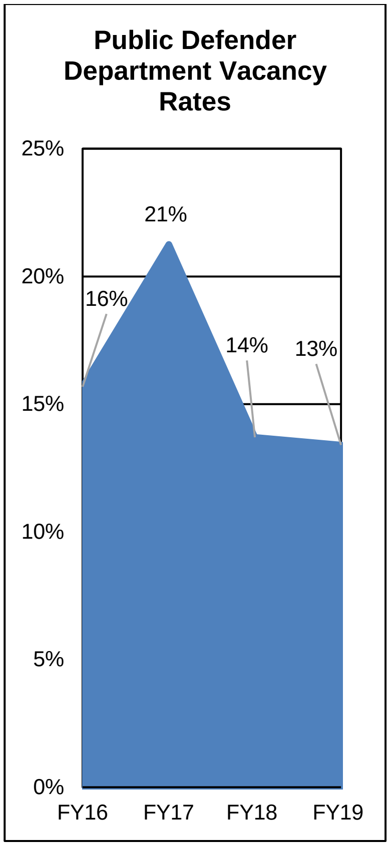
For FY19, falling case referrals and preliminary police data suggest a falling crime rate in New Mexico for the first time since 2010. Since case referrals are not directly tied to performance, the executive and LFC have proposed new measures for FY20. Responding to legislative interest, the district attorneys submitted a unified priorities budget request for FY20.

Additional measures suggested for the district attorneys:

- Detention motion success rate: proportion of pretrial detention motions granted.
- Detention motion rate: proportion of defendants who are motioned for detention.
- Detention motions: number of detention motions made.
- Conviction rate: proportion of cases that result in conviction of those that make it to trial.
- Alternative sentencing treatment: proportion of cases which are identified as eligible for alternative sentencing treatment.
- Alternative sentencing treatment offers: proportion of cases which are diverted to alternative sentencing treatment.

Budget: $73,059.8 **FTE:** 954

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Number of Cases Referred for Screening*	75,523	73,256	N/A	19,918	17,510		
1st District*	6,874	6,353	N/A	1,578	1,398		
2nd District*	24,376	23,193	N/A	6,644	6,101		
3rd District*	5,760	5,688	N/A	1,306	1,417		
4th District*	2,181	1,888	N/A	5,31	410		
5th District*	7,794	7,748	N/A	1,813	1,849		
6th District*	2,879	2,839	N/A	669	601		
7th District*	1,955	2,161	N/A	551	491		
8th District*	2,152	2,080	N/A	749	531		
9th District*	3,451	3,217	N/A	814	713		
10th District*	914	838	N/A	243	226		
11th District Div. I*	4,592	5,164	N/A	1,359	1,278		
11th District Div. II*	2,562	2,542	N/A	743	543		



Source: PDD

12th District*	4,089	3,831	N/A	732	677		
13th District*	5,944	5,714	N/A	1,386	1,275		
Average Attorney Caseload	315	275	70	78	69		G
1st District	255	244	66	66	55		G
2nd District	264	239	65	65	59		G
3rd District	349	335	97	97	105		R
4th District	312	260	106	106	82		R
5th District	346	333	79	79	73		Y
6th District	318	291	70	70	71		Y
7th District	206	234	73	73	58		G
8th District	358	303	68	68	76		Y
9th District	363	314	71	71	62		G
10th District	366	335	97	97	90		R
11th District Div. I	328	339	85	85	71		Y
11th District Div. II	394	370	99	99	64		G
12th District	315	356	73	73	64		G
13th District	233	231	48	48	43		G
Program Rating							Y

*Measures are classified as explanatory and do not have targets.

PUBLIC DEFENDER

Competition in the legal field led the Public Defender Department to reassign a significant number of in-house and contractor cases. Three in-house attorneys and approximately twenty contract attorneys were lost to district attorney offices, state agencies, and judgeships, or left their existing contracts for higher pay, according to the department. The unexpected loss of attorneys in the last quarter diluted resources and is partially responsible for performance deteriorating, especially for contract attorneys.

Budget: $52,129.7 **FTE:** 439

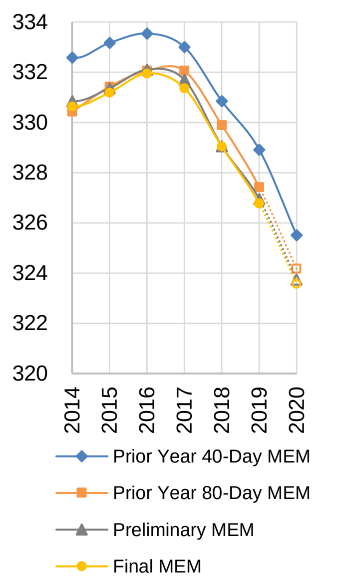
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	NEW	75%	70%	81%	71%		G
In-house attorneys	NEW	83%	70%	84%	86%		G
Contract attorneys	NEW	43%	70%	71%	25%		R
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	NEW	11,584	5,000	2,446	2,579		G
In-house attorneys	NEW	10,130	4,000	2,134	2,338		G
Contract attorneys	NEW	1,454	1,000	312	241		G
Cases assigned to contract attorneys*	NEW	31%	N/A	29%	32%		
Cases assigned per in-house attorneys	312	302	330	76	61		G
Average time to disposition for felonies, in days*	NEW	261	N/A	283	213		
In-house attorneys*	169	256	N/A	275	183		
Contract attorneys*	256	274	N/A	290	244		
Cases opened by the Public Defender Department *	NEW	45,237	N/A	14,456	13,811		
In-house attorneys*	NEW	31,660	N/A	10,079	9,262		
Contract attorneys*	NEW	13,577	N/A	4,377	4,549		
Program Rating							G

*Measures are classified as explanatory and do not have targets.

ACTION PLAN

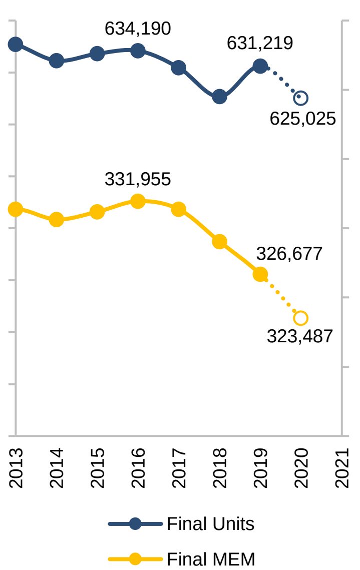
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Membership (MEM) Trends and Projections
(in thousands)



Note: Dotted lines are projected figures.
Source: PED and LFC Files

Membership (MEM) and Unit Trends



Note: The increase of units in 2019 is attributable to at-risk index changes.
Dotted lines are projected figures.
Source: PED and LFC Files

Public Education Department

Sufficiency Lawsuit

On December 20, 2018, the 1st Judicial District Court filed a 608-page report documenting the court's findings of fact and conclusions of law and order regarding the consolidated *Yazzie v. New Mexico* and *Martinez v. New Mexico* education sufficiency lawsuit. The findings largely mirrored the court's preliminary judgment filed five months prior. On February 14, 2019, the court issued a final judgment and order, which declared that New Mexico violated the due process, equal protection, and education clauses of the state constitution and found programs for at-risk students, funding for districts, and Public Education Department (PED) oversight functions were insufficient.

The court enjoined the state to take immediate steps by April 15, 2019, to ensure New Mexico schools had the resources necessary to provide at-risk students with educational opportunities that would prepare them for college and career. Specifically, the order noted that "as soon as practicable every public school in New Mexico would have the resources, including instructional materials, properly trained staff, and curricular offerings, necessary for providing the opportunity for a sufficient education for all at-risk students" and the state could not "conserve financial resources at the expense of…constitutional resources." The order further required "a system of accountability to measure whether the programs and services actually provide the opportunity for a sound basic education and to assure that the local districts are spending the funds provided in a way that efficiently and effectively meets the needs of at-risk students."

Funding Formula

On January 30, 2019, PED established the final FY19 unit value at $4,190.85, a $31.62, or 0.76 percent, increase from the preliminary unit value of $4,159.23. The change resulted in distribution of an additional $20 million in formula funding to schools around the state. The conservative adjustment is in response to projected weaknesses in forecasted general fund revenue.

According to PED membership (MEM) counts, the state experienced an overall decline of 3,414 students between the first reporting dates of 2017 and 2018. Generally, the first reporting date is a good predictor of the second and third reporting dates, which determine final program units for the following fiscal year. Legislative staff projections suggest statewide MEM will continue to decline in FY19, despite significant growth in areas of the state with highly productive extractive industries.

