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

Background

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

First quarter data is often preliminary or partial, and may not accurately reflect what the agency's performance trend will be. The data may not be sufficient for LFC analysts to readily recognize progress or problems. This is also the first quarter that some agency's report cards will reflect sweeping reductions in reporting – shifts from quarterly to annual reporting or from outcome measures to explanatory measures. Hopefully, the quality of agency reporting and performance measures will improve with a new administration more receptive to transparency and accountability.

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. Where relevant and timely data is available, LFC staff may add national or regional benchmarks to provide context for the state's outcomes.

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

Taxation and Revenue Department *(page 9)*

High turnover and vacancy rates at all levels are having a significant impact on the Tax and Revenue Department's (TRD) ability to maintain high levels of efficiency and accountability.

TRD often fails to provide requested data and information in a timely manner. LFC has not received updated information about potential unreported and uncollected revenue from the telecommunications tax and the workers' compensation assessment fee. The telecommunications tax is the primary funding source for the Commission for the Deaf and Hard of Hearing. The workers' compensation fee is the primary funding source for the Workers' Compensation Administration. The department has not provided a complete inventory of all outstanding tax protest cases as requested months ago. These cases pose a significant contingent liability to the state. 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. Though TRD has made recent progress in addressing these issues, the long lag times between when a request is made and the information is received hampers the ability of policymakers to address important issues promptly.

Human Services and Medicaid *(page 12)*

Medicaid and Temporary Assistance for Needy Families (TANF) caseloads are down compared with a year ago, but the rolls for the Supplemental Nutrition Assistance Program (SNAP) are up slightly. The Medicaid caseload in September was 826,204 individuals, a 3.3 percent decrease from one year ago. The TANF caseload was 11,155 cases in September 2018, a decrease of 5.7 percent from September 2017. SNAP caseload in September 2018 was 222,623 cases, a 0.3 percent increase from one year ago.

Closing FY18, the Human Services Department (HSD) reverted $35 million to the general fund, associated with incurred but not reported claims and managed care organization (MCO) recoupments. However, in its most recent projections, HSD reported the Medicaid program would end FY19 with a shortfall of $8.1 million in general fund revenue largely due to declining enrollment and higher costs for clients who have more acute healthcare needs.

HSD did not 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 U.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 its consulting firm, Mercer, use encounter data to develop preliminary quarterly performance measure data pending final HEDIS results. This preliminary quarterly data was not provided to LFC for this first quarter report, and some common performance measures were excluded entirely from reporting.

Behavioral Health

At the time of this report, LFC had not received the Behavioral Health Services Division (BHSD) performance report for the first quarter of FY19. This is a recurring issue with BHSD and detracts from LFC efforts to report agency outcomes and effectiveness in a timely manner. When the agency performance report is received, the BHSD first quarter report card will be posted at https://www.nmlegis.gov/Entity/LFC/Performance Dashboard.

Department of Health *(page 16)*

The department's FY20 funding request reflects little, if any, movement in the direction of reforming services for people with developmental disabilities or in implementing recommendations from a recent LFC program evaluation. Moreover, the department's FY19 supplemental request to offset the increasing average cost of providing developmental disabilities Medicaid waiver services signals the department may lack a plan to improve cost containment in the near-future.

The Health Certification, Licensing, and Oversight Program does not currently provide any quarterly performance data on a regular basis. As a result the program was initially excluded from the agency report card. However, after some discussion, the department agreed to report more data and LFC added the section back. The purpose of the health certification, licensing and oversight program is to ensure quality healthcare and to conduct investigations of abuse neglect and exploitation. Given the important function the program serves, performance reporting needs improvement.

Children, Youth and Families *(page 21)*

The Children, Youth and Families Department (CYFD) reported more children enrolled in high-quality childcare programs, 67.5 percent in the first quarter. The average monthly cost per child for childcare assistance rose to $577, up from $550 in FY18. However, enrollment in childcare assistance is slightly below the projected average monthly enrollment. The Protective Services Program continued to report little progress in improving repeat maltreatment and permanency.

Public Safety *(NMCD, page 24; DPS, page 26; Doña Ana and Santa Fe County Crime Report Dashboards, pages 28 and 29)*

The New Mexico Corrections Department (NMCD) is meeting targets for contacts with high-risk offenders in the community and recidivism rates for women graduating from the Recovery Center. However, vacancy rates among probation and parole officers and correctional officers are increasing despite an 8.5 percent pay increase that took effect at the start of FY19. Inmate-on-inmate and inmate-on-staff assaults are lower compared with previous year actuals, possibly because of lockdowns throughout prison facilities that occurred during the first quarter. Largely due to technical parole revocations related to substance abuse, the inmate population has grown 8 percent since FY10 and recidivism rates hover near 50 percent. An LFC program evaluation released in October estimated technical revocations cost the state $40 million in FY17.

The Department of Public Safety (DPS) performs well on commercial and motor vehicle enforcement measures, helping ensure the safety of citizens on the roads. However, DPS is slightly below target for DWI arrests. It is difficult to tell if being below target is problematic as it could be an indicator fewer people are driving while intoxicated. Since 1980, alcohol-involved crashes, fatalities, arrests, and convictions in New Mexico have fallen precipitously from near 8,000 per year to under 3,000 per year.

LFC staff produced a criminal justice dashboard focusing on crime, incarceration, prosecution, and recidivism in Doña Ana and Santa Fe counties to help monitor crime trends in these areas. Overall crime in both Santa Fe and Doña Ana counties decreased 14 percent and 16 percent, respectively, between 2016 and 2017. The number of sentences increased 26 percent in Santa Fe County and 18 percent in Doña Ana County. LFC staff requested the same information from Bernalillo County but the data was not received in time for this report.

Courts and Justice *(page 30)*

In FY18, the district attorneys and the Public Defender Department (PDD) joined with the Administrative Office of the Courts for the new, comprehensive report card format; since then, the unequal reporting of data across the criminal justice system has become apparent. The courts transitioned many measures to semi-annual reporting, reducing the reliability and value of measures, especially in specialty courts. District attorneys have improved in reliability of reporting, but lack critical performance measurements. PDD has improved dramatically in the last year, and now reports a comprehensive suite of measures on a quarterly basis.

PDD outperformed all targets for the first quarter. The positive performance for the PDD was, in part, due to reduced caseloads caused by a reduction in the vacancy rate statewide. PDD changed its eligibility policy in FY18 to include clients with incomes up to 200 percent of the federal poverty line, but will no longer offer reimbursement contracts to defendants who do not qualify.

For the courts, caseloads continued to drop for magistrate courts from a peak in FY10. For the first time during that same period, the district courts experienced an increase in cases. The increased number of cases is likely due to the 2nd District Attorney's special appropriations that are being used for contract attorneys to file backlogged cases. Contrary to the spirit of the Accountability in Government Act, the courts have unilaterally decided to shift many quarterly measures to semiannual reporting.

Public Education *(page 33)*

To date, the Public Education Department (PED) has not provided detailed information on whether the state is meeting federal special education maintenance of effort (MOE) requirements in FY19 or prior years, which remains a potentially significant liability.

New Mexico Connections Academy (NMCA), a state virtual charter school, successfully appealed PED’s decision to revoke its charter in court. Following the initial revocation decision, the charter lost about 40 percent of its student membership. Because the funding formula is based on prior year membership, however, NMCA will generate about $6 million for its lost student membership in FY19.

New Meridian, a nonprofit test developer, has acquired the PARCC test question bank and is partnering with PARCC states to redesign their assessments. According to New Meridian, as long as 25 percent of questions on a new assessment come from the PARCC test bank, states can maintain year-over-year comparability with their former PARCC assessment.

Higher Education *(page 36)*

Retention rates for two-year independent community colleges and four-year comprehensive universities have improved. The improvements reflect efforts by the institutions to bring back students who leave school prior to completion.

The adult education program increased the number of students earning a high school equivalency. However, the department can improve the number adult education graduates that transition to a postsecondary institution.

Natural Resources *(EMNRD, page 39; NMED, page 41; OSE, page 43)*

The Energy, Minerals and Natural Resources Department fell short of targets for measures related to firefighter training and forest treatment because of the aggressive fire season in the western states and staff out on fire assignments. State park revenue generated from day visits and overnight camping was down about 10 percent when comparing the first quarter of FY19 to the first quarter of FY18. Also down were interpretive programs for park visitors. The Oil Conservation Division (OCD) reduced its goal for inspections from 47,000 to 40,000, and the number of violations has declined. OCD continues to process drilling permits within 10 business days.

The New Mexico Environment Department met all performance targets despite many vacant positions that, over time, can reduce performance, especially for public health and safety measures that impact water and air quality monitoring and occupational safety. Water infrastructure project needs for local communities continues to overshadow funds awarded. In the first quarter, local entities received $2.5 million in new loans from the rural infrastructure revolving loan program.

The Office of State Engineer did not meet its quarterly target for number of water rights applications processed due to vacancies. Staff resources have been diverted to investigations in response to complaints of illegal water use, which increases during drought. Reservoirs are severely depleted due to historic low snowmelt runoff combined with almost no stored water from previous years. This means New Mexico will likely not have sufficient water in storage for the entire 2019 irrigation season.

Economic Development and Tourism *(EDD, page 45; Tourism, page 47)*

New Mexico's total nonagricultural employment grew by 19,600 jobs, or 2.3 percent, between September 2017 and September 2018. The Economic Development Division awarded five companies $4.5 million in LEDA funds in the first quarter of 2019 and created 1,025 jobs. The Job Training Incentive Program board approved 24 businesses in the first quarter, 12 of which were homegrown in New Mexico, with a total of $5.8 million in awards.

The tourism industry in New Mexico is still strong when compared with other industries, and the Tourism Department is continuing to focus efforts on local advertising initiatives. The Workforce Solutions Department numbers show the leisure and hospitality industry had an increase of 5.2 percent in September 2018 compared to September 2017.

Workforce Solutions Department

At the time of this report, LFC had not received the Workforce Solutions Department (WSD) performance report for the first quarter of FY19. This is a recurring issue with WSD and detracts from LFC efforts to report agency outcomes and effectiveness in a timely manner. When the agency performance report is received, the WSD first quarter report card will be posted at https://www.nmlegis.gov/Entity/LFC/Performance Dashboard.

General Government *(GSD, page 49; SPO, page 52; DOT, page 53)*

The General Services Department's (GSD) major risk funds, including public property, liability, and workers compensation, increased their balances significantly despite transfers of $30 million to the general fund during solvency. The State

Personnel Office (SPO) reports that despite increased appropriations for personnel and pay increases for state employees, the statewide vacancy rate continues to trend up.

The Department of Transportation (DOT) reports traffic fatalities are up from the first quarter of FY18, but alcohol-related fatalities have decreased by 38 percent over the same period. DOT reports a vacancy rate of 19.5 percent, a rate not seen at the department since FY12.

Information Technology Projects *(page 55)*

The estimated cost for the 15 key projects included in the IT status report is over $258 million, including $175.6 million for HSD's Medicaid Management Information System replacement (MMISR) project (90/10 federal match). The multi-year phased project was expected to continue through 2019. However, HSD is requesting CMS approval of a $27.7 million increase in the MMISR budget, with project completion extended to 2021.

Also included is the status for completed or nearly completed projects where the system is not functioning as planned or where there are issues with implementation. For example, while the State Treasurer's implementation of its Integrated Treasury Solution is complete, manual processes remain necessary for SHARE, and the system does not completely meet the agency's full business needs. As such, functionality has a red rating.

TRD's Severance Tax project implementation improved the filing and amendment process and increased accuracy and efficiencies of severance tax collection, however, ongoing concerns with incorrect data reporting remain. The State Land Office (SLO) Royalty Administration and Revenue Processing System project is progressing with SLO's $7.7 million contract award to Deloitte Consulting to refactor the current ONGARD code to modern software. The Department of Information Technology's (DoIT's) P25 Digital Statewide Public Safety Radio System Upgrades project, with a $10 million appropriation, is overlapping with DoIT's $14 million Statewide Infrastructure Replacement and Enhancement (SWIRE) radio project. The lack of planning coordination is of concern, and DoIT has yet to complete a detailed project plan for the P25 initiative, resulting in a yellow rating.

HSD's MMISR project, currently the most expensive project in the state, received a red rating due to risk associated with large complex multi-year projects, including the potential lack of HSD resources and inability to apply a consistent project management methodology. While the State Personnel Office approved HSD's

MMISR staff plan for double filling, as of this writing the status of placement of additional staff is unknown. CYFD's Comprehensive Child Welfare Information System project, replacing its Family Automated Client Tracking System (FACTS), is of concern due to the lack of progress and because CYFD's FY20 IT funding request of $30 million in general fund revenues is not sufficiently justified.

Investments *(page 62)*

For the 12 months ending September 30, 2018, the aggregate value of New Mexico's combined investment holdings for the pension and permanent funds grew by nearly $2.3 billion, or 4.6 percent, to end the year at $51.9 billion. Over the last five years, the state's combined investment holdings grew $11.1 billion, or 27.3 percent.

One-year returns ranged from 6.1 percent (PERA) to 8.2 percent (STPF). Over the last 10 years, average investment returns ranged from 6.7 percent (STPF) to 7.9 percent (ERB).

ERB and SIC's funds outperformed their long-term targets for the one-, three-, and five-year periods. Additionally, the land grant permanent fund (LGPF) and the ERB fund outperformed their long-term targets for the 10-year period. PERA's fund underperformed its long-term target for the one-, five-, and 10-year periods.

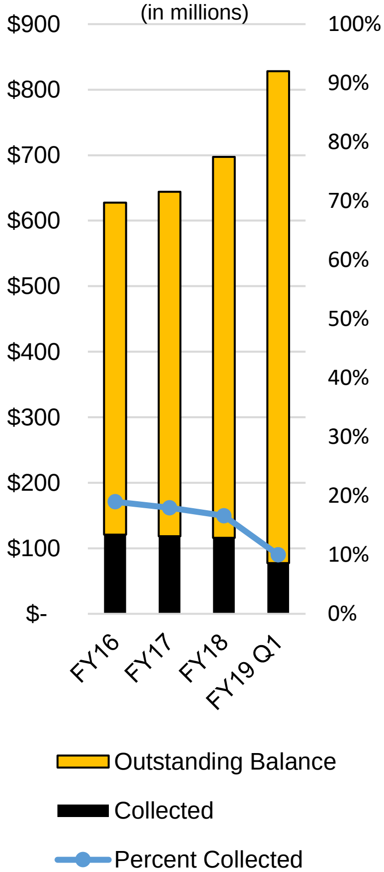
When compared with peer funds greater than $1 billion on a net-of-fee basis, the permanent funds performed in the highest quartile for the quarter and one-year periods and performed above the median for the three- and five-year periods. The ERB fund performed above the median for all periods reported, while the PERA fund performed above the median for the quarter but below the median for all other periods reported.

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 wait times at Motor Vehicle Division (MVD) field offices and 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. The agency also needs to develop additional robust performance measures to ensure accountability.

Tax Administration

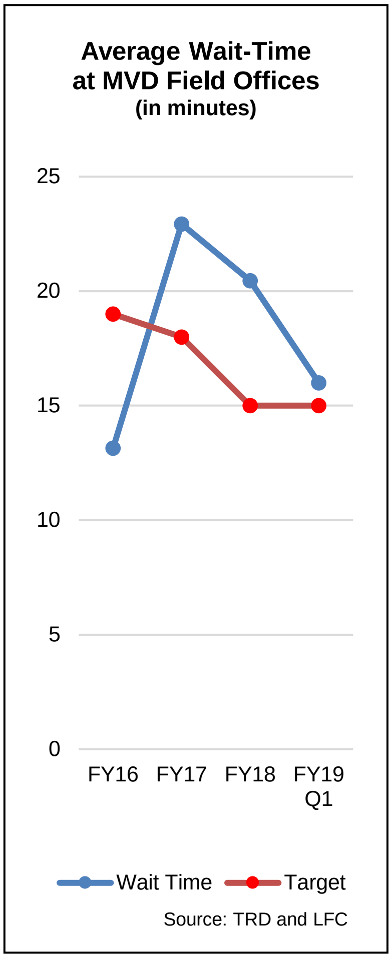
The Tax Administration Program is on track to meet and possibly exceed its annual performance targets. At the end of the first quarter, the program collected $77.3 million, or 10.3 percent, of the $750.9 million collectible-outstanding balance, nearly half of its target for FY19. Additionally, the program collected $7.8 million, or 33 percent, of $16.8 million in collectible audit assessments, almost half of the collections target for FY19. The number of electronically filed tax returns is well under past year trends but should stabilize when all tax year filings are complete. This program is operating sufficiently to achieve its performance measures; however, additional resources and adjusted targets may be needed to improve collections of outstanding tax balances.

TRD often fails to provide requested data and information in a timely manner. LFC has sought information about potential unreported and uncollected revenue form the telecommunications tax and the workers' compensation assessment fee. The telecommunications tax is the primary funding source for the Commission for the Deaf and Hard of Hearing. The workers' compensation fee is the primary funding source for the Workers' Compensation Administration. The department has not provided a complete inventory of all outstanding tax protest cases as requested months ago. These cases pose a significant contingent liability to the state. The LFC has also been long-seeking detailed information about the type and cost of business tax credits. Obtaining this information is needed to produce more accurate and reliable revenue forecasts. Though TRD made recent progress in addressing these issues, the long lag times between the time a request is made and the information is received hampers the ability of policymakers to address important issues in a timely manner.

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%			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%			G
Electronically filed personal income tax and combined reporting system returns*	86%	87%	N/A	N/A			
Program Rating	Y	Y					G

*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 407.8 thousand customers in the first quarter with an average wait time of 16:29, 1:29 slower than the 15-minute target. MVD is not achieving its target of less than 6-minutes for call center wait times with an average wait time of 16:00, more than three times slower than the target.

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%			Y
Average wait time in "q-matic" equipped offices, in minutes	22.56	20:45	<15:00	16:00			Y
Average call center wait time to reach an agent, in minutes	4:33	3:55	<5:00	16:00			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%	N/A	N/A			
Program Rating	G	G					

* Annually reported measure

Property Tax

The Property Tax Program exceeded its annual target, for the third year in a row, of delinquent property tax collected and distributed to counties. The program collected and returned $2.3 million during the fourth quarter, exceeding the annual target by $1.2 million. 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			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 yet to provide 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. LFC requested this information at the end of July, 2017.

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

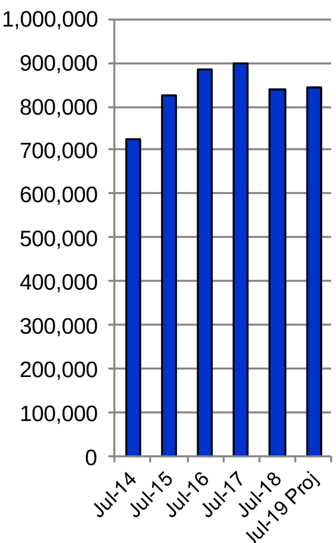
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Tax protest cases resolved	1,524	1,315	1,500	226			R
Internal audit recommendations implemented*	91%	94%	91%	N/A			
Program Rating	G	G					G

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

ACTION PLAN

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

Total Medicaid Enrollment



Source: HSD October 2018 Medicaid Projection

The Medicaid and Temporary Assistance for Needy Families (TANF) caseloads were down compared with a year ago, but the rolls for the Supplemental Nutrition Assistance Program were up slightly. The Medicaid caseload in September was 826,204 individuals, a 3.3 percent decrease from one year ago. The TANF caseload was 11,155 cases in September 2018, a decrease of 5.7 percent from September 2017. The Supplemental Nutrition Assistance Program (SNAP) caseload in September 2018 was 222,623 cases, a 0.3 percent increase from one year ago.

Human Services Department

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

HSD is still awaiting final approval from the federal Centers for Medicare and Medicaid Services (CMS) for New Mexico's Medicaid waiver renewal, Centennial Care 2.0. Concurrently, CMS and HSD are collaborating on new special terms and conditions that will include all of the federal approvals. Until final CMS approval, expected December 2018, HSD has a letter from CMS with guidance about certain program changes so the state can move forward with rule promulgation and continue to plan for a January 1, 2019, implementation date. 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 from Molina to the Centennial Care 2.0 MCOs, 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 Supplemental Nutrition Assistance Program (SNAP) eligibility determinations. HSD indicates as of September 2018, 99 percent of expedited SNAP applications and 98.5 percent of regular applications were approved on time.

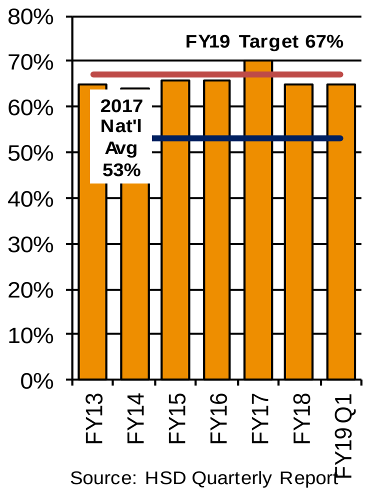
Medical Assistance Division

Closing FY18, HSD reverted $35 million to the general fund associated with incurred but not reported claims and MCO recoupments. However, in its most recent projections, HSD reported the Medicaid program would end FY19 with a shortfall of $8.1 million in general fund revenue, largely due to declining enrollment and higher costs for clients who have more acute healthcare needs. Specifically, the concentration of members in higher cost cohorts increased 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 did not 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 U.S. health plans to measure performance on important dimensions of care and service. HSD requires MCOs to report annually on HEDIS measures. However, HSD and their consulting firm, Mercer, use encounter data to present preliminary quarterly performance measure data pending final HEDIS results, but this preliminary quarterly data was not provided to LFC in this first quarter report, and some common performance measures were excluded entirely from reporting.

PERFORMANCE REPORT CARD
Human Services Department
First Quarter, Fiscal Year 2019

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 had 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 discontinued the following new measures it requested be added in FY18: 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

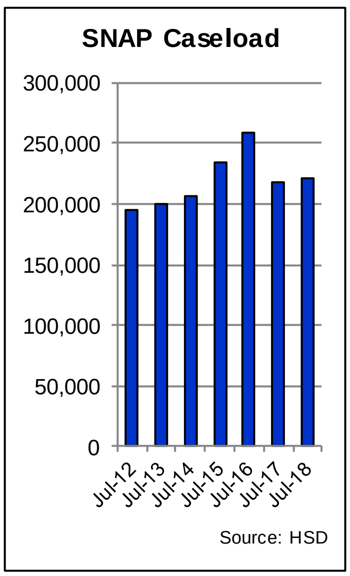
Measure	FY17 Actual	FY18[1] Actual	FY19 Target	Q1	Q2	Q3	Rating
Infants in Medicaid managed care who had 6 or more well-child visits with a primary care physician during their first 15 months*	59%	44%	N/A	Annual			Y
Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year*	84%	71%	N/A	Annual			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%			Y
Individuals in managed care with persistent asthma appropriately prescribed medication	56%	44%	N/A	Annual			Y
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	5%	5%	6%	5%			G
Hospital readmissions for adults 18 and over within 30 days of discharge	7%	7%	10%	7%			G
Emergency room use categorized as non-emergent per one thousand Medicaid member months[2]	467	504	0.25	517			R
Individuals with diabetes in Medicaid managed care ages 18 through 75 whose hospital admissions had short-term complications	663	524	325	No Report			Y
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			R
Medicaid managed-care members with a nursing facility level of care being served in the community.	New	87%	75%	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 January 1, 2019, the Medical Assistance Program will begin implementation of a Medicaid-funded home-visiting 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 be initially rolled out in Bernalillo, Curry, and Roosevelt counties.

The Income Support Division (ISD) improved the timeliness of expedited Supplemental SNAP cases, meeting federal requirements as it processed pending applications and recertifications per federal court orders. Participation rates for families meeting Temporary Assistance for Needy Families (TANF) work requirements were below the targets. 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. ISD did not report on two out of six previous 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. However, HSD's September 2018 monthly statistical report indicated, out of 7,292 adults receiving TANF services, 327 were newly employed.



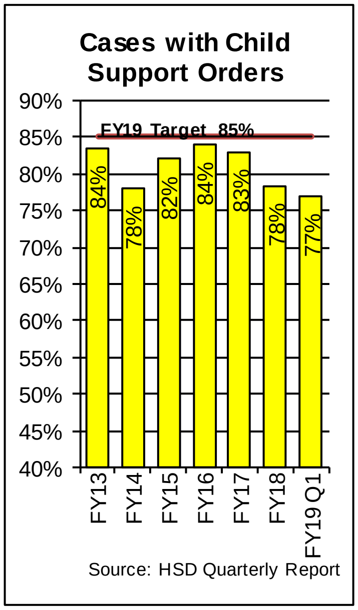
Budget: $969,047.7 **FTE**: 1,148

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%			G
Expedited supplemental nutrition assistance program cases meeting federally required measure of timeliness of 7 days	92.3%	98.1%	96.0%	98.8%			G
Temporary assistance for needy families clients who obtain a job during the fiscal year*	54.6%	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			R
Two-parent recipients of temporary assistance for needy families meeting federally required work requirements	59.5%	59.5%	62.0%	59.5%			Y
All families recipients receiving temporary assistance for needy families meeting federally required work requirements	53.6%	49.4%	52.0%	49.4%			Y
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

The Child Support Enforcement Division (CSED) did not report for FY19 on two long-standing performance measures, child support enforcement collections, in millions of dollars, and support arrears due that are collected. Both of these measures had declined performance measures. CSED repeatedly cites it is in the process of filling vacant



positions and implementing a retention plan to reduce its vacancy rate and return to an upward trend in collections. However, for the last two fiscal years the Legislature has appropriated full funding for the program's personnel but has seen little improvement in performance. In 2015, CSED conducted a business assessment review and in 2017 piloted new business processes in three field offices but was unable to implement the changes purportedly due to vacancies. Despite the program receiving its requested level of funding for personnel for FY18 and FY19, recruitment and retention remain slow and outcomes remain behind targets and previous years' performance.

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%	No Report	No Report			Y
Total child support enforcement collections, in millions*	$139.6	$139.8	No Report	No Report			Y
Child support owed that is collected	56.3%	57.8%	62.0%	56.5%			Y
Cases with support orders	83.0%	78.5%	85.0%	77.5%			R
Program Rating							Y

Note: Children with paternity acknowledged or adjudicated is reported in the federal fiscal year.
*Measure is classified as explanatory, and does not have a target. Rating is based on comparison with prior year performance.

ACTION PLAN

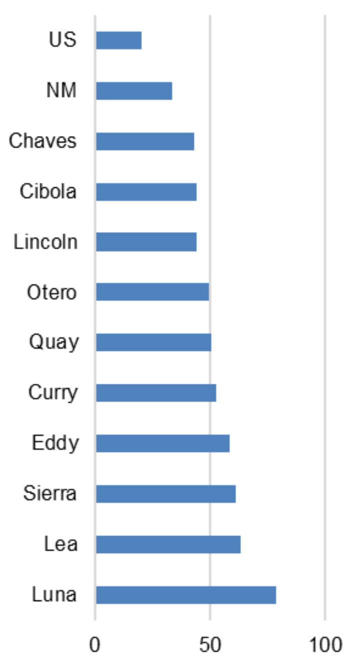
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	No

Vetoed Performance Measure from 2018 Session	
1	Percent of operational beds occupied.

New Mexico Child Health Indicator Rankings 2016	
Teen Pregnancies ages 15-19	7th Highest
Low Birthweight	10th Highest
Pertussis Cases	8th Highest
Child Immunizations	37th Highest
Children in Poverty	1st Highest

Source: American Community Survey and Centers for Disease Control and Prevention

Births to Teens Ages 15-19 per 1,000 Girls, 2014-2016



Source: NM IBIS

Department of Health

The department undertook several initiatives which could lead to future budgetary challenges such as adjusting compensation for most direct-care staff by almost 20 percent above the legislatively approved 4.5 percent for direct-care staff and submitting a request to the federal government for a 2 percent across the board rate adjustment for developmental disabilities waiver service providers. While the department made progress recently and leveraged more Medicaid revenue, more work remains to ensure the department's budget does not go off track. Improving billing for department programs and ensuring the facilities are prepared to leverage Centennial Care 2.0 provisions for substance use disorders will go a long way to ensure department driven initiatives are fully funded.

	New Mexico Health Indicators	2015	2016	2017	US 2016
1	Drug overdose death rate per 100,000 population*	25	25	25	20
2	Births to teens aged 15-19 per 1,000 females aged 15-19	34.2	29.4	27.6	20.3
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	60
5	Heart disease and stroke death rate per 100,000 population**	188	196	198	
6	Suicide rate per 100,000 population*	23	22	23	13.5
7	Pneumonia and Influenza death rate per 100,000 population	13	14	13.5	15
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%	29%	30%
11	Adolescents who smoke	11%	No Data	10.6%	11%
12	Adults who smoke	17%	17%	17%	17%

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

Source: DOH

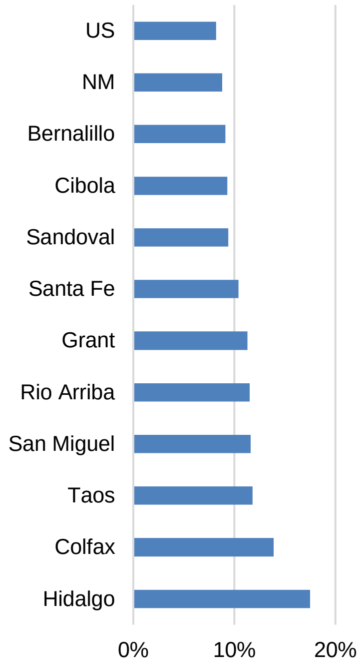
Public Health

Improving the health of mothers, infants, and children is an important goal because it will determine the wellbeing of the next generation and predict 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 below, the state performed worse in 2016 on several important early childhood indicators including infant mortality, low birthweight, and access to prenatal care. According to the Department of Health, regular prenatal care reduces the risk of pregnancy complications but in 2015, 16 percent of mothers received inadequate prenatal care. Continuing or improving on evidence-based early childhood services such as early detection and screening, nutrition programs, and home visiting is imperative. Improving access to prenatal and birthing services in rural and less urban areas of the state and reducing unintended or unwanted pregnancies will go a long way to improving the health of children.

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

New Mexico Legislative Finance Committee

Low Birthweight Babies, by County 2014-2016



Source: NM IBIS

Early Childhood Health Indicators	Infant Mortality 2016	Low Birthweight 2016	Immunization Rate 2016	Early Access to 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

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			G
QUIT NOW enrollees who successfully quit using tobacco at 7-month follow-up	32%	30%	30%	32%			Y
New Mexico adult cigarette smokers who access DOH cessation services	2.8%	2.8%	3%	0.6%			G
Teens who successfully complete teen outreach programming	345	325	350	320 enrolled			R
Female clients ages 15-19 seen in DOH public health office who are provided most or moderately effective contraceptives	64%	61%	62%	84%			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

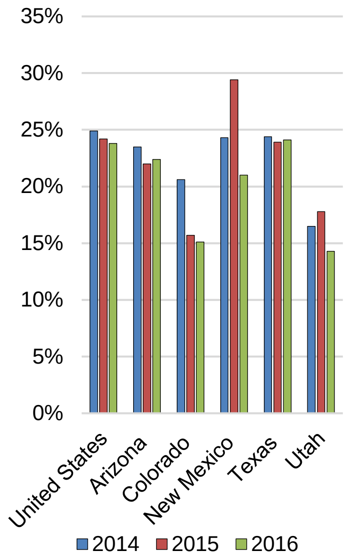
This equates to an average of **FOUR** people dying **EVERY DAY**.

Epidemiology and Response

There is considerable unmet need for substance use disorder services and treatment. For example, New Mexico ranked 12th among states for the drug overdose death rate in 2016 and has some of the poorest substance misuse and behavioral health outcomes in the country. The alcohol-related death rate in New Mexico is trending upward, increasing 35 percent between 2010 and 2017. Since 1981, New Mexico's alcohol-related death rate has ranked 1st, 2nd, or 3rd in the U.S. with rates nearly double the national rate.

Federal, state, and local entities offer services to treat behavioral health and substance use disorders including inpatient social and medical detoxification, Medicaid behavioral health, state-funded behavioral health investment zones, problem-solving courts, services funded by local liquor excise taxes, and services funded by the local driving while intoxicated grant fund. While some of these services are not under DOH, the department and the Behavioral Health Services Division of the Human Services

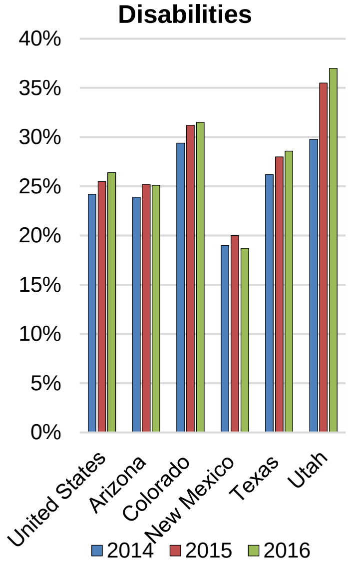
People With Less than High School Educational Attainment With Cognitive Disabilities



*Includes all cognitive disabilities physical, mental, or emotional

Source: Cornell University

Employment Rate for All Cognitive Disabilities



*Includes all cognitive disabilities physical, mental, or emotional

Source: Cornell University

Department, as the designated state behavioral health agency, could do more to coordinate these efforts, assess impact, and address service gaps.

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%			G
Community members trained in evidence-based suicide prevention practices	52	65	70	75			G
Opioid patients also prescribed benzodiazepines*	14%	13%	10%	13%			Y
Program Rating	G	Y					Y

*Results data lag by one quarter

Health Facilities

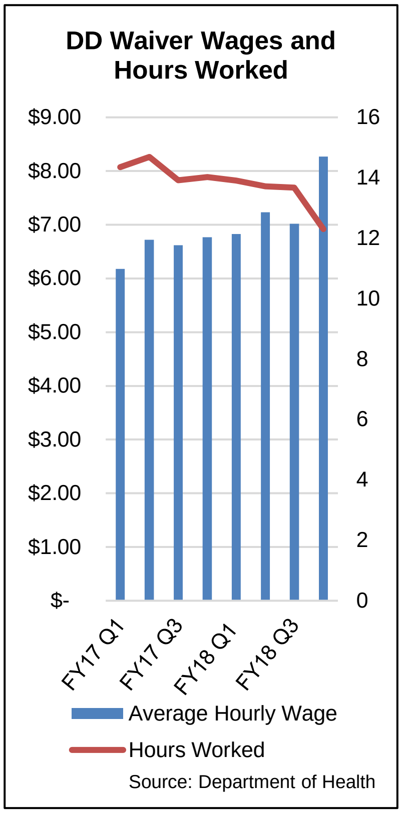
The federal government recently clarified it would allow Medicaid reimbursement for most institution for mental disease (IMD) service lines, not just substance abuse as was originally understood, which could result in significant savings to the general fund. New Mexico may soon receive approval for the waiver through its pending Centennial Care 2.0 Medicaid waiver application. So far, the federal government approved 11 states' waiver applications, and another 10 are pending. However, to leverage the Medicaid IMD exclusion, the department's facilities need to comply with the new behavioral health rule.

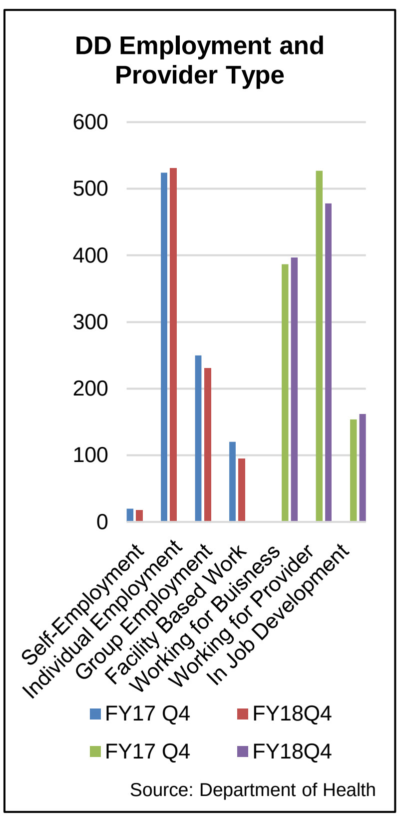
Turquoise Lodge Hospital is moving in this direction and plans to move the hospital from its county leased space in Bernalillo County to leased space at the Gibson Medical Center in Albuquerque while administrators plan, design, and construct a new facility. Administrators say the move to the leased 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 status of DOH's other facilities and their ability to leverage this substantial resource is unknown.

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%			G
Turquoise Lodge Hospital detox occupancy rate	85%	86%	85%	88%			G
Long-term care patients experiencing one or more falls with major injury	Not Reported	3.9%	0.5%	4.9%			R
Eligible third-party revenue collected at all agency facilities	93%	88%	93%	72%			Y
Number of significant medication errors per 100 patients	New	New	2	0.4			G
Residents successfully discharged	New	New	80%	76%			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. However, the department's FY20 funding request reflects little if any movement in the direction of reforming services for people with developmental disabilities or in implementing LFC evaluation recommendations. Moreover, aside from instituting workgroups the department's request to supplement average cost increases, signals the department may lack a plan to improve cost containment in the near future.

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, under the lawsuit settlement, the department was not required 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.

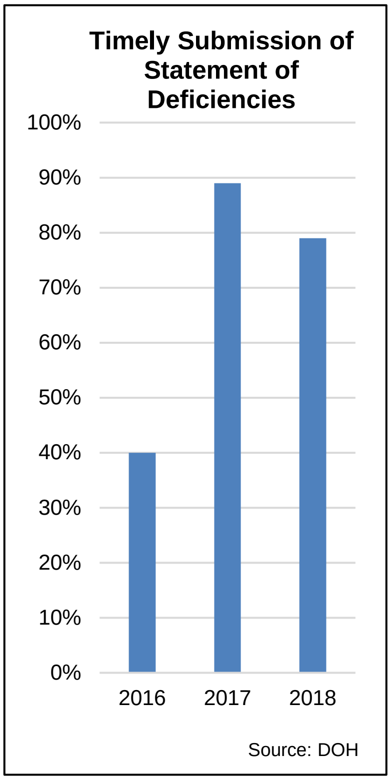
Familiy, Infant, Toddler Program (FIT)	Percent of Children With Substantially Increased Rate of Growth Upon Exiting FIT in:		
	Positive social-emotional skills (including social relationships)	Acquisition and use of knowledge and skills (including early language/ communication)	Use of appropriate behaviors to meet their needs
	2016 **72.1%** 1,609 Children **Better** 2015 70.2%	2016 **74.0%** 1,792 Children **Better** 2015 72.6%	2016 **73.4%** 1,757 Children **Same** 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			
Individuals on the developmental disabilities waiver waiting list* **	4,234	4,834	N/A	4,934			
Developmental disabilities waiver applicants who have a service plan in place within 90 days of income and clinical eligibility	92%	73%	90%	83%			R
Adults receiving community inclusion services through the DD Waiver who receive employment services	36%	30%	35%	28%			R
Program Rating	Y	Y					R

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

In an earlier version of this performance report card LFC staff did not include a performance section for the Health Certification, Licensing, and Oversight Program because the program does not report quarterly performance. After some discussion, the LFC added the section back and the department agreed to report more data. 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. Given the important function the program serves, performance reporting needs improvement.

One measure the program provided was on the timely submission of the statement of deficiencies to the surveyed entity. The Centers for Medicaid and Medicare Services requires the department to submit the reports within 10 days. 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.

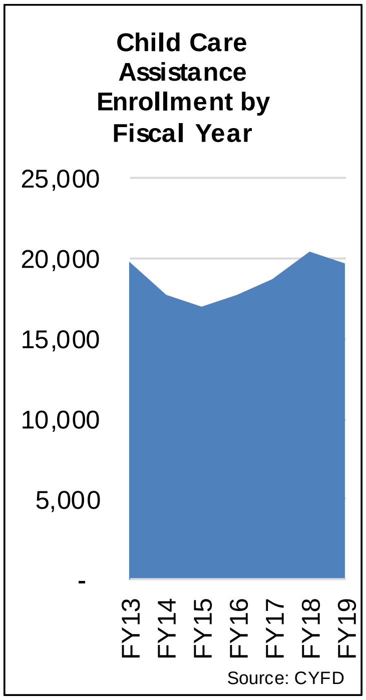
Budget: $13,798.5 **FTE:** 171

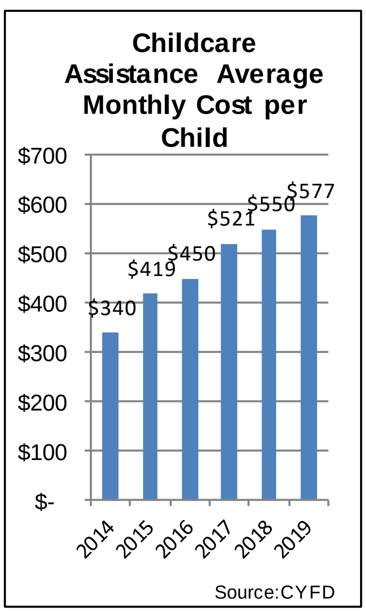
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Abuse Rate for Developmental Disability Waiver and Mi Via Waiver clients	7%	7%	8%	Annual			
Re-Abuse rate (within 12 months- same person) for Developmental Disability Waiver and Mi Via Waiver clients	18%	6%	16%	Annual			
Percentage of long-stay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

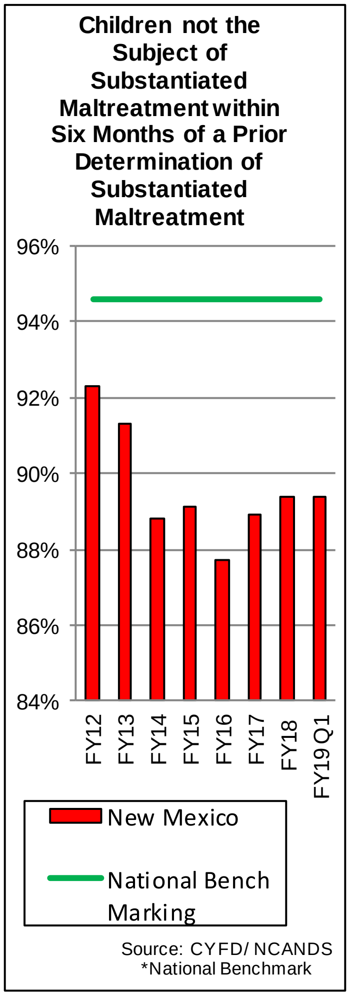
The Early Childhood Services and Juvenile Justice Services programs met a majority of targeted performance outcomes, but the Protective Services Program continues to struggle. Despite significant legislative investments in personnel for the Protective Services Program, turnover, caseloads, and repeat maltreatment rates continue to be a concern.

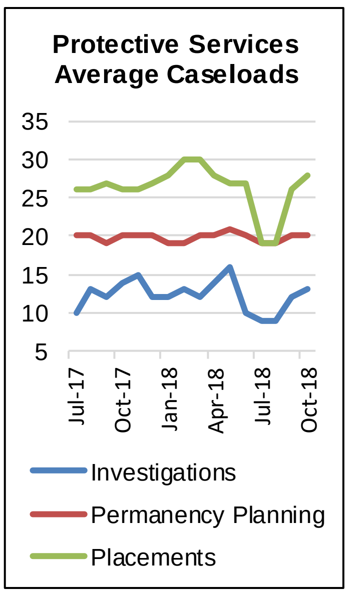
Early Childhood Services

The Early Childhood Services Program met a majority of performance targets in the first quarter of FY19. Childcare assistance costs have continued growing over FY18, to a new monthly average of $577 per child, but met agency projections. Enrollment in childcare assistance dipped slightly, following three years of rising enrollment. Childcare assistance enrollment during the first quarter of FY19 averaged close to 19,700, 900 below the average projected enrollment. Childcare assistance funding has been strained in recent years due to rising costs and enrollment.

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%			G
Licensed childcare providers participating in high-quality programs	New	38.2%	35%	39.3%			G
Parents who demonstrate progress in practicing positive parent-child interactions	44%	45%	40%	46.8%			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%	0.3%			G
Families receiving home-visiting services that have one or more protective- services-substantiated abuse or neglect referrals	New	1.9%	5%	0.1%			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

A majority of the performance measures in the Protective Services Program were updated in FY19 to match new federal reporting requirements. Repeat maltreatment remains higher than targets and national benchmarks. Counties with the highest repeat maltreatment in October were McKinley, with nearly 25 percent, and Taos, Socorro, and Lincoln with 20 percent each. Caseloads for placement and permanency workers on average are above national recommendations. The counties with the highest caseloads in October include Lea, Otero, Santa Fe, Grant, and Catron.

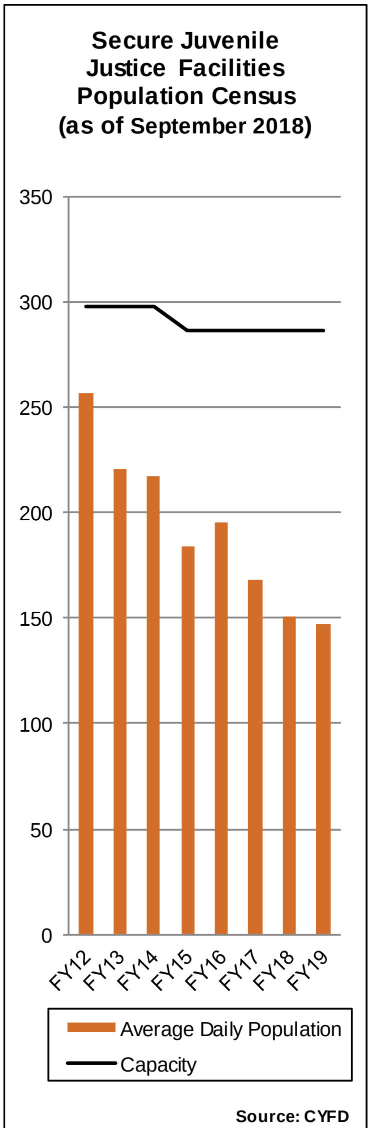
Budget: $152,767.6 **FTE:** 944

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%			R
Children who have another substantiated or indicated maltreatment report within 12 months of their initial report*	14.7%	14.7%	N/A	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%			R
Maltreatment victimizations in foster care	8.2	16.4	8	15			Y
Children in foster care who have at least one monthly visit with their caseworker*	94.8%	94.8%	N/A	94.2%			
Clients receiving domestic violence services with a personalized safety plan	91%	89.5%	90%	96.7%			G
Turnover rate for protective services workers	25%	26.3%	20%	28.1%			R
Program Rating							Y

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

Juvenile Justice Services

The Juvenile Justice Services Program fell slightly short of targeted performance for clients completing terms of supervised release and use of force in committed juvenile facilities. Turnover rates were only 3 percent in the first quarter, well below previous years. The program has struggled with high turnover rates previously, resulting in an unstable workforce for service delivery.



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%			G
Substantiated complaints by clients of abuse or neglect in juvenile justice facilities	9.5%	10.7%	8%	0%			G
Clients successfully completing term of supervised release	52.5%	59.3%	70%	66.7%			Y
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	11.8%			
Incidents in JJS facilities requiring use of force resulting in injury	1.7%	1.3%	1.5%	1.9%			Y
Physical assaults in juvenile justice facilities	398	284	<300	70			G
Client-to-staff battery incidents	143	81	<130	25			G
Turnover rate for youth care specialists	20.6%	30.8%	18%	2.8%			G
Program Rating							G

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

Behavioral Health Services

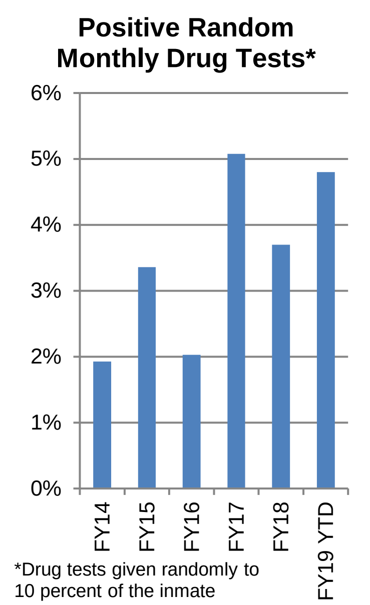
The Behavioral Health Services (BHS) Program reported infant mental health team services continued to exceed targeted performance. The service targets the relationship between the child and the primary caregiver, reducing behavioral, social, and emotional disorders that could result in toxic stress and major trauma.

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			Y
Infants served by infant mental health programs who have not had re-referrals to the Protective Services program	90%	91%	92%	100%			G
Program Rating							Y

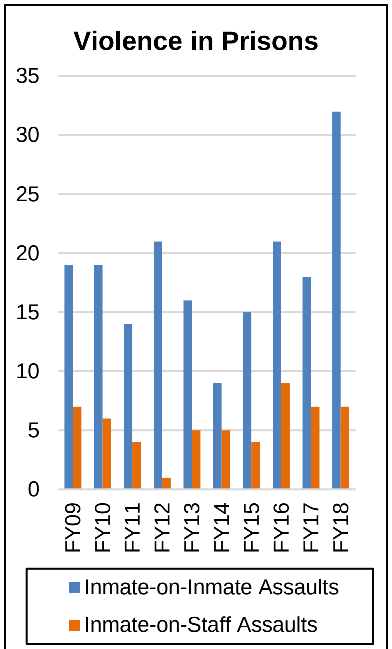
ACTION PLAN

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



*Drug tests given randomly to 10 percent of the inmate population monthly.

Source: Corrections Department



Source: LFC files

New Mexico Corrections Department

The inmate population housed at the New Mexico Corrections Department (NMCD) has grown 8 percent since FY10, 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 51 percent in the first 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.

Recognizing continued critical vacancy rates and increasing violence within prisons, the Legislature included 8.5 percent pay increases for correctional officers and probation and parole officers in FY19. However, vacancy rates among correctional and probation and parole officers rose in the first quarter.

Inmate Management and Control

The percent of inmates held in prison past their release date had improved since FY13 when 23 percent of women and 19 percent of men remained detained. However, release-eligible rates have remained around 9 percent for the last three fiscal years, mostly due to the lack of transitional housing opportunities and parole programs, especially for sex offenders. Rates of inmate-on-inmate and inmate-on-staff assaults are low compared with previous year actuals, possibly the result of lockdowns throughout prison facilities that occurred during the first quarter.

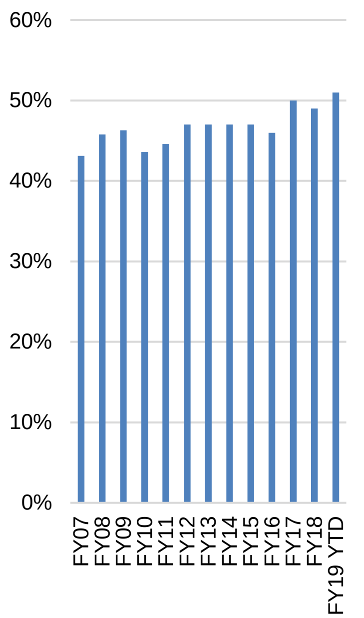
Budget: $280,666.5 **FTE:** 1,870

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

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

Community Offender Management

Corrections Department Recidivism Rates



Source: LFC files

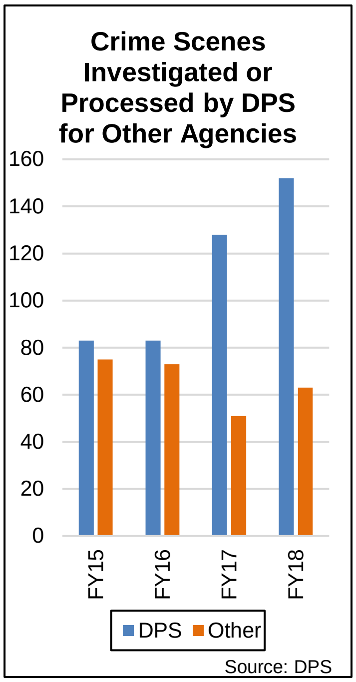
The average standard caseload per probation and parole officer remained at 114 cases per officer even as vacancy rates among PPOs rose 1 percentage point compared with the FY18 actual rate. PPOs received an 8.5 percent pay increase effective July 1, 2018; it remains to be seen if the improved pay will affect vacancy rates. Notably, the percent of male offenders recidivating within three years after graduation from the recovery academy spiked to 31 percent this quarter.

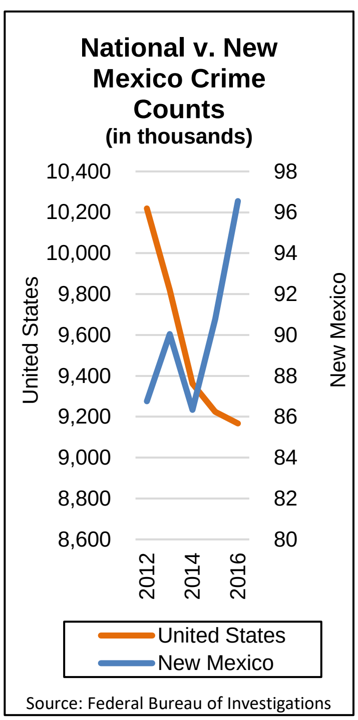
Budget: $34,773 **FTE:** 376

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%			G
Average standard caseload per probation and parole officer	113	114	100	114			R
Male offenders who graduated from the men's recovery center and are reincarcerated within thirty-six months	25%	21%	21%	31%			R
Female offenders who graduated from the women's recovery center and are reincarcerated within thirty-six months	New	21%	18%	17%			G
Absconders apprehended	28%	29%	32%	34%			G
Vacancy rate of probation and parole officers	17%	18%	15%	19%			Y
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.

In FY18, crime scenes investigated by DPS for other agencies increased 24 percent. Increased reliance on DPS could illustrate other agencies' struggles to recruit and retain officers and limited resources as crime rates spiked over the last few years. Preliminary data from Albuquerque, which makes up the largest portion of reported crimes in the state, suggests crime may be falling, leading to DPS processing fewer crime scenes.

Law Enforcement

The department performed well on measures of traffic enforcement and commercial motor vehicle inspections but is slightly below the annual target of 2,250 DWI arrests. It is difficult to ascertain if fewer DWI arrests than the target are problematic or an indicator that fewer people are driving while intoxicated. Alcohol-involved crashes have fallen precipitously from near 8,000 per year to under 3,000 per year in the state since 1980, as have fatalities, arrests, and convictions.

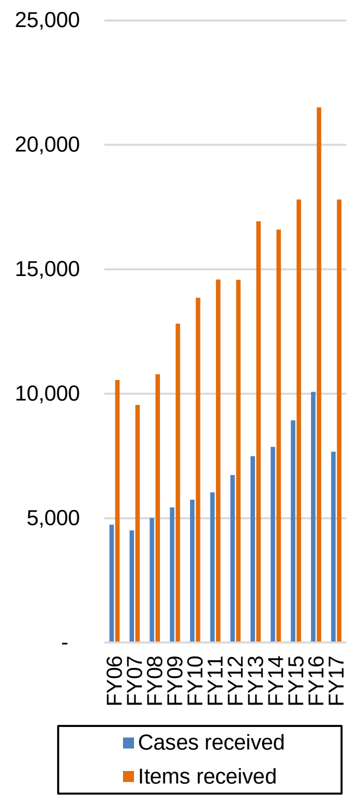
Budget: $124,387.4 **FTE:** 1,084.2

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Data-driven traffic-related enforcement projects held	New	1,926	1,700	816			G
Driving-while-intoxicated saturation patrols conducted	New	3,184	975	656			G
Commercial motor vehicle safety inspections conducted	96,802	88,078	70,000	26,645			G
Driving-while-intoxicated arrests	2,931	2,574	2,250	431			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 24 percent vacancy rate. The department notes one trainee of 51 total staff remains in training until winter 2019. DPS had greater than 100 percent case completion rates in forensic and biology 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.

Forensic Laboratory Workload FY06-FY17



Source: Department of Public Safety

The department is within 100 kits of completing their sexual assault kit backlog of 1,388 kits. The department continues to ensure that all backlogged kits have been submitted to the department for testing before officially marking the backlog cleared. Many of the kits have DNA profiles eligible for entry in criminal databases.

Department of Public Safety
FY19 Q1 Forensic Cases Received and Completed

Case Type	Cases received	Case completed	Completion rate
Firearm and Toolmark	264	255	97%
Latent Fingerprint	168	150	89%
Chemistry	1,213	710	59%
Biology and DNA	474	615	130%

Source: Department of Public Safety

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

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

New Mexico Legislative Finance Committee

Dona Ana County Crime Report – 2016 vs. 2017

Report Date: December 2018

		Year-over-year
8,671	Crimes	-16%
Not Reported	Arrests	-
1,319	Cases	3%
1,052	Sentences	18%

-14%

Assaults

Sources: DPS Uniform Crime Reports, Sentencing Commission, District Court

Crimes are agg. assault, burglary, homicide, rape, auto theft, robbery, and larceny reported to reported to DPS for Uniform Crime Report data. Arrests are all bookings into jail in Dona Ana county. Cases are all new felony cases opened. Sentences are all convictions and pleas on felony cases. Numbers are from multiple non-uniform sources and subject to change. Crimes are frequently inconsistently or underreported to the Department of Public Safety.

New Mexico Legislative Finance Committee

Santa Fe Crime Report – 2016 vs. 2017

Report Date: December 2018

		Year-over-year
5,389	Crimes ↓	-14%
1,427	Arrests ↓	27%*
1,316	Cases ↑	30%
714	Sentences ↑	26%

Assaults ↓ -16%

Sources: DPS Uniform Crime Reports, Sentencing Commission, District Court

Crimes are agg. assault, burglary, homicide, rape, auto theft, robbery, and larceny reported to reported to DPS for Uniform Crime Report data. Arrests are all bookings into jails in Santa Fe county. Cases are all new felony cases opened. Sentences are all convictions and pleas on felony cases. Numbers are from multiple non-uniform sources and subject to change. Crimes are frequently inconsistently or underreported to the Department of Public Safety.

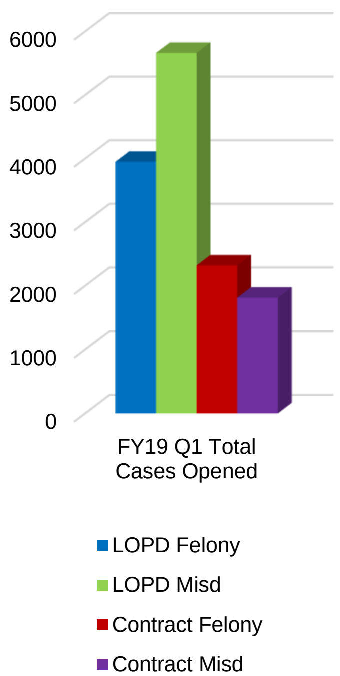
ACTION PLAN

Submitted by agency? PDD Only

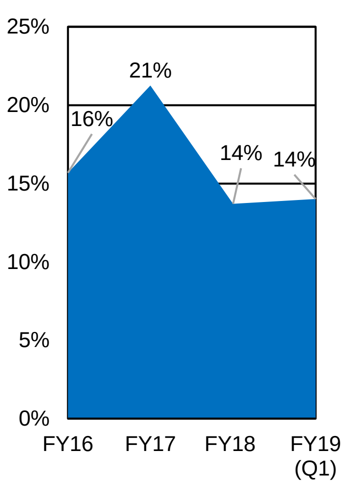
Timeline assigned? No

Responsibility assigned? PDD Only

FY19 First Quarter Cases Opened



Public Defender Department Vacancy Rates



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 the reliability and value of measures, especially in specialty courts. District attorneys have improved in reliability of reporting, but lack critical performance measurements. The Public Defender Department has improved dramatically in the last year, and now report a comprehensive suite of measures on a quarterly basis.

PUBLIC DEFENDER

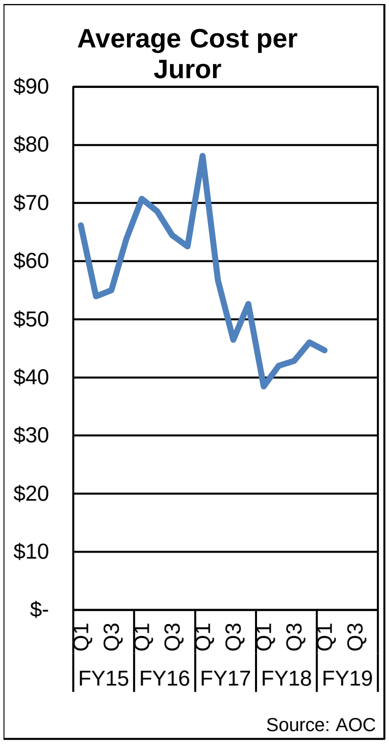
The Public Defender Department (PDD) changed its eligibility policy in FY18 to include clients with incomes up to 200 percent of the federal poverty guidelines, but will no longer offer reimbursement contracts to defendants who do not qualify. The PDD has dedicated additional resources toward ensuring more accurate reporting on performance measures in FY19, including the implementation of a new case management system and allocating a part-time staff member to assist with collecting, correcting and reporting data for quarterly reports.

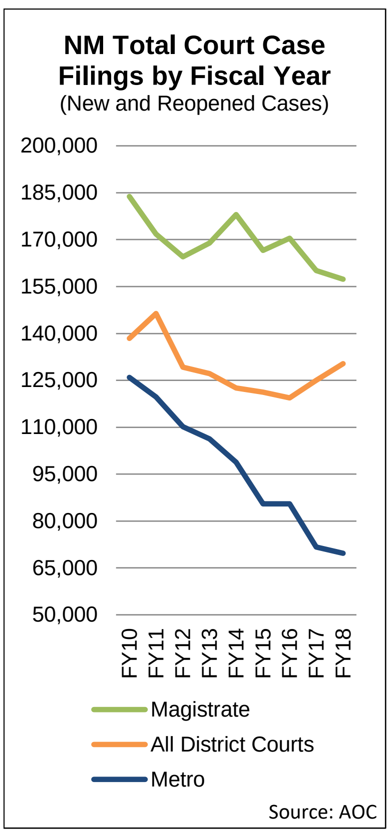
PDD outperformed all targets for the first quarter. The positive performance for the PDD was in part due to reduced caseloads caused by a reduction in the vacancy rate statewide.

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%			G
In-house attorneys	NEW	83%	70%	84%			G
Contract attorneys	NEW	43%	70%	71%			G
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	NEW	11,584	5,000	2,446			G
In-house attorneys	NEW	10,130	4,000	2,134			G
Contract attorneys	NEW	1,454	1,000	312			G
Cases assigned to contract attorneys*	NEW	31%	N/A	29%			
Cases assigned per in-house attorneys	312	302	330	76			G
Average time to disposition for felonies, in days*	NEW	261	N/A	283			
In-house attorneys*	169	256	N/A	275			
Contract attorneys*	256	274	N/A	290			
Cases opened by the Public Defender Department *	NEW	45,237	N/A	14,456			
In-house attorneys*	NEW	31,660	N/A	10,079			
Contract attorneys*	NEW	13,577	N/A	4,377			
Program Rating							G

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





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 the first quarter 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			G
Number of jury trials*	NEW	NEW	N/A	902			
District*	NEW	NEW	N/A	650			
Magistrate*	NEW	NEW	N/A	181			
Metropolitan*	NEW	NEW	N/A	71			
Average interpreter cost per session	NEW	$152.50	$100.00	$154.74			R
Program Rating							Y

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

Special Court Services

In FY18, the courts implemented new quarterly measures to better measure the efforts of drug courts. Data collection and reporting proved a challenge and measures will only be reported semiannually for FY19. 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 and court administrators are exploring more appropriate performance measures for FY20.

Budget: $9,747.0 **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			G
Program Rating							Y

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.

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.

Magistrate Court

Magistrate courts have experienced a decline in total court case filings, similar to that experienced by district and metropolitan courts. Reporting by the Administrative Office of the Courts was incomplete for Q1 of FY19 and delayed by over one month. There is significant concern about the ability of the courts 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			R
Cases disposed as a percentage of cases filed	101%	100%	100%	137%			
Program Rating							R

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

DISTRICT ATTORNEYS

For FY19, falling case referrals coupled with 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, district attorney offices, DFA, and LFC are considering new performance measures including conviction rates and success rates of pretrial detention motions. Responding to legislative interest, the district attorneys are working towards a unified budget system or comparable structure for FY20.

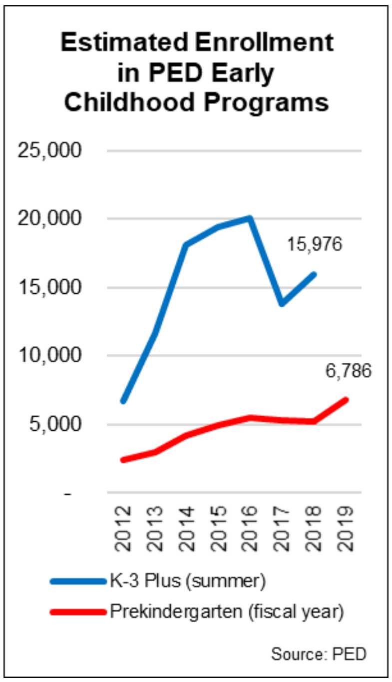
Budget: $73,059.8 **FTE:** 954

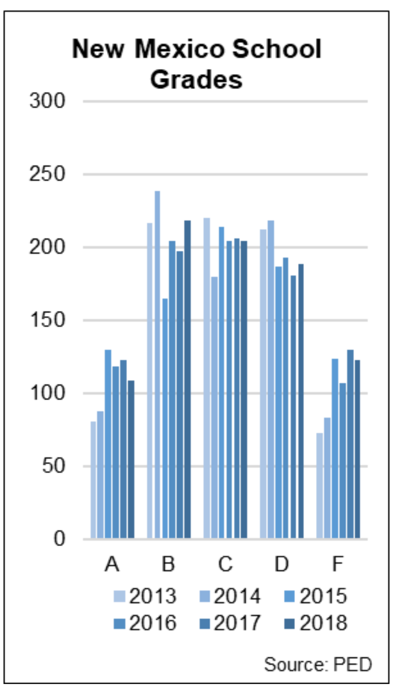
Measure	**FY17 Actual**	**FY18 Actual**	**FY19 Target**	**Q1**	**Q2**	**Q3**	**Rating**
Number of Cases Referred for Screening	75,523	73,256	N/A	19,918			
1st District	6,874	6,353	N/A	1,578			
2nd District	24,376	23,193	N/A	6,644			
3rd District	5,760	5,688	N/A	1,306			
4th District	2,181	1,888	N/A	5,31			
5th District	7,794	7,748	N/A	1,813			
6th District	2,879	2,839	N/A	669			
7th District	1,955	2,161	N/A	551			
8th District	2,152	2,080	N/A	749			
9th District	3,451	3,217	N/A	814			
10th District	914	838	N/A	243			
11th District Div. I	4,592	5,164	N/A	1,359			
11th District Div. II	2,562	2,542	N/A	743			
12th District	4,089	3,831	N/A	732			
13th District	5,944	5,714	N/A	1,386			
Average Attorney Caseload	315	275	70	78			Y
1st District	255	244	66	66			G
2nd District	264	239	65	65			G
3rd District	349	335	97	97			R
4th District	312	260	106	106			R
5th District	346	333	79	79			Y
6th District	318	291	70	70			G
7th District	206	234	73	73			G
8th District	358	303	68	68			G
9th District	363	314	71	71			G
10th District	366	335	97	97			R
11th District Div. I	328	339	85	85			Y
11th District Div. II	394	370	99	99			R
12th District	315	356	73	73			G
13th District	233	231	48	48			G
Program Rating							Y

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

ACTION PLAN

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





Public Education Department

The district court judgment for the *Yazzie* and *Martinez* education sufficiency lawsuit has sparked urgency in addressing educational outcomes in New Mexico. LFC and LESC staff have continued to engage stakeholder groups on where investments will achieve positive results and are collaborating on recommendations to address concerns expressed by the court in significant ways.

Special Education Maintenance of Effort

During the first quarter, PED indicated the state was meeting special education maintenance of effort (MOE) requirements of the federal Individuals with Disabilities Education Act (IDEA). However, the department has not yet provided details on how the state is meeting MOE requirements for FY19 and prior years, which remains a significant potential liability. In FY16, PED claimed the department negotiated a settlement with the U.S. Department of Education (USDE) that obligated the state to pay up to $9 million for five years to address prior MOE shortfalls. To date, no documentation of this settlement exists.

USDE recently released determination letters to states on whether they met IDEA MOE requirements for FY16. New Mexico met requirements for IDEA, Part C (birth to 3 intervention services), but was rated as "needing assistance two or more consecutive years" for IDEA, Part B (3 years old to 21 years old intervention services). USDE must take one or more enforcement actions for New Mexico such as requiring the state to access technical assistance, directing the use of state set-aside funds, or designating the state as a high-risk grantee.

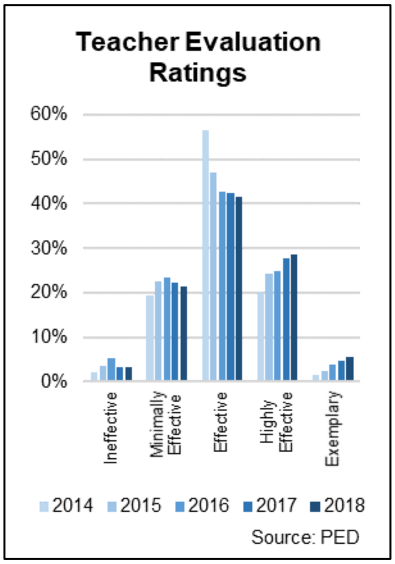
Budget: $11,246.6 **FTE:** 240.8

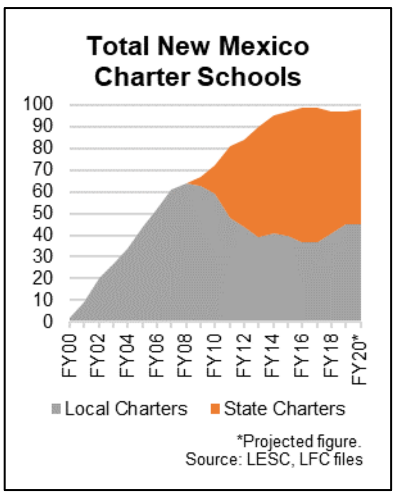
Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Eligible children served in state-funded prekindergarten*	8,572	8,418	N/A	9,974			G
Eligible children served in kindergarten-three-plus**	13,778	18,222	N/A	18,222			Y
Average days to process reimbursements	18	22.8	24	25			Y
Data validation audits of funding formula components	21	28	20	Not reported			R
Program Rating	Y	G					Y

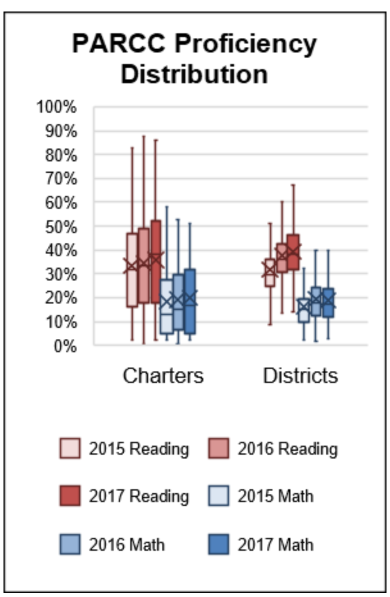
*Includes 4-year-old prekindergarten administered by the Children, Youth and Families Department
**Represents participation by summer program, not fiscal year (e.g., FY17 is summer 2017). FY18 Actual and FY19 Quarter 1 figures include 2,246 students participating in the K-5 Plus pilot.

School Grades

In recent months, some school districts have changed leadership and program structure in response to failing grades. Alamogordo's superintendent resigned amid pressure following two F school grades, and Mora's school board fired its superintendent after no school earned higher than a C grade. Albuquerque and Dulce restructured four chronically-failing elementary schools identified for 'more rigorous intervention,' adding more instructional time, new teaching staff, higher pay levels, and early-childhood interventions to the school program. Recently, two of the four elementary







schools (Hawthorne and Los Padillas in Albuquerque) improved from F grades to C grades, while the other two (Whittier in Albuquerque and Dulce Elementary in Dulce) maintained their F grades.

In response to Senate Memorial 145 from the 2017 legislative session, LESC convened a stakeholder workgroup to study school grades and recommend improvements to the system. The workgroup proposed development of a 'school spotlight dashboard' to replace the current A-F grading system. The dashboard would display both academic and school climate information. The group also recommended new measures for school grades such as chronic absenteeism, progress to graduation, school climate, community engagement, and student participation in college, career, and civic experiences.

PED recently launched a new website (nmschoolgrades.com) to improve public awareness and accessibility to school grades. The site includes videos explaining each school's grade and allows users to compare schools across districts and the state in English and Spanish. School grades for FY18 show a slight decrease in A, C, and F grades and a slight increase in B and D grades. Since FY12, volatility in school grade changes has decreased, and the number of schools with consecutive F grades has declined. As the school grading system continues to evolve (to include indicators such as science proficiency and college remediation rates), the state must consider how changes will affect accountability for schools, federal funding eligibility, and the system's ability to incentivize continuous improvement.

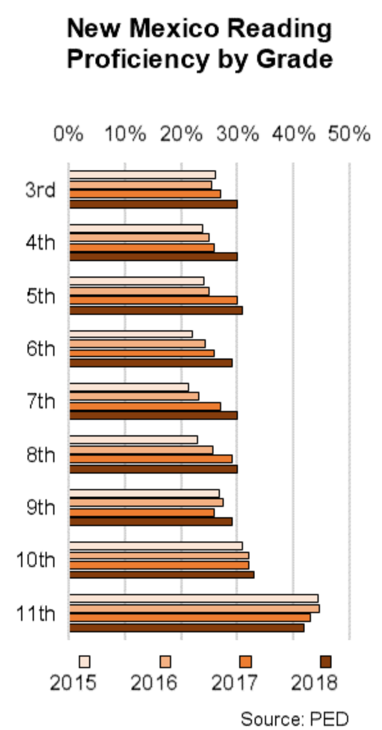
Teacher Evaluation

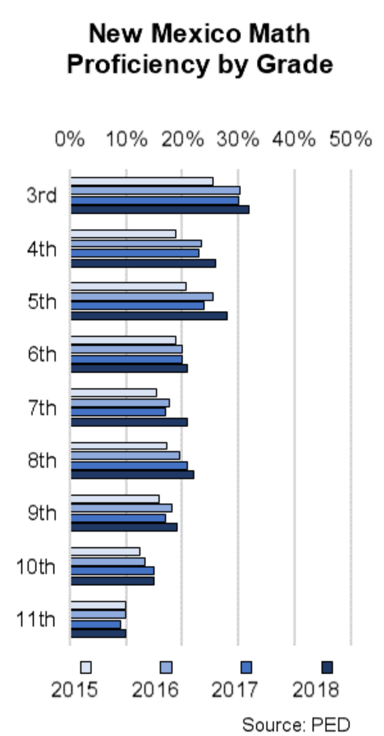
Teacher evaluation scores for FY18 show approximately 75.6 percent of teachers earned overall ratings of effective or higher, a slight increase from 74.3 percent scoring effective or higher in FY17. For FY18, PED reduced the weight of PARCC test scores in the teacher evaluation from 50 percent to 35 percent and increased teacher sick leave from three days to six days. Despite a lower weight on test scores and higher allowable teacher absences, the National Council for Teacher Quality (NCTQ) finds New Mexico still rates more teachers below "effective" than any other state. NCTQ also recognized New Mexico for meaningfully differentiating teacher performance and aligning teacher preparation, licensure advancement, and professional development policies to the state's teacher evaluation system.

Teachers rated as exemplary and returning to work in FY19 received an 'excellence in teaching' award of $5,000 (or $10,000 if teaching high school science or math or teaching at a more rigorous intervention school). About 1,000 teachers, or 90 percent of eligible recipients, returned in FY19 and received the award. For FY19, the Legislature appropriated $5 million for these awards; however, PED disbursed about $6.4 million statewide, given the increase in teachers rated exemplary statewide.

Charter Schools

The Public Education Commission (PEC) approved three charter schools (Hozho Academy, Albuquerque Collegiate, and Altura Preparatory) to commence operations in FY19 and two charter schools (Raices del Saber Xinachtli Community School and Solare Collegiate) to open in FY20. Three charter schools (Anthony Charter, Student Athlete Headquarters, and Carinos de los Ninos) ceased operations while two other charter schools originally scheduled for closure (New Mexico Connections Academy





and Taos International School) successfully appealed PEC's revocation decision and will remain open.

New Mexico Connections Academy's (NMCA) appeal of PEC's decision argued the state did not define standards of excellence and recommended consideration of performance measures other than state grades. Because of PEC's initial revocation decision, the NMCA reported that FY19 enrollment dropped from 1,856 students to about 1,100 students and the school lost about 20 teachers. However, the charter school's funding is based on prior year membership (1,856 students); thus, NMCA will receive about $6 million more in FY19 formula funding for nonexistent membership in a virtual school that does not have the same fixed costs as a traditional brick-and-mortar school.

Standards-Based Assessments

To comply with the federal Every Student Succeeds Act (ESSA), New Mexico began testing all students from third to 11th grade on the PARCC standardized test in 2015. New Jersey is the only other PARCC state that tests this grade range. Maryland and the District of Columbia (D.C.) do not mandate PARCC testing for grades 10 and 11.

Since 2015, New Mexico's PARCC scores have remained the lowest of all states still participating in the assessment; however, the performance of students who are economically disadvantaged is similar to other states. While PARCC scores for all states have shown steady improvement, fewer states intend to provide the original test in the future. In 2018, Maryland announced plans to move away from the PARCC assessment, and New Jersey has been committed to rolling back the test since 2017.

To diagnose progress on student math and reading achievement and the effects of state intervention strategies, New Mexico should continue using the PARCC test or an assessment that allows for longitudinal comparison with existing PARCC scores. Although the district court judgment for the Yazzie and Martinez case notes, "Adoption of the PARCC tests has not improved academic outcomes for at-risk students nor has it appreciably closed the achievement gap between at-risk students and other students," results from the test are integral to New Mexico's ESSA plan, school grading, and teacher evaluation system.

New Meridian, a nonprofit test developer, currently owns the PARCC test question bank and partners with PARCC states to redesign their assessments. According to the nonprofit, as long as 25 percent of questions on a new assessment come from the PARCC test bank, states can maintain comparability with their former PARCC assessment. So far, 11 states have signed up for New Meridian's content – particularly to avoid technical problems, which Tennessee experienced after leaving PARCC and spending $30 million to develop its own test.

The heavy use of PARCC scores in New Mexico's accountability systems sets a high bar for student achievement that relies primarily on reading and math test performance. Rather than abandoning the test completely, the state should use other robust indicators (e.g., science mastery, credentials, social-emotional metrics, etc.) to holistically measure student achievement and improve the accuracy and meaningfulness of feedback through aligned short-cycle assessments, multilingual accommodations, computer-adaptive testing, and expedited results.

ACTION PLAN

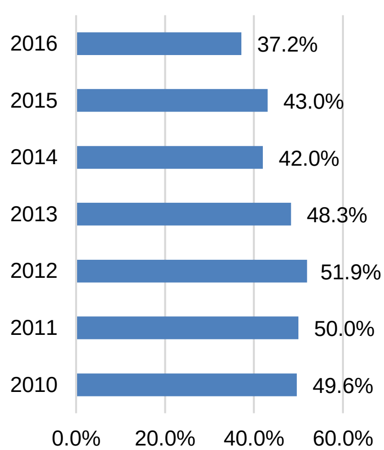
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Remediation Rates

College remediation rates quantify the number of students who take remedial courses prior to starting a prescribed degree program. In New Mexico, 37.2 percent of college freshmen in FY16 took at least one remedial course. According to research on student success, these students are less likely to graduate or graduate on time than their better prepared peers.

Remediation rates have declined since FY10. HED urges caution in interpreting the decline in the number of students taking remedial courses to mean that students are better prepared for college. HED points out that colleges and universities have not consistently tracked or offered these classes, and the data are not consistent in the frequency or reporting framework. Several college remedial classes are not classified appropriately among all institutions.

Percent of Students Taking College Remediation Courses



Source: HED and LFC Files

New Mexico Higher Education Institutions

Student Retention Rates

Retention rates track the progress of students into subsequent semesters. Reported retention rate data tracks a student cohort at the start of each academic year (fall semester) and includes first-time, full-time students, but does not include transfer students or part-time students. Retention rates are not reported by the institutions: four-year institutions report 3rd semester (fall to fall) and two-year colleges report 2nd semester retention (fall to spring).

Students who do not return to college are a tremendous cost to the state and the importance of determining why students leave institutions cannot be understated. Therefore, gathering additional data about those students in the future is critical to improving retention rates.

Four-year Research Universities

All research institutions have retention rates higher than the four-year comprehensive and two-year community colleges, which is a consistent outcome year-after-year. UNM did not meet its target and is experiencing a decline in enrollment and retention.

Retention rates for first-time, full-time degree-seeking students to the third semester	Fall 2015 to Fall 2016 Actual	Fall 2016 to Fall 2017 Actual	Fall 2017 to Fall 2018 Target	Fall 2017 to Fall 2018 Actual	Rating
New Mexico Tech	76.9%	74.1%	77%	75%	Y
New Mexico State University	71.6%	73.9%	74%	73.9%	Y
University of New Mexico	80.1%	78.3%	80%	73.7%	R
Program Rating					Y

Four-year Comprehensive Universities

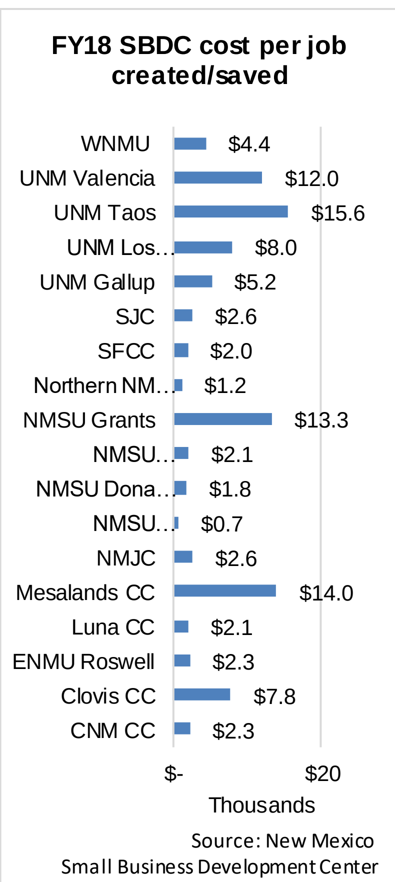
Four-year comprehensive institutions showed strong progress this quarter. Each of the institutions in the category implemented programs to focus on retention. In particular, Northern NM College has begun to seek out students who have left college and is developing strategies to bring them back into higher education.

Retention rates for first-time, full-time degree-seeking students to the third semester	Fall 2015 to Fall 2016 Actual	Fall 2016 to Fall 2017 Actual	Fall 2017 to Fall 2018 Target	Fall 2017 to Fall 2018 Actual	Rating
Eastern NM University	58.7%	63.1%	65.5%	62.4%	Y
Western NM University	53.9%	61%	56.2%	58.9%	Y
NM Highlands University	52.7%	45.2%	53%	51.6%	G
Northern NM College	63.8%	55%	66.5%	58%	Y
Program Rating					G

Small Business Development Center

Santa Fe Community College hosts the Small Business Development Center (SBDC), which receives $4.1 million in general fund support each year to provide confidential consultation for current and future business owners in the areas of business expansion, financing, marketing, and procurement, among other services. In addition to a procurement technical assistance program and an international business accelerator, the SBDC oversees 18 service locations housed in higher education institutions throughout the state.

The SBDC leverages about $1.1 million in grants from the U.S. Small Business Administration and the U.S. Defense Logistics Agency each year. As a condition of these federal grants, the SBDC must track certified data indicating the number of jobs created or saved in addition to associated costs.



Community Colleges and Branch Campuses

Community colleges continue to experience significant variance in retention rates. Community colleges set targets for spring performance, and the results vary by institution and by year-over-year outcomes. Large fluctuations are in part a result of schools with small number of students.

Retention rates for first-time, full-time degree-seeking students to the second semester	Fall 2015 to Spring 2016 Actual	Fall 2016 to Spring 2017 Actual	Fall 2017 to Spring 2018 Target	Fall 2017 to Spring 2018 Actual	Rating
ENMU - Roswell	81.8%	76.2%	77%	76.3%	Y
ENMU - Ruidoso	51.4%	58.6%	65%	48.1%	R
NMSU - Alamogordo	71.4%	76.4%	78%	70.9%	R
NMSU - Carlsbad	75.2%	70.4%	72.5%	78.6%	G
NMSU - Dona Ana CC	74.5%	80%	81%	83.1%	G
NMSU - Grants	77.8%	63%	72.5%	57.9%	R
UNM - Gallup	81.2%	76.4%	82%	76.5%	Y
UNM - Los Alamos	77.4%	81.8%	80%	82.4%	G
UNM - Taos	78.9%	75%	75.5%	77.1%	Y
UNM - Valencia	83.7%	76.8%	80%	79%	Y
Program Rating					Y

Independent Community Colleges

Retention rates for first-time full-time degree-seeking students to the second semester	Fall 2015 to Spring 2016 Actual	Fall 2016 to Spring 2017 Actual	Fall 2017 to Spring 2018 Target	Fall 2017 to Spring 2018 Actual	Rating
Central NM Community College	83.7%	82.3%	83.8%	80.6%	Y
Clovis Community College	83.6%	79%	85%	84.5%	G
Luna Community College	55.7%	58%	70%	69.2%	G
Mesalands Community College	81.5%	73.8%	75%	70%	R
New Mexico Junior College	84.4%	83%	85%	88.3%	G
San Juan College	79.2%	79.4%	83%	81%	Y
Santa Fe Community College	73.3%	77%	75%	83.6%	G
Program Rating					G

Higher Education Department

Community Colleges and Branch Campuses

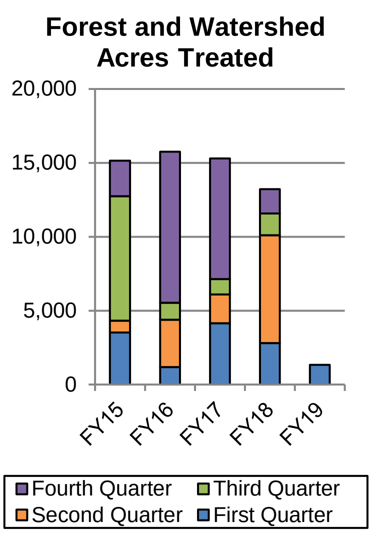
Results from the adult education program administered by HED show success with more students achieving the high school equivalency credential. The number entering postsecondary education or training is substantially below prior year levels, however. The statewide attainment goal is premised on adult learners obtaining postsecondary degrees or credentials, particularly those demographic groups most at risk, who are served by HED through adult education. The transition from a high school equivalency to becoming a college student must improve markedly to meet the statewide goals and to improve adult learners' economic security. The rating is reflective of the low number of students persisting to postsecondary education.

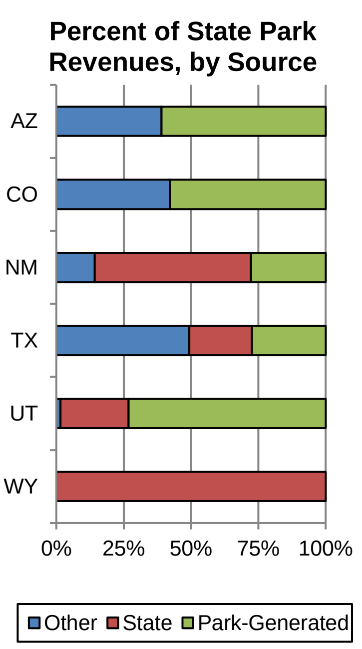
Budget: $5,200 **FTE:** 10

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Percent of unemployed adult education students obtaining employment	39%	40%	40%	39%			Y
Percent of adult education high school equivalency test-takers who earn a high school equivalency	72%	82%	82%	83%			G
Percent of high school equivalency graduates entering postsecondary degree or certificate programs	NEW	69%	38%	38%			R
Program Rating							Y

ACTION PLAN

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





Energy, Minerals and Natural Resources Department

During the 2018 session, Legislators amended the Oil and Gas Act, increasing the blanket guarantee from $50 thousand to $250 thousand to provide a higher degree of financial assurance from operators of oil, gas, or injection wells. The agency fell short of measures related to wild land firefighters trained and forests and watersheds treated, largely because of the aggressive fire season in the western states and many staff out on fire assignments. The Oil Conservation Program continued its high pace of approving drill permits. However, the number of violations issued appears low compared to violations issued during FY18.

Healthy Forests

The program missed the target for firefighter training in the first quarter due to the aggressive fire season in the western states and most trained firefighters occupied with fire assignments. Forest and watershed treatment also did not meet the target—affected by staff on fire assignments, drought conditions, and reduced project funding.

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

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

State Parks

Most visitation to New Mexico's state parks occurs during the first and fourth quarters of the fiscal year. For the first quarter of FY19, drought conditions negatively affected visitation due to low stream, river, and lake levels. The measure for "self-generated" revenue refers to income received from day visits and camping, which was about 10 percent down when comparing the first quarter of FY19 to the first quarter of FY18. Also down when comparing quarters year-over-year were interpretive programs for park visitors. These programs educate visitors about the state's natural and cultural resources.

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			G
Self-generated revenue per visitor, in dollars*	0.88	1.06	N/A	0.86			Y
Interpretative programs available to park visitors*	1,053	860	N/A	183			
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 with the Permian Basin. New Mexico burns between 50 and 100 million cubic feet per day, and 320 million cubic feet per day is flared in Texas. The Governmental Accountability Office reports 40 percent of natural gas could have been economically captured.

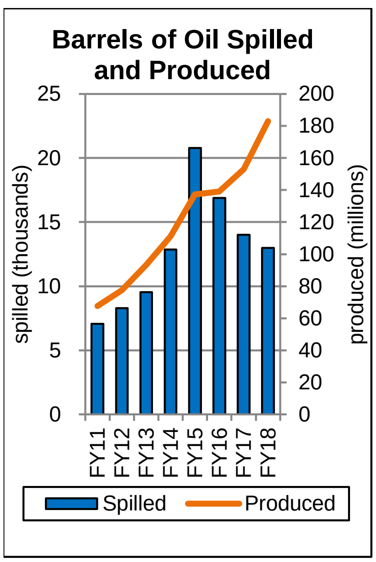
There is only one mine without adequate financial assurance, the Asarco Deming Mill. This site is still under application with a new owner who is working to put up collateral as financial assurance for his mine project. This form of financial assurance requires a series of complex steps such as appraising the value of the property, assignment of deed, and an environmental impact assessment. The COAL program has six permits, and the required financial assurances posted to cover the cost of reclamation.

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%			G
Program Rating							G

Oil and Gas Conservation

During FY18, the Oil Conservation Division (OCD) was unable to meet the goal of 47 thousand inspections due to vacant inspector positions, and the number of violations issued declined by 24 percent (2,081). For FY19, OCD lowered the inspection target to 40 thousand. OCD continues to process applications to drill permits well within 10 business days.



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			Y
Application to drill permits approved within 10 business days	96%	99.8%	85%	99.7%			G
Abandoned oil and gas wells properly plugged	33	41	27	16			G
Violations issued*	NEW	2,081	N/A	284			
Program Rating							G

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

Renewable Energy and Energy Efficiency

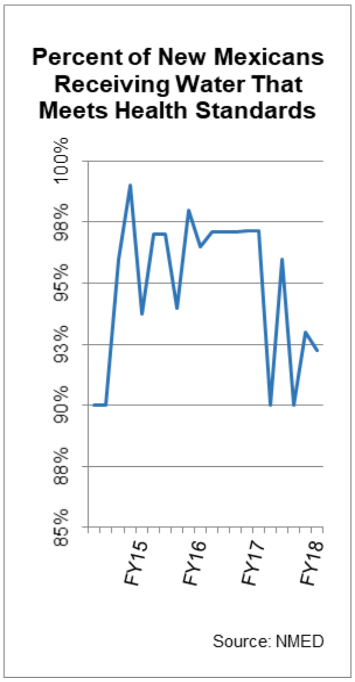
There are five clean energy tax credit programs; renewable energy, solar, sustainable buildings, agriculture biomass, and ground-source heat pump. In the last quarter, 308 applications for the sustainable building tax credit were certified. The first biodiesel facility tax credit was submitted in September and is still under review for certification.

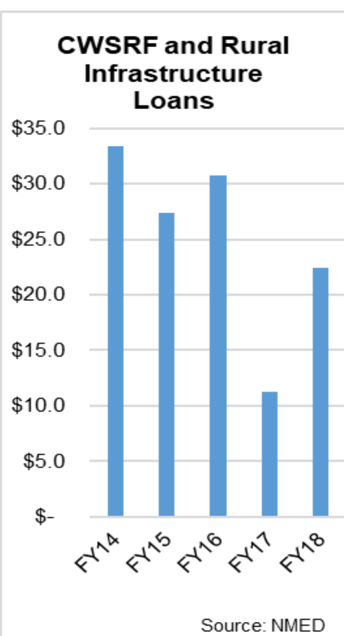
Budget: $2,565.0 **FTE:** 14

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%			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 all performance targets in the first quarter despite many vacant positions that, over time, can reduce performance - especially for public health and safety measures that focus on water and air quality monitoring and occupational safety. However, in some instances the agency set low targets and converted important measures to explanatory, which may suggest resource constraints. In recent times, the agency has seen a decline in federal and fees-based revenue and relied on declining fund balances to implement state and federal laws.

Water Protection

In the first quarter, local entities received $2.5 million from the rural infrastructure revolving loan program. For FY20, the program will eliminate a measure for permitted facilities in compliance with groundwater standards because it skews the numbers toward failure for the program. The Water Quality Act requires that permits stay in place until the permittee achieves standards. Once a standard is met, however, contamination may have already occurred. Also contamination may have occurred before these sites were monitored. Measures reported annually include stream miles that meet quality standards.

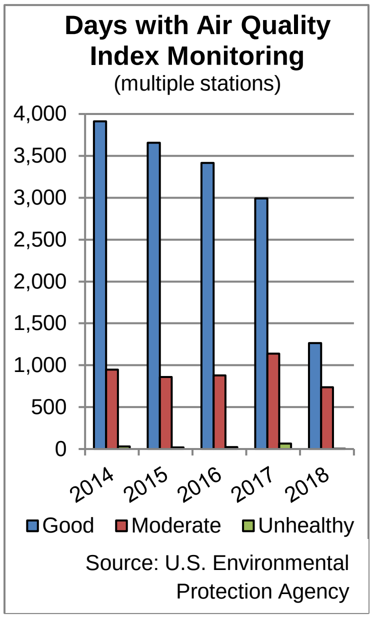
Budget: $23,859.2 **FTE:** 189

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Facilities operating under a groundwater discharge permit inspected annually	66%	53%	65%	64%			G
Permitted facilities where monitoring results demonstrate compliance with groundwater standards*	63%	71%	N/A	394			
Population served by community water systems that meet health-based drinking water standards*	97%	92%	N/A	98%			
EPA clean water state revolving loan fund capitalization grant and matching state funds for wastewater infrastructure*	NEW	NEW	N/A	28%			
New loans from the clean water state revolving fund (CWSRF) and the rural infrastructure revolving loan programs, in millions*	$11.3	$22.4	N/A	$2.5			
Program Rating							G

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

Resource Protection

The Hazardous Waste Bureau has been missing targets for large quantity hazardous waste generators inspected due to vacant inspector positions. As a result, the program reduced the target to 20 percent from 40 percent for FY19. This year, NMED revised petroleum storage tank regulations to better protect groundwater and govern the cleanup of releases from leaking storage tanks. Statewide, the Petroleum Storage Tank Bureau oversees more than 4,421 underground tanks and 1,760 aboveground storage tanks.

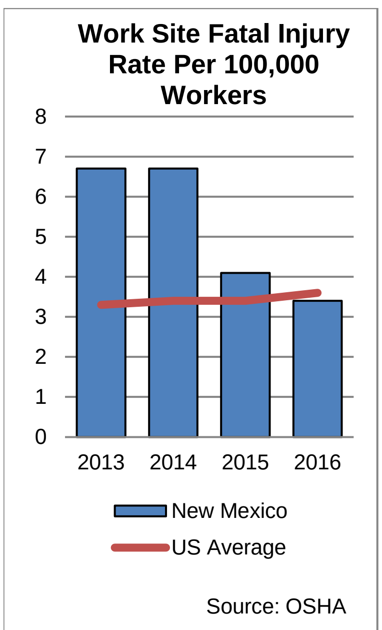


Budget: $14,031.2 **FTE:** 133

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Large quantity hazardous waste generators inspected yearly and in compliance with standards	18%	40%	20%	5.8%			G
Underground storage tank facilities in significant operational compliance with release prevention and release detection requirements	87%	88%	77%	86%			G
Solid waste facilities and infectious waste generators inspected and found to be in substantial compliance with solid waste rules	98%	94%	93%	100%			G
Landfills compliant with groundwater sampling and reporting requirements*	97%	96%	N/A	96%			
Program Rating							G

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

Environmental Protection



The agency met its targets for two measures: the percent of air quality, and the number of serious occupational safety violations discovered through agency inspections that had completed corrective action within 30 days, both met the targets. After agreeing to report on air quality ratings for FY17, NMED requested to discontinue the measure out of concern the agency does not regulate air quality in Bernalillo County, the state's largest population center. However, the agency agreed to report the measure as explanatory data without a performance target starting in FY19.

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

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Serious health and safety violations corrected within the timeframes designated on issued citations	97%	96%	98%	99%			G
Food-related violations issued for food establishment inspections that are corrected within time specified	100%	100%	100%	100%			G
Days with good or moderate air quality index rating*	NEW	NEW	100%	67%			
Swimming pools and spas in compliance with state standards*	100%	100%		100%			
Program Rating							G

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

ACTION PLAN

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

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

Office of the State Engineer

Comprehensive water management requires the Office of the State Engineer (OSE) to determine the amount and priority date of water rights. To do this, OSE must have sufficient staff to complete adjudications and support active resource water management regulations. In 2019, New Mexico will determine if groundwater pumping south of Elephant Butte resulted in under-deliveries to Texas as part of the Rio Grande Compact litigation. Since 2013, the Legislature has appropriated $20.5 million to the OSE and Attorney General's Office for interstate stream litigation.

Water Resource Allocation

The program did not meet its quarterly target for water rights applications processed due to 40 vacancies and the continued increase in the number of complaints of illegal water usage, which increase during drought. This measure is important because it helps the state engineer assess statewide water usage. Overall, the number of backlogged applications continues to increase. However, OSE significantly reduced the backlog since its peak of 1,513 in FY14. The program inspected six dams this quarter and has 20 inspections planned for the second quarter. Overall, the agency expects to inspect over 100 dams in the coming year.

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		506			
Unprotested water rights applications processed per month	36	27	50	30			G
Transactions entered into the agency's water administration technical engineering resource system database	14,566	15,612	20,000	4,689			G
Notices issued to owners of publicly-owned dams notifying them of deficiencies or issues	NEW	NEW	45	6			
Program Rating							G

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

Interstate Stream Commission

New Mexico's accumulated delivery credit (or debit) measures assess compliance with water compact delivery requirements to Texas. An accumulated delivery credit greater than zero means compliance with the compacts. New Mexico's Pecos River compact credit continues to be positive. New Mexico's Rio Grande Compact delivery requirements, however, are the subject of ongoing litigation. This is due to higher temperatures, low precipitation, and low snowmelt runoff to upstream watersheds and reservoirs. With a debit, New Mexico is required to hold water upstream and will likely not have sufficient water in storage for the 2019 irrigation season. The New Mexico unit fund measure requested by LFC tracks expenditures and will be reported for the year in the second quarter. The program receives and distributes funding for the unit fund for the New Mexico Unit of the Central Arizona Project.

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%	109.5			G
Cumulative state-line delivery credit per the Rio Grande Compact, in thousand acre feet	-20.3	-0.7	> 0%	-0.7			R
Cumulative New Mexico unit fund expenditures, in millions*	NEW	$9.02					
Program Rating							Y

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

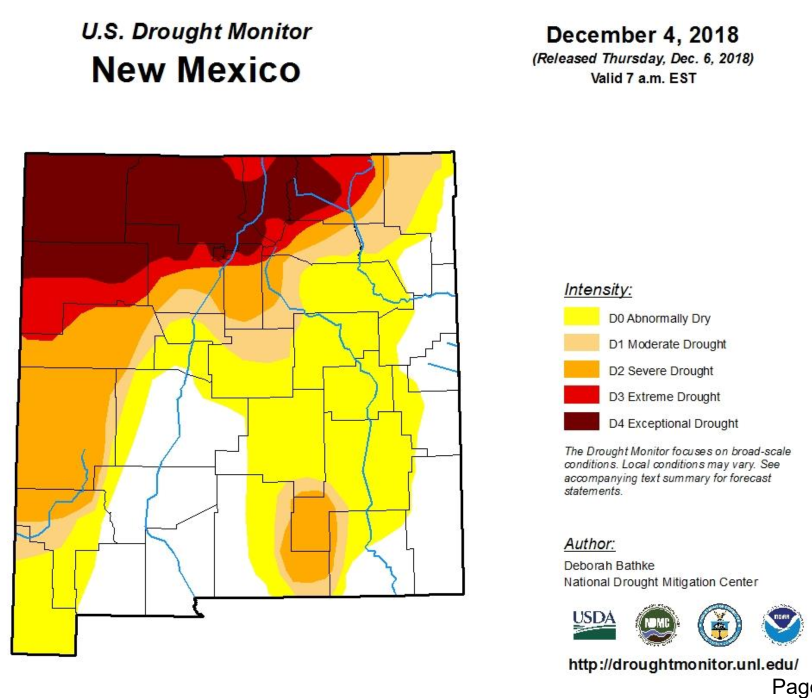
Litigation and Adjudication

The purpose of the program's performance measures is to track progress towards the completion of the adjudication of all water rights in New Mexico. Offers to defendants in adjudications and water rights with judicial determinations exceed the targets. For FY19, water rights with judicial determinations in both closed and active adjudications are included to provide more meaningful data on the cumulative effect of adjudications.

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			G
Water rights that have judicial determinations	66%	67%	70%	74.6%			G
						Program Rating	G

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



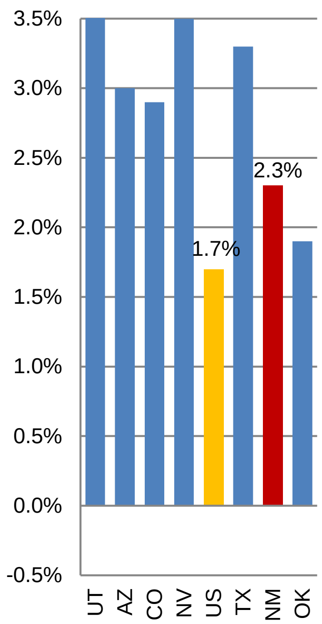
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Economic Development Department
First Quarter, Fiscal Year 2019

ACTION PLAN

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

September 2018 Year-over-Year Job Growth by State



Source: Workforce Solutions Department

Economic Development Department

New Mexico's total nonagricultural employment grew by 19,600 jobs, or 2.3 percent, between September 2017 and September 2018. Most of the aggregate gains came from the private sector, which was up 18,600 jobs, or 2.9 percent. The public sector was up 1,000 jobs, or 0.5 percent.

Economic Development

The Economic Development Division awarded five companies $4.5 million in LEDA funds in the first quarter of 2019 and created 1,025 jobs. All of the companies were in urban areas, with zero awards in rural communities. These companies include TaskUs LLC, Advanced Network Management, Resilient Solutions 21, Indica Labs, and Kevothermal. Four of these companies are homegrown companies from New Mexico. The funds matched for these LEDA projects totaled $28 million, contributing to a six to one ratio of private sector dollars invested per dollar of LEDA funds awarded. EDD's created 86 rural jobs in the first quarter.

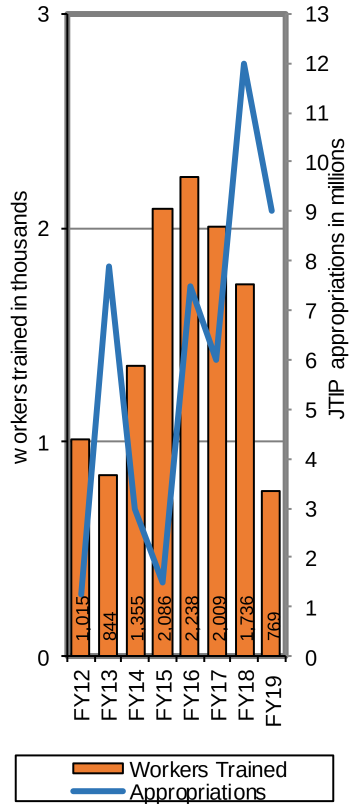
Legislators appropriated $83 million over the last five years for the LEDA fund, including a $5 million special appropriation during the 2018 legislative session. As of September 2018, EDD reported $20 million in other state funds and severance tax bonds is unspent.

Overall, $6.2 million in private sector reinvestment in MainStreet was reported for the first quarter. Ten MainStreet organizations (Alamogordo, Albuquerque-Downtown, Albuquerque-Nob Hill, Deming, Grants, Lovington, Raton, Ruidoso, South Valley, and Tucumcari) brought in a combined $115 thousand in private sector grant dollars to their districts in the first quarter. The Barelas District in Albuquerque reported $1 million in public sector reinvestment resulted in the rehabilitation of three buildings and the creation of 18 net new jobs. Farmington reported $365 thousand in private sector reinvestment that led to three building rehabilitations, two new business openings, and the creation of four net new jobs. Seven new businesses opened within the Los Alamos MainStreet District, resulting in the creation of 95 net new jobs for the community. Grants MainStreet reported $132 thousand in private sector reinvestment that led to the opening of six new businesses, and ten net new jobs.

Budget: $8,798.7 **FTE:** 25

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Rating
Jobs created due to economic development department efforts	1,729	3.994	4,500	1,025	G
Rural jobs created	775	2,414	1,500	86	Y
Jobs created through business relocations and competitive expansions facilitated by the economic development partnership	115	1,415	2,250	0	R
Potential recruitment opportunities generated by the New Mexico Partnership marketing and sales activities	63	52	84	14	Y
Private sector investment in mainstreet districts, in millions	$28	$53.9	$11	$6.2	G

Number of Workers Trained by JTIP



Sources: EDD, LFC files

Private sector dollars leveraged by each dollar through Local Economic Development Act	21:1	36:1	15:1	6:1	G
Jobs created through the use of Local Economic Development Act funds	543	2,613	2,200	873	G
Workers trained by Job Training Incentive Program	2,009	1,736	2,050	769	G
Program Rating					Y

The Job Training Incentive Program (JTIP) board approved twenty-four businesses in the first quarter, 12 of which were homegrown in New Mexico, with a total of $5.8 million in awards. During the first quarter, 601 new jobs were approved at an average wage of $17.56. Of the 601 new jobs, 418 jobs were for eight companies in rural areas including Sunland Park, Roswell, Los Lunas, Navajo Nation, Deming, Belen, Clovis, and Farmington, at an average wage of $13.80 per hour.

The Legislature increased recurring appropriations for JTIP in the FY19 session by $2 million, totaling $4 million in the recurring operating budget. JTIP funds over the past five years, including FY19 recurring appropriation of $4 million and a $5 million special appropriation, total $39 million. As of October 2018, EDD reported $3.9 million in JTIP funds were available.

New Mexico Film Office

The New Mexico Film Office continues to focus on three main initiatives: recruitment, workforce development, and statewide industry outreach. Both performance measures for the New Mexico Film office are on trend to reach the target for FY19. Direct spending by the film industry reached $112 million for the first quarter, and the number of worker days reached $96.5 thousand.

LFC analysis on the film tax credit indicates that as of June 2018, there is $120 million in backlog that has not been paid to film companies. The NM Film Office does not track expenses by fiscal year, relying solely on the Taxation and Revenue Department to keep track of these liabilities.

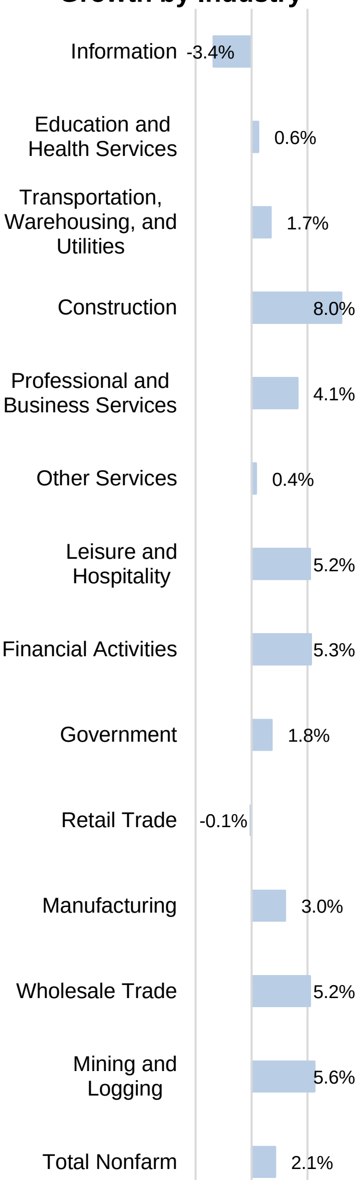
Budget: $747.1 **FTE**: 8

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Rating
Direct spending by film industry productions, in millions	$505	$234	$330	$112	G
Film and media worker days	448,304	259,961	300,000	96,543	G
Program Rating					G

ACTION PLAN

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

September 2018 Year-Over-Year Job Growth by Industry



Source: Workforce Solutions Department

Tourism Department

The Tourism Department met or exceeded targets for two performance measures in the Marketing and Promotion Program, while also achieving the target for the *New Mexico Magazine*'s advertising revenue. The tourism industry in New Mexico is still strong when compared with other industries, and the agency is continuing to focus efforts on local advertising initiatives. The Workforce Solutions Department numbers show the leisure and hospitality industry had an increase of 5.2 percent in September 2018, compared to September 2017.

Marketing and Promotion

The change in employment in the leisure and hospitality industry met the target, with a 5.9 percent increase. The Marketing and Promotion Program continues to focus advertising funds on new out-of-state markets, referred to as fly markets, and collaborate with local communities for New Mexico True advertising.

The Department relies on a third-party survey company, Longwoods International, to provide data on New Mexico trips. This survey, however, only provides calendar year data, meaning that FY19 results will not be available until the summer of 2020, resulting in yellow ratings for two performance measures. The department plans to continue using data-based decision-making to drive visitation and social media engagement.

Budget: $10,539.2 **FTE:** 24

Measure	FY17 Actual	FY18 Actual	FY19 Target	FY19 Q1	Rating
Change in New Mexico leisure and hospitality employment	NEW	3%	3%	5.9%	G
Dollar amount spent per visit per day	$78	TBD	$80	TBD	Y
New Mexico's domestic overnight visitor market share	1.1%	TBD	1.1%	TBD	Y
Referrals from newmexico.org to partner websites	NEW	188,921	160,000	32,489	G
Program Rating					Y

New Mexico Magazine

New Mexico Magazine exceeded the target for advertising revenue per issue, reaching an average of $79 thousand. The *New Mexico Magazine* has a paid circulation of approximately 70 thousand customers. The magazine's digital engagement reaches more than 200 thousand visitors per month across various platforms.

Budget: $3,179.3 **FTE:** 14

Measure	FY17 Actual	FY18 Actual	FY19 Target	FY19 Q1	Rating
Advertising revenue per issue, in thousands	$69	$81	$73	$79	G
Program Rating					G

Program Support and Tourism Development Program

At the beginning of FY19, approximately 78 percent of the department's $18 million operating budget was appropriated for advertising and marketing. The Tourism Development Program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants. The agency is unable to provide quarterly data for the number of communities that have been assisted in the co-op marketing grant program, causing a yellow rating for the first quarter.

Program Support

Budget: $1,074.1 **FTE:** 11

Measure	FY17 Actual	FY18 Actual	FY19 Target	FY19 Q1	Rating
Operating budget spent on advertising	78%	78%	72%	78%	G
Program Rating					G

Tourism Development

Budget: $2,262.6 **FTE:** 5

Measure	FY17 Actual	FY18 Actual	FY19 Target	FY19 Q1	Rating
Combined advertising spending of communities and entities using the Tourism Department's current approved brand, in thousands	$2,000	$1,464	$2,200	TBD	Y
Program Rating					Y

General Services Department

GSD continues to produce quarterly reports that lack basic information relating to their core mission, including reporting on the number of FTEs per square foot in state-owned and leased facilities. The lack of reporting makes it difficult to assess the effectiveness of the department in providing essential services to state agencies. The department should be more proactive in finding ways of measuring performance to ensure the most efficient use of taxpayer dollars.

Risk Management

The Risk Management Program has a goal of maintaining a fund balance sufficient to cover 50 percent of liability losses. The public liability fund has increased its balance consistently over the past several years. The major risk funds have increased their balances significantly despite transfers of $30 million to the general fund for solvency; the property, liability, and workers compensation funds had a combined balance of $100 million in FY18, up from $85 million in FY17.

Budget: $86,128.5 **FTE:** 56

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Projected financial position of the public property fund	468%	697%	N/A	556%			G
Projected financial position of the workers' compensation fund	43%	54%	N/A	47%			G
Projected financial position of the public liability fund	46%	51%	N/A	65%			G
Program Rating							G

Group Health Benefits

The Group Health Benefits Program and the other IBAC agencies have been pursuing greater emphasis on care management and opportunities to incentivize healthcare consumers to make less costly decisions, especially as it applies to chronic illness and specialty drug use. The program operates the stay well health center and provides limited reporting on the program. Performance reporting should be expanded to determine whether the health center is producing cost savings.

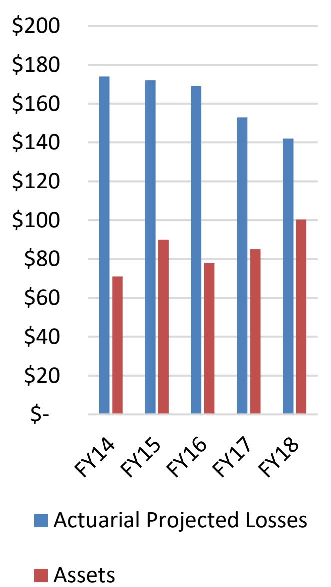
Budget: $368,563.9 **FTE:** 0

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
State group prescriptions filled with generic drugs	87%	89%	90%	89%			G
Change in premium	-3%	4%	4%	Annual Measure			
Change in average per member per month total healthcare cost	5%	2%	<7%	Annual Measure			
Increase in the number of members designating the Stay Well Health Center as their primary care provider	NEW	NEW	≤3%	-5.6%			R
Program Rating							Y

ACTION PLAN

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

Assets vs. Actuarial Projected Losses for Major Risk Funds
(in millions)



Source: GSD and LFC Files

A cost-benefit analysis may be helpful to determine if investments in wellness incentives and disease management programs are improving patient outcomes or if there are other cost control or quality improvement reforms that should be explored by the Interagency Benefits Advisory Council (IBAC).

Facilities Management

Although the state labor force continues to shrink, GSD has not reported a similar reduction in use of office space and the department notes it does not have the data necessary to report on square footage per FTE in either state-owned or leased space. The Department advocated for changes in performance measures which de-emphasized metrics such as projects completed within budget and work orders completed on time. The program failed to meet the targets of the discontinued measures but has achieved the targets for the new measures. While the program has met the targets, overall performance remains a serious concern as the department continues to stress staff shortage in this program.

All three of the new office space leases approved by GSD met the 215 square foot per FTE space standard set by GSD.

Appropriations to GSD for Building Repair and Maintenance

2019	$1,500,000
2018	$0
2017	$4,000,000
2016	$2,000,000
2015	$ 0
2014	$4,500,000
2013	$500,000

Source: LFC Files

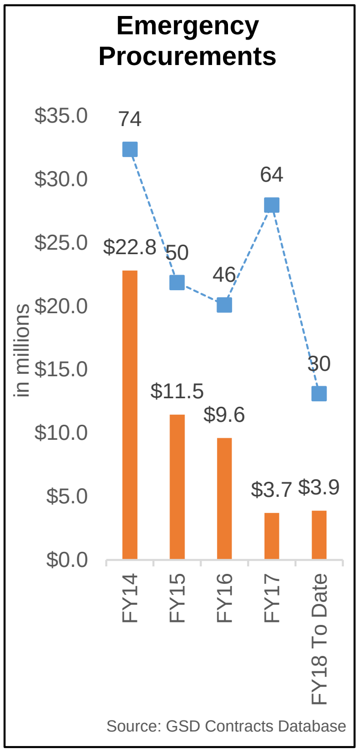
Budget: $13,205.8 **FTE:** 132

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Capital projects completed on schedule	95%	97%	95%	96%			G
Preventive maintenance completed on time	97%	92%	95%	87%			Y
New office leases meeting space standards	19%	64%	25%	100%			G
Program Rating							G

Gross Square Footage per FTE, 2017

Department	Leased Space under GSD purview	State-owned Space under GSD purview	Total Space Occupied	Total FTE	Total Space Per FTE (target 215)
Aging and Long-Term Services Department	36,545	32,403	68,948	181	382
Department of Environment	116,432	67,822	184,254	668	276
Department of Health	295,262	1,230,263	1,525,525	2,251	636
Department of Public Safety	39,617	408,408	448,025	1,200	373
Energy, Minerals and Natural Resources Department	6,884	77,723	84,607	317	267
Human Services Department	734,969	115,720	850,689	1,923	442
Public Education Department	13,407	61,613	75,020	323	232
Regulation and Licensing Department	20,017	58,473	78,490	190	412
Office of the State Engineer	63,251	89,967	153,218	299	512
Taxation and Revenue Department	207,968	171,526	379,494	1,128	336
Workforce Solutions Department	27,492	153,858	181,350	579	313
Other Agencies	904,094	4,819,965	5,724,059	8,168	700
Total				**17,227**	**438**

Source: LFC files and GSD (2017)



State Purchasing

The methodology for calculating many of the measures is unclear. For example, there was only one procurement code violator who received training in the first quarter, but the reported result for procurement code violators receiving training was 95 percent. The program reports that all state agencies currently have a certified procurement officer.

Budget: $2,054.5 **FTE:** 24

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Procurement code violators receiving procurement code training, as compared to previous fiscal year	68%	TBD	90%	95%			R
Agencies with certified procurement officers	96%	97%	98%	100%			G
Percent increase in best value procurements, as compared to the previous fiscal year	22%	23%	20%	0%			R
Program Rating							G

Transportation Services

The program continues to under-utilize its vehicles; of 1,914 vehicles, only 1,136 were operated an average 750 miles per month during FY18. Due to lack of funding, the program had to cancel newly installed GPS vehicle monitoring, which the program reports has impacted the ability to collect and analyze data. In the absence of GPS tools, manual mileage logs are used.

Budget: $8,740 **FTE:** 33

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Vehicle operational cost per mile	$0.47	$0.46	$0.59	Annual Measure			
Vehicles used 750 miles per month	51%	61%	60%	59%			Y
Program Rating							Y

State Printing

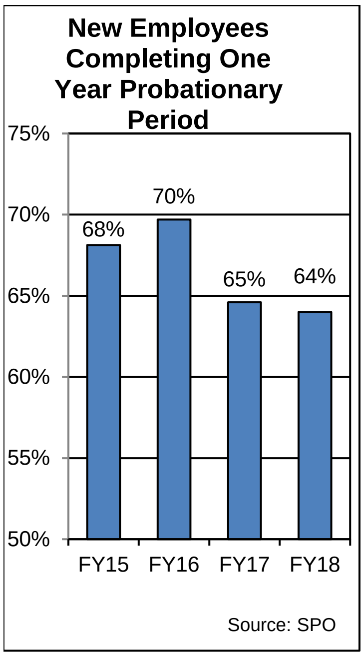
State printing shipped 538 of 543 of orders to clients on time. The reduction in sales growth was not explained.

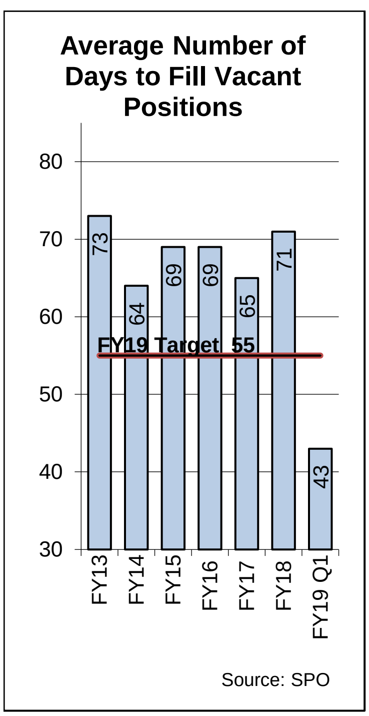
Budget: $1,586.6 **FTE:** 10

Measure	FY17 Actual	FY18 Actual	FY19 Target	Q1	Q2	Q3	Rating
Revenue per employee, in thousands	$236	$246	$180	$128			Y
Sales growth in revenue	26%	36%	10%	-22%			Y
Program Rating							Y

ACTION PLAN

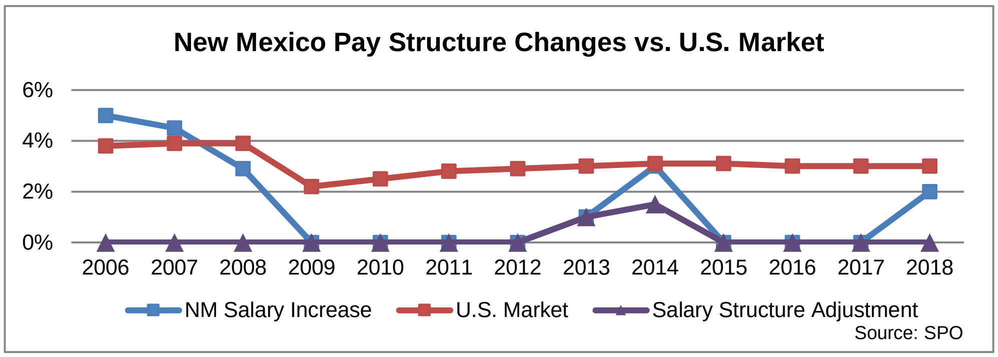
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No





State Personnel Office

The state's vacancy rate increased despite additional funding to provide raises for state employees and fill vacant positions. Only 64 percent of employees complete their probationary period, suggesting state employment is not attractive to new hires. In addition, the state's current pay structure, developed and maintained by the State Personnel Office (SPO), has fallen behind market pay rates for many jobs due to lack of regular adjustments. The implementation of an occupation-based structure was supposed to address salary inadequacy. However, only four out of 11 occupation groups have been completed since the project began in 2012.



SPO reports the average time to fill vacant positions fell from 71 days in FY18 to 43 days in the first quarter. While the progress is encouraging, the data does not seem to reflect a full quarter of hiring; in the fourth quarter of FY18, the agency reported data based on over 400 filled positions at 40 agencies while the first quarter FY19 report is based on 119 filled positions at 26 agencies, a reduction of 70 percent. LFC staff has been unable to confirm the reported figures represent the full quarter's hiring activity.

Budget: $4,005.1 **FTE:** 1

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

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

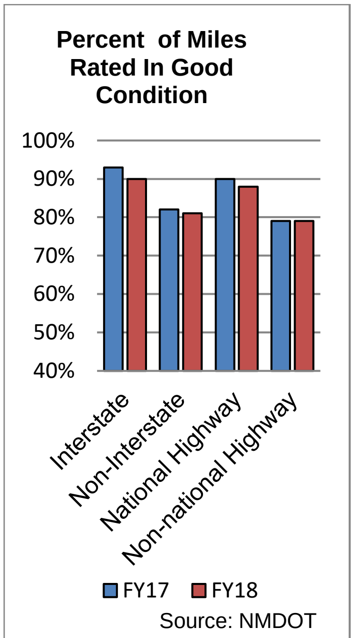
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

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

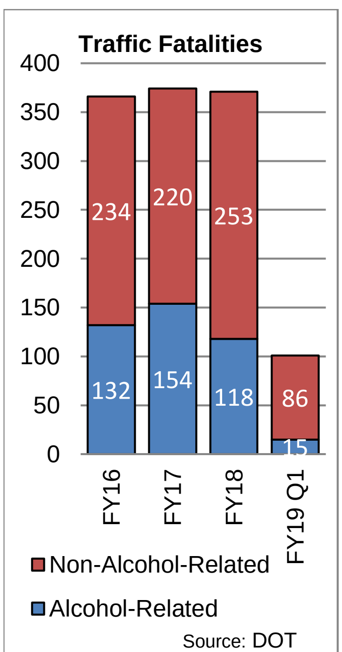
ACTION PLAN

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: DOT

Department of Transportation

The Department of Transportation (DOT) continues to show efficient use of available funding by controlling costs and completing projects on time. The department reports a 0 percent cost over bid, meaning DOT staff and contractors are doing well in project development and are able to complete work on time and on budget. Overall traffic fatalities increased, though alcohol-related fatalities continued trending down. While the department continues performing well on core functions, increasing vacancy rates may hinder this progress in the future.

Project Design and Construction

Only four of 18 projects put out to bid during the quarter were on schedule. The department notes that staff shortages, as well as administrative complications, were responsible for the majority of delays. While most projects were not bid as scheduled, DOT surpassed the target for completing 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 sharp 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%			G
Projects put out for bid as scheduled	65%	54%	>67%	22%			R
Bridges in fair condition or better, based on deck area	96%	96%	>88%	96%			G
Final cost-over-bid amount on highway construction projects	-1.0%	-0.2	>3%	0%			G
Program Rating							G

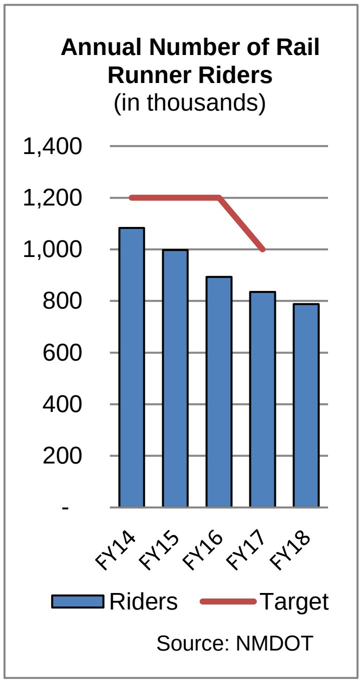
Highway Operations

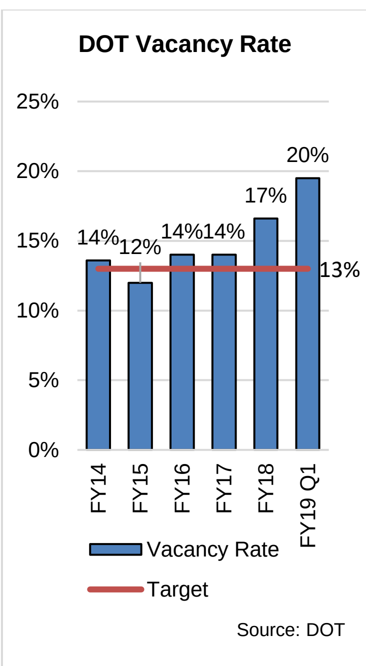
New Mexico road conditions continue to deteriorate despite DOT exceeding the target for pavement miles preserved for several years. The department estimates a need of $595 million per year for maintenance needs across the state while the current budget provides $251 million.

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			G

FY17 Road Condition Survey	**FY15 Actual**	**FY16 Actual**	**FY17 Target**	**FY17 Actual**	**Rating**
Interstate miles rated fair or better	92%	93%	>91%	90%	G
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





Modal

DOT and the Traffic Safety Division continue to implement high-visibility programs to try to reduce overall traffic fatalities, such as ENDWI for drunken driving and BKLUP for seat-belt use. Traffic fatalities unrelated to alcohol use increased by 11 percent from the first quarter of FY18 and fatalities for occupants not wearing seat belts increased by 18 percent. New Mexico continues to see alcohol-related traffic fatalities decline with a 38 percent reduction from the first quarter of FY18. Ridership on public transit is roughly in line with previous quarters, but still well below target.

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

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

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

Program Support

The department vacancy rates had stabilized around 14 percent following a high of 19.4 percent in FY12. The current high 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. Current competition for skilled laborers in the southeast portion of the state may be adding to the recruitment difficulty. DOT noted the human resources (HR) consolidation effort and the transition to the SHARE HR recruiting system contributed to a slowdown in hiring in July and August.

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%			R
Employee injuries	78	87	<90	15			G
Percent of invoices paid within 30 days	90%	92%	>90%	96%			G
Employee injuries occurring in work zones	34	37	<35	5			G
Program Rating							G

Legislative Finance Committee
Information Technology Status Report

Project Status Legend

Green	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
Yellow	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.
Red	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 delivered 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%		
FY18 Rating	**Q1**	**Q2**	**Q3**	**Q4**	**Status**			
Budget	Green				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	Green				The project is the stabilization period and support phase. Stabilization activities will continue through the end of FY19.			
Risk	Yellow				While improvements in the filing and amendment process have increased accuracy and efficiency of severance tax collection distribution, ongoing concerns with incorrect data reporting remain.			
Overall	Green				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 $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	Planning		**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	$976.0	$9,024.0	9.8%		
FY18 Rating	Q1	Q2	Q3	Q4	**Status**			
Budget	Yellow				Project expenditures have not been updated since May 2018 when SLO received certification of $2 million for the planning phase. SLO awarded Deloitte Consulting a $7.7 million contract for implementation using the statewide price agreement procurement method.			
Schedule	Yellow				Project started in September 2018, with estimated completion by June 2020.			
Risk	Yellow				SLO indicates there are 17 interfaces with various connectivity protocols. LFC staff is concerned due to complexities and potential risks associated with ensuring interfaces are implemented correctly. The change in administration may impact the project.			
Overall	Yellow				SLO will complete the royalty project in two phases. While the current code will be refactored to a modern software, the current ONGARD system will fully be operable.			

[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	$12,373.5	$1,826.5	87.1%		
FY18 Rating	Q1	Q2	Q3	Q4	**Status**			
Budget	Green				Project expenditures appear to be under budget based on status of completion.			
Schedule	Yellow				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	Green				Constraints include weather and available external and internal resources.			
Overall	Green				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	Yellow				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	$0.0	$10,000.0	0.0%		
FY18 Rating	Q1	Q2	Q3	Q4	**Status**			
Budget	Yellow				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 plan.			
Schedule	Yellow				DoIT reported the project will be completed in five phases over a five-year period. Phase one includes purchase of hardware and deployment of coverage in Chaves, Eddy, and Lea counties.			
Risk	Yellow				Project is overlapping with DoIT's SWIRE project, the level of coordination in planning is of concern. DoIT has yet to complete a detail project plan.			
Overall	Yellow				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.			

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		
			Estimated Total Cost (in thousands):			$4,200.0		
	State[1]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$4,200.0	$0.0	$4,200.0	$3,032.2	$1,167.8	72.2%		
FY18 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					PERA extended the anticipated completion date from November 2018 to January 2019, primarily due to contract renewal 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 remaining modules scheduled for release in November for final user acceptance testing.			

[1]Amount 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	$1,746.3	$203.7	89.6%		
FY18 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 is substantially complete; STO staff is revising business processes and identifying gaps between the legacy system and SHARE. The SHARE treasury module does not include material functionality found in investment-centric systems.			
Risk					Several pending Oracle service requests do not impact production; they will be addressed in future releases, although dates are unknown.			
Overall					STO reported implementation was successfully complete 5/18/2018; however, remaining manual processes for SHARE are a concern. STO has signed off on Deloitte's final deliverables including warranty items.			
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	$2,659.9	$1,267.4	53.7%	
FY18 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget	Green				Current remaining funding is sufficient to complete planning activities. Office of Child Support Enforcement (OCSE) approved the advanced planning document update (APDU).		
Schedule	Yellow				OCSE required HSD to revise and resubmit the CSESR feasibility study, which has delayed other work in the planning phase. HSD evaluated three proposals for IT professional services and selected a vendor to revise the feasibility study. Negotiations and approvals are underway.		
Risk	Yellow				HSD is requesting FY20 computer system enhancement fund (C2) funding $5.2 million, pending revisions of the feasibility study.		
Overall	Yellow				Project work plan has been updated and incorporated in HSD's Health and Human Services (HHS) 2020 initiative and the project schedule includes milestones to align and leverage the HHS 2020 enterprise.		

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	$36,481.9	$117,375.1	23.7%	
FY18 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget	Green				HSD requested CMS approval of a $27.7 million, or 15 percent increase in the MMISR budget, with project completion extended to December 2021 instead of November 2019.		
Schedule	Red				The system integrator vendor continues to experience quality issues with deliverable expectation documents and deliverables. Deliverables lack consistency and completeness, some after several review cycles. HSD awarded IBM a $17.5 million contract for the data services module. The quality assurance contract is in negotiations. HSD submitted the benefit management services request for proposals for review to CMS and DoIT.		
Risk	Red				HSD has mitigated some risk with the development of a contractor management plan, which governs management of vendor performance, and is critical given the issues with the quality of deliverables and vendor deficiencies. The lengthy procurement and contracting timeframes continue to negatively impact the project schedule. The schedule continues to be adjusted due to missed deadlines.		
Overall	Red				State Personnel Office approved HSD's MMISR staffing plan for double filling positions; estimated placement of additional staff is November 2018. A lack of standards and repeatable project management processes continues. The inability to apply a consistent project management methodology increases risk that critical tasks, dependencies, and resources may not be identified and anticipated.		

[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	**685**	**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	$4,687.5	$2,317.40	66.9%	
FY18 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget					The implementation advanced planning document (IAPD-U) annual summary was submitted to FNS; the program addressed FNS questions in the New Mexico response. DOH is awaiting FNS response and approval.		
Schedule					Project milestones are on target. EBT vendor continues to work with MIS vendor on integration-related support.		
Risk					Service interruptions affected Texas, New Mexico, and Isleta. New Mexico will need to manage its own test environments for future release testing and validation.		
Overall					MIS vendor completed deployment for Texas, New Mexico, the Cherokee Nation, and Pueblo of Isleta. Lessons learned should be considered to improve ongoing operations.		

Agency	**685**	**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)**:**		$4,850.00			
	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%	
FY18 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.		
Schedule					DOH is in the process of contracting a project manager and business analyst using staff augmentation vendors and an IV&V vendor through a statewide price agreement. Potential delays in procurement could impact the schedule.		
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		
	State[1]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$10,100.0		$10,100.0	$3,535.5	$6,564.5	35.0%	
FY18 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 continue, with 55 percent complete. HLSM sessions will determine how to bridge the gap between the software and the business needs.		
Risk					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 reduced its vacancy rate to 20 percent from 23 percent; agency continues to monitor resource availability and implement primary and secondary points of contact.		
Overall					The project continues to progress, with no major issues with scope, schedule, or budget. Data conversion mapping and configuration continue.		

[1]Amount includes Laws 2018 appropriation of $2.3 million.

Agency	780	Department of Public Safety (DPS)					
Project Name	**Computer-Automated Dispatch (CAD)**						
Project Description:	Replace 10-year old CAD system. CAD is used to dispatch 911 calls to officers, map the call location in the dispatch center, provide automatic vehicle location of officers in the field, and provide the National Crime Information Center with access to data.						
Project Phase:	Close-out		**Estimated Implementation Date:**		9/27/2017		
			Estimated Total Cost (in thousands)**:**		$4,150.0		
	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$4,150.0		$4,150.0	$3,921.6	$228.4	94.5%	
FY18 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget					Reconciliation of funding transferred to the department's Records Management System project is pending.		
Schedule					Project close-out contingently approved by the Project Certification Committee in September, pending reconciliation of funding and expenditures.		
Risk					DPS completed the mitigating strategy for statewide mapping.		
Overall					DPS reported the project met its business objectives, replacing the legacy system with a modern integrated system. The system continues to be stable.		

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

► The current system is at risk due to system down time and lack of vendor support; RLD is considering contracting for application development instead of a commercial off-the-shelf software

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

► RLD does not have a qualified project manager assigned

► Agency may be experiencing procurement delays due to DoIT's contract review process

► Agency is currently exploring upgrading the Accela software to the vendor's cloud version, and the current funding may need to be re-purposed for an upgrade instead of the replacement of the software.

Agency	690	Children, Youth and Families Department	
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, Youth and Families requirements.		
State Funding (in thousands):	$250.0	Project Phase:	Initiation
Federal Funding (in thousands):	$500.0		

► CYFD has yet to initiate the project for release of funding with the Project Certification Committee

► While CYFD issued a request for information, concerns remain with the lack of adequate documented requirements

► CYFD FY20 IT funding request of $30 million in general fund revenues is not sufficiently justified.

Agency	780	Department of Public Safety (DPS)			
Project Name	Records Management System (RMS)				
Project Description:	Replace 10-year old CAD system. CAD is used to dispatch 911 calls to officers, map the call location in the dispatch center, provide automatic vehicle location of officers in the field, and provide the National Crime Information Center with access to data.				
State Funding (in thousands):	$1,842.9	Spent to Date:	$354.6	Project Phase:	Planning

► DPS currently operates without an integrated RMS

► DPS initiated the project in FY16, shifting priorities to implementation of the CAD project

► Project Certification Committee has certified $955.7 thousand for the planning phase

► Request for proposals (RFP) process will be overseen by a contract project manager, due to limited agency resources

► Potential delays in issuing the RFP since the status of procurements are unknown as of this writing.

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

State of New Mexico
LEGISLATIVE FINANCE COMMITTEE

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David Abbey
Director

December 13, 2018

LFC INVESTMENT REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2018

This report details the comparative investment performance of the three investment agencies: the Educational Retirement Board (ERB), the Public Employees Retirement Association (PERA), and the State Investment Council (SIC) which manages the land grant permanent fund (LGPF) and the severance tax permanent fund (STPF).[1]

INVESTMENT PERFORMANCE HIGHLIGHTS

- For the 12 months ending September 30, 2018, the aggregate value of New Mexico's combined investment holdings for the pension and permanent funds grew by nearly $2.3 billion, or 4.6 percent, to end the year at $51.9 billion. Over the last five years, the state's combined investment holdings grew $11.1 billion, of 27.3 percent.
- One-year returns ranged from 6.1 percent (PERA) to 8.2 percent (STPF). Over the last 10 years, average investment returns ranged from 6.7 percent (STPF) to 7.9 percent (ERB).
- ERB and SIC's funds outperformed their long-term targets for the one-, three-, and five-year periods. Additionally, the LGPF and the ERB fund outperformed their long-term targets for the 10-year period. PERA's fund underperformed its long-term target for the one-, five-, and 10-year periods.[2]
- When compared with peer funds greater than $1 billion on a net-of-fee basis, the permanent funds performed in the highest quartile for the quarter and one-year periods and performed above the median for the three- and five-year periods. The ERB fund performed above the median for all periods reported. While the PERA fund performed above the median for the quarter and near median for the 10-year period, the fund performed below the median for all other periods reported.

Returns as of September 30, 2018 (Net of Fees)[3]

	PERA		ERB		LGPF		STPF	
Returns (%)	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**	**Fund**	**Policy Index**
Quarter	2.26	2.36	2.30	2.80	2.81	2.82	3.03	2.86
1-Year	6.14	5.01	**7.50**	8.00	**7.86**	7.62	**8.24**	7.79
3-Year	**8.60**	8.50	**9.60**	9.80	**9.60**	9.26	**9.77**	9.37
5-Year	6.71	6.80	**7.90**	7.50	**7.61**	7.72	**7.66**	7.79
10-Year	7.12	7.34	**7.90**	7.20	**7.21**	7.38	6.70	7.29

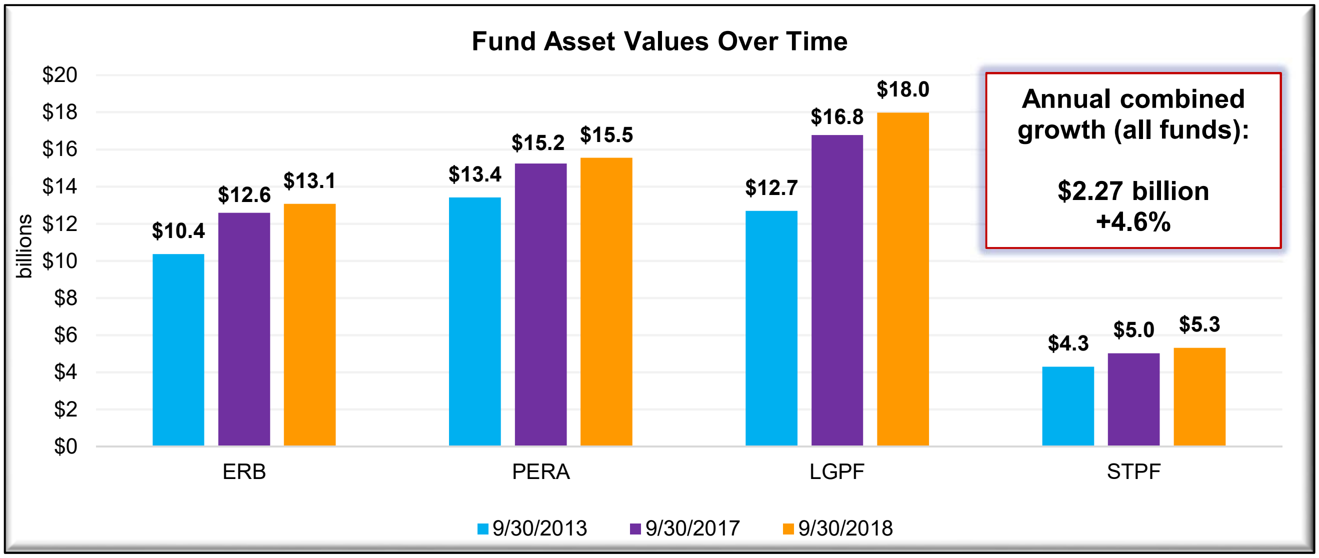
Note: bold indicates returns that exceed the fund's long-term target

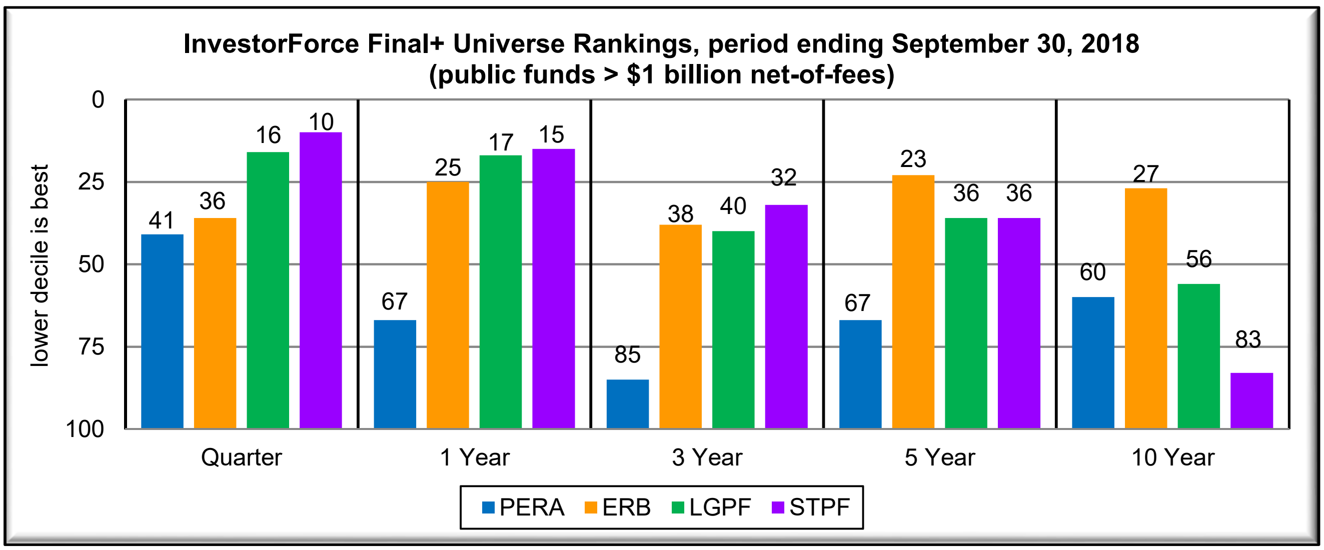
[1] Agency performance and market environment information are derived from the investment performance reports submitted by PERA, ERB, and SIC for the quarter ending September 30, 2018.
[2] The funds' long-term return targets are 7.25 percent (PERA), 7.25 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).
[3] A fund's policy index is a custom benchmark that show the returns that would have been generated if a passive investor consistently followed the agency's asset allocation targets according to their investment policy.

Investment Agency Performance Dashboard

Quarter Ending September 30, 2018

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





Risk Profiles, Five Years Ending 09/30/18, Net of Fees				
Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	4.5	5.4	3.9	4.0
Sharpe Ratio**	1.7	1.2	1.8	1.8
Beta***	0.4	0.5	0.5	0.5

*measures variability from the mean return; higher is more volatile

**higher numbers indicate higher return-to-risk level; a good ratio is 1 or better

***represents the volatility of the portfolio versus the S&P 500. Beta = 1: portfolio moves with the market. Beta < 1: portfolio is less volatile than market. Beta > 1: portfolio is more volatile than the market.

Aggregate Value of New Mexico Investment Holdings

$51.9 billion

Source: Agency Investment Reports