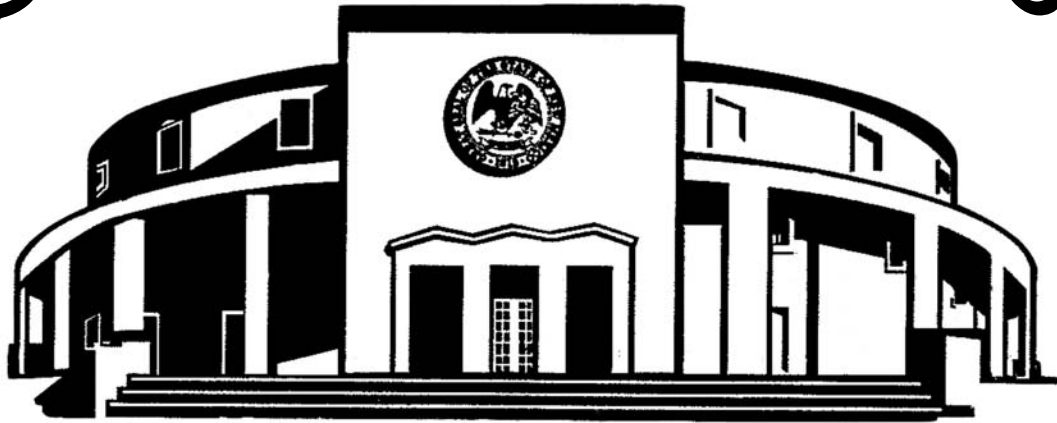


# STATE OF NEW MEXICO



## REPORT OF THE LEGISLATIVE FINANCE COMMITTEE TO THE FORTY-SEVENTH LEGISLATURE FIRST SESSION

JANUARY 2005  
FOR FISCAL YEAR 2005-2006

VOLUME II

LEGISLATING FOR RESULTS:  
APPROPRIATION RECOMMENDATIONS

**Published by:**

**NEW MEXICO STATE LEGISLATIVE FINANCE COMMITTEE  
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# LEGISLATIVE BRANCH

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BUDGET SUMMARY (dollars in thousands)						
		FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	FY06 – 2005-2006 LFC Recommendation	Percent Incr (Decr)
111	Legislative Council Service	4,212.9	4,311.7	4,570.3	4,570.3	6.0%
112	Legislative Finance Committee	3,089.8	3,361.3	3,461.3	3,461.3	3.0%
114	Senate Chief Clerk	951.9	968.9	972.1	972.1	0.3%
115	House Chief Clerk	921.2	938.6	948.9	948.9	1.1%
117	Legislative Education Study Committee	945.2	974.3	974.3	974.3	0.0%
119	Legislative Building Services (GAA)	3,235.7	3,316.3	3,325.0	3,325.0	0.3%
131	Interim Committee Expenses	886.0	888.7	886.0	886.0	-0.3%
131	Pre-Session Expenses	352.3	352.3	352.3	352.3	0.0%
131	Legislative Internship Program	25.0	25.0	25.0	25.0	0.0%
131	Senate Rules Interim Committee	21.6	21.6	21.6	21.6	0.0%
131	Energy Council Dues (GAA)	32.0	32.0	32.0	32.0	0.0%
131	Legislative Retirement (GAA)	218.0	266.0	0.0	0.0	100.0%
	Legislature	4,301.5   *	7,583.0   *+	4,301.5   *++	4,301.5   *++	-43.3%
TOTAL LEGISLATIVE		19,193.1	23,039.7	19,870.3	19,870.3	-13.8%
*Less Nonrecurring		(4,301.5)	(7,583.0)	(4,301.5)	(4,301.5)	-43.3%
TOTAL LEGISLATIVE RECURRING		14,891.6	15,456.7	15,568.8	15,568.8	0.7%

+Appropriation for 2005 legislative session (60 days) will be made by the Legislature in January 2005. Amount shown was provided by the Legislative Council Service.

++Appropriation for 2006 legislative session (30 days) will be made by the Legislature in January 2006. Amount shown is same as FY04.

## TRANSMITTAL OF ESTIMATES

Appropriation estimates for the operation of the legislative branch of government are transmitted herewith by the Legislative Finance Committee. Estimates have been supplied by the Legislative Council Service, Legislative Finance Committee, Legislative Education Study Committee, Legislative Building Services, Senate chief clerk and House chief clerk.

Effective November 1, 2003, \$200 thousand per month is distributed from the Oil and Gas Proceeds Withholding Tax Act into the legislative retirement fund.

All appropriations to the legislative branch of government are made through the feed bill, except for those indicated by (GAA), which are made through the General Appropriation Act.

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	9,059.1	9,611.2	10,411.5	9,774.8	1.7
Other Transfers	78.0	78.0	81.1	81.0	3.7
Other Program Revenues	0.0	1.0	1.0	1.0	0.0
Enterprise Program Rev	1,055.2	1,213.7	1,291.3	1,269.5	4.4
<b>SOURCES TOTAL</b>	<b>10,192.3</b>	<b>10,903.9</b>	<b>11,784.9</b>	<b>11,126.3</b>	<b>2.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	7,282.1	7,798.6	8,311.8	7,960.9	2.0
Contractual Services	1,567.0	1,598.5	1,755.2	1,632.2	2.1
Other	1,458.7	1,506.8	1,717.9	1,533.2	1.7
<b>TOTAL USES</b>	<b>10,307.8</b>	<b>10,903.9</b>	<b>11,784.9</b>	<b>11,126.3</b>	<b>2.0</b>
<b>FTE</b>					
Permanent	114.0	117.0	121.3	118.8	1.5
<b>TOTAL FTE POSITIONS</b>	<b>114.0</b>	<b>117.0</b>	<b>121.3</b>	<b>118.8</b>	<b>1.5</b>

**BUDGET ISSUES:**

Together the Supreme Court Law Library, New Mexico Compilation Commission, Judicial Standards Commission, Court of Appeals, Supreme Court and the Supreme Court Building Commission are referred to as the "state courts," because they each serve a role at a statewide level as a component of the New Mexico judiciary.

All the state court agencies, with the exception of the New Mexico Compilation Commission, are funded with general fund dollars. The Compilation Commission is a self-sufficient governmental entity funded through revenues generated by selling New Mexico legal documents and through a portion of court fees received from district court civil cases.

Once again the New Mexico judicial branch has prepared a unified budget, comprising and prioritizing all the needs of the courts under the jurisdiction of the Supreme Court. Each individual agency was restricted in base request increase to 3 percent, however, several agencies' requests became greater with the inclusion of newly increased state service rates.

In FY04, the judiciary received funding to contract a staffing needs study. The study has reported a need for more than 200 staff positions, of which 53 have been prioritized through the judiciary unified budget process and are being requested in the agencies' budget requests.

The budget for FY05 was the first that included performance measures for the judicial branch of New Mexico state government. The FY06 budget will be the first to report actual data. LFC recognizes that measures that report the number of opinions written or the number of research requests submitted are not necessarily indicative of the judicial agencies' fulfillment of their respective missions but rather explain the activity being generated by the New Mexico public and are most informative in the context of changes over time. LFC encourages the judicial agencies to propose additional or alternative measures that will more accurately demonstrate the fulfillment of the agencies' statutory purposes and the efficient use of state funds.

**STATUTORY AUTHORITY:**

Sections 18-1-1 through 18-1-12, NMSU 1978 provide for a Supreme Court Law Library for use by all citizens of the state of New Mexico. The management, control, and supervision of the library are the responsibility of a board of trustees consisting of the Supreme Court justices. In addition to general circulation, the Supreme Court Law Library provides reference support, acquisition and update of legal materials, and research assistance. Its other major function is to provide guidelines, rules, and training to ensure the maintenance of all district court libraries.

**MISSION:**

The mission of the Supreme Court Law Library is to provide and produce legal information for all branches of state government, the legal community and the general public so that they may have equal access to the law, effectively address the courts, make laws, write regulations, better understand the legal system and conduct their affairs in accordance with the principles of law.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	1,442.1	1,592.4	1,655.4	1,637.0	2.8
<b>SOURCES TOTAL</b>	<b>1,442.1</b>	<b>1,592.4</b>	<b>1,655.4</b>	<b>1,637.0</b>	<b>2.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	537.2	611.2	633.5	631.6	3.3
Contractual Services	328.0	343.0	355.3	353.3	3.0
Other	576.1	638.2	666.6	652.1	2.2
<b>TOTAL USES</b>	<b>1,441.3</b>	<b>1,592.4</b>	<b>1,655.4</b>	<b>1,637.0</b>	<b>2.8</b>
<b>FTE</b>					
Permanent	8.0	9.0	9.0	9.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>8.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>0.0</b>

**SUPREME COURT LAW LIBRARY**

The purpose of the supreme court law library program is to provide and produce legal information for all branches of state government, the legal community and the general public so that they may have equal access to the law, effectively address the courts, make laws, write regulations, better understand the legal system and conduct their affairs in accordance with the principles of law.

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
* Output	Percentage of titles currently updated	75%	80%	80%	80%	80%
* Quality	Percentage of staff time spent on shelving and updating library materials	13.5%	14%	15.5%		<20%
* Output	Number of website hits	3,406	3,830	45000		5000
* Output	Number of research requests	410	458	5000		500



**STATUTORY AUTHORITY:**

The New Mexico Compilation Commission was established by Sections 12-1-1 through 12-1-14 NMSA 1978 and is responsible for publishing, selling, and distributing the New Mexico Statutes Annotated (NMSA), opinions and rules of the court (New Mexico Reports), Attorney General opinions, the Magistrate and Metropolitan Bench Book, and the Juvenile Probation Officers Manual. The commission also maintains a computer database of each publication. The commission drafts Supreme Court rules, jury instructions, and civil and criminal forms on a contractual basis. It serves as staff to the Supreme Court rules committee, assists in the publication of the Secretary of State's session laws, and is authorized to prepare and keep current parallel tables of NMSA.

**MISSION:**

The mission of the New Mexico Compilation Commission is to publish in print and electronic format, distribute and sell the following: the laws enacted by the Legislature, the opinions of the supreme court and court of appeals, the rules approved by the supreme court, the attorney general opinions, and other state and federal rules and opinions to ensure the accuracy and reliability of its publication.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
Other Transfers	78.0	78.0	81.1	81.0	3.8
Enterprise Program Rev	1,055.2	1,213.7	1,291.3	1,269.5	4.6
<b>SOURCES TOTAL</b>	<b>1,133.2</b>	<b>1,291.7</b>	<b>1,372.4</b>	<b>1,350.5</b>	<b>4.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	166.5	167.7	248.4	227.3	35.5
Contractual Services	955.3	965.5	965.5	964.7	-0.1
Other	138.1	158.5	158.5	158.5	0.0
<b>TOTAL USES</b>	<b>1,259.9</b>	<b>1,291.7</b>	<b>1,372.4</b>	<b>1,350.5</b>	<b>4.6</b>
<b>FTE</b>					
Permanent	3.0	3.0	4.0	4.0	33.3
<b>TOTAL FTE POSITIONS</b>	<b>3.0</b>	<b>3.0</b>	<b>4.0</b>	<b>4.0</b>	<b>33.3</b>

**BASE EXPANSION:**

The New Mexico Compilation Commission requested \$70 thousand in base expansion to fund an editorial support manager. The committee recommends the FTE expansion request.

<b>BASE EXPANSION LISTING</b> <b>FY06 - 2005-2006</b>				
<b>Agency</b> <b>Rank</b>		<b>(Division)</b>	<b>Agency</b> <b>Request</b>	<b>LFC Recom-</b> <b>mendation</b>
1	Editorial Support Manager (1 FTE)	(NMCC)	70.0	53.1
<b>TOTAL</b>			<b>70.0</b>	<b>53.1</b>

**NEW MEXICO COMPILATION COMMISSION**

The purpose of the New Mexico compilation commission program is to publish in print and electronic format, distribute and sell (1) laws enacted by the Legislature, (2) opinions of the supreme court and court of appeals, (3) rules approved by the supreme court, (4) attorney general opinions and (5) other state and federal rules and opinions to ensure the accuracy and reliability of its publications.

<b>PERFORMANCE MEASURES</b>					
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>
* Output	Amount of revenue collected, in thousands	\$1,074.7	\$1,133.2	\$1,215.0	\$1,291.3
					<b>FY06</b> <b>Recomm</b>
					\$1,291.3

## JUDICIAL STANDARDS COMMISSION

210

### STATUTORY AUTHORITY:

An amendment to Article VI, Section 32, of the New Mexico Constitution created the Judicial Standards Commission to provide a means for disciplining judges at all levels of the judiciary. The commission consists of 11 members: six lay people appointed by the governor, two attorneys elected by the New Mexico Bar Association board of commissioners, and three members appointed by the Supreme Court. The latter three are filled by a Supreme Court justice, a magistrate judge, and a Court of Appeals or district court judge. The six lay members serve five-year terms while the attorney and judge members serve four-year terms.

### MISSION:

The mission of the Judicial Standards Commission is to provide a review process for the public by addressing complaints involving judicial misconduct in order to preserve the integrity and impartiality of the judicial process.

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	387.5	428.4	695.7	457.1	6.7
<b>SOURCES TOTAL</b>	<b>387.5</b>	<b>428.4</b>	<b>695.7</b>	<b>457.1</b>	<b>6.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	249.4	324.0	486.1	352.3	8.7
Contractual Services	19.9	23.8	40.5	23.9	0.4
Other	117.0	80.6	169.1	80.9	0.4
<b>TOTAL USES</b>	<b>386.3</b>	<b>428.4</b>	<b>695.7</b>	<b>457.1</b>	<b>6.7</b>
<b>FTE</b>					
Permanent	4.0	6.0	6.5	6.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>4.0</b>	<b>6.0</b>	<b>6.5</b>	<b>6.0</b>	<b>0.0</b>

### BASE EXPANSION:

The Judicial Standards Commission requested \$79.8 thousand in base expansion to fund 1 FTE investigator position. This position is requested to provide additional investigatory support into judicial misconduct. The agency received a special appropriation from the Legislature in 2004 that included 2 FTE, neither of which were used to hire additional investigators. The committee does not support the expansion request.

### BASE EXPANSION LISTING FY06 - 2005-2006

Agency Rank		(Division)	Agency Request	LFC Recom- mendation
1	Investigator (1 FTE)	(JSC)	79.8	0.0
<b>TOTAL</b>			<b>79.8</b>	<b>0.0</b>

### JUDICIAL STANDARDS COMMISSION

The purpose of the judicial standards commission program is to provide a public review process addressing complaints involving judicial misconduct in order to preserve the integrity and impartiality of the judicial process.

PERFORMANCE MEASURES						
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Efficiency	Average time for complaint requiring investigation to reach disposition, in months					
* Efficiency	Average case-duration rate, by meeting cycle			5		5
* Explanatory	Number of complaints regarding misconduct			900		
* Explanatory	Pct. complaints requiring research investigation			90%		

**STATUTORY AUTHORITY:**

The Court of Appeals was established by constitutional amendment in 1965. Its statutory authority is found under Sections 34-5-1 through 34-5-14 NMSA 1978. The court has no original jurisdiction but reviews certain types of cases on appeal: violations of municipal or county ordinances where a fine or imprisonment is imposed; decisions of state administrative agencies; all actions under the Workers' Compensation Act, the New Mexico Occupational Disease Disablement Law, the Subsequent Injury Act and the federal Employers' Liability Act; and criminal action from the district courts, except those involving the death penalty or life imprisonment. The Court of Appeals consists of 10 judges elected statewide for eight-year terms and maintains offices in Santa Fe, Albuquerque, and Las Cruces.

**MISSION:**

The mission of the Court of Appeals is to provide access to justice, to resolve disputes justly and timely and to maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	4,396.3	4,603.8	4,911.2	4,669.3	1.4
Other Program Revenues	0.0	1.0	1.0	1.0	0.0
<b>SOURCES TOTAL</b>	<b>4,396.3</b>	<b>4,604.8</b>	<b>4,912.2</b>	<b>4,670.3</b>	<b>1.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	4,005.9	4,201.3	4,359.9	4,241.1	0.9
Contractual Services	79.8	79.8	200.7	98.5	23.4
Other	306.0	323.7	351.6	330.7	2.2
<b>TOTAL USES</b>	<b>4,391.7</b>	<b>4,604.8</b>	<b>4,912.2</b>	<b>4,670.3</b>	<b>1.4</b>
<b>FTE</b>					
Permanent	58.0	58.0	59.0	58.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>58.0</b>	<b>58.0</b>	<b>59.0</b>	<b>58.0</b>	<b>0.0</b>

**BASE EXPANSION:**

The Court of Appeals requested \$96 thousand in base expansion to fund 1 FTE for a deputy court administrator. This position is requested to provide additional support in managing special projects, case management data, and fiscal information. The Court of Appeals also requested \$100 thousand to image a backlog of cases. LFC recommends this request be funded through a nonrecurring special appropriation.

**BASE EXPANSION LISTING**  
**FY06 - 2005-2006**

<b>Agency</b> <b>Rank</b>		<b>(Division)</b> <b>(COA)</b>	<b>Agency</b> <b>Request</b>	<b>LFC Recom-</b> <b>mendation</b>
<u>1</u>	<u>Deputy Court Administrator (1 FTE)</u>		<u>96.4</u>	<u>0.0</u>

**COURT OF APPEALS**

The purpose of the court of appeals program is to provide access to justice, to resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

**PERFORMANCE MEASURES**

		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
* Explanatory	Cases disposed as a percent of cases filed	96.96%		95%		95%
Explanatory	Number of legal opinions written	631				

## SUPREME COURT

216

### STATUTORY AUTHORITY:

Article VI of the Constitution of New Mexico provides for a Supreme Court consisting of five justices, including a chief justice. The Supreme Court is considered the court of last resort in the state of New Mexico, having original jurisdiction in quo warrant and mandamus against all state officers, boards, and commissions as well as superintending control over all lower courts. The Supreme Court also has the power to issue writs.

### MISSION:

The mission of the Supreme Court is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	2,175.2	2,303.8	2,413.3	2,314.7	0.5
<b>SOURCES TOTAL</b>	<b>2,175.2</b>	<b>2,303.8</b>	<b>2,413.3</b>	<b>2,314.7</b>	<b>0.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,910.8	2,044.1	2,123.9	2,048.8	0.2
Contractual Services	103.7	100.7	104.9	103.6	2.9
Other	158.6	159.0	184.5	162.3	2.1
<b>TOTAL USES</b>	<b>2,173.1</b>	<b>2,303.8</b>	<b>2,413.3</b>	<b>2,314.7</b>	<b>0.5</b>
<b>FTE</b>					
Permanent	29.0	29.0	30.0	29.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>29.0</b>	<b>29.0</b>	<b>30.0</b>	<b>29.0</b>	<b>0.0</b>

### BASE EXPANSION:

The Supreme Court requested \$98 thousand in base expansion to fund 1 FTE for an associate staff attorney. This position is requested to provide additional support to the court in its review of cases falling within the court's discretionary jurisdiction. While sympathetic to the request, given the current fiscal need statewide, the committee does not support the expansion.

BASE EXPANSION LISTING FY06 - 2005-2006				
Agency Rank		(Division)	Agency Request	LFC Recom- mendation
1	Associate Staff Attorney (1 FTE)	(SC)	98.2	0.0
<b>TOTAL</b>			<b>98.2</b>	<b>0.0</b>

## SUPREME COURT

The purpose of the supreme court program is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Explanatory	Cases disposed as a percent of cases filed			95%		95%
Explanatory	Number of opinions, decisions and dispositional orders written		100			

# SUPREME COURT BUILDING COMMISSION

219

## STATUTORY AUTHORITY:

The Supreme Court Building Commission was established by Sections 34-2-1 through 34-3-3 NMSA 1978. The commission consists of three New Mexico residents appointed by the Supreme Court who serve without pay. The building superintendent is directly responsible to the commission for supervision of custodial staff and for the preservation and maintenance of the Supreme Court building and its grounds. The commission is further charged with maintaining accurate fixed assets records for furniture, fixtures, and equipment acquired by the judiciary.

## MISSION:

The mission of the Supreme Court Building Commission is to retain custody, control, maintenance, and preservation of the supreme court building and its grounds along with maintaining fixed assets records for furniture, fixtures, and equipment acquired by the judiciary.

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	658.0	682.8	735.9	696.7	2.0
<b>SOURCES TOTAL</b>	<b>658.0</b>	<b>682.8</b>	<b>735.9</b>	<b>696.7</b>	<b>2.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	412.3	450.3	460.0	459.8	2.1
Contractual Services	80.3	85.7	88.3	88.2	2.9
Other	162.9	146.8	187.6	148.7	1.3
<b>TOTAL USES</b>	<b>655.5</b>	<b>682.8</b>	<b>735.9</b>	<b>696.7</b>	<b>2.0</b>
<b>FTE</b>					
Permanent	12.0	12.0	12.8	12.8	6.3
<b>TOTAL FTE POSITIONS</b>	<b>12.0</b>	<b>12.0</b>	<b>12.8</b>	<b>12.8</b>	<b>6.3</b>

## BASE EXPANSION:

The Supreme Court Building Commission requested \$20 thousand in base expansion to fund a 0.75 FTE custodian/night watchman position. This position is requested to provide additional support for the maintenance function of the commission. The committee recommends the FTE expansion request.

BASE EXPANSION LISTING FY06 - 2005-2006				
Agency Rank		(Division)	Agency Request	LFC Recom- mendation
1	Custodian/Nightwatchman (.75 FTE)	(SCBC)	20.4	20.4
<b>TOTAL</b>			<b>20.4</b>	<b>20.4</b>

## SUPREME COURT BUILDING COMMISSION

The purpose of the supreme court building commission program is to retain custody, control, maintenance and preservation of the supreme court building and its grounds along with maintaining fixed assets records for furniture, fixtures and equipment acquired by the judiciary.

PERFORMANCE MEASURES						
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Quality	Accuracy of fixed assets inventory records		100%	100%	100%	100%

**STATUTORY AUTHORITY:**

The Administrative Office of the Courts (AOC) is statutorily created in Sections 34-9-1 through 34-9-16 NMSA 1978 to be established in the seat of government and supervised by a director appointed by the New Mexico Supreme Court. The agency has four recognized programs: Administrative Support, Magistrate Court, Statewide Judiciary Automation and Special Court Services.

**MISSION:**

The mission of the Administrative Office of the Courts is to provide support services and automation services to courts throughout New Mexico. AOC acts as an oversight agency for the judiciary and supervises all matters relating to the administration of the courts.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	28,126.8	29,473.4	33,927.8	30,993.6	5.2
Other Transfers	2,331.7	562.8	539.0	539.0	-4.2
Fed Program Revenues	1,547.2	1,587.1	1,662.3	1,662.3	4.7
Other Program Revenues	7,200.7	7,412.0	7,647.3	7,646.4	3.2
Fund Balance	554.4	500.0	334.3	334.3	-33.1
<b>SOURCES TOTAL</b>	<b>39,760.8</b>	<b>39,535.3</b>	<b>44,110.7</b>	<b>41,175.6</b>	<b>4.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	19,200.8	20,920.0	22,041.3	20,808.7	-0.5
Contractual Services	5,422.2	5,269.4	6,842.4	6,085.0	15.5
Other	12,150.2	11,927.8	13,857.9	12,947.3	8.5
Other Financing Uses	2,962.4	1,418.1	1,369.1	1,334.6	-5.9
<b>TOTAL USES</b>	<b>39,735.6</b>	<b>39,535.3</b>	<b>44,110.7</b>	<b>41,175.6</b>	<b>4.1</b>
<b>FTE</b>					
Permanent	327.5	329.5	402.0	333.5	1.2
Term	68.8	72.0	8.5	69.0	-4.2
<b>TOTAL FTE POSITIONS</b>	<b>396.3</b>	<b>401.5</b>	<b>410.5</b>	<b>402.5</b>	<b>0.2</b>

**BUDGET ISSUES:**

AOC requested a 16.4 percent increase in its general fund appropriation for FY06. LFC recommends a 5.2 percent increase. The increase is largely due to expenses included in the operating budget that previously had been financed through supplemental appropriations, a new magistrate facility lease, and 1 FTE expansion. LFC recommends restoring liability rates to the FY05 level for agencies with assessments in excess of \$100 thousand including AOC in the amount of \$127 thousand compared to the agency request of \$203.5 thousand.

The budget recommendation for the Administrative Support Program shows a significant increase, although relatively artificial, in both contractual services and other costs due to the inclusion of funding for expenses covered by supplemental appropriations and fund balance in the past. Historically, AOC has been appropriated an amount for the jury and witness fund that is less than actual costs and then received supplemental funds during the fiscal year to finance the remaining costs. The agency's FY04 operating budget included the remaining \$500 thousand in the jury and witness fund and a supplemental general fund appropriation of \$300 thousand. The FY05 operating budget is substantially lower than the FY04 budget because fund balance was not available for appropriating and it does not yet reflect an expected supplemental appropriation. By including a conservative estimate for FY06 expenses, the LFC base recommendation for this program reflects a more accurate representation of Administrative Support Program expenses. The contractual services and other costs figures are further inflated by the inclusion of new federal drug-court funds.

Included in the Administrative Support Program agency request is \$85 thousand for a new staffing study to be conducted by the National Center for State Courts. The Criminal Justice Task Force requested funds for an integrated staffing study of all criminal justice agencies, including courts, district attorneys, and public defenders. The LFC recommendation does not include funds for the requested study and recommends the Criminal Justice Task Force integrated study be prioritized and funded through a one-time appropriation.

The Statewide Judiciary Automation Program budget, supported primarily by the Supreme Court Automation Fund (SCAF) and Municipal Court Automation Fund, was held relatively flat in the committee recommendation. Revenue in SCAF, raised through docket fees, civil case filing fees and traffic fees, is estimated to be lower in FY06 than FY05, and FY04 revenues were lower than FY03 estimates by \$353 thousand. A vacancy rate of over 16 percent in the automation program during FY04 can be primarily attributed to five vacant system analyst positions. These positions were designated for funding by SCAF, but held open, until the end of FY04, however SCAF revenues have not been sufficient. For FY05, general fund monies were appropriated for the five positions, which are meant to be field analysts who assist courts all over the state. A 4 percent vacancy savings was applied to the Statewide Judiciary Automation Program personnel services and benefits recommendation for FY06. Nine SCAF-funded term positions were requested for reclassification to perm by AOC. Because these positions are funded by SCAF and are dependent on future revenues, LFC does not recommend the reclassification of the positions at this time.

The Magistrate Court Program is funded primarily through the general fund, however this program also includes AOC warrant enforcement activities funded through bench warrant fees. Another source of revenue for this program is the court facilities fund. The facilities fund has generated approximately \$5.6 million per year with approximately 70 percent of revenues used for servicing bonds for Bernalillo Metropolitan Court facilities. The remainder of the fund is available for improving court facilities and has been used by the courts for non-recurring costs such as video arraignment and security improvements.

The recommendation for the Magistrate Court program includes a 1 percent vacancy rate. The committee is recommending a \$300 thousand increase in contractual services to be funded by program revenues for the warrant enforcement program to contract with local and county governments for warrant roundups. A recommended increase of \$495 thousand in other costs is for a new lease for the Dona Ana County magistrate courthouse. The Dona Ana County courthouse is no larger than courthouses in Carlsbad, Grants, Clovis, and Roswell but the court has up to five times the caseload and traffic. A "leasing versus buying" study completed during FY04 found that leasing was more economically viable for the area and purposes. Lease expense estimates are for a 20-year facility with six courtrooms. The current magistrate facility has four courtrooms and five judges and has begun to lease additional space for staff in a second facility. For results of the FY04 staffing study for the Magistrate Court Program see Appendix 218A.

The recommendation for the Special Court Services Program, comprised of the court appointed special advocate project, supervised visitation, water rights and adjudication litigation, court appointed attorney fund, and judges pro tempore, includes an increase to fund a conservative estimate of the actual costs of the court appointed attorney fund. The program has been using rollover funds which have been depleted and requested a \$244 thousand supplemental appropriation for FY05. Recommended funding for FY06 is the FY04 appropriation amount and \$244 thousand. Increased base funding for water rights litigation is not recommended because legislators are expected to propose new water initiatives during the 2005 legislative session and LFC recommends funding the projects through a unified approach.

AOC programs calculated salaries by adding a 2 percent increase to FY04 salary midpoints rather than actual salaries. The LFC recommendation includes salaries and benefits funded at 2 percent from actual salaries for employees and 6 percent for judges.

Performance measures results for AOC have been reported for the second time in FY04. As is true for all judicial agencies, AOC has not requested targets for established performance measures. LFC recognizes that some of the measures, those that track magistrate courts' amount of fees collected, bench warrant fees collected, and bench warrants issued, do not measure the success of the judiciary's mission. However, AOC measures should reflect the agency's responsibility to provide structure and resources to enable the courts to be able to render justice. No new or amended measures have been proposed by AOC and LFC recommends targets for most measures. Measures without established targets are those for magistrate courts listed above. LFC requests that adjustments be made to established measures and targets in conjunction with the judicial branch.

**BASE EXPANSION:**

The LFC recommendation includes a 1 FTE expansion for a deputy court administrator within the Administrative Support Services Program. The deputy administrator will have a significant role working with judiciary performance measures. Due to limited funds, an FTE expansion request by the Statewide Judiciary Automation Program for a network systems administrator and 7 FTE for judicial specialists in the Magistrate Court Program are not recommended at this time. The recurring portion of the Special Court Services Program water rights litigation was recommended to facilitate current projects. LFC recommends the requested nonrecurring funds for water litigation be pursued through a nonrecurring source.

**BASE EXPANSION LISTING**  
FY06 - 2005-2006

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	AOC deputy director	(Admin Supp)	126.2	108.2
1	Network systems administrator (1) FTE	(Automation)	98.6	0.0
1	Magistrate court judicial specialists (7) FTE	(Magistrate)	354.4	0.0
1	Active water adjudications documents imaging	(Court Serv)	98.0	20.0
<b>TOTAL</b>			<b>677.2</b>	<b>128.2</b>

**ADMINISTRATIVE SUPPORT**

The purpose of the administrative support program is to provide administrative support to the chief justice, all judicial branch units and the administrative office of the courts so that they can effectively administer the New Mexico court system.

**BUDGET SUMMARY**  
(dollars in thousands)

		<u>FY06 - 2005-2006</u>			
	<u>FY04</u> <u>2003-2004</u> <u>Actuals</u>	<u>FY05</u> <u>2004-2005</u> <u>Budgeted</u>	<u>Agency</u> <u>Request</u>	<u>LFC</u> <u>Recommendation</u>	<u>Percent</u> <u>Incr</u> <u>(Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	5,615.6	5,515.7	6,817.9	6,165.3	11.8
Other Transfers	1,500.0	0.0	0.0	0.0	
Fed Program Revenues	1,547.2	1,587.1	1,662.3	1,662.3	4.7
Other Program Revenues	557.7	550.0	550.0	550.0	0.0
Fund Balance	500.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>9,720.5</b>	<b>7,652.8</b>	<b>9,030.2</b>	<b>8,377.6</b>	<b>9.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,417.0	2,809.3	2,941.2	2,824.1	0.5
Contractual Services	1,159.0	885.2	1,427.6	1,149.6	29.9
Other	4,539.4	3,958.3	4,661.4	4,403.9	11.3
Other Financing Uses	1,587.2	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>9,702.6</b>	<b>7,652.8</b>	<b>9,030.2</b>	<b>8,377.6</b>	<b>9.5</b>
<b>FTE</b>					
Permanent	30.0	30.0	34.0	34.0	13.3
Term	8.8	11.5	8.5	8.5	-26.1
<b>TOTAL FTE POSITIONS</b>	<b>38.8</b>	<b>41.5</b>	<b>42.5</b>	<b>42.5</b>	<b>2.4</b>

**PERFORMANCE MEASURES**

		<u>FY03</u> <u>Actual</u>	<u>FY04</u> <u>Actual</u>	<u>FY05</u> <u>Budget</u>	<u>FY06</u> <u>Request</u>	<u>FY06</u> <u>Recomm</u>
* Output	Average cost per juror	\$48.76	\$49.42	\$200		\$55.00
* Outcome	Percent of jury summons successfully executed	81.1%	84.9%	92%		92%



## STATEWIDE JUDICIARY AUTOMATION

The purpose of the statewide judiciary automation program is to provide development, enhancement, maintenance and support for core court automation and usage skills for appellate, district, magistrate and municipal courts and ancillary judicial agencies.

### BUDGET SUMMARY (dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		Percent Incr (Decr)
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
General Fund Transfers	1,419.7	1,739.5	2,445.2	1,752.5	0.7
Other Transfers	2.9	0.0	0.0	0.0	
Other Program Revenues	4,898.9	5,150.8	5,121.4	5,121.4	-0.6
Fund Balance	54.4	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>6,375.9</b>	<b>6,890.3</b>	<b>7,566.6</b>	<b>6,873.9</b>	<b>-0.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,927.8	3,389.8	3,647.2	3,330.4	-1.8
Contractual Services	790.7	749.0	852.0	734.0	-2.0
Other	2,656.4	2,751.5	3,067.4	2,809.5	2.1
<b>TOTAL USES</b>	<b>6,374.9</b>	<b>6,890.3</b>	<b>7,566.6</b>	<b>6,873.9</b>	<b>-0.2</b>
<b>FTE</b>					
Permanent	35.5	37.5	47.5	37.5	0.0
Term	11.0	9.0	0.0	9.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>46.5</b>	<b>46.5</b>	<b>47.5</b>	<b>46.5</b>	<b>0.0</b>

### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Output	Number of help desk calls for assistance provided to the judiciary	3987	3993	6,000		4010
* Quality	Percent of accurate driving-while-intoxicated court reports	91.1%	89.6%	98%		98%
* Quality	Percent reduction in number of calls for assistance from judicial agencies regarding the case management database and network	23%	-14.8%	25%		10%
* Quality	Average time to respond to automation calls for assistance, in minutes	68		25		25

## **MAGISTRATE COURT**

The purpose of the magistrate court program is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

### **BUDGET SUMMARY** (dollars in thousands)

	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	
<b>SOURCES</b>	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>			
General Fund Transfers	16,385.1	17,450.9	19,226.8	18,065.8	3.4
Other Transfers	828.8	562.8	539.0	539.0	-4.2
Other Program Revenues	1,744.1	1,711.2	1,975.9	1,975.0	15.4
Fund Balance	0.0	500.0	334.3	334.3	-33.1
<b>SOURCES TOTAL</b>	<b>18,958.0</b>	<b>20,224.9</b>	<b>22,076.0</b>	<b>20,914.1</b>	<b>3.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	13,856.0	14,720.9	15,452.9	14,654.2	-0.5
Contractual Services	141.3	286.0	552.0	538.0	88.1
Other	4,954.4	5,218.0	6,071.1	5,721.9	9.7
<b>TOTAL USES</b>	<b>18,951.7</b>	<b>20,224.9</b>	<b>22,076.0</b>	<b>20,914.1</b>	<b>3.4</b>
<b>FTE</b>					
Permanent	262.0	262.0	320.5	262.0	0.0
Term	49.0	51.5	0.0	51.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>311.0</b>	<b>313.5</b>	<b>320.5</b>	<b>313.5</b>	<b>0.0</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
* Outcome	Amount of bench warrant revenue collected annually, in millions	\$1.76	\$1.98	\$1.6		\$2.3
* Efficiency	Percent of magistrate court financial reports submitted to fiscal services division and reconciled on a monthly basis	100%	99%	100%		100%
* Explanatory	Cases disposed as a percent of cases filed	94.69%		80%		90%
Explanatory	Amount of criminal case fees and fines collected, in millions	\$13.4	\$15.2			
Output	Total number of bench warrants issued	42619				
Output	Number of cases in which bench warrant fees are collected	19072				

## **SPECIAL COURT SERVICES**

The purpose of the special court services program is to provide court advocates, legal counsel and safe exchanges for children and families, to provide judges pro tempores and to adjudicate water rights disputes so that the constitutional rights and safety of citizens (especially children and families) are protected.

### **BUDGET SUMMARY (dollars in thousands)**

	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
			<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	4,706.4	4,767.3	5,437.9	5,010.0	5.1
<b>SOURCES TOTAL</b>	<b>4,706.4</b>	<b>4,767.3</b>	<b>5,437.9</b>	<b>5,010.0</b>	<b>5.1</b>
<b>USES</b>					
Contractual Services	3,331.2	3,349.2	4,010.8	3,663.4	9.4
Other	0.0	0.0	58.0	12.0	
Other Financing Uses	1,375.2	1,418.1	1,369.1	1,334.6	-5.9
<b>TOTAL USES</b>	<b>4,706.4</b>	<b>4,767.3</b>	<b>5,437.9</b>	<b>5,010.0</b>	<b>5.1</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Output	Number of required events attended by attorneys in abuse and neglect cases	6919	7300	3500		7000
* Output	Number of monthly supervised child visitations conducted	70	510	500		500
* Output	Number of cases to which court-appointed special advocates volunteers are assigned	1304	1458	1275		1400

## DISTRICT COURTS (ALL)

231-243

### STATUTORY AUTHORITY:

The New Mexico district courts are statutorily created in Sections 34-6-1 through 34-6-46 NMSA 1978. There are 13 judicial districts in New Mexico over which 75 judges preside. Distribution and quantity of judgeships is determined in New Mexico statute.

District courts have original jurisdiction for cases not excepted in the New Mexico Constitution and jurisdiction over special cases and proceedings specifically provided for by law. Common law disputes, felony criminal actions, and matters involving children where jurisdiction is statutorily directed to the district courts are all cases addressed through the district court system. District courts have appellate jurisdiction for cases that originate in inferior courts and tribunals within each court's respective district. The district judges have the power to issue writs of habeas corpus, mandamus, injunction, quo warranto, certiorari, prohibition, and all other writs provided that responsibility is not statutorily assigned to another court of superior jurisdiction.

### MISSION:

The mission of the district courts is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	45,650.4	48,859.4	52,377.4	49,759.0	1.8
Other Transfers	3,476.0	3,542.4	3,558.3	3,558.3	0.4
Fed Program Revenues	1,908.1	2,207.5	2,155.3	2,359.2	6.9
Other Program Revenues	1,176.4	1,504.2	1,489.8	1,489.8	-1.0
General Revenues	28.2	123.7	0.0	0.0	-100.0
Fund Balance	430.8	349.1	528.5	537.7	54.0
<b>SOURCES TOTAL</b>	<b>52,669.8</b>	<b>56,586.3</b>	<b>60,109.3</b>	<b>57,704.0</b>	<b>2.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	41,955.9	46,134.2	49,100.3	47,269.3	2.5
Contractual Services	5,182.7	5,890.0	5,997.5	5,818.2	-1.2
Other	5,083.9	4,547.1	4,996.5	4,601.5	1.2
Other Financing Uses	19.2	15.0	15.0	15.0	0.0
<b>TOTAL USES</b>	<b>52,241.6</b>	<b>56,586.3</b>	<b>60,109.3</b>	<b>57,704.0</b>	<b>2.0</b>
<b>FTE</b>					
Permanent	735.6	750.1	789.1	770.6	2.7
Term	62.0	61.3	68.0	68.0	10.9
<b>TOTAL FTE POSITIONS</b>	<b>797.6</b>	<b>811.4</b>	<b>857.1</b>	<b>838.6</b>	<b>3.4</b>

### BUDGET ISSUES:

The district courts have again participated in the judicial unified budget by proposing and gaining support for their submitted budgets through the Chief Judges Council. The Chief Judges Council budget committee approved a 3 percent increase in contractual and other costs for all the courts, a salaries and benefits increase, and prioritized a limited number of district FTE expansion requests.

The LFC budget recommendation includes an overall increase of 1.8 percent from the general fund with most of the increase due to compensation and benefits increases, as well as some expansion FTE for districts with demonstrated need. See Appendix 231-243A for the results of the FY 04 district court staffing study. Increases were recommended in base budgets when specific need or reason for change was demonstrated in the agencies' requests.

According to the unified budget document, the agencies of the judicial branch, including the district courts, requested salaries

and benefits approved during the 2004 legislative session. However, the judiciary salary increases of 2 percent for all employees were not applied to employee actual salaries, the approach used for other state agencies. The judiciary applied the 2 percent increase to employees' salary midpoints instead. This practice, although causing a minimal difference on a per-employee basis, altered some of the districts' overall salary and benefits by tens of thousands of dollars. The LFC recommendation includes salaries and benefits funding for a 2 percent increase from FY04 actual salaries and 6 percent for judges, hearing officers, and commissioners, as was approved during the 2004 legislative session.

Vacancy rates were applied to courts with greater than 30 authorized FTE and were determined using historic vacancy rates. All applied vacancy rates are at least 2 percentage points less than the actual historic vacancy rate for any given district and all applied rates are between 1 percent and 3 percent. With this funding level, all districts have the opportunity to lower historic vacancy rates over the FY06 fiscal year.

The majority of district court funding is through the general fund. Some larger district courts generate enough revenues through mediation and arbitration filing fees to partially or fully fund mediation programs. Courts use copy and transcript fees to assist in funding operational expenses. The court appointed special advocate program, supervised visitation, water adjudication and water litigation programs are funded through general fund transfers from the Administrative Office of the Courts.

Many of the districts receive federal funds for drug court programs and other specialized programs such as the truancy program at the 2nd Judicial District and family dependency program recently started at the 3rd Judicial District. Through an independent drug court bill, the 1st, 5th and 13th judicial district courts requested \$235 thousand, \$171 thousand, and \$143 thousand, respectively, from the general fund to replace federal grants that are ending in FY05. As drug courts and other judge-driven specialized programs increase in number and breadth, LFC recommends the courts determine a plan for future funding in conjunction with the Legislature. Programs often start with pilot federal funds, which run out after three years, and the situation leads to management focusing on securing replacement funds rather than managing successful courts and programs.

County governments are statutorily responsible for the funding of office space, utilities and building maintenance for the district courts. The determination, however, of what this responsibility entails in providing office space varies greatly from county to county. LFC supports initiatives by the courts and counties to determine a standard level of cooperation to be applied statewide. LFC also cautions district courts that have expanded to work with their respective counties for additional space opportunities rather than pursuing additional rental space without county support or with general fund monies appropriated for another use.

FY04 is the first year that district court performance measures results will be reported. This fall only a small portion of the courts' FY04 results have been released, making analysis of the results difficult without current or historic data. The remaining FY04 data will be released with the judiciary annual report in December 2004 or January 2005. As is the case with all the judicial agencies, the district courts have not requested performance measures targets for FY06 as directed by the Supreme Court. LFC staff commends the development of internal judiciary goals that have been established and are tracked, and urges further development of measures that determine effective use of public funds in fulfilling the mission of the courts. LFC also encourages prompt reporting in the future. LFC recognizes that some output measures are not within the control of the judiciary and the need for explanatory measures, however replacement measures have not yet been determined.

The LFC performance measure recommendation for FY06 includes targets for all district courts for three measures: cases disposed as a percentage of cases filed, median number of days to process vendor payment vouchers and number of days to process juror payment vouchers. Targets for recidivism rates and graduation rates are recommended for district courts with drug-court programs. A target level of 90 percent cases disposed of cases filed is recommended because this measure is indicative of a court's effectiveness in addressing cases in a timely manner. It is recognized this measure could also indicate an increase in caseload, which would make it difficult for courts to address cases in a timely manner. It is the intent of LFC that measures be used within a global context, not as the sole indicators of performance.

#### **BASE EXPANSION:**

The district courts requested 33 FTE expansions to be funded from the general fund and 14.5 FTE expansions with no impact to the general fund. The 8th Judicial District requested funds for a family dependency drug court. LFC recommends the FTE without fiscal impact and 13 with general fund impact for those courts showing the highest growth in caseload and greatest staffing shortages documented in the FY04 staffing study funded by the Legislature.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recom- Mendation</u>
01	231 Judicial specialists (2) FTE	(1st)	99.5	93.7
01	232 Funded term positions (6.5) FTE	(2nd)	0.0	0.0
02	232 Court monitors (2) FTE	(2nd)	90.0	90.0
03	232 Court interpreter (1) FTE	(2nd)	70.4	70.4
04	232 Family counselor (1) FTE	(2nd)	63.0	0.0
05	232 Judicial specialists (3) FTE	(2nd)	143.8	141.0
01	233 Funded term positions (2.5) FTE	(3rd)	0.0	0.0
02	233 Judicial specialist (3) FTE	(3rd)	141.0	136.0
03	233 Pro se administrative assistant (1) FTE	(3rd)	55.7	55.4
04	233 Judicial supervisor (1) FTE	(3rd)	68.6	0.0
05	233 Financial specialist III (1) FTE	(3rd)	68.6	0.0
06	233 Judicial specialist/monitor (1) FTE	(3rd)	47.0	0.0
01	235 Family court program director (0.5) FTE	(5th)	0.0	0.0
02	235 Bailiff (1) FTE	(5th)	35.2	0.0
03	235 Contract on-call bailiff	(5th)	10.9	0.0
01	237 Funded term position (0.5) FTE	(7th)	0.0	0.0
02	237 Judicial specialist (1) FTE	(7th)	48.3	0.0
01	238 Financial specialist II (1) FTE	(8th)	59.2	0.0
02	238 Family dependency drug court	(8th)	164.8	0.0
01	239 Judicial specialist (1) FTE	(9th)	49.9	46.5
02	239 Financial specialist (0.5) FTE	(9th)	34.8	0.0
03	239 Judicial specialist (1) FTE	(9th)	49.9	0.0
01	241 Funded term positions (3) FTE	(11th)	0.0	0.0
02	241 Bailiffs (3) FTE	(11th)	110.0	36.8
03	241 Financial specialist III (1) FTE	(11th)	71.7	0.0
04	241 Judicial specialist (1) FTE	(11th)	48.9	0.0
01	242 Court monitor/specialist (1) FTE	(12th)	47.6	0.0
01	243 Deputy court administrator II (1) FTE	(13th)	97.3	93.8
02	243 Human resource analyst (1) FTE	(13th)	59.3	55.9
03	243 Judicial specialist 1 FTE	(13th)	49.7	0.0
04	243 Court clinicians (2) FTE	(13th)	181.7	0.0
<b>TOTAL</b>			<b>1,966.8</b>	<b>819.5</b>

BUDGET SUMMARY (dollars in thousands)					
			FY06 – 2005-2006		Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	4,661.9	4,999.4	5,181.0	5,064.7	1.3
Other Transfers	385.1	418.6	431.4	431.4	3.1
Fed Program Revenues	0.0	277.7	0.0	0.0	-100.0
Other Program Revenues	180.8	303.1	356.6	356.6	17.7
Fund Balance	0.0	52.4	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>5,227.8</b>	<b>6,051.2</b>	<b>5,969.0</b>	<b>5,852.7</b>	<b>-3.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	4,193.7	4,680.9	4,821.4	4,722.4	0.9
Contractual Services	652.5	979.6	724.2	724.2	-26.1
Other	376.4	390.7	423.4	406.1	3.9
<b>TOTAL USES</b>	<b>5,222.6</b>	<b>6,051.2</b>	<b>5,969.0</b>	<b>5,852.7</b>	<b>-3.3</b>
<b>FTE</b>					
Permanent	68.5	70.5	72.5	72.5	2.8
Term	6.5	7.5	7.5	7.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>75.0</b>	<b>78.0</b>	<b>80.0</b>	<b>80.0</b>	<b>2.6</b>

**FIRST JUDICIAL DISTRICT COURT**

The purpose of the first judicial district court program, statutorily created in Santa Fe, Rio Arriba and Los Alamos counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output	Number of adult drug-court graduates		16			29
* Output	Number of juvenile drug-court graduates		16			29
Output	Median number of days to process vendor payment vouchers			5		5
* Output	Number of days to process juror payment vouchers					14
* Quality	Recidivism of adult drug-court graduates		8.33%			15%
* Quality	Recidivism of juvenile drug-court graduates		36.33%			20%
Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	90.69%				90%
Explanatory	Percent change in case filings by case type	1.1%				
Explanatory	Cost per client per day for adult drug-court participants		\$14.63			
Explanatory	Cost per client per day for juvenile drug-court participants		\$20.35			
* Outcome	Graduation rate, adult drug court					80%
* Outcome	Graduation rate, juvenile drug court					80%

## SECOND JUDICIAL DISTRICT COURT

232

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006		Agency Request	LFC Recommendation	Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted			
<b>SOURCES</b>					
General Fund Transfers	15,851.4	17,071.4	17,916.4	17,283.3	1.2
Other Transfers	69.0	69.0	69.7	69.7	1.0
Fed Program Revenues	1,109.9	1,392.6	1,421.5	1,625.4	16.7
Other Program Revenues	541.1	678.7	601.5	601.5	-11.4
General Revenues	28.2	123.7	0.0	0.0	-100.0
Fund Balance	219.6	165.5	160.8	160.8	-2.8
<b>SOURCES TOTAL</b>	<b>17,819.2</b>	<b>19,500.9</b>	<b>20,169.9</b>	<b>19,740.7</b>	<b>1.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	15,846.7	17,382.7	18,128.0	17,712.5	1.9
Contractual Services	537.6	773.6	659.4	659.0	-14.8
Other	1,304.4	1,344.6	1,382.5	1,369.2	1.8
<b>TOTAL USES</b>	<b>17,688.7</b>	<b>19,500.9</b>	<b>20,169.9</b>	<b>19,740.7</b>	<b>1.2</b>
<b>FTE</b>					
Permanent	276.5	281.5	288.5	287.5	2.1
Term	27.0	25.0	31.5	31.5	26.0
<b>TOTAL FTE POSITIONS</b>	<b>303.5</b>	<b>306.5</b>	<b>320.0</b>	<b>319.0</b>	<b>4.1</b>

## SECOND JUDICIAL DISTRICT COURT

The purpose of the second judicial district court program, statutorily created in Bernalillo County, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output	Number of adult drug-court graduates		183			152
* Output	Number of juvenile drug-court graduates		12			22
Output	Median number of days to process vendor payment vouchers			5		5
* Output	Number of days to process juror payment vouchers					14
* Quality	Recidivism of adult drug-court graduates		11.65%			15%
* Quality	Recidivism of juvenile drug-court graduates		9.33%			20%
* Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	96.01%				90%
Explanatory	Percent change in case filings by case type	5.9%				
Explanatory	Cost per client per day for adult drug-court participants		\$10.38			
Explanatory	Cost per client per day for juvenile drug-court participants		\$25.40			
* Explanatory	Graduation rate, adult drug court					80%
* Explanatory	Graduation rate, juvenile drug court					80%



## THIRD JUDICIAL DISTRICT COURT

233

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006		Agency Request	LFC Recommendation	Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted			
<b>SOURCES</b>					
General Fund Transfers	4,189.6	4,500.4	4,886.8	4,567.9	1.5
Other Transfers	620.1	645.9	676.9	676.9	4.8
Fed Program Revenues	88.3	80.0	305.9	305.9	282.4
Other Program Revenues	118.7	132.3	124.0	124.0	-6.3
<b>SOURCES TOTAL</b>	<b>5,016.7</b>	<b>5,358.6</b>	<b>5,993.6</b>	<b>5,674.7</b>	<b>5.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,601.2	4,082.0	4,498.1	4,209.2	3.1
Contractual Services	825.0	870.1	1,011.1	1,007.2	15.8
Other	528.7	406.5	484.4	458.3	12.7
<b>TOTAL USES</b>	<b>4,954.9</b>	<b>5,358.6</b>	<b>5,993.6</b>	<b>5,674.7</b>	<b>5.9</b>
<b>FTE</b>					
Permanent	62.8	62.8	70.8	66.8	6.4
Term	9.5	8.0	9.5	9.5	18.8
<b>TOTAL FTE POSITIONS</b>	<b>72.3</b>	<b>70.8</b>	<b>80.3</b>	<b>76.3</b>	<b>7.8</b>

### THIRD JUDICIAL DISTRICT COURT

The purpose of the third judicial district court program, statutorily created in Dona Ana County, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
*	Output	Number of adult drug-court graduates	24			22
*	Output	Number of juvenile drug-court graduates	20			51
	Output	Median number of days to process vendor payment vouchers		5		5
*	Output	Number of days to process juror payment vouchers				14
*	Quality	Recidivism of adult drug-court graduates	15.35%			15%
*	Quality	Recidivism of juvenile drug-court graduates	18.73%			20%
	Efficiency	Daily docketing currency				
*	Explanatory	Cases disposed as a percent of cases filed	92.08%			90%
	Explanatory	Percent change in case filings by case type	6.7%			
	Explanatory	Cost per client per day for adult drug-court participants		\$23.09		
	Explanatory	Cost per client per day for juvenile drug-court participants		\$47.96		
*	Explanatory	Graduation rate, adult drug court				80%
*	Explanatory	Graduation rate, juvenile drug court				80%

# FOURTH JUDICIAL DISTRICT COURT

234

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,074.4	1,134.3	1,271.3	1,225.3	8.0
Other Transfers	122.0	126.6	128.9	128.9	1.8
Other Program Revenues	18.7	14.6	20.0	20.0	37.0
Fund Balance	1.6	0.0	1.6	1.6	
<b>SOURCES TOTAL</b>	<b>1,216.7</b>	<b>1,275.5</b>	<b>1,421.8</b>	<b>1,375.8</b>	<b>7.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	967.1	1,027.6	1,100.6	1,085.6	5.6
Contractual Services	166.1	171.8	203.5	201.2	17.1
Other	71.0	76.1	117.7	89.0	17.0
<b>TOTAL USES</b>	<b>1,204.2</b>	<b>1,275.5</b>	<b>1,421.8</b>	<b>1,375.8</b>	<b>7.9</b>
<b>FTE</b>					
Permanent	19.5	19.5	19.5	19.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>19.5</b>	<b>19.5</b>	<b>19.5</b>	<b>19.5</b>	<b>0.0</b>

## FOURTH JUDICIAL DISTRICT COURT

The purpose of the fourth judicial district court program, statutorily created in Guadalupe, San Miguel and Mora counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output	Number of juvenile drug-court graduates		0			12
Output	Median number of days to process vendor payment vouchers			5		
* Output	Number of days to process juror payment vouchers					14
* Quality	Recidivism of juvenile drug-court graduates		0.00%			20%
Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	89.21%				90%
Explanatory	Percent change in case filings by case type	0.5%				
Explanatory	Cost per client per day for juvenile drug-court participants		\$26.63			
* Explanatory	Graduation rate, juvenile drug court					80%

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006		Agency Request	LFC Recommendation	Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted			
<b>SOURCES</b>					
General Fund Transfers	3,884.8	4,140.3	4,275.5	4,191.3	1.2
Other Transfers	541.8	501.0	384.7	384.7	-23.2
Other Program Revenues	38.3	75.0	75.0	75.0	0.0
Fund Balance	0.0	18.0	146.5	146.5	713.9
<b>SOURCES TOTAL</b>	<b>4,464.9</b>	<b>4,734.3</b>	<b>4,881.7</b>	<b>4,797.5</b>	<b>1.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,495.4	3,717.0	3,845.7	3,772.9	1.5
Contractual Services	531.4	668.4	675.5	672.5	0.6
Other	364.0	348.9	360.5	352.1	0.9
<b>TOTAL USES</b>	<b>4,390.8</b>	<b>4,734.3</b>	<b>4,881.7</b>	<b>4,797.5</b>	<b>1.3</b>
<b>FTE</b>					
Permanent	64.0	64.5	66.0	65.0	0.8
Term	1.0	1.0	1.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>65.0</b>	<b>65.5</b>	<b>67.0</b>	<b>66.0</b>	<b>0.8</b>

**FIFTH JUDICIAL DISTRICT COURT**

The purpose of the fifth judicial district court program, statutorily created in Eddy, Chaves and Lea counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

			PERFORMANCE MEASURES				
			FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
*	Output	Number of family drug-court graduates		3			4
	Output	Median number of days to process vendor payment vouchers			5		5
*	Output	Number of days to process juror payment vouchers					14
*	Quality	Recidivism of family drug-court graduates		41.5%			25%
	Efficiency	Daily docketing currency					
*	Explanatory	Cases disposed as a percent of cases filed	97.48%				90%
	Explanatory	Percent change in case filings by case type	8.1%				
*	Explanatory	Graduation rate, family drug court					80%

# SIXTH JUDICIAL DISTRICT COURT

236

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,852.8	1,958.5	2,053.9	1,971.4	0.7
Other Transfers	83.1	100.0	102.2	102.2	2.2
Other Program Revenues	8.6	8.6	8.6	8.6	0.0
Fund Balance	16.4	23.2	28.1	37.3	60.8
<b>SOURCES TOTAL</b>	<b>1,960.9</b>	<b>2,090.3</b>	<b>2,192.8</b>	<b>2,119.5</b>	<b>1.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,294.9	1,563.7	1,633.5	1,573.1	0.6
Contractual Services	339.3	343.5	370.9	361.7	5.3
Other	327.4	183.1	188.4	184.7	0.9
<b>TOTAL USES</b>	<b>1,961.5</b>	<b>2,090.3</b>	<b>2,192.8</b>	<b>2,119.5</b>	<b>1.4</b>
<b>FTE</b>					
Permanent	26.5	27.5	27.5	27.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>26.5</b>	<b>27.5</b>	<b>27.5</b>	<b>27.5</b>	<b>0.0</b>

## SIXTH JUDICIAL DISTRICT COURT

The purpose of the sixth judicial district court program, statutorily created in Grant, Luna and Hidalgo counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output	Number of juvenile drug-court graduates		3			11
Output	Median number of days to process vendor payment vouchers			5		5
* Output	Number of days to process juror payment vouchers					14
* Quality	Recidivism of juvenile drug-court graduates		30.33%			20%
Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	95.6%				90%
Explanatory	Percent change in case filings by case type	95.6%				
Explanatory	Cost per client per day for juvenile drug-court participants		\$26.97			
* Explanatory	Graduation rate, juvenile drug court					80%

# SEVENTH JUDICIAL DISTRICT COURT

237

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,421.2	1,484.0	1,574.4	1,491.4	0.5
Other Transfers	267.8	281.2	316.1	316.1	12.4
Other Program Revenues	8.0	30.7	24.0	24.0	-21.8
Fund Balance	14.7	0.0	10.0	10.0	
<b>SOURCES TOTAL</b>	<b>1,711.7</b>	<b>1,795.9</b>	<b>1,924.5</b>	<b>1,841.5</b>	<b>2.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,355.2	1,465.9	1,557.3	1,512.7	3.2
Contractual Services	76.7	110.8	125.4	112.0	1.1
Other	240.0	219.2	241.8	216.8	-1.1
<b>TOTAL USES</b>	<b>1,671.9</b>	<b>1,795.9</b>	<b>1,924.5</b>	<b>1,841.5</b>	<b>2.5</b>
<b>FTE</b>					
Permanent	23.5	23.5	24.5	23.5	0.0
Term	0.0	3.0	3.5	3.5	16.7
<b>TOTAL FTE POSITIONS</b>	<b>23.5</b>	<b>26.5</b>	<b>28.0</b>	<b>27.0</b>	<b>1.9</b>

## SEVENTH JUDICIAL DISTRICT COURT

The purpose of the seventh judicial district court program, statutorily created in Socorro, Torrance, Sierra and Catron counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Output	Median number of days to process vendor payment vouchers			5		5
* Output	Number of days to process juror payment vouchers					14
Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	98.65%				90%
Explanatory	Percent change in case filings by case type	1.7%				

# EIGHTH JUDICIAL DISTRICT COURT

238

BUDGET SUMMARY (dollars in thousands)					
			FY06 – 2005-2006		Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	1,922.4	2,009.1	2,300.4	2,036.8	1.4
Other Transfers	75.6	75.6	75.6	75.6	0.0
Other Program Revenues	69.0	73.0	75.0	75.0	2.7
Fund Balance	0.0	0.0	52.5	52.5	
<b>SOURCES TOTAL</b>	<b>2,067.0</b>	<b>2,157.7</b>	<b>2,503.5</b>	<b>2,239.9</b>	<b>3.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,277.0	1,376.2	1,512.5	1,394.3	1.3
Contractual Services	603.9	643.3	815.9	698.9	8.6
Other	156.1	138.2	175.1	146.7	6.2
<b>TOTAL USES</b>	<b>2,037.0</b>	<b>2,157.7</b>	<b>2,503.5</b>	<b>2,239.9</b>	<b>3.8</b>
<b>FTE</b>					
Permanent	23.3	23.3	25.3	23.3	0.0
<b>TOTAL FTE POSITIONS</b>	<b>23.3</b>	<b>23.3</b>	<b>25.3</b>	<b>23.3</b>	<b>0.0</b>

## EIGHTH JUDICIAL DISTRICT COURT

The purpose of the eighth judicial district court program, statutorily created in Taos, Colfax and Union counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

			PERFORMANCE MEASURES				
			FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
*	Output	Number of adult drug-court graduates		15			18
*	Output	Number of juvenile drug-court graduates		6			22
	Output	Median number of days to process vendor payment vouchers			5		5
*	Output	Number of days to process juror payment vouchers					14
*	Quality	Recidivism of adult drug-court graduates		7.67%			15%
*	Quality	Recidivism of juvenile drug-court graduates		10.00%			20%
	Efficiency	Daily docketing currency					
*	Explanatory	Cases disposed as a percent of cases filed	97.6%				90%
	Explanatory	Percent change in case filings by case type	-5.7%				
	Explanatory	Cost per client per day for adult drug-court participants		\$25.80			
	Explanatory	Cost per client per day for juvenile drug-court participants		\$25.32			
*	Explanatory	Graduation rate, adult drug court					80%
*	Explanatory	Graduation rate, juvenile drug court					80%

## NINTH JUDICIAL DISTRICT COURT

239

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006		Agency Request	LFC Recommendation	Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted			
<b>SOURCES</b>					
General Fund Transfers	1,790.1	1,875.2	2,082.0	1,956.7	4.3
Other Transfers	422.1	423.1	434.2	434.2	2.6
Other Program Revenues	60.0	56.0	61.5	61.5	9.8
Fund Balance	14.6	11.9	12.3	12.3	3.4
<b>SOURCES TOTAL</b>	<b>2,286.8</b>	<b>2,366.2</b>	<b>2,590.0</b>	<b>2,464.7</b>	<b>4.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,690.5	1,899.6	2,056.4	1,973.0	3.9
Contractual Services	271.2	189.3	199.3	197.3	4.2
Other	309.0	277.3	334.3	294.4	6.2
<b>TOTAL USES</b>	<b>2,270.7</b>	<b>2,366.2</b>	<b>2,590.0</b>	<b>2,464.7</b>	<b>4.2</b>
<b>FTE</b>					
Permanent	24.5	28.0	30.5	29.0	3.6
Term	3.5	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>28.0</b>	<b>32.0</b>	<b>34.5</b>	<b>33.0</b>	<b>3.1</b>

## NINTH JUDICIAL DISTRICT COURT

The purpose of the ninth judicial district court program, statutorily created in Curry and Roosevelt counties, is to provide access to justice; resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Output	Median number of days to process vendor payment vouchers			5		5
* Output	Number of days to process juror payment vouchers					14
Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	82.26%				90%
Explanatory	Percent change in case filings by case type	10.8%				

# TENTH JUDICIAL DISTRICT COURT

240

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 – 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	576.0	596.9	615.7	607.9	1.8
Other Program Revenues	0.0	0.0	5.7	5.7	
Fund Balance	6.6	2.5	9.1	9.1	264.0
<b>SOURCES TOTAL</b>	<b>582.6</b>	<b>599.4</b>	<b>630.5</b>	<b>622.7</b>	<b>3.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	463.2	517.0	530.6	529.1	2.3
Contractual Services	7.0	12.0	23.9	23.9	99.2
Other	89.3	55.4	61.0	54.7	-1.3
Other Financing Uses	15.0	15.0	15.0	15.0	0.0
<b>TOTAL USES</b>	<b>574.5</b>	<b>599.4</b>	<b>630.5</b>	<b>622.7</b>	<b>3.9</b>
<b>FTE</b>					
Permanent	9.1	9.1	9.1	9.1	0.0
<b>TOTAL FTE POSITIONS</b>	<b>9.1</b>	<b>9.1</b>	<b>9.1</b>	<b>9.1</b>	<b>0.0</b>

## TENTH JUDICIAL DISTRICT COURT

The purpose of the tenth judicial district court program, statutorily created in Quay, DeBaca and Harding counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Output	Median number of days to process vendor payment vouchers			5		5
* Output	Number of days to process juror payment vouchers					14
Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	104.03%				90%
Explanatory	Percent change in case filings by case type	4.1%				



# ELEVENTH JUDICIAL DISTRICT COURT

241

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	3,318.3	3,516.3	3,987.6	3,609.9	2.7
Other Transfers	207.9	215.9	225.6	225.6	4.5
Fed Program Revenues	528.5	291.3	305.0	305.0	4.7
Other Program Revenues	98.2	96.2	100.9	100.9	4.9
Fund Balance	110.0	10.6	10.6	10.6	0.0
<b>SOURCES TOTAL</b>	<b>4,262.8</b>	<b>4,130.3</b>	<b>4,629.7</b>	<b>4,252.0</b>	<b>2.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,161.1	3,327.1	3,753.1	3,487.7	4.8
Contractual Services	406.9	295.9	335.6	325.9	10.1
Other	677.9	507.3	541.0	438.4	-13.6
<b>TOTAL USES</b>	<b>4,245.9</b>	<b>4,130.3</b>	<b>4,629.7</b>	<b>4,252.0</b>	<b>2.9</b>
<b>FTE</b>					
Permanent	55.0	55.0	64.0	60.0	9.1
Term	10.0	7.8	6.0	6.0	-23.1
<b>TOTAL FTE POSITIONS</b>	<b>65.0</b>	<b>62.8</b>	<b>70.0</b>	<b>66.0</b>	<b>5.1</b>

## ELEVENTH JUDICIAL DISTRICT COURT

The purpose of the eleventh judicial district court program, statutorily created in McKinley and San Juan counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

PERFORMANCE MEASURES						
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Output	Number of adult drug-court graduates		25			36
* Output	Number of juvenile drug-court graduates		11			22
Output	Number of domestic violence parties completing counseling		312			
Output	Number of clients served who are self-represented litigants		259			
Output	Number of grade-court clients completing school or obtaining a general equivalency diploma		6			
Output	Number of cases resolved with mediation		100			
Output	Median number of days to process vendor payment vouchers			5		5
* Output	Number of days to process juror payment vouchers					14
* Quality	Recidivism of adult drug-court graduates		11.63%			15%
* Quality	Recidivism of juvenile drug-court graduates		22.67%			20%
Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	100.09%				90%
Explanatory	Percent change in case filings by case type	0.5%				
Explanatory	Cost per client per day for adult drug-court participants		\$10.98			
Explanatory	Cost per client per day for juvenile drug-court participants		\$31.97			
* Explanatory	Graduation rate, adult drug court					80%
* Explanatory	Graduation rate, juvenile drug court					80%

## TWELFTH JUDICIAL DISTRICT COURT

242

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,955.3	2,090.0	2,289.9	2,149.2	2.8
Other Transfers	217.9	184.9	195.5	195.5	5.7
Fed Program Revenues	63.7	0.0	0.0	0.0	
Other Program Revenues	35.0	36.0	37.0	37.0	2.8
Fund Balance	0.0	10.0	10.0	10.0	0.0
<b>SOURCES TOTAL</b>	<b>2,271.9</b>	<b>2,320.9</b>	<b>2,532.4</b>	<b>2,391.7</b>	<b>3.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,697.3	1,764.9	1,936.1	1,840.7	4.3
Contractual Services	354.4	356.0	374.1	358.7	0.8
Other	182.2	200.0	222.2	192.3	-3.8
Other Financing Uses	4.2	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>2,238.1</b>	<b>2,320.9</b>	<b>2,532.4</b>	<b>2,391.7</b>	<b>3.1</b>
<b>FTE</b>					
Permanent	30.5	31.5	32.5	31.5	0.0
Term	1.5	1.0	1.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>32.0</b>	<b>32.5</b>	<b>33.5</b>	<b>32.5</b>	<b>0.0</b>

## TWELFTH JUDICIAL DISTRICT COURT

The purpose of the twelfth judicial district court program, statutorily created in Otero and Lincoln counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output	Number of juvenile drug-court graduates		9			23
Output	Median number of days to process vendor payment vouchers			5		5
* Output	Number of days to process juror payment vouchers					14
* Quality	Recidivism of juvenile drug-court participants		15.87%			20%
Efficiency	Daily docketing currency					
* Explanatory	Cases disposed as a percent of cases filed	91.61%				90%
Explanatory	Percent change in case filings by case type	-1.4%				
Explanatory	Cost per client per day for juvenile drug-court participants		\$38.68			
* Explanatory	Graduation rate, juvenile drug court					80%

# THIRTEENTH JUDICIAL DISTRICT COURT

243

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006		Agency Request	LFC Recommendation	Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted			
<b>SOURCES</b>					
General Fund Transfers	3,152.2	3,483.6	3,942.5	3,603.2	3.4
Other Transfers	463.6	500.6	517.5	517.5	3.4
Fed Program Revenues	117.7	165.9	122.9	122.9	-25.9
Fund Balance	47.3	55.0	87.0	87.0	58.2
<b>SOURCES TOTAL</b>	<b>3,780.8</b>	<b>4,205.1</b>	<b>4,669.9</b>	<b>4,330.6</b>	<b>3.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,912.6	3,329.6	3,727.0	3,456.1	3.8
Contractual Services	410.7	475.7	478.7	475.7	0.0
Other	457.5	399.8	464.2	398.8	-0.3
<b>TOTAL USES</b>	<b>3,780.8</b>	<b>4,205.1</b>	<b>4,669.9</b>	<b>4,330.6</b>	<b>3.0</b>
<b>FTE</b>					
Permanent	52.0	53.5	58.5	55.5	3.7
Term	3.0	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>55.0</b>	<b>57.5</b>	<b>62.5</b>	<b>59.5</b>	<b>3.5</b>

## THIRTEENTH JUDICIAL DISTRICT COURT

The purpose of the thirteenth judicial district court program, statutorily created in Cibola, Sandoval and Valencia counties, is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

			PERFORMANCE MEASURES				
			FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
*	Output	Number of juvenile drug-court graduates		40			43
	Output	Median number of days to process vendor payment vouchers			5		5
*	Output	Number of days to process juror payment vouchers					14
*	Quality	Recidivism of juvenile drug-court graduates		14.42%			20%
	Efficiency	Daily docketing currency					
*	Explanatory	Cases disposed as a percent of cases filed	98.9%				90%
	Explanatory	Percent change in case filings by case type	0.8%				
	Explanatory	Cost per client per day for juvenile drug-court participants		\$19.28			
*	Explanatory	Graduation rate, juvenile drug court					80%

**STATUTORY AUTHORITY:**

The Bernalillo County Metropolitan Court (Metro Court) was created in Section 34-8A-1 through 34-8A-14 NMSA 1978. The Metro Court provides lower court judicial services to the citizens of Bernalillo County and has jurisdiction over civil complaints involving less than \$10,000 and all misdemeanors filed in Bernalillo County.

**MISSION:**

The mission of Metro Court is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	15,429.4	16,728.4	18,561.5	17,561.2	5.0
Other Transfers	2,388.7	1,511.1	1,722.1	1,722.1	14.0
Other Program Revenues	947.2	1,541.5	1,927.6	1,927.6	25.0
Fund Balance	500.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>19,265.3</b>	<b>19,781.0</b>	<b>22,211.2</b>	<b>21,210.9</b>	<b>7.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	13,108.2	13,916.1	15,878.4	15,147.2	8.8
Contractual Services	2,836.0	2,650.4	2,772.6	2,697.6	1.8
Other	2,673.3	3,214.5	3,432.8	3,238.7	0.8
Other Financing Uses	0.0	0.0	127.4	127.4	
<b>TOTAL USES</b>	<b>18,617.5</b>	<b>19,781.0</b>	<b>22,211.2</b>	<b>21,210.9</b>	<b>7.2</b>
<b>FTE</b>					
Permanent	247.0	255.0	267.0	260.0	2.0
Term	40.0	39.0	48.0	48.0	23.1
Temporary	1.5	1.5	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>288.5</b>	<b>295.5</b>	<b>315.0</b>	<b>308.0</b>	<b>4.2</b>

**BUDGET ISSUES:**

Metro Court requested an 8.2 percent, or approximately \$1.4 million, base increase in general fund and a 12 percent increase including expansion. The majority of the court's base and expansion requests are for personnel services and employee benefits. LFC recommends a 4.6 percent general fund base increase primarily to fund increased benefits, property insurance, and new Information Technology maintenance fees. Information Technology maintenance fees include annual video bonding and Internet phone services. In FY05 the Metro Court appropriation for personnel services and employee benefits included a 4 percent vacancy rate. With the vacancy rate falling from 10 percent in FY03 to approximately 6 percent this year, LFC has recommended a vacancy rate of 3 percent.

FY05 is the first fiscal year that Metro Court will operate in the new courthouse facility for an entire fiscal year. Because actual costs for an entire year are unknown, expenses for utilities and some maintenance costs are projected.

Metro Court was designated to receive \$150 thousand in funds for computer equipment in FY05 as a portion of the \$700 thousand allocated to the Administrative Office of the Courts. The court must submit an evaluation of proposed purchases and plan for the funding before receiving the funding.

Metro Court requested \$75 thousand in contractual services to be used as follows: a study to determine feasibility of consolidating the 2nd District Court and Metro Court, a study of DWI in Bernalillo County and a study of the merits and costs to make the Metro Court a "court of record." LFC recommends Metro Court pursue funding for these studies through one-time

appropriations.

Metro Court is one of six New Mexico courts prioritized through the Supreme Court's unified budget to request an additional judgeship during the legislative session. The judgeships will be pursued through independent legislation.

Metro Court is reorganizing. Through changes implemented at the Court but not reflected in State Personnel Office documents, Metro Court has added a fiscal director and an information and community outreach director along with two new corresponding divisions. In addition, the court has created a Facility Management Bureau within the Court Administration Division. Metro Court has added five bureaus in the last year: Community Outreach, Jury, Budget, Audit and Reports, and Special Projects. The court's Court Intervention bureau will house the DWI Drug Court, Domestic Violence Early Intervention Program, Mental Health Court, and the Homeless Court. The changes at Metro Court have created a more horizontal organizational structure and seem to have created additional management positions.

Metro Court has not requested any target measures due to Supreme Court direction that the judiciary record actual data for measures, but not project targets. LFC has not recommended targets for amount of bench warrant revenue collected annually or for "amount of criminal case fees and fines collected, in millions," because it recognizes these measures serve an explanatory and descriptive role and the court should not have statutory targets for the amount of penalties assessed to the public. LFC has recommended additional measures: "fees and fines collected as a percent of fees and fines assessed," and "fees and fines collected as a percent of fees and fines permissible." Metro Court has met or exceeded all the targets set for FY05 in its reported FY04 results.

#### **BASE EXPANSION:**

LFC has extracted from the Metro Court base request an expansion of 4 permanent FTE and 9 term FTE. The 4 permanent positions are being hired in FY05 using appropriated funds that did not specify a number of FTE; three are for the Early Intervention Domestic Violence program and one is an expansion to Metro Court's Mental Health Court. Metro Court has used other state funds to hire 9 term FTE, expanding its warrant enforcement program, a domestic violence repeat offenders pilot program, and a pre-trial services contract. LFC recommends the authorization of the 4 permanent and 9 term FTE extracted from the court's requested base budget.

Metro Court requested 8 expansion permanent FTE positions in addition to the extracted expansion positions. The court's requests are as follows in ranking order: a Spanish interpreter for Spanish, four judicial specialists, a chief staff attorney, a legal assistant, and a judicial lead worker. Due to limited funds, the LFC recommends only the expansion for Metro Court's interpreter services. The caseloads for the two existing Spanish interpreters have more than doubled since the positions were created. Hourly rates for contract interpreters have exceeded the hourly pay for employees.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>	<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
*	Mental health probation officer (1) perm FTE	0.0	0.0
0	DV early intervention (3) perm FTE	0.0	0.0
1	Warrant officers (4) term FTE	140.3	140.3
2	DV repeat offenders positions (3) term FTE	136.8	136.8
3	Pretrial positions (2) term FTE	67.3	67.3
4	Spanish interpreter (1) perm FTE	68.9	59.1
5	Judicial specialists (4) perm FTE	198.0	0.0
6	Chief staff attorney (1) perm FTE	90.8	0.0
7	Legal assistant (1) perm FTE	49.8	0.0
8	<u>Judicial lead worker (1) perm FTE</u>	<u>51.1</u>	<u>0.0</u>
<b>TOTAL</b>		<b>803.0</b>	<b>403.5</b>

**BERNALILLO COUNTY METROPOLITAN COURT**

The purpose of the Bernalillo county metropolitan court program is to provide access to justice, resolve disputes justly and timely, and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
	Output	Amount of bench warrant revenue collected annually	\$971,258	\$650,000		
*	Outcome	Cases disposed as a percent of cases filed	107%	104%	80%	90%
	Output	Amount of criminal case fees and fines collected, in millions	\$5.9	\$5.8	\$1.7	
*	Efficiency	Cost per client per day for driving while intoxicated drug court participants		\$16.00		\$15.00
*	Quality	Recidivism of driving while intoxicated drug court graduates		7.3%	12%	12%
	Outcome	Number of active cases pending		15,293		12,453
*	Output	Number of driving while intoxicated drug court graduates		182		200
*	Explanatory	Graduation rate of driving while intoxicated drug court participants				80%
*	Outcome	Fees and fines collected as a percent of fees and fines assessed				90%
	Outcome	Fees and fines assessed as a percent of fees and fines permissible				90%

**DISTRICT ATTORNEYS (ALL)****251 – 263 & 265****STATUTORY AUTHORITY:**

Article VI, Section 24, of the New Mexico Constitution provides for the election of a district attorney in each judicial district to prosecute and defend the state in all district courts, including both criminal and civil cases in which the state or counties may be a party or may be interested. Statutory provisions relating to district attorneys are in Sections 36-1-1 through 36-1-27 NMSA 1978. County governments are statutorily required to provide facilities, maintenance, and utilities for district attorneys in Sections 36-1-8.1 NMSA 1978.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	39,667.7	41,830.3	47,666.6	42,704.0	2.1
Other Transfers	5,268.0	1,209.8	1,611.3	1,613.1	33.3
Fed Program Revenues	4,126.7	2,541.5	2,449.5	2,449.5	-3.6
Other Program Revenues	561.8	340.6	295.1	295.1	-13.4
Extraord/Special	70.0	0.0	0.0	0.0	
Fund Balance	637.8	94.1	49.8	49.8	-47.1
<b>SOURCES TOTAL</b>	<b>50,332.0</b>	<b>46,016.3</b>	<b>52,072.3</b>	<b>47,111.5</b>	<b>2.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	39,944.5	41,984.2	47,182.0	42,924.1	2.2
Contractual Services	1,148.9	767.9	731.2	704.1	-8.3
Other	5,068.6	3,264.2	4,159.1	3,483.3	6.7
Other Financing Uses	6.9	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>46,168.9</b>	<b>46,016.3</b>	<b>52,072.3</b>	<b>47,111.5</b>	<b>2.4</b>
<b>FTE</b>					
Permanent	690.5	716.0	785.0	721.0	0.7
Term	97.6	78.3	88.1	86.3	10.2
<b>TOTAL FTE POSITIONS</b>	<b>788.1</b>	<b>794.3</b>	<b>873.1</b>	<b>807.3</b>	<b>1.6</b>

**BUDGET ISSUES:**

The district attorneys requested a general fund increase of \$5.8 million, including \$3.1 million in expansion items. The committee recommends a general fund increase of \$873.7 thousand, or 2.1 percent, including \$236 thousand in expansion. The LFC recommendation includes vacancy factors at an average of 1.5 percent but up to 3 percent, although actual vacancy rates are as high as 8 percent.

Although district attorney offices are supported primarily from the general fund, federal funds are available through direct contracts with the federal government as well as through transfers from the Department of Public Safety (DPS) and the New Mexico Crime Victims Reparation Commission. The district attorneys have been awarded a total of \$3.5 million in federal funds for FY06. Federal fund transfers include \$1.1 million in high intensity drug trafficking area (HIDTA) grants, \$586.9 thousand in southwest border prosecution initiative (SWBPI) grants, \$558.7 thousand in Violence Against Women Act (VAWA) grants, \$389.1 thousand in Victims of Crime Act (VOCA) grants, and \$524.5 in community policing grants. District attorneys also receive transfers from counties and tribes through memoranda of understanding to fund legal services contracts. The district attorneys expect to receive approximately \$900 thousand of such funds in FY06.

The full implementation of a new case management system housed in the Administrative Office of the District Attorneys (AODA) has been delayed by the need for computer upgrades in the 2nd Judicial District. AODA anticipates new SWBPI awards to be issued to the 2nd district, which will fund these upgrades. LFC recommends districts continue to use a portion of the revenue from SWBPI awards to fund the AODA information technology plan.

During the interim the committee heard concerns from the district attorneys and the Public Defender Department (PDD) regarding high turnover and vacancy rates among entry- and mid-level attorneys. LFC, in cooperation with the district attorneys and PDD, determined that considerable workload increases and consistently high attorney turnover and vacancy rates provide justification for attorney salary increases. The committee recommends a special 2 percent compensation increase for associate and assistant district attorneys in addition to the increase appropriated for all state employees. The committee recommends that a lump sum of \$113.3 thousand be made to AODA to distribute the increases.

The committee has started a dialogue with law enforcement agencies regarding the adequacy of resources for the prosecution of white-collar criminal activity involving public funds. While the committee considers the abuse of public funds a criminal activity worthy of strict sanctions, it also understands that law enforcement must prioritize the prosecution of violent crime over white-collar crime. The committee is aware that the Office of the Attorney General is limited in the resources it can dedicate to this activity. The committee also recognizes efforts made by the 1st Judicial District Attorney in prosecuting this type of criminal activity in state government. The committee intends to monitor further progress of the enforcement of laws governing the abuse of public funds by tracking referrals of this activity by the State Auditor to the Attorney General and the district attorneys.

To date, the 4th Judicial District Attorney has been appropriated a grand total of \$2.3 million from the general fund for prosecution of the Santa Rosa prison riot cases, including \$530 thousand in FY05. The district attorney has expended nearly \$2 million on the Santa Rosa cases since FY00, and the Office of the Attorney General has expended the entire \$615 thousand it has been appropriated for this purpose. The Public Defender Department has been appropriated \$2.4 million and has expended \$1.38 million for the defense of these cases. The 4th Judicial District Attorney had informed LFC that the cases, previously scheduled to go to jury trial in fall 2004, have been postponed by the trial court. Jury trial for the first of the four remaining prison riot cases will not commence until February 2005, at the earliest. The district attorney expects that the cases will be substantially completed by the end of FY05. However, the 4th Judicial District Attorney requested additional funding for FY06, should jury trial be postponed again beyond the end of FY05.

**BASE EXPANSION:**

Collectively, the district attorneys requested \$3.1 million from the general fund for 66.5 FTE and other expansion items. The committee recommends funding for two expansion requests at a total cost of \$236 thousand. Recommended base expansions are prioritized using caseload increase and workload assessment data including that of the American Prosecutors Research Institute. Expansion recommendations include \$177 thousand for the 2nd Judicial District to convert three term assistant district attorney positions to permanent and \$59 thousand for the 13th Judicial District for a senior trial attorney.



**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<b>Agency Rank</b>		<b><u>(Division)</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recom- mendation</u></b>
01	Program administrator (1 FTE)	(1st)	47.4	0.0
02	Special program director (1 FTE)	(1st)	65.3	0.0
03	Victim advocate (1 FTE)	(1st)	39.5	0.0
04	Sr. trial attorney (1 FTE)	(1st)	76.5	0.0
05	Administrative secretary (1 FTE)	(1st)	39.7	0.0
01	Community gun violence attorneys (4 FTE)	(2nd)	226.5	177.0
02	HIDTA attorneys (3 FTE)	(2nd)	174.6	0.0
03	Grand jury early plea program (2 FTE)	(2nd)	124.1	0.0
04	Sexual assault prosecutor (1 FTE)	(2nd)	70.5	0.0
05	Sr. investigator--community crimes (1 FTE)	(2nd)	54.3	0.0
06	Program specialist--pre-prosecution (1 FTE)	(2nd)	37.9	0.0
07	Additional staffing for priors (0.5 FTE)	(2nd)	16.8	0.0
08	Receptionist (0.5 FTE)	(2nd)	11.1	0.0
09	Case closure support staff (4 FTE)	(2nd)	149.9	0.0
10	Admin. secretary for chief deputies (1 FTE)	(2nd)	33.3	0.0
11	Victim advocate program (3 FTE)	(2nd)	147.6	0.0
12	Community crimes division staff (2 FTE)	(2nd)	109.5	0.0
13	Children's court program director (1 FTE)	(2nd)	80.0	0.0
14	Crimes against children attorney (1 FTE)	(2nd)	80.0	0.0
15	Felony DWI unit staff (2 FTE)	(2nd)	126.8	0.0
16	SWAT support attorney (1 FTE)	(2nd)	72.6	0.0
17	Photocopiers (2)	(2nd)	43.2	0.0
18	Term to perm--sexual assault program (2 FTE)	(2nd)	0.0	0.0
01	Paralegal (1 FTE)	(3rd)	0.0	0.0
01	Administrative secretary (1 FTE)	(4th)	39.3	0.0
02	Prosecution assistant (1 FTE)	(4th)	39.3	0.0
01	Financial specialist (0.5 FTE)	(5th)	0.0	0.0
02	Sr. secretary (1 FTE)	(5th)	25.4	0.0
03	Sr. victim advocate (1 FTE)	(5th)	34.2	0.0
01	Deputy district attorney (1 FTE)	(6th)	36.9	0.0
02	Sr. secretary (1 FTE)	(6th)	18.2	0.0
03	Victim advocate--domestic violence (1 FTE)	(6th)	20.9	0.0
04	Victim advocate--Luna county (1 FTE)	(6th)	41.7	0.0
01	Sr. trial attorney (1 FTE)	(8th)	73.7	0.0
01	Sr. trial attorney (1 FTE)	(10th)	80.7	0.0
01	Secretary (1 FTE)	(11th-I)	31.3	0.0
02	Secretary--criminal (1 FTE)	(11th-I)	35.2	0.0
03	Prosecution specialist (1 FTE)	(11th-I)	34.8	0.0
04	IS assistant (1 FTE)	(11th-I)	36.6	0.0
05	Victim advocate (1 FTE)	(11th-I)	44.4	0.0
01	Asst. trial attorney--drug unit (1 FTE)	(11th-II)	63.5	0.0
02	Sr. secretary--drug unit (1 FTE)	(11th-II)	32.6	0.0
03	Asst. trial attorney--DWI (1 FTE)	(11th-II)	63.5	0.0
04	Sr. secretary--DWI (1 FTE)	(11th-II)	32.6	0.0
05	Asst. trial attorney--DV (1 FTE)	(11th-II)	63.5	0.0
06	Sr. secretary--DV (1 FTE)	(11th-II)	32.6	0.0
01	Sr. trial attorney (1 FTE)	(12th)	55.4	0.0
02	Secretary (1 FTE)	(12th)	23.7	0.0
01	Sr. trial attorney--Valencia county (1 FTE)	(13th)	59.7	59.0
02	Asst. trial attorney--Cibola county (1 FTE)	(13th)	54.7	0.0
03	Secretary--Valencia county (1 FTE)	(13th)	28.2	0.0
04	Asst. trial attorney--Sandoval county (1 FTE)	(13th)	54.7	0.0
05	Secretary--Cibola county (1 FTE)	(13th)	28.2	0.0
06	Secretary--Sandoval county (1 FTE)	(13th)	28.2	0.0
07	Human resources coordinator (1 FTE)	(13th)	35.7	0.0
<b>TOTAL</b>			<b>3,076.5</b>	<b>236.0</b>

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	3,192.8	3,423.2	3,957.8	3,496.9	2.2
Other Transfers	98.7	135.2	192.9	192.9	42.7
Fed Program Revenues	541.2	780.3	535.2	535.2	-31.4
<b>SOURCES TOTAL</b>	<b>3,832.7</b>	<b>4,338.7</b>	<b>4,685.9</b>	<b>4,225.0</b>	<b>-2.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,336.4	3,673.1	4,023.4	3,678.5	0.1
Contractual Services	174.1	311.7	184.6	184.6	-40.8
Other	308.9	353.9	477.9	361.9	2.3
<b>TOTAL USES</b>	<b>3,819.4</b>	<b>4,338.7</b>	<b>4,685.9</b>	<b>4,225.0</b>	<b>-2.6</b>
<b>FTE</b>					
Permanent	53.5	56.0	61.0	56.0	0.0
Term	16.0	13.5	11.0	13.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>69.5</b>	<b>69.5</b>	<b>72.0</b>	<b>69.5</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Santa Fe, Río Arriba and Los Alamos counties.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule		.19%	<5%	<3%	<3%
Output	Number of cases dismissed under the six-month rule		3	<54	<50	<50
* Efficiency	Average time from filing of petition to final disposition, in months		2	3	3	3
* Efficiency	Average attorney caseload		96.4	185	130	130
* Output	Number of cases prosecuted		1563	2,600	1,700	2,600
* Output	Number of cases referred for screening		2651	4,400	2,700	2,800

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	12,838.0	13,343.1	15,412.0	13,460.9	0.9
Other Transfers	1,475.5	160.8	271.5	271.5	68.8
Fed Program Revenues	41.4	415.2	569.5	569.5	37.2
Other Program Revenues	297.9	149.6	116.4	116.4	-22.2
<b>SOURCES TOTAL</b>	<b>14,652.8</b>	<b>14,068.7</b>	<b>16,369.4</b>	<b>14,418.3</b>	<b>2.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	12,557.9	13,185.4	15,253.0	13,497.4	2.4
Contractual Services	151.0	94.4	104.4	94.8	0.4
Other	1,102.6	788.9	1,012.0	826.1	4.7
<b>TOTAL USES</b>	<b>13,811.5</b>	<b>14,068.7</b>	<b>16,369.4</b>	<b>14,418.3</b>	<b>2.5</b>
<b>FTE</b>					
Permanent	231.0	239.0	271.5	242.0	1.3
Term	19.0	20.0	19.8	17.0	-15.0
<b>TOTAL FTE POSITIONS</b>	<b>250.0</b>	<b>259.0</b>	<b>291.3</b>	<b>259.0</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Bernalillo county.

		PERFORMANCE MEASURES				
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Percent of cases dismissed under the six-month rule		<8%	<5%	<8%	<6%
Output	Number of cases dismissed under the six-month rule		<950	<1,037	<1,037	<1,000
* Efficiency	Average time from filing of petition to final disposition, in months			9.5		9
* Efficiency	Average attorney caseload		577	305	580	450
* Output	Number of cases prosecuted		25,215	20,753	25,300	25,300
* Output	Number of cases referred for screening		44,584	26,237	45,000	45,000
Efficiency	Average number of cases prosecuted per attorney		369		375	375

**BUDGET SUMMARY**  
(dollars in thousands)

	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	2,651.3	2,763.3	3,009.5	2,829.6	2.4
Other Transfers	3,074.1	127.9	42.9	42.9	-66.5
Fed Program Revenues	694.9	345.8	470.8	470.8	36.1
<b>SOURCES TOTAL</b>	<b>6,420.3</b>	<b>3,237.0</b>	<b>3,523.2</b>	<b>3,343.3</b>	<b>3.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,383.9	3,030.2	3,304.9	3,132.3	3.4
Contractual Services	241.7	28.0	28.3	28.3	1.1
Other	1,537.3	178.8	190.0	182.7	2.2
Other Financing Uses	5.0	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>5,167.9</b>	<b>3,237.0</b>	<b>3,523.2</b>	<b>3,343.3</b>	<b>3.3</b>
<b>FTE</b>					
Permanent	46.0	46.0	47.0	47.0	2.2
Term	17.0	8.0	11.0	11.0	37.5
<b>TOTAL FTE POSITIONS</b>	<b>63.0</b>	<b>54.0</b>	<b>58.0</b>	<b>58.0</b>	<b>7.4</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Doña Ana county.

**PERFORMANCE MEASURES**

		<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Budget</b>	<b>FY06 Request</b>	<b>FY06 Recomm</b>
* Outcome	Percent of cases dismissed under six-month rule		.00078%	<.5%	.0075%	<.5
Output	Number of cases dismissed under six-month rule		3	<17	<17	<10
* Efficiency	Average time from filing of charge to final disposition, in months			6	6	6
* Efficiency	Average attorney caseload		260	150	150	150
* Output	Number of cases prosecuted		3,842	3,250	3,250	3,300
* Output	Number of cases referred for screening		5,861	4,500	4,500	4,500
Output	Average number of cases prosecuted per attorney		171	145	145	145
Output	Number of offenders accepted into pre-prosecution diversion program		190			
Outcome	Percent of offenders successfully completing the pre-prosecution diversion program		90%	90%		
Output	Number of offenders accepted into drug court programs		84	80	80	80
Output	Number of drug cases prosecuted		411	450	450	450
Output	Number of offenders accepted into the worthless check program		427	425	425	425
Outcome	Number of cases involving victims		1,701	1,700	1,700	1,700
Efficiency	Average victim advocate caseload		1,465	1,000	1,000	1,000
Output	Number of attorney trial days		2,366	1,000	1,000	1,000
Output	Number of attorney court days		11,423	8,000	8,000	8,000
Output	Number of extradited fugitives, to and from respective jurisdiction		89	65	65	65
Efficiency	Average investigator caseload		2,930.5	1,000	1,000	1,000
Output	Number of probation violations filed		702	500	500	500
Output	Number of cases ref. for follow-up investigation					

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006		Agency Request	LFC Recommendation	Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted			
<b>SOURCES</b>					
General Fund Transfers	2,031.3	2,225.3	2,527.7	2,311.2	3.9
Other Transfers	102.9	102.9	104.9	106.7	3.7
Fund Balance	375.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>2,509.2</b>	<b>2,328.2</b>	<b>2,632.6</b>	<b>2,417.9</b>	<b>3.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,932.0	2,103.9	2,257.7	2,144.9	1.9
Contractual Services	90.6	51.8	65.0	54.1	4.4
Other	205.6	172.5	309.9	218.9	26.9
<b>TOTAL USES</b>	<b>2,228.2</b>	<b>2,328.2</b>	<b>2,632.6</b>	<b>2,417.9</b>	<b>3.9</b>
<b>FTE</b>					
Permanent	31.5	31.5	33.5	31.5	0.0
Term	3.3	3.5	4.0	3.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>34.8</b>	<b>35.0</b>	<b>37.5</b>	<b>35.0</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Mora, San Miguel and Guadalupe counties.

		PERFORMANCE MEASURES				
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Percent of cases dismissed under the six-month rule		1%	<2.25%	.5%	<2.25%
Output	Number of cases dismissed under the six-month rule		0	<33	<33	<33
* Efficiency	Average time from filing of charge to final disposition, in months		6	6	6	6
* Efficiency	Average attorney caseload		201	156	201	156
* Output	Number of cases prosecuted		1,890	1,466	1,600	1,500
* Output	Number of cases referred for screening		5,287	5,272	5,400	5,400
Output	Average number of cases prosecuted by attorney		199	210	220	210
Output	Number of offenders accepted into pre-prosecution diversion program		29	40	45	45
Efficiency	Average investigator caseload		645	650	675	675
Output	Number of cases referred for follow-up investigation		1,235	1,240	1,250	1,250
Outcome	Total dollars collected from participants in the pre-prosecution diversion program		\$3,800	\$4,000	\$5,000	\$5,000
Output	Number of drug cases prosecuted		119	120	125	125
Output	Number of worthless check cases processed		368	375	400	400
Outcome	Total dollars collected from participants in the worthless check program		\$85,226	\$65,000	\$70,000	\$70,000
Output	Number of felony, misdemeanor and probation violation domestic violence cases prosecuted		330	350	370	370
Output	Number of victims assisted		414	430	430	430
Output	Number of cases closed		1,890	1,500	1,550	1,550
Output	Number of probation violations filed		219	225	230	230
Output	Number of county and civil matters handled		450	450	450	450

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006		Agency Request	LFC Recommendation	Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted			
<b>SOURCES</b>					
General Fund Transfers	2,911.1	3,031.1	3,303.1	3,125.4	3.1
Other Transfers	28.2	53.6	53.6	53.6	0.0
Fed Program Revenues	92.6	93.6	93.6	93.6	0.0
<b>SOURCES TOTAL</b>	<b>3,031.9</b>	<b>3,178.3</b>	<b>3,450.3</b>	<b>3,272.6</b>	<b>3.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,652.1	2,818.3	3,104.5	2,926.9	3.9
Contractual Services	113.5	115.5	115.7	115.7	0.2
Other	258.8	244.5	230.1	230.0	-5.9
<b>TOTAL USES</b>	<b>3,024.4</b>	<b>3,178.3</b>	<b>3,450.3</b>	<b>3,272.6</b>	<b>3.0</b>
<b>FTE</b>					
Permanent	48.0	48.5	51.0	48.5	0.0
Term	3.0	3.0	3.0	3.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>51.0</b>	<b>51.5</b>	<b>54.0</b>	<b>51.5</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Eddy, Lea and Chaves counties.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule			0%	0%	0%
Output	Number of cases dismissed under the six-month rule			0	0	0
* Efficiency	Average time from filing of petition to final disposition, in months			7.2	3	3
* Efficiency	Average attorney caseload			200	200	200
* Output	Number of cases prosecuted			3,000	3,500	3,200
* Output	Number of cases referred for screening			3,200	3,800	3,800

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,578.3	1,691.8	1,947.6	1,686.5	-0.3
Other Transfers	254.0	231.2	228.4	228.4	-1.2
Fed Program Revenues	281.8	262.7	322.5	322.5	22.8
<b>SOURCES TOTAL</b>	<b>2,114.1</b>	<b>2,185.7</b>	<b>2,498.5</b>	<b>2,237.4</b>	<b>2.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,881.6	2,003.2	2,283.3	2,035.6	1.6
Contractual Services	23.2	8.5	8.7	8.7	2.4
Other	205.0	174.0	206.5	193.1	11.0
Other Financing Uses	1.9	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>2,111.7</b>	<b>2,185.7</b>	<b>2,498.5</b>	<b>2,237.4</b>	<b>2.4</b>
<b>FTE</b>					
Permanent	26.0	27.0	31.0	27.0	0.0
Term	12.0	9.0	10.0	9.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>38.0</b>	<b>36.0</b>	<b>41.0</b>	<b>36.0</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Grant, Hidalgo and Luna counties.

PERFORMANCE MEASURES						
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule	*	<5%	<5%	0	<1%
Output	Number of cases dismissed under the six-month rule		<90	<90	0	<25
* Efficiency	Average time from filing of petition to final disposition, in months	*	*6	6	9	6
* Efficiency	Average attorney caseload	*	224.09	75	75	75
* Output	Number of cases prosecuted	*	1,897	1,800	1,900	1,900
* Output	Number of cases referred for screening	*	2,353	1,000	2,200	2,200

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,707.9	1,824.1	1,858.2	1,835.1	0.6
<b>SOURCES TOTAL</b>	<b>1,707.9</b>	<b>1,824.1</b>	<b>1,858.2</b>	<b>1,835.1</b>	<b>0.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,497.5	1,629.4	1,654.3	1,631.2	0.1
Contractual Services	56.1	49.2	49.5	49.5	0.6
Other	143.4	145.5	154.4	154.4	6.1
<b>TOTAL USES</b>	<b>1,697.0</b>	<b>1,824.1</b>	<b>1,858.2</b>	<b>1,835.1</b>	<b>0.6</b>
<b>FTE</b>					
Permanent	30.0	31.0	31.0	31.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>30.0</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Catron, Sierra, Socorro and Torrance counties.

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule		2.1%	<5%	<5%	<5%
Output	Number of cases dismissed under the six-month rule		54	<114	<100	<100
* Efficiency	Average time from filing of petition to final disposition, in months		4.7	3	4.5	4
* Efficiency	Average attorney caseload		118	240	130	130
* Output	Number of cases prosecuted		2,565	2,280	2,280	2,280
* Output	Number of cases referred for screening		2,703	2,400	2,400	2,400
Efficiency	Average time from filing of petition to final disposition for felony cases, in months		8.8	10	10	10
Efficiency	Average time from filing of petition to final disposition for misdemeanor cases, in months		4.3	4	4	4



BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006		Agency Request	LFC Recommendation	Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted			
<b>SOURCES</b>					
General Fund Transfers	1,889.2	1,959.3	2,133.0	2,039.1	4.1
Other Transfers	36.6	75.0	75.0	75.0	0.0
Fed Program Revenues	32.2	44.0	44.0	44.0	0.0
<b>SOURCES TOTAL</b>	<b>1,958.0</b>	<b>2,078.3</b>	<b>2,252.0</b>	<b>2,158.1</b>	<b>3.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,647.9	1,802.4	1,957.8	1,866.9	3.6
Contractual Services	8.7	32.6	47.9	47.9	46.9
Other	200.8	243.3	246.3	243.3	0.0
<b>TOTAL USES</b>	<b>1,857.4</b>	<b>2,078.3</b>	<b>2,252.0</b>	<b>2,158.1</b>	<b>3.8</b>
<b>FTE</b>					
Permanent	29.0	30.0	31.0	30.0	0.0
Term	3.0	0.0	3.0	3.0	
<b>TOTAL FTE POSITIONS</b>	<b>32.0</b>	<b>30.0</b>	<b>34.0</b>	<b>33.0</b>	<b>10.0</b>

### PROSECUTION

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Taos, Colfax and Union counties.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule		<2%	<5%	<3.5%	<3.5%
Output	Number of cases dismissed under the six-month rule		26	<94	<26	<30
* Efficiency	Average time from filing of charge to final disposition, in months		7	8	8	8
* Efficiency	Average attorney caseload		281	209	200	200
* Output	Number of cases prosecuted		1,734	1,881	1,735	1,735
* Output	Number of cases referred for screening		3,644	2,667	3,600	3,600

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,756.4	1,839.8	1,917.3	1,866.9	1.5
Other Transfers	16.3	16.3	16.3	16.3	0.0
Fed Program Revenues	16.3	15.0	15.0	15.0	0.0
<b>SOURCES TOTAL</b>	<b>1,789.0</b>	<b>1,871.1</b>	<b>1,948.6</b>	<b>1,898.2</b>	<b>1.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,577.2	1,719.5	1,788.2	1,759.6	2.3
Contractual Services	8.4	13.6	13.6	13.6	0.0
Other	145.1	138.0	146.8	125.0	-9.4
<b>TOTAL USES</b>	<b>1,730.7</b>	<b>1,871.1</b>	<b>1,948.6</b>	<b>1,898.2</b>	<b>1.4</b>
<b>FTE</b>					
Permanent	30.0	31.0	31.0	31.0	0.0
Term	1.0	1.0	1.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>31.0</b>	<b>32.0</b>	<b>32.0</b>	<b>32.0</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Curry and Roosevelt counties.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule		<5%	<5%	<5%	<5%
Output	Number of cases dismissed under the six-month rule		114	<63	<63	<63
* Efficiency	Average time from filing of petition to final disposition, in months		4	4	4	4
* Efficiency	Average attorney caseload		240	200	200	200
* Output	Number of cases prosecuted		2,280	1,693	2,120	2,120
* Output	Number of cases referred for screening		2,400	2,038	2,038	2,038

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	668.2	723.7	830.0	733.4	1.3
Fed Program Revenues	5.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>673.2</b>	<b>723.7</b>	<b>830.0</b>	<b>733.4</b>	<b>1.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	598.5	652.1	738.3	651.1	-0.2
Contractual Services	4.3	4.3	6.6	6.6	53.5
Other	70.0	67.3	85.1	75.7	12.5
<b>TOTAL USES</b>	<b>672.8</b>	<b>723.7</b>	<b>830.0</b>	<b>733.4</b>	<b>1.3</b>
<b>FTE</b>					
Permanent	10.0	11.0	12.0	11.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>10.0</b>	<b>11.0</b>	<b>12.0</b>	<b>11.0</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Quay, Harding and DeBaca counties.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule			<1%	<1%	<1%
Output	Number of cases dismissed under six-month rule			<14	<14	<14
* Efficiency	Average time from filing of charge to final disposition, in months		5	6	6	6
* Efficiency	Average attorney caseload		800	468	800	500
* Output	Number of cases prosecuted		900	1,349	900	1,349
* Output	Number of cases referred for screening		518	2,045	500	2,045

**BUDGET SUMMARY**  
(dollars in thousands)

	<u>FY06 – 2005-2006</u>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	2,433.5	2,498.3	2,947.3	2,545.3	1.9
Other Transfers	64.7	155.2	444.0	444.0	186.1
Fed Program Revenues	2,011.7	193.5	63.4	63.4	-67.2
Other Program Revenues	0.0	0.0	6.0	6.0	
<b>SOURCES TOTAL</b>	<b>4,509.9</b>	<b>2,847.0</b>	<b>3,460.7</b>	<b>3,058.7</b>	<b>7.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,576.6	2,610.7	3,182.9	2,822.4	8.1
Contractual Services	188.9	9.9	25.0	20.2	104.0
Other	244.4	226.4	252.8	216.1	-4.5
<b>TOTAL USES</b>	<b>3,009.9</b>	<b>2,847.0</b>	<b>3,460.7</b>	<b>3,058.7</b>	<b>7.4</b>
<b>FTE</b>					
Permanent	45.0	48.0	53.0	48.0	0.0
Term	7.8	4.8	9.8	9.8	104.2
<b>TOTAL FTE POSITIONS</b>	<b>52.8</b>	<b>52.8</b>	<b>62.8</b>	<b>57.8</b>	<b>9.5</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within San Juan county.

**PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percentage of cases dismissed under the six-month rule		0	<.5%	<.001%	<.5%
Output	Number of cases dismissed under the six-month rule			<2		<2
* Efficiency	Average time from filing of petition to final disposition, in months		3	6	6	6
* Efficiency	Average attorney caseload		272	209	120	209
* Output	Number of cases prosecuted		3,685	3,555	3,590	3,590
* Output	Number of cases referred for screening		4,488	3,900	3,741	3,900

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,441.1	1,611.4	1,973.4	1,625.7	0.9
Other Transfers	28.7	68.1	102.4	102.4	50.4
Fed Program Revenues	97.3	80.0	25.0	25.0	-68.8
Other Program Revenues	88.1	0.0	0.0	0.0	
Extraord/Special	70.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>1,725.2</b>	<b>1,759.5</b>	<b>2,100.8</b>	<b>1,753.1</b>	<b>-0.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,542.5	1,640.3	1,947.7	1,606.2	-2.1
Contractual Services	15.0	7.0	7.2	7.2	2.9
Other	152.4	112.2	145.9	139.7	24.5
<b>TOTAL USES</b>	<b>1,709.9</b>	<b>1,759.5</b>	<b>2,100.8</b>	<b>1,753.1</b>	<b>-0.4</b>
<b>FTE</b>					
Permanent	27.0	28.0	34.0	28.0	0.0
Term	3.0	3.0	3.0	3.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>30.0</b>	<b>31.0</b>	<b>37.0</b>	<b>31.0</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within McKinley county.

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule		<2%	<5%	<2%	<2%
Output	Number of cases dismissed under the six-month rule		<45	<299	<40	<40
* Efficiency	Average time from filing of petition to final disposition, in months		9	2.5	9	8
* Efficiency	Average attorney caseload		665	166	500	500
* Output	Number of cases prosecuted		2,531	5,977	2,200	2,200
* Output	Number of cases referred for screening		4,654	6,261	4,100	4,100

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,969.3	2,052.2	2,349.0	2,061.9	0.5
Other Transfers	88.3	83.6	79.4	79.4	-5.0
Fed Program Revenues	312.3	311.4	310.5	310.5	-0.3
<b>SOURCES TOTAL</b>	<b>2,369.9</b>	<b>2,447.2</b>	<b>2,738.9</b>	<b>2,451.8</b>	<b>0.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,137.9	2,239.5	2,482.3	2,207.1	-1.4
Contractual Services	4.1	5.4	5.4	5.6	3.7
Other	223.7	202.3	251.2	239.1	18.2
<b>TOTAL USES</b>	<b>2,365.7</b>	<b>2,447.2</b>	<b>2,738.9</b>	<b>2,451.8</b>	<b>0.2</b>
<b>FTE</b>					
Permanent	34.5	35.0	37.0	35.0	0.0
Term	8.5	8.5	8.5	8.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>43.0</b>	<b>43.5</b>	<b>45.5</b>	<b>43.5</b>	<b>0.0</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Lincoln and Otero counties.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule		0%	<.5%	<.5%	<.5%
Output	Number of cases dismissed under the six-month rule		1	<3	<3	<3
* Efficiency	Average time from filing of charge to final disposition, in months		6	9	9	8
* Efficiency	Average attorney caseload		327	300	160	160
* Output	Number of cases prosecuted		4,157	6,000	4,300	4,300
* Output	Number of cases referred for screening		6,210	5,000	6,000	6,000
Efficiency	Average investigator caseload		2,070	60	2,100	2,000
Efficiency	Average number of cases prosecuted per attorney		234	300	275	275
Outcome	Percent of felony cases resulting in a final disposition of ten months or less		81%	80%	85%	85%

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 – 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	2,599.3	2,843.7	3,500.7	3,086.1	8.5
Other Program Revenues	175.8	191.0	172.7	172.7	-9.6
Fund Balance	262.8	94.1	49.8	49.8	-47.1
<b>SOURCES TOTAL</b>	<b>3,037.9</b>	<b>3,128.8</b>	<b>3,723.2</b>	<b>3,308.6</b>	<b>5.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,622.5	2,876.2	3,203.7	2,964.0	3.1
Contractual Services	69.3	36.0	69.3	67.3	86.9
Other	270.6	216.6	450.2	277.3	28.0
<b>TOTAL USES</b>	<b>2,962.4</b>	<b>3,128.8</b>	<b>3,723.2</b>	<b>3,308.6</b>	<b>5.7</b>
<b>FTE</b>					
Permanent	49.0	54.0	61.0	55.0	1.9
Term	4.0	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>53.0</b>	<b>58.0</b>	<b>65.0</b>	<b>59.0</b>	<b>1.7</b>

**PROSECUTION**

The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Cibola, Sandoval and Valencia counties.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent of cases dismissed under the six-month rule		<.02%	<.5%	<.02%	<.5%
Output	Number of cases dismissed under the six-month rule		<2	<2	<20	<2
* Efficiency	Average time from filing of petition to final disposition, in months		12	12	9	9
* Efficiency	Average attorney caseload		285	231	190	231
* Output	Number of cases prosecuted		4,643	4,875	7,394	7,394
* Output	Number of cases referred for screening		6,167	5,807	8,642	8,642

**STATUTORY AUTHORITY:**

The Administrative Office of the District Attorneys (AODA) provides administrative support to 14 district attorney offices statewide pursuant to Sections 36-1-25 through 36-1-26 NMSA 1978. The office centralizes district attorney personnel, training, and victim notification functions, and develops a consolidated information technology plan. AODA also administers the state funding for the forensic evaluation program, which consists of eight children's safehouses throughout the state and the New Mexico Children's Safehouse Network Office.

**MISSION:**

The mission of the AODA is to improve the criminal justice system by promoting professionalism among New Mexico's prosecutors through education, information, liaison, and administrative and technical support, and to achieve objectives that will benefit and improve the offices of the district attorneys.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	964.3	1,006.7	1,657.1	1,156.7	14.9
Other Transfers	9.7	0.0	0.0	0.0	
Fed Program Revenues	240.5	0.0	0.0	0.0	
Other Program Revenues	291.7	278.4	240.0	240.0	-13.8
General Revenues	0.2	0.0	0.0	0.0	
Fund Balance	31.6	0.0	20.0	20.0	
<b>SOURCES TOTAL</b>	<b>1,538.0</b>	<b>1,285.1</b>	<b>1,917.1</b>	<b>1,416.7</b>	<b>10.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	608.1	636.8	836.4	645.0	1.3
Contractual Services	9.5	22.2	15.5	15.5	-30.2
Other	722.1	626.1	1,065.2	642.9	2.7
Other Financing Uses	0.0	0.0	0.0	113.3	
<b>TOTAL USES</b>	<b>1,339.7</b>	<b>1,285.1</b>	<b>1,917.1</b>	<b>1,416.7</b>	<b>10.2</b>
<b>FTE</b>					
Permanent	9.0	9.0	13.0	9.0	0.0
Term	0.0	1.0	0.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>9.0</b>	<b>10.0</b>	<b>13.0</b>	<b>10.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The agency requested a base increase of \$437.4 thousand, or 43.4 percent, over the FY05 operating budget. The request includes an increase of \$393.8 thousand for computer automation items, including computer replacement, software licenses, and network management items. Currently, AODA receives transfers of grant funds, especially Southwest Border Prosecution Initiative funds, from the district attorneys to support the agency's information technology duties. AODA's request is part of an effort to become less dependent on grant awards for the funding of the agency's responsibility to consolidate the management of information technology. While the committee recognizes the potential problems inherent with dependence on federal grant funding, the committee is confident the district attorney's information technology plan can be reasonably maintained into the near future with the help of these funds. The committee recommends an increase of \$27 thousand to upgrade computers in the offices of the district attorneys. The recommended base increase for AODA operations is 3.6 percent. The committee also recommends that \$113.3 thousand be appropriated to AODA to administer a special 2 percent compensation increase for associate and assistant district attorneys in addition to the increase appropriated for all state employees. During the interim, the district attorneys and the public defender provided the committee with data demonstrating high vacancy and turnover rates among entry- and mid-level attorneys. LFC worked in cooperation with the district attorneys and public defender and determined that higher salaries would likely serve to remedy recruitment and retention problems among these attorneys.



**BASE EXPANSION:**

The agency requested three expansion items totaling \$213 thousand. The committee does not recommend any expansion at this time.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	Special programs director (1 FTE)	(Admin.)	76.6	0.0
2	Computer automation	(Admin.)	108.4	0.0
3	Vehicle	(Admin.)	28.0	0.0
<b>TOTAL</b>			<b>213.0</b>	<b>0.0</b>

**ADMINISTRATIVE SUPPORT**

The purpose of the administrative support program is to provide fiscal, human resource, staff development, automation, victim program services and support to all district attorneys' offices in New Mexico and to members of the New Mexico children's safehouse network so that they may obtain and access the necessary resources in order to effectively and efficiently carry out their prosecutorial, investigative and programmatic functions.

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Output	Number of district attorney employees receiving training		980	700	800	800
* Output	Total number of victim notification events and escapes reported			1,300	5,000	5,000
Output	Average employee turnover rates by district (weighted)		22.58%			
Outcome	Average response time between placement of work orders and resolution of information technology issues for different types of service responses, in days		3			

**STATUTORY AUTHORITY:**

Article V, Section I, of the New Mexico Constitution provides for the election of the attorney general for a term of four years and creates the position as part of the executive department. The attorney general is required to be a licensed attorney and serves as a member of the New Mexico Mortgage Finance Authority, Risk Management Advisory Board, State Commission of Public Records, Judicial Council, Compilation Commission, New Mexico Border Commission, and Law Enforcement Academy Board.

Sections 8-5-1 through 8-5-15 NMSA 1978 establish the functions of the attorney general and the office. The attorney general serves as the head of the Department of Justice, the state's chief legal officer, legal counsel to state government, and consumer advocate. As the state's chief legal officer, the duties of the attorney general include prosecuting and defending cases in which the state is an interested party in the Supreme Court, Court of Appeals, or any other court or tribunal; prosecuting and defending all actions and proceedings brought by or against any state officer or head of a state department, board, or commission or any employee of the state acting in an official capacity; and issuing written opinions on any questions of law submitted by the Legislature, any member of the Legislature, the governor, state officials, or any district attorney.

**MISSION:**

The mission of the Office of the Attorney General is to deliver quality legal services, including opinions, counsel, and representation to state government entities, and to enforce state law on behalf of the public. This will afford New Mexicans an open, honest, and efficient government and protection of state law.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	10,542.7	11,088.7	15,535.3	11,548.4	4.1
Other Transfers	0.0	48.0	48.0	48.0	0.0
Fed Program Revenues	920.6	1,302.6	1,400.3	1,278.4	-1.9
Other Program Revenues	1,766.0	1,000.0	0.0	750.0	-25.0
<b>SOURCES TOTAL</b>	<b>13,229.3</b>	<b>13,439.3</b>	<b>16,983.6</b>	<b>13,624.8</b>	<b>1.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	10,471.6	11,270.3	13,746.9	11,439.2	1.5
Contractual Services	541.7	390.2	635.2	394.5	1.1
Other	2,120.9	1,728.0	2,497.5	1,743.1	0.9
Other Financing Uses	33.5	50.8	104.0	48.0	-5.5
<b>TOTAL USES</b>	<b>13,167.7</b>	<b>13,439.3</b>	<b>16,983.6</b>	<b>13,624.8</b>	<b>1.4</b>
<b>FTE</b>					
Permanent	154.0	162.0	176.0	162.0	0.0
Temporary	1.0	1.0	0.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>155.0</b>	<b>163.0</b>	<b>176.0</b>	<b>163.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The Attorney General requested a base general fund increase of \$2.1 million, or 19 percent. The request includes general fund replacement of \$1 million in settlement funds the agency retains to partially fund its operations. In August 2004, the Attorney General collected \$23 million for the settlement fund from an agreement with the Mescalero Apache tribe. In FY04 and FY05 the Attorney General also used special budget adjustment authority to use an additional \$550 thousand to fund temporary FTE and printing costs in the Consumer Education and Protection Division. The agency forwarded \$21.5 million of Mescalero settlement funds to the general fund in November 2004. Since FY01 the Attorney General has collected \$214.2 million in settlement revenue for the general fund. The Attorney General requested that \$2.5 million from tobacco and other consumer settlement revenue be appropriated for operations in FY01, \$800 thousand more than the committee's recommendation, and in subsequent fiscal years has requested none. The committee recognizes the undesirable pressures on the Office of the Attorney General to

settle prematurely to achieve budget goals. However, due to limited resources, the committee recommends only \$250 thousand from the general fund for partial replacement of settlement funds at this time.

Last year the Legislature approved the addition of 8 FTE to the Medicaid Fraud Division. According to the executive's "Moving New Mexico Forward" performance review, the state can expect to see actual gains in Medicaid fraud recoveries within three to five years as a result of the enactment of the Medicaid False Claims Act in 2004. Likewise, the committee expects to see significant gains in recoveries and recommends a higher performance target on this measure in FY06 of \$1.7 million.

The committee recommends a general fund increase of \$459.7 thousand or 4.1 percent, including replacement of other state funds of \$250 thousand. The recommendation includes an increase of 2.2 percent for the Medicaid fraud division to meet the state match requirement of 25 percent and continue operating at the current level. The agency's historic vacancy rates are 5.3 percent in the Legal Services Division and 2.9 percent in the Medicaid Fraud Division. The committee recommendation applies rates of 4 percent to Legal Services and 0 percent to Medicaid Fraud.

#### **BASE EXPANSION:**

The agency's \$2.3 million expansion request includes 2 FTE to monitor and enforce the model tobacco escrow statute, 2 FTE specializing in consumer protection and education issues, 6 FTE to staff a consumer protection satellite office in Las Cruces, 3 FTE specializing in capital crimes, environmental enforcement, and habeas corpus cases, and \$200 thousand for contractual services related to utility issues. The agency also requested a 5 percent cost-of-living increase for all employees. The committee does not recommend these expansion requests.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Consumer protection (4 FTE)	(Legal svcs)	837.2	0.0
2	Las Cruces office (6 FTE)	(Legal svcs)	441.7	0.0
3	Prosecutions and investigations (1 FTE)	(Legal svcs)	73.1	0.0
4	Environment division (1 FTE)	(Legal svcs)	293.1	0.0
5	Criminal appeals (1 FTE)	(Legal svcs)	79.8	0.0
6	<u>5 percent cost of living increase</u>	<u>(Legal, MFD)</u>	<u>619.5</u>	<u>0.0</u>
<b>TOTAL</b>			<b>2,344.4</b>	<b>0.0</b>

## LEGAL SERVICES

The purpose of the legal services program is to deliver quality opinions, counsel and representation to state government entities and to enforce state law on behalf of the public so that New Mexicans have an open, honest, efficient government and enjoy the protection of state law.

		BUDGET SUMMARY (dollars in thousands)				
		FY06 - 2005-2006				Percent
		FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Incr (Decr)
<b>SOURCES</b>						
	General Fund Transfers	10,235.8	10,671.7	15,103.3	11,122.2	4.2
	Other Transfers	0.0	48.0	48.0	48.0	0.0
	Other Program Revenues	1,766.0	1,000.0	0.0	750.0	-25.0
	<b>SOURCES TOTAL</b>	<b>12,001.8</b>	<b>11,719.7</b>	<b>15,151.3</b>	<b>11,920.2</b>	<b>1.7</b>
<b>USES</b>						
	Personal Services/Empl Benefit	9,489.7	9,863.0	12,298.4	10,056.8	2.0
	Contractual Services	519.8	362.5	607.5	372.0	2.6
	Other	1,930.7	1,491.4	2,245.4	1,491.4	0.0
	Other Financing Uses	0.0	2.8	0.0	0.0	
	<b>TOTAL USES</b>	<b>11,940.2</b>	<b>11,719.7</b>	<b>15,151.3</b>	<b>11,920.2</b>	<b>1.7</b>
<b>FTE</b>						
	Permanent	141.0	141.0	155.0	141.0	0.0
	Temporary	1.0	1.0	0.0	1.0	0.0
	<b>TOTAL FTE POSITIONS</b>	<b>142.0</b>	<b>142.0</b>	<b>155.0</b>	<b>142.0</b>	<b>0.0</b>
		PERFORMANCE MEASURES				
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
*	Outcome	Percent of initial responses for attorney general opinions made within three days of request	65%	77%	80%	80%
	Output	Number of crime victims receiving information and advocacy	918	685	305	636
	Efficiency	Number of outreach presentations conducted throughout the state	15	17	12	17
	Outcome	Percent of mediation processes initiated within seventy-two hours of receipt of completed complaint	76.92%	75%	90%	90%
	Outcome	Percent of investigations of Open Meetings Act, Inspection of Public Records Act, Governmental Conduct Act and Campaign Reporting Act, with complaints or referrals initiated within thirty days of referral	100%	100%	100%	100%
	Outcome	Percent of inquiries resolved within sixty days of complaint or referral receipt		83%	90%	90%

## **MEDICAID FRAUD**

The purpose of the medicaid fraud program is to investigate and prosecute medicaid provider fraud, recipient abuse and neglect in the medicaid program.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b><u>FY06 - 2005-2006</u></b>					
	<b><u>FY04</u></b> <b><u>2003-2004</u></b> <b><u>Actuals</u></b>	<b><u>FY05</u></b> <b><u>2004-2005</u></b> <b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Percent</u></b> <b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	306.9	417.0	432.0	426.2	2.2
Fed Program Revenues	920.6	1,302.6	1,400.3	1,278.4	-1.9
<b>SOURCES TOTAL</b>	<b>1,227.5</b>	<b>1,719.6</b>	<b>1,832.3</b>	<b>1,704.6</b>	<b>-0.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	981.9	1,407.3	1,448.5	1,382.4	-1.8
Contractual Services	21.9	27.7	27.7	22.5	-18.8
Other	190.2	236.6	252.1	251.7	6.4
Other Financing Uses	33.5	48.0	104.0	48.0	0.0
<b>TOTAL USES</b>	<b>1,227.5</b>	<b>1,719.6</b>	<b>1,832.3</b>	<b>1,704.6</b>	<b>-0.9</b>
<b>FTE</b>					
Permanent	13.0	21.0	21.0	21.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>13.0</b>	<b>21.0</b>	<b>21.0</b>	<b>21.0</b>	<b>0.0</b>

<b>PERFORMANCE MEASURES</b>						
		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
* Outcome	Three-year projected savings resulting from fraud investigations, in millions		7.14	3.0	3.0	4.04
Output	Number of program improvement recommendations forwarded to department of health and human services department	1	4	4	4	4
Efficiency	Percent of case investigations completed within one hundred twenty days of receipt	90.86%	78%	75%	75%	75%
Explanatory	Total medicaid recoveries, in thousands		1,223	800	800	1,700

**STATUTORY AUTHORITY:**

Article V, Section 1, of the New Mexico State Constitution created the Office of the State Auditor. The State Auditor is elected statewide to a four-year term for a maximum of two consecutive terms and is a member of the Commission of Public Records and the New Mexico Border Authority. The Audit Act, Sections 12-6-1 through 12-6-14 NMSA 1978, requires the State Auditor to annually examine and audit the financial affairs of every agency that receives or expends public money and produce a complete, written report of each audit.

**MISSION:**

The State Auditor audits the financial affairs of New Mexico agencies annually to improve accountability and performance and to assure New Mexico citizens that funds are expended properly. In addition the State Auditor may initiate special audits to investigate reported or suspected fraud, waste and abuse related to the financial affairs of an agency.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	2,178.8	2,285.5	2,398.9	2,257.7	-1.2
Other Program Revenues	518.7	340.0	400.0	450.0	32.4
General Revenues	0.1	0.0	0.0	0.0	
Fund Balance	0.0	210.2	178.3	194.2	-7.6
<b>SOURCES TOTAL</b>	<b>2,697.6</b>	<b>2,835.7</b>	<b>2,977.2</b>	<b>2,901.9</b>	<b>2.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,704.3	2,239.5	2,267.0	2,235.9	-0.2
Contractual Services	235.4	205.3	237.9	225.3	9.7
Other	406.3	390.9	472.3	440.7	12.7
<b>TOTAL USES</b>	<b>2,346.0</b>	<b>2,835.7</b>	<b>2,977.2</b>	<b>2,901.9</b>	<b>2.3</b>
<b>FTE</b>					
Permanent	30.0	30.0	30.0	30.0	0.0
Term	1.0	1.0	1.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The agency budget request of \$2.98 million is \$141 thousand higher than the FY05 budget of \$2.83 million, a 5 percent increase. The majority of the increase (\$81.4 thousand) is in the other costs category, including \$48.2 thousand to fund computer hardware not funded in FY05. The contractual services requested increase of \$32.6 thousand includes \$20 thousand for tri-annual peer review by the National Association of State Auditors, Comptrollers, and Treasurers.

Technical adjustments were made to the agency request for personal services and employee benefits in accordance with Department of Finance and Administration budget instructions for FY06 projected salaries. The recommendation for agency audit revenue of \$450 thousand (up from \$400 thousand in the agency request) reflects strong revenue performance in FY04 (\$518 thousand). The overall committee recommendation is for a 2.3 percent increase over the FY05 operating budget.

The State Auditor has averaged a 20 percent vacancy rate the last few years. Of the six vacancies as of September 30, 2004, three have been vacant since 2002. The state auditor has reported to the committee it is difficult to hire qualified auditors and, as a result, the State Auditor has been spending more on contractual support for outside reviews of financial statement audits. The same staffing shortage causes the State Auditor to underperform on its objective of completing 70 percent of its statutory reviews of financial statement audit reports within 10 days -- their FY04 actual performance was 34 percent.

The committee encourages the State Auditor to attempt to fill vacant audit positions and reclassify vacant administrative positions to audit positions if necessary to meet the needs of the office to carry out its statutory responsibilities in a timely

manner.

The state auditor is concerned about the lack of prosecutions of white collar crimes following its investigations and might bring a proposal to the Legislature to add a prosecutor to 1st Judicial District Attorney for prosecuting these cases.

### **STATE AUDITOR PROGRAM**

The purpose of the state auditor program is to audit the financial affairs of every agency annually so they can improve accountability and performance, and to assure New Mexico citizens that funds are expended properly.

		<b>PERFORMANCE MEASURES</b>				
		<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY06</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
*	Output	Total audit fees generated	\$456,005	\$518,725	\$450,000	\$450,000
*	Outcome	Percent of audits completed by regulatory due date	69%	68%	70%	70%
	Output	Number of training sessions performed	24	21	16	16
	Outcome	Percent of statutory reviews of audit reports completed within ten days	48%	34%	75%	75%
	Outcome	Percent of agency auditor selection requests processed within five days of receipt	91%	100%	90%	90%
	Output	Number of working paper reviews of independent public accountants	40	21	42	42

**STATUTORY AUTHORITY:**

Sections 9-11-1 through 9-11-13 NMSA 1978 create the Taxation and Revenue Department (TRD) as a single, unified department for administration of laws and oversight functions related to taxation, revenue and vehicles. TRD administers various tax programs that provide major sources of revenue to the general fund, state road fund and many other state funds. The department also collects and distributes state-shared taxes, such as gross receipts, to county and municipal governments. TRD provides valuations for major industrial properties subject to property taxes, collects royalties from mineral production on state lands for credit to the state's permanent fund and administers various income tax and rebate programs. In addition, TRD is responsible for collecting revenue from motor vehicle registrations, drivers' licenses and other motor vehicle-related permits.

**MISSION:**

The mission of TRD is to administer and enforce New Mexico's tax and revenue laws and vehicle and driver licensing code in a manner warranting the highest degree of public confidence.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	52,766.1	56,506.9	62,553.1	56,866.7	0.6
Other Transfers	699.3	592.8	575.8	575.8	-2.9
Fed Program Revenues	1,810.0	1,089.2	952.0	952.0	-12.6
Other Program Revenues	6,210.6	5,173.3	9,348.4	10,359.4	100.2
General Revenues	2,168.6	2,550.1	2,550.1	2,550.1	0.0
Fund Balance	0.0	0.0	330.8	330.8	
<b>SOURCES TOTAL</b>	<b>63,654.6</b>	<b>65,912.3</b>	<b>76,310.2</b>	<b>71,634.8</b>	<b>8.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	40,679.4	46,464.9	51,701.0	48,041.8	3.4
Contractual Services	4,169.3	4,122.5	6,045.5	5,898.7	43.1
Other	17,335.8	15,234.9	18,473.7	17,604.3	15.6
Other Financing Uses	8.7	90.0	90.0	90.0	0.0
<b>TOTAL USES</b>	<b>62,193.2</b>	<b>65,912.3</b>	<b>76,310.2</b>	<b>71,634.8</b>	<b>8.7</b>
<b>FTE</b>					
Permanent	927.0	944.0	1,002.0	1,020.0	8.1
Term	25.0	31.0	31.0	31.0	0.0
Temporary	35.7	35.7	35.7	35.7	0.0
<b>TOTAL FTE POSITIONS</b>	<b>987.7</b>	<b>1,010.7</b>	<b>1,068.7</b>	<b>1,086.7</b>	<b>7.5</b>

**BUDGET ISSUES:**

The agency's FY06 budget request is \$73.6 million, representing an increase of 11.6 percent over the FY05 operating budget. The agency's adjusted FY06 request, including a new Motor Vehicle Division (MVD) program initiative to fund critical customer service improvements, is \$76.3 million, representing an increase of 15.7 percent over its FY05 operating budget. The adjusted budget recommendation is \$71.6 million, representing an increase of 8.6 percent, and includes \$1.6 million to fund the MVD expansion request for maintenance of its minimum service levels, \$2.6 million to fund the Tax Administration Program expansion request for ongoing revenue enhancement efforts, and \$2.8 million for the MVD new program initiative. Other program revenues are significantly higher because of proposed MVD administrative service fee increases and expected new revenue from the re-sale of MVD data.

The agency submitted a \$6.5 million special appropriation request for re-engineering of existing MVD technology systems just prior to its budget hearing. The full Legislature should consider this request in light of MVD's recurring manpower needs to determine if greater investments in technology will create operational efficiencies and recurring savings for the department.



The Legislature in 2004 enacted legislation that establishes the requirement for weight-distance tax identification permits. Pursuant to the statute, the department established the required fund and began issuing permits July 1, 2004. These cab card fees have been budgeted for FY05 with a budget adjustment request (BAR) in the amount of \$1.5 million based on estimated revenue. Cab card fees are included in the agency's FY06 request at an amount a little over \$1 million.

In FY05, TRD's Property Tax program received 6 additional FTE to assist counties in collecting delinquent property taxes and, with average productivity, the agency expects to bring in an additional \$675 thousand per year. In FY04, TRD exceeded its performance measure targets for appraisals and account resolution: 501 appraisals or valuations for corporations conducting business within the state that were subject to state assessment were conducted (target was 450); 78 percent of accounts were resolved as a result of delinquent property tax sales (target was 70 percent).

As of June, 2004, the agency indicates there are about 1.3 million valid driver's licenses in existence. Total license renewals for FY04 were 315,166, with an average of 26,264 renewed per month. Pre-notification of driver license expiration would cost an estimated \$130 thousand per year for mailings. The estimated cost of additional labor, equipment, and system planning is unclear. The committee recommends the department determine overall costs of a pre-notification program, including a public relations campaign to notify the public, and request funding for this effort in the next budget cycle.

The department's automated queuing system is an on-screen customer calling application, allowing MVD clerks to call the next customer in line from their personal computer. The system eliminates the need to verbally call for next customers, simplifies and increases customer flow, speeds the customer transaction process and gives managers better ability to measure staff productivity. TRD currently has eight MVD offices equipped with the system and the department estimates a cost of \$610 thousand to equip its other 25 MVD offices with the same system. The committee recommends the department determine the potential cost savings and improvement in customer service to be generated by equipping all MVD offices with the system and request funding for this effort in FY07.

The Motor Vehicle program had a 13.75 percent vacancy rate in FY04 and currently maintains a 15 percent vacancy rate, resulting in the reduction or elimination of Saturday business hours and increasing customer wait times. "Moving New Mexico Forward: Further Along" highlights the backlog of MVD records requests that contribute to the division's resource challenge. The report recommends that the agency be authorized to charge for record and title searches at five dollars per request plus one dollar per page, generating an estimated \$903 thousand in general fund savings over the next four years. The committee recommends the agency include this proposal in its list of legislative priorities this year.

The department is still attempting to resolve a long-standing contractual dispute with SAMBA Holdings, a re-seller of MVD data, and is unable to execute agreements with other potential vendors of this data. The committee notes that a former TRD secretary executed a revised contract with SAMBA that gave SAMBA preferential terms for re-sale of MVD data in perpetuity and then left office and joined SAMBA. This contract subsidizes SAMBA and generates an estimated loss of revenue to the state of at least \$1 million per year, and at least \$6 million since 1998. Resolution of this matter and equitable re-sale of MVD data is critical and the department should terminate the SAMBA contract immediately, executing new agreements with other re-sellers of MVD data on market-standard terms. The recommendation for the Motor Vehicle program includes \$1 million in other state funds, based on the expectation that resolution of this matter and equitable re-sale of MVD data should generate at least \$1 million per year.

Oil, Natural Gas Administration and Revenue Database (ONGARD) is the centralized database and software support with decentralized operations management for TRD, Land Office and Energy, Minerals and Natural Resources Department. All information systems for the department, including ONGARD, reside in Program Support. The department indicates ONGARD primarily serves an information system function, not a tax collection function, and therefore should remain in Program Support. However, the ONGARD system issued approximately 2,820 assessments totaling more than \$27 million in tax dollars in FY04 and therefore the committee recommends ONGARD be moved to the Tax Administration program.

Current law requires oil and gas companies to make advance payment for certain severance taxes equal to the average monthly payment in the prior production year. The advance payment is credited against the regular tax due each month. In practice, advance payments had the effect of slightly increasing revenue in years where oil and gas prices were lower than they had been in prior years and somewhat reducing revenue in years where prices were rising. Implementation of accrual revenue accounting makes all this moot because the advance payment will now be offset by an equal liability in the same fiscal year. This implies

that revoking the advance payment requirement would have no fiscal impact and would reduce the administrative burden for both the state and the industry.

**BASE EXPANSION:**

Long-standing budgetary restraint in the Motor Vehicle program corresponds with a decline in effective staffing rates and increase in customer wait times. The program faces increased printing and photo costs for various registrations, forms, and notices for the state's 2 million vehicles and 1.6 million drivers and significant increases in telecommunications and field office rental lease costs. As part of a commitment to improve a program that touches most New Mexicans directly, the committee recommends funding of \$1.6 million for TRD's highest priority expansion request to better fund the Motor Vehicle Division.

The committee notes the department's success in collecting additional tax revenue, \$66.5 million in enhanced collections in FY04, of which \$55 million went to the general fund. The department's revenue enhancement goal for FY05 is \$31 million, of which \$25 million is expected to flow to the general fund. The committee recommends funding of \$2.6 million to the Tax Administration program for 33 FTE to increase collection of outstanding assessments, to increase audit coverage in the combined reporting system (CRS) tax program, and to provide additional coverage in miscellaneous tax programs. This expansion should generate an additional \$10 million in tax collections over baseline, of which \$7.5 million should go to the general fund.

A significant backlog of driving while intoxicated (DWI) citations awaits complete processing and the ability of these drivers to continue to drive threatens public safety. Currently, there are four clerks and one supervisor that support this DWI initiative. The committee recommends funding of \$61 thousand for 2 additional FTE to enhance DWI enforcement activities.

MVD processes more than 900,000 transactions annually in field offices where only cash or check payments are currently accepted. Enabling taxpayers and customers to use credit cards and e-checks in all MVD and Audit and Compliance offices will improve productivity, accuracy and speed of funds collections, as well as lowering the risk of embezzlement of state funds. The committee recommends funding of \$400 thousand for upgrade of existing credit card facilities and modification of department systems to standardize credit card processing across the enterprise.

MVD's need for additional, recurring funding to increase effective staffing rates, reduce customer wait times, reduce backlog of vehicle title searches, enable management to visit field offices, and re-write the Motor Vehicle Code to improve code enforcement and fee collections is clear. Withholding of federal road funds because of non-compliance with federal requirements due to reduced staffing levels is a concern for the agency. Motor vehicle clerks are currently classified at grade 45 and paid a minimum of \$9.63 per hour to provide a complex range of legal and technical services related to the Motor Vehicle Code and the Tax Code as it relates to the sale of motor vehicles, boats, and trailers. In-band pay increases to bring motor vehicle clerks to 85 percent of mid-point, or \$11.38 per hour, should reduce the current turnover rate of 33 percent, improve morale, and allow for better customer service. Re-writing the division's interactive voice response (IVR) system to increase its utilization will reduce field office wait times and call center volumes. The committee notes this new program initiative is contingent upon passage of legislation raising the administrative fee on MVD transactions from 50 cents to \$2 and recommends funding of \$2.8 million in other state funds to address these and other motor vehicle program needs.

**RECOMMENDED LANGUAGE:**

The other state funds appropriation to the motor vehicle program of the taxation and revenue department includes 41 FTE and two million seven hundred fifty thousand eight hundred dollars (\$2,750,800) from increases in administrative services fees, contingent upon enactment of legislation of the first session of the forty-seventh Legislature increasing the administrative services fees on motor vehicle division transactions.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
*	MVD initiative - fund critical improvements	(P574)	2,943.6	2,750.8
1	MVD structural deficit	(P574)	1,590.0	1,590.0
2	Ongoing revenue enhancement	(P573 3000)	2,636.8	2,636.8
3	Cigarette tax enforcement	(P573 3000)	1,140.7	0.0
4	Oil and gas severance tax audit expansion	(P573 3000)	367.9	0.0
5	DWI enforcement	(P574)	60.8	60.8
6	<u>Credit card payments at field offices</u>	<u>(P574)</u>	<u>400.0</u>	<u>400.0</u>
<b>TOTAL</b>			<b>9,139.8</b>	<b>7,438.4</b>

**TAX ADMINISTRATION PROGRAM**

The purpose of the tax administration program is to provide registration and licensure requirements for tax programs and to ensure the administration, collection and compliance of state taxes and fees that provide funding for support services for the general public through appropriations.

**BUDGET SUMMARY  
(dollars in thousands)**

		FY06 - 2005-2006				
		FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
SOURCES						
	General Fund Transfers	21,410.6	24,878.2	28,723.5	25,660.1	3.1
	Fed Program Revenues	968.5	1,089.2	952.0	952.0	-12.6
	Other Program Revenues	333.8	337.6	336.2	336.2	-0.4
	General Revenues	352.4	338.8	338.8	338.8	0.0
	SOURCES TOTAL	23,065.3	26,643.8	30,350.5	27,287.1	2.4
USES						
	Personal Services/Empl Benefit	17,281.3	20,521.7	22,874.7	20,590.1	0.3
	Contractual Services	450.4	303.4	785.3	743.5	145.1
	Other	5,039.0	5,728.7	6,600.5	5,863.5	2.4
	Other Financing Uses	0.0	90.0	90.0	90.0	0.0
	TOTAL USES	22,770.7	26,643.8	30,350.5	27,287.1	2.4
FTE						
	Permanent	400.0	419.0	475.0	452.0	7.9
	Term	17.0	17.0	17.0	17.0	0.0
	Temporary	31.7	31.7	31.7	31.7	0.0
	TOTAL FTE POSITIONS	448.7	467.7	523.7	500.7	7.1

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
*	Outcome	Revenue collections as a percent of audit assessments			40%	40%
*	Output	Percent of electronically filed returns (PIT, CRS)			30%	30%
*	Outcome	Collections as a percent of collectable outstanding balance			10%	10%
*	Efficiency	Tax fraud convictions as a percent of cases prosecuted			70%	70%
	Explanatory	Average percent of auditor positions filled compared with approved full-time equivalent	89.2%	95%		
	Output	Number of field audits conducted for corporate income tax and combined reporting system taxes	509	375		
	Outcome	Amount of revenue assessed as a result of audits, in millions	53.7	40		
	Efficiency	Average cost per audit	\$2,117	\$3,425		
	Outcome	Percent of audit assessments collected compared	73%	20%		

	with the uncollected balance		
Output	Number of international fuel tax agreement and international rate program audits conducted	142	232
Output	Number of federal oil and gas audits conducted	7	32
Output	Number of electronically filed tax returns processed	387,365	340,000

## **MOTOR VEHICLE PROGRAM**

The purpose of the motor vehicle program is to register, title and license vehicles, boats and motor vehicle dealers and to enforce operator compliance with the motor vehicle code and federal regulations by conducting tests, investigations and audits.

### **BUDGET SUMMARY** (dollars in thousands)

(dollars in thousands)					
	FY04	FY05	FY06 - 2005-2006		Percent
	2003-2004	2004-2005	Agency	LFC	Incr
	<u>Actuals</u>	<u>Budgeted</u>	<u>Request</u>	<u>Recommendation</u>	<u>(Decr)</u>
SOURCES					
General Fund Transfers	12,708.2	11,638.2	13,330.0	12,126.2	4.2
Fed Program Revenues	759.5	0.0	0.0	0.0	
Other Program Revenues	5,649.1	4,654.6	8,539.1	9,550.1	105.2
Fund Balance	0.0	0.0	330.8	330.8	
SOURCES TOTAL	19,116.8	16,292.8	22,199.9	22,007.1	35.1
USES					
Personal Services/Empl Benefit	10,373.3	10,676.5	12,909.5	12,716.7	19.1
Contractual Services	2,663.8	2,365.6	2,901.4	2,901.4	22.6
Other	5,248.6	3,250.7	6,389.0	6,389.0	96.5
TOTAL USES	18,285.7	16,292.8	22,199.9	22,007.1	35.1
FTE					
Permanent	273.0	273.0	275.0	316.0	15.8
Term	4.0	4.0	4.0	4.0	0.0
Temporary	4.0	4.0	4.0	4.0	0.0
TOTAL FTE POSITIONS	281.0	281.0	283.0	324.0	15.3

### **PERFORMANCE MEASURES**

		<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Budget</b>	<b>FY06 Request</b>	<b>FY06 Recomm</b>
Output	Number of eight-year drivers' licenses issued		32,260			
Efficiency	Average wait time in high-volume field offices, in minutes		35	15		
* Outcome	Percent of registered vehicles with liability insurance		82.5	80	86	86
* Efficiency	Average call center wait time to reach an agent, in minutes		3.75		3.75	3.75
* Efficiency	Average wait time in six offices equipped with automated queuing system, in minutes		35		15	15
* Efficiency	Average number of days to post court action on driving while intoxicated citations to drivers' records upon receipt		12	15	5	5
Output	Number of driver transactions completed through mail or electronically		82,867			

## PROPERTY TAX PROGRAM

The purpose of property tax program is to administer the Property Tax Code, to ensure the fair appraisal of property and to assess property taxes within the state.

### BUDGET SUMMARY (dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		Percent Incr (Decr)
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
General Fund Transfers	763.8	1,010.7	1,009.1	643.6	-36.3
Other Program Revenues	4.8	0.0	0.0	0.0	
General Revenues	1,814.6	2,211.3	2,211.3	2,211.3	0.0
<b>SOURCES TOTAL</b>	<b>2,583.2</b>	<b>3,222.0</b>	<b>3,220.4</b>	<b>2,854.9</b>	<b>-11.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,626.5	2,450.0	2,258.4	1,892.9	-22.7
Contractual Services	161.3	166.2	356.2	356.2	114.3
Other	639.3	605.8	605.8	605.8	0.0
<b>TOTAL USES</b>	<b>2,427.1</b>	<b>3,222.0</b>	<b>3,220.4</b>	<b>2,854.9</b>	<b>-11.4</b>
<b>FTE</b>					
Permanent	44.0	44.0	44.0	44.0	0.0
Term	0.0	6.0	6.0	6.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>44.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>0.0</b>

### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Output	Number of appraisals and valuations for companies conducting business within the state subject to state assessment		501	510	510	510
* Outcome	Percent of delinquent accounts resolved		78		88	88
Outcome	Percent of resolved accounts resulting from delinquent property tax sales		78%	87%		
Outcome	Number of counties achieving an eighty-five percent minimum ratio of assessed value to sales price		29	33		

## PROGRAM SUPPORT

The purpose of program support is to provide information system resources, human resource services, finance and accounting services, revenue forecasting and legal services in order to give agency personnel the resources needed to meet departmental objectives. For the general public, the program conducts hearings for resolving taxpayer protests and provides stakeholders with reliable information regarding the state's tax programs.

### BUDGET SUMMARY (dollars in thousands)

		FY06 - 2005-2006				
		FY04	FY05	Agency	LFC	Percent
		2003-2004	2004-2005	Request	Recommendation	Incr
		Actuals	Budgeted			(Decr)
SOURCES						
	General Fund Transfers	17,883.5	18,979.8	19,490.5	18,436.8	-2.9
	Other Transfers	699.3	592.8	575.8	575.8	-2.9
	Fed Program Revenues	82.0	0.0	0.0	0.0	
	Other Program Revenues	222.9	181.1	473.1	473.1	161.2
	General Revenues	1.6	0.0	0.0	0.0	
	SOURCES TOTAL	18,889.3	19,753.7	20,539.4	19,485.7	-1.4
USES						
	Personal Services/Empl Benefit	11,398.3	12,816.7	13,658.4	12,842.1	0.2
	Contractual Services	893.8	1,287.3	2,002.6	1,897.6	47.4
	Other	6,408.9	5,649.7	4,878.4	4,746.0	-16.0
	Other Financing Uses	8.7	0.0	0.0	0.0	
	TOTAL USES	18,709.7	19,753.7	20,539.4	19,485.7	-1.4
FTE						
	Permanent	210.0	208.0	208.0	208.0	0.0
	Term	4.0	4.0	4.0	4.0	0.0
	TOTAL FTE POSITIONS	214.0	212.0	212.0	212.0	0.0

### PERFORMANCE MEASURES

		<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY06</u>
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
*	Outcome		748	728	728	728
*	Outcome				2%	2%
	Percent of driving while intoxicated drivers license revocations rescinded due to failure to hold hearing in ninety days					
Output	Number of electronically filed tax returns processed through the oil and gas administration and revenue database, by data lines		1,647,385	1,425,000		
Outcome	Number of driving while intoxicated driver's license revocations rescinded due to failure to hold hearing within ninety-day deadline		11	20		

**STATUTORY AUTHORITY:**

The State Investment Council (SIC) was created by Section 6-8-2 NMSA 1978 and is responsible for guiding the management of the land grant (LGPF), severance tax (STPF), and tobacco settlement permanent funds and other funds entrusted to its care. SIC consists of nine members: the governor, state treasurer, commissioner of public lands, secretary of the Department of Finance and Administration, state investment officer, chief financial officer of a state institution of higher education, and three public members. The three public members and chief financial officer of a state institution of higher education are appointed by the governor with the consent of the Senate and serve staggered terms of five years. SIC formulates policy that is implemented by the state investment officer (SIO) and staff in the day-to-day investment functions of the investment office.

**MISSION:**

New Mexico's two endowment funds are assets that represent the depletion of the state's natural resources and are intended to provide permanent and continuing benefit for all New Mexicans, both present and future. SIC will optimize the funds to ensure that future generations receive the same benefits as current beneficiaries and to professionally invest the funds as provided by law to generate the maximum benefits over time to prove a current revenue source for the state's general fund.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<u>FY06 – 2005-2006</u>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
Other Transfers	25,234.7	25,328.0	28,960.9	27,503.6	8.6
General Revenues	457.7	414.0	414.0	414.0	0.0
<b>SOURCES TOTAL</b>	<b>25,692.4</b>	<b>25,742.0</b>	<b>29,374.9</b>	<b>27,917.6</b>	<b>8.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,278.2	2,534.1	2,749.4	2,528.7	-0.2
Contractual Services	18,324.5	22,640.6	25,975.3	24,738.7	9.3
Other	586.4	567.3	650.2	650.2	14.6
<b>TOTAL USES</b>	<b>21,189.1</b>	<b>25,742.0</b>	<b>29,374.9</b>	<b>27,917.6</b>	<b>8.5</b>
<b>FTE</b>					
Permanent	26.0	26.0	27.0	27.0	3.8
<b>TOTAL FTE POSITIONS</b>	<b>26.0</b>	<b>26.0</b>	<b>27.0</b>	<b>27.0</b>	<b>3.8</b>

**BUDGET ISSUES:**

More than 90 percent of the SIC request for an additional \$3.6 million, a 14 percent increase over the FY05 operating budget, is in the professional services category. The increase in this category stems from anticipated investment management fees, based on expected growth of the market value of assets under management. Contractual service fees have increased sharply since 1998, more than doubling from FY04 to FY05 (see Appendix 337A on SIC expenditures). The LFC recommendation assumes 10 percent growth in the professional services line item.

The second largest requested increase takes the form of an additional FTE, which would increase total FTE from 26 to 27. The SIC request includes a full-time attorney responsible for reviewing the private equity program applications as well as any new financial requests from the Private Equity Investment Advisory Committee. According to the agency, the creation of this position is expected to lead to "less reliance on external attorney professional service contracts." As such, the LFC recommendation approves the additional FTE, while incorporating a 50 percent savings rate in the contractual services attorney service fee line item. Additionally, the LFC recommendation includes a 5 percent vacancy savings in personal services and employee benefits.

SIC implemented new performance measures for FY06. SIC under-performed its policy target rate of return for FY04 for both permanent funds by 1.1 and 0.9 percentage points, respectively. Over the past five years, SIC met its policy target for LGPF and under-performed its policy target for STPF by 0.4 percentage points. Please see "Volume I, Legislating for Results: Policy and Performance Analysis" for a detailed discussion on the SIC investment performance and policy issues for FY04.

**RECOMMENDED LANGUAGE:**

The other state funds appropriation to the state investment council in the contractual services category includes twenty four million four hundred and fifty four thousand one hundred dollars (\$24,454,100) to be used only for professional service contracts.

**STATE INVESTMENT COUNCIL**

The purpose of the state investment program is to provide investment management of the state's permanent funds for the citizens of New Mexico in order to maximize distributions to the state's operating budget while preserving the real value of the funds for future generations of New Mexicans.

		<b>PERFORMANCE MEASURES</b>				
		<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY06</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	One-year annualized investment returns to exceed internal benchmarks, in basis points	- 60	-170	>25	>25	>25
* Outcome	Five-year annualized investment returns to exceed internal benchmarks, in basis points	30	0	>25	>25	>25
Outcome	One-year annualized portfolio performance, net of fees, versus a broad market index			>50 bps	>50 bps	>50 bps
Outcome	Five-year annualized portfolio performance, net of fees, versus a broad market index			> 50 bps	> 50 bps	> 50 bps
* Outcome	One-year annualized percentile performance ranking in endowment investment peer universe	< 49th	< 49th	> 49th	> 49th	> 49th
* Outcome	Five-year annualized percentile performance ranking in endowment investment peer universe			> 49th	> 49th	>49th



**STATUTORY AUTHORITY:**

The Department of Finance and Administration (DFA) was created by Sections 9-6-1 through 9-6-15 NMSA 1978 to provide a single, unified department to administer laws related to the finance of state government. In addition, the department provides planning and technical assistance to local entities, coordinates state agency plans, and administers state and federal grant programs. In 2003, the Legislature passed and governor signed the Assessment and Accountability Act, which proposed sweeping education reforms. Among its provisions, the act created the Office of Education Accountability (OEA) and placed it within DFA. OEA opened its doors on September 1, 2003. According to Section 9-6-15 NMSA 1978, the purpose of the OEA is to provide an independent evaluation of the Assessment and Accountability Act and the School Personnel Act; review decision-making policies of schools and school districts relating to the recruitment and retention of school employees; verify the accuracy of reports of public school, school district, and state performance; conduct studies of other states' efforts at assessment and accountability and other education reforms; and report its findings to the Legislative Education Study Committee and the Legislative Finance Committee.

**MISSION:**

The DFA mission is to provide fiscal and policy advice to the governor, to craft and recommend a budget to run the government, to help state agencies and local governments run more efficiently and effectively, to track the economy and deliver reliable revenue estimates, to finance and manage public infrastructure projects statewide, to closely track the improvement of public education and to deliver progress reports to policy makers, and to work daily with agencies, schools, and universities to implement the governor's policy agenda.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	9,865.0	11,363.4	11,441.9	11,432.6	0.6
Other Transfers	1,075.5	736.0	4,901.7	4,901.7	566.0
Fed Program Revenues	0.0	0.0	20,670.0	20,670.0	
Other Program Revenues	0.0	0.0	130.0	130.0	
General Revenues	0.0	34.9	27,137.7	27,137.7	77,658.5
Fund Balance	1.7	0.0	496.1	496.1	
<b>SOURCES TOTAL</b>	<b>10,942.2</b>	<b>12,134.3</b>	<b>64,777.4</b>	<b>64,768.1</b>	<b>433.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	7,556.7	8,775.5	10,514.9	10,514.9	19.8
Contractual Services	464.0	929.8	2,983.3	2,974.0	219.9
Other	2,589.1	2,313.0	47,589.2	47,589.2	1,957.5
Other Financing Uses	0.0	116.0	3,690.0	3,690.0	3,081.0
<b>TOTAL USES</b>	<b>10,609.8</b>	<b>12,134.3</b>	<b>64,777.4</b>	<b>64,768.1</b>	<b>433.8</b>
<b>FTE</b>					
Permanent	130.8	131.8	143.8	138.8	5.3
Term	20.0	20.0	16.0	21.0	5.0
<b>TOTAL FTE POSITIONS</b>	<b>150.8</b>	<b>151.8</b>	<b>159.8</b>	<b>159.8</b>	<b>5.3</b>

**BUDGET ISSUES:**

DFA requested a general fund increase of \$78.5 thousand, or 0.7 percent. The LFC recommendation includes an increase of \$69.2 thousand or 0.6 percent. The department also requested one program expansion of one position in the enhanced 911 fund to be paid from other transfers and general revenues.

In its base budget, DFA proposed to reclassify four term positions as permanent because, over time, permanent employees within the Local Government Division were transferred into term positions and took their permanent status with them. The LFC

recommendation does not include this change. State personnel rules and regulations indicate term positions are those that may expire due to loss of funding or when a special project ends. These positions are properly classified as term positions. DFA should adjust its personnel practices to conform to this standard.

**Federal Fiscal Relief Funds.** In May 2003, the Jobs and Growth Tax Relief Reconciliation Act of 2003 was signed into law. One portion of that law provided \$10 billion to state governments with very few strings attached (essentially a one-time revenue sharing). The funds were appropriated over two federal fiscal years both as a short-term economic stimulus and as relief for state budgets. New Mexico received about \$31 million in each of two separate payments in FY04, or a total \$61.9 million. States had wide discretion over how to spend the funds, constrained only by the requirements that they be used to "provide essential government services or to cover the costs of complying with any federal intergovernmental mandates ... to the extent that the mandate applies to the state, and the federal government has not provided funds to cover the costs and that funds be used for expenditures permitted under the most recently approved budget of the state or territory." In New Mexico, Governor Bill Richardson allocated the funds pursuant to Section 2, Paragraph R, of the General Appropriation Act of 2003. As of October 1, 2004, \$340 thousand of these funds remained unallocated.

DFA reports cash was disbursed to selected recipients without instituting a procedure for tracking actual expenditure of the funds. For several months, LFC has sought and DFA has been unable to provide an update on the actual expenditure of these funds. It appears the funds are not being spent promptly for their intended purposes. As of October 2003, the jobs and growth tax relief 2003 fund had a cash balance of \$33.8 million; one year later, that balance was \$25.8 million.

**Moving New Mexico Forward.** DFA has played a central role in compiling and distributing the findings of the executive performance review, "Moving New Mexico Forward." The first report, issued in August 2003, contained 92 recommendations the executive said would generate \$379 million in savings and revenues over five years. In August 2004, the second report -- "Moving New Mexico Forward: Further Along" -- was issued containing an additional 41 recommendations the executive said would generate \$65 million in savings and revenues over the next five years. In 2004 and 2005, LFC incorporated some of these ideas into its budget recommendations.

#### **BASE EXPANSION:**

During the 2004 session, the Legislature appropriated \$700 thousand to DFA as a special appropriation for the capital outlay program. DFA's FY06 budget request includes this appropriation in its base. LFC considers special appropriations to be nonrecurring and therefore treats this as a program expansion. Other FY05 special appropriations have been incorporated into the DFA base budget numbers. This artificially raises the FY05 number and creates the impression that the DFA budget request has relatively little growth in the base. It should be noted that, when special appropriations are removed from the base, the DFA general fund request for FY06 represents an increase of \$1.9 million, or 18.3 percent, over the budget level adopted in Section 4 of the General Appropriation Act in 2004.

The LFC recommendation breaks out two requests included in the DFA base budget request as program expansions. The capital outlay program is fully funded at the requested level. A second program expansion included in the DFA base budget request is \$300 thousand from the general fund for Board of Finance fiscal agent costs. Of this amount, \$250 thousand is to undertake a new program to establish private investment management services for the State Treasurer. DFA staff indicates that the Treasurer has not agreed to participate in this program. LFC considers this a budget expansion because the funds would be used for a new service. The LFC recommendation includes an increase of only \$50 thousand from the general fund to cover costs attributable to volume increases.

The DFA Local Government Division requested a program expansion of \$89 thousand from enhanced 911 fund revenues for one additional computer and information system land manager position. DFA currently has one of these positions assigned to administer the emergency 911 programs statewide. As 911 telecommunications technology has grown in complexity to address wireless communications, geographic information systems and global positioning systems, it has become necessary to add one position. Each of the two positions would be responsible for administering the program in half of the state. The additional position would also provide critical back-up and cross-training in instances of turnover, illness, or retirement. LFC recommends funding for this position.

**RECOMMENDED LANGUAGE:**

Upon certification by the state board of finance pursuant to Section 6-1-2 NMSA 1978 that a critical emergency exists that cannot be addressed by disaster declaration or other emergency or contingency funds and upon review of the legislative finance committee, the secretary of the department of finance and administration is authorized to transfer from the general fund operating reserve to the state board of finance emergency fund the amount necessary to meet the emergency. Such transfers shall not exceed an aggregate amount of one million dollars (\$1,000,000) in fiscal year 2006. Repayments of emergency loans made pursuant to this paragraph shall be deposited in the board of finance emergency fund pursuant to the provisions of Section 6-1-5 NMSA 1978, provided that, after the total amounts deposited in fiscal year 2006 exceed two hundred fifty thousand dollars (\$250,000), any additional repayments shall be transferred to the general fund.

The federal funds and other state funds appropriation to the community development, local government assistance and fiscal oversight program of the department of finance and administration includes twenty million seven hundred thousand dollars (\$20,700,000) for the community development program fund.

The other state funds appropriation to the community development, local government assistance and fiscal oversight program of the department of finance and administration in the other financing uses category includes three million two hundred twenty-five thousand seven hundred dollars (\$3,225,700) for the emergency 911 income fund.

The other state funds appropriation to the community development, local government assistance and fiscal oversight program of the department of finance and administration includes three million forty-five thousand dollars (\$3,045,000) for the emergency 911 database network surcharge fund.

The other state funds appropriation to the community development, local government assistance and fiscal oversight program of the department of finance and administration includes four million nine hundred and twenty thousand dollars (\$4,920,000) for the wireless enhanced 911 fund.

The internal services funds/interagency transfers and other state funds appropriation to the community development, local government assistance and fiscal oversight program of the department of finance and administration includes three million nine hundred and eighty nine thousand eight hundred dollars (\$3,989,800) for the enhanced emergency 911 fund.

The other state funds appropriation to the community development, local government assistance and fiscal oversight program of the department of finance and administration includes fourteen million six hundred thousand dollars (\$14,600,000) for the local DWI grants program.

The other state funds appropriation to the community development, local government assistance and fiscal oversight program of the department of finance and administration includes one million nine hundred fifteen thousand two hundred dollars (\$1,915,200) for the civil legal services fund.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
*	Capital projects unit	(Policy Dvp)	633.6	633.6
*	Fiscal agent fees	(BOF)	300.0	50.0
<u>1</u>	<u>Computer and information system land manager</u>	<u>(LGD)</u>	<u>89.0</u>	<u>89.0</u>
<b>TOTAL</b>			<b>1,022.6</b>	<b>772.6</b>

## POLICY DEVELOPMENT, FISCAL ANALYSIS AND BUDGET OVERSIGHT

The purpose of the policy development, fiscal analysis, budget oversight and education accountability program is to provide professional, coordinated policy development and analysis and oversight to the governor, the Legislature and state agencies so they can advance the state's policies and initiatives using appropriate and accurate data to make informed decisions for the prudent use of the public's tax dollars.

### BUDGET SUMMARY (dollars in thousands)

	FY06 - 2005-2006				
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	2,698.0	3,756.2	3,811.2	3,801.9	1.2
Other Transfers	308.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>3,006.0</b>	<b>3,756.2</b>	<b>3,811.2</b>	<b>3,801.9</b>	<b>1.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,535.9	3,252.6	3,330.6	3,330.6	2.4
Contractual Services	123.4	277.0	243.6	234.3	-15.4
Other	314.0	226.6	237.0	237.0	4.6
<b>TOTAL USES</b>	<b>2,973.3</b>	<b>3,756.2</b>	<b>3,811.2</b>	<b>3,801.9</b>	<b>1.2</b>
<b>FTE</b>					
Permanent	34.8	34.8	41.8	41.8	20.1
<b>TOTAL FTE POSITIONS</b>	<b>34.8</b>	<b>34.8</b>	<b>41.8</b>	<b>41.8</b>	<b>20.1</b>

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Error rate for eighteen-month general fund revenue forecast	0.29%	7%	2.75%	2.75%	2.75%
Outcome	Yield achieved by private investment managers exceeding the merrill one to three year government index		*	*	5 basis pts	5 basis pts
* Outcome	Percent of bond proceeds balances not reauthorized and older than five years for inactive projects that are reverted by June 30		*	*	80%	80%
* Outcome	Average number of working days to process each budget adjustment requests	6.7 days	7.8	5	*	5
Quantity	Date that budget request instructions are sent out to agencies		*	*	June 15th	June 15th
Quality	Percent of time the budget preparation and review system is operational		*	*	95%	95%
Quantity	Number of valid complaints concerning the quality of the state budget division guidelines and budget preparation and review system		*	*	Less than 5	Less than 5
Quality	Percent of budget adjustment requests accepted by the financial control division as correct		*	*	90%	90%
Quality	Percent of operating budgets requests accepted by the financial control division as correct		*	*	100%	100%
Output	Percent of Governor Richardson's educational accountability tracking number one priority education initiative targets met		*	*	80%	80%
Output	Number of reports published using information about reform nationally and in other states to benchmark New Mexico's progress in raising student achievement, improving educator quality and other education reforms		*	*	Semiannual	2
Output	Month quarterly report formats are identified in collaboration with the legislative finance committee		*	*	August	August

Output	Minimum number of state agency budget training sessions	*	*	2	4
Output	Number of agencies monitored by a department of finance and administration secretary-approved monthly budget monitoring and control system	*	*	5	5
Output	Percent of assigned fiscal impact reports completed pursuant to the official format	*	*	98%	98%
Output	Month the staff recommendation for capital outlay funding is produced for governor's review	*	*	November	November
Output	Month the governor's capital bill is produced	*	*	December	December
Output	Month of completion of list consisting of stalled projects with funding available for reallocation or reauthorization	*	*	September	August
Output	Month an accurate accounting of capital projects is provided to executive and Legislature	*	*	September	August
Output	Month key performance measures identified in collaboration with the legislative finance committee	*	*	August	August

### **COMMUNITY DEVELOPMENT, LOCAL GOVERNMENT ASSISTANCE AND FISCAL OVERSIGHT**

The purpose of the community development, local government assistance and fiscal oversight program is to provide federal and state oversight assistance to counties, municipalities and special districts with planning, implementation and development of fiscal management so that entities can maintain strong, lasting communities.

#### **BUDGET SUMMARY (dollars in thousands)**

		<u>FY06 - 2005-2006</u>			
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr <u>(Decr)</u>
SOURCES					
General Fund Transfers	1,569.5	1,745.5	1,697.0	1,697.0	-2.8
Other Transfers	0.0	0.0	4,130.7	4,130.7	
Fed Program Revenues	0.0	0.0	20,670.0	20,670.0	
Other Program Revenues	0.0	0.0	130.0	130.0	
General Revenues	0.0	0.0	27,133.2	27,133.2	
Fund Balance	0.0	0.0	496.1	496.1	
SOURCES TOTAL	1,569.5	1,745.5	54,257.0	54,257.0	3,008.4
USES					
Personal Services/Empl Benefit	1,419.8	1,367.0	2,913.0	2,913.0	113.1
Contractual Services	23.4	137.9	2,196.8	2,196.8	1,493.0
Other	89.9	124.6	45,457.2	45,457.2	36,382.5
Other Financing Uses	0.0	116.0	3,690.0	3,690.0	3,081.0
TOTAL USES	1,533.1	1,745.5	54,257.0	54,257.0	3,008.4
FTE					
Permanent	26.0	26.0	31.0	26.0	0.0
Term	20.0	20.0	16.0	21.0	5.0
TOTAL FTE POSITIONS	46.0	46.0	47.0	47.0	2.2

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
*	Output	Percent of community development block grant closeout letters issued within forty-five days of review of final report	60%	56%	65%	* 70%
*	Output	Percent of capital outlay projects closed within the original reversion date	76%	74%	60%	* 65%
	Output	Percent of acceptable payment requests processed by each bureau within five working days		92.15	95%	95%

* Outcome	Number of alcohol-involved traffic fatalities	215			*	170
* Output	Percent of interim budget, final budgets and budget resolutions approved by statutory deadlines		100%	95%	*	100%
Output	Percent of annual budgets submitted by local governments to the financial management bureau electronically by June 1		*	*	25%	25%
Output	Percent of annual budgets reviewed and approved by the financial management bureau by June 30		*	*	100%	100%
Output	Percent of small local governments that receive training		*	*	85%	85%
* Quality	Percent of local governments receiving training that express satisfaction in the presentation and subjects covered		*	*	85%	85%

### **FISCAL MANAGEMENT AND OVERSIGHT**

The purpose of the fiscal management and oversight program is to provide for and promote financial accountability for public funds throughout state government and to provide state government agencies and the citizens of New Mexico with timely, factual and comprehensive information on the financial status and expenditures of the state.

#### **BUDGET SUMMARY (dollars in thousands)**

			FY06 - 2005-2006		
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES					
General Fund Transfers	4,342.3	4,488.8	4,534.3	4,534.3	1.0
SOURCES TOTAL	4,342.3	4,488.8	4,534.3	4,534.3	1.0
USES					
Personal Services/Empl Benefit	2,535.8	2,923.4	3,012.3	3,012.3	3.0
Contractual Services	257.8	450.5	471.5	471.5	4.7
Other	1,292.3	1,114.9	1,050.5	1,050.5	-5.8
TOTAL USES	4,085.9	4,488.8	4,534.3	4,534.3	1.0
FTE					
Permanent	51.0	51.0	51.0	51.0	0.0
TOTAL FTE POSITIONS	51.0	51.0	51.0	51.0	0.0

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Output	Percent of time the central payroll system is operational	100%	100%	100%	*	100%
Quality	Percent of time the central accounting system is operational	100%	100%	97%	*	97%
* Quality	Average number of business days required to process payments	2 days	*	4	*	4
Outcome	Status of replacement of the central accounting and payroll system with a statewide human resource, accounting and supply management system		*	*	100%	100%

## **PROGRAM SUPPORT**

The purpose of program support is to provide other department of finance and administration programs with central direction to agency management processes to ensure consistency, legal compliance and financial integrity; to administer the executive's exempt salary plan; and to review and approve professional services contracts.

### **BUDGET SUMMARY** (dollars in thousands)

			FY06 - 2005-2006		
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES					
General Fund Transfers	1,255.2	1,372.9	1,399.4	1,399.4	1.9
SOURCES TOTAL	1,255.2	1,372.9	1,399.4	1,399.4	1.9
USES					
Personal Services/Empl Benefit	1,065.2	1,232.5	1,259.0	1,259.0	2.2
Contractual Services	59.4	64.4	71.4	71.4	10.9
Other	123.7	76.0	69.0	69.0	-9.2
TOTAL USES	1,248.3	1,372.9	1,399.4	1,399.4	1.9
FTE					
Permanent	19.0	20.0	20.0	20.0	0.0
TOTAL FTE POSITIONS	19.0	20.0	20.0	20.0	0.0

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Output	Percent of department fund accounts reconciled within two months following the closing of each month	100%	100%	100%	*	100%
* Output	Percent of monthly reconciliations completed within fifteen days of receiving central accounting system reports and correcting entries made within fifteen days of receiving central accounting system reports and correcting entries made within fifteen days after completing the reconciliations.	100%	*	*	100%	100%
Output	Percent of human resources initiatives implemented semi-annually		*	*	100%	100%
* Output	Percent of applicable contracts containing at least one performance measure in all newly issued contracts procured through the request for proposals process		*	*	100%	100%

# DFA SPECIAL APPROPRIATIONS

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## BUDGET SUMMARY (Dollars in Thousands) FY 2004 - 2005

	FY04 Actuals	FY05 Budgeted	Agency Request	LFC Recommen- dation	Pct increase (decrease)
<b>SOURCES</b>					
General fund transfers	\$3,888.4	\$3,929.6	\$5,035.8	\$3,985.8	1.4%
Other transfers	\$4,350.8	\$4,744.0	\$490.0	\$490.0	-89.7%
Federal program revenues	\$19,965.0	\$19,965.0	\$0.0	\$0.0	-100.0%
Other program revenues	\$35.0	\$335.0	\$0.0	\$0.0	-100.0%
General revenues	\$25,811.0	\$26,817.0	\$7,035.7	\$7,035.7	-73.8%
Fund balance	\$6,636.5	\$5,447.4	\$346.0	\$346.0	-93.6%
<b>TOTAL REVENUE</b>	<b>\$60,686.7</b>	<b>\$61,238.0</b>	<b>\$12,907.5</b>	<b>\$11,857.5</b>	<b>-80.6%</b>
<b>USES</b>					
BOF emergency fund	\$170.0	\$0.0	\$0.0	\$0.0	0.0%
BOF emergency water fund	\$100.0	\$100.0	\$100.0	\$100.0	0.0%
BOF fiscal agent contract	\$960.0	\$1,000.0	\$1,300.0	\$1,050.0	5.0%
Membership and dues	\$579.9	\$583.7	\$604.4	\$604.4	3.5%
Citizens review board	\$518.0	\$518.0	\$600.0	\$600.0	15.8%
Youth mentoring program	\$893.3	\$893.3	\$893.3	\$893.3	0.0%
Community development programs*	\$20,000.0	\$20,000.0	\$0.0	\$0.0	-100.0%
Community assistance program	\$56.0	\$120.0	\$0.0	\$0.0	-100.0%
New Mexico Acequia Commission	\$30.0	\$30.0	\$30.0	\$30.0	0.0%
E-911 enhancement*	\$2,900.0	\$3,905.0	\$0.0	\$0.0	-100.0%
E-911 income*	\$4,100.0	\$4,905.9	\$0.0	\$0.0	-100.0%
E-911 principal and interest*	\$769.2	\$770.9	\$0.0	\$0.0	-100.0%
E-911 reserve	\$0.0	\$506.5	\$0.0	\$0.0	-100.0%
E-911 database network surcharge*	\$5,700.0	\$3,208.3	\$0.0	\$0.0	-100.0%
Wireless enhanced 911 fund*	\$3,075.0	\$6,273.9	\$0.0	\$0.0	-100.0%
Weatherization	\$0.0	\$0.0	\$800.0	\$0.0	100.0%
Law Enforcement Enhancement	\$0.0	\$0.0	\$6,781.8	\$6,781.8	100.0%
Civil legal services fund*	\$2,000.0	\$1,509.9	\$0.0	\$0.0	-100.0%
Food bank	\$400.0	\$400.0	\$400.0	\$400.0	0.0%
Ignition interlock devices fund	\$38.7	\$1,000.0	\$899.9	\$899.9	-10.0%
State planning districts	\$374.2	\$374.2	\$374.2	\$374.2	0.0%
Local DWI grants program*	\$16,400.0	\$15,000.0	\$0.0	\$0.0	-100.0%
Leasehold community assistance	\$141.0	\$138.4	\$123.9	\$123.9	-10.5%
<b>TOTAL EXPENDITURES</b>	<b>\$59,205.3</b>	<b>\$61,238.0</b>	<b>\$12,907.5</b>	<b>\$11,857.5</b>	<b>-80.6%</b>

\* Appropriation included in Local Government Division



**BUDGET ISSUES:**

DFA requested that appropriations for community development programs, E-911 income, E-911 database network surcharge, wireless enhanced 911 fund, E-911 enhancement, the civil legal services fund, and local DWI grant program be budgeted under the Local Government Division (LGD). LGD is responsible for administering these programs. Administrative costs for most of the programs are capped by statute. In the past, the administrative costs amounts were transferred to LGD in the budget each year; however, there were concerns that, once transferred to the LGD operating budget, the funds could be used for purposes other than administration of the designated programs. DFA indicates they will be better able to assure that administrative costs for each program are used according to statute with this change. The LFC recommendation includes this request.

DFA proposes to begin budgeting funds for the law enforcement protection fund (LEPF) and to stop budgeting funds for the E-911 reserve and New Mexico community assistance program. The LEPF has been administered by DFA without appropriation for many years, because it was considered an agency (pass-through) account, whereby funds were passed through DFA for statutory purpose. The FY04 DFA audit found that this practice did not conform to the Governmental Accounting Standards Board Statement 34 because DFA had some discretion over the use of the funds. The audit recommended the LEPF be appropriated as a special revenue fund. The LFC recommendation includes this request.

DFA indicates that the E-911 reserve fund was created to provide debt service on E911 bonds in the event that dedicated revenues were insufficient for a particular payment. The fund has been appropriated for this purpose every year and left unspent. DFA recommends instead that budget adjustment request language be included in the General Appropriation Act allowing use of the fund for the statutory purposes in the event of a revenue shortfall.

DFA indicates the New Mexico community assistance program is a loan program to allow communities to initiate capital programs in advance of receiving community development block grant funds. The loans are repaid and, according to DFA, they have never had a bad debt. DFA indicates that the appropriation of funds is not necessary for this revolving fund. The LFC recommendation includes this request.

**STATUTORY AUTHORITY:**

The Public School Insurance Authority (PSIA) was created by Sections 22-2-6.1 through 22-2-6.10 NMSA 1978 to provide comprehensive core insurance programs for the public schools, except those in the Albuquerque district, and other educational entities. PSIA is governed by an 11-member board. The mission of PSIA is carried out by agency staff and third-party administrators.

**MISSION:**

The mission of the agency is to provide an effective benefits package to educational employees and their family members so they can be protected from catastrophic financial losses due to medical problems, disability, and death. PSIA offers health, dental, and vision coverage, as well as life and disability insurance. PSIA also provides comprehensive property, liability, and workers' compensation programs to educational entities so they are protected against injury and financial loss.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
Other Transfers	996.6	1,022.5	1,086.6	1,064.7	4.1
Other Program Revenues	223,309.0	242,775.6	282,144.0	262,310.3	8.0
General Revenues	8,546.5	4,000.0	4,352.9	4,352.9	8.8
Fund Balance	0.0	4,511.7	0.0	11,700.0	159.3
<b>SOURCES TOTAL</b>	<b>232,852.1</b>	<b>252,309.8</b>	<b>287,583.5</b>	<b>279,427.9</b>	<b>10.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	617.8	663.1	696.0	683.9	3.1
Contractual Services	218,174.9	250,422.9	285,588.1	277,476.3	10.8
Other	142.1	201.3	212.8	203.0	0.8
Other Financing Uses	996.6	1,022.5	1,086.6	1,064.7	4.1
<b>TOTAL USES</b>	<b>219,931.4</b>	<b>252,309.8</b>	<b>287,583.5</b>	<b>279,427.9</b>	<b>10.7</b>
<b>FTE</b>					
Permanent	10.0	10.0	10.0	10.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

PSIA's budget request for FY06 is \$287.6 million, a \$35.2 million or 14 percent increase over the FY05 operating budget. The majority of the requested increases are for medical and pharmacy claims, \$29 million, and the risk insurance program, \$5 million. The LFC overall funding recommendation is \$279.4 million, a \$27.1 million or 10.7 percent increase over FY05. The LFC recommendation holds benefits to a 9 percent increase, slightly below the national trend. This translates roughly to an 11 percent increase in medical premiums in October 2005.

The LFC recommendation fully funds the agency request for the risk program contractual services and includes claims payments. On June 30, 2004, the risk program faced a deficit situation of approximately \$7.7 million for funding projected claims, \$28 million in assets less \$35.7 in projected claims.

During 2004, PSIA attempted to slow growth in medical expenses by implementing step-therapy for prescription drugs and a wellness and disease management program. PSIA's 2004 medical and pharmacy cost per member of \$6,521 is slightly less than the cost per member of \$6,692 across all states as reported by Segal Consulting. See Appendix 342A for a chart showing several years of health expenditure data.

Interagency Benefits Advisory Committee (IBAC) members (PSIA, Retiree Healthcare Authority, General Services Department,

Albuquerque Public Schools) awarded new four-year contracts for medical, dental, and vision benefits during 2004. PSIA will save approximately \$1 million in administrative fees over FY04 but IBAC had little success in getting guarantees to restrict growth in provider re-imbursement rates.

For the prior three fiscal years, risk program spending for liability claims has exceeded budget by at least \$2 million per year. FY05 risk spending may exceed the \$35.8 million budget by \$2.5 million, even with an 11.7 percent increase funded by the Legislature. Recent trends show a leveling off in growth in workers' compensation claims but increased growth in liability and property claims. See Appendix 342B for a chart showing several years of risk claim payments.

A major problem area in property insurance has been weather losses, exacerbated by the poor condition of many school buildings inadequately maintained. PSIA increased property deductibles in FY03 and managers hope that higher out-of-pocket expenses will encourage better building maintenance. In addition, PSIA is working with the Public School Facilities Authority to address school infrastructure problems.

Major problem areas in the liability insurance area are bus accidents, civil rights and discrimination, and sexual molestation claims. PSIA believes many of these incidents could be prevented by increasing training for employees and placing greater emphasis on risk management by school districts. PSIA has been working with the Public Education Department and the Workers' Compensation Administration on improving risk management preventive measures for schools. The committee encourages PSIA to continue these efforts and to consider submission of a request for supplemental funding in FY06 to enhance these efforts.

## **BENEFITS**

The purpose of the benefits program is to provide an effective health insurance package to educational employees and their eligible family members so they can be protected against catastrophic financial losses due to medical problems, disability or death.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b><u>FY06 - 2005-2006</u></b>					
	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Other Program Revenues	192,195.9	207,951.3	241,252.0	221,429.3	6.5
General Revenues	6,285.5	3,000.0	3,601.4	3,601.4	20.0
Fund Balance	0.0	4,500.0	0.0	11,700.0	160.0
<b>SOURCES TOTAL</b>	<b>198,481.4</b>	<b>215,451.3</b>	<b>244,853.4</b>	<b>236,730.7</b>	<b>9.9</b>
<b>USES</b>					
Contractual Services	183,340.6	214,940.0	244,310.1	236,198.3	9.9
Other Financing Uses	498.3	511.3	543.3	532.4	4.1
<b>TOTAL USES</b>	<b>183,838.9</b>	<b>215,451.3</b>	<b>244,853.4</b>	<b>236,730.7</b>	<b>9.9</b>

<b>PERFORMANCE MEASURES</b>						
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Average number of days to resolve customer-service-claims-related inquiries and appeals	15	12	18	17	17
* Outcome	Percent of participants receiving recommended preventive care	35%	45%	68%	70%	70%
Output	Number of participants covered by triple option point-of-service plan	36,082	33,598			
Output	Number of participants covered by dual option point-of-service plan	12,602	12,590			
Output	Number of participants covered by health maintenance organization plan	9,803	12,426			
* Efficiency	Percent variance of medical premium change between the public school insurance authority and industry average	2%	11%	</=3%	</=3%	</=3%

Efficiency	Percent variance of dental premium change between the public school insurance authority and industry average	-8%	-8%	</=3%	</=3%	</=3%
Quality	Percent of employees expressing satisfaction with group health benefits	83%	N/A	75%	78%	78%
Output	Number of participants covered by health plans	58,561	58,614	58,500	58,700	58,700

## **RISK**

The purpose of the risk program is to provide economical and comprehensive property, liability and workers' compensation programs to educational entities so they are protected against injury and loss.

### **BUDGET SUMMARY (dollars in thousands)**

(dollars in thousands)					
		FY06 - 2005-2006			
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES					
Other Program Revenues	31,113.1	34,824.3	40,892.0	40,881.0	17.4
General Revenues	2,261.0	1,000.0	751.5	751.5	-24.9
SOURCES TOTAL	33,374.1	35,824.3	41,643.5	41,632.5	16.2
USES					
Contractual Services	34,677.5	35,313.1	41,100.2	41,100.2	16.4
Other Financing Uses	498.3	511.2	543.3	532.3	4.1
TOTAL USES	35,175.8	35,824.3	41,643.5	41,632.5	16.2

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent variance of public property premium change between public school insurance authority and industry average	+8%	-2%	</=10%	</=8%	</=8%
* Outcome	Percent variance of workers' compensation premium change between public school insurance authority and industry average	+1.74%	+5.2%	</=10%	</=8%	</=8%
* Outcome	Percent variance of public liability premium change between public school insurance authority and industry average	+8.6%	-3.7%	</=10%	</=8%	</=8%
Outcome	Number of workers' compensation claims in the area of ergonomics	307	355	369	355	355
Quality	Percent of educational entities satisfied with risk insurance claim processing service	96%	97%	96%	98%	98%
Output	Number of educational entities enrolled in the risk insurance program	123	129	125	135	135
Output	Number of loss prevention training seminars	72	72	72	72	72

## **PROGRAM SUPPORT**

The purpose of program support is to provide administrative support for the benefit and risk programs and to assist the agency in delivering services to its constituents.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b><u>FY06 - 2005-2006</u></b>					
	<b><u>FY04</u></b> <b><u>2003-2004</u></b> <b><u>Actuals</u></b>	<b><u>FY05</u></b> <b><u>2004-2005</u></b> <b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Percent</u></b> <b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
Other Transfers	996.6	1,022.5	1,086.6	1,064.7	4.1
Fund Balance	0.0	11.7	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>996.6</b>	<b>1,034.2</b>	<b>1,086.6</b>	<b>1,064.7</b>	<b>2.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	617.8	663.1	696.0	683.9	3.1
Contractual Services	156.8	169.8	177.8	177.8	4.7
Other	142.1	201.3	212.8	203.0	0.8
<b>TOTAL USES</b>	<b>916.7</b>	<b>1,034.2</b>	<b>1,086.6</b>	<b>1,064.7</b>	<b>2.9</b>
<b>FTE</b>					
Permanent	10.0	10.0	10.0	10.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>

<b>PERFORMANCE MEASURES</b>						
		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
Efficiency	Percent of employee files that contain performance appraisal development plans completed by employee's anniversary dates	100%	100%	95%	95%	95%
Efficiency	Satisfaction rating of administrative services provided to all programs	96%	96%	80%	80%	80%
Outcome	Number of prior-year audit findings that recur	0	0	</=1	</=1	</=1

**STATUTORY AUTHORITY:**

The Retiree Health Care Authority (RHCA) was created by Section 10-7C-1 through 10-7C-16 NMSA 1978 to provide affordable health care for New Mexico public retirees and their dependents. RHCA is governed by a board of 10 members including the State Treasurer, a governor's appointee, a state employee, a teacher, two representatives from New Mexico public pension plans, two representatives from retiree associations, one member from the municipal league, and one member from the school superintendents association.

**MISSION:**

The mission of RHCA is carried out by agency staff and contracted consultants. The Healthcare Benefits Administration Program seeks to provide an affordable, high-quality, comprehensive group health insurance benefit plan for present and future eligible retirees and their dependents. The benefits plan offers medical, prescription drug, dental, vision, basic life, voluntary life, and long-term care coverages.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	10.0	10.0	10.0	10.0	0.0
Other Transfers	2,527.7	1,276.2	3,026.5	2,534.2	98.6
Other Program Revenues	126,536.9	140,455.1	143,838.4	143,346.1	2.1
General Revenues	6,739.3	7,548.0	8,453.8	8,453.8	12.0
Fund Balance	0.0	0.0	5,208.7	5,208.7	
<b>SOURCES TOTAL</b>	<b>135,813.9</b>	<b>149,289.3</b>	<b>160,537.4</b>	<b>159,552.8</b>	<b>6.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	986.5	1,276.2	1,299.3	1,083.1	-15.1
Contractual Services	124,932.9	146,726.9	155,209.1	155,189.1	5.8
Other	693.2	10.0	1,002.5	746.4	7364.0
Other Financing Uses	2,540.7	1,276.2	3,026.5	2,534.2	98.6
<b>TOTAL USES</b>	<b>129,153.3</b>	<b>149,289.3</b>	<b>160,537.4</b>	<b>159,552.8</b>	<b>6.9</b>
<b>FTE</b>					
Permanent	18.0	22.0	22.0	22.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>18.0</b>	<b>22.0</b>	<b>22.0</b>	<b>22.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

RHCA's FY06 budget request is \$160.5 million, a \$11.3 million, or 7.6 percent, increase over the FY05 operating budget of \$149.2 million. Major cost increases in the request include \$7.7 million for medical benefits, a 5.3 percent increase over FY05, and \$1.7 million for restoration of contractual services and other costs in the program support budget vetoed from the proposed FY05 operating budget.

The LFC recommendation for FY06 is \$159.5 million, a 6.9 percent increase over the FY05 budget. The recommendation funds RHCA's request for increased medical costs but does not fund approximately \$467.4 thousand requested for construction of a new headquarters facility.

The recommendation for personnel services and benefits of \$1.083 million does not include \$216.2 thousand for three vacant information technology (IT) positions. The Chief Information Officer and the Department of Finance and Administration will not let RHCA fill the positions because they believe certain RHCA IT operations should be moved to other agencies as part of the IT consolidation initiative. In lieu of funding these positions the recommendation fully funds RHCA's request for contract IT support.

RHCA is projecting growth in medical expenses of about 8 percent over the next five years. RHCA reported 6.9 percent growth from FY03 to FY04 and a three-year average cost increase of 9.5 percent, much lower than the national trend of about 12.6 percent to 14.9 percent over the same period. See Appendix 343A for a chart showing several years of health expenditure data.

RHCA's FY04 actuarial study projects the fund will remain solvent for at least 25 years, an improvement of 11 years over the FY03 actuarial study. Major reasons for the improved actuarial position include lower than projected expenses in FY04 and medical plan design changes in FY05. RHCA has moved to a preferred provider organization (PPO) network design, which features more cost sharing with members. RHCA has also implemented a wellness and disease management program in FY05.

Future actuarial position is highly dependent on new plan designs slowing cost growth, continued investment return of 7.5 percent per year, and a willingness to continue to increase premiums to retirees. The FY04 study did not include an estimate of savings from the Medicare drug benefit, which will phase in during 2006, but the preliminary view is that it will help the fund's actuarial position in the future.

At the time of RHCA's November 2004 budget hearing, a lawsuit against the administration over the legality of the line item veto was pending. RHCA argues the administration's plan to allow the Department of Finance and Administration to use budget adjustment authority to review and parcel out program support funding to RHCA is a violation of the separation of powers doctrine in the New Mexico Constitution. The administration believes it is authorized under statute.

#### RECOMMENDED LANGUAGE:

Any unexpended or unencumbered balance in the administrative division of the retiree health care authority remaining at the end of fiscal year 2006 shall revert to the benefits division.

#### HEALTHCARE BENEFITS ADMINISTRATION

The purpose of the healthcare benefits administration program is to provide core group and optional healthcare benefits and life insurance to current and future eligible retirees and their dependents so they may access covered and available core group and optional healthcare benefits and life insurance benefits when they need them.

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 - 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
Other Program Revenues	126,514.7	140,455.1	143,838.4	143,346.1	2.1
General Revenues	6,739.3	7,548.0	8,453.8	8,453.8	12.0
Fund Balance	0.0	0.0	5,208.7	5,208.7	
<b>SOURCES TOTAL</b>	<b>133,254.0</b>	<b>148,003.1</b>	<b>157,500.9</b>	<b>157,008.6</b>	<b>6.1</b>
<b>USES</b>					
Contractual Services	124,078.4	146,726.9	154,474.4	154,474.4	5.3
Other Financing Uses	2,540.7	1,276.2	3,026.5	2,534.2	98.6
<b>TOTAL USES</b>	<b>126,619.1</b>	<b>148,003.1</b>	<b>157,500.9</b>	<b>157,008.6</b>	<b>6.1</b>

PERFORMANCE MEASURES						
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Total revenue generated, in millions	117.7	130.4	134.5	142.4	142.4
Outcome	Percent of participants satisfied with the healthcare benefits program	82%	N/A	83%	83%	90%
* Output	Number of years of long-term actuarial solvency	13	17	15	15	15
* Output	Average monthly per participant claim cost, medicare eligible	207	179	250	250	250
Efficiency	Total revenue credited to the reserve fund, in millions	0	7.0	0		

* Efficiency	Total healthcare benefits program claims paid, in millions	92.3	103.5	135.8	130.9	130.9
* Efficiency	Average monthly per participant claim cost, non-medicare eligible	387	390	471	497	497
Efficiency	Percent variance of medical premium change between retiree health care authority and industry average	+/-5%	+/-5%	+/-5%	+/-5%	+/-5%
Efficiency	Percent variance of dental premium change between retiree health care authority and industry average	+/-3%	+/-10%	+/-5%	+/-5%	+/-5%
Efficiency	Percent change in medical premium to participants	7%	10%	12%	12%	11%
Efficiency	Average number of days to resolve customer service claims related to inquiries and appeals	4	1	7	7	1
* Efficiency	Percent of medical plan premium subsidy	50%	50%	44%	51%	51%
Explanatory	Number of retiree health care participants	31,474	32,697	34,166	34,166	34,166

### **SENIOR PRESCRIPTION DRUG PROGRAM**

The purpose of the senior prescription drug program is to administer the senior prescription drug card program aimed at reducing prescription drug expenditures for covered participants.

<b>BUDGET SUMMARY</b> (dollars in thousands)						
		<b>FY04</b>	<b>FY05</b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent</b>
		<b>2003-2004</b>	<b>2004-2005</b>	<b>Agency</b>	<b>LFC</b>	<b>Incr</b>
		<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Request</u></b>	<b><u>Recommendation</u></b>	<b><u>(Decr)</u></b>
<b>SOURCES</b>						
	General Fund Transfers	10.0	10.0	10.0	10.0	0.0
	<b>SOURCES TOTAL</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>
<b>USES</b>						
	Other	1.4	10.0	10.0	10.0	0.0
	<b>TOTAL USES</b>	<b>1.4</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>
<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY06</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
Output	Number of senior prescription drug program participants	800	3,742	5,500	5,400	5,400



## **PROGRAM SUPPORT**

The purpose of program support is to provide administrative support for the healthcare benefits administration program to assist the agency in delivering its services to its constituents.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		<b>Percent</b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
Other Transfers	2,527.7	1,276.2	3,026.5	2,534.2	98.6
Other Program Revenues	22.2	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>2,549.9</b>	<b>1,276.2</b>	<b>3,026.5</b>	<b>2,534.2</b>	<b>98.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	986.5	1,276.2	1,299.3	1,083.1	-15.1
Contractual Services	854.5	0.0	734.7	714.7	
Other	691.8	0.0	992.5	736.4	
<b>TOTAL USES</b>	<b>2,532.8</b>	<b>1,276.2</b>	<b>3,026.5</b>	<b>2,534.2</b>	<b>98.6</b>
<b>FTE</b>					
Permanent	18.0	22.0	22.0	22.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>18.0</b>	<b>22.0</b>	<b>22.0</b>	<b>22.0</b>	<b>0.0</b>

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
Outcome	Number of prior-year audit findings that recur	1	1	2	2	1
Efficiency	Percent of employee files that contain performance appraisal development plans completed by employees anniversary date	57%	100%	95%	95%	100%
Efficiency	Satisfaction rating of administrative services provided benefits	99.5%	96%	80%	80%	96%

## GENERAL SERVICES DEPARTMENT

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### STATUTORY AUTHORITY:

Pursuant to Sections 9-17-1 through 9-17-7 NMSA 1978 the General Services Department (GSD) provides consolidated services to state agencies.

### MISSION:

The mission of the General Services Department is to provide quality services to state agencies and local public bodies in a cost-efficient manner. These services include purchasing, printing, information systems, risk management, health benefits, property control, building maintenance, and transportation.

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	10,749.6	11,011.8	12,635.6	11,241.2	2.1
Other Transfers	959.5	0.0	0.0	0.0	
Fed Program Revenues	108.7	250.4	250.4	250.4	0.0
Other Program Revenues	2,766.6	277.0	277.0	263.0	-5.1
Enterprise Program Rev	245,970.4	248,881.3	305,671.0	285,456.7	14.7
General Revenues	6,380.6	144.6	144.6	144.6	0.0
Extraord/Special	9,074.4	9,329.4	9,893.7	9,334.2	0.1
Fund Balance	33,022.5	30,798.0	4,455.5	23,179.6	-24.7
<b>SOURCES TOTAL</b>	<b>309,032.2</b>	<b>300,692.5</b>	<b>333,327.8</b>	<b>329,869.7</b>	<b>9.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	23,767.4	28,593.8	28,763.0	26,897.5	-5.9
Contractual Services	38,660.8	37,979.9	39,593.3	39,543.3	4.1
Other	226,828.1	224,719.3	255,700.2	254,732.0	13.4
Other Financing Uses	8,824.7	9,399.5	9,271.3	8,696.9	-7.5
<b>TOTAL USES</b>	<b>298,081.0</b>	<b>300,692.5</b>	<b>333,327.8</b>	<b>329,869.7</b>	<b>9.7</b>
<b>FTE</b>					
Permanent	502.0	524.0	523.0	522.0	-0.4
Term	6.0	6.0	7.0	6.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>508.0</b>	<b>530.0</b>	<b>530.0</b>	<b>528.0</b>	<b>-0.4</b>

### BUDGET ISSUES:

GSD's budget request is \$333.3 million, a \$32.6 million, or 11 percent, increase over the FY05 operating budget of \$300.6 million. The major cost increase in the request is a \$32.8 million increase in employee group benefits, a 19.9 percent increase over FY05. According to GSD, 13 percent of the employee group benefit increase is due to medical inflation and 5 percent is due to enrollment growth in the program. More than 3,000 members have joined the plan in the past year due to the higher employer share of insurance as well as the addition of the cities of Las Cruces and Alamogordo and New Mexico Highlands University. See Appendix 350A for a chart showing several years of health expenditure data.

GSD requested risk premiums of \$66.8 million in FY06, a \$31.3 million increase from FY05 premiums of \$35.5 million. GSD is projecting to use \$30.5 million in fund balance in FY05 to subsidize agency premiums but only \$136 thousand in FY06. GSD's FY06 request for risk premiums is influenced by the declining actuarial position of the risk funds. See Appendix 350B for a chart showing several years of financial projections from actuarial studies.

The LFC recommendation for FY06 is \$329.8 million, a 9.7 percent increase over the FY05 operating budget. The recommendation fully funds employee group benefits, but an overall vacancy rate of 6 percent was applied to personal services and employee benefits due to the historical vacancy rate of approximately 19 percent.

The committee is concerned that GSD continues to be initiative driven at the expense of strategic planning and performance reporting. For the second year in a row GSD has not submitted a strategic or information technology plan with its budget request as required by Department of Finance and Administration (DFA) guidelines. Although DFA and LFC designated GSD as a key agency for quarterly reporting, GSD has reported incomplete quarterly performance results, and has struggled to articulate how it judges its performance internally.

The committee has concerns about two major administration initiatives spearheaded by GSD: the Save Smart New Mexico (SSNM) program and information technology (IT) consolidation. The purpose of SSNM is to utilize the bulk buying power of state agencies to negotiate better pricing agreements. IT consolidation aims to reduce overhead and redundant staff by consolidating agency systems into GSD or other large state agencies as appropriate. GSD reports SSNM contracts have been awarded across 14 categories, including office supplies, express mail, and computer hardware. Total projected annual savings from these 14 areas is \$12 million and projected savings over the life of the contracts is \$50 million. Third-party audits of these savings are ongoing and will be reviewed by LFC and the State Auditor.

One major concern is that SSNM dollar savings are not being centrally captured for use for other state priorities, as promised by GSD, but are being spent by agencies. The administration has yet to present a savings capture plan. According to Laws 2004, Chapter 126, Section 147 payment to the contractor is contingent upon realization of a minimum savings guarantee and DFA will capture savings for credit to the general fund. GSD has paid the contractor \$811 thousand of the \$8 million contract to date after receiving audited savings reports. However, failure to implement a savings capture plan undercuts the purpose of SSNM and appears to ignore the intent of the law.

The committee is concerned about the institutional capability of ISD to implement IT consolidation. Although a project plan was developed in May 2004, essential details such as project funding requirements, timelines, and deliverables are still in development. The majority of costs incurred by GSD's IT operation are related to the mainframe. A plan to migrate applications from the mainframe to reduce cost has not been clearly defined within the consolidation plan. The costs and effort to achieve mainframe migration could be significant, but the outcome could result in significant recurring savings. As part of consolidation, GSD is moving forward with a single email system based on Microsoft technology. The committee believes consolidating on Microsoft will only provide the state with minimal savings and current projected rates are not competitive with private sector providers.

GSD recently completed a one-year effort to review the calculation of its charges for IT services and has published new rates for FY05 and FY06. Although the effort was also supposed to compare GSD information technology rates with those in the private industry, no information has been published to demonstrate that rates are fair and competitive. Although rates are lower for larger agencies utilizing the mainframe, many agencies are still resisting consolidation at GSD on the grounds cheaper IT services are available elsewhere.

DFA is working with GSD to avoid another federal claim of information system overcharges. The state has already paid the federal government \$6.5 million for prior claims. Under the old rate system in use during FY00 to FY04, it appears GSD earned excess profit on some IT lines of service (while losing money on other lines). Without action the state may face a claim of \$8.2 million for FY00 to FY04. DFA has a draft proposal to fix the problem by having the Legislature debit and credit the impacted accounts, which will have a minimal impact on the general fund.

The committee is also concerned about a number of GSD's enterprise operations. A review of GSD's new automobile lease rates by LFC staff found that, although they are lower than comparable private sector rates, the rate methodology is not based on actual costs per vehicle. GSD's aviation operation is struggling to remain solvent without general fund support in FY05. They are charging \$540 per flight hour, an amount insufficient to cover their costs. GSD has not articulated a clear vision for funding their aviation capital needs, hence the last minute push to use \$4 million in New Mexico Department of Transportation funds to buy an aircraft at the end of FY04 when GSD decided to replace a grounded aircraft. That proposed transaction was found by the Attorney General to violate state statutes.

In building services and property control the committee is concerned about the general state of the operation. The Building Services Division continues to have a vacancy rate of 25 percent (about 27 positions) and underspent their FY04 budget for staff by \$437 thousand. The state could reduce capital building repair fund expenditures if maintenance staff were added. The state has struggled to move state agencies from leased space into state-owned space. The state has two prominent buildings that are

empty. In Santa Fe, the Villagra Building was completed early in 2004 but interior work was not funded. Projected tenants have changed a number of times. Earliest occupancy by the Attorney General is projected during spring 2005. In Albuquerque, the 65,000-square-foot old Metro Court building has been empty since January 2004. The public defenders were initially identified as the best tenant but renovations of several million dollars are unfunded. GSD is spending \$225 thousand on renovations and is contemplating moving Retiree Healthcare Authority and the downtown Motor Vehicle Division office into the building in 2005. Long term tenants for the building remain unidentified.

Bond capacity to buy or construct new state office space is unused. In 2001, the Legislature authorized \$75 million of bonds for four projects: construction of the West Capitol Complex, and purchase of the National Educational Association (NEA) and Public Employees Retirement Association (PERA) buildings and land adjacent to the Department of Transportation district office. In 2002, \$34.7 million of bonds were issued. Although the West Capitol construction and NEA purchase are complete, \$4.4 million of funding of the \$34 million remains unused, as well as the remaining \$40.3 million of bond authority.

The state sold the La Villa Rivera building in 2002 for \$11.4 million, but because of a shortage of state-owned space state agencies have paid \$5.3 million in rent to continue to occupy the building.

The committee encourages GSD to report to the committee and the Capitol Building Planning Commission any resource, staffing, or external impediments to their ability to fulfill their responsibilities as the state landlord in a timely and cost-efficient manner.

## **EMPLOYEE GROUP HEALTH BENEFITS**

The purpose of the employee group health benefits program is to effectively administer comprehensive health-benefit plans to state employees.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
Other Program Revenues	559.9	0.0	0.0	0.0	
Enterprise Program Rev	156,976.0	164,915.2	193,541.6	193,541.6	17.4
General Revenues	4,143.4	0.0	0.0	0.0	
Fund Balance	0.0	0.0	4,169.5	4,169.5	100.0
<b>SOURCES TOTAL</b>	<b>161,679.3</b>	<b>164,915.2</b>	<b>197,711.1</b>	<b>197,711.1</b>	<b>19.9</b>
<b>USES</b>					
Contractual Services	11,966.6	13,250.0	14,875.0	14,875.0	12.3
Other	147,455.2	150,789.0	182,000.0	182,000.0	20.7
Other Financing Uses	808.5	876.2	836.1	836.1	-4.6
<b>TOTAL USES</b>	<b>160,230.3</b>	<b>164,915.2</b>	<b>197,711.1</b>	<b>197,711.1</b>	<b>19.9</b>

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
* Outcome	Number of state employees participating in state group health plan					TBD
* Outcome	Number of nonstate employees participating in state group health plan					TBD
* Efficiency	Percent change in medical premium compared with the industry average	<.04%	<5%	<=3%	<=3%	<=3%
Efficiency	Percent change in dental premium compared with the industry average		<7%	<=3%	<=3%	<=3%
Efficiency	Percent of employees expressing satisfaction with the group health benefits	84%		80%		

## **RISK MANAGEMENT DIVISION SUMMARY**

The purpose of the risk management program is to protect the state's assets against property, public liability and workers' compensation, state unemployment compensation, local public bodies unemployment compensation, and surety bond losses so agencies can perform their missions efficiently and responsively.

### **BUDGET SUMMARY** (dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	FY06 - 2005-2006		Percent Incr (Decr)
			Agency <u>Request</u>	LFC <u>Recommendation</u>	
<b>SOURCES</b>					
Extraord/Special	4,456.7	4,531.8	4,651.8	4,354.4	-3.9
<b>SOURCES TOTAL</b>	<b>4,456.7</b>	<b>4,531.8</b>	<b>4,651.8</b>	<b>4,354.4</b>	<b>-3.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,572.7	3,082.7	3,082.9	2,916.6	-5.4
Contractual Services	416.6	500.1	550.0	500.0	0.0
Other	477.8	543.1	531.9	531.9	-2.1
Other Financing Uses	397.0	405.9	487.0	405.9	0.0
<b>TOTAL USES</b>	<b>3,864.1</b>	<b>4,531.8</b>	<b>4,651.8</b>	<b>4,354.4</b>	<b>-3.9</b>
<b>FTE</b>					
Permanent	51.0	51.0	50.0	51.0	0.0
Term	0.0	0.0	1.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>51.0</b>	<b>0.0</b>

### **PERFORMANCE MEASURES**

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent decrease of state government workers' compensation claims	8%	5%	6%	6%	
* Explanatory	Dollar value of claims payable for the public liability insurance fund, in thousands					TBD
* Explanatory	Dollar value of claims payable for the worker's compensation fund, in thousands					TBD
Efficiency	Percent of workers' compensation warrants canceled as a total of all warrants issued		7%	</=5%		
Quality	Percent of public property clients rating the risk management program's claims processing services as satisfactory or better		89.3%	85%		
Output	Percent of workers' compensation claims generated electronically		100%	90%		

## RISK MANAGEMENT DIVISION RESERVE – PUBLIC LIABILITY

### BUDGET SUMMARY (dollars in thousands)

	2003-2004 <u>Actuals</u>	2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		<u>Incr (Decr)</u>
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
Other Program Revenues	1,626.5	0.0	0.0	0.0	
Enterprise Program Rev	14,682.9	12,872.3	39,114.4	20,215.2	57.0
General Revenues	334.5	0.0	0.0	0.0	
Fund Balance	19,220.9	26,392.4	0.0	18,651.8	-29.3
<b>SOURCES TOTAL</b>	<b>35,864.8</b>	<b>39,264.7</b>	<b>39,114.4</b>	<b>38,867.0</b>	<b>-1.0</b>
<b>USES</b>					
Contractual Services	10,063.0	10,170.0	10,170.0	10,170.0	0.0
Other	23,027.7	26,060.7	26,087.7	26,087.7	0.1
Other Financing Uses	2,774.1	3,034.0	2,856.7	2,609.3	-14.0
<b>TOTAL USES</b>	<b>35,864.8</b>	<b>39,264.7</b>	<b>39,114.4</b>	<b>38,867.0</b>	<b>-1.0</b>

## RISK MANAGEMENT DIVISION RESERVE – SURETY BOND

### BUDGET SUMMARY (dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		<u>Percent Incr (Decr)</u>
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
Other Program Revenues	24.4	0.0	0.0	0.0	
General Revenues	1.5	0.0	0.0	0.0	
Fund Balance	81.3	137.3	136.0	136.0	-0.9
<b>SOURCES TOTAL</b>	<b>107.2</b>	<b>137.3</b>	<b>136.0</b>	<b>136.0</b>	<b>-0.9</b>
<b>USES</b>					
Contractual Services	38.9	56.7	56.7	56.7	0.0
Other	40.0	50.0	50.0	50.0	0.0
Other Financing Uses	28.3	30.6	29.3	29.3	-4.2
<b>TOTAL USES</b>	<b>107.2</b>	<b>137.3</b>	<b>136.0</b>	<b>136.0</b>	<b>-0.9</b>

## RISK MANAGEMENT DIVISION RESERVE – PUBLIC PROPERTY

### BUDGET SUMMARY (dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		<u>Percent Incr (Decr)</u>
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
Other Program Revenues	35.5	0.0	0.0	0.0	
Enterprise Program Rev	6,418.7	6,925.5	6,916.8	6,916.8	-0.1
General Revenues	292.7	0.0	0.0	0.0	
Extraord/Special	4.2	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>6,751.2</b>	<b>6,925.5</b>	<b>6,916.8</b>	<b>6,916.8</b>	<b>-0.1</b>
<b>USES</b>					
Personal Services/Empl Benefit					
Contractual Services	3,098.9	3,768.8	3,768.8	3,768.8	0.0
Other	2,149.3	3,000.0	3,000.0	3,000.0	0.0
Other Financing Uses	146.1	156.7	148.0	148.0	-5.6
<b>TOTAL USES</b>	<b>5,394.3</b>	<b>6,925.5</b>	<b>6,916.8</b>	<b>6,916.8</b>	<b>-0.1</b>

## **RISK MANAGEMENT DIVISION RESERVE – LPB UNEMPLOYMENT COMPENSATION**

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b>	<b>FY05</b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent</b>
	<b><u>2003-2004</u></b>	<b><u>2004-2005</u></b>	<b><u>Agency</u></b>	<b><u>LFC</u></b>	<b><u>Incr</u></b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Request</u></b>	<b><u>Recommendation</u></b>	<b><u>(Decr)</u></b>
<b>SOURCES</b>					
Other Program Revenues	5.8	0.0	0.0	0.0	
Enterprise Program Rev	39.3	1,282.4	1,280.7	1,280.7	-0.1
General Revenues	66.1	0.0	0.0	0.0	
Fund Balance	751.9	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>863.2</b>	<b>1,282.4</b>	<b>1,280.7</b>	<b>1,280.7</b>	<b>-0.1</b>
<b>USES</b>					
Contractual Services	0.0	36.0	36.0	36.0	0.0
Other	820.0	1,200.0	1,200.0	1,200.0	0.0
Other Financing Uses	43.2	46.4	44.7	44.7	-3.7
<b>TOTAL USES</b>	<b>863.2</b>	<b>1,282.4</b>	<b>1,280.7</b>	<b>1,280.7</b>	<b>-0.1</b>

## **RISK MANAGEMENT DIVISION RESERVE – WORKERS COMP**

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b>	<b>FY05</b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent</b>
	<b><u>2003-2004</u></b>	<b><u>2004-2005</u></b>	<b><u>Agency</u></b>	<b><u>LFC</u></b>	<b><u>Incr</u></b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Request</u></b>	<b><u>Recommendation</u></b>	<b><u>(Decr)</u></b>
<b>SOURCES</b>					
Other Program Revenues	283.2	0.0	0.0	0.0	
Enterprise Program Rev	4,828.9	9,612.4	14,731.6	14,731.6	53.3
General Revenues	391.5	0.0	0.0	0.0	
Extraord/Special	3.5	0.0	0.0	0.0	
Fund Balance	8,441.2	4,043.3	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>13,948.4</b>	<b>13,655.7</b>	<b>14,731.6</b>	<b>14,731.6</b>	<b>7.9</b>
<b>USES</b>					
Personal Services/Empl Benefit					
Contractual Services	2,389.6	2,462.9	2,463.2	2,463.2	0.0
Other	10,004.2	9,500.0	10,500.0	10,500.0	10.5
Other Financing Uses	1,554.6	1,692.8	1,768.4	1,768.4	4.5
<b>TOTAL USES</b>	<b>13,948.4</b>	<b>13,655.7</b>	<b>14,731.6</b>	<b>14,731.6</b>	<b>7.9</b>

## **RISK MANAGEMENT DIVISION RESERVE – STATE UNEMP COMP**

### **BUDGET SUMMARY** (dollars in thousands)

	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
Other Program Revenues	25.9	0.0	0.0	0.0	
Enterprise Program Rev	4,106.2	4,847.4	4,845.7	4,845.7	0.0
Fund Balance	336.1	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>4,468.2</b>	<b>4,847.4</b>	<b>4,845.7</b>	<b>4,845.7</b>	<b>0.0</b>
<b>USES</b>					
Personal Services/Empl Benefit					
Contractual Services	100.0	101.0	101.0	101.0	0.0
Other	4,325.0	4,700.0	4,700.0	4,700.0	0.0
Other Financing Uses	43.2	46.4	44.7	44.7	-3.7
<b>TOTAL USES</b>	<b>4,468.2</b>	<b>4,847.4</b>	<b>4,845.7</b>	<b>4,845.7</b>	<b>0.0</b>

### **INFORMATION TECHNOLOGY**

The purpose of the information technology program is to provide quality information processing services that are both timely and cost-effective so agencies can perform their missions efficiently and responsively.

### **BUDGET SUMMARY** (dollars in thousands)

	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
Enterprise Program Rev	25,255.9	21,609.7	21,150.5	20,805.3	-3.7
General Revenues	0.2	0.0	0.0	0.0	
Extraord/Special	972.8	1,016.4	1,475.6	1,475.6	45.2
<b>SOURCES TOTAL</b>	<b>26,228.9</b>	<b>22,626.1</b>	<b>22,626.1</b>	<b>22,280.9</b>	<b>-1.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	8,642.4	9,484.2	9,397.2	9,293.2	-2.0
Contractual Services	8,481.5	5,466.0	7,045.9	7,045.9	28.9
Other	5,422.3	6,953.0	5,390.6	5,190.6	-25.3
Other Financing Uses	688.7	722.9	792.4	751.2	3.9
<b>TOTAL USES</b>	<b>23,234.8</b>	<b>22,626.1</b>	<b>22,626.1</b>	<b>22,280.9</b>	<b>-1.5</b>
<b>FTE</b>					
Permanent	145.0	145.0	145.0	145.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>145.0</b>	<b>145.0</b>	<b>145.0</b>	<b>145.0</b>	<b>0.0</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
* Outcome	Percent of information processing rates 5 percent lower than the average of the three lowest competitors				70%	70%
Quality	Rate of customer satisfaction with information processing services		93.98%	75%		80%
* Efficiency	Percent of individual information processing services that break even, including sixty days of operating reserve		100%	70%	70%	75%
* Efficiency	Percent of individual printing services that break even, including an allowance for sixty days cash operating reserve		100%	70%	70%	75%



Outcome	Compliance with federal cost reimbursement rules	100%	100%
Quality	Customer satisfaction with client services	97.77%	75%
Quality	Customer satisfaction with data network services	93.36%	85%
Quality	Customer satisfaction with printing and graphics services		85%
Quality	Customer satisfaction with human resources system services		85%
Quality	Customer satisfaction with telephone communication services	82.3%	85%
Quality	Customer satisfaction with radio communications services	82.3%	85%
Outcome	Completion of a plan, developed by the general services department and the chief information officer, to identify and implement a cost-effective, appropriate role for the information services division	1	1

### **COMMUNICATIONS**

The purpose of the communications program is to provide quality communications services that are both timely and cost effective so agencies can perform their mission effectively and responsively.

#### **BUDGET SUMMARY (dollars in thousands)**

		<b><u>FY06 - 2005-2006</u></b>			
	<b><u>FY04 2003-2004 Actuals</u></b>	<b><u>FY05 2004-2005 Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	<b><u>Percent Incr (Decr)</u></b>
<b>SOURCES</b>					
Other Program Revenues	0.3	0.0	0.0	0.0	
Enterprise Program Rev	21,284.0	18,627.6	18,642.6	17,672.7	-5.1
General Revenues	600.6	0.0	0.0	0.0	
Extraord/Special	15.0	15.0	0.0	0.0	-100.0
Fund Balance	3,986.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>25,886.0</b>	<b>18,642.6</b>	<b>18,642.6</b>	<b>17,672.7</b>	<b>-5.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,557.5	4,493.2	4,642.5	4,229.8	-5.9
Contractual Services	454.1	339.4	338.6	338.6	-0.2
Other	21,100.5	12,902.6	12,465.1	12,096.9	-6.2
Other Financing Uses	773.9	907.4	1,196.4	1,007.4	11.0
<b>TOTAL USES</b>	<b>25,886.0</b>	<b>18,642.6</b>	<b>18,642.6</b>	<b>17,672.7</b>	<b>-5.2</b>
<b>FTE</b>					
Permanent	62.0	70.0	70.0	70.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>62.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>0.0</b>

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Efficiency	Percent of individual communication services that break even, including sixty days of operational reserve		91%	70%	70%	75%

## **BUSINESS OFFICE SPACE MANAGEMENT AND MAINTENANCE SERVICES**

The purpose of the business office space management and maintenance services program is to provide employees and the public with effective property management and maintenance so agencies can perform their missions efficiently and responsively.

### **BUDGET SUMMARY** (dollars in thousands)

	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 - 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	9,034.6	9,701.8	10,648.3	9,688.3	-0.1
Other Transfers	957.8	0.0	0.0	0.0	
General Revenues	120.3	0.0	0.0	0.0	
Extraord/Special	0.0	60.9	61.0	150.0	146.3
Fund Balance	0.0	225.0	150.0	222.3	-1.2
<b>SOURCES TOTAL</b>	<b>10,112.7</b>	<b>9,987.7</b>	<b>10,859.3</b>	<b>10,060.6</b>	<b>0.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	4,216.8	5,619.1	5,786.7	5,188.0	-7.7
Contractual Services	8.0	0.3	5.3	5.3	1666.7
Other	4,761.4	4,065.4	4,751.5	4,551.5	12.0
Other Financing Uses	477.6	302.9	315.8	315.8	4.3
<b>TOTAL USES</b>	<b>9,463.8</b>	<b>9,987.7</b>	<b>10,859.3</b>	<b>10,060.6</b>	<b>0.7</b>
<b>FTE</b>					
Permanent	140.0	152.0	152.0	152.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>140.0</b>	<b>152.0</b>	<b>152.0</b>	<b>152.0</b>	<b>0.0</b>

### **PERFORMANCE MEASURES**

		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
Quality	Percent of customers satisfied with custodial and maintenance services, as measured by an annual survey	90.25%	95%	90%	90%	90%
* Efficiency	Percent increase in average cost per square foot of both leased and owned office space in Santa Fe			0%	Inflation	0%
* Efficiency	Operating costs per square foot in Santa Fe for state-owned buildings		\$5.62	\$5.14		\$5.62
Efficiency	Percent of property control capital projects on schedule within approved budget		92%	90%		90%
* Explanatory	Percent of state controlled space that is occupied				70%	90%
Outcome	Average number of days to process a lease request	287.3	309.6	200		
Output	Number of scheduled preventive maintenance tasks	5,610	9,319	5,400		
Efficiency	Percent of contractor pay requests approved within seven working days	73%	54.75%	95%		
Quality	Percent of customers satisfied with property control services			80%		

## TRANSPORTATION SERVICES

The purpose of the transportation services program is to provide centralized and effective administration of the state's motor pool and aircraft transportation services so agencies can perform their missions efficiently and responsively.

### BUDGET SUMMARY (dollars in thousands)

		FY06 - 2005-2006			
		FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	Percent Incr (Decr)
				LFC Recommendation	
<b>SOURCES</b>					
	General Fund Transfers	452.9	0.0	679.1	479.1
	Other Program Revenues	-1.4	0.0	0.0	0.0
	Enterprise Program Rev	9,453.0	6,126.2	5,447.1	5,447.1
	General Revenues	252.8	0.0	0.0	0.0
	Fund Balance	193.5	0.0	0.0	0.0
	<b>SOURCES TOTAL</b>	<b>10,350.9</b>	<b>6,126.2</b>	<b>6,126.2</b>	<b>5,926.2</b>
					<b>-3.3</b>
<b>USES</b>					
	Personal Services/Empl Benefit	1,294.3	1,628.8	1,548.9	1,548.9
	Contractual Services	15.7	55.7	23.8	23.8
	Other	6,325.7	4,108.7	4,225.4	4,025.4
	Other Financing Uses	305.9	333.0	328.1	328.1
	<b>TOTAL USES</b>	<b>7,941.6</b>	<b>6,126.2</b>	<b>6,126.2</b>	<b>5,926.2</b>
					<b>-3.3</b>
<b>FTE</b>					
	Permanent	34.0	34.0	34.0	34.0
	<b>TOTAL FTE POSITIONS</b>	<b>34.0</b>	<b>34.0</b>	<b>34.0</b>	<b>34.0</b>
					<b>0.0</b>

### PERFORMANCE MEASURES

		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Percent of long-term auto lease rates five percent lower than the average of the three lowest competitors				70%	70%
Outcome	Percent of short-term auto lease rates five percent lower than the average of the three lowest competitors				70%	70%
* Efficiency	Percent of short-term vehicle utilization		75%	80%		80%
* Efficiency	Percent of total available aircraft fleet hours utilized					90%
Quality	Percent of customers satisfied with lease services		96.5%	90%		
Efficiency	Percent of vehicle lease revenue to expenditures		161%	100%		
Efficiency	Percent of aircraft revenues to expenditures		95%	100%		
Efficiency	Comparison of lease rates to other public vehicle fleet rates		0.76%	< /=3%		
Efficiency	Percent of individual vehicle lease services that break even, including sixty days of operating reserve		100%	70%		
Efficiency	Percent of individual aircraft services that break even, including sixty days of operating reserve		81%	70%		

## PROCUREMENT SERVICES

The purpose of the procurement services program is to provide a procurement process for tangible property for government entities to ensure compliance with the Procurement Code so agencies can perform their missions efficiently and responsively.

### BUDGET SUMMARY (dollars in thousands)

	FY06 - 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,262.1	1,310.0	1,308.2	1,073.8	-18.0
Other Transfers	1.7	0.0	0.0	0.0	
Fed Program Revenues	108.7	250.4	250.4	250.4	0.0
Other Program Revenues	189.9	277.0	277.0	263.0	-5.1
General Revenues	176.8	144.6	144.6	144.6	0.0
Extraord/Special	10.3	0.0	0.0	0.0	
Fund Balance	11.6	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>1,761.1</b>	<b>1,982.0</b>	<b>1,980.2</b>	<b>1,731.8</b>	<b>-12.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,225.4	1,526.3	1,539.9	1,307.2	-14.4
Contractual Services	5.0	50.0	34.3	34.3	-31.4
Other	263.2	243.4	201.7	201.7	-17.1
Other Financing Uses	193.7	162.3	204.3	188.6	16.2
<b>TOTAL USES</b>	<b>1,687.2</b>	<b>1,982.0</b>	<b>1,980.2</b>	<b>1,731.8</b>	<b>-12.6</b>
<b>FTE</b>					
Permanent	25.0	25.0	25.0	23.0	-8.0
Term	6.0	6.0	6.0	6.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>31.0</b>	<b>31.0</b>	<b>31.0</b>	<b>29.0</b>	<b>-6.5</b>

### PERFORMANCE MEASURES

		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Total audited savings from the save smart New Mexico program, in thousands				\$16,022	\$16,022
* Output	Percent increase in small business clients	18.6%	110%	10%	15%	15%
Quality	Percent of customers satisfied with procurement services			85%		85%
Efficiency	Average cycle-completion times for information technology projects, in days		61.4	80		60
Efficiency	Average cycle-completion times for construction projects, in days	27	57.3	80		55
Efficiency	Average cycle-completion times for tangible products and services, in days	41	56.8	45		
Efficiency	Average cycle-completion times for small purchases, in days	14	20	15		

## PROGRAM SUPPORT

The purpose of the program support division is to manage the program performance process to demonstrate success.

BUDGET SUMMARY (dollars in thousands)					
			FY06 - 2005-2006		Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	
<b>SOURCES</b>					
Other Program Revenues	16.4	0.0	0.0	0.0	
Enterprise Program Rev	2,925.4	2,062.6	0.0	0.0	
General Revenues	0.1	0.0	0.0	0.0	
Extraord/Special	3,611.7	3,705.3	3,705.3	3,354.2	-9.5
<b>SOURCES TOTAL</b>	<b>6,553.6</b>	<b>5,767.9</b>	<b>3,705.3</b>	<b>3,354.2</b>	<b>-41.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,258.5	2,759.5	2,764.9	2,413.8	-12.5
Contractual Services	1,623.0	1,723.0	124.7	124.7	-92.8
Other	655.8	603.4	596.3	596.3	-1.2
Other Financing Uses	589.9	682.0	219.4	219.4	-67.8
<b>TOTAL USES</b>	<b>5,127.2</b>	<b>5,767.9</b>	<b>3,705.3</b>	<b>3,354.2</b>	<b>-41.8</b>
<b>FTE</b>					
Permanent	45.0	47.0	47.0	47.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>45.0</b>	<b>47.0</b>	<b>47.0</b>	<b>47.0</b>	<b>0.0</b>

PERFORMANCE MEASURES						
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Dollar value of accounts receivable at thirty, sixty, and ninety days, in thousands				32,104	32,104
Outcome	Percent of recurring audit findings				</=30%	</=30%
Outcome	Percent of reclassification entries and audit adjustments made by outside auditors		5.9%	</=5%		
Efficiency	Percent of employee files that contain current performance appraisal development plans that were completed by the department's established focal period			99%		

**STATUTORY AUTHORITY:**

The Educational Retirement Board (ERB) is responsible for administration of the Educational Retirement Act, Sections 22-11-1 through 22-11-52 NMSA 1978. The board manages the retirement program for employees of public schools, public institutions of higher learning, and selected state agencies. The agency is governed by a seven-member board composed of the superintendent of public instruction and state treasurer (both ex officio), one member elected by the New Mexico members of the American Association of Educational Retirees, one member elected by the members of the National Education Association New Mexico, one member elected by the New Mexico members of the American Association of University Professors, and two members appointed by the governor.

**MISSION:**

The agency's mission is to provide high quality services and secure retirement benefits to current and future retirees through pension administration functions and management of the fund's assets.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Other Program Revenues	18,724.7	20,049.1	20,610.8	20,433.2	1.9
<b>SOURCES TOTAL</b>	<b>18,724.7</b>	<b>20,049.1</b>	<b>20,610.8</b>	<b>20,433.2</b>	<b>1.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,321.8	2,588.3	3,145.2	2,967.6	14.7
Contractual Services	15,708.4	16,781.7	16,781.7	16,781.7	0.0
Other	694.5	679.1	683.9	683.9	0.7
<b>TOTAL USES</b>	<b>18,724.7</b>	<b>20,049.1</b>	<b>20,610.8</b>	<b>20,433.2</b>	<b>1.9</b>
<b>FTE</b>					
Permanent	48.0	48.0	48.0	50.0	4.2
Term	0.0	0.0	3.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>48.0</b>	<b>48.0</b>	<b>51.0</b>	<b>50.0</b>	<b>4.0</b>

**BUDGET ISSUES:**

ERB's budget request for FY06 is \$20.6 million, a \$561.7 thousand or 2.8 percent increase over the FY05 operating budget. The LFC recommendation of \$20.4 million provides for a 1.9 percent increase over FY05. The recommendation reflects 2 percent vacancy savings.

ERB's investment return for the year ending June 30, 2004, was 15.39 percent. Five-year return is 1.82 percent and 10-year return is 8.83 percent. ERB's returns have consistently lagged when compared with target return, mostly attributable to internal and external portfolio management.

ERB's actuarial position, which represents its long-term ability to pay promised pension benefits with projected assets, has slipped in recent years. ERB's funded ratio, the actuarial value of assets as a percentage of actuarially accrued liabilities, is expected to decline from 81 percent to approximately 76 percent as prior-year investment losses are factored into their June 30, 2004, actuarial study. The fund's unfunded actuarial liability, the dollar difference between actuarial liability and the actuarial value of its assets based on assumptions regarding investment income return and demographic projections, will increase from \$1.7 billion to \$2.3 billion on completion of the actuarial study. The funds amortization period, which the Governmental Accounting Standards Board states should be less than 30 years, will be infinity.

ERB plans to address its actuarial problems by seeking a employer contribution increase from the Legislature in 2005. A draft proposal from ERB would increase the employer contribution rate from 8.65 percent to 14.65 percent of payroll over 10 years, at a cost of \$158 million. Other possible options for improving solvency are pension bonds, increasing the employee contribution

rate, and plan design changes.

LFC continues to monitor the ERB's progress with its new pension system, the integrated retirement information system (IRIS). The project has faced delays during the past year due to the software vendor's failure to meet timelines for deliverables. Although the agency has worked diligently to get the vendor to deliver the configured software on schedule, the committee is concerned about the possibility of further project slippage. The agency has submitted an information technology appropriation request for \$322.5 thousand for contingencies and an independent post-implementation review.

#### **BASE EXPANSION:**

ERB requested \$241.6 thousand to convert two term information technology (IT) staff positions to permanent positions and to add an internal auditor. The LFC recommendation includes \$177.5 for the two IT positions.

#### **RECOMMENDED LANGUAGE:**

The other state funds appropriation to the educational retirement board in the contractual services category includes fourteen million eight hundred eighty thousand dollars (\$14,808,000) to be used only for investment manager fees.

The other state funds appropriation to the educational retirement board in the contractual services category includes five hundred twenty five thousand dollars (\$525,000) for payment of custody services associated with the fiscal agent contract to the state board of finance upon monthly assessments. Any unexpected or unencumbered balance in the state board of finance remaining at the end of the fiscal year 2006 from this appropriation shall revert to the educational retirement board fund.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Covert two term IT staff to permanent staff		177.7	177.5
2	Internal auditor		63.9	0.0
<b>TOTAL</b>			<b>241.6</b>	<b>177.5</b>

#### **EDUCATIONAL RETIREMENT**

The purpose of the educational retirement program is to provide secure retirement benefits to active and retired members so they can have a secure monthly benefit when their career is finished.

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Average number of days to process refund requests	18	18	18	17	17
Outcome	Percent of members satisfied with seminars and trainings	95%	95%	95%	95%	95%
* Outcome	Average rate of return over a cumulative five-year period	1%	1.8%	8%	8%	8%
* Outcome	Funding period of unfunded actuarial accrued liability in years	78	Infinity	<=30	<=30	<=30
Output	Average number of days to respond to request for benefit estimates and purchase of service request	20	20	20	20	20
Output	Percent of retirement applications processed within sixty days	1585	95%	95%	95%	95%
Output	Number of benefit estimates and purchase of service requests computed annually	5,380	5,432	7,000	6,000	6,000
Output	Number of member workshops conducted	37	34	24	25	25
Output	Percent completion of the new pension systems	57%	75%	100%		
Quality	Percent of accurately computed retirements	99.5%	99.5%	99.5%	99.5%	99.5%

**STATUTORY AUTHORITY:**

The New Mexico Sentencing Commission was created under Section 9-3-10 NMSA 1978 in 1994 as the Criminal and Juvenile Justice Coordinating Council. Laws 2003, Chapter 75, changed the agency name to the New Mexico Sentencing Commission. Section 9-3-13 NMSA 1978 created a sex offender management board within the commission.

Pursuant to 9-3-10 NMSA 1978, the commission's duties include advising the state government on policy matters related to criminal and juvenile justice; making recommendations to the Legislature concerning proposed changes to laws relating to the criminal and juvenile justice systems; and annually assessing, monitoring, and reporting to the Legislature the impact of any state or local sentencing standards or guidelines.

**MISSION:**

The New Mexico Sentencing Commission's mission is to provide information, analysis, recommendations and assistance from a coordinated cross-agency perspective to the judicial, executive and legislative branches of government and interested citizens so they have the resources they need to make policy decisions that benefit the criminal and juvenile justice systems.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	356.8	606.8	606.8	606.8	0.0
Other Transfers	50.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>406.8</b>	<b>606.8</b>	<b>606.8</b>	<b>606.8</b>	<b>0.0</b>
<b>USES</b>					
Contractual Services	400.8	600.8	600.8	600.8	0.0
Other	6.0	6.0	6.0	6.0	0.0
<b>TOTAL USES</b>	<b>406.8</b>	<b>606.8</b>	<b>606.8</b>	<b>606.8</b>	<b>0.0</b>

**BUDGET ISSUES:**

In Laws 2004, Chapter 114, New Mexico Sentencing Commission received a special appropriation for \$300 thousand in which \$50 thousand was applied to the remainder of FY04 and \$250 thousand was applied to FY05 as recurring funding. The recurring appropriation of \$250 thousand is to support the new Sex Offender Management Board. The board was charged to study, review, and make recommendations regarding management of the state's sex offenders. One of the statutory mandates is to review the provisions of the Sex Offender Registration and Notification Act.

The commission has taken the position of lead agency for the justice information sharing program. The program is developing information-technology-based integration solutions to realize the benefits of integrating justice systems, processes, and data throughout the various New Mexico state, county, and municipal justice agencies. Previous lead agencies for the program were the Department of Public Safety and the Administrative Office of the Courts. This is a large project for an agency this size.

**NEW MEXICO SENTENCING COMMISSION**

To provide information, analysis, recommendations and assistance from a coordinated cross-agency perspective to the 3 branches of government and interested citizens so they have resources they need to make policy decisions that benefit the criminal and juvenile justice systems.

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
Output	Percent of criminal and juvenile justice bills analyzed for a thirty-day and sixty-day session				100%	100%
Output	Number of research projects completed	7	13	8	8	9
Output	Number of website hits per month	25,000	69,500	30,000	30,000	60,000



**STATUTORY AUTHORITY:**

The Public Defender Department (PDD) was established under 31-15-1 through 31-15-12 NMSA 1978 to provide legal representation or payment to private counsel for defendants financially unable to obtain counsel and charged in any court with a crime that carries a possible sentence of imprisonment or death. The department sets standards of indigence the courts use to determine which defendants are eligible for state-funded defenses.

**MISSION:**

The Public Defender Department provides all clients with high quality legal representation that protects their liberty and constitutional rights. As New Mexico's indigent criminal defense advocate, the Public Defender Department is an equal participant in the development of a responsive and fair criminal justice process.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	28,460.0	29,988.0	32,891.5	31,224.9	4.1
Other Transfers	8.9	0.0	0.0	0.0	
Fed Program Revenues	191.8	0.0	0.0	0.0	
Other Program Revenues	144.7	110.0	150.0	150.0	36.4
Fund Balance	983.4	700.0	0.0	700.0	0.0
<b>SOURCES TOTAL</b>	<b>29,788.8</b>	<b>30,798.0</b>	<b>33,041.5</b>	<b>32,074.9</b>	<b>4.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	15,744.7	17,669.4	17,983.1	17,823.9	0.9
Contractual Services	9,107.5	8,604.1	9,334.9	9,197.0	6.9
Other	4,924.1	4,524.5	5,723.5	5,054.0	11.7
Other Financing Uses	12.5	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>29,788.8</b>	<b>30,798.0</b>	<b>33,041.5</b>	<b>32,074.9</b>	<b>4.1</b>
<b>FTE</b>					
Permanent	317.0	317.0	327.0	317.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>317.0</b>	<b>317.0</b>	<b>327.0</b>	<b>317.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

During the interim, PDD worked closely with the state's district attorneys in quantifying problems in attorney recruitment and retention faced by both the state's prosecutors and public defender. The committee heard a joint presentation by PDD and the district attorneys in which it became evident that entry and mid-level salaries for public defenders and assistant district attorneys are low compared with those of other state-employed attorneys. LFC analysis of data demonstrating considerable workload increases for both public defenders and assistant district attorneys and consistently high attorney turnover and vacancy rates supports the claim that attorney salaries should be increased. The committee recommends a 2 percent compensation increase for entry and mid-level public defenders in addition to the increase appropriated for all state employees.

PDD requested a 5.8 percent increase over the FY05 operating budget. The request includes a base general fund increase of \$2.4 million or 8.1 percent. Of the \$2.4 million increase, \$700 thousand is to replace fund balance with general fund monies and \$1.7 million is to meet obligations for expert witness costs and building lease and contractual service needs. The agency is projecting an available cash balance of \$1.1 million at the end of FY06 and is anticipating spending the entire \$1.1 million to cover projected FY05 shortages in a number of expenditure categories including attorney contracts, in-state travel, maintenance and repairs, expert witness services, rent of buildings, and telecommunications. The committee recommends budgeting \$700 thousand fund balance again in FY06 and urges the agency to prioritize its needs and be prudent in budgeting and expending available fund balance in FY05.

The committee's recommendation of a 4.1 percent general fund increase takes under special consideration the agency's obligation to provide expert witness services and defense counsel to the public through the use of contract attorneys. To meet the agency's obligation to provide defense counsel in McKinley County and in other areas of the state not served by a district office, the committee recommends that funding for contractual services return to the FY04 expenditure level plus a moderate increase to account for increases in caseload.

#### **BASE EXPANSION:**

The committee does not consider the 1 FTE expansion for a social worker in alternative sentencing in Doña Ana County a priority at this time. The committee recommends the agency continue to concentrate its efforts in filling vacancies before adding FTE.

Last year LFC recommended a base expansion for the agency to open a district office in McKinley County but the Legislature did not adopt the recommendation. Although the governor's performance review team recommended the agency open an office in McKinley County and the agency has again requested \$464.6 thousand for this expansion, the agency assigned it a lower priority. Given the agency's commitment to addressing statewide attorney recruitment and retention issues in cooperation with the district attorneys, the committee recommends that funds be dedicated to this statewide effort rather than a single district office in McKinley County. Thus, the committee does not consider the McKinley County office expansion a priority at this time.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Social worker--convert term to perm (1 FTE)		0.0	0.0
2	McKinley county office (9 FTE)		464.6	0.0
<b>TOTAL</b>			<b>464.6</b>	<b>0.0</b>

#### **CRIMINAL LEGAL SERVICES**

The purpose of the criminal legal services program is to provide effective legal representation and advocacy for eligible clients so that their liberty and constitutional rights are protected and to serve the community as a partner in assuring a fair and efficient criminal justice system that also sustains New Mexico's statutory and constitutional mandate to adequately fund a statewide indigent defense system.

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Explanatory	Number of final appellate court holdings that found department attorneys provided ineffective assistance of counsel in felony cases	0	0			0
Output	Average number of contacts with felony clients, on a monthly basis, by designated team members	1872	1415			4600
* Output	Number of alternative sentencing treatment placements for felony and juvenile clients	1533	1478	2250	2250	2350
* Output	Number of expert witness services approved by the department	3392	2946	3400	3400	3400
Output	Percent of professional staff that received their required yearly continuing education credits from the department	95%				
* Explanatory	Annual attorney full-time equivalent turnover rate				15%	12%
* Efficiency	Percent of cases in which application fees were collected	20%	22%	36%	40%	40%
* Quality	Percent of felony cases resulting in a reduction of original formally filed charges			60%	60%	60%
Explanatory	Annual vacancy rate				5%	7%

**STATUTORY AUTHORITY:**

The office of Governor is created under Article V, Section 1, of the New Mexico Constitution.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	3,910.4	4,218.4	4,410.5	4,410.0	4.5
Other Transfers	120.2	0.0	300.0	0.0	
Fed Program Revenues	25.7	0.0	0.0	0.0	
Other Program Revenues	5,379.6	0.0	36,628.8	36,628.8	
<b>SOURCES TOTAL</b>	<b>9,435.9</b>	<b>4,218.4</b>	<b>41,339.3</b>	<b>41,038.8</b>	<b>872.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,284.7	3,544.3	4,197.8	3,980.4	12.3
Contractual Services	314.7	110.1	140.1	140.1	27.2
Other	5,686.9	564.0	32,001.4	31,918.3	5559.3
Other Financing Uses	55.6	0.0	5,000.0	5,000.0	
<b>TOTAL USES</b>	<b>9,341.9</b>	<b>4,218.4</b>	<b>41,339.3</b>	<b>41,038.8</b>	<b>872.9</b>
<b>FTE</b>					
Permanent	42.3	45.3	48.3	45.3	0.0
Term	3.0	0.0	4.0	4.0	
<b>TOTAL FTE POSITIONS</b>	<b>45.3</b>	<b>45.3</b>	<b>52.3</b>	<b>49.3</b>	<b>8.8</b>

**BUDGET ISSUES:**

Homeland Security. The proposed budget would move the state homeland security grant from the Department of Public Safety (DPS) to the Governor. In particular, appropriations from two grants in 2003 and one in 2004 totaling \$36.6 million would be moved. Under federal guidelines for this program, 80 percent of grant funds are to flow through to local governments. DPS would continue to be responsible for day-to-day administration of the grants; however, the Governor would play an expanded role in setting general policy. Four additional term positions are added that will be funded by the state homeland security grant. Aside from staff costs, the proposed allocation of the federal funds includes \$31.4 million for other costs (for grants to local governments and to purchase computer equipment, security equipment, emergency response vehicles and other items for local governments) and \$5 million for operating transfers out to other state agencies for homeland security-related equipment and activities.

Office of Victims Advocacy. The full budget request (\$275 thousand) for the Office of Victims Advocacy is included in the LFC recommendation.

**BASE EXPANSION:**

The budget request includes one expansion item to create a Sports Authority within the Office of the Governor that would be tasked with recruiting and retaining all forms of professional and amateur sporting events. As requested by the administration, the authority would be funded by transfers of \$75 thousand from each of the following four departments: Economic Development, Tourism, Taxation and Revenue, and Regulation and Licensing. Although requested in the base budget, LFC treats this as an expansion item, because the Legislature has not appropriated funds for this purpose in the past.

Although the authority is a promising initiative, the LFC recommendation does not include funding for this purpose at this time. The LFC guidelines established education, health care, public safety and infrastructure as committee priorities. Proposals for economic development do not fall into these categories. Also, appropriation of funds for this purpose prior to statutory creation of the authority would put the cart before the horse. Funding for the authority should proceed alongside authorizing legislation.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
*	<u>New Mexico Sports Authority</u>	<u>(Exec Mgmt)</u>	<u>300.0</u>	<u>0.0</u>
<b>TOTAL</b>			<b>300.0</b>	<b>0.0</b>

**EXECUTIVE MANAGEMENT AND LEADERSHIP**

The purpose of the executive management and leadership program is to provide appropriate management and leadership to the citizens of the state and, more specifically, to the executive branch of government to allow for a more efficient and effective operation of the agencies within that branch of government.

**PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Output	Number of days to appoint individuals and reappoint individuals to board and commission positions	14	12	25	25	25
Output	Number of days to answer or refer to the proper entity constituent requests for information	5	4	10	8	8
Output	Number of days to respond to requests for pardons	8	7	14	14	14
Output	Number of days to process extraditions		8	13	13	13
Output	Number of performance review quarterly reports	*	*	*	4	4

**STATUTORY AUTHORITY:**

Article V, Section 1, of the New Mexico Constitution created the office of Lieutenant Governor and established it as president of the Senate. Section 8-3-1 NMSA 1978 establishes the lieutenant governor as state ombudsman.

**MISSION:**

The mission of the Office of the Lieutenant Governor is to fulfill its constitutional duties as president of the New Mexico Senate; ombudsman; acting governor in cases when the governor is out of the state; member of the Border Authority, Community Development Council, Workforce Development Board, Rural Development Council, Financial Independence Task Force, Small Business Advocacy Council, and Governor's Finance Committee; and chair of the Board of Finance, Military Base Planning Commission, and Children's Cabinet. The lieutenant governor also seeks to improve the lives of New Mexico's children and to nurture small-business growth throughout New Mexico, particularly in the state's communities of need.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	630.8	631.1	618.9	618.9	-1.9
<b>SOURCES TOTAL</b>	<b>630.8</b>	<b>631.1</b>	<b>618.9</b>	<b>618.9</b>	<b>-1.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	502.6	560.8	555.9	555.9	-0.9
Contractual Services	6.1	5.0	6.6	6.6	32.0
Other	69.7	65.3	56.4	56.4	-13.6
Other Financing Uses	11.3	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>589.7</b>	<b>631.1</b>	<b>618.9</b>	<b>618.9</b>	<b>-1.9</b>
<b>FTE</b>					
Permanent	6.0	7.0	7.0	7.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>6.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>0.0</b>

**STATE OMBUDSMAN**

The purpose of the state ombudsman program is to facilitate and promote cooperation and understanding between the citizens of New Mexico and the agencies of state government, refer any complaints or special problems citizens may have to the proper entities and keep records of activities and make an annual report to the governor.

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
Output	Number of children's cabinet meetings	NA	6	6	6	6
Output	Number of constituent tracking reports produced per month on constituent services activities	1	1	1	1	1
Output	Number of youth advisory council meetings	NA	NA	4	4	4

**STATUTORY AUTHORITY:**

The Office of the Chief Information Officer (CIO) and the 13-member Information Technology Commission (ITC) are authorized pursuant to Section 15-1c1 through 15-1c-12 NMSA 1978.

**MISSION:**

CIO provides oversight of information technology (IT) projects by reviewing agency IT plans and approving agency IT procurements. CIO also reviews agency IT appropriation requests and makes recommendations to ITC regarding allocation of resources and IT oversight. The purpose of ITC is to assess, inventory, and coordinate information system services and resources to ensure cost-effectiveness and efficiency. ITC also is charged with developing and maintaining a state strategic plan for information and communication management. Lastly, ITC is to promote data and expertise sharing among government entities.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	860.9	963.5	1,010.5	969.4	0.6
<b>SOURCES TOTAL</b>	<b>860.9</b>	<b>963.5</b>	<b>1,010.5</b>	<b>969.4</b>	<b>0.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	717.6	853.2	914.3	873.2	2.3
Contractual Services	46.0	26.1	10.7	10.7	-59.0
Other	100.9	84.2	85.5	85.5	1.5
<b>TOTAL USES</b>	<b>864.5</b>	<b>963.5</b>	<b>1,010.5</b>	<b>969.4</b>	<b>0.6</b>
<b>FTE</b>					
Permanent	9.0	10.0	10.0	10.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>9.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

CIO's budget request of \$1.01 million is \$47 thousand higher than the FY05 operating budget of \$963.5 thousand, a 4.9 percent increase. CIO is supported 100 percent by general fund dollars. CIO's budget request reduces contractual services and other costs below FY04 actuals and fully funds personal services and benefits for 10 positions. The historical vacancy rate for CIO is approximately 8 percent and the funding recommendation assumes a 4.6 percent vacancy rate.

CIO requested a separate IT appropriation of \$500 thousand for implementing an enterprise project management system. The purpose of the project is to provide additional capabilities to enhance project management across the agencies without adding additional staff.

The committee believes CIO needs to focus more on oversight of key projects now that information security will be handled at the Office of Homeland Security. Quality of quarterly reporting on IT project status has improved and additional improvement is expected with the addition of another IT consultant in FY05. Also, CIO pledged to develop better measures on IT operational effectiveness and an ITC subcommittee was charged with the task but the LFC is still waiting for results.

The committee is concerned about the effectiveness of the ITC. Legislative support for the enterprise project management project should be contingent on CIO dedicating sufficient resources to provide technical research and support to the ITC. CIO has statutory responsibility to review General Services Department IT and communication rates, but the committee does not believe CIO has the institutional capability to handle this task. Contract support for an audit of GSD's rate-setting and cost-allocation process may be needed either at CIO or the Department of Finance and Administration.

CIO overspent its FY04 appropriation of \$860.9 thousand by \$3.6 thousand, which will result in an audit finding. This occurred

because the agency reduced their personal services and employee benefits budget through the budget adjustment process to an insufficient level. CIO has hired a new financial specialist and the committee staff does not expect a re-occurrence of this problem.

### **INFORMATION TECHNOLOGY MANAGEMENT**

The purpose of the information technology management program is to provide information technology strategic planning, oversight and consulting services to New Mexico government agencies so they can provide improved services to New Mexico citizens.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Percent of information technology projects reviewed by staff	65%	100%			
Outcome	Percent of agencies in compliance with State information technology strategic plan	45%	100%			
Output	Percent of agency annual information technology plans with formal feedback		100%	100%	100%	100%
* Outcome	Amount of savings in information technology (in millions)			\$5.0	\$5.0	\$5.0
Output	Percent of single and multi-agency information technology projects that get formal architectural review			50%	50%	50%
* Output	Number of key information technology project reviews completed				36	36

**STATUTORY AUTHORITY:**

The Public Employees Retirement Association (PERA) is responsible for administration of the Public Employees Retirement Act (Sections 10-11-1 through 10-11-141 NMSA 1978). In addition, the PERA Board is responsible for administration of the following: Volunteer Firefighters Retirement Act (Sections 10-11A-1 through 10-11A-7 NMSA 1978), Judicial Retirement Act (Sections 10-12B-1 through 10-12B-19 NMSA 1978), Magistrate Retirement Act (Sections 10-12C-1 through 10-12C-18 NMSA 1978), and Retirement Reciprocity Act (Sections 10-13A-1 through 10-13A-4 NMSA 1978). PERA is governed by a 12-member board composed of the Secretary of State, the State Treasurer (both ex officio), four members under a state coverage plan elected from state membership, four members under a municipal coverage plan elected from local government membership, and two retiree members elected by the retired members of the association.

**MISSION:**

The mission of the agency is preserve, protect, and administer the retirement funds to meet current and future obligations to retirees.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<u>FY06 – 2005-2006</u>		Percent Incr (Decr)
	<b>FY04</b> 2003-2004 Actuals	<b>FY05</b> 2004-2005 Budgeted	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
Other Program Revenues	27,745.8	24,820.2	25,325.4	25,257.4	1.8
<b>SOURCES TOTAL</b>	<b>27,745.8</b>	<b>24,820.2</b>	<b>25,325.4</b>	<b>25,257.4</b>	<b>1.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	4,155.2	4,367.8	4,685.2	4,685.2	7.3
Contractual Services	20,986.6	18,265.5	18,672.4	18,634.4	2.0
Other	2,604.0	2,186.9	1,967.8	1,937.8	-11.4
<b>TOTAL USES</b>	<b>27,745.8</b>	<b>24,820.2</b>	<b>25,325.4</b>	<b>25,257.4</b>	<b>1.8</b>
<b>FTE</b>					
Permanent	83.0	84.0	86.0	86.0	2.4
Term	2.0	2.0	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>85.0</b>	<b>86.0</b>	<b>86.0</b>	<b>86.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The agency budget request of \$25.3 million represents a 2 percent increase (\$505.2 thousand) over the FY05 operating budget of \$24.8 million. The overall committee recommendation for FY06 funding is roughly the same as the request. The overall decline in contractual services and other costs from FY04 to FY05 is due to the inclusion in the FY04 budget of \$5 million of one-time money for the pension project.

PERA's actuarial position remains strong. On June 30, 2003, PERA had an unfunded actuarial liability of \$244 million and an amortization period of 17 years across all its plans, which meets the Governmental Accounting Standards Board (GASB) 30-year standard for fund solvency. Also, on June 30, 2003, PERA had an overall funding ratio of 97 percent, which means that plan assets are 97 percent of projected liabilities. This ratio is much higher than the standard target funding ratio of 80 percent.

PERA's investment performance for the year ending June 30, 2004, was 15.6 percent, which exceeded its investment target by 1.4 percentage points. Ten-year return averages 11.2 percent, which exceeds the investment target by 1.3 percentage points.

Pessimistic forecasts for future investment returns lead PERA to believe it may have difficulty earning the 8 percent investment return required to meet its actuarial requirements. PERA is planning to seek legislation to increase its investment flexibility by eliminating the current legal list of allowable investments and allowing investments to be made pursuant to the Prudent Investor Act. This would allow PERA the flexibility to invest in new vehicles, such as real estate and hedge funds.



PERA's board is concerned that a number of public-safety related staff, such as district attorneys, public defenders, and juvenile correction officers, are interested in creating 20-year retirement plans. Given the uncertain fiscal impact of the retiree return-to-work provisions enacted in 2003, PERA may request the Legislature in 2005 enact a multi-year moratorium on pension plan benefit changes. While most PERA pension plans are in good shape, the judges' retirement fund is not. An annual contribution increase of \$1.35 million will be required to address the \$21.4 million unfunded liability and meet the 30-year funding period.

PERA is focusing much of its effort on the retirement information online computer software project. The 36-month project started in September 2002 and has two major stages (membership and benefits). Portions of stage one, including requirement analysis, design and build of software and business function testing have been completed but user-acceptance testing and employer training have been delayed. This has delayed the completion of stage one until at least December 2004. Stage two started in January 2004, and the requirements analysis for the benefits stage has been completed. Total completion of stage two is expected to be April 2005, although it may slip to June 2005 due to problems encountered in stage one.

Total funding for stage one and stage two is \$14.7 million. However, PERA did not seek language to allow for multi-year expenditure of \$6.7 million of the funding beyond FY04, and the unspent balance was reverted back to the retirement fund at the start of FY05. PERA will seek re-appropriation of the remaining balance during the 2005 legislative session and will request an additional IT appropriation of \$331 thousand to complete the project. This would increase total project cost to \$15 million.

**BASE EXPANSION:**

PERA requested \$105.1 thousand in personal services and employee benefits to convert two current term employees to permanent employees to help maintain the retirement information online system. The agency request for \$450 thousand for contract software maintenance support was reclassified from an increase to the PERA base budget to an expansion request. The LFC recommendation is to fund both of these items.

**RECOMMENDED LANGUAGE:**

The other state funds appropriation to the public employees' retirement association in the contractual services category includes sixteen million three hundred seven thousand dollars (\$16,307,000) to be used only for investment manager fees.

The other state funds appropriation to the public employees' retirement association in the contractual services category includes one million two hundred fifty thousand dollars (\$1,250,000) for payment of custody services associated with the fiscal agent contract to the state board of finance upon monthly assessments.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	Covert term IT staff positions to permanent		105.1	105.1
2	Pension system contract software support		450.0	450.0
<b>TOTAL</b>			<b>555.1</b>	<b>555.1</b>

## **PENSION ADMINISTRATION**

The purpose of the pension administration program is to provide information, retirement benefits and an actuarially sound fund to association members so they can receive the defined benefit to which they are entitled (based on age and service) when they retire from public service.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
Quality	Percent of accurately computed retirements	98%	98%	98%	98.5%	98.5%
Efficiency	Average number of days to respond to requests for benefit estimates, military buy backs and service credit verifications	56	57	45-60	15-30	15-30
Explanatory	Number of years needed to finance the unfunded actuarial accrued liability for the public employees retirement fund with current contribution rates	17	N/A	30 or less	30 or less	30 or less
* Outcome	Five-year average annualized investment returns to exceed internal benchmark, in basis points	207 b.p.	220 b.p.	>50 b.p.	>50 b.p.	>50 b.p.
* Outcome	Five-year annualized performance ranking in a national survey of fifty to sixty similar large public pension plans in the United States, as a percentile	93rd	87th	>49th	>49th	>49th

# STATE COMMISSION OF PUBLIC RECORDS

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## STATUTORY AUTHORITY:

The State Commission of Public Records was established by the Public Records Act, Sections 14-3-1 through 14-3-25 NMSA 1978. The commission governs the operations of the State Records Center and Archives, which administers the State Rules Act, Sections 14-4-1 through 14-4-9 NMSA 1978. The act guides the development of style and format requirements for rules filed by executive agencies.

## MISSION:

The mission of the Commission of Public Records is to preserve, protect, and facilitate access to public records held in trust for the citizens of New Mexico, ensure rules promulgated by state agencies are published as prescribed by law and made accessible, advocate the understanding and appreciation of New Mexico history, and develop records management programs for state agencies.

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 – 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	2,002.7	2,164.9	2,336.0	2,208.0	2.0
Fed Program Revenues	49.9	49.9	35.8	35.8	-28.3
Other Program Revenues	139.4	142.7	120.2	120.2	-15.8
Extraord/Special	85.0	0.0	0.0	0.0	
Fund Balance	2.4	25.2	29.1	27.8	10.3
<b>SOURCES TOTAL</b>	<b>2,279.4</b>	<b>2,382.7</b>	<b>2,521.1</b>	<b>2,391.8</b>	<b>0.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,711.0	1,926.9	2,000.2	1,946.4	1.0
Contractual Services	39.7	58.4	56.4	36.4	-37.7
Other	498.7	397.4	464.5	409.0	2.9
<b>TOTAL USES</b>	<b>2,249.4</b>	<b>2,382.7</b>	<b>2,521.1</b>	<b>2,391.8</b>	<b>0.4</b>
<b>FTE</b>					
Permanent	34.5	36.5	37.0	36.5	0.0
Term	1.5	1.7	2.0	1.7	0.0
<b>TOTAL FTE POSITIONS</b>	<b>36.0</b>	<b>38.2</b>	<b>39.0</b>	<b>38.2</b>	<b>0.0</b>

## BUDGET ISSUES:

New Mexico history is one of four activities in the commission's single records, information, and archival management program. The recommendation includes the replacement of the program's performance output measure with a new output measure: "number of consultations, research reports and educational activities provided by the state historian." The change decreases the commission's dependence on the activity of other state agencies for its own performance output. The recommended change also serves as an accountability measure for the assistant state historian position funded last year. Furthermore, the public stands to benefit directly from educational activities related to expanding knowledge of our state's history.

BASE EXPANSION LISTING FY06 - 2005-2006				
Agency Rank		(Division)	Agency Request	LFC Recom- Mendation
1	Administrative services manager (.3 FTE)	(NM History)	14.6	0.0
2	Information and records clerk (.5 FTE)	(Records)	13.2	0.0
3	New Mexico History Website	(NM History)	20.0	0.0
<b>TOTAL</b>			<b>47.8</b>	<b>0.0</b>

## **RECORDS, INFORMATION, AND ARCHIVAL MANAGEMENT**

The purpose of the records, information and archival management program is to develop, implement and provide tools, methodologies and services for the benefit of government agencies, historical repositories and the public and to effectively create, preserve, protect and properly dispose of records and facilitate their use and understanding and protect the interests of the citizens of New Mexico.

PERFORMANCE MEASURES			FY03	FY04	FY05	FY06	FY06
			<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
* Outcome	Maximum number of days of lag time between rule effective date and online availability		34.5	32	36	36	36
* Outcome	Percent of state agencies with current records retention and disposition schedules		42%	52%	66%	66%	66%
Outcome	Percent of requests for access to public records in its custody that the commission is able to satisfy		99.9%	99.9%	98%	98%	98%
Outcome	Percent of all projects for the New Mexico historical records grant program that are achieving stated objectives		90%	89%	92%	95%	95%
Outcome	Percent of annual strategic action plan achieved or on schedule		63%	63%	75%	75%	75%
Output	Number of rules and notices of rulemaking filed with the commission and published in the New Mexico register in compliance with the State Rules Act		704	912	n/a	n/a	n/a
* Output	Number of consultations, research reports and educational activities provided by the state historian		94	n/a	150	150	150

**STATUTORY AUTHORITY:**

Article V, Section 1, of the New Mexico Constitution created the office of the Secretary of State. The secretary of state may be elected for two consecutive four-year terms and is second in line behind the lieutenant governor to assume the responsibilities of the governor. The secretary of state is the keeper of the great seal of the state of New Mexico and affixes the seal to all commissions issued in the name of the state and signed by the governor. Article V, Section 2, of the New Mexico Constitution requires the returns of every election for state officers be sealed and transmitted to the secretary of state who, with the governor and chief justice, constitute the state canvassing board. The Bureau of Elections is responsible for administering the state Election Code.

**MISSION:**

The mission of the office of the Secretary of State is to administer elections and government ethics in accordance with state and federal law and to maintain and provide access to the laws, official acts and other instruments vital to the efficient operation of state government. It is also the mission of the Secretary of State to file and maintain records vital to the interests of commerce and industry.

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 – 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	2,816.2	2,930.5	4,980.0	3,021.7	3.1
Fed Program Revenues	0.0	0.0	0.0	4,000.0	
Extraord/Special	90.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>2,906.2</b>	<b>2,930.5</b>	<b>4,980.0</b>	<b>7,021.7</b>	<b>139.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,768.0	1,816.0	2,689.0	1,827.9	0.7
Contractual Services	112.8	88.5	454.5	1,085.1	1126.1
Other	943.9	1,026.0	1,836.5	4,108.7	300.5
<b>TOTAL USES</b>	<b>2,824.7</b>	<b>2,930.5</b>	<b>4,980.0</b>	<b>7,021.7</b>	<b>139.6</b>
<b>FTE</b>					
Permanent	37.0	38.0	44.0	38.0	0.0
Temporary	1.0	1.0	0.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>38.0</b>	<b>39.0</b>	<b>44.0</b>	<b>39.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The agency requested a \$630.7 thousand, or 21.5 percent, base increase and an additional \$1.4 million in expansion items. The committee recommends a \$91.2 thousand or 3.1 percent increase, including expansion, over the FY05 operating budget. While the agency has a historic vacancy rate of 16.5 percent, the committee's recommendation of a 5 percent vacancy savings rate provides flexibility for the agency to address staffing priorities.

To date, the agency has received a grand total of \$19 million in federal funds pursuant to the Help America Vote Act (HAVA) of 2002. To date, the agency has committed \$10 million to HAVA-mandated activities: \$4 million for a centralized voter registration and election management system (VREMS), \$4 million for voter education, and \$2 million for poll worker training. The agency is reserving the remaining \$9 million for the planned 2005 replacement of out-dated voting machines statewide and other items. The committee recommends the Secretary of State budget FY06 estimated balance in federal funds for HAVA. While the initial investments in HAVA and other federally mandated election reforms are federally funded and the Secretary of State has discretion over how to achieve compliance with these mandates, the committee recognizes the general fund and county governments will have to support these activities in the future.

**BASE EXPANSION:**

The agency's FTE expansion requests are for \$74 thousand for one computer support specialist to troubleshoot application, communications, and hardware issues for VREMS, \$162.8 thousand for two accountant and auditing positions to examine and analyze data entry in the financial reports submitted by candidates and lobbyists, and \$162.8 thousand for two accountant and auditing positions to fulfill responsibilities pursuant to the Voter Action Act of 2003.

Last year, in recognition of increases in the audit workload, LFC recommended and the Legislature authorized the addition of 1 FTE auditor to assist in examining and analyzing candidate and lobbyist financial statements. Furthermore, pursuant to the Voter Action Act (Laws 2003, Chapter 14, Section 10, Paragraph A), the administrative and enforcement costs of the Voter Action Act are to be funded by the public election fund, not the general fund. Thus, the committee does not recommend expansion for additional accountant and auditor FTE.

The agency requested \$495.1 thousand in base expansion for VREMS maintenance, including computer equipment to maintain VREMS. While VREMS is in accordance with federal mandate, it is the agency's responsibility to acquire and maintain a reliable system that can be supported by the state general fund without the help of federal funds. There are concerns regarding the high cost burden to the state for maintenance of VREMS and the agency's initial investment of federal funds in the system. Nevertheless, the committee recognizes the state's obligation to maintain a reliable system and recommends \$50 thousand in base expansion for support of the system. Pending the committee's review of the results of the information security review of VREMS, the committee will also recommend that a protocol for disseminating sensitive security information and an action plan for addressing the findings published in the agency's information security review be established.

**BASE EXPANSION LISTING**  
**FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	Voter and audit projects (5 FTE)	(Elections)	399.6	0.0
2	Elections consultants	(Elections)	300.0	0.0
3	Computers and equipment	(Elections)	69.9	0.0
4	VREMS DP equipment	(Elections)	495.1	50.0
5	<u>Ten percent compensation increase</u>		<u>209.5</u>	<u>0.0</u>
<b>TOTAL</b>			<b>1,474.1</b>	<b>50.0</b>

**SECRETARY OF STATE**

The purpose of the secretary of state program is to provide voter education and information on election law and government ethics to citizens, public officials, candidates and commercial and business entities so they can comply with state law.

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of administrative errors	.4%	.4%	.4%	.4%	.4%
Output	Number of constitutional voter guides in Spanish and English distributed to county clerks and voters	100,000	110,000	500,000	500,000	110,000
* Output	Number of new registered voters	30,000	112,000	50,000	50,000	50,000
Output	Number of users electronically filing legal documents or receiving educational materials	275,000	578	275,000	275,000	278,000
Outcome	Response time for user requests or complaints relating to registered voters, voting rights, financial disclosures, campaign finance, financial institution loans and general code of conduct issues, in hours	29	48	48	48	40
Output	Number of users educated or advised on issues such as voting rights, electronic filing, ethics law, general code of conduct, campaign finance, financial disclosures and lobbying	*	12,000	10,000	10,000	11,000

**STATUTORY AUTHORITY:**

The Personnel Act, Sections 10-9-1 through 10-9-25 NMSA 1978, created the State Personnel Office (SPO) and the State Personnel Board.

**MISSION:**

The purpose of the act is to establish a system of personnel administration for New Mexico based solely on qualifications and ability, which is intended to provide greater economy and efficiency in the management of state affairs.

The Personnel Act requires the board to provide rule coverage in the following areas: classification plan; compensation plan; competitive entrance and promotion tests; exemption from testing for professional persons who possess recognized registration or certification by another agency; probationary period; employment lists of ranked job candidates; hours of work, holiday, and leave; disciplinary procedures and right of appeal to the board; rejection of applicants who fail to meet reasonable requirements; and emergency employment when no qualified applicants are available.

Under the Personnel Act, the SPO director shall supervise administrative and technical personnel activities; act as secretary to the board; establish, maintain, and publish annually a roster of all state employees with each employee's division, title, pay rate, and other pertinent data; report annually to the board; recommend to the board rules considered necessary or desirable to effectuate the act; and supervise all tests and prepare and submit to prospective agencies lists of persons passing them.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	3,733.7	3,866.6	3,970.6	3,957.4	2.3
Other Transfers	84.0	62.7	62.7	62.7	0.0
<b>SOURCES TOTAL</b>	<b>3,817.7</b>	<b>3,929.3</b>	<b>4,033.3</b>	<b>4,020.1</b>	<b>2.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,247.8	3,529.2	3,633.2	3,630.0	2.9
Contractual Services	54.5	84.7	84.7	84.7	0.0
Other	424.6	315.4	315.4	305.4	-3.2
<b>TOTAL USES</b>	<b>3,726.9</b>	<b>3,929.3</b>	<b>4,033.3</b>	<b>4,020.1</b>	<b>2.3</b>
<b>FTE</b>					
Permanent	67.0	67.0	68.0	65.0	-3.0
<b>TOTAL FTE POSITIONS</b>	<b>67.0</b>	<b>67.0</b>	<b>68.0</b>	<b>65.0</b>	<b>-3.0</b>

**BUDGET ISSUES:**

The FY06 budget request submitted by SPO seeks a general fund increase of \$104 thousand, or 2.7 percent. The request provides for 67 authorized FTE and 1 expansion FTE to manage and administer state-wide collective bargaining activities. The agency base request for personal services and employee benefits reflected a self-imposed 11 percent vacancy rate.

The committee recommends a budget increase of \$90.8 thousand, or 2.3 percent, and the deletion of 2 FTE that have been vacant over two years, representing \$98 thousand. LFC also recommends funding personal services and employee benefits assuming a 4 percent vacancy rate, well below the agency's historic vacancy rate of 15 percent. These adjustments fully fund current employee compensation and benefit levels and allow the agency to move to fill existing vacancies to meet its programmatic objectives.

Performance Reporting. SPO submitted in addition to its quarterly measurements other informational and statistical reports for the first quarter of FY05 ending September 2004. These reports provide interesting information to track SPO's performance. Yet, to make the quarterly reporting more effective and meaningful, the data needs to be presented with explanations and analysis of the significance and meaning of the data. These reports should play a vital role in the decision-making process, not

only for SPO but for all levels of decision makers and human resources managers within state government.

**Collective Bargaining.** Collective bargaining for state employees was in effect until 1999. The Public Employee Bargaining Act (PEBA) enacted in 2003 reinstated collective bargaining. This act re-establishes collective bargaining, giving public employees the statutory right to bargain collectively over their terms and conditions of employment. The provisions of PEBA supercede other previously enacted legislation and regulations, except for the provisions of the Bateman Act, Personnel Act, Sections 10-7-1 through 10-7-19 NMSA 1978 regarding compensation and working conditions, Group Benefits Act, Per Diem and Mileage Act, Retiree Health Care Act, public employee retirement laws, or Tort Claims Act.

Two labor organizations, the American Federation of State, County, and Municipal Employees (AFSCME) and the Communication Workers of America (CWA), have been certified as exclusive representatives for their respective bargaining units. Of the approximately 21,213 employees in state government, 10,422 individuals, or roughly 49.1 percent, are represented by one of these two labor unions.

PEBA allows negotiations over terms and conditions of employment not precluded by federal or state law and over other items such as payroll deduction of membership dues and "fair share" fees. Because nonunion members of a bargaining unit are entitled to the same coverage and representation under a contract as a union member, the "fair share" percentage negotiated could be at or near 100 percent of union membership dues. A fair share percentage is based on U.S. and New Mexico case law identifying those allowed union expenditures that may be charged to all bargaining unit employees regardless of membership in the union. These usually include expenditures incurred by the union in negotiating the contract applicable to the bargaining unit, servicing such contract and in representing bargaining unit employees in grievances and disciplinary actions. Current contracts with both CWA and AFSCME provide that employees who do not participate in either dues deduction or fair share are subject to discharge from their positions.

A master contract, exclusive of compensation issues, has been completed with CWA and was signed into effect by Governor Richardson on October 12, 2004. Negotiations are proceeding with AFSCME on a successor master contract. Supplemental agreements for agency-specific issues within each of the bargaining units are being finalized with the appropriate representative. Compensation issues are still being negotiated with both unions and have not been finalized. The committee recommends that contract negotiations be initiated such that they are concluded in time for the budget planning cycle.

**Human Resource System.** A key element of NM.HR 2001 was the re-engineering of the State Personnel Board's classification and compensation plans and, by association, the way the state develops its workforce. The first step in the process was to simplify the classification structure and then link career growth and pay opportunity to qualifications and ability. This was implemented July 1, 2001, with class consolidation and a new salary schedule with expanded pay bands. On conclusion of this first phase, 202 technical occupational groups (TOG) and five manager categories for the entire workforce were in place as compared with the more than 1,200 separate job classification that had previously existed. In latter stages of implementation, additional enhancements to the human resource system were identified. These focused on expediting operational processes, performance management, manager development, and career opportunities for staff.

**Authorized Agent Program.** A critical and integral component of the human resources process improvement effort was the authorized agent program. The state personnel board established "authorized agents" with the intent of decentralizing routine decision-making in order to expedite the operational processing of routine human resource activities. Authorized agents were classified human resource professionals in the large key agencies. Each was approved and delegated authority by the state personnel director to make certain personnel decisions within their agency. Clearly established guidelines and audit processes were set in place by SPO to ensure that these decisions were consistent with board rules and the Personnel Act. In 2003 SPO suspended the authorized agent program because of operational problems and concerns with its effectiveness. In October 2003, SPO requested that the board suspend the rule establishing authorized agents, thus formally stopping the program. The board did not approve this action. SPO is presently reviewing granting "limited authority" to authorized agents. The committee supports this initiative. Decisions over routine matters should be made at the lowest possible organizational level, provided sufficient guidance and training is given by SPO. Additionally, actions taken must be appropriately and consistently audited for accountability and compliance with the board rules and Personnel Act. The committee further recommends the expansion of the authorized agent program into all key agencies within state government.

**Quality Assurance Reviews (QAR).** The quality review program's purpose was to evaluate in a systematic manner agency



performance, to encourage collaboration, to share best practices as well as to work on strategies to improve areas of weakness as deficiencies were noted. Major program components that were to be reviewed in agencies were the systems and processes associated with classification, compensation, performance evaluation, and applicant selection. In April 2003 SPO halted conducting QARs. This action was due partially to the suspension of the authorized agent program and the resultant rise in pre-audit activities by SPO staff. Coupled with SPO staff turnover and vacancies, the QAR program was suspended until adequate resources could be dedicated to this function. SPO is in the process of reviewing and enhancing its audit processes and tools for implementation and is planning to reinstate this program in early FY06.

Human Resource Management System. The human resource management system (HRMS) refers to the technology used to maintain and access personnel information. A viable HRMS is integral to the success of SPO. The current mainframe platform is outdated. It is costly to maintain, cumbersome to operate, and difficult to reprogram making the information practically inaccessible. Without information that is accessible, timely and accurate SPO will be unable to get information and data to effectively manage. HRMS is often cited as the primary reason when SPO projects take longer than expected and the intended results are not achieved.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	1.0 FTE exempt position for labor relations		104.0	0.0

**HUMAN RESOURCE MANAGEMENT**

The purpose of the human resource management program is to provide a flexible system of merit-based opportunity, appropriate compensation, human resource accountability and employee development that meets the evolving needs of the agencies, employees, applicants and the public, so economy and efficiency in the managements of state affairs may be provided while protecting the interest of the public.

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Average employee pay as a percent of board-approved comparator market, based on legislative authorization	91%	92%	92%	92%	95%
Outcome	Percent of managers and supervisors completing board-required training as a percent of total manager and supervisor category employees	n/a	n/a	90%	90%	90%
Output	Perform quality reviews (audits) on agencies in accordance with the quality assurance program	70%	95%	70%		70%
Output	Number of days to produce employment lists	13.5	10.8	15	15	15
Quality	Percent of hiring officials satisfied with state personnel employment lists	90%	n/a	90%		

## PUBLIC EMPLOYEE LABOR RELATIONS BOARD

379

### STATUTORY AUTHORITY:

The Public Employee Bargaining Act, Section 10-7E-1 through 10-7E-26 NMSA 1978. The act reinstated collective bargaining, which expired in 1999. The board consists of three members appointed by the governor.

### MISSION:

The board's mission is to guarantee public employees the right to organize and bargain collectively with their employers, to promote harmonious and cooperative relationships between public employers and public employees and to protect the public interest by ensuring, at all times, the orderly operation and functioning of the state and its political subdivisions.

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	327.0	305.2	355.8	311.7	2.1
<b>SOURCES TOTAL</b>	<b>327.0</b>	<b>305.2</b>	<b>355.8</b>	<b>311.7</b>	<b>2.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	141.6	177.6	222.0	201.9	13.7
Other	65.5	127.6	133.8	109.8	-13.9
<b>TOTAL USES</b>	<b>207.1</b>	<b>305.2</b>	<b>355.8</b>	<b>311.7</b>	<b>2.1</b>
<b>FTE</b>					
Permanent	3.0	3.0	3.0	3.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>

## PUBLIC EMPLOYEE LABOR RELATIONS BOARD

The purpose of the Public Employee Labor Relations Board is to assure all state and local public body employees have the right to organize and bargain collectively with their employers.

		PERFORMANCE MEASURES				
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
Outcome	Percent compliance with statutes, with particular attention to due process, equal protection, the Public Employee Bargaining Act and board rules				100%	
Outcome	Percent of decisions overturned on appeal				4%	
Output	Percent of determinations of approval of local labor relations boards within one hundred days of request for approval				90%	
Output	Percent of prohibited practice complaints decided within one hundred eighty days of filing				90%	
Output	Percent of petitions processed within one hundred eighty days of filing				90%	
Efficiency	Percent of cases resolved through agreement, mediation or arbitration				50%	

**STATUTORY AUTHORITY:**

The office of the State Treasurer (STO) was established within the executive branch of government under Article V of the New Mexico Constitution. The principle statutory provisions governing the office of the State Treasurer are Sections 6-1-13, 6-6-8-6, 6-8-11, 6-10-10, 6-10-25 through 6-10-29, 6-10-37, 7-27-24 and 7-27-25, 8-6-1 through 8-6-7, 29-4-5, and 58-18-4 NMSA 1978.

The agency's primary responsibility is the receipt and safekeeping of all state money. The State Treasurer is responsible for maintaining an accurate account of all public money received and disbursed, disbursing money on properly drawn warrants, maintaining custody of the state's land grant and severance tax permanent funds, making payment on the state's debt, and investing public funds for the short term.

**MISSION:**

The mission of the agency is to promote and protect the financial interests of the citizens and agencies of New Mexico through prudent financial decisions and actions that involve state monies.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	3,380.7	3,426.4	3,610.6	3,452.0	0.7
Other Transfers	252.4	0.0	0.0	0.0	
Fed Program Revenues	40.3	35.9	25.0	25.0	-30.4
<b>SOURCES TOTAL</b>	<b>3,673.4</b>	<b>3,462.3</b>	<b>3,635.6</b>	<b>3,477.0</b>	<b>0.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,250.8	2,612.7	2,659.8	2,501.2	-4.3
Contractual Services	178.3	174.6	174.6	174.6	0.0
Other	974.9	675.0	801.2	801.2	18.7
Other Financing Uses	84.1	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>3,488.1</b>	<b>3,462.3</b>	<b>3,635.6</b>	<b>3,477.0</b>	<b>0.4</b>
<b>FTE</b>					
Permanent	41.5	41.5	41.5	41.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>41.5</b>	<b>41.5</b>	<b>41.5</b>	<b>41.5</b>	<b>0.0</b>

**BUDGET ISSUES:**

The agency requested a 5.4 percent increase in the general fund budget, largely attributed to continued increases in information technology service fees. As the single largest item contributing to the FY06 budget increase, the cost of IT service fees (provided by the General Services Department (GSD)) increased 94 percent for the agency, mostly to support TRACS, the treasurer's reconciliation accounting and cashier system. In the past five fiscal years, the office of the State Treasurer has paid approximately \$1 million to GSD to maintain this system. The second largest contributor to the budget increase was in Personal Services and Employee Benefits.

The TRACS system is used to account and report cash receipts and disbursements for all state agencies. It is a critical component to the functioning of the statewide accounting system. However, TRACS is a legacy system programmed in COBOL, which makes it extremely difficult and expensive to support due to the scarcity in expertise in this older computer language. The State Treasurer has also identified the outdated platform and non real-time data of TRACS as both a major vulnerability to the agency and state system as well as an obstacle to the quality, real-time analysis necessary for effective cash management. The agency anticipates the statewide accounting system (the SHARE project), expected in FY06, will offer a replacement of TRACS.

The State Treasurer has 41.5 authorized FTE but only has 35 positions filled. Over the past fiscal year, the agency's vacancy rate has been relatively high, averaging about 16 percent per month, or seven vacant positions. The LFC personal services and employee benefits recommendation provides sufficient funding for all currently filled positions and funding for approximately six

of the seven vacant positions, using the minimum pay rate of the appropriate pay bands, per the LFC budget guidelines. This recommendation implies a vacancy rate of 2.4 percent. Of note, the agency transferred \$230 thousand out of personal services and employee benefits in FY04.

With respect to agency performance, the agency has agreed to work with the LFC analyst to improve its performance measures in the coming year to more accurately reflect the mission and goals of the agency. One key measure that impacts the state is the overall rate of return received on the agency's investments relative to the overnight rate. On average, the agency reported earning 91 basis points over the overnight rate of 0.98 percent in FY04. This is slightly below FY03, when the agency earned an average of 108 basis points over the overnight rate of 1.38 percent.

## **STATE TREASURER**

The purpose of the state treasurer is to provide a financial environment that maintains maximum accountability for receipt, investment and disbursement of public funds to protect the financial interests of New Mexico citizens.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
*	Outcome	Percent of investments with a return rate that exceeds the overnight rate	100%	100%	100%	100%
	Outcome	Percent of interest allocation amounts for interest account balances provided to state agencies within thirty days of closing from the department of finance and administration	67%	100%	100%	100%
	Output	Percent completion of the transfer of the warrant reconciliation process from the state treasurer's program to the fiscal agent bank	0%	0%	50%	70%
	Output	Percent of state agency depository accounts authorized in financial institutions	100%	100%	100%	100%
	Output	Percent of Cash Management Improvement Act audits performed to maximize cash flow	100%	100%	100%	100%
*	Output	Percent of cash-to-books reconciliation items processed and adjusted to the agency fund balance within thirty days of closing from the department of finance and administration	80%	100%	100%	100%

## BOARD OF EXAMINERS FOR ARCHITECTS

404

### STATUTORY AUTHORITY:

The seven-member Board of Examiners for Architects is authorized by Sections 61-15-1 through 61-15-13 NMSA 1978. The board is charged with the duty of ensuring any person practicing architecture complies with the provisions of the Architecture Act. There are approximately 2,048 architects registered to practice in New Mexico.

### MISSION:

The Board of Examiners for Architects is charged with safeguarding the life, health, and property and promoting the public welfare by reviewing evidence of professional qualification of any person applying to practice architecture in this state.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
Other Program Revenues	441.7	303.8	303.8	303.8	0.0
<b>SOURCES TOTAL</b>	<b>441.7</b>	<b>303.8</b>	<b>303.8</b>	<b>303.8</b>	<b>0.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	204.8	222.7	220.4	220.4	-1.0
Contractual Services	9.3	14.2	14.2	14.2	0.0
Other	42.0	66.9	69.2	69.2	3.4
<b>TOTAL USES</b>	<b>256.1</b>	<b>303.8</b>	<b>303.8</b>	<b>303.8</b>	<b>0.0</b>
<b>FTE</b>					
Permanent	4.0	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>

### ARCHITECTURAL REGISTRATION

The purpose of the architectural registration program is to safeguard life, health and property and to promote public welfare by ensuring any person practicing architecture complies with its provisions.

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
Outcome	Percentage of registrants audited to ensure compliance with continuing education requirements	2%	2%	2%	2%	2%
Output	The total number of registration applications and applications processed	2,048	1,898	2,020	2,020	2,020
Output	Number of days after the receipt of a complaint to process and deliver it to the enforcement subcommittee	60	60	60	60	60

## BORDER AUTHORITY

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### STATUTORY AUTHORITY:

The Border Authority was created pursuant to the Border Development Act, Sections 58-27-1 through 58-27-26 NMSA 1978, and is attached administratively to the Economic Development Department. The Border Authority is legislatively established as an independent executive branch agency operating in the capacity of a public "port authority" at our international border with Mexico. The Border Authority is mandated to provide leadership in the development of infrastructure on both sides of the border that will support and foster an increase in trade activity at federal ports of entry.

### MISSION:

The Border Authority works continuously with the local trade community, local government jurisdictions, and the federal border enforcement agencies in the United States and Mexico, promoting and marketing our ports of entry as an integral part of a border development partnership with Chihuahua.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	353.8	377.7	529.9	422.6	11.9
Other Program Revenues	58.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>411.8</b>	<b>377.7</b>	<b>529.9</b>	<b>422.6</b>	<b>11.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	275.6	302.4	351.9	332.4	9.9
Contractual Services	23.1	22.8	103.2	22.8	0.0
Other	80.1	52.5	74.8	67.4	28.4
<b>TOTAL USES</b>	<b>378.8</b>	<b>377.7</b>	<b>529.9</b>	<b>422.6</b>	<b>11.9</b>
<b>FTE</b>					
Permanent	4.0	4.0	5.0	5.0	25.0
<b>TOTAL FTE POSITIONS</b>	<b>4.0</b>	<b>4.0</b>	<b>5.0</b>	<b>5.0</b>	<b>25.0</b>

### BUDGET ISSUES:

The agency requested an expansion of 1 FTE to address the increased workload resulting from the agency's expanded mandate to lead a rail relocation project in the El Paso/Santa Teresa region. The committee recognizes the complex role the Border Authority plays in the state's trade relationship with Mexico, including its lead role in the rail relocation project, and recommends an expansion of 1 FTE to support the agency's increased technical and operational needs.

<b>BASE EXPANSION LISTING</b> <b>FY06 - 2005-2006</b>				
<b>Agency</b> <b>Rank</b>		<b>(Division)</b> <b>(BDP)</b>	<b>Agency</b> <b>Request</b>	<b>LFC Recom-</b> <b>mendation</b>
1	Operational Research Analyst (1 FTE)		50.3	36.4

**BORDER DEVELOPMENT**

The purpose of the border development program is to encourage and foster development of the state by developing port facilities and infrastructure at international ports-of-entry to attract new industries and business to the New Mexico border; and to assist industries, businesses and the traveling public in their efficient and effective use of ports and related facilities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
*	Outcome	Annual trade share of New Mexico ports within the west Texas and New Mexico region	2.817%	2.7%	3.1%	3.1%
	Outcome	Percent of program objective obtained as a result of direct agency interaction with the border trade community, both public and private sector	90%	90%	90%	90%
	Output	Number of coordination meetings with border community leaders, congressional offices, Mexican federal agencies, federal and state agencies or international funding resources to maintain integrity of the international border in New Mexico	50	140	120	120
	Explanatory	Commercial and noncommercial vehicular port traffic at New Mexico ports	745,404	664,528	756,000	675,000

**STATUTORY AUTHORITY:**

The Tourism Department was created in 1991 by the Tourism Department Act, codified as Sections 9-15A-1 through 9-15A-9 NMSA 1978. This act separated the Travel and Tourism Division from the former Economic Development and Tourism Department and formed a new cabinet agency. The purpose of the act was to create a cabinet-level department to coordinate statewide tourism activities; provide a database for local and regional tourism groups; serve as a comprehensive source of information and assistance to tourism-related businesses wishing to relocate, expand or do business in New Mexico; monitor the progress of state-supported tourism activities; and prepare annual reports of such activities, their status and their impact.

**MISSION:**

The mission of the Tourism Department is to market New Mexico as an enchanting visitor destination to the world.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	8,457.0	8,370.2	8,362.5	8,192.6	-2.1
Other Transfers	983.6	860.7	860.7	858.4	-0.3
Enterprise Program Rev	4,073.6	4,296.5	4,213.7	4,194.2	-2.4
Extraord/Special	1,750.6	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>15,264.8</b>	<b>13,527.4</b>	<b>13,436.9</b>	<b>13,245.2</b>	<b>-2.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,666.0	3,527.2	3,813.5	3,688.6	4.6
Contractual Services	1,423.3	1,437.3	1,420.0	1,420.0	-1.2
Other	10,078.9	8,562.9	8,203.4	8,136.6	-5.0
<b>TOTAL USES</b>	<b>15,168.1</b>	<b>13,527.4</b>	<b>13,436.9</b>	<b>13,245.2</b>	<b>-2.1</b>
<b>FTE</b>					
Permanent	74.5	74.5	74.5	74.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>74.5</b>	<b>74.5</b>	<b>74.5</b>	<b>74.5</b>	<b>0.0</b>

**BUDGET ISSUES:**

LFC made technical adjustments to the agency request for personal services and benefits in accordance with Department of Finance and Administration instructions for FY06 projected salaries. In addition, the agency assumed no vacancy rate, resulting in a 4.6 percent increase in personal services and benefits in the request, despite the agency's 6.7 vacancy rate as of September 1, 2004. Based on long-time unfilled positions in the Marketing Program, the recommendation assumes a vacancy rate of 4 percent. Given the agency's historic vacancy rates of more than 7 percent and a demonstrated ability to perform its mission at this staffing level, the agency may consider deleting positions to more accurately reflect the agency's staff requirements.

A wide variety of state agencies use advertising or marketing services to support their program activities and missions. For "Moving New Mexico Forward: Further Along", the follow-up to the 2003 performance review, the review team conducted a review of more than 100 separate marketing and advertising contracts for eight state agencies and found that the state spent almost \$4.8 million per year on marketing between FY01 and FY04. Many contracts were not cost-effective due to a multitude of poorly defined, additional costs. As the agency responsible for promoting the state as a tourist destination, the Tourism Department (TD) is one of the state's most active and sophisticated users of advertising services. While TD is not currently equipped to act as the state's central advertising and marketing service provider, the follow-up report indicates that the TD Marketing Division should be designated as the lead agency for reviewing marketing campaigns by all state agencies to determine if the division could produce creative services or purchase media more efficiently. The committee believes that leveraging economies of scale in purchasing of media or contracting for marketing services can generate significant value for the state. However, an organizational capability and expertise must be developed internally before the state can begin to realize increased efficiencies. Designation of a lead agency for this consolidation should be preceded by creation of a comprehensive



strategic plan for centralized media buying and planning in-house.

After reviewing bids from 21 possible contenders, the agency decided to extend its existing advertising contract until June 2005. The current agency has held the contract, worth \$3 million this year, for more than 12 years. This advertising agency was in the third year of its latest contract when the department decided this June to invite bids for the remaining year. The committee understands that a full-service advertising agency may provide a broad range of marketing services but believes that use of a variety of specialized agencies for specific marketing efforts, such as interactive advertising, may produce more creative and effective results. The committee recommends the department put its advertising account into review again at earliest opportunity and consider retaining multiple, specialized agencies to increase creativity and return on advertising investment.

The agency indicates that the Film Museum more properly belongs under the responsibility of the Cultural Affairs Department. If the museum remains under the Tourism Department, the agency plans to ask for a \$100 thousand special appropriation to continue developing plans for museum design. The committee recognizes the potential synergy of this administrative realignment and recommends the department work with Cultural Affairs to effect transfer of the Film Museum to that agency as soon as possible. Regardless of where the museum is administratively attached, continuing development efforts will obviously require recurring funding at some level.

The agency indicates a critical need for the establishment of a New Mexico tourism development corporation to unify marketing and promotional efforts of various tourism industry efforts and provide industry products (such as hotel rooms, meals, and admissions) that the department is prohibited from procuring or providing. The agency plans to ask for a three-year \$2.5 million special appropriation to create and initially fund the corporation. Staffing and administration of the corporation would be paid from member dues, donations, agency enterprise revenues, and the appropriation. In-kind donations of rooms, meals and other services or products would be used to host industry-familiarization tours, site visits and other events designed to increase tourism in the state.

The agency indicates that realignment of program statutory purposes, via new legislation, with a new strategic plan will yield more accurate measures of its performance. Current measures of agency performance, like dollars of ancillary product revenue generated by "New Mexico Magazine" or number of partnered cooperative advertising applications received by the Outreach Program, are inadequate and demonstrate clear need for improvement. Useful measures of the Marketing Program, like domestic market share or print and broadcast conversion rates, demonstrate flat or declining results. Useful measures of the New Mexico Magazine Program, like circulation rate, demonstrate flat results. It is not clear what the department's strategy is for increasing domestic market share or improving its advertising effectiveness but the committee expects the agency's new strategic plan to offer viable solutions to these issues. The committee also encourages the agency to adopt industry-standard measures relating to media and marketing, such as number of advertising pages in the magazine, cost per inquiry generated, or percent of uplift in brand recognition created by the Promotion Program.

## **MARKETING**

The purpose of the marketing program is to create and maintain an "image" or "brand" for the state of New Mexico and influence in-state, domestic and international markets to directly affect the positive growth and development of New Mexico as a top tourism destination so that New Mexico may increase its tourism market share.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b>	<b>FY05</b>	<b>FY06 - 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>2003-2004 Actuals</b>	<b>2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	5,076.6	4,933.4	4,925.7	4,780.2	-3.1
Extraord/Special	1,750.6	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>6,827.2</b>	<b>4,933.4</b>	<b>4,925.7</b>	<b>4,780.2</b>	<b>-3.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,313.6	1,220.4	1,353.3	1,230.2	0.8
Contractual Services	154.0	156.2	125.0	125.0	-20.0
Other	5,359.6	3,556.8	3,447.4	3,425.0	-3.7
<b>TOTAL USES</b>	<b>6,827.2</b>	<b>4,933.4</b>	<b>4,925.7</b>	<b>4,780.2</b>	<b>-3.1</b>

**FTE**

Permanent	33.5	34.5	34.5	34.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>33.5</b>	<b>34.5</b>	<b>34.5</b>	<b>34.5</b>	<b>0.0</b>

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	New Mexico's domestic tourism market share	1.10%	1.2%	1.10%	1.15%	1.15%
* Output	Print advertising conversion rate	44.6%	14.1%	40%	40%	45%
* Output	Broadcast advertising conversion rate	27%	19.6%	30%	30%	30%
Explanatory	Visitor information centers visitation		897,089	900,000	950,000	950,000
Explanatory	Website hits		2,111,071	2,904,000		
Explanatory	Unique website visitor sessions		1,700,000	2,000,000	2,250,000	2,250,000

**PROMOTION**

The purpose of the promotion program is to produce and provide collateral material, editorial content, and special events for consumers and industry partners so that they may increase their awareness of New Mexico as a premier tourist destination.

**BUDGET SUMMARY**  
(dollars in thousands)

	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	439.9	521.4	521.4	516.5	-0.9
Other Transfers	2.7	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>442.6</b>	<b>521.4</b>	<b>521.4</b>	<b>516.5</b>	<b>-0.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	242.2	231.3	255.9	255.9	10.6
Contractual Services	0.0	74.4	75.0	75.0	0.8
Other	192.7	215.7	190.5	185.6	-14.0
<b>TOTAL USES</b>	<b>434.9</b>	<b>521.4</b>	<b>521.4</b>	<b>516.5</b>	<b>-0.9</b>
<b>FTE</b>					
Permanent	4.0	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Output	Number of events increasing awareness of New Mexico as a visitor destination				115	115
Outcome	Increase in awareness of New Mexico as a visitor destination as reflected by percent of inquiries planning to visit within the next twelve months	59%	55.7%	63%		

## OUTREACH

The purpose of the outreach program is to provide constituent services for communities, regions and other entities so that they may identify their needs and assistance can be provided to locate resources to fill those needs whether internal or external to the organization.

BUDGET SUMMARY (dollars in thousands)					
FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	1,194.2	1,252.3	1,252.3	1,249.3	-0.2
Other Transfers	1.5	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>1,195.7</b>	<b>1,252.3</b>	<b>1,252.3</b>	<b>1,249.3</b>	<b>-0.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	133.7	134.0	139.0	138.7	3.5
Contractual Services	0.0	20.0	20.0	20.0	0.0
Other	1,061.3	1,098.3	1,093.3	1,090.6	-0.7
<b>TOTAL USES</b>	<b>1,194.9</b>	<b>1,252.3</b>	<b>1,252.3</b>	<b>1,249.3</b>	<b>-0.2</b>
<b>FTE</b>					
Permanent	2.0	2.0	2.0	2.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>

PERFORMANCE MEASURES					
	FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output      Number of partnered cooperative advertising applications received		27	13	25	25

## NEW MEXICO MAGAZINE

The purpose of the New Mexico magazine program is to produce a monthly magazine and ancillary products for a state and global audience so that the audience can learn about New Mexico from a cultural, historical and educational perspective.

BUDGET SUMMARY (dollars in thousands)					
FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
Other Transfers	3.4	0.0	0.0	0.0	
Enterprise Program Rev	4,073.6	4,296.5	4,213.7	4,194.2	-2.4
<b>SOURCES TOTAL</b>	<b>4,077.1</b>	<b>4,296.5</b>	<b>4,213.7</b>	<b>4,194.2</b>	<b>-2.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,014.9	981.1	1,055.2	1,054.5	7.5
Contractual Services	918.0	928.9	932.9	932.9	0.4
Other	2,116.5	2,386.5	2,225.6	2,206.8	-7.5
<b>TOTAL USES</b>	<b>4,049.4</b>	<b>4,296.5</b>	<b>4,213.7</b>	<b>4,194.2</b>	<b>-2.4</b>
<b>FTE</b>					
Permanent	19.0	18.0	18.0	18.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>19.0</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>	<b>0.0</b>
PERFORMANCE MEASURES					
	FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome      Circulation rate	120,031	113,333	123,000	115,000	115,000
* Output      Ancillary product revenue in dollars	269,600	253,965.26	320,000	275,000	275,000

## **NEW MEXICO CLEAN AND BEAUTIFUL**

The purpose of the New Mexico clean and beautiful program is to reduce litter to the maximum practical extent within the state by funding incorporated local government programs statewide that implement projects that eliminate, control and prevent litter; funding programs and projects that educate citizens on the effects of littering; enforce litter ordinances; increase public awareness; recycle; beautify; eliminate graffiti and weeds and promote litter awareness; and involve New Mexicans by enlisting them as volunteers in program- and community-sponsored activities.

<b>BUDGET SUMMARY</b> (dollars in thousands)						
<b>FY06 - 2005-2006</b>						
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>Agency</b>	<b>LFC</b>	<b>Percent</b>	
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Request</u></b>	<b><u>Recommendation</u></b>	<b><u>Incr</u></b>	<b><u>(Decr)</u></b>
<b>SOURCES</b>						
Other Transfers	945.7	860.7	860.7	858.4	-0.3	
<b>SOURCES TOTAL</b>	<b>945.7</b>	<b>860.7</b>	<b>860.7</b>	<b>858.4</b>	<b>-0.3</b>	
<b>USES</b>						
Personal Services/Empl Benefit	112.7	111.3	120.7	118.4	6.4	
Contractual Services	150.0	150.0	150.0	150.0	0.0	
Other	648.0	599.4	590.0	590.0	-1.6	
<b>TOTAL USES</b>	<b>910.7</b>	<b>860.7</b>	<b>860.7</b>	<b>858.4</b>	<b>-0.3</b>	
<b>FTE</b>						
Permanent	2.0	2.0	2.0	2.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>	

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY06</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
Output	Number of grants awarded to communities		68		72	72
* Output	Dollar value of grants awarded to communities		\$592,000		\$600,000	\$600,000
Output	Number of New Mexico clean and beautiful and community participants in spring cleanup-great american cleanup	22/8,587	40/17,979	25/10,000		
Output	Number of New Mexico clean and beautiful community participants in fall cleanup-trek for trash	41/5,204	31/5,498	25/4,500		
* Outcome	Pounds of litter removed	3,250,000	5,372,304	5,500,000	5,000,000	5,500,000

## **PROGRAM SUPPORT**

The purpose of program support is to provide administrative assistance to support the department's programs and personnel so they may be successful in implementing and reaching their strategic initiatives and maintaining full compliance with state rules and regulations.

<b>BUDGET SUMMARY</b> (dollars in thousands)						
<b>FY06 - 2005-2006</b>						
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>Agency</b>	<b>LFC</b>	<b>Percent</b>	
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Request</u></b>	<b><u>Recommendation</u></b>	<b><u>Incr</u></b>	<b><u>(Decr)</u></b>
<b>SOURCES</b>						
General Fund Transfers	1,746.3	1,663.1	1,663.1	1,646.6	-1.0	
Other Transfers	30.2	0.0	0.0	0.0		
<b>SOURCES TOTAL</b>	<b>1,776.5</b>	<b>1,663.1</b>	<b>1,663.1</b>	<b>1,646.6</b>	<b>-1.0</b>	
<b>USES</b>						
Personal Services/Empl Benefit	848.9	849.1	889.4	890.9	4.9	
Contractual Services	201.3	107.8	117.1	117.1	8.6	
Other	700.9	706.2	656.6	638.6	-9.6	
<b>TOTAL USES</b>	<b>1,751.1</b>	<b>1,663.1</b>	<b>1,663.1</b>	<b>1,646.6</b>	<b>-1.0</b>	
<b>FTE</b>						
Permanent	14.0	14.0	14.0	14.0	0.0	

## ECONOMIC DEVELOPMENT DEPARTMENT

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### STATUTORY AUTHORITY:

The Economic Development Department (EDD) was created pursuant to the Economic Development Act in Sections 9-15-1 through 9-15-47 NMSA 1978. EDD promotes economic development and diversification, as well as business recruitment, expansion, and retention in New Mexico. The agency provides a coordinated statewide perspective on economic development activities, maintains a database for local and regional economic development groups, and serves as the comprehensive source of information for businesses wishing to locate or expand in the state. In FY05, the agency expanded to five programs to align with the new administration's vision for the department: Economic Development, Film, Trade with Mexico, Technology and Space Commercialization, and Program Support.

### MISSION:

The mission of the Economic Development Department is to provide programs and policies that help lead the state in a direction that produces an overall benefit for the citizens of New Mexico.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	6,115.0	6,514.3	7,969.3	6,520.8	0.1
General Revenues	2.7	0.0	0.0	0.0	
Extraord/Special	3,530.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>9,647.7</b>	<b>6,514.3</b>	<b>7,969.3</b>	<b>6,520.8</b>	<b>0.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,872.4	3,974.4	4,417.4	4,062.8	2.2
Contractual Services	3,998.9	1,011.0	2,004.8	1,084.8	7.3
Other	1,763.7	1,528.9	1,547.1	1,373.2	-10.2
Other Financing Uses	12.7	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>9,647.7</b>	<b>6,514.3</b>	<b>7,969.3</b>	<b>6,520.8</b>	<b>0.1</b>
<b>FTE</b>					
Permanent	65.0	65.0	68.0	67.0	3.1
Term	2.0	2.0	2.0	2.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>67.0</b>	<b>67.0</b>	<b>70.0</b>	<b>69.0</b>	<b>3.0</b>

### BUDGET ISSUES:

The agency requested a 22.3 percent increase from the general fund for FY06, primarily for personal services and benefits and for contractual services. The agency assumed no vacancy rate and asked for an 11 percent increase in the personal services and benefits category, a considerable increase given the agency's 11.6 percent vacancy rate as of September 1, 2004. The agency indicates it has re-organized selected staff to meet different program needs, explaining various changes in specific program personal services and benefits costs and in numbers of FTE in each program.

Given the duplicative function of the Economic Development program's business development team and the Economic Development Partnership, as well as the statutory requirement that the partnership also secure federal and private sources of funding, the committee recommends only partial funding of Program Support's contractual services request. This funding of contractual services monies recognizes the recurring nature of the Economic Development Partnership's funding requirements. The committee notes the agency executed 75 contracts for professional services in FY04 with a total value of \$3,525.3.

In addition, the committee recommends retaining 9 of the 21 FTE in the Economic Development program that make up the business development team and better integrating these FTE with the partnership or deploying the employees' extensive knowledge and expertise in other program areas. However, if the department continues to outsource its business development activities, rather than devoting resources to internal capabilities, then the committee believes a realignment of the entire agency's

mission and structure may be in order.

The agency continues to work with LFC and the Department of Finance and Administration to improve its quarterly performance report and the committee recognizes progress made in the use of national indices as benchmarks. However, the agency continues to report the potential number of jobs created as actual number of jobs created, failing to distinguish between the two. The committee notes the Economic Development Partnership clearly failed to meet its FY04 performance targets after receiving a 90-day extension of the term of its FY04 contract. The committee also notes the department has agreed to dramatically reduced performance targets for the partnership in FY05. As a result, the committee recommends only partial funding of the agency's request for contractual funding for this purpose and strongly encourages the department to hold the partnership to the terms of its latest contract.

#### BASE EXPANSION:

The committee recognizes the Film program's dramatic increase in workload as a result of its success and recommends an increase of 2 FTE, creating two line manager positions to assist in location scouting and film production customer service.

#### RECOMMENDED LANGUAGE:

The general fund appropriation to the economic development program of the economic development department includes one permanent full-time equivalent position and ninety thousand dollars (\$90,000) for personal services and employee benefits for an economist to provide data on the economic impact of department activities and related tax incentives.

#### BASE EXPANSION LISTING FY06 - 2005-2006

Agency Rank		(Division)	Agency Request	LFC Recommendation
*	Economist (1 FTE)	(P512)	0.0	90.0
1	Economic development partnership	(P526)	900.0	235.7
2	Location scout (2 FTE)	(P514)	93.0	93.0
3	Division director (1 FTE)	(P512)	90.0	0.0
4	Funding for governor's film commission	(P514)	100.0	0.0
5	New Mexico sports authority	(P526)	75.0	0.0
<b>TOTAL</b>			<b>1,258.0</b>	<b>418.7</b>

#### ECONOMIC DEVELOPMENT

The purpose of the economic development program is to assist communities in preparing for their role in the new economy, focusing on high-quality job creation and improved infrastructure so New Mexicans can increase their wealth and improve their quality of life.

#### BUDGET SUMMARY (dollars in thousands)

(dollars in thousands)					
	FY06 - 2005-2006				
	FY04	FY05			Percent
	2003-2004	2004-2005	Agency	LFC	Incr
	Actuals	Budgeted	Request	Recommendation	(Decr)
SOURCES					
General Fund Transfers	2,018.4	2,599.1	2,544.2	2,472.4	-4.9
General Revenues	0.7	0.0	0.0	0.0	
Extraord/Special	50.0	0.0	0.0	0.0	
SOURCES TOTAL	2,069.1	2,599.1	2,544.2	2,472.4	-4.9
USES					
Personal Services/Empl Benefit	1,182.7	1,284.7	1,422.6	1,350.8	5.1
Contractual Services	365.4	629.0	470.0	470.0	-25.3
Other	861.6	685.4	651.6	651.6	-4.9
Other Financing Uses	5.5	0.0	0.0	0.0	
TOTAL USES	2,415.2	2,599.1	2,544.2	2,472.4	-4.9
FTE					
Permanent	20.0	21.0	22.0	22.0	4.8

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Number of communities certified through the community certification initiative			15	15	15
* Outcome	Number of business expansions assisted by the economic development program in urban areas of New Mexico	40		40	40	40
* Outcome	Total number of rural jobs created	665		1600	3500	3500
Outcome	Number of business expansions assisted by the economic development department in rural NM	11			18	18
Outcome	Total number of jobs created through business relocations facilitated by the economic development partnership	466		1800	1550	1550
Output	Total number of rural and urban jobs created				3550	3550
Output	Number of leads created through the economic development partnership				360	360
Output	Number of prospects created through the economic development partnership				90	90
Output	Number of visits created through the economic development partnership				30	30
Output	Number of locates created through the economic development partnership				7	7
* Outcome	Number of jobs created through the economic development partnership				1000	1000
Outcome	Total number of jobs created through business expansions	1598		1800	1950	1950

## FILM

The purpose of the film program is to maintain the core business for the film location services and stimulate growth in digital film media to maintain the economic vitality of New Mexico film industry.

		BUDGET SUMMARY (dollars in thousands)				
		<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>						
	General Fund Transfers	552.4	663.5	1,040.8	796.0	20.0
	Extraord/Special	75.0	0.0	0.0	0.0	
	<b>SOURCES TOTAL</b>	<b>627.4</b>	<b>663.5</b>	<b>1,040.8</b>	<b>796.0</b>	<b>20.0</b>
<b>USES</b>						
	Personal Services/Empl Benefit	514.7	406.6	542.6	510.3	25.5
	Contractual Services	55.7	25.0	352.6	140.1	460.4
	Other	168.2	231.9	145.6	145.6	-37.2
	<b>TOTAL USES</b>	<b>738.6</b>	<b>663.5</b>	<b>1,040.8</b>	<b>796.0</b>	<b>20.0</b>
<b>FTE</b>						
	Permanent	7.0	8.0	10.0	10.0	25.0
	<b>TOTAL FTE POSITIONS</b>	<b>7.0</b>	<b>8.0</b>	<b>10.0</b>	<b>10.0</b>	<b>25.0</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Number of media industry worker days			44000	48500	48500
* Outcome	Economic impact of media industry productions in New Mexico, in millions			\$66.7	\$73.5	\$73.5
* Outcome	Number of films and media projects principally photographed in New Mexico				58	58

## TRADE WITH MEXICO

The purpose of the trade with Mexico program is to produce new high-paying employment opportunities for New Mexicans so they can increase their wealth and improve their quality of life.

BUDGET SUMMARY (dollars in thousands)						
FY06 - 2005-2006						
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)	
<b>SOURCES</b>						
General Fund Transfers	624.3	458.9	391.8	317.8	-30.7	
<b>SOURCES TOTAL</b>	<b>624.3</b>	<b>458.9</b>	<b>391.8</b>	<b>317.8</b>	<b>-30.7</b>	
<b>USES</b>						
Personal Services/Empl Benefit	219.9	230.7	199.8	125.8	-45.5	
Contractual Services	92.4	100.0	82.0	82.0	-18.0	
Other	147.1	128.2	110.0	110.0	-14.2	
<b>TOTAL USES</b>	<b>459.4</b>	<b>458.9</b>	<b>391.8</b>	<b>317.8</b>	<b>-30.7</b>	
<b>FTE</b>						
Permanent	5.0	4.0	3.0	3.0	-25.0	
<b>TOTAL FTE POSITIONS</b>	<b>5.0</b>	<b>4.0</b>	<b>3.0</b>	<b>3.0</b>	<b>-25.0</b>	

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Dollar value of New Mexico exports to Mexico as a result of the trade with Mexico program, in millions	139.2		15	350	350
Outcome	Total number of export-related jobs impacted by the trade with Mexico program	3200		270	250	250
* Outcome	Number of jobs created by the programs of the office of Mexican affairs				250	250

## TECHNOLOGY AND SPACE COMMERCIALIZATION

The purpose of the technology and space commercialization program is to increase the start-up, relocation and growth of technology-based business in New Mexico to give New Mexico citizens the opportunity for high-paying jobs.

BUDGET SUMMARY (dollars in thousands)						
FY06 - 2005-2006						
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)	
<b>SOURCES</b>						
General Fund Transfers	814.8	932.6	724.7	713.8	-23.5	
Extraord/Special	1,650.0	0.0	0.0	0.0		
<b>SOURCES TOTAL</b>	<b>2,464.8</b>	<b>932.6</b>	<b>724.7</b>	<b>713.8</b>	<b>-23.5</b>	
<b>USES</b>						
Personal Services/Empl Benefit	633.0	651.4	594.7	583.8	-10.4	
Contractual Services	1,683.6	100.0	0.0	0.0	-100.0	
Other	144.8	181.2	130.0	130.0	-28.3	
<b>TOTAL USES</b>	<b>2,461.4</b>	<b>932.6</b>	<b>724.7</b>	<b>713.8</b>	<b>-23.5</b>	
<b>FTE</b>						
Permanent	9.0	9.0	8.0	8.0	-11.1	
Term	0.0	2.0	2.0	2.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>9.0</b>	<b>11.0</b>	<b>10.0</b>	<b>10.0</b>	<b>-9.1</b>	



		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Output	Number of technology-based jobs created	407		400		
* Output	Number of jobs created by aerospace and aviation companies				150	150
* Outcome	Ranking of New Mexico in technology intensiveness according to the state science and technology institute index		27		22	22
Output	Number of high-tech jobs created as a result of the technology commercialization program		549			
Output	Number of current and previous New Mexico 9000 customers that become ISO 9000 certified		6	6	6	6

### PROGRAM SUPPORT

The purpose of program support is to provide central direction to agency management processes and fiscal support to agency programs to ensure consistency, continuity and legal compliance.

		BUDGET SUMMARY (dollars in thousands)				
		<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006</u>		<u>Percent Incr (Decr)</u>
				<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>						
	General Fund Transfers	2,105.1	1,860.2	3,267.8	2,220.8	19.4
	General Revenues	2.0	0.0	0.0	0.0	
	Extraord/Special	1,755.0	0.0	0.0	0.0	
	<b>SOURCES TOTAL</b>	<b>3,862.1</b>	<b>1,860.2</b>	<b>3,267.8</b>	<b>2,220.8</b>	<b>19.4</b>
<b>USES</b>						
	Personal Services/Empl Benefit	1,322.1	1,401.0	1,657.7	1,492.1	6.5
	Contractual Services	1,801.8	157.0	1,100.2	392.7	150.1
	Other	442.0	302.2	509.9	336.0	11.2
	Other Financing Uses	7.2	0.0	0.0	0.0	
	<b>TOTAL USES</b>	<b>3,573.1</b>	<b>1,860.2</b>	<b>3,267.8</b>	<b>2,220.8</b>	<b>19.4</b>
<b>FTE</b>						
	Permanent	24.0	23.0	25.0	24.0	4.3
	Term	2.0	0.0	0.0	0.0	
	<b>TOTAL FTE POSITIONS</b>	<b>26.0</b>	<b>23.0</b>	<b>25.0</b>	<b>24.0</b>	<b>4.3</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Number of impressions generated by the "New Mexico Next" ad campaign		10.2			

**STATUTORY AUTHORITY:**

The Regulations and Licensing Department (RLD) was created pursuant to Sections 9-16-1 through 9-16-14, 60-13-1 through 60-15-14, 60-3A-1 through 60-8A-19, and 60-2B-1 through 60-2B-14 NMSA 1978 as an executive agency. RLD was created as a unified agency vested with the responsibility to enforce and administer laws, rules, regulations, and codes, relative to licensure and regulation of construction and manufactured housing, financial institutions, securities, alcohol, and certain gaming activities. Through executive orders and legislative mandates, the department has gained the responsibility of licensing, and enforcement for 28 professional boards and commissions.

**MISSION:**

RLD has recently redefined its mission to be "to balance the health safety and welfare of the public with economic development." LFC is concerned about conflict resulting from promoting and regulation industries. LFC suggests a careful review of the legal support for the department's expanded mission, and has concerns regarding the potential conflicts of interest that could result from promoting and regulating industries.

RLD is divided into six divisions and five programs. The Construction Industries and Manufactured Housing divisions are combined into one program and the remaining programs are classified in the same manner as the department's divisions. The Program Support Division provides centralized administration and leadership, financial management, information systems support, and human resources support for the entire department. The Boards and Commissions Program comprises 28 professional boards and commissions whose purpose is to provide licensing, administration, compliance, and regulatory services for their respective professions. The Alcohol and Gaming Division administers and determines eligibility of liquor license applicants, monitors and enforces statutes and regulations on the sale, service, and public consumption of alcoholic beverages, and tracks the operations of the alcohol-server training program. The division is also responsible for enforcement of certain games of chance. The Financial Institutions and Securities Program and Construction Industries and Manufactured Housing Program provide code compliance oversight; issue licenses, permits, and citations; perform inspections; administer examinations; process complaints; and enforce laws, rules, and regulations for their industries. The Financial Institutions Division is also charged with the promotion of investor protection and confidence to maximize capital formation and ensure financial infrastructure exists to support economic development.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	12,921.8	13,027.5	14,121.8	13,228.2	1.5
Other Transfers	666.0	674.1	734.1	813.8	20.7
Fed Program Revenues	99.4	109.0	198.5	197.4	81.1
Other Program Revenues	5,550.5	5,694.7	6,466.2	6,359.5	11.7
Fund Balance	158.7	1,314.5	983.3	766.1	-41.7
<b>SOURCES TOTAL</b>	<b>19,396.4</b>	<b>20,819.8</b>	<b>22,503.9</b>	<b>21,365.0</b>	<b>2.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	13,478.1	15,254.6	16,310.9	15,742.2	3.2
Contractual Services	1,012.2	1,104.3	1,047.2	989.2	-10.4
Other	4,077.5	3,798.4	4,396.7	3,879.8	2.1
Other Financing Uses	629.4	662.5	749.1	753.8	13.8
<b>TOTAL USES</b>	<b>19,197.2</b>	<b>20,819.8</b>	<b>22,503.9</b>	<b>21,365.0</b>	<b>2.6</b>
<b>FTE</b>					
Permanent	258.5	275.2	286.7	281.5	2.3
Term	0.0	1.0	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>258.5</b>	<b>276.2</b>	<b>286.7</b>	<b>281.5</b>	<b>1.9</b>

**BUDGET ISSUES:**

RLD did not submit FY04 results for any of the department's performance measures until one and a half months after the information was due. Results submitted by the department were limited to those measures included in the FY05 House Bill 2. LFC would appreciate the department's submission of full performance results in the future, for all established measures. The department has attributed the lack of information provided to high administrative turnover.

The historic vacancy rate has been high for the Construction Industries and Manufactured Housing Program and has been over 6 percent for the Construction Industries Division. Because of this, LFC has recommended a 2 percent vacancy rate for the program and encourages the Construction Industry Division to maintain its workforce. In addition, 1 FTE has been deleted that had been vacant for over two years. The division has decreased the number of construction building inspector vacancies, an accomplishment LFC applauds; subsequently inspector FTE expansion has been recommended.

RLD has implemented a "team" approach to managing and administering the department's 27 boards and commissions with the goal of streamlining processes within the division. Similar boards and commissions have been grouped together and will share common support staff. The team re-organization has caused the individual boards' budgets to fluctuate a great deal between FY04 and the FY05 operating budgets and in the FY06 request. Some boards have gained staff and others have lost staff. However, the increases and reductions in FTE do not correspond with respective increases and reductions in personnel expenses as the FTE adjustments do not have equivalent fiscal impact.

Within Program Support, RLD has created an Information Technology support fund. Instead of budgeting for technology expenses within each program's budget as in previous years, all the department's requests are combined. LFC recommends increased operating transfers out for board and commissions' respective contributions to this fund, which were not requested by the department. LFC cautions the department to fund board and commission expenses with strictly board and commission revenues.

The department requested "supervisory pay increases" for a number of individuals, primarily in the Construction Industries Division. These supervisory increases have received temporary approval through the State Personnel Office and are being funded by the department. While LFC recognizes the validity of these positions and their management responsibilities, the additional funds are not approved at this time because the division has held a high vacancy rate and can fund the supervisory increases through vacancy savings.

**BASE EXPANSION:**

RLD requested 14 additional permanent FTE as expansions to the department and funding for several new initiatives. LFC recommended some of these requests. Several of the department's expansion requests are based on the newly adopted mission. LFC questions whether the redesigned mission duplicates the purposes of other state agencies such as the Economic Development, Workforce Development, or the Tourism Department.

The Boards and Commissions Program requested 8 additional FTE for the purposes of increasing the number of compliance officers in the division. Four of the eight requests were recommended based on the boards' ability to sustain the additional expenses. Historic revenue trends and the state of the board or commission's fund balance were assessed to determine sustainability of FTE growth. The Board of Barber's and Cosmetology requests 3 additional FTE for the purposes of additional compliance officers; LFC recommends one of the 3 positions. Acupuncture and Oriental Medicine, Dental Health Care, Massage Therapy, Social Work Examiners, and Thanatopractice each request 1 additional FTE for the purposes of funding additional compliance officers. LFC recommends 1 FTE for each of the following boards: Acupuncture and Oriental Medicine, Massage Therapy, Dental Health Care, and Social Work Examiners.

The Board of Public Accountancy requested a \$142 thousand expansion for the purpose of funding a "front-end" regulation initiative to increase public awareness of the board and its mission and to help New Mexicans better understand "the role of the board, and the differences between a certified public accountant, CPA, and bookkeeper." The request argues consumers will benefit by avoiding fines for mistakes on taxes when prepared by a bookkeeper rather than a CPA. This analysis does not describe how the initiative will support the board's regulatory purpose. The board's analysis also assumes that unlicensed accountants and bookkeepers will, as a rule, make costly mistakes, an assumption which is misleading to the public. LFC recommends that promotion of the CPA profession be an initiative of the CPA professional association rather than the regulatory

board.

The Construction Industries Division, within the Construction Industries and Manufactured Housing Program requested 5 additional permanent FTE. One of the requests is for the reclassification of a term administrative support FTE that has been funded for two years and has had high turnover. LFC recommends the reclassification of this position. RLD also requested three additional building inspectors as part of the division's multi-year plan to increase the number of inspectors and compliance officers. LFC recommends funding for two of the three inspector FTE. The fifth position requested by the program is for an additional administrative support position. LFC does not recommend this request.

Program Support requested funding for a transfer to the Office of the Governor for the purposes of funding the New Mexico Sports Authority in the amount of \$75 thousand dollars. LFC does not recommend funding of this expansion and recommends the Office of the Governor seek funds in conjunction with legislation creating the Sports Authority as an agency. Program Support also requested an expansion FTE for the purpose of hiring a paralegal or legal assistant. While LFC recognizes the division's need for additional staff, financial constraints do not permit support for this expansion.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	Office and admin. support A (2) perm FTE	(CID)	63.1	0.0
2	Building inspector (3) FTE	(CID)	141.8	94.5
3	Paralegal/legal assistant (1) perm FTE	(Prgm Suppt)	50.2	0.0
4	New Mexico sports authority contribution	(Prgm Suppt)	75.0	0.0
5	Public accountancy "front-end regulation"	(Bd Account)	142.0	0.0
6	Boards' compliance officers (8) perm FTE	(B&Cmssns)	377.6	188.8
<b>TOTAL</b>			<b>849.7</b>	<b>283.3</b>

**CONSTRUCTION INDUSTRIES AND MANUFACTURED HOUSING**

The purpose of the construction industries and manufactured housing program is to provide code compliance oversight; issue licenses, permits, and citations; perform inspections; administer exams; process complaints; and enforce laws, rules and regulations relating to general construction and manufactured housing standards to industry professionals.

**BUDGET SUMMARY  
(dollars in thousands)**

		<u>FY06 - 2005-2006</u>			
	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	7,202.7	7,465.1	8,105.1	7,562.4	1.3
Fed Program Revenues	99.4	109.0	198.5	197.4	81.1
Other Program Revenues	14.1	60.5	100.0	100.0	65.3
<b>SOURCES TOTAL</b>	<b>7,316.2</b>	<b>7,634.6</b>	<b>8,403.6</b>	<b>7,859.8</b>	<b>2.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	5,566.0	6,271.9	6,697.1	6,366.8	1.5
Contractual Services	195.2	64.4	83.9	78.9	22.5
Other	1,503.1	1,298.3	1,622.6	1,414.1	8.9
<b>TOTAL USES</b>	<b>7,264.3</b>	<b>7,634.6</b>	<b>8,403.6</b>	<b>7,859.8</b>	<b>2.9</b>
<b>FTE</b>					
Permanent	106.0	115.7	118.0	118.0	2.0
Term	0.0	1.0	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>106.0</b>	<b>116.7</b>	<b>118.0</b>	<b>118.0</b>	<b>1.1</b>

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of permitted manufactured housing projects inspected	91%	100%	85%	90%	90%
Output	Percent of consumer complaint cases resolved		98%	*		96%

	out of the total number of complaints filed			
Efficiency	Percent decrease in cycle time for processing plan review permitting for commercial construction	*		
* Efficiency	Percent of reviews of commercial plans completed within standard time based on valuation of project	80%	80%	80%

## **FINANCIAL INSTITUTIONS AND SECURITIES**

The purpose of the financial institutions and securities program is to issue charters and licenses; perform examinations; investigate complaints; enforce laws, rules and regulations; and promote investor protection and confidence so that capital formation is maximized and a secure financial infrastructure is available to support economic development.

### **BUDGET SUMMARY (dollars in thousands)**

(dollars in thousands)					
	FY04	FY05	FY06 - 2005-2006		Percent
	2003-2004	2004-2005	Agency	LFC	Incr
	<u>Actuals</u>	<u>Budgeted</u>	<u>Request</u>	<u>Recommendation</u>	<u>(Decr)</u>
SOURCES					
General Fund Transfers	2,505.1	2,637.9	2,688.1	2,647.7	0.4
Other Program Revenues	107.0	61.7	59.4	59.4	-3.7
Fund Balance	1.4	459.3	397.4	397.4	-13.5
SOURCES TOTAL	2,613.5	3,158.9	3,144.9	3,104.5	-1.7
USES					
Personal Services/Empl Benefit	2,034.3	2,443.7	2,487.6	2,456.7	0.5
Contractual Services	100.0	239.3	240.1	240.1	0.3
Other	418.5	475.9	417.2	407.7	-14.3
TOTAL USES	2,552.8	3,158.9	3,144.9	3,104.5	-1.7
FTE					
Permanent	39.0	41.0	41.0	41.0	0.0
TOTAL FTE POSITIONS	39.0	41.0	41.0	41.0	0.0

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of statutorily-compliant applications processed within a standard number of days by type of application		98%	90%	90%	93%
Outcome	Percent of all mutual fund filings processed within ten business days			*		
* Outcome	Percent of examination reports mailed to a depository institution within thirty days of examination departure			90%	90%	90%
Output	Average number of days to resolve a financial institution's complaint	25.7		*		
Output	Average number of days to resolve a securities complaint	471		*		

## **ALCOHOL AND GAMING**

The purpose of the alcohol and gaming program is to regulate the sale, service and public consumption of alcoholic beverages and regulate the holding, operating and conducting of certain games of chance by licensing qualified people, and in cooperation with the department of public safety, enforce the Liquor Control Act and the Bingo and Raffle Act to protect the health, safety and welfare of the citizens of and visitors to New Mexico.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	872.2	848.5	884.1	882.1	4.0
<b>SOURCES TOTAL</b>	<b>872.2</b>	<b>848.5</b>	<b>884.1</b>	<b>882.1</b>	<b>4.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	660.8	758.4	803.2	803.2	5.9
Contractual Services	3.2	11.0	11.2	11.1	0.9
Other	175.9	79.1	69.7	67.8	-14.3
<b>TOTAL USES</b>	<b>839.9</b>	<b>848.5</b>	<b>884.1</b>	<b>882.1</b>	<b>4.0</b>
<b>FTE</b>					
Permanent	14.0	15.0	15.0	15.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>14.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>0.0</b>

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
Outcome	Number of days to process a license application that requires a hearing	142	129	*		
* Outcome	Number of days to issue new or transfer liquor licenses.			125		125
* Output	Number of days to resolve an administrative citation		145	90		46

## **PROGRAM SUPPORT**

The purpose of program support is to provide leadership and centralized direction, financial management, information systems support and human resources support for all agency organizations in compliance with governing regulations, statutes and procedures so they can license qualified applicants, verify compliance with statutes and resolve or mediate consumer complaints.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	2,341.8	2,076.0	2,444.5	2,136.0	2.9
Other Transfers	666.0	674.1	734.1	813.8	20.7
<b>SOURCES TOTAL</b>	<b>3,007.8</b>	<b>2,750.1</b>	<b>3,178.6</b>	<b>2,949.8</b>	<b>7.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,008.6	2,180.4	2,257.8	2,205.6	1.2
Contractual Services	379.4	177.8	259.2	259.2	45.8
Other	562.8	391.9	586.6	485.0	23.8
Other Financing Uses	2.6	0.0	75.0	0.0	
<b>TOTAL USES</b>	<b>2,953.4</b>	<b>2,750.1</b>	<b>3,178.6</b>	<b>2,949.8</b>	<b>7.3</b>
<b>FTE</b>					
Permanent	33.5	33.5	34.7	33.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>33.5</b>	<b>33.5</b>	<b>34.7</b>	<b>33.5</b>	<b>0.0</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of prior-year audit findings resolved		60%	100%		100%
Outcome	Percent of agency performance measures achieved			*		95%
* Output	Percent of payment vouchers submitted to and approved by the department of finance and administration within seven days of receipt from vendor		99%	95%		90%
Output	Percent of information service support tasks completed within the timeframe requested			90%	90%	90%
Quality	Percent of accurate payroll entries and personnel information into human resources management system.			99%		99%
Quality	Percent of customers satisfied with information service internal support services			90%		

### **BOARDS AND COMMISSIONS**

The purpose of the boards and commissions is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensing professionals are qualified to practice.

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	FY06 - 2005-2006 <u>Agency Request</u>	<u>LFC Recommendation</u>	Percent Incr (Decr)
SOURCES					
Other Program Revenues	5,429.4	5,572.5	6,306.8	6,200.1	11.3
Fund Balance	157.3	855.2	585.9	368.7	-56.9
SOURCES TOTAL	5,586.7	6,427.7	6,892.7	6,568.8	2.2
USES					
Personal Services/Empl Benefit	3,208.4	3,600.2	4,065.2	3,909.9	8.6
Contractual Services	334.4	611.8	452.8	399.9	-34.6
Other	1,417.2	1,553.2	1,700.6	1,505.2	-3.1
Other Financing Uses	626.8	662.5	674.1	753.8	13.8
TOTAL USES	5,586.8	6,427.7	6,892.7	6,568.8	2.2
FTE					
Permanent	66.0	70.0	78.0	74.0	5.7
TOTAL FTE POSITIONS	66.0	70.0	78.0	74.0	5.7

### **PUBLIC ACCOUNTANCY BOARD**

The purpose of the public accountancy board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		90%
Outcome	Percent of complaints reviewed and processed annually			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license	34	5	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **ACUPUNCTURE AND ORIENTAL MEDICINE BOARD**

The purpose of the acupuncture and oriental medicine board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of phone calls returned within 24 hours.			85%	85%	90%
Outcome	Percent of complaints reviewed and processed annually			85%	85%	90%
* Output	Average number of days to process completed application and issue a license		5	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **ATHLETIC COMMISSION**

The purpose of the athletic commission program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		100%
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license			5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **ATHLETIC TRAINERS BOARD**

The purpose of the athletic trainers board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		2	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%		90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24



### **BARBERS AND COSMETOLOGY BOARD**

The purpose of the barbers and cosmetology board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license	1	5	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **CHIROPRACTIC EXAMINERS BOARD**

The purpose of the chiropractic examiners board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		2	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **COUNSELING AND THERAPY BOARD**

The purpose of the counseling and therapy board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		2	5	5	5
Output	Average number of days to review and investigate a complaint.			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **DENTAL HEALTH CARE BOARD**

The purpose of the dental health care board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license	9	2	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
* Efficiency	Average number of hours to respond to telephone complaints		24	24	24	24

### **INTERIOR DESIGN BOARD**

The purpose of the interior design board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		2	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **LANDSCAPE ARCHITECTS BOARD**

The purpose of the landscape architects board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license			5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **MASSAGE THERAPY BOARD**

The purpose of the massage therapy board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		3	5	5	5
Output	Average number of days to review and investigate a complaint.			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **NURSING HOME ADMINISTRATORS BOARD**

The purpose of the nursing home administrators board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		2	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **NUTRITION AND DIETETICS PRACTICE BOARD**

The purpose of the nutrition and dietetics practice board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours.			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		3	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

## **OCCUPATIONAL THERAPY PRACTICE BOARD**

The purpose of the occupational therapy practice board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license	5	10	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

## **OPTOMETRY BOARD**

The purpose of the optometry board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Percent of complaints processed and adjudicated annually			*		80%
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license	1	1	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

## **OSTEOPATHIC MEDICAL EXAMINERS BOARD**

The purpose of the osteopathic medical examiners board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license	168	2	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Outcome	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

## **PHARMACY BOARD**

The purpose of the pharmacy board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		80%
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license	3	3	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
* Efficiency	Average number of hours to respond to telephone complaints		4	24	24	24

## **PHYSICAL THERAPY BOARD**

The purpose of the physical therapy board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within 24 hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license	5	5	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

## **PODIATRY BOARD**

The purpose of the podiatry board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license	129	2	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **PRIVATE INVESTIGATORS AND POLYGRAPHERS BOARD**

The purpose of the private investigators and polygraphers board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		2	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **PSYCHOLOGIST EXAMINERS BOARD**

The purpose of the psychologist examiners board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license	203		5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints		2	24	24	24

### **REAL ESTATE APPRAISERS BOARD**

The purpose of the real estate appraisers board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		2	5	5	5
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **REAL ESTATE COMMISSION**

The purpose of the real estate commission program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license		5	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **RESPIRATORY CARE BOARD**

The purpose of the respiratory care board program is too provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
Output	Average number of days to process a completed application and issue a license	2	2.5	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

### **SOCIAL WORK EXAMINERS BOARD**

The purpose of the social work examiners board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u> *	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually					
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license		3	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
* Efficiency	Average number of hours to respond to telephone complaints		12	24	24	24

**SPEECH/LANGUAGE/HEARING AND AUDIOLOGY BOARD**

The purpose of the speech/language/hearing and audiology board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license		10	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24

**THANATOPRACTICE BOARD**

The purpose of the thanatopractice board program is to provide efficient licensing, compliance and regulatory services to protect the public by ensuring that licensed professionals are qualified to practice.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints processed and adjudicated annually			*		95%
Outcome	Percent of telephone calls returned within twenty-four hours			85%	85%	90%
* Output	Average number of days to process a completed application and issue a license		30	5	5	5
Output	Average number of days to review and investigate a complaint			30	30	30
Output	Percent of complaints reviewed and processed annually			85%	85%	90%
Efficiency	Average number of hours to respond to telephone complaints			24	24	24



**STATUTORY AUTHORITY:**

Article XI, Section 1, of the New Mexico Constitution created the Public Regulation Commission (PRC) in a merger of the former State Corporation and Public Utility commissions. The commission is composed of five elected members.

**MISSION:**

PRC is responsible for chartering and regulating business corporations; regulating public utilities, including electric, natural gas, and water companies; regulating transportation companies, including common and contract carriers; regulating transmission and pipeline companies, including telephone, telegraph, and information transmission companies; and regulating insurance companies.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	12,919.1	13,463.3	11,518.1	10,128.6	-24.8
Other Transfers	4,675.8	4,713.4	5,808.7	4,885.3	3.6
Fed Program Revenues	416.1	602.2	644.9	644.9	7.1
Fund Balance	10,258.7	12,148.0	17,373.0	15,647.2	28.8
<b>SOURCES TOTAL</b>	<b>28,269.7</b>	<b>30,926.9</b>	<b>35,344.7</b>	<b>31,306.0</b>	<b>1.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	13,621.5	15,073.7	16,705.9	15,458.6	2.6
Contractual Services	1,288.8	1,342.4	2,475.9	952.6	-29.0
Other	12,461.4	13,961.8	15,827.9	14,559.8	4.3
Other Financing Uses	597.3	549.0	335.0	335.0	-39.0
<b>TOTAL USES</b>	<b>27,969.0</b>	<b>30,926.9</b>	<b>35,344.7</b>	<b>31,306.0</b>	<b>1.2</b>
<b>FTE</b>					
Permanent	268.3	267.0	268.0	268.0	0.4
Term	1.0	1.0	1.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>269.3</b>	<b>268.0</b>	<b>269.0</b>	<b>269.0</b>	<b>0.4</b>

**BUDGET ISSUES:**

Laws 2004, Chapter 5, provides for an insurance operations fund to receive receipts from the Insurance Department suspense fund attributable to fees charged for insurers' certificates of authority and agents' licenses and appointments. Under previous law these fees would have been transferred to the general fund. Appropriations from the new fund are to be used for the operations of the Insurance Division. At the end of each fiscal year, the balance in the fund greater than 50 percent of that year's appropriation will revert to the general fund. Thus, the Insurance Division has eliminated its general fund request for FY06 in lieu of this new funding source, explaining the significant increase in program fund balance revenue requested, as well as the agency's overall 14.4 percent decrease in general fund revenue requested.

The Policy and Regulation Program has eliminated its revenue source from the patient's compensation fund. The agency indicates that a fiduciary fund should not be used to support program activities unrelated to the fund's statutory purpose, explaining the 93.7 percent decline in the program request for revenue from other transfers.

The Policy and Regulation Program request also includes significant increases in contractual services and other costs relative to its FY05 operating budget. The committee recognizes FY04 actual expenditures in these categories and recommends funding to maintain existing services. The reduction in FTE in this program is a result of moving 5 FTE to the Insurance Policy Program to handle consumer complaints related to insurance.

Although the Insurance Policy Program indicates it is underfunded in personal services and benefits, the committee notes the

program's base request includes salary increases of as much as 32 percent for senior managers. The committee recognizes the Fraud Bureau's increased need for paralegal assistance and recommends an expansion of 1 FTE.

The agency submitted numerous requests for items in the base request that the committee considers expansion, new program initiatives, or nonrecurring and better suited to special appropriation requests. These items, detailed in the base expansion listing, have been extracted from the base recommendation. Nonrecurring items the committee finds appropriate and likely to generate recurring savings have been noted for further consideration as the budget process continues. LFC recommends restoring liability rates to the FY05 level for agencies with assessments in excess of \$100 thousand including this department in the amount of \$70.8 thousand compared to the agency request of \$198.5 thousand. Finally, the committee notes a high number of vacancies have remained unfilled for more than one year and recommends an overall vacancy rate of 4.8 percent.

The committee conducted an audit of fire protection fund uses in October 2003 and recommended the State Fire Marshal assess fire districts' needs to improve their insurance industry ranking to justify increased funding from the fire protection fund. The State Fire Marshal received a special appropriation of \$250 thousand in the last legislative session to conduct this needs assessment but the committee notes the study is still pending. The committee recognizes combining internal resources and use of contractual services to complete the study may be most efficient and encourages the State Fire Marshal to report on the final results of this study as soon as possible.

The committee notes Qwest's alternative form of regulation (AFOR) plan, approved by PRC in 2001, requires the company to invest \$788 million over five years in the state's telecommunications infrastructure. PRC commissioners agreed to approve phone rate increases for the company if Qwest complied with the AFOR agreement and have approved two increases that increased residential phone rates from \$10.66 a month to \$13.50 a month, in response to investments Qwest made in the first two years of the plan. Qwest promised to invest \$472 million to upgrade services in the state by June 30, the end of the third year in its five-year regulatory plan.

Questions concerning the actual amount of investment made to date have been raised by PRC staff, various consumer interest groups and the Attorney General's office, as well as in testimony before the committee in July. Qwest may be including \$26 million in wireless services investments, contrary to the terms of the AFOR plan and previously used to justify a 30 percent rate increase in basic consumer telephone service rates almost three years ago. Qwest maintains that declining overall sector performance, dramatic decreases in hardware costs, and increased consumer preference for wireless services justify revisions in the terms of the AFOR concerning investment obligations.

The committee recognizes PRC staff's position on the issue and believes any revisions to Qwest's obligations under the AFOR plan that benefit Qwest should be mirrored in revisions to the 30 percent rate increase in consumers' basic telephone service rates approved by PRC commissioners. As a point of reference, "Governing" magazine reports that New Mexico ranks 50th among all states for percentage of homes with Internet access connected via broadband (8.7 percent), mitigating Qwest claims of significant progress in increasing New Mexicans' access to broadband Internet access.

The committee notes the New York Attorney General's recent action against a large insurance company in regard to bid-rigging and price-fixing among commercial insurance brokers and insurance companies. The agency's superintendent of insurance indicates overlapping jurisdiction in New Mexico between the Attorney General and the Insurance Department on these matters, with the Attorney General retaining the ability to prosecute criminal misconduct. However, the Insurance Department is charged with administering and enforcing the New Mexico Insurance Code, maintaining a regulatory framework that ensures consumer and business access to reliable insurance products underwritten by financially sound insurers charging competitive rates and represented by qualified agents and brokers.

While the agency has no knowledge of bid-rigging or price-fixing in New Mexico to date, these issues typically impact corporate and business customers, rather than consumers, and these kinds of contingent commission arrangements would clearly dampen competition and increase costs to New Mexico businesses. The superintendent of insurance is tracking the National Association of Insurance Commissioners position on the New York action and working with Insurance Division staff to determine what, if any, administrative action is warranted. Possibilities include a special investigation similar to New York's or a more formalized and targeted examination.

The committee urges the superintendent of insurance to monitor this issue closely, develop recommendations for both public

policy and administrative action to prevent bid-rigging and price-fixing between agents or brokers and insurance companies in New Mexico, and keep the Legislature fully informed of the agency's progress in this matter.

**BASE EXPANSION:**

The Insurance Fraud Bureau requested 1 additional FTE, a paralegal to assist the bureau's attorneys in case management, witness coordination, organization of evidence, legal research, and document and trial preparation. With a full complement of investigators now, the bureau indicates expectation of increased caseload and related trial preparation work. The committee recognizes the Fraud Bureau's increased need for paralegal assistance and recommends an expansion of 1 FTE.

**RECOMMENDED LANGUAGE:**

The internal service funds/interagency transfers appropriations to the policy and regulation program of the public regulation commission include twelve thousand five hundred dollars (\$12,500) from the patient's compensation fund.

The internal service funds/interagency transfers appropriations to the insurance policy program of the public regulation commission include one million fifty seven thousand five hundred dollars (\$1,057,500) from agents surcharge fees and five million fifty-eight thousand two hundred dollars (\$5,058,200) from the insurance operating fund.

The internal service funds/interagency transfers appropriations to the public safety program of the public regulation commission include one million six hundred ninety-nine thousand nine hundred dollars (\$1,699,900) for the office of the state fire marshal from the fire protection fund.

The internal service funds/interagency transfers appropriations to the public safety program of the public regulation commission include one million two hundred fifty-six thousand nine hundred dollars (\$1,256,900) for the fire fighter training academy from the fire protection fund.

The internal service funds/interagency transfers appropriations to program support of the public regulation commission include two hundred forty thousand two hundred dollars (\$240,200) from the fire protection fund, seventy thousand dollars (\$70,000) from the insurance fraud fund, twelve thousand five hundred dollars (\$12,500) from the pipeline safety fund, and forty thousand dollars (\$40,000) from the title insurance maintenance fund.

**BASE EXPANSION LISTING**  
**FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
*	Adjunct inspectors program	(P612)	120.0	0.0
*	Conference call telephone	(P675)	35.0	0.0
*	Consumer complaint IT system	(P675)	375.0	0.0
*	Consumer complaints IT system	(P675)	325.0	0.0
*	Design, engineering of classrooms, auditorium	(P612)	295.0	0.0
*	Help desk software	(P613)	12.0	0.0
*	IT network audit	(P613)	12.0	0.0
*	Locker room re-model	(P612)	50.0	0.0
*	Locker room re-modeling	(P612)	25.0	0.0
*	Safety evaluation of burn building	(P612)	15.0	0.0
*	SFFA student scholarships	(P612)	85.0	0.0
*	Telephone answering system	(P675)	60.0	0.0
*	Wastewater lagoon re-engineering	(P612)	150.0	0.0
*	Water conservation study	(P611)	30.0	0.0
<u>1</u>	<u>1 FTE (Paralegal)</u>	<u>(P675)</u>	<u>49.9</u>	<u>49.9</u>
<b>TOTAL</b>			<b>1,638.9</b>	<b>49.9</b>

\* The agency included these items in the base request. The LFC considers these items to be expansion, new program initiatives, or non-recurring and better suited to special appropriation requests, and has extracted them from the base.

## POLICY AND REGULATION

The purpose of the policy and regulation program is to fulfill the constitutional and legislative mandates regarding regulated industries through rulemaking, adjudications and policy initiatives to ensure the provisions of adequate and reliable services at fair, just and reasonable rates so that the interests of the consumers and regulated industries are balanced to promote and protect the public interest.

### BUDGET SUMMARY (dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	FY06 - 2005-2006		Percent Incr (Decr)
			Agency <u>Request</u>	LFC <u>Recommendation</u>	
<b>SOURCES</b>					
General Fund Transfers	6,809.2	7,195.7	8,239.2	7,286.6	1.3
Other Transfers	199.0	199.0	12.5	12.5	-93.7
<b>SOURCES TOTAL</b>	<b>7,008.2</b>	<b>7,394.7</b>	<b>8,251.7</b>	<b>7,299.1</b>	<b>-1.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	5,566.2	6,076.1	6,318.4	5,796.7	-4.6
Contractual Services	233.1	405.1	537.4	148.6	-63.3
Other	974.1	913.5	1,395.9	1,353.8	48.2
<b>TOTAL USES</b>	<b>6,773.4</b>	<b>7,394.7</b>	<b>8,251.7</b>	<b>7,299.1</b>	<b>-1.3</b>
<b>FTE</b>					
Permanent	96.3	89.7	84.7	84.7	-5.6
<b>TOTAL FTE POSITIONS</b>	<b>96.3</b>	<b>89.7</b>	<b>84.7</b>	<b>84.7</b>	<b>-5.6</b>

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Outcome	Percent reduction in the number of docketed cases before the public regulation commission		68%			
* Output	Number of formal complaints processed by the transportation division		76	6	65	65
* Output	Number of docketed cases completed		130		130	130
* Efficiency	Average number of days for a rate cases to reach final order			240	240	240
* Efficiency	Percent of cases processed in less than the statutory time allowance		92%	100%	92%	100%
* Outcome	Average commercial electric rate comparison between major New Mexico utilities and selected regional utilities			+ or -5%	+ or - 5%	+ or - 5%
Outcome	Average cost of electricity per kilowatt hour in New Mexico for residential customers as a percent of the national average	102.05%	94%			
Outcome	Average cost of electricity per kilowatt hour in New Mexico for commercial customers as a percent of the national average	93.3%	94%			
* Outcome	Dollar amount of credits and refunds obtained for New Mexico consumers through complaint resolution	1,191.6	1819.9	1,575.0	1,763.0	1,763.0
Outcome	Average monthly cost of basic telephone service for commercial customers as a percent of the national average	105.2%	104.2%			
Outcome	Average monthly cost of basic telephone service for residential customers as a percent of the national average	86.21%	88.7%			
Outcome	Average number of days to complete a water utility case		84			
Outcome	Percent reduction in the number of water utility rate cases on the public regulation commission docket		100%			

## **PUBLIC SAFETY**

The purpose of the public safety program is to provide services and resources to the appropriate entities to enhance their ability to protect the public from fire and pipeline hazards and other risks as assigned to the public regulation commission.

### **BUDGET SUMMARY (dollars in thousands)**

		<b><u>FY06 - 2005-2006</u></b>			
	<b><u>FY04 2003-2004 Actuals</u></b>	<b><u>FY05 2004-2005 Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	<b><u>Percent Incr (Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	284.2	326.2	0.0	0.0	-100.0
Other Transfers	2,480.7	2,889.4	4,366.2	3,452.6	19.5
Fed Program Revenues	407.3	602.2	644.9	644.9	7.1
<b>SOURCES TOTAL</b>	<b>3,172.2</b>	<b>3,817.8</b>	<b>5,011.1</b>	<b>4,097.5</b>	<b>7.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,788.9	2,324.1	2,528.9	2,421.8	4.2
Contractual Services	161.4	205.4	847.4	212.9	3.7
Other	1,163.3	1,288.3	1,634.8	1,462.8	13.5
<b>TOTAL USES</b>	<b>3,113.6</b>	<b>3,817.8</b>	<b>5,011.1</b>	<b>4,097.5</b>	<b>7.3</b>
<b>FTE</b>					
Permanent	41.0	46.3	47.3	47.3	2.2
Term	1.0	1.0	1.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>42.0</b>	<b>47.3</b>	<b>48.3</b>	<b>48.3</b>	<b>2.1</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Percent of statewide fire districts with insurance services office ratings of eight or better	57%	59%			
* Output	Number of inspections and audit hours performed by the state fire marshal's office and pipeline safety bureau	17,470	20,250	20,220	25,302	25,302
Output	Number of training contact hours delivered by the state fire marshal's office, state firefighter training academy and pipeline safety bureau	131,874	97866	137,982	137,982	137,982
* Output	Number of personnel completing training through the state fire fighter training academy	3,127	3529	3,722	3700	3700
Quality	Pass rate for state certification exams administered by the state fire fighter academy		85%	75%	75%	85%
Output	Percent of counties and municipalities participating in the arson task force or partnerships with the state fire marshal			50%	50%	50%
* Outcome	Percent of fire departments insurance service office ratings of nine or ten that have been reviewed by survey or audit			75%	75%	75%

## PROGRAM SUPPORT

The purpose of program support is to provide administrative support and direction to ensure consistency, compliance, financial integrity and fulfillment of the agency mission.

### BUDGET SUMMARY (dollars in thousands)

FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES					
General Fund Transfers	2,443.8	2,281.3	3,278.9	2,842.0	24.6
Other Transfers	671.3	481.0	372.5	362.7	-24.6
Fed Program Revenues	8.8	0.0	0.0	0.0	***
SOURCES TOTAL	3,123.9	2,762.3	3,651.4	3,204.7	16.0
USES					
Personal Services/Empl Benefit	2,282.2	2,242.1	2,612.8	2,424.8	8.1
Contractual Services	131.2	18.2	240.6	75.6	315.4
Other	703.2	502.0	798.0	704.3	40.3
TOTAL USES	3,116.6	2,762.3	3,651.4	3,204.7	16.0
FTE					
Permanent	52.0	52.0	52.0	52.0	0.0
TOTAL FTE POSITIONS	52.0	52.0	52.0	52.0	0.0

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Output	Number of prior-year audit findings eliminated		10	8	8	8
Outcome	Percent of information technology projects completed within timeframe and budget referenced in the information technology project plan	100%	90%	100%	100%	100%
Outcome	Percent reduction of information systems division costs and services for the agency	6.6%	21%	5%	5%	5%
* Outcome	Percent of total outstanding corporation bureau corporate revocations processed		80%	100%	100%	100%
* Efficiency	Percent of fully functional applications systems		95%	100%	100%	100%
Output	Number of corporate certificates issued within statutory deadlines		100%	100%	100%	100%
* Outcome	Opinion of previous fiscal year independent agency audit		Unqualified	Unqualified	Unqualified	Unqualified

## INSURANCE POLICY

The purpose of the insurance policy program is to assure easy public access to reliable insurance products that meet consumers' needs and are underwritten by dependable, reputable, financially sound companies that charge fair rates and are represented by trustworthy, qualified agents, while promoting a positive competitive business climate.

### BUDGET SUMMARY (dollars in thousands)

		<u>FY06 - 2005-2006</u>			
		<u>FY04</u>	<u>FY05</u>	<u>Agency</u>	<u>Percent</u>
		<u>2003-2004</u>	<u>2004-2005</u>	<u>Request</u>	<u>Incr</u>
		<u>Actuals</u>	<u>Budgeted</u>		<u>(Decr)</u>
<b>SOURCES</b>					
	General Fund Transfers	3,381.9	3,660.1	0.0	-100.0
	Other Transfers	1,324.8	1,144.0	1,057.5	-7.6
	Fund Balance	1,270.8	1,536.0	6,784.0	229.3
	<b>SOURCES TOTAL</b>	<b>5,977.5</b>	<b>6,340.1</b>	<b>7,841.5</b>	<b>-3.5</b>
<b>USES</b>					
	Personal Services/Empl Benefit	3,984.2	4,431.4	5,245.8	8.7
	Contractual Services	503.0	463.7	550.5	-53.5
	Other	1,130.4	1,195.0	1,935.2	-18.4
	Other Financing Uses	359.9	250.0	110.0	-56.0
	<b>TOTAL USES</b>	<b>5,977.5</b>	<b>6,340.1</b>	<b>7,841.5</b>	<b>-3.5</b>
<b>FTE</b>					
	Permanent	79.0	79.0	84.0	6.3
	<b>TOTAL FTE POSITIONS</b>	<b>79.0</b>	<b>79.0</b>	<b>84.0</b>	<b>6.3</b>

### PERFORMANCE MEASURES

		<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY06</u>
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
* Output	Percent of internal and external insurance-related grievances closed within one hundred eighty days of filing			90%	90%	90%
Outcome	Percent of favorable evaluations from managed healthcare outreach presentation attendees			90%	90%	90%
* Outcome	Percent of employers whose workers compensation accident frequency is reduced through counseling, advice and training			60%	60%	60%
Output	Percent of producer applications, appointments and renewals processed within ten business days			75%	75%	75%
* Output	Percent of insurance division interventions conducted with domestic and foreign insurance companies when risk-based capital is less than 200 percent			80%	80%	80%
Output	Percent of insurance division interventions conducted with domestic and foreign insurance companies when their surplus is less than the minimum			100%	100%	100%
* Efficiency	Percent of insurance fraud bureau complaints processed and recommended for either further administrative action or closure with sixty days			80%	80%	80%
Output	Percent of domestic company examination reports adopted within eighteen months of the examination period			90%	90%	90%
Output	Percent of form and rate filings processed within ninety days			90%	90%	90%
Output	Number of managed healthcare outreach presentations conducted annually			52	52	52

# NEW MEXICO BOARD OF MEDICAL EXAMINERS

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## STATUTORY AUTHORITY:

The Medical Practice Act, Sections 61-6-1 through 61-6-35 NMSA 1978, establishes the Medical Board. The nine members of the board are appointed by the governor to staggered four-year terms.

## MISSION:

The purpose of the board of medical examiners is to protect the public from the improper, unprofessional, incompetent, and unlawful practice of medicine by implementing and enforcing the laws and regulations controlling the granting and use of the privilege to practice medicine.

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
Other Transfers	108.3	0.0	0.0	0.0	
Other Program Revenues	676.6	882.1	1,086.5	1,086.5	23.2
Fund Balance	246.0	341.6	163.7	163.7	-52.1
<b>SOURCES TOTAL</b>	<b>1,030.9</b>	<b>1,223.7</b>	<b>1,250.2</b>	<b>1,250.2</b>	<b>2.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	543.2	664.1	681.4	681.4	2.6
Contractual Services	270.7	286.9	238.2	238.2	-17.0
Other	217.0	272.7	290.6	290.6	6.6
Other Financing Uses	0.0	0.0	40.0	40.0	
<b>TOTAL USES</b>	<b>1,030.9</b>	<b>1,223.7</b>	<b>1,250.2</b>	<b>1,250.2</b>	<b>2.2</b>
<b>FTE</b>					
Permanent	11.0	12.0	12.0	12.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>11.0</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>	<b>0.0</b>

## BUDGET ISSUES:

Processing time for renewal of physician and physician assistant licenses has decreased from an average of five days to 24 hours through the implementation of an online registration system. Seventy-five percent of physicians used the online renewal system, saving the agency data entry, mailing and copying expense.

## LICENSING AND CERTIFICATION

The purpose of the licensing and certification program is to provide regulation and licensure to medical doctors, physician assistants and anesthesiologist assistants and to ensure competent and ethical medical care to consumers.

		PERFORMANCE MEASURES				
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
Outcome	Percent of participants who have completed a monitored treatment program who relapse	22%	20%	20%	20%	20%
Outcome	Number of days to issue a physician license	120	90	90	85	85
Output	Number of consumers provided with information through written license verification/website access	362,678	690,599	550,000	650,000	650,000
Output	Number of tri-annual physician licenses issued and renewed	1509	1668	1838	2088	2088
Output	Number of biennial physician assistant licenses issued and renewals	352	201	200	375	375
Output	Number of biennial anesthesiologist assistant licenses issued and renewed	5	4	9	12	12
Output	Percent disciplinary actions resolved in 12 mos.	80%	91%	90%	91%	91%
Output	Number participants in monitored treatment prog.	42	46	40	45	45



## BOARD OF NURSING

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### STATUTORY AUTHORITY:

The Nursing Practice Act, sections 61-3-1 through 61-3-31 NMSA 1978 establishes the seven-member Board of Nursing to regulate nursing schools and practice.

### MISSION:

The purpose of the Board of Nursing is to regulate nursing practice, nursing education, medication aide practice and education and hemodialysis technician practice and education in the interest of public health, safety and welfare.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
Other Transfers	38.9	791.3	38.9	38.9	-95.1
Other Program Revenues	1,062.1	131.6	1,062.1	1,032.3	684.4
General Revenues	115.5	0.0	115.5	115.5	
Fund Balance	0.0	164.7	149.3	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>1,216.5</b>	<b>1,087.6</b>	<b>1,365.8</b>	<b>1,186.7</b>	<b>9.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	553.2	661.5	849.3	762.1	15.2
Contractual Services	227.8	122.9	126.8	36.0	-70.7
Other	268.3	303.2	349.7	348.7	15.0
Other Financing Uses	0.0	0.0	40.0	40.0	
<b>TOTAL USES</b>	<b>1,049.3</b>	<b>1,087.6</b>	<b>1,365.8</b>	<b>1,186.8</b>	<b>9.1</b>
<b>FTE</b>					
Permanent	13.0	13.0	14.0	14.0	7.7
<b>TOTAL FTE POSITIONS</b>	<b>13.0</b>	<b>13.0</b>	<b>14.0</b>	<b>14.0</b>	<b>7.7</b>

### BASE EXPANSION LISTING FY06 - 2005-2006

<b>Agency</b> <b>Rank</b>		<b>(Division)</b>	<b>Agency</b> <b>Request</b>	<b>LFC Recom-</b> <b>mendation</b>
<u>1</u>	<u>Coordinator, Diversion Program (1.0 FTE)</u>	<u>(0000)</u>	<u>84.0</u>	<u>78.2</u>
<b>TOTAL</b>			<b>84.0</b>	<b>78.2</b>

### LICENSING AND CERTIFICATION

The purpose of the licensing and certification program is to regulate nurses, hemodialysis technicians, medication aides and their education and training programs, so they can provide competent and professional healthcare services to consumers

		<b>PERFORMANCE MEASURES</b>				
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
Outcome	Percentage of programs in compliance		92%	90%	95%	95%
* Output	Number of licenses issued	12,607	11,586	11,000	11,000	11,000
Output	Number of rule reviews	2	2	1	2	2
Quality	Number of public information announcements	2	2	3	3	3
Efficiency	Number of days to issue a nurse license	14	12.7	14	14	14
Efficiency	Number of months to resolution of disciplinary matter	10	7.2	7	7	7

**STATUTORY AUTHORITY:**

The State Fair and State Fair Commission are established in and governed by Sections 16-6-1 through 16-6-22 NMSA 1978.

**MISSION:**

To professionally organize, operate, and maintain a year-round entertainment facility and to promote the New Mexico State Fair.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Other Transfers	0.0	0.0	0.0	1,300.0	
Enterprise Program Rev	12,737.9	13,255.8	13,990.0	13,255.8	0.0
<b>SOURCES TOTAL</b>	<b>12,737.9</b>	<b>13,255.8</b>	<b>13,990.0</b>	<b>14,555.8</b>	<b>9.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	6,180.1	5,833.4	6,402.4	5,965.9	2.3
Contractual Services	3,383.3	3,171.1	3,489.8	3,489.8	10.1
Other	3,393.5	4,251.3	4,090.6	5,100.1	20.0
Other Financing Uses	0.8	0.0	7.2	0.0	
<b>TOTAL USES</b>	<b>12,957.7</b>	<b>13,255.8</b>	<b>13,990.0</b>	<b>14,555.8</b>	<b>9.8</b>
<b>FTE</b>					
Permanent	46.0	65.0	65.0	59.0	-9.2
Term	18.0	20.0	20.0	18.0	-10.0
<b>TOTAL FTE POSITIONS</b>	<b>64.0</b>	<b>85.0</b>	<b>85.0</b>	<b>77.0</b>	<b>-9.4</b>

**BUDGET ISSUES:**

For FY06, the State Fair requested growth in its budget of \$734.2 thousand or 5.5 percent, including a \$442.9 thousand increase for temporary employees. This request does not include additional revenues and expenditures pursuant to Chapter 119, Laws 2004. The committee recommends a \$1.3 million increase in the State Fair budget reflecting an additional \$1.3 million in pari-mutuel revenues. However, no additional enterprise revenues are projected due to declining attendance at recent fairs and an operating loss of \$219.8 thousand in FY04. Appropriations are reduced to reflect actual filling of positions at the fair. Technical changes are made to match the insurance charges set by the Department of Finance and Administration and actual debt service payments due in FY06.

**Fair Attendance/Revenues.** One of the challenges facing the State Fair Commission every year is to develop a strategy to sustain or expand attendance. Paid attendance at the State Fair has declined almost every year since 1998 when the fair drew 641,000 visitors. Despite an additional day this year, paid attendance at the 2004 State Fair was 503,000, a drop of 21.5 percent from the 1998 level and 4 percent from the 2003 level. The drop in attendance did not translate into reduced revenues. Because adult admission prices were raised by \$1, admission revenues increased 19 percent and total revenues climbed by 8 percent. Although total fair revenues increased in FY05 and will likely reach the budgeted level for this year, given declining paid attendance at recent state fairs, projections of increased revenues in FY06 are not justified.

**Concert Attendance.** The Tingley Coliseum acts drew disappointing crowds in 2004. The headliner, Reba McEntire, sold only 4,000 tickets, less than half of capacity. Clay Aiken (from "American Idol") sold 3,100 tickets; Chubby Checker, 900 tickets; and, the gospel group Mighty Clouds of Joy, 400 tickets.

**Children's Attractions.** The major successes of the 2004 fair were events targeted at youth. The McDonald's Farm, staffed by volunteers, allowed children to move through various venues representing the process whereby food is grown and harvested. Children who visited the exhibit received healthy snacks at the end of the trek as compensation. An estimated 60,000 children

visited the exhibit. Another success was the junior livestock auction, which raised a record \$450 thousand.

Financial Management. The annual audit of the Fair's finances for FY03 indicated that many problematic financial practices continued including the following:

- \* Granting unrestricted access to accounts payable and payroll databases for two employees, allowing them the capability to establish unapproved or fictitious vendors or to make unauthorized changes to their own or to co-workers' payroll files;
- \* Allowing individual employees to prepare payroll and accounts payable disbursements, print the disbursement checks, and endorse the checks with the automated signature machine, increasing the risk that a fraudulent check could be processed and not detected in a timely manner;
- \* Making bank deposits that did not agree with the fair's daily reconciliations, increasing the risk that assets could be misappropriated by employees and not be detected in a timely manner;
- \* Not matching actual payroll check numbers with check numbers assigned by the accounting software, increasing the risk that checks can be misdirected without timely detection;
- \* Not recording or reconciling the counter on the check signature machine to the used check stock, increasing the risk that a counterfeit check or out-of-sequence check could be included with the approved checks and diverted for fraudulent purposes and not be detected timely.

Fair managers generally agreed with the audit findings and indicated changes would be made to address them; however, in some instances, the fair reported it was inadequately staffed to resolve the situations. The new management team at the fair indicates that these findings are being addressed.

Fair Staffing and Vacant Positions. In recent years, the fair has maintained a high vacancy rate among its authorized permanent and term positions. In FY04, on average, 22 percent of the authorized positions were vacant. The FY05 budget added 21 positions at the fair, resulting in a 36.5 percent vacancy rate through September. Two of the positions have been vacant since 2002; six more have been vacant since 2003. The LFC recommendation deletes these eight positions and applies a 5 percent vacancy rate to nonexempt salaries. With these changes, funding for personal services would increase 2.3 percent from the FY05 level.

Capital Improvements and the New Mexico Finance Authority Bond. The New Mexico Finance Authority (NMFA) and Board of Finance have approved the issuance of \$5.55 million of revenue bonds for capital and infrastructure improvements at the fairgrounds, including upgrade of sewage and water lines, paving, roof repair and replacement, structural repair, and construction of new buildings. The bonds would be retired with revenues from the pari-mutuel tax pursuant to Chapter 119, Laws of 2004. Consistent with the bond resolution and other documents, the committee recommendation budgets the pari-mutuel tax revenues for debt service on the NMFA bonds and for other capital improvements.

#### RECOMMENDED LANGUAGE:

The internal services/interagency transfers appropriation to the New Mexico state fair in the other costs category includes one million three hundred thousand dollars (\$1,300,000) from pari-mutuel revenues for capital improvements at the state fairgrounds and for debt service on negotiable bonds issued for the capital improvements.

#### STATE FAIR

The purpose of the state fair program is to promote the New Mexico state fair as a year-round operation with venues, events and facilities that provide for greater use of the assets of the agency.

		PERFORMANCE MEASURES				
		FY03	FY04	FY05	FY06	FY06
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
* Quality	Percent of surveyed attendees at the annual state fair event rating their experience as satisfactory or better	94%	77%	90%	75%	85%
* Output	Number of counties represented through exhibits at the annual state fair	100%	100%	100%	100%	100%
* Outcome	Number of paid attendees at annual state fair event	503,391	523,765	600,000	750,000	600,000
* Quality	Percent of surveyed attendees at the annual state fair event rating that the state fair has improved				40%	40%

# STATE BOARD OF LICENSURE FOR PROFESSIONAL ENGINEERS & SURVEYORS

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## STATUTORY AUTHORITY:

The Engineering and Surveying Act, Section 61-23-1 through 61-23-32 NMSA 1978, established a 10-member State Board of Registration for Professional Engineers and Surveyors to administer and exercise the authority granted by the act, including licensure and oversight. Approximately 6,891 engineers and surveyors currently are licensed to practice in New Mexico.

## MISSION:

The purpose of the State Board of Licensure for Professional Engineers and Surveyors is to regulate the practices of engineering and surveying in the state as they relate to the welfare of the public in safeguarding life, health and property and to provide consumers with licensed professional engineers and licensed professional surveyors so they may be assured that only qualified licensees are permitted to provide these services.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
Other Program Revenues	356.2	368.6	358.0	358.0	-2.9
Fund Balance	51.4	150.0	185.8	185.8	23.9
<b>SOURCES TOTAL</b>	<b>407.6</b>	<b>518.6</b>	<b>543.8</b>	<b>543.8</b>	<b>4.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	203.9	277.5	280.4	280.4	1.0
Contractual Services	65.8	70.5	69.8	69.8	-1.0
Other	137.9	170.6	193.6	193.6	13.5
<b>TOTAL USES</b>	<b>407.6</b>	<b>518.6</b>	<b>543.8</b>	<b>543.8</b>	<b>4.9</b>
<b>FTE</b>					
Permanent	7.0	7.0	7.0	7.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>0.0</b>

## REGULATION AND LICENSING

The purpose of the regulation and licensing program is to regulate the practices of engineering and surveying in the state as they relate to the welfare of the public in safeguarding life, health and property, and to provide consumers with licensed professional engineers and licensed professional surveyors.

		<b>PERFORMANCE MEASURES</b>				
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
Outcome	Percent of consumers requesting and provided with information		100%	100%	100%	100%
Output	Number of examinations administered		491	520	520	520
Output	Number of licenses or certifications issued		592	600	600	600
Output	Number of complaints processed		32	58	58	58

**STATUTORY AUTHORITY:**

Sections 60-2E-1 through 60-2E-62 NMSA 1978, the Gaming Control Act, establish the primary functions and authority of the Gaming Control Board (GCB). This authority includes licensing, regulation, and enforcement of the provisions of the act. GCB also monitors all activity authorized in the Indian gaming compacts (Section 11-13-1 NMSA 1978) and designates the tribal gaming representative. An executive director leads six divisions: Enforcement, Audit and Compliance, Information Systems, Administrative Services, Licensing and Legal.

The board consists of four members appointed by the governor and confirmed by the Senate, and the chairman of the State Racing Commission. The statute requires a member from the public, a member with a law enforcement background, a lawyer, and a certified public accountant.

**MISSION:**

The mission of the Gaming Control Board is to protect the public interest and to maximize gaming tax revenue by ensuring the integrity of gaming in the state of New Mexico.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	4,936.3	5,030.0	7,086.6	5,488.2	9.1
<b>SOURCES TOTAL</b>	<b>4,936.3</b>	<b>5,030.0</b>	<b>7,086.6</b>	<b>5,488.2</b>	<b>9.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,207.1	3,358.6	4,254.5	3,490.5	3.9
Contractual Services	289.4	620.4	738.0	656.3	5.8
Other	1,401.1	1,051.0	2,094.1	1,341.4	27.6
<b>TOTAL USES</b>	<b>4,897.6</b>	<b>5,030.0</b>	<b>7,086.6</b>	<b>5,488.2</b>	<b>9.1</b>
<b>FTE</b>					
Permanent	57.0	59.0	70.0	59.0	0.0
Temporary	0.5	0.5	0.5	0.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>57.5</b>	<b>59.5</b>	<b>70.5</b>	<b>59.5</b>	<b>0.0</b>

**BUDGET ISSUES:**

The base recommendation is based on scrutiny of FY04 actual expenditures and consideration of inconsistencies in the FY05 executive budget recommendation. The 9.1 percent increase in general fund monies includes a 27.6 percent increase in the other costs category due to higher building lease costs associated with GCB's move to a new facility. The recommended 5.8 percent increase in contractual services includes funding of a contract for support of the agency's central monitoring system. Last year the Legislature funded contractual services to run a pilot project of a new central monitoring system. This year the committee recommends a similar funding level for support of the system.

The executive's "Moving New Mexico Forward: Further Along" plan recommends that the administration and enforcement of the Bingo and Raffle Act be transferred to GCB. Pursuant to the Bingo and Raffle Act (60-2B-1 to 60-2B-14 NMSA 1978), enacted in 1981, the Alcohol and Gaming Division (AGD) of the Regulation and Licensing Department issues licenses and collects fees from non-profit organizations conducting bingo games and raffles. As the monitoring, regulatory, and auditing agency for these activities, AGD receives reports of suspicious activities and refers them to the Special Investigations Unit of the Department of Public Safety. Unlike GCB, neither agency is required or equipped to regulate gaming machines and equipment. The licensing and enforcement divisions of GCB could easily absorb the licensing and enforcement functions of the Bingo and Raffle Act without additional funding or FTE.

Definitions in the Bingo and Raffle Act should be amended to make video bingo machines illegal. GCB reports that advances in

gaming machine technology have led to the development of video bingo gaming machines that are practically indistinguishable from traditional casino slot machines. Widespread adoption of such video bingo machines by the state's gaming licensees and Indian casinos could potentially have a devastating effect on gaming tax and revenue shares collected because bingo is essentially untaxed and not subject to revenue sharing.

#### BASE EXPANSION:

GCB is facing nondiscretionary growth in its regulatory responsibility due to recent and projected increases in tribal gaming activity, racetrack casino operations, and participation in gaming activities by veteran and fraternal organizations. The Mescalero Apache tribe's recent compact compliance and the pursuit of new casino enterprises by the Navajo Nation and Nambé Pueblo will add to GCB's monitoring responsibility. The committee estimates the relative effect of industry growth on GCB's workload and operating costs to be small and does not recommend base expansion for increased workload at this time.

Last year the Legislature approved a \$2 million special appropriation for replacement of the CMS, but it was vetoed by the governor. While the agency was ultimately successful in securing \$500 thousand for this purpose, the new system is not yet fully operational. The committee will revisit the need for base expansion related to the operation of a new system when it is fully operational.

#### BASE EXPANSION LISTING FY06 - 2005-2006

Agency Rank		(Division)	Agency Request	LFC Recommendation
*	Accountant & auditor (4 FTE)	(Audit)	220.8	0.0
*	Computer operator (3 FTE)	(Info Sys.)	111.9	0.0
*	Costs related to gaming industry growth	(Operations)	662.9	0.0
*	Detective and criminal investigator (1 FTE)	(Enforce)	55.2	0.0
*	Management analyst (1 FTE)	(Legal)	46.0	0.0
*	Office clerk (2 FTE)	(Enforce)	62.3	0.0
*	Overtime	(Admin.)	5.8	0.0
*	Shift differential	(Admin.)	0.2	0.0
TOTAL			1,165.1	0.0

#### GAMING CONTROL

The purpose of the gaming control program is to strictly regulate gaming activities and to promote responsible gaming to the citizens of New Mexico so they can attain a strong level of confidence in the board's administration of gambling laws and assurance that the state has honest and competitive gaming free from criminal and corruptive elements and influences.

#### PERFORMANCE MEASURES

		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Quality	Percent of time central monitoring system is operational	100%	100%	100%	100%	100%
* Output	Percent decrease in repeat violations by licensed gaming operators	100%	98%	75%	75%	75%
* Output	Percent variance identified between actual tribal quarterly payments made to the state treasurer's office and the audited financial statements received from the tribe as a result of an analytical review			10%	10%	10%
* Outcome	Ratio of revenue generated to general funds expended			20:1	20:1	20:1

**STATUTORY AUTHORITY:**

The primary functions of the State Racing Commission as defined in Sections 60-1-1 through 60-1-26 NMSA 1978 are to license horseracing industry participants, make rules and regulations surrounding the operations of race meets, and set race dates.

**MISSION:**

The mission of the State Racing Commission is to provide regulation in an equitable manner to New Mexico's parimutuel horseracing industry to protect the interest of wagering patrons and the state of New Mexico in a manner that promotes a climate of economic prosperity for horsemen, horse owners, and racetrack management.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	1,571.7	1,899.8	2,247.5	1,987.1	4.6
Extraord/Special	100.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>1,671.7</b>	<b>1,899.8</b>	<b>2,247.5</b>	<b>1,987.1</b>	<b>4.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	954.2	1,041.6	1,181.6	1,102.9	5.9
Contractual Services	462.0	631.8	733.4	630.4	-0.2
Other	238.3	226.4	332.5	253.8	12.1
<b>TOTAL USES</b>	<b>1,654.5</b>	<b>1,899.8</b>	<b>2,247.5</b>	<b>1,987.1</b>	<b>4.6</b>
<b>FTE</b>					
Permanent	15.3	16.3	18.3	17.3	6.1
Term	0.0	0.6	0.6	0.6	0.0
Temporary	1.6	1.8	1.8	1.8	0.0
<b>TOTAL FTE POSITIONS</b>	<b>16.9</b>	<b>18.7</b>	<b>20.7</b>	<b>19.7</b>	<b>5.3</b>

**BUDGET ISSUES:**

Pursuant to 2004 amendments to Section 60-1-8 NMSA 1978, the distribution of the tax levied on parimutuel wagering changed to grant operators of racetrack facilities the option of designating one-half of the tax collected to finance capital improvements. While the option still exists for racetrack operators to transfer 100 percent of the parimutuel tax revenue collected to the general fund, it seems likely most will retain 50 percent of the revenue.

The commission continues to face track expansion issues: the opening of Zia Park in Hobbs in September 2005, the discussion of the possible re-opening of the Santa Fe Downs racetrack by Pojoaque Pueblo pending settlement of tribal gaming litigation, and interest in opening a track in Ratón.

Given the strong growth in the state's horseracing industry in recent years and continued interest in track expansion, the commission expects the number of live racing days to continue to increase in 2006 and 2007. The current calendar has 288 days of live racing, including 44 days in Hobbs. The commission expects this number to increase to approximately 308 days in 2006 and to as many as 312 in 2007 if either Santa Fe or Ratón begin racing. It is also likely that the controversy and bad publicity surrounding the commission's decision to cut the number of race days at the Downs at Albuquerque and SunRay Park for 2005 will result in added live racing days at these venues in 2006. The recommendation reflects consideration of workload increases related to the state's horseracing industry growth.

Racetrack gaming revenues are estimated to increase by 5 percent to \$50.2 million and horsemen's purses are estimated to increase by 2 percent to \$39.1 million in FY06. The general fund benefits from growth in racetrack gaming revenues but not from growth in horsemen's purses. Given these strong growth rates and a positive outlook for the future of the horseracing and gaming industries, the committee will revisit the formula for revenue distribution in the future.

**BASE EXPANSION:**

The growth of the horseracing industry in general, and the Hobbs track expansion in particular, place additional pressure on the commission to fulfill its obligation to maintain integrity within the industry. The commission expects the number of rulings that need to be written by racing stewards at the racetracks to increase by 36 percent for the current year and 67 percent from 1995. The added workload related to the opening of the Hobbs racetrack justifies the base expansion of a racing steward (1FTE).

**BASE EXPANSION LISTING**  
**FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	Racing steward (1 FTE)		59.3	53.4
2	Investigator (1 FTE)		64.0	0.0
3	<u>Operating costs for Hobbs racetrack</u>		<u>170.5</u>	<u>0.0</u>
<b>TOTAL</b>			<b>293.8</b>	<b>53.4</b>

**HORSERACING REGULATION**

The purpose of the horseracing regulation program is to provide regulation in an equitable manner to New Mexico's parimutuel horseracing industry to protect the interest of wagering patrons and the state of New Mexico in a manner that promotes a climate of economic prosperity for horsemen, horse owners and racetrack management.

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of equine samples testing positive for illegal substance	.9	.9	.9	.9	.8
Output	Total amount collected from parimutuel revenues, in millions	1.148	1.191	1.191	1.260	1.238
* Efficiency	Average regulatory cost per live race day at each racetrack	2,828	3,982	4,000	4,000	4,000
Efficiency	Average number of days to close investigation cases	37	34	30	30	30
Quality	Number of audit exceptions noted on annual financial statement	3	0	0	0	0



## BOARD OF VETERINARY MEDICINE

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### STATUTORY AUTHORITY:

The seven-member Board of Veterinary Medicine was established under the Veterinary Practice Act, Sections 61-14-1 through 61-14-20 NMSA 1978. Approximately 1,100 veterinaries are registered to practice in New Mexico.

### MISSION:

The purpose of the Board of Veterinary Medicine is to regulate the profession of veterinary medicine in accordance with the Veterinary Practice Act and to promote continuous improvement in veterinary practices and management in order to protect the public.

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
Other Program Revenues	224.6	197.2	264.7	264.7	34.2
Fund Balance	0.0	40.0	6.0	4.0	-90.0
<b>SOURCES TOTAL</b>	<b>224.6</b>	<b>237.2</b>	<b>270.7</b>	<b>268.7</b>	<b>13.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	81.6	112.5	140.0	138.0	22.7
Contractual Services	54.4	73.2	73.2	73.2	0.0
Other	45.4	51.5	57.5	57.5	11.7
<b>TOTAL USES</b>	<b>181.4</b>	<b>237.2</b>	<b>270.7</b>	<b>268.7</b>	<b>13.3</b>
<b>FTE</b>					
Permanent	2.0	2.0	3.0	3.0	50.0
<b>TOTAL FTE POSITIONS</b>	<b>2.0</b>	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>50.0</b>

BASE EXPANSION LISTING FY06 - 2005-2006				
Agency Rank		(Division)	Agency Request	LFC Recom- mendation
1	Base Expansion 1.0 FTE General Office Clerk		26.8	26.8
<b>TOTAL</b>			<b>26.8</b>	<b>26.8</b>

### LICENSING AND REGULATORY

The purpose of the veterinary licensing and regulatory program is to protect the public and promote quality veterinary care through regulation of the profession of veterinary medicine.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Output	Number of months to resolution of disciplinary matter	1	5.5 months	7 months	6 months	6 months
Outcome	Percent of facilities in full compliance		70%	85%	90%	90%
Output	Number of new veterinarian licenses issued annually	43	63	53	60	60
Output	Number of new facility licenses issued annually	41	38	25	25	25
Output	Number of new registered veterinary technicians licenses issued annually		9	9	9	9
Output	Number of new artificial insemination/pregnancy diagnosis permits issued annually	0	2	5	5	5

**STATUTORY AUTHORITY:**

The Cumbres and Toltec Scenic Railroad Compact was ratified by the New Mexico and Colorado Legislatures and given the consent of Congress in 1974. Ratification of the compact and statutory authorization of the commission appears in Sections 16-5-1 through 16-5-13 NMSA 1974 (the Cumbres and Toltec Scenic Railroad Act) and Sections 24-60-1901 through 24-60-1908 of the Colorado Revised Statutes. The compact was ratified by the Congress and approved by the President on October 24, 1974. The commission comprises four members, two from New Mexico and two from Colorado, appointed by the governors of each state.

**MISSION:**

The mission of the Cumbres and Toltec Scenic Railroad Commission is to preserve and develop the Cumbres and Toltec Scenic Railroad, a historical nineteenth century railroad "museum on wheels," for the education, enlightenment and enjoyment of future generations.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	610.0	800.0	120.0	120.0	85.0
<b>SOURCES TOTAL</b>	<b>610.0</b>	<b>800.0</b>	<b>120.0</b>	<b>120.0</b>	<b>85.0</b>
<b>USES</b>					
Contractual Services	610.0	800.0	120.0	120.0	-85.0
<b>TOTAL USES</b>	<b>610.0</b>	<b>800.0</b>	<b>120.0</b>	<b>120.0</b>	<b>-85.0</b>

**BUDGET ISSUES:**

Operations. In the past, the Cumbres and Toltec Scenic Railroad Commission (CTSRC) required minimal operating subsidies as long as ridership remained at or above 50,000 passengers per year. From 1995 through 2001, ridership fluctuated between 50,000 and 70,000 passengers per year. To achieve this level of ridership, CTSRC needs to operate a minimum of three locomotives. Four factors drove ridership down sharply in FY02, FY03, and FY04:

1. In the aftermath of the 9/11 terrorist attacks, tourism declined nationwide. Because of the attacks, CTSRC's 2001 season finished below projections.
2. In May 2002, the Federal Railroad Administration issued work orders for track shoulder enhancements that delayed opening of the railroad by two weeks.
3. On the day the railroad was to open in 2002, the U.S. Forest Service closed the forest to all operations due to extreme fire danger, causing the CTSRC to lose more than 35 days of revenue.
4. During the 2003 season (FY03 and FY04) CTSRC operated with only one locomotive, constraining ridership and revenues accordingly.

Prior to FY04, CTSRC received little funding (about \$10 thousand per year) for operating costs from each state, whereas most state support (more than \$400 thousand from each state per year) supported capital costs. Until FY04, Colorado and New Mexico generally provided equal appropriations to CTSRC. The decline in railroad ridership and revenues coincided with budget shortfalls in Colorado. New Mexico assumed a greater share of the cost of supporting CTSRC operations in FY04 and FY05. New Mexico's support for operating costs climbed from \$10 thousand per year to \$710 thousand in FY04 and to \$800 thousand in FY05.

In FY06, CTSRC expects ridership will again reach 50,000 passengers. Reflecting this improved outlook, CTSRC requested \$120 thousand from both New Mexico and Colorado for operating costs in FY06. CTSRC anticipates needing an additional \$80 thousand per year from each state in FY07 and FY08 and no operating subsidy in FY09. The LFC recommendation includes the

full amount requested for operating costs.

The CTSRC budget has two major sources of uncertainty. First, as history indicates, actual ridership, and thereby enterprise revenues, is affected by a host of factors beyond the control of CTSRC. If ridership does not increase to the projected level or if unanticipated costs are incurred, CTSRC's need for state support may change during FY06. Also, Colorado might not match the New Mexico appropriation for FY06. CTSRC staff met with Colorado government leaders this fall and are optimistic that Colorado will appropriate funds at the requested level. If funding for the railroad continues to be one-sided, New Mexico may want to consider renegotiating the interstate compact.

Capital. CTSRC has made significant advances in their capital planning and integration of their operating and capital financial plans. On August 13, 2004, CTSRC issued a Comprehensive Five-Year Capital Improvement Plan (CIP) that clearly lays out projections of revenue and operating and capital expenditures, as well as a plan for capital improvements. The plan includes \$6.24 million for capital improvements in each fiscal year from FY06 through FY10. These expenditures would be used for right-of-way/track improvements (\$20 million over five years), locomotives (\$5.1 million), passenger cars and equipment (\$2.5 million), and infrastructure (\$3.6 million). Under the plan, Colorado and New Mexico would each be asked to appropriate \$2 million per year in FY06 through FY10, including \$650 thousand for locomotives and \$1.35 million for right-of-way/track improvements. As the first step in implementing CIP, CTSRC requested \$2 million each from New Mexico and Colorado for these capital costs. CTSRC staff indicates federal funds are probably not available for this purpose in FY06. The LFC recommendation for capital improvements will be developed separately, but the committee acknowledges the substantial improvement in the information presented to justify the CTSRC capital request.

**RECOMMENDED LANGUAGE:**

Any revenues generated by the cumbres and toltec scenic railroad commission in fiscal year 2006, including but not limited to ticket sales, are appropriated to the cumbres and toltec scenic railroad commission for use toward operating expenses of the railroad.

**STATUTORY AUTHORITY:**

The Cultural Affairs Department (DCA) was created in 2004 by the Cultural Affairs Department Act (Sections 9-4A-1 through 9-4A-18 NMSA 1978). The new law elevated the agency to cabinet status and elevated the individual museums in the Museum of New Mexico to division status, placing them on equal footing with other museums and facilities within the DCA. Prior to 2004, the department was called the Office of Cultural Affairs and was administratively attached to the Department of Finance and Administration.

In addition to the Cultural Affairs Department Act, divisions within the DCA are authorized by the following statutes: Sections 18-2-1 through 18-2-23 NMSA 1978 (creating the Library Division); Sections 18-3-1 through 18-3-8 NMSA 1978 (establishing the Museum of New Mexico); Sections 18-3A-1 through 18-3A-9.1 NMSA 1978 (Natural History and Science Museum Act); Section 18-5-1 through 18-5-7 NMSA 1978 (creating the Arts Division); Sections 18-6-1 through 18-6-23 NMSA 1978 (the Cultural Properties Act); Sections 18-7-1 through 18-7-4 NMSA 1978 (creating the Museum of Space History); Sections 18-8-1 through 18-8-8 NMSA 1978 (New Mexico Prehistoric and Historic Sites Preservation Act); Sections 18-11-1 through 18-11-9 NMSA 1978 (Farm and Ranch Heritage Museum Act); and, Sections 18-12-1 through 18-12-8 NMSA 1978 (National Hispanic Cultural Center Act).

**MISSION:**

DCA preserves and fosters New Mexico's diverse cultural, scientific and artistic heritage and expression for present and future generations, enhancing the quality of life and economic well-being of the state.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>Agency</b>	<b>LFC</b>	<b>Percent</b>
	<b>Actuals</b>	<b>Budgeted</b>	<b>Request</b>	<b>Recommendation</b>	<b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	24,030.0	26,331.0	28,336.9	26,845.0	2.0
Other Transfers	218.3	348.1	378.2	250.4	-28.1
Fed Program Revenues	2,993.3	2,779.9	3,139.1	3,139.1	12.9
Other Program Revenues	3,165.0	2,991.7	3,661.1	3,366.1	12.5
Enterprise Program Rev	1,902.8	2,663.9	2,696.3	2,696.3	1.2
General Revenues	1,054.6	737.8	768.0	768.0	4.1
Fund Balance	298.3	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>33,662.3</b>	<b>35,852.4</b>	<b>38,979.6</b>	<b>37,064.9</b>	<b>3.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	22,894.3	25,431.9	27,545.8	26,444.3	4.0
Contractual Services	2,920.4	2,598.5	4,021.8	3,467.9	33.5
Other	7,626.2	7,822.0	7,412.0	7,152.7	-8.6
Other Financing Uses	6.0	0.0	0.0	0.0	0.0
<b>TOTAL USES</b>	<b>33,446.9</b>	<b>35,852.4</b>	<b>38,979.6</b>	<b>37,064.9</b>	<b>3.4</b>
<b>FTE</b>					
Permanent	426.9	431.5	447.0	432.4	0.2
Term	120.5	113.0	125.0	117.1	3.6
Temporary	10.0	12.0	12.0	12.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>557.4</b>	<b>556.5</b>	<b>584.0</b>	<b>561.5</b>	<b>0.9</b>

**BUDGET ISSUES:**

The department sought \$26.9 million general fund in the base request in FY06, a 2.3 percent increase over the FY05 level. With program expansions, the request totaled \$28.3 million or a 7.6 percent increase over the FY05 level. As discussed in greater detail under budget expansions, DCA did not request additional funds for existing facilities that have recently opened or will open

by FY07, but, instead, gave priority to a new facility and other expansions. Existing facilities that require additional funding in FY06 to become fully operational but that would receive no additional operating funds under the DCA request include the Roy E. Disney Performing Arts Center (opened in 2004), Bosque Redondo (scheduled to open in April 2005), El Camino Real International Heritage Center (scheduled to open in November 2005), and the New Mexico History Museum (scheduled to open in late 2007). The LFC recommendation includes \$525 thousand general fund and \$91 thousand other state funds for expansions at these facilities.

Under the LFC recommendation, general fund support for DCA would increase 1.6 percent or by \$414.8 thousand. On average, 8.8 percent of DCA positions are vacant at any time. The LFC recommendation includes a 2 percent vacancy savings in most divisions. Exceptions to the LFC recommendation on vacancy savings are the Office of Archaeological Studies, which is funded by transfers from the Department of Transportation, and divisions whose FY06 budget requests were lower than the FY05 general fund level. It should be noted that the growth of program support and offsetting decline of other DCA programs is attributable to reorganization of information technology staff pursuant to an executive order. In all, \$842.9 thousand of salaries and 13 FTE were consolidated in program support.

Visitor and Admission Revenue Trends. Last year, LFC noted the number of visitors to museums and monuments declined from 921,549 in FY95 to 816,975 in FY03. Museum and monument attendance continued to decline in FY04 to 808,457 (see Appendix 505A). Since FY00, attendance has increased or remained flat at the International Folk Art, Indian Arts and Culture, Fine Arts, and Farm and Ranch Heritage museums and at the National Hispanic Cultural Center. Attendance has steadily declined over this period of time at the Palace of the Governors and Natural History and Science and Space History museums. One way to reverse these trends is to develop new exhibits at the museums. For example, the Museum of Natural History and Science has changed its dinosaur display substantially in the past year and reports that attendance has increased as a result.

Capital Outlay Request. DCA submitted a list of 13 capital outlay requests totaling \$19.55 million. The first priority is \$4.5 million for a new Center for New Mexico Archaeology on 65 acres donated by the U.S. Bureau of Land Management. The facility would be used to store archaeological artifacts, as well as for office and laboratory space for the Office of Archaeological Studies. The artifacts are currently stored on a temporary basis in the Joseph Halpin Records Center due to a flood at the previous temporary storage site. That building is designated to become the film museum in the near future. The second capital outlay priority is \$6.8 million for DCA facilities and Americans with Disabilities Act upgrades statewide. The third priority is \$3 million for the National Hispanic Cultural Center education complex.

Reorganization of Budget Programs. In the FY02 budget, DCA was organized into functional budget programs rather than programs that followed organizational lines. Today, the DCA budget is broken into four programs — Museum Services, Preservation/Arts/Library Services, Education and Outreach, and Program Support. Most DCA museums receive budgets from two programs. To allocate annual appropriations to DCA divisions, DCA staff spends two weeks after each session rearranging the functional budget into organizational budgets. To prepare the annual budget request, DCA staff spends another two weeks rearranging the organizational budgets into functional programs.

During the fall 2004, representatives of DCA, the Department of Finance and Administration, and LFC met to discuss the relative benefits of the functional budget approach. DCA indicated that the functional budget undermines budgetary discipline because division directors are not given clear budgets to implement, DCA divisions are not reviewed individually for performance, and the functional budget programs undermine efforts to track major activities in each division. Also, museum services are hard to distinguish from education and outreach in practice because all museum activities are associated with education and outreach. The three agencies agreed the DCA budget should be reorganized along organizational lines.

The proposed FY06 budget proposes the following DCA programs: Museums and Monuments (including the budgets of all of the museums and state monuments), Library Services, Arts, Preservation, and Program Support. This may also reduce the number of budget adjustments required from DCA, which has had more than 90 adjustments per year in the past.

Performance Measures. Although DCA is not a key agency, it should be able to identify and track more performance measures than those identified in the FY06 proposed budget. It should also provide quarterly reports on its progress in achieving its annual objectives.

**BASE EXPANSION:**

DCA has opened or will open in FY06 and FY07 the following four new facilities: Roy E. Disney Center for the Performing Arts (Disney Center), the Bosque Redondo, El Camino Real International Heritage Center, and the New Mexico History Museum. A year ago, LFC estimated that the new facilities would require \$1.8 million to operate in their first year. To begin to address this need, as well as to provide additional funds for the Paul Taylor memorial and Museum of Natural History Sandia Center, the Legislature made a special appropriation of \$500 thousand general fund and \$400 thousand other state funds in FY05. The general fund portion of the FY05 special appropriation was allocated as follows: Disney Center, \$300 thousand; the Paul Taylor memorial, \$50 thousand; El Camino Real International Heritage Center, \$50 thousand; Bosque Redondo, \$50 thousand; and Natural History Museum Sandia Center, \$50 thousand. DCA included this special appropriation in their base request but did not request additional funds that will be necessary if these facilities are to be fully operational. It will require as much as an additional \$520 thousand general fund and 4 FTE for the Disney Center to become fully operational in FY06. For the Bosque Redondo, as much as \$172 thousand and 2 FTE will be needed to open the new monument. The El Camino Real International Heritage Center may require \$228 thousand and 2 FTE to open. The New Mexico History Museum could facilitate development of exhibits and programs in advance of opening with an appropriation of \$58 thousand and 1.25 FTE in FY06. Rather than include expansion requests to open these facilities, DCA requested funding for a new facility and other expansions.

The LFC recommendation includes \$525 thousand additional general fund support and \$91 thousand other state funds for these facilities, as well as conversion of eight term employees to permanent employees at the Disney Center.

Hubbard Museum of the American West. DCA's top priority expansion request is for \$800 thousand from the general fund to operate the Hubbard Museum of the American West as well as additional buildings in historic Lincoln, currently owned by R.D. and Joan Hubbard. DCA would add 20.5 positions to operate the museum and 6 additional positions at the Lincoln Monument. The museum reports about 25,000 -- 27,000 visitors per year, not including attendance at special events.

There have been conflicting reports to the LFC about the state's cost to operate the museum. Last summer, DCA indicated it would require about \$350 thousand annually to operate the museum. In testimony before LFC in October, a representative of the museum board of directors stated the museum operates in the black, suggesting that no state funds would be required. As mentioned above, the actual budget request is for an \$800 thousand general fund subsidy in FY06. DCA proposes to create the museum as a statutory division of the department.

The switch from nonprofit museum to a state agency will increase the museum's operating costs substantially, primarily in the areas of salaries and benefits. The DCA budget request estimates the cost of operating the museum would increase 24.1 percent, from \$856.5 thousand in calendar year 2003 to \$1.06 million in FY06. The DCA request projects enterprise revenues, excluding the Hubbard donation of \$350 thousand, would decline 32.2 percent, from \$701.2 thousand in calendar year 2003 to \$475.2 thousand in FY06. The DCA budget request estimates the cost of operating the Lincoln buildings would increase 212.5 percent, from \$83.2 thousand in calendar year 2003 to \$260 thousand in FY06, and projects enterprise revenues would decline 16.2 percent, from \$56.9 thousand in calendar year 2003 to \$47.7 thousand in FY06. Under the request, salaries would increase 58.1 percent at the HMAW and 340 percent at the historic Lincoln buildings.

This is a museum with a long history of successful operation as a nonprofit entity with energetic support from the communities of Ruidoso, Ruidoso Downs, and the surrounding vicinity. While converting the museum from a nonprofit to a state agency would provide a stable funding stream and a guaranteed level of professionalism, these benefits might be offset by possible disadvantages, including greater operating costs, loss of management flexibility, reduced fundraising, reduced local control of decisions regarding the museum and its events, and loss of eligibility for state Tourism Department co-op advertising funds. It would be useful to explore whether an alternative funding and management structure would be preferable, whereby the museum would remain a nonprofit entity but would receive an annual state grant to replace the operating subsidies from the Hubbard family.

The primary policy consideration raised by the Hubbard museum proposal is that it would set a precedent for other museums around the state. Many New Mexico communities (Carlsbad, Silver City, Gallup, Roswell, Deming, Aztec, Chimayo, Corrales, Taos and others) contain high-quality museums that would benefit from additional state funds. Some of these museums are accredited, unlike the Hubbard museum. If and when these facilities require additional funds, it might be preferable for DCA to create partnerships with the museums and to provide small museum grants rather than place facilities under DCA management.

The LFC recommendation does not include funding for the Hubbard museum. The LFC guidelines established education, health care, public safety, and infrastructure as committee priorities. Proposals for cultural facilities do not fall into these categories. Also, DCA indicates it will seek statutory authority for the Hubbard museum. Funding for the authority should proceed alongside authorizing legislation.

Arts Organization Funding. DCA requested an expansion of \$500 thousand to provide additional funding for arts initiatives of non profit organizations across New Mexico. Of this amount, \$300 thousand would be distributed to major nonprofit cultural institutions and \$200 thousand would be distributed through the annual arts grant program. All funds would be awarded through a competitive process.

Total federal and state funding for New Mexico art organization initiatives grew from \$986.8 thousand in FY98 to \$1.5 million in FY04, then declined to about \$1.1 million in FY05. General fund support for these organizations peaked at \$1.23 million in FY02. The Legislature did not reduce funding for this purpose in FY05, appropriating \$120 thousand more general fund for this purpose than the agency FY05 request, but grant funding declined to \$655 thousand, reflecting an internal decision to use more of these funds to pay for staff costs.

The LFC recommendation does not include funding for this expansion request. While this proposal has an educational component, it does not primarily address the priorities established in the LFC guidelines.

#### **RECOMMENDED LANGUAGE:**

The appropriations to the museum services program of the cultural affairs department include two hundred thousand dollars (\$200,000) from the general fund, ninety-one thousand dollars (\$91,000) from other state funds and two full-time positions for the Roy E. Disney performing arts center.

The appropriations to the museum services program of the cultural affairs department include one hundred twenty-five thousand dollars (\$125,000) from the general fund and one full-time position for el Camino Real international heritage center.

The appropriations to the museum services program of the cultural affairs department include one hundred fifty thousand dollars (\$150,000) from the general fund and one full-time position for the Bosque Redondo.

The appropriations to the museum services program of the cultural affairs department include fifty thousand dollars (\$50,000) from the general fund and one full-time position for the state history museum.

The internal services funds/interagency transfers appropriations to the preservation program of the cultural affairs department include one million dollars (\$1,000,000) from the department of transportation for archaeological studies related to highway projects.

Any unexpended or unencumbered balance in the cultural affairs department remaining at the end of fiscal year 2006 from appropriations made from the general fund shall not revert.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
*	Bosque redondo	(Mus Serv)	0.0	150.0
*	Camino real	(Mus Serv)	0.0	125.0
*	Roy E. Disney center	(Mus Serv)	0.0	291.0
*	Roy E. Disney center - convert 8 term to perm	(Mus Serv)	0.0	0.0
*	State history museum	(Mus Serv)	0.0	50.0
1	Hubbard museum for the American west	(Mus Serv)	800.0	0.0
2	Funding for arts organizations	(PALS)	500.0	0.0
3	<u>General counsel</u>	<u>(Prog Supp)</u>	<u>110.0</u>	<u>0.0</u>
<b>TOTAL</b>			<b>1,410.0</b>	<b>616.0</b>

## MUSEUMS AND MONUMENTS

The purpose of the museums and monuments program is to develop and enhance the quality of state museums and monuments by providing the highest standards in exhibitions, performances and programs showcasing the arts, history and science of New Mexico and cultural traditions worldwide.

### BUDGET SUMMARY (dollars in thousands)

		FY06 - 2005-2006				
		FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES						
	General Fund Transfers	15,982.4	17,936.3	18,933.8	18,138.4	1.1
	Other Transfers	63.5	28.8	161.9	157.1	445.5
	Fed Program Revenues	201.9	73.8	93.8	93.8	27.1
	Other Program Revenues	2,998.9	2,847.6	3,515.4	3,220.4	13.1
	General Revenues	740.9	707.8	738.0	738.0	4.3
	Fund Balance	298.3	0.0	0.0	0.0	0.0
	SOURCES TOTAL	20,285.9	21,594.3	23,442.9	22,347.7	3.5
USES						
	Personal Services/Empl Benefit	14,427.3	15,751.7	17,120.5	16,200.8	2.9
	Contractual Services	1,251.9	1,053.2	1,127.6	1,114.4	5.8
	Other	4,166.2	4,789.4	5,194.8	5,032.5	5.1
	TOTAL USES	19,845.4	21,594.3	23,442.9	22,347.7	3.5
FTE						
	Permanent	308.4	308.8	316.8	303.2	-1.8
	Term	62.0	47.5	59.5	51.6	8.5
	Temporary	0.0	4.0	4.0	4.0	0.0
	TOTAL FTE POSITIONS	370.4	360.3	380.3	358.8	-0.4

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Outcome	Percent of museum collections, excluding archaeological collections, that are housed in areas that meet museum standards for adequate environmental and storage conditions.	66%	68%	68%	68%	68%
Outcome	Percent of participants attending off-site education, outreach and special events occurring in communities outside Santa Fe, Albuquerque, and Las Cruces		53%	59%	60%	60%
* Output	Total attendance to museum exhibitions, performances, films and other presenting programs	803,134	808,457	857,800	897,500	897,500
* Output	Number of participants at on-site educational, outreach and special events		330,666	318,583	324,485	324,485



## **PRESERVATION**

The purpose of the preservation program is to identify, study and protect New Mexico's unique cultural resources, including its archaeological sites, architectural and engineering achievements, cultural landscapes and diverse heritage.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	836.3	932.9	825.5	825.5	-11.5
Other Transfers	0.0	193.3	93.3	93.3	-51.7
Fed Program Revenues	1,222.6	804.6	1,027.9	1,027.9	27.8
Other Program Revenues	157.7	116.5	127.7	127.7	9.6
Enterprise Program Rev	1,902.8	2,663.9	2,696.3	2,696.3	1.2
<b>SOURCES TOTAL</b>	<b>4,119.4</b>	<b>4,711.2</b>	<b>4,770.7</b>	<b>4,770.7</b>	<b>1.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,541.9	3,995.0	3,951.8	3,951.8	-1.1
Contractual Services	238.2	250.8	258.4	258.4	3.0
Other	434.0	465.4	560.5	560.5	20.4
<b>TOTAL USES</b>	<b>4,214.1</b>	<b>4,711.2</b>	<b>4,770.7</b>	<b>4,770.7</b>	<b>1.3</b>
<b>FTE</b>					
Permanent	36.0	37.0	36.0	36.0	-2.7
Term	35.0	41.5	40.5	40.5	-2.4
Temporary	10.0	6.0	6.0	6.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>81.0</b>	<b>84.5</b>	<b>82.5</b>	<b>82.5</b>	<b>-2.4</b>

<b>PERFORMANCE MEASURES</b>						
		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
* Outcome	Percent of grant funds distributed to communities outside of Santa Fe, Albuquerque and Las Cruces		48%	56%	56%	56%
* Output	Total number of new structures preserved annually utilizing preservation tax credits	33	31	41	45	45

## **LIBRARY SERVICES**

The purpose of the library services program is to empower libraries to support the educational, economic and health goals of their communities and to deliver direct library and information services to those who need them.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	3,788.5	3,738.3	3,538.5	3,488.5	-6.7
Other Transfers	0.0	10.4	10.4	0.0	-100.0
Fed Program Revenues	1,141.7	1,388.6	1,388.6	1,388.6	0.0
Other Program Revenues	1.7	0.0	0.0	0.0	0.0
General Revenues	311.9	30.0	30.0	30.0	0.0
<b>SOURCES TOTAL</b>	<b>5,243.8</b>	<b>5,167.3</b>	<b>4,967.5</b>	<b>4,907.1</b>	<b>-5.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,672.9	2,990.8	2,767.6	2,767.6	-7.5
Contractual Services	966.7	846.9	846.9	846.9	0.0
Other	1,643.4	1,329.6	1,353.0	1,292.6	-2.8
<b>TOTAL USES</b>	<b>5,283.0</b>	<b>5,167.3</b>	<b>4,967.5</b>	<b>4,907.1</b>	<b>-5.0</b>

<b>FTE</b>					
Permanent	46.0	46.0	42.0	42.0	-8.7
Term	19.0	19.5	19.5	19.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>65.0</b>	<b>65.5</b>	<b>61.5</b>	<b>61.5</b>	<b>-6.1</b>

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of grant funds distributed to communities outside of Santa Fe, Albuquerque and Las Cruces		78%	75%	75%	75%
* Output	Total number of library materials catalogued in system-wide access to libraries in state agencies and keystone library automation system online databases available through the internet	901,368	918,149	935,000	935,000	935,000

#### ARTS

The purpose of the arts program is to preserve, enhance and develop the arts in New Mexico through partnerships, public awareness and education.

#### BUDGET SUMMARY (dollars in thousands)

	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	1,447.1	1,359.6	1,807.9	1,242.4	-8.6
Other Transfers	0.0	3.0	0.0	0.0	-100.0
Fed Program Revenues	427.1	511.6	556.6	556.6	8.8
General Revenues	0.7	0.0	0.0	0.0	0.0
<b>SOURCES TOTAL</b>	<b>1,874.9</b>	<b>1,874.2</b>	<b>2,364.5</b>	<b>1,799.0</b>	<b>-4.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	710.2	752.3	743.4	731.1	-2.8
Contractual Services	177.7	119.5	1,513.6	975.1	716.0
Other	1,170.9	1,002.4	107.5	92.8	-90.7
<b>TOTAL USES</b>	<b>2,058.8</b>	<b>1,874.2</b>	<b>2,364.5</b>	<b>1,799.0</b>	<b>-4.0</b>
<b>FTE</b>					
Permanent	11.5	11.5	10.5	10.5	-8.7
Term	4.5	4.5	4.5	4.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>16.0</b>	<b>16.0</b>	<b>15.0</b>	<b>15.0</b>	<b>-6.3</b>

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of grant funds distributed to communities outside of Santa Fe, Albuquerque and Las Cruces		42%	46%	46%	46%
* Output	Attendance at new programs partially funded by New Mexico Arts, provided by arts organizations statewide	1,783,378	2,338,729	1,500,000	1,500,000	1,800,000

## PROGRAM SUPPORT

The purpose of the program support program is to deliver effective, efficient, high-quality services in concert with the core agenda of the governor.

BUDGET SUMMARY (dollars in thousands)					
			FY06 - 2005-2006		Percent Incr (Decr)
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	
<b>SOURCES</b>					
General Fund Transfers	1,975.7	2,363.9	3,231.2	3,150.2	33.3
Other Transfers	154.8	112.6	112.6	0.0	-100.0
Fed Program Revenues	0.0	1.3	72.2	72.2	5,453.8
Other Program Revenues	6.7	27.6	18.0	18.0	-34.8
General Revenues	1.1	0.0	0.0	0.0	0.0
<b>SOURCES TOTAL</b>	<b>2,138.3</b>	<b>2,505.4</b>	<b>3,434.0</b>	<b>3,240.4</b>	<b>29.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,542.0	1,942.1	2,962.5	2,793.0	43.8
Contractual Services	285.9	328.1	275.3	273.1	-16.8
Other	211.7	235.2	196.2	174.3	-25.9
Other Financing Uses	6.0	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>2,045.6</b>	<b>2,505.4</b>	<b>3,434.0</b>	<b>3,240.4</b>	<b>29.3</b>
<b>FTE</b>					
Permanent	25.0	28.2	41.7	40.7	44.3
Term	0.0	0.0	1.0	1.0	100.0
Temporary	0.0	2.0	2.0	2.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>25.0</b>	<b>30.2</b>	<b>44.7</b>	<b>43.7</b>	<b>44.7</b>

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output	Number of payment vouchers accurately processed within 72 hours of receipt		8,557	8,700	8,700	8,700
* Outcome	Percent of performance measures' targets in the General Appropriation Act met (excluding this measure)		46%	70%	73%	80%

**STATUTORY AUTHORITY:**

The New Mexico Livestock Board was created by Sections 77-2-1 through 77-2-29 NMSA 1978. The board is responsible for controlling disease, preventing theft or illegal movement of livestock, overseeing the New Mexico meat inspection program, and promoting greater economy, service and efficiency in the administration of laws relating to the livestock industry of New Mexico. The board is composed of nine members appointed by the governor to staggered six-year terms. Seven members of the board must raise and own cattle or sheep in the state and be residents of New Mexico. An executive director manages the agency under the direction of the board.

**MISSION:**

The primary responsibility of the New Mexico Livestock Board is to protect the industry from loss of livestock by theft or straying, to help control the spread of infectious and contagious diseases, and to provide the meat-packing and processing industry with an inspection service that assures consumers they are being provided a clean, wholesome and safe product.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	627.8	941.0	941.0	941.0	0.0
Fed Program Revenues	572.9	511.7	534.3	534.3	4.4
Other Program Revenues	3,672.0	3,546.5	4,030.4	3,809.1	7.4
<b>SOURCES TOTAL</b>	<b>4,872.7</b>	<b>4,999.2</b>	<b>5,505.7</b>	<b>5,284.4</b>	<b>5.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,332.6	3,713.7	4,017.1	3,907.7	5.2
Contractual Services	147.7	242.7	276.7	244.9	0.9
Other	1,140.6	1,042.8	1,211.9	1,131.8	8.5
<b>TOTAL USES</b>	<b>4,620.9</b>	<b>4,999.2</b>	<b>5,505.7</b>	<b>5,284.4</b>	<b>5.7</b>
<b>FTE</b>					
Permanent	82.0	82.0	85.0	85.0	3.7
<b>TOTAL FTE POSITIONS</b>	<b>82.0</b>	<b>82.0</b>	<b>85.0</b>	<b>85.0</b>	<b>3.7</b>

**BUDGET ISSUES:**

The New Mexico Livestock Board, recognizing the significant impact of "Mad Cow" disease and other animal diseases on New Mexico ranchers and the economy of New Mexico and utilizing a \$700 thousand special appropriation from the 2004 Legislature, is developing an identification and inspection program that will meet the immediate needs of producers in the state. The board will be able to adapt the program in the future when the U. S. Department of Agriculture sets national requirements. Many components of the overall program are being developed jointly with the states of Arizona and Colorado, the Navajo and Hopi nations and the Mexican states of Chihuahua and Sonora. The Department of Finance and Administration recognized \$300 thousand of the appropriation as recurring to fund 2 additional FTE and expenses associated with implementing the program. The nonrecurring portion will be used to contract for information technology services and equipment to convert the board's data and reporting systems to digital format as well as to make information available in a timely manner through the agency website. A portion of the nonrecurring amount will also be used to identify and evaluate a number of identification systems for potential use as the primary vehicle to track animals from birth to slaughter. The agency expects to test and implement the system during the second half of FY05 and will request additional support for FY07 to fund ongoing costs associated with the program.

The Livestock Board in August 2004 approved an increase in brand-registration fees and meat-processor-application fees to offset projected deficits in the FY06 through FY08 brand-registration period. The agency expects to realize an annual increase of \$250 thousand in the livestock inspection program and \$57 thousand in the meat inspection program. These increases coupled with austerity measures implemented by the board should see fund life extended into FY10.

The board has recently changed financial officers and a number of fiscal concerns have arisen. Currently, the board does not voucher through DFA and operates its finances independently. The committee recommends the agency begin vouchering through DFA immediately to alleviate ongoing financial issues.

#### BASE EXPANSION:

The Livestock Board requested 3 FTE in base expansion with no additional funding required. Requested program changes are for two additional veterinarians, funded by the agency's special appropriation, to support animal-disease testing, tracking and quarantine monitoring and 1 FTE as a technical correction to the FY05 budget request. These positions are funded within the agency's FY05 operating budget and require no additional funding. The committee recommends the expansion request.

#### RECOMMENDED LANGUAGE:

The general fund appropriation to the New Mexico livestock board for its meat inspection program, including administrative costs, is contingent upon a dollar-for-dollar match of federal funds for that program.

#### BASE EXPANSION LISTING FY06 - 2005-2006

Agency Rank		(Division)	Agency Request	LFC Recommendation
1	Veterinarian (2FTE)	(LI)	0.0	0.0
2	Livestock Inspector (1FTE)	(LI)	0.0	0.0
<b>TOTAL</b>			<b>0.0</b>	<b>0.0</b>

#### ADMINISTRATION

The purpose of the administration program is to provide administrative and logistical services to employees.

#### BUDGET SUMMARY (dollars in thousands)

	FY06 - 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	71.4	72.2	72.2	72.2	0.0
Fed Program Revenues	77.3	49.5	72.2	72.2	45.9
Other Program Revenues	364.2	419.7	487.5	435.9	3.9
<b>SOURCES TOTAL</b>	<b>512.9</b>	<b>541.4</b>	<b>631.9</b>	<b>580.3</b>	<b>7.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	402.7	427.4	464.4	446.5	4.5
Contractual Services	11.0	14.2	17.0	15.2	7.0
Other	99.2	99.8	150.5	118.6	18.8
<b>TOTAL USES</b>	<b>512.9</b>	<b>541.4</b>	<b>631.9</b>	<b>580.3</b>	<b>7.2</b>
<b>FTE</b>					
Permanent	8.0	8.0	8.0	8.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>

#### PERFORMANCE MEASURES

		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
Outcome	Number of annual audit findings	2		0	0	0
Output	Number of payment vouchers processed	3868	3287	3800	3000	3800
Efficiency	Percent of vouchers processed within ten business days	95%	90%	90%	90%	90%
Outcome	Number of prior year audit findings resolved	3		3		

**LIVESTOCK INSPECTION**

The purpose of the livestock inspection program is to protect the livestock industry from loss of livestock by theft or straying and to help control the spread of dangerous diseases of livestock.

**BUDGET SUMMARY**  
(dollars in thousands)

		<b><u>FY06 - 2005-2006</u></b>			
	<b>FY04 2003-2004</b>	<b>FY05 2004-2005</b>	<b>Agency</b>	<b>LFC</b>	<b>Percent</b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Request</u></b>	<b><u>Recommendation</u></b>	<b><u>Incr (Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	106.7	406.7	406.7	406.7	0.0
Other Program Revenues	3,284.1	3,108.8	3,485.9	3,317.2	6.7
<b>SOURCES TOTAL</b>	<b>3,390.8</b>	<b>3,515.5</b>	<b>3,892.6</b>	<b>3,723.9</b>	<b>5.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,249.1	2,511.9	2,717.1	2,627.5	4.6
Contractual Services	130.7	215.8	251.2	221.2	2.5
Other	825.9	787.8	924.3	875.2	11.1
<b>TOTAL USES</b>	<b>3,205.7</b>	<b>3,515.5</b>	<b>3,892.6</b>	<b>3,723.9</b>	<b>5.9</b>
<b>FTE</b>					
Permanent	56.2	56.2	59.2	59.2	5.3
<b>TOTAL FTE POSITIONS</b>	<b>56.2</b>	<b>56.2</b>	<b>59.2</b>	<b>59.2</b>	<b>5.3</b>

**PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Average percentage of investigation findings completed within one month	80%	48%	80%	50%	75%
* Output	Number of road stops per month	33	31	30	30	30
* Outcome	Number of livestock thefts reported per 1000 head inspected	.04	1.0	1.0	1.0	1.0

## **MEAT INSPECTION**

The purpose of the meat inspection program is to provide meat inspection service to meat processors and slaughterers to assure consumers of clean, wholesome, and safe products.

### **BUDGET SUMMARY (dollars in thousands)**

	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
			<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	449.7	462.1	462.1	462.1	0.0
Fed Program Revenues	495.6	462.2	462.1	462.1	0.0
Other Program Revenues	23.7	18.0	57.0	56.0	211.1
<b>SOURCES TOTAL</b>	<b>969.0</b>	<b>942.3</b>	<b>981.2</b>	<b>980.2</b>	<b>4.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	680.8	774.4	835.6	833.7	7.7
Contractual Services	6.0	12.7	8.5	8.5	-33.1
Other	215.5	155.2	137.1	138.0	-11.1
<b>TOTAL USES</b>	<b>902.3</b>	<b>942.3</b>	<b>981.2</b>	<b>980.2</b>	<b>4.0</b>
<b>FTE</b>					
Permanent	17.8	17.8	17.8	17.8	0.0
<b>TOTAL FTE POSITIONS</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>17.8</b>	<b>0.0</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of inspections where violations are found	1%	5%	2%	2%	2%
* Outcome	Number of violations resolved within one day	249 of 306	187	200	210	210
Output	Number of establishments checked for compliance	311	575	550		
* Output	Number of compliance visits made to approved establishments				7300	7300

**STATUTORY AUTHORITY:**

Sections 17-1-1 through 17-7-3 NMSA 1978 charge the Department of Game and Fish (DGF) with protecting game and fish and providing these resources for public recreation. The department conducts research on game and nongame species of wildlife and wildlife habitat; maintains animal propagation facilities for reestablishment of threatened species; operates fish hatcheries; stocks New Mexico waters with hatchery-bred fish from state and out of state sources; acquires, manages, and disposes of department-owned property; promulgates and enforces hunting, trapping, and fishing regulations; works with state and federal agencies concerning habitat manipulation affecting wildlife populations; assists private landowners in improving wildlife habitat; develops wildlife education programs; and provides public information on wildlife needs, recreational opportunities, and department programs.

The department operates under the direction of a seven-member State Game Commission appointed by the governor with the advice and consent of the Senate. The commission employs a director responsible for administration of the department.

**MISSION:**

The mission of the Department of Game and Fish is to provide and maintain an adequate supply of wildlife and fish within the state of New Mexico by utilizing a flexible management system that provides for their protection, propagation, regulation, conservation and use as public recreation and food supply.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	174.6	179.6	283.5	179.6	0.0
Fed Program Revenues	8,452.5	8,643.4	8,973.8	8,603.4	-0.5
Other Program Revenues	160.3	86.9	107.5	107.5	23.7
Enterprise Program Rev	18,109.9	16,546.6	16,280.6	16,257.5	-1.7
General Revenues	313.8	340.9	208.2	208.2	-38.9
Extraord/Special	358.0	195.9	209.0	209.0	6.7
Fund Balance	8640.6	2,031.8	3,533.7	2,386.9	17.5
<b>SOURCES TOTAL</b>	<b>36,209.7</b>	<b>28,025.1</b>	<b>29,596.3</b>	<b>27,952.1</b>	<b>-0.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	14,249.9	15,400.5	16,965.2	16,176.9	5.0
Contractual Services	2,673.1	2,763.4	2,479.3	2,275.1	-17.7
Other	10,571.8	9,546.2	9,836.8	9,185.1	-3.8
Other Financing Uses	5,126.1	315.0	315.0	315.0	0.0
<b>TOTAL USES</b>	<b>32,620.9</b>	<b>28,025.1</b>	<b>29,596.3</b>	<b>27,952.1</b>	<b>-0.3</b>
<b>FTE</b>					
Permanent	265.0	266.0	281.0	271.0	1.9
Term	12.0	12.0	13.0	12.0	0.0
Temporary	9.5	9.5	9.5	9.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>286.5</b>	<b>287.5</b>	<b>303.5</b>	<b>292.5</b>	<b>1.7</b>

**BUDGET ISSUES:**

Revenue to the game protection fund is generated from the sale of hunting and fishing licenses, special hunt fees, income from property owned by the department, and interest on balances in the fund. One dollar of each hunting and fishing license fee is reserved for capital projects approved by the State Game Commission. Other revenues are received from the purchase of a habitat stamp required to hunt and fish on federal property, the annual auction of one permit to hunt Rocky Mountain or desert bighorn sheep, federal funds from federal excise taxes, and depredation fees assessed with each license to capitalize the big game depredation fund. General fund appropriations, while small, have augmented game protection fund revenue in carrying out the Conservation Services Division's responsibilities for public education and the conservation of nongame wildlife species.



Since FY01, the game protection fund has provided approximately \$16.2 million to complete several projects that include construction of the department's headquarters building, purchase of Eagle Nest Lake, construction at Red River hatchery, construction of the warm water hatchery at Santa Rosa, Eagle Nest dam repair, and clean up at Terrero Mine. In FY05 the department will expend an additional \$1 million for continued repair activities at Eagle Nest. Subsequent to these activities, the fund was reduced from \$25 million to approximately \$8 million. In addition, department expenditures continue to outpace revenues annually by approximately \$1 million, a trend that is unlikely to be reversed without additional revenues. Due to the cyclical nature of license sales, revenues to the department are almost nonexistent from October through March, requiring a fund balance greater than \$6 million to fund operations. To deal with revenue shortfalls the department reports it will request legislation increasing hunting and fishing fees during the 2005 session.

The department continues to struggle with staffing issues. The agency vacancy rate continues to hover around 10 percent to 12 percent, with a substantial number of vacancies among conservation officers. The agency's expansion request includes eight conservation officers to support agency priorities, however, at present, the agency has eight conservation officer positions vacant. Officers patrol remote areas, often times alone without backup which is very dangerous. The committee urges the department to focus specifically on recruitment of officers to achieve full staffing.

The agency noted it is required to send conservation officer trainees to the police academy in Santa Fe even when a certified law enforcement program is available close to the trainee's home or place of work. This practice costs the agency a considerable amount of money in per diem, travel, and compensatory time. Given state personnel rules governing the amount of compensatory time an employee may accrue and the timeframe in which it must be used, the agency might not see an employee for at least six months once training begins. The committee recognizes the importance of having officers in the field as soon as possible after training and supports the agency's efforts to have certification training take place at regional law enforcement training academies.

DGF at the urging of the committee and with assistance from the State Personnel Office conducted an internal review of issues regarding conservation officers salaries and the compaction of salaries within pay bands. As a result of the study, the department developed a compensation plan that provided in-band salary adjustments for conservation officers that took into account employee risk, training, and experience. The cost of implementing this plan is estimated to be approximately \$80 thousand per year from the game protection fund. The plan was approved by State Game Commission (SGC) and put into effect in FY04.

Another issue raised by conservation officers is the possibility of changing retirement options from the general Public Employees Retirement Association (PERA) plan to the police officer 20-year retirement. Legislation introduced in the 2004 legislative session indicated an additional impact on the game protection fund of approximately \$350 thousand annually and without a formal actuarial study the committee cannot accurately predict the impact on PERA.

In January 2004, SGC approved a land-use fee schedule for department property. The initial schedule met with considerable resistance from members of both the oil and gas industry and the rural electric industry, with both claiming the fees were arbitrary and out of line with fees normally assessed by the State Land Office and other public and private entities. The committee directed the agency to reevaluate the fee schedule and see if it were possible to better align the fees with currently accepted standards. SGC approved a revised schedule in August 2004 that addressed the concerns raised and better aligned the fees. The director has noted industry representatives were involved in the revision process and the commission received no dissenting comments.

Depredation complaints continue to increase along with resources dedicated to compliance and abatement. In addition to activities taken to physically keep wildlife off of private property, such as building fences, the department also provides a number of hunting tags that landowners can sell at a profit. This landowner signup system (LOSS) has proved to be troublesome to the agency in recent years as landowners have chosen to reject offers of physical measures and instead demand more and more tags while at the same time demanding financial compensation for damage to property. SGC is considering changes to LOSS requiring landowners to select one option, both of which will involve a reduction of direct payments. SGC is also considering changing the requirements regarding acreage and quality of forage to make the process more equitable to all stakeholders statewide.

Program performance for FY04 was good with improvements in activities and data collection taking place. DGF met or exceeded performance in most areas with some exceptions. Fish production from hatcheries did not meet expectations with equipment failures and operator errors accounting for significant losses of fish. The department has implemented institutional controls to prevent operator errors and has provided additional training on newly renovated systems. Depredation response and resolution also missed targets as a result of increased depredation claims. Changes proposed by SGC should streamline this process and result in a more reasonable number of claims reported. The single measure for the depredation program does not accurately measure the program's performance. The committee recommends development of more significant measures to better reflect program activities.

#### **BASE EXPANSION:**

DGF requested \$1, 571.2 in base expansion to fund 15 FTE. Requested program changes include eight conservation officers to be stationed at the field offices, two farm and ranch workers to staff the new warm water hatchery in Santa Rosa, one recreation and development specialist to assist development of added recreational access to game commission properties, one farm and ranch worker to more effectively conduct maintenance and repair activities statewide, one field wolf biologist to lead wolf management in New Mexico, two farm and ranch workers to develop infrastructure to promote recreational activities on game commission properties, and one management analyst to provide grant oversight. All FTE requested are funded either in whole or in part from the Game Protection Fund with the hatchery workers, the wolf biologist, and management analyst funded in part with federal funds. The committee recommends the expansion of two conservation officers to complement the existing law enforcement staff in the sport hunting and fishing program, two farm and ranch workers at the Santa Rosa hatchery, and the farm and ranch worker to conduct maintenance statewide. Though supportive of the department's responsibilities, the committee does not support the remainder of the expansion request due to the high number of vacancies in the department. The committee urges the agency to assess the vacancy situation and reclassify long-term vacancies to some of these positions. The committee further recognizes the contribution made to New Mexicans by all conservation officers in the department and recommends a special 2 percent compensation increase for conservations officers in addition to the increase appropriated for all state employees.

#### **RECOMMENDED LANGUAGE:**

The internal services funds/interagency transfers appropriations to the sport hunting and fishing program of the department of game and fish includes one hundred thousand dollars (\$100,000) from the game protection fund for Ute dam operation. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 from this appropriation shall revert to the game protection fund.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Conservation officers (8 FTE)	(SHF)	368.0	97.0
2	Farm and ranch worker (2 FTE)	(SHF)	81.8	81.8
3	Recreation development specialist (1 FTE)	(CSD)	56.0	0.0
4	Farmworker, farm and ranch animal (1 FTE)	(CSD)	42.0	42.0
5	Wolf field biologist (1 FTE)	(CSD)	52.0	0.0
6	Management analyst - O (1 FTE)	(ASD)	52.9	0.0
7	Farmworker, farm and ranch animal (1 FTE)	(CSD)	84.0	0.0
<b>TOTAL</b>			<b>736.7</b>	<b>220.8</b>

## SPORT HUNTING AND FISHING

The purpose of the sport hunting and fishing program is to provide a statewide system for hunting activities as well as self-sustaining and hatchery-supported fisheries, taking into account hunter safety, quality hunts, high demand areas, guides and outfitters, quotas and assuring that local and financial interests receive consideration.

### BUDGET SUMMARY (dollars in thousands)

	FY06 - 2005-2006				
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
Fed Program Revenues	6,187.6	6,101.2	5,618.3	5,557.4	-8.9
Enterprise Program Rev	9,518.4	9,000.0	9,250.0	9,250.0	2.8
General Revenues	0.2	0.0	0.0	0.0	
Extraord/Special	60.8	0.0	0.0	0.0	
Fund Balance	2,260.0	595.3	1,610.8	1,011.6	69.9
<b>SOURCES TOTAL</b>	<b>18,027.0</b>	<b>15,696.5</b>	<b>16,479.1</b>	<b>15,819.0</b>	<b>0.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	9,043.4	9,670.0	10,719.7	10,426.2	7.8
Contractual Services	1,147.9	1,221.9	839.1	792.2	-35.2
Other	4,533.9	4,489.6	4,605.3	4,285.6	-4.5
Other Financing Uses	1,615.0	315.0	315.0	315.0	0.0
<b>TOTAL USES</b>	<b>16,340.2</b>	<b>15,696.5</b>	<b>16,479.1</b>	<b>15,819.0</b>	<b>0.8</b>
<b>FTE</b>					
Permanent	175.0	177.0	185.0	179.0	1.1
Term	2.0	2.0	2.0	2.0	0.0
Temporary	8.5	8.5	8.0	8.0	-5.9
<b>TOTAL FTE POSITIONS</b>	<b>185.5</b>	<b>187.5</b>	<b>195.0</b>	<b>189.0</b>	<b>0.8</b>

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Angler opportunity and success	76%	77%	80%	80%	80%
* Outcome	Number of days of elk hunting opportunity provided to New Mexico resident hunters on an annual basis	200,097	185,707	160,000	160,000	165,000
* Outcome	Percent of public hunting licenses drawn by New Mexico resident hunters	84.5%	84.6%	80%	80%	80%
* Output	Annual output of fish from the department's hatchery system, in pounds	323,296	312,625	400,000	400,000	400,000

## CONSERVATION SERVICES

The purpose of the conservation services program is to provide information and technical guidance to any person wishing to conserve and enhance wildlife habitat and recover indigenous species of threatened and endangered wildlife.

### BUDGET SUMMARY (dollars in thousands)

FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES					
General Fund Transfers	174.6	179.6	283.5	179.6	0.0
Fed Program Revenues	2,063.5	2,471.3	2,817.6	2,561.0	3.6
Other Program Revenues	11.2	5.0	5.0	5.0	0.0
Enterprise Program Rev	2,308.0	1,877.9	1,671.8	1,671.8	-11.0
General Revenues	107.6	78.5	52.0	52.0	-33.8
Extraord/Special	161.9	10.0	100.0	100.0	900.0
Fund Balance	5,483.6	958.1	502.0	334.5	-65.1
SOURCES TOTAL	10,310.4	5,580.4	5,431.9	4,903.9	-12.1
USES					
Personal Services/Empl Benefit	2,010.5	2,138.2	2,309.0	2,064.7	-3.4
Contractual Services	937.6	808.4	654.2	625.0	-22.7
Other	3,443.0	2,633.8	2,468.7	2,214.2	-15.9
Other Financing Uses	3,500.0	0.0	0.0	0.0	
TOTAL USES	9,891.1	5,580.4	5,431.9	4,903.9	-12.1
FTE					
Permanent	31.0	30.0	34.0	30.0	0.0
Term	8.0	8.0	8.0	8.0	0.0
Temporary	1.0	1.0	1.5	1.5	50.0
TOTAL FTE POSITIONS	40.0	39.0	43.5	39.5	1.3

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Outcome	Number of habitat improvement projects completed in cooperation with private, state, and federal entities	145	83	100		
* Output	Number of threatened and endangered species monitored, studied, or involved in the recovery plan process	38	42	49	35	38
Output	Number of consultations provided to public and private entities to determine potential impacts of habitat and wildlife resources	441		400	400	400
* Outcome	Number of wildlife areas opened for access under the gaining access into nature project				2	2
* Outcome	Number of acres of wildlife habitat conserved, enhanced, or positively affected statewide				100,000	100,000

## **WILDLIFE DEPREDAATION AND NUISANCE ABATEMENT**

The purpose of the wildlife depredation and nuisance abatement program is to provide complaint administration and intervention processes to private landowners, leaseholders and other New Mexicans so they may be relieved of and precluded from property damage, annoyances, or risks to public safety caused by protected wildlife.

<b>BUDGET SUMMARY</b> (dollars in thousands)						
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		<b>Percent</b>	
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Incr</u></b>	<b><u>(Decr)</u></b>
<b>SOURCES</b>						
Fed Program Revenues	8.7	0.0	0.0	0.0		
Enterprise Program Rev	1,812.1	988.8	958.8	935.7	-5.4	
Fund Balance	165.0	0.0	0.0	0.0		
<b>SOURCES TOTAL</b>	<b>1,985.8</b>	<b>988.8</b>	<b>958.8</b>	<b>935.7</b>	<b>-5.4</b>	
<b>USES</b>						
Personal Services/Empl Benefit	204.5	258.0	256.9	256.9	-0.4	
Contractual Services	98.0	219.6	210.7	179.7	-18.2	
Other	656.1	511.2	491.2	499.1	-2.4	
<b>TOTAL USES</b>	<b>958.6</b>	<b>988.8</b>	<b>958.8</b>	<b>935.7</b>	<b>-5.7</b>	
<b>FTE</b>						
Permanent	5.0	5.0	5.0	5.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>0.0</b>	

<b>PERFORMANCE MEASURES</b>						
		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
* Outcome	Percent of depredation complaints resolved within the mandated one-year timeframe.	95%	73%	95%	95%	95%

## **PROGRAM SUPPORT**

The purpose of program support is to provide an adequate and flexible system of direction, oversight, accountability and support to all divisions so they may successfully attain planned outcomes for all department programs.

<b>BUDGET SUMMARY</b> (dollars in thousands)						
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		<b>Percent</b>	
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Incr</u></b>	<b><u>(Decr)</u></b>
<b>SOURCES</b>						
Fed Program Revenues	192.7	70.9	537.9	485.0	584.1	
Other Program Revenues	149.1	81.9	102.5	102.5	25.2	
Enterprise Program Rev	4,471.4	4,679.9	4,400.0	4,400.0	-6.0	
General Revenues	206.0	262.4	156.2	156.2	-40.5	
Extraord/Special	135.3	185.9	109.0	109.0	-41.4	
Fund Balance	732.0	478.4	1,420.9	1,040.8	117.6	
<b>SOURCES TOTAL</b>	<b>5,886.5</b>	<b>5,759.4</b>	<b>6,726.5</b>	<b>6,293.5</b>	<b>9.3</b>	
<b>USES</b>						
Personal Services/Empl Benefit	2,991.5	3,334.3	3,679.6	3,429.1	2.8	
Contractual Services	489.6	513.5	775.3	678.2	32.1	
Other	1,938.8	1,911.6	2,271.6	2,186.2	14.4	
Other Financing Uses	11.1	0.0	0.0	0.0		
<b>TOTAL USES</b>	<b>5,431.0</b>	<b>5,759.4</b>	<b>6,726.5</b>	<b>6,293.5</b>	<b>9.3</b>	
<b>FTE</b>						
Permanent	54.0	54.0	57.0	57.0	5.6	
Term	2.0	2.0	3.0	2.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>56.0</b>	<b>56.0</b>	<b>60.0</b>	<b>59.0</b>	<b>5.4</b>	

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Output	Number of contacts made to increase Department diversity				5,000	5,000
Output	Percent of vacancies filled within one hundred eighty days of occurrence				90%	90%
Quality	Percent error rate in processing special hunt applications				< 1%	< 1%
Quality	Percent of employee performance appraisals completed by anniversary date and submitted within state personnel guidelines				95%	95%

**ENERGY, MINERALS & NATURAL RESOURCES DEPT.****521****STATUTORY AUTHORITY:**

The Energy, Minerals and Natural Resources Department (EMNRD) was created by Sections 9-5A-1 through 9-5A-7 NMSA 1978. The statute creates six divisions: Energy Conservation and Management, Forestry, State Parks, Mining and Minerals, Oil Conservation, and Administrative Services.

**MISSION:**

To position New Mexico as a national leader in energy and natural resource areas. This includes developing reliable supplies of energy and energy efficient technologies with a balanced approach toward conserving renewable and nonrenewable resources; protecting the environment and ensuring responsible reclamation of land and resources affected by mineral extraction; growing and managing healthy, sustainable forests; and improving the state park system that protects New Mexico's natural, cultural, and recreational resources for posterity and contributes to a sustainable economy statewide.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	18,865.7	19,993.8	20,278.9	20,451.5	2.3
Other Transfers	6,105.6	4,332.1	5,066.1	5,066.1	16.9
Fed Program Revenues	12,303.9	17,520.1	17,971.2	17,971.2	2.6
Other Program Revenues	5,169.0	5,475.6	5,839.7	5,839.7	6.6
General Revenues	6,465.8	4,565.0	5,005.0	5,005.0	9.6
Extraord/Special	211.0	38.0	16.5	16.5	-56.6
Fund Balance	1,717.1	1,072.1	1,915.2	1,915.2	78.6
<b>SOURCES TOTAL</b>	<b>50,838.1</b>	<b>52,996.7</b>	<b>56,092.6</b>	<b>56,265.2</b>	<b>6.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	23,098.5	24,412.1	24,605.4	25,034.4	2.5
Contractual Services	7,192.3	7,420.3	10,010.0	10,007.5	34.9
Other	12,039.1	15,068.7	14,413.6	14,159.7	-6.0
Other Financing Uses	7,378.8	6,095.6	7,063.6	7,063.6	15.9
<b>TOTAL USES</b>	<b>49,708.7</b>	<b>52,996.7</b>	<b>56,092.6</b>	<b>56,265.2</b>	<b>6.2</b>
<b>FTE</b>					
Permanent	405.0	413.0	413.0	413.0	0.0
Term	38.0	38.0	38.0	38.0	0.0
Temporary	47.0	48.0	48.0	48.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>490.0</b>	<b>499.0</b>	<b>499.0</b>	<b>499.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

For FY06, the agency requested an increase of \$3.1 million with a base increase in the general fund appropriation of \$285 thousand related to operating costs at Mesilla Valley Bosque Park and added compensation and healthcare costs. The greatest increase is for the State Parks Division (SPD) with an increased federal fund request of \$1 million, general revenues of \$140 thousand, and fund balance expenditures of \$800 thousand. The request assumes an overall vacancy savings of approximately 6 percent to meet the governor's directive of a flat budget submission. Analysis indicates this request will be problematic, requiring 30 to 35 permanent positions to be held vacant for an entire year. In addition, SPD's request includes funding of 4 FTE authorized by the Legislature for FY05 but not funded. The agency request transfers two information technology (IT) positions from the Oil and Gas Conservation Program to Program Leadership and Support to complete consolidation of IT positions in compliance with executive directives.

The committee recommends a 6.2 percent increase in the agency's operating budget with a 2.3 percent increase in the general fund appropriation to support personal services and employee benefits and operational costs at Mesilla Valley Bosque State

Park. The recommendation includes an increase in other costs for program support for increased training of employees statewide and a technical reduction applying committee budget guidelines and assumes an average 3.7 percent vacancy rate.

Statewide drought conditions continue to affect SPD revenues, particularly at water-related parks. Fee increases implemented in May 2004 have helped offset revenue decreases despite visitation shortfalls and SPD is hopeful this trend will continue as drought conditions persist. SPD reports 45 percent of parks showed visitation increases and 61 percent revenue increases for FY04. The data underscores the tremendous influence of Elephant Butte on the division's visitation and revenue totals. Elephant Butte alone realized 328,000 fewer visitors and \$140 thousand in reduced revenues yet statewide SPD was down by only 141,000 visitors and \$129 thousand (see Appendix 521A). In FY05 the U.S. Bureau of Reclamation completed the sale of lease lots at Elephant Butte. This sale will result in decreased revenues of approximately \$250 thousand annually.

Park expansion remains a priority for the executive with emphasis being placed on the Vietnam Veterans Memorial, Shakespeare Ghost Town, and Cerrillos Hills. The Legislature in 2004 appropriated \$1.7 million for nonrecurring costs associated with park expansion. Much of the appropriation remains unspent as the division conducts planning and implementation activities. SPD notes the need for proper planning of projects and requested legislative approval to extend the period of time in which to expend the appropriation. Of great concern to the committee is the executive's emphasis on park expansion and the acquisition of new properties while disregarding the associated operational costs. SPD estimates the recurring operational costs of the Vietnam Memorial, Shakespeare, and Cerrillos Hills to be approximately \$730 thousand annually. These costs are not included in the division's budget request, yet expansion activities continue. The committee regards this as a serious budget issue to be promptly addressed. Additionally, Shakespeare is projected to require \$4.5 million in nonrecurring funds to develop the property properly as a state park. The committee recommends the executive and SPD clearly provide the Legislature with all costs associated with each individual project, in advance of requesting expansion funding.

The federal abandoned mine land program, 100 percent funded through a nationwide fee on coal production, expired in November 2004. The program is expected to be extended by Congress through June 2005 under a continuing resolution in order to allow comprehensive legislation to be drafted. These funds are critical to the division's ability to closeout abandoned mines statewide.

Agency performance across all programs for FY04 met or exceeded all targets, however the committee notes many performance measures are not relevant to agency operations and many targets have been established at levels that do not establish high expectations of performance. Discussions with each program in the interim resulted in the development of new measures that more accurately reflect agency performance relating to meaningful activities and performance levels. As such, FY06 recommendations will establish baseline data for many measures. With regard to FY04 performance, the renewable energy and energy efficiency saw an increase in alternative fuels consumption of 10 percent over FY03 levels. This is considerable given the size of the state vehicle fleet. Self-generated revenue per customer for SPD remained at 81 cents indicating the possibility the division may not achieve its FY05 target of 86 cents. With regard to interpretive programs made available to park visitors, SPD exceeded targets by 25 percent. OCD greatly exceeded targets in the number of orphaned oil wells plugged and expects to continue these efforts in FY05. The committee commends the efforts of agency staff in achieving high performance levels.



## RENEWABLE ENERGY AND ENERGY EFFICIENCY

The purpose of the renewable energy and energy efficiency program is to develop and implement clean energy programs in order to decrease per capita energy consumption, utilize New Mexico's substantial renewable energy resources, minimize local, regional and global air emissions, lessen dependence on foreign oil and reduce in-state water demands associated with fossil-fueled electrical generation.

### BUDGET SUMMARY (dollars in thousands)

		<u>FY06 - 2005-2006</u>			
		<u>FY04</u>	<u>FY05</u>	<u>Agency</u>	<u>Percent</u>
		<u>2003-2004</u>	<u>2004-2005</u>	<u>Request</u>	<u>Incr</u>
		<u>Actuals</u>	<u>Budgeted</u>		<u>(Decr)</u>
<b>SOURCES</b>					
	General Fund Transfers	610.1	625.0	625.0	0.0
	Fed Program Revenues	1,185.6	2,095.2	1,971.1	-5.9
	Other Program Revenues	8.7	0.0	300.0	300.0
	Extraord/Special	0.1	0.0	0.0	0.0
	Fund Balance	175.0	168.0	200.0	19.0
	<b>SOURCES TOTAL</b>	<b>1,979.5</b>	<b>2,888.2</b>	<b>3,096.1</b>	<b>7.2</b>
<b>USES</b>					
	Personal Services/Empl Benefit	817.1	865.4	846.3	-2.2
	Contractual Services	1,295.2	1,574.9	1,605.8	2.0
	Other	143.4	179.1	144.0	-19.6
	Other Financing Uses	274.6	268.8	500.0	86.0
	<b>TOTAL USES</b>	<b>2,530.3</b>	<b>2,888.2</b>	<b>3,096.1</b>	<b>7.2</b>
<b>FTE</b>					
	Permanent	9.0	9.0	9.0	0.0
	Term	2.0	2.0	2.0	0.0
	<b>TOTAL FTE POSITIONS</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>0.0</b>

### PERFORMANCE MEASURES

		<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY06</u>
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
Outcome	Percent increase in alternative fuels consumption of gasoline-equivalent gallons by state entities	9%	19%	15%		
* Outcome	Percent reduction in energy use in public facilities receiving efficiency retrofit projects				5%	5%
* Outcome	Percent decrease in gasoline consumption by state and local government fleets through the application of alternative transportation fuel technologies				10%	10%
Output	Energy savings, in millions of british thermal units, in state facilities	42,816	57,700	45,000		
Output	Number of renewable energy projects assisted			8	8	8
Output	Number of new state facilities, including public schools and institutions of higher education, certified to the U.S. green building council's leadership in energy and environmental design standards				2	2
* Explanatory	Annual utility costs for state-owned buildings, in thousands	\$13,708.3	\$14,133.1	\$13,708.3	\$13,708.0	\$13,708.0

## HEALTHY FORESTS

The purpose of the healthy forests program is to promote the health of New Mexico's forest lands by managing wildfires, mitigating urban interface fire threats and providing stewardship of private and state forest lands and associated watersheds.

### BUDGET SUMMARY (dollars in thousands)

FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
SOURCES					
General Fund Transfers	3,106.2	3,153.0	3,153.0	3,019.7	-4.2
Other Transfers	486.4	404.6	449.5	449.5	11.1
Fed Program Revenues	4,549.6	5,626.4	5,335.3	5,335.3	-5.2
Other Program Revenues	429.4	690.1	607.5	607.5	-12.0
General Revenues	0.3	0.0	0.0	0.0	
Extraord/Special	83.4	18.0	0.0	0.0	-100.0
Fund Balance	45.7	47.9	57.7	57.7	20.5
SOURCES TOTAL	8,701.0	9,940.0	9,603.0	9,469.7	-4.7
USES					
Personal Services/Empl Benefit	3,488.8	3,518.1	3,636.0	3,566.1	1.4
Contractual Services	1,288.2	1,385.4	1,148.1	1,148.1	-17.1
Other	4,434.1	4,606.4	4,369.4	4,306.0	-6.5
Other Financing Uses	358.0	430.1	449.5	449.5	4.5
TOTAL USES	9,569.1	9,940.0	9,603.0	9,469.7	-4.7
FTE					
Permanent	54.0	54.0	54.0	54.0	0.0
Term	11.0	11.0	11.0	11.0	0.0
TOTAL FTE POSITIONS	65.0	65.0	65.0	65.0	0.0

### PERFORMANCE