In the past decade, public school enrollment has shifted from rural areas to urban areas and from school districts to charter schools. The greatest declines have been in early grades, causing a ripple effect in later grades. Between FY14 and FY19, statewide kindergarten membership fell by 3,721 students, or 12 percent, and first grade membership fell by 2,600 students, or 9.6 percent. Declining enrollment may be due to lower child birth rates and fewer in-state migrations. Schools with declining enrollment, particularly smaller schools that do not adjust operational capacity, will likely face greater financial constraints as these trends continue. Further, if the state or districts authorize additional charter schools, the funding formula could generate more program units while also diluting overall funding amounts per student.

School Grade Changes

Elementary and Middle Schools

	Old	New
Math and Reading Proficiency	25%	30%
Science Proficiency		5%
Student Growth	15%	
School Growth	10%	
Improvement of High-Performing Students	20%	5%
Improvement of Mid-Performing Students		10%
Improvement of Low-Performing Students	20%	25%
English Learner Progress		10%
Student Attendance/ Chronic Absences	5%	5%
Surveys/Climate	5%	10%
Bonus Points	+5%	

High Schools

	Old	New
Math and Reading Proficiency	20%	25%
Science Proficiency		5%
Student Growth	10%	
School Growth	10%	
Improvement of High-Performing Students	10%	5%
Improvement of Mid-Performing Students		10%
Improvement of Low-Performing Students	10%	15%
English Learner Progress		5%
Student Attendance/ Chronic Absences	3%	5%
Surveys/Climate	5%	5%
4-year Graduation	8%	5%
5-year Graduation	3%	3%
6-year Graduation	2%	2%
Graduation Growth	4%	5%
College and Career Test Participation	5%	
College and Career Test Proficiency	10%	
College and Career Readiness		10%
Bonus Points	+5%	

New School Designations

New Mexico Spotlight School	>75th percentile
Traditional Support School	Top 75% of schools
Targeted Support (TSI) School	1+ category of need
Comprehensive Support (CSI) School	Bottom 5% of schools
More Rigorous Intervention (MRI)	CSI status (3 years)

Department Operations

The court decision on the *Yazzie* and *Martinez* case ruled that New Mexico failed to provide a sufficient education based on evidence of poor outputs such as low student reading and math proficiencies, disparities in performance between student groups, low high school graduation rates, and high college remediation rates. Evidence of low student academic performance was measured, in large part, with PARCC test scores.

On January 3, 2019, executive orders 2019-001 and 2019-002 directed PED to transition away from use of the PARCC test. In response, PED announced the state would use the New Mexico Standards Based Assessment of Mathematics and English Language Arts for testing students in spring 2019 and begin development of the FY20 summative assessment. According to the department, the transition assessment will follow a new test blueprint aligned to the Common Core state standards. The test will be shorter by 60 minutes to 90 minutes per subject area (reducing overall testing time by 30 percent), comparable to prior years' results, and delivered on the same testing platform.

In December, PED announced that New Mexico's high school graduation rate had climbed to 73 percent in 2018, a 2 percentage point increase from the 2017 graduation rate of 71 percent.

Budget: $11,246.6 **FTE:** 240.8 **Measures:**	**FY17 Actual**	**FY18 Actual**	**FY19 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Eligible children served in state-funded prekindergarten*	8,572	8,418	N/A	9,974	9,920		G
Eligible children served in K-3 Plus**	13,778	18,222	N/A	18,222	18,227		G
Average days to process reimbursements	18	22.8	24	25	37		R
Data validation audits of funding formula components	21	28	20	3	3		Y
Program Rating:	Y	G					Y

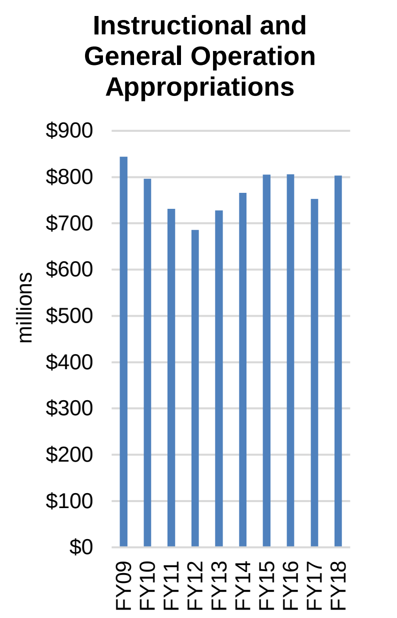
*Includes 4-year-old prekindergarten administered by the Children, Youth and Families Department. The FY19 Quarter 2 figure includes 6,732 students in PED prekindergarten and 3,227 students in extended-day programs.
**Represents participation by summer program, not fiscal year (e.g. FY17 is summer 2017). The FY18 Actual and FY19 Quarter 2 figures include 2,251 students participating in the K-5 Plus pilot.

Every Student Succeeds Act Plan

In February, PED began soliciting stakeholder feedback on changes to New Mexico's federal Every Student Succeeds Act (ESSA) plan. The changes include the replacement of the current A-F school grading system with new school dashboards and designations. The school dashboards will still include student academic growth and achievement as the majority of the summative determination and other indicators similar to the old system, such as graduation rates and student surveys. Proposed performance measures in the summative determination will include new indicators such as science proficiency, English learner progress, and chronic absenteeism. The plan also changes the school turnaround options for schools designated as needing 'more rigorous interventions (MRI).' Instead of allowing an MRI school to convert to a charter school or close under the current plan, the new ESSA plan provides only two MRI options: significant restructure and redesign or conversion to an evidence-based community school model.

ACTION PLAN

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



Core Ratios Calculated in CFI:

Primary Reserve Ratio – Indicates how long an institution could function with its expendable reserves without relying on additional net assets generated by operations. (Financial Sufficiency & Flexibility)

Net Operating Revenues Ratio – Indicates whether total operating activities resulted in a surplus or deficit therefore indicating whether an institution is living within available resources. (Operating Results)

Return on Net Assets Ratio – Determines whether an institution is financially better off than in previous years by measuring total economic return. (Asset Return and Performance)

Viability Ratio – Measures the availability of expendable net assets to cover debt should an institution need to settle its obligations as of the balance sheet date. (Debt Management)

New Mexico Higher Education Institutions

The Higher Learning Commission (HLC) is the accrediting body for New Mexico's colleges and universities. The HLC requires institutions to self-report audited financial and non-financial information on an annual basis, which is used to generate a composite financial index (CFI). The CFI for each college and university reflects the fiscal health of an institution and may be an indication of failing or improving operations. Institutions also report non-financial information, which, in the CFI report, is designed to add further definition of the financial conditions: enrollment, faculty changes, weak graduation or retention rates, etc.

The CFI score is a combination of four core financial ratios: primary reserve, net operating revenues, return on net assets, and viability. A score from three to 10 is an indication of financial operating strength, with the higher the score, the more stability. A score of less than one may trigger the HLC to request more information; a negative score may require HLC to conduct a more thorough assessment of the institution including a site visit. In FY17, New Mexico institutions ranged from a 1.6 to an 8. The unrestricted fund balance for FY17 is shown in the tables below to gauge the level of cash to operating costs each of the institutions maintain.

Research Institutions. New Mexico Institute of Mining and Technology (NM Tech) is the only research institution to maintain a CFI above the three threshold necessary to be considered in good financial health over the last five years. The University of New Mexico (UNM) declined in FY17, and given the information we currently have about the financial concerns at UNM Athletics and declining enrollment, CFI may be pointing to financial constraint on a longer-term basis. New Mexico State University (NMSU) has steadily improved its score, reflecting the reductions implemented under former Chancellor Carruthers.

Composite Financial Index
Research Universities

Institution	FY13	FY14	FY15	FY16	FY17	FY 17 Fund Balance	Fund Balance as % of expenditure
NM Tech	5.2	7.2	7.0	5.2	6.4	$ 17,793,755	**22.2%**
UNM	1.7	2.2	3.3	2.9	1.6	$ 90,710,425	**13.1%**
NMSU	2.1	2.5	1.1	1.8	2.2	$ 55,017,747	**16%**

Source: HED and Institutional Financial Reports

Comprehensive Institutions. The comprehensive institutions show general similarities in CFI ranging from 2 at New Mexico Highlands University (NMHU) to 5.6 at Northern New Mexico College (NNMC). NMHU has improved its operations and has been removed from probation for its accreditation with HLC, but given the weak fund balances, will continue efforts to limit expenses. The higher score for NNMC reflects the limitations of CFI, showing apparent strength in fiscal operations in FY17 at 5.6. However, we now know there was embezzlement by a financial officer of the college during this same time period. Eastern New Mexico University (ENMU) has remained very steady over the past five years, despite holding one of the lowest levels of fund balance compared to its peers. Western New Mexico University (WNMU), on the other hand, has the largest fund balance and has steadily improved its CFI from historical lows.

CFI Score Rubric

Performance of the composite financial index score is evaluated on a scale of -4 to 10:

- A score from 1.1 to 10 requires no Higher Learning Commission follow up.
- A CFI score of 3 is considered to be the threshold for institutional financial health.
- A score from 0 to 1 requires institution to submit additional financial documentation to HLC.
- A score from -4 to -0.1 requires an HLC financial review in which the institution submits additional financial documents including audited financials, budgets, governing board meeting minutes, interim financial statements, and core financial ratios.

Accreditation Status at Two New Mexico Institutions

Luna Community College, based on action by the Higher Learning Commission (HLC), has been placed on accreditation probation for two years. HLC will be working with Luna CC to monitor the college's actions as it relates to the original show cause order issued by HLC to the college.

New Mexico Highlands University has been removed from probation for accreditation under HLC.

Composite Financial Index
Comprehensive Institutions

Institution	FY13	FY14	FY 15	FY 16	FY17	FY 17 Fund Balance	Fund Balance as % of expenditure
ENMU	2.7	4.4	3.9	2.5	4.1	$ 7,180,303	**7.8%**
WNMU	1.4	0.8	0.9	3.0	2.9	$ 10,172,956	**21%**
NNMC	2.8	4.2	1.2	4.3	5.6	$ 2,682,575	**8.9%**
NMHU	0.9	0.5	1.8	2.4	2.0	$ 7,627,118	**4.4%**

Source: HED and Institutional Financial Reports

Community Colleges. Clovis Community College (CCC) has consistently maintained the highest CFI in the state. Mesalands Community College (MCC) has improved from FY16 and has generally maintained strong CFIs. The negative cash balance is reflective of an accounting adjustment, rather than an indication of deficit spending. Luna Community College (LCC) has declined from FY16, despite a strong cash position. However, based on more current information not reflected in the FY17 CFI, LCC has been spending its one-time cash to support recurring expenses. Luna was able to maintain accreditation after an HLC show cause order, and will remain under probation for two years. The College is currently seeking a President.

Composite Financial Index
Independent Community Colleges

Institution	FY13	FY14	FY 15	FY 16	FY17	FY17 Fund Balance	Fund Balance as % of expenditure
CCC	8.1	8.4	8.2	8.2	8.0	$ 5,271,224	**24.5%**
NMJC	5.6	5.9	5.9	4.4	5.4	$ 6,221,021	**16.4%**
MCC	5.8	5.7	4.4	3.4	6.9	$ 3,205,410	**54.4%**
LCC	3.5	3.4	3.3	7.4	5.2	$ 4,307,838	**32.5%**
SFCC	2.3	0.8	2.4	3.3	2.8	$ 2,657,231	**6.5%**
CNM	2.2	1.2	0.9	2.0	3.2	$ 27,131,750	**16%**
SJC	1.2	4.1	3.1	1.8	2.1	$ 20,414,656	**21.9%**

Source: HED and Institutional Financial Reports

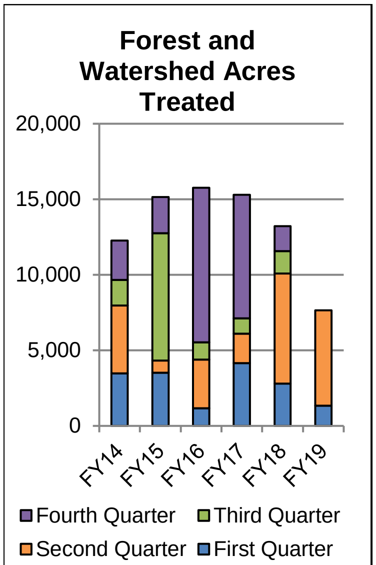
CFI is a useful guide to gain a snapshot of the financial health of colleges and universities, however, because it is based on audited financial statements the information is dated and not fully representative of the decisions or official actions of an institution. As an example, Northern NM College despite strong CFI ratings in the past two years uncovered embezzlement by its financial officer during this time period. Additionally, today we know that Luna has just emerged from an accreditation show-cause order, and will be on probation for the next two years. The CFI has been strong for Luna CC.

ACTION PLAN

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

Energy, Minerals and Natural Resources Department

In the second quarter, the Forestry Division improved in firefighters trained and forests treated, as the fire season slowed and staff returned from fire assignments. The Oil Conservation Division (OCD) continued its high pace of approving drilling permits; however, the number of violations issued has been low compared to FY18, partly from prioritizing drilling permits over inspections due to resource limitations. Other data sources, like oil, gas and produced water spills, also may suggest less than optimal agency regulatory efforts. This session, the executive has proposed a bill to allow OCD to assess industry fees, as other states are doing, to help cover the cost of its operations.



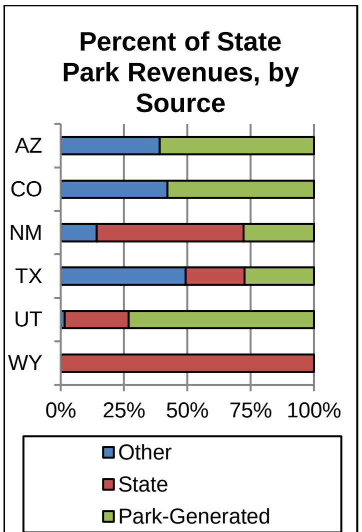
Source: EMNRD and LFC Files

Healthy Forests

Forest thinning and watershed restoration effects improved in the second quarter, reaching nearly 50 percent of the target. Due to a lack of FY18 funds for capital projects and FY19 funding projects still being established, the program reports this measure may not be met by fiscal-year-end. During FY18, the division treated over 13 thousand acres of overgrown forests so they are more resilient to fire, drought, insects and disease, however that is a small percentage of the need. For FY20, the Legislature is considering appropriating $2 million annually to a new fund administered by EMNRD to leverage funding for priority forest and watershed projects. Growth in firefighters trained is expected to improve in the third quarter, as training is completed for the 2019 fire season.

Budget: $13,458.7 **FTE:** 78

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Nonfederal wildland firefighters provided training.	1,362	1,205	1,500	59	295		Y
Acres treated in New Mexico's forest and watersheds	15,292	13,226	15,500	1,328	6,332		G
Program Rating							Y



Source: EMNRD and LFC Files

State Parks

State Park program fees for entry, camping and facilities are some of the lowest in the country and most visitation to state parks occurs in the first and fourth quarters of the fiscal year. For the second quarter, visitation declined due to the school year in session and colder weather, but the revenue impact from reduced visitation was somewhat offset by increases in per visitor revenue from fees. In addition to fewer visitors, revenue reported this quarter was also impacted by annual passes bought earlier in the season.

Budget: $26,722.0 **FTE:** 234.5

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Visitors to state parks, in millions*	4.93	4.71	N/A	1.6	0.6		Y
Self-generated revenue per visitor, in dollars*	0.88	1.06	N/A	0.86	1.13		Y
Interpretative programs available to park visitors*	1,053	860	N/A	183	135		
Program Rating							Y

*Measures are classified as explanatory and do not have targets. Ratings are based on comparison with past year performance.

Mine Reclamation

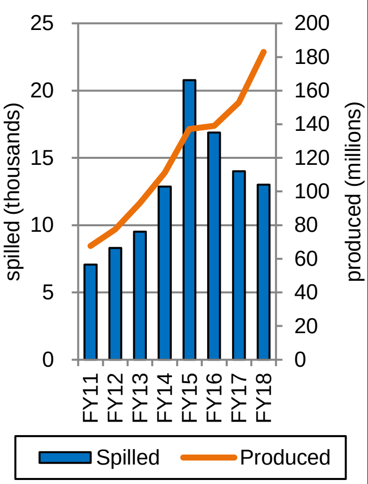
The Wall Street Journal reports three percent of natural gas extracted is flared in the Permian Basin. New Mexico flares between 50 and 100 million cubic feet per day. The Governmental Accountability Office reports 40 percent of gas lost through venting and flaring on public lands could be economically captured.

There is only one mine without enough financial assurance in place to cover reclamation costs, if needed, the Asarco Deming mill. The program has been working with the new owner to put up collateral for the project. Annually, the program reports on inspections of active mining operations. For FY18, the program reported it conducted all of the required inspections for all six coal mines and 105 inspections of the 110 regular mines.

Budget: $8,157 **FTE:** 33

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	98%	99%	98%	99%	99%		G
Program Rating							G

Barrels of Oil Spilled and Produced



Source: EMNRD and LFC Files

Oil and Gas Conservation

In FY18, the division was unable to meet the goal of 47 thousand inspections due to inspector vacancies, and violations issued declined. For the second quarter, the program issued 635 violations, which is 30 percent of what was issued in FY18. For FY19, the division lowered the inspection target, which it is now on track to meet. The division continues to process most approved drilling permits in 10 business days. The number of orphan wells plugged by the second quarter is also on track to meet a lower target; for FY20, the agency requested a flat target of 27 wells, despite plugging 41 in FY18.

Budget: $8,001 **FTE:** 66

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Inspection of oil and gas wells and associated facilities	37,648	42,800	40,000	9,709	7,900		Y
Application to drill permits approved within 10 business days	96%	99.8%	85%	99.7%	94.3%		G
Abandoned oil and gas wells properly plugged	33	41	27	16	3		G
Violations issued*	NEW	2,081	N/A	284	351		
Program Rating							G

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

Renewable Energy and Energy Efficiency

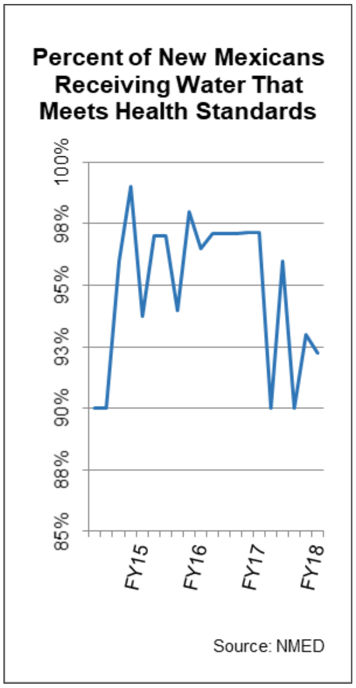
The agency reported 90 percent of applications for clean energy tax credits were reviewed within 30 days and the first biodiesel facility tax credit was submitted. Annually, the agency reports on biannual waste-isolation-pilot-plant hospital and public safety services training and exercises; during FY18, it exceeded the target with 79. In FY20, the program will report on technical assistance provided to clean energy projects.

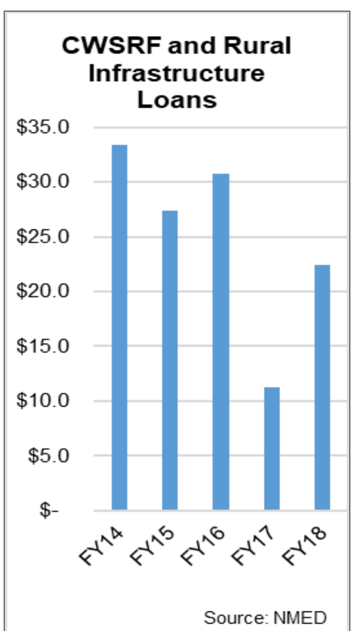
Budget: $2,565.0 **FTE:** 14

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Applications for clean energy tax credits reviewed within 30 days	90%	90%	90%	90%	90%		G
Program Rating							G

ACTION PLAN

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





Department of Environment

The New Mexico Environment Department (NMED) met most performance targets in the second quarter despite inspector vacancies that, over time, can reduce performance for monitoring and controlling air and water quality and workplace injuries and fatalities. However, in some instances, the agency received a yellow rating because targets were not increased when performance exceeded prior years, or program performance was difficult to assess because most of the measures were reported as explanatory data. The agency has noted the most difficult positions to fill are experienced technical positions, such as engineers and scientists, as salaries are not competitive with the private sector.

Of note, for FY20, the agency asked for a special appropriation of $2 million for litigation against the EPA for the Gold King mine spill and $1.2 million to clean up or match federal funds for cleanup of a number of hazardous waste sites across the state.

Water Protection

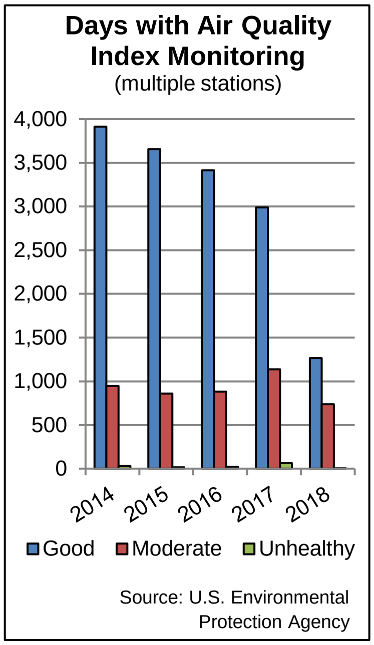
New loans for clean water project funding will likely not meet the annual goal. The program reports this is because some local governments report they do not have capacity to take on more debt. In December, cash balances in the clean water state revolving loan fund were approximately $150 million, and $84 million was still unobligated. The program met the target for inspections of groundwater discharge facilities and now only reports the number of facilities where monitoring shows compliance with groundwater standards as explanatory data. That is because the Water Quality Act requires permittees that have polluted to remain permittees until they achieve standards. Annually, the program reports on assessed stream and river miles that meet water quality standards.

Budget: $23,859.2 **FTE:** 189

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Facilities operating under a groundwater discharge permit inspected annually	66%	54%	65%	64%	76%		G
Facilities where monitoring results demonstrate compliance with groundwater standards*	63%	71%	N/A	394	392		
Population served by community water systems that meet health-based drinking water standards*	97%	92%	N/A	98%	96%		
EPA clean water state revolving loan fund capitalization grant and matching state funds that are for wastewater infrastructure*	NEW	NEW	N/A	28%	13%		
New loans from the rural infrastructure and clean water revolving funds' programs, in millions, cumulatively	$11.3	$22.4	N/A	$2.5	$2.5		
Program Rating							Y

*Measures are classified as explanatory and do not have targets.

Resource Protection



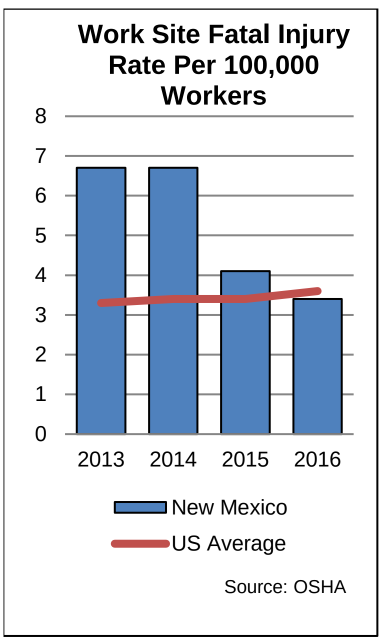
For FY19, the program reduced the target for hazardous waste generators inspected from 40 percent to 20 percent despite meeting the higher target for FY18. The target was reduced to match an approved federal Environmental Protection Agency (EPA) grant work plan. In addition, the budget did not support additional generator inspections above the EPA contract requirements. Last year, NMED revised state petroleum storage tank regulations in order to better govern the cleanup of releases from leaking storage tanks.

Budget: $14,031.2 **FTE:** 133

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Large quantity hazardous waste generators inspected and in compliance, cumulatively	18%	40%	20%	5.8%	11.6%		Y
Underground storage tank facilities compliant with release prevention and release detection requirements	87%	88%	77%	86%	86%		Y
Solid waste facilities and infectious waste generators found in compliance with solid waste rules	98%	94%	95%	100%	96%		G
Landfills compliant with groundwater sampling*	97%	96%	N/A	96%	100%		G
Program Rating							G

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

Environmental Protection



For FY19, NMED asked to discontinue the air quality measure because the agency does not regulate air quality in Bernalillo County, the largest population center, or for tribal lands. However, the agency agreed to report the measure as explanatory data in FY19. In the second quarter, the agency approved funding for seven projects in the first funding cycle of the Volkswagen settlement. The selected projects will reduce nitrogen oxide emissions by 117.8 tons in urban, rural, and Native communities in New Mexico. Annually, the program reports on worker safety violations, but only for those corrected.

Budget: $21,907.7 **FTE:** 238.5

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Priority food-related violations from inspections that are corrected	100%	100%	100%	100%	100%		G
Days with good or moderate air quality index rating	NEW	NEW	100%	67%	100%		G
Radioactive material licensees and registrants issued a violation that come into compliance	NEW	NEW	100%	100%	100%		G
Swimming pools and spas in compliance with state standards	100%	100%	100%	100%	100%		G
Program Rating							G

ACTION PLAN

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

Office of the State Engineer

How to equitably apportion limited water and costs among stakeholders has become increasingly complex. For FY20, the New Mexico Attorney General and the OSE in separate, non-duplicative requests asked for $6.5 million to address interstate stream conflicts. Those conflicts include Texas' claim in the U.S. Supreme Court that pumping from groundwater wells near the Rio Grande has reduced the amount of water delivered to Texas, and the federal government's claim that New Mexico has harmed its ability to deliver water as required under its international treaty with Mexico. Risks for New Mexico from this interstate suit include possible restrictions on water use in New Mexico and the erosion of the State's sovereign authority to manage the State's waters.

Water Resource Allocation

The program did not meet the target for water rights applications processed due to vacancies and the continued increase in the number of complaints of illegal water use during drought. Overall, the number of backlogged water rights applications has gone down this quarter from last as the program strives to keep that number below 500. The agency scheduled 100 dams for inspections in FY19 and FY20 but weather delayed some in the second quarter. The agency expects inspections to pick up in the third quarter.

Reservoir Capacity New Mexico Statewide

Reservoir	2017	2018
Abiquiu Reservoir	12%	8%
Bluewater Lake	21%	9%
Brantley Lake	2%	2%
Caballo Reservoir	21%	11%
Cochiti Lake	10%	9%
Conchas Lake	24%	58%
Costilla Reservoir	74%	28%
Eagle Nest Lake	53%	47%
El Vado Reservoir	68%	4%
Elephant Butte Reservoir	17%	6%
Heron Reservoir	49%	33%
Lake Avalon	43%	65%
Lake Sumner	22%	21%
Navajo Reservoir	84%	80%
Santa Rosa Reservoir	12%	8%

Source: Natural Resources Conservation Service

Budget: $14,250.5 **FTE:** 182

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Unprotested and unaggrieved water right applications backlogged*	416	451	N/A	506	499		
Unprotested water rights applications processed, per month	36	27	50	30	28		Y
Transactions abstracted annually into the water administration resource system database	14,566	15,612	20,000	4,689	3,055		R
Notices issued to owners of publicly-owned dams notifying them of deficiencies or issues	NEW	NEW	45	6	8		Y
Program Rating							Y

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

Interstate Stream Commission

New Mexico's cumulative Pecos River Compact credit is positive, because of a credit calculated by the river master related to evaporation from water held for Texas in Brantley Reservoir, which Texas objected to by filing a motion for review with the U.S. Supreme Court. Consensus on accounting of credit water under the Rio Grande Compact is the subject of ongoing litigation. According to OSE however, provisional data suggests New Mexico over-delivered in CY18 and will have an accrued credit in CY19.

The New Mexico unit fund measure tracks total expenses and is reported for the fiscal year in the second quarter. The increase was due to payments to the Bureau of Reclamation for an environmental impact statement related to the Gila River diversion project, and for reimbursements to local governments for non-unit fund water projects.

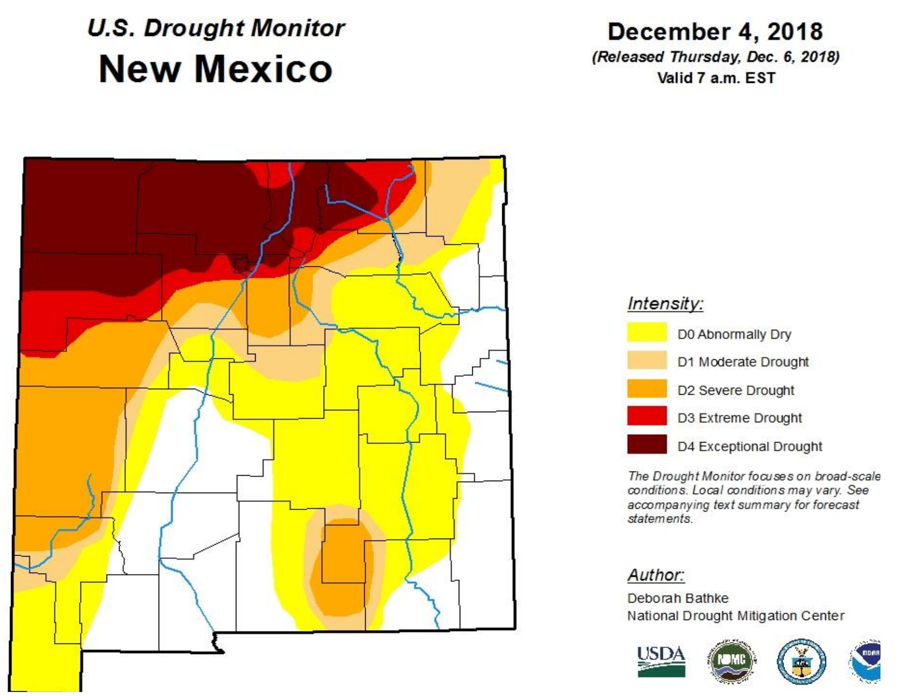
Budget: $13,147.9 **FTE:** 46 **Measure**	**FY17 Actual**	**FY18 Actual**	**FY19 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre feet	137.9	137.9	> 0%	109	178		G
Cumulative state-line delivery credit per the Rio Grande Compact, in thousand acre feet	-20.3	-0.7	> 0%	-0.7	-0.7		Y
Cumulative New Mexico unit fund expenditures, in millions*	NEW	$9.02	N/A	Annual	$14.8		
Program Rating							Y

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

Litigation and Adjudication

These two measures track progress toward the completion of the adjudication of all water rights in New Mexico. For FY19, to provide more meaningful data on the cumulative effect of adjudications, the program included water rights with judicial determinations in both closed and active adjudications. The program is on track to meet both targets.

Budget: $7,088.4 **FTE:** 67 **Measure**	**FY17 Actual**	**FY18 Actual**	**FY19 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Offers to defendants in adjudications	566	300	200	131	78		G
Water rights that have judicial determinations	66%	67%	70%	75%	75%		G
Program Rating							G



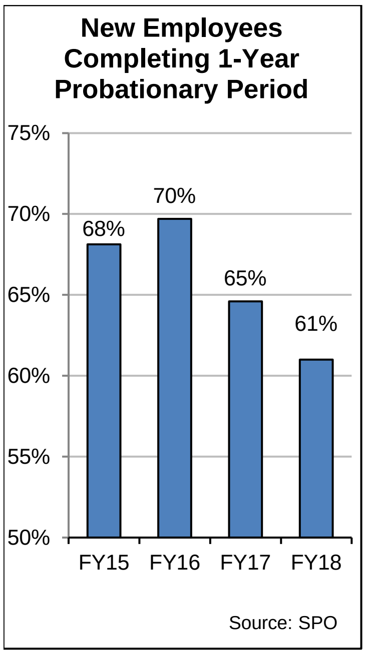
State Personnel Office

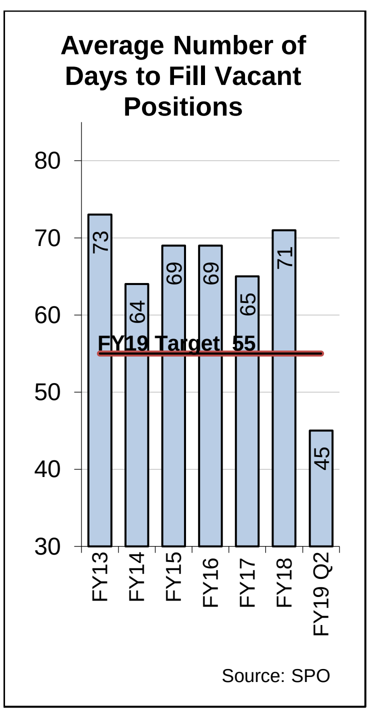
SPO reports the average time to fill vacant positions fell from 71 days in FY18 to 45 days in the second quarter. While this trend is encouraging, it seems to be doing little to reduce the vacancy rate in the state, which increased to 21.4 percent, the highest rate recorded since SPO began reporting on this measure in FY11. The monthly LFC headcount report shows that despite sizeable budget increases between FY18 and FY19, state employment at the 20 largest agencies fell by 2 percent between January 2018 and January 2019.

Only 61 percent of employees complete their probationary period, suggesting state employment is not attractive to new hires. Additionally, the gap between the salaries of new hire employees and more tenured employees remains relatively narrow, suggesting the need for pay structure adjustment to ensure the state is paying salaries competitive with the broader labor market while providing room for salary growth for new employees.

ACTION PLAN

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





Budget: $4,005.1 **FTE:** 48

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Classified service vacancy rate	18%	18%	13%	19%	21.4%		R
Average days to fill a position from the date of posting	65	71	55	TBD	45		G
Average state classified employee compa-ratio	101%	101%	≥95%	104%	102%		Y
Average state classified employee new-hire compa-ratio	97%	100%	91%	99%	98%		R
New employees who complete their probationary period	65%	63%	75%	64%	61%		R
Classified employees voluntarily leaving state service	15%	14%	15%	3.6%	3.7%		G
Classified employees involuntarily leaving state service	2%	2%	5%	0.4%	0.5%		G
State employee average overtime usage per month*	16.2 hours	15.0 hours	N/A	15.4 hours	15.7 hours		
State employees receiving overtime*	17%	18%	N/A	18%	19%		
Program Rating							Y

*Measures are classified as explanatory and do not have a target.

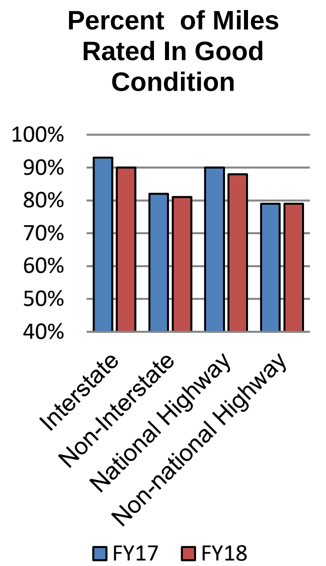
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Transportation
Second Quarter, Fiscal Year 2019

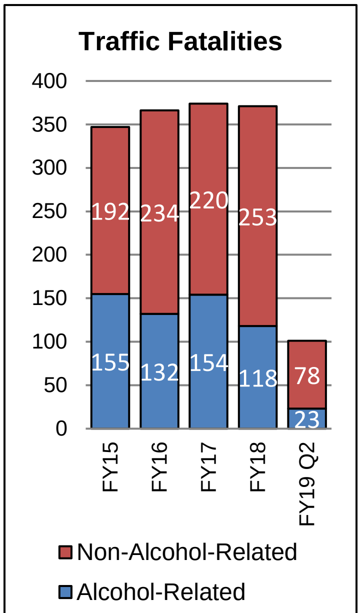
ACTION PLAN

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

NMDOT's quarterly performance report includes an action plan for each performance measure.



Source: NMDOT



Source: NMDOT

Department of Transportation

The Department of Transportation (DOT) reports a 20.2 percent vacancy rate, significantly higher than historic averages. Despite this, the department continues to control costs and complete projects on time. The department reports a 0 percent cost over bid and a 100 percent on time completion rate, meaning DOT staff and contractors are doing well in project development and are able to complete work on time and on budget.

Project Design and Construction

Only seven of 16 projects scheduled were put out to bid on time. While most projects were not bid as scheduled, DOT completed all seven projects on schedule and did so without cost overruns. This result suggests the department is managing projects on the front end so that, once work starts, projects are more likely to be completed on schedule. For the third year, the final costs of DOT-managed projects have come in close to or under bid, reflecting accurate project cost estimates and sound project management.

Budget: $536,689 **FTE:**358

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Projects completed according to schedule	94%	86%	>88%	89%	100%		G
Projects put out for bid as scheduled	65%	54%	>67%	22%	44%		R
Bridges in fair condition or better, based on deck area	96%	96%	>88%	96%	96%		G
Final cost-over-bid amount on highway construction projects	-1.0%	-0.2	>3%	0%	0%		G
Program Rating							G

Highway Operations

New Mexico road conditions continue to deteriorate despite DOT exceeding the target for pavement miles preserved for several years. The department estimates a need of $276 million per year for maintenance needs across the state while the current budget provides $140 million. FY18 road condition data will be reported in the fourth quarter of FY19.

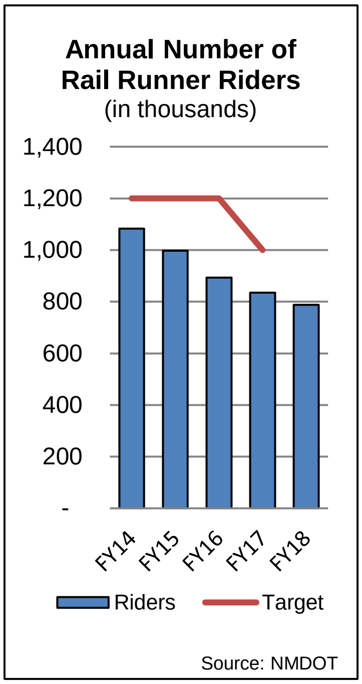
Budget: $235,610.6 **FTE:**1,829.7

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Statewide pavement miles preserved	3,668	2,853	>2,550	1,134	601		G

FY17 Road Condition Survey	FY15 Actual	FY16 Actual	FY17 Target	FY17 Actual	Rating
Interstate miles rated fair or better	92%	93%	>91%	90%	Y
National highway system miles rated good	91%	90%	>86%	88%	G
Non national highway system miles rated good	83%	82%	>65%	79%	G
Lane miles in deficient condition	4,250	4,515	<6,900	4,675	G
Program Rating					G

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Transportation
Second Quarter, Fiscal Year 2019



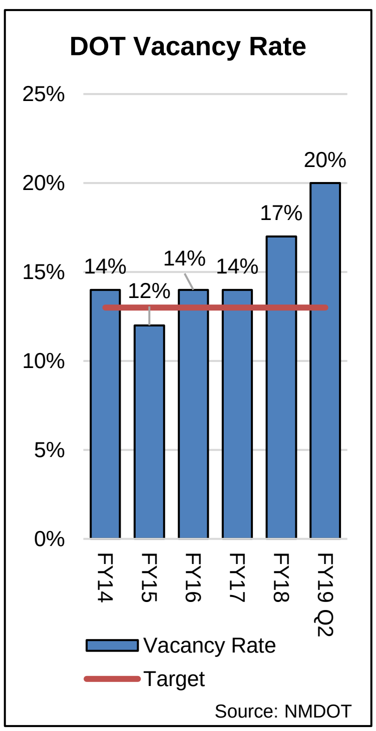
Modal

Total fatalities for the first and second quarters were up by 8 percent compared to the same period in FY18 while total alcohol-related fatalities were down 39 percent compared to this same period. Ridership on public transit systems continues to decline which is likely related to currently low fuel prices.

Budget: $71,288.6 **FTE:**76

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Traffic fatalities	383	359	<364	101	101		R
Alcohol-related traffic fatalities	163	118	<135	15	23		G
Non-alcohol-related traffic fatalities	220	241	<217	86	78		R
Occupants not wearing seatbelts in traffic fatalities	132	114	<135	33	44		G
Pedestrian fatalities	69	89	<70	14	23		G
Riders on park and ride, in thousands	247	240	>275	61	55		R
Riders on rail runner, in thousands*	835	788	N/A	206	183		
Program Rating							Y

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



Program Support

The 20 percent vacancy rate comes despite efforts to increase pay for certain occupations such as engineers, surveyors, and engineering technicians. Previous pay increases have gone to highway maintenance workers. Competition for skilled laborers in the southeast portion of the state may be adding to the recruitment difficulty. Additionally, DOT lost most of the department's human resources (HR) positions related to HR consolidation. However, in December, the State Personnel Office approved the hiring of nine HR positions, which may help the department increase recruitment in coming months.

Budget: $42,748.6 **FTE:**242.8

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Vacancy rate in all programs	14%	17%	<13%	20%	20%		R
Employee injuries	78	87	<90	15	20		G
Percent of invoices paid within 30 days	90%	92%	>90%	96%	95%		G
Employee injuries occurring in work zones	34	37	<35	5	8		G
Program Rating							G

Project Status Legend

	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
	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.
	Significant issues limit success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed; project did not meet business objectives.

Agency	**333**	**Taxation and Revenue Department (TRD)**	
Project Name	**ONGARD Replacement - Severance Tax**		
Project Description	Replacement of the oil and natural gas administration and revenue database (ONGARD) system. Replacement will be deliv.ered in two separate systems; TRD severance tax and State Land Office (SLO) Royalty Administration and Revenue Processing System (RAPS).		
Project Phase	Implementation	**Implementation Date:**	3/19/2018
		Estimated Total Cost[1] (in thousands):	$11,000.0

	State[2]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**
In thousands	$11,000.0	$0.0	$11,000.0	$10,800.0	$200.0	98.2%

FY19 Rating	Q1	Q2	Q3	Q4	**Status**
Budget					Severance tax project implemented within planned budget. Laws 2018 reauthorized the 2016 $5 million appropriation through FY19 to prepare for interfacing with SLO RAPS project.
Schedule					The project is in the stabilization period and support phase. Stabilization activities will continue through the end of FY19.
Risk					While improvements in the filing and amendment process have increased accuracy and efficiency of severance tax collection and distribution, ongoing concerns with incorrect data reporting remain.
Overall					Project successfully accomplished all planned activities within scope, schedule, and budget. TRD anticipates close-out during 3rd quarter.

[1] Total estimated costs include $4.1 million for ONGARD stabilization and modernization and $6.9 million for the severance tax project.

[2] Includes a $6 million appropriation for stabilization of ONGARD, of which $1.9 million is allocated to the severance tax project.

Agency	**539**	**State Land Office (SLO)**	
Project Name	**ONGARD Replacement - Royalty Administration and Revenue Processing System (RAPS)**		
Project Description	Replacement of the oil and natural gas administration and revenue database (ONGARD) system. Replacement will be delivered in two separate systems; TRD severance tax and SLO RAPS.		
Project Phase	Implementation	**Estimated Implementation Date:**	6/30/2020
		Estimated Total Cost (in thousands):	$10,000.0

	State[1]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**
In thousands	$10,000.0	$0.0	$10,000.0	$1,445.1	$8,554.9	14.5%

FY19 Rating	Q1	Q2	Q3	Q4	**Status**
Budget					The project certification committee approved the certification of $7.7 million for the implementation phase in November 2018. The $10 million available funding is certified.
Schedule					Project started in September 2018, with estimated completion by June 2020. With an 18 month project timeline, SLO requested for FY20 reauthorization of the $5 million appropriated in Laws 2016 as extended in Laws 2018, to be extended through FY20.
Risk					LFC staff is concerned due to complexities and potential risks associated with ensuring 17 interfaces are implemented correctly. Resource constraints for the database administrator are a concern with ongoing operation duties combined with large projects.
Overall					Data governance for interagency data exchange has yet to be established to replace the legacy Joint Powers Agreement. This governance is critical to support stable revenue for the state.

[1] Laws 2018 appropriated an additional $5 million available for expenditure through FY20; the appropriation is from state lands maintenance fund.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	361	Department of Information Technology (DoIT)						
Project Name	DoIT Statewide Infrastructure Replacement and Enhancement (SWIRE)							
Project Description	Plan, design, purchase, and implement infrastructure for public safety communications statewide for improved communication equipment affecting emergency responders.							
Project Phase	Implementation		Estimated Implementation Date:		6/30/2018; revised 6/30/2021			
			Estimated Total Cost (in thousands):		$14,200.0			
	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	$14,200.0	$0.0	$14,200.0	$12,386.5	$1,813.5	87.2%		
FY19 Rating	Q1	Q2	Q3	Q4	Status			
Budget					Project expenditures appear to be under budget based on status of completion.			
Schedule					Overall project is 96 percent complete; phases one and two are in final stages. Phase three is in process and includes replacing subscriber units, and partial refresh of the digital microwave network. An updated project management plan is needed.			
Risk					Constraints include weather and available external and internal resources.			
Overall					700 MHz land mobile radio units deployment completed, and DPS District 1(Santa Fe) and District 5 (Albuquerque) have been equipped with dual banded 700 MHz and conventional subscribers.			
Functionality					The potential lack of coordination between DoIT, DPS, and law enforcement in Bernalillo County Sheriff Office (BCSO) and Albuquerque Police Department (APD) is of concern.			

Agency	361	Department of Information Technology (DoIT)						
Project Name	P25 Digital Statewide Public Safety Radio System Upgrade							
Project Description	Upgrade and replace public safety radio equipment and systems with digital mobile communications for public safety organizations.							
Project Phase	Initiation		Estimated Implementation Date:		6/30/2024			
			Estimated Total Cost (in thousands):		$150,000.0			
	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended		
In thousands	$10,000.0	$0.0	$10,000.0	$3,025.4	$6,974.6	30.3%		
FY19 Rating	Q1	Q2	Q3	Q4	Status			
Budget					Laws 2018 appropriated $10 million in severance tax bonds to continue the replacement of public safety radio equipment and infrastructure. DoIT requested additional $40 million in capital outlay funding for FY20 without a documented detail plan.			
Schedule					Procurement of critical hardware is in process, contract negotiations are underway. Phase one includes purchase of hardware and deployment of coverage in Chaves, Eddy, and Lea counties.			
Risk					Project is overlapping with DoIT's SWIRE project, the level of coordination in planning is of concern. DoIT has yet to complete a detailed project plan.			
Overall					P25 radios are a direct replacement of analog radios, adding the ability to transfer data as well as voice, and allowing for implementation of encryption. DoIT is working on a more detailed timeline for implementation.			

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	**366**	**Public Employees Retirement Association (PERA)**						
Project Name	**Retirement Information Online (RIO) Enhancement**							
Project Description	Update current PERA system to include implementing business process improvements, user interface enhancements, data integrity and remediation, and customer relationship management (CRM) software and workflow system.							
Project Phase	Implementation		**Estimated Implementation Date:**		6/30/2018; revised 11/2018, 1/2019, 2/2019			
			Estimated Total Cost (in thousands):		$4,200.0			
	State¹	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$4,200.0	$0.0	$4,200.0	$3,796.1	$403.9	90.4%		
FY19 Rating	Q1	Q2	Q3	Q4	**Status**			
Budget					Laws 2018 granted agency a reauthorization of $4.2 million funding through FY19 due to project delays.			
Schedule					The estimated completion date extension from January 2019 to February 2019 is due to vendor delays.			
Risk					While the project is progressing, the project team is actively monitoring risk associated with schedule slippage.			
Overall					All RIO enhancements are complete, with the remaining module scheduled for release following final user acceptance testing.			
¹Amount does not reflect Laws 2018 other state funds appropriation of $3 million to upgrade RIO hardware and software infrastructure.								

Agency	**594**	**State Treasurer (STO)**						
Project Name	**SHARE Integrated Treasury Solution**							
Project Description	Implement the SHARE treasury management module to streamline the cash management and investment management processes by eliminating manual booking of investments into the SHARE general ledger. Implementation will improve accuracy, timeliness, and data integrity.							
Project Phase	Close-out		**Estimated Implementation Date:**		12/31/2017; revised 3/31/18, 4/30/18			
			Estimated Total Cost (in thousands)**:**		$1,950.0			
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$1,950.0		$1,950.0	$1,946.3	$3.7	99.8%		
FY19 Rating	Q1	Q2	Q3	Q4	**Status**			
Budget					Project completed within budget prior to end of FY18; STO received close-out certification in November 2018.			
Schedule					Project completed May 18, 2018. The initial project schedule was adjusted from 6/30/17 to 6/30/18, initial delays resulted from original contract approvals with the secondary delays related to available resources from Deloitte.			
Risk					PeopleSoft acknowledged the investment pools application as delivered has several issues. STO is hiring a contractor to address issues.			
Overall					STO anticipated reduced agency costs with the integration into SHARE, but ongoing support costs minimize or eliminate any potential savings. STO did not anticipate post-implementation support costs, which are an estimated $150 thousand in annual recurring costs.			
Functionality					Implementation of the SHARE treasury module did not meet the full business needs of the agency. Manual processes remain for SHARE and JP Morgan with the legacy system running in parallel with transactions entered manually.			

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	**630**	**Human Services Department (HSD)**					
Project Name	**Child Support Enforcement System Replacement (CSESR)**						
Project Description	Replace the more than 20-year-old system with a flexible, user-friendly solution to enhance the department's ability to meet federal performance measures. The current system maintains 59 thousand active cases with over $132 million in annually distributed child support payments.						
Project Phase	Planning		**Estimated Implementation Date:**		TBD		
			Estimated Total Cost:		TBD		
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$3,927.3	$1,023.6	$4,950.9	$2,662.7	$1,264.6	53.8%	

FY19 Rating	Q1	Q2	Q3	Q4	**Status**
Budget	Green	Green			Current remaining funding is sufficient to complete planning activities. Office of Child Support Enforcement (OCSE) approved the advanced planning document update (APDU). HSD requested $5.2 million for FY20 IT funding, inclusive of the federal match.
Schedule	Yellow	Yellow			OCSE required HSD to revise and resubmit the CSESR feasibility study. In December 2018, HSD initiated a project to revise the feasibility study and developed a project management plan.
Risk	Yellow	Yellow			Current CSESR code is too complex to be refractored and migrated to a modern language. With other states successfully migrating COBOL code, HSD is monitoring lessons learned by other states.
Overall	Yellow	Yellow			The CSESR master schedule has been updated with milestones that align with HSD's Health and Human Services (HHS) 2020 initiative.

Agency	**630**	**Human Services Department (HSD)**					
Project Name	**Medicaid Management Information System Replacement (MMISR)**						
Project Description	Replace current Medicaid management information system and supporting application to align with Centers for Medicare and Medicaid Services (CMS) requirements, including Medicaid information technology architecture (MITA).						
Project Phase	Planning		**Estimated Implementation Date:**		11/30/2019; revised 12/2021		
			Estimated Total Cost (in thousands)**:**		$175,604.0		
	State	**Federal**	**Total Available Funding[1]**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$15,421.9	$138,435.1	$153,857.0	$39,978.8	$113,878.2	26.0%	

FY19 Rating	Q1	Q2	Q3	Q4	**Status**
Budget	Green	Green			CMS authorized the $175.6 million budget, supported by a 90 percent federal funding participation match. HSD submitted an Implementation Advanced Planning Document to CMS to approve a $201.3 million budget that includes outside partner agency spending. Outside partner agencies include CYFD, DOH and Aging & Long Term Services Department. HSD submitted a re-authorization request to extend the $5 million appropriation from FY18 through FY20.
Schedule	Red	Red			CMS approved the estimated project completion date of December 2021. HSD submitted an amendment for the system integrator (SI) contract to CMS and DoIT for review and approval, amending deliverable dates due to quality issues with deliverables. The schedule continues to be adjusted due to missed deadlines.
Risk	Red	Red			DoIT completed its final review of the Benefits Management Services RFP. The lengthy procurement and contracting timeframes continue to negatively impact the project schedule. State Personnel Office (SPO) approved HSD's MMISR staffing plan for double filling positions; SPO started posting positions and will begin identifying potential candidates.
Overall	Red	Red			Due to complexity and high risks the overall project status remains red. All MMISR project team staff are now co-located at Plaza la Prensa to improve communication and ensure roles and responsibilities are understood. New HSD leadership is actively engaged in project activities.

[1]Total available funding includes an additional $67.7 million appropriated in Laws 2018; $6.8 million general fund and $60.9 million federal.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Agency	**665**	**Department of Health (DOH)**
Project Name	**Women, Infants, and Children (WIC) System Replacement Project**	
Project Description:	Replace a 14-year-old legacy system with the WIC regional solution that includes Texas, Louisiana, New Mexico and two independent tribal organizations. The regional model will meet U.S. Department of Agriculture Food and Nutrition Service (FNS) requirements for management information systems (MIS) and electronic benefits transfer delivery for WIC benefits.	
Project Phase	Implementation	**Estimated Implementation Date:** 11/30/2018
		Estimated Total Cost (in thousands): $7,004.9

	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended
In thousands	$0.0	$7,004.9	$7,004.9	$7,089.9	($85.0)	101.2%

FY19 Rating	Q1	Q2	Q3	Q4	Status
Budget					A change in the schedule resulted in an amendment for the project analyst and project manager and is attributed to the additional $85 thousand. FNS approved additional EBT grant funding for project close-out.
Schedule					Due to regional approach of having Texas deploy first, New Mexico has a schedule change but still completed the project by the target completion date.
Risk					Report validation is nearing completion, however some concerns remain regarding the accuracy of all caseload reported data and the ability to run certain system reports. Reporting design process may be insufficient to produce quality reports.
Overall					Deployment of an enterprise web-based system and comprehensive clinic and participant case management system is fully operational. WIC program has 72 clinics issuing benefits to approximately 39,400 state participants.
Functionality					IV&V reported concerns with final validation of systems reports. Data accuracy and report discrepancies during initial report validation appear to have improved significantly, however this should continue to be monitored.

Agency	**665**	**Department of Health (DOH)**
Project Name	**Vital Records Imaging and System Upgrades**	
Project Description:	Multi-year project to acquire and implement a document management solution to scan and index vital records, linking images and data to an upgraded Vital Records database. Upgrades to the vital records software and database (e-Dave) are also included in this project.	
Project Phase:	Initiation	**Estimated Implementation Date:** 6/30/2021
		Estimated Total Cost (in thousands): $4,850.0

	State	Federal	Total Available Funding	Spent to Date	Balance	% of Budget Expended
In thousands	$2,750.0	$0.0	$2,750.0	$0.0	$2,750.0	0.0%

FY19 Rating	Q1	Q2	Q3	Q4	Status
Budget					Project initiation certification obtained in September. DOH requested an additional $2.1 million for FY20 to continue the project. DOH has encumbered expenditures for IV&V.
Schedule					DOH awarded the IV&V contract for $69 thousand through a statewide price agreement. IV&V project plan has been completed. Subject matter expert business analyst contract is pending State Purchasing Division review and approval.
Risk					There are no backup copies for original vital records and there is a critical need to image and index the records.
Overall					Project will increase functionality of the current system and provide assurance that vital records will be preserved in a digital format.

Agency	**770**	**Corrections Department (NMCD)**						
Project Name	**Offender Management System Replacement**							
Project Description:	Replace 15-year-old client server offender management system with a commercial-off-the-shelf (COTS) web-based solution. The COTS solution has 17 modules associated with NMCD requirements.							
Project Phase:	Implementation		**Estimated Implementation Date:**		6/30/2019; revised 6/30/2021			
			Estimated Total Cost (in thousands)**:**		$11,600.0			
	State¹	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$10,100.0		$10,100.0	$4,253.3	$5,846.7	42.1%		

FY19 Rating	Q1	Q2	Q3	Q4	**Status**
Budget					Current project funding is adequate for 17 modules. NMCD is requesting $4.1 million for FY20 to complete the project to include mobile functionality and data analytic tools.
Schedule					High-level solution meeting (HLSM) sessions are complete. HLSM sessions determined how to bridge the gap between the software and the business needs. Data conversion mapping and configuration continue.
Risk					Resource constraints continue, and the inability to fill vacant IT positions continues to be a high risk, in addition to potential lack of vendor resources due to conflicting priorities; the vendor recently added staff to mitigate some risk. NMCD IT Division vacancy rate is 20 percent; agency continues to monitor resource availability.
Overall					The project continues to progress, with no major issues with scope, schedule, or budget. NMCD has a disaster recovery (DR) process, with DR sites defined but a comprehensive DR plan has not been established that defines roles, steps, communication plans, and recovery steps.

¹Amount includes Laws 2018 appropriation of $2.3 million.

Agency	**780**	**Department of Public Safety (DPS)**						
Project Name	**Records Management System (RMS)**							
Project Description:	Replace various non-paper record storage with an integrated records management system to provide law enforcement and other public safety agencies with a single source repository of data available to support day-to-day operations, reporting, and records and data analysis. A new RMS will ensure access, preservation and control of DPS records in all formats.							
Project Phase:	Initiation/Planning		**Estimated Implementation Date:**		6/30/2021			
			Estimated Total Cost (in thousands)**:**		$4,275.0			
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$1,916.3		$1,916.3	$398.8	$1,517.5	20.8%		

FY19 Rating	Q1	Q2	Q3	Q4	**Status**
Budget					DPS FY19 funding request of $4.3 million was not adequately justified. Laws 2018 appropriated $1.5 million to provide sufficient funding for a phased approach. Although DPS awarded three contracts totaling $680 thousand, for requirements gathering, project management and IV&V, department leadership put the contracts on hold due to the change in administration.
Schedule					While DPS initiated the project in FY16, it shifted priorities to complete the CAD project by the end of FY18. The RMS project has taken more than two years to complete the requirements gathering. Further delay of project activities impacts the schedule.
Risk					Prior administration withdrew support for the project citing the lack of funding to complete the implementation phase. As of this writing it is not clear if the new leadership supports the project.
Overall					Although a draft request for proposals was completed in August 2018, DPS planned to issue a request for information (RFI) instead to determine viability and estimated costs. However, the status of the RFI is unknown. RFI results will provide a baseline for a future funding request to complete the project.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.

Other IT Projects of Concern

Agency	**420**	**Regulation and Licensing Department (RLD)**			
Project Name	**Accela Replacement**				
Project Description:	Replace Construction Industries Division (CID) permitting and inspection software, Accela.				
State Funding (in thousands):	$967.0	**Spent to Date:**	$0	**Project Phase:**	Planning

► CID permitting collects an estimated $4 million in revenue.

► Agency is at a high risk due to system down time and lack of vendor support, and with a single point of failure having one RLD staff member available to maintain the application.

► Project Certification Committee certified $250 thousand for the planning phase in June 2018, no activity has since been reported.

► Staff from DoIT, DFA and LFC met with the new Superintendent to discuss issues and concerns regarding the high risk.

► Agency met with the Accela vendor to explore upgrading and stabilizing the software and re-establish a maintenance and support contract; status as of this reporting is unknown.

► To mitigate the risk, current funding will be re-purposed in FY20 to for stabilizing and modernizing the Accela software instead of the replacement.

Agency	**690**	**Children, Youth and Families Department (CYFD)**			
Project Name	**Comprehensive Child Welfare Information System (CCWIS)**				
Project Description:	Replace the legacy Family Automated Client Tracking System (FACTS) with a modular, integrated system to meet the federal Administration on Children and Families (ACF) requirements.				
State Funding (in thousands):	$500.0	**Spent to date:**	$0	**Project Phase:**	Initiation
Federal Funding (in thousands):	$500.0				

► Project Certification Committee approved certification for release of funds in December.

► CYFD received 32 responses to its request for information that are currently under review; however, concerns remain with the lack of adequate documented requirements.

► While CYFD submitted its Advanced Planning Document (APD) to ACF in November 2018, approval is pending CYFD response to questions and comments regarding ACF requirements and conditions.

► CYFD did not submit its monthly report to DoIT due to the lack of an IT project manager.

► CYFD leadership has appointed Protective Services Division as the project lead.

Source: DoIT IT project status reports, agency status reports, project certification documents, independent verification and validation reports, Sunshine Portal and LFC analysis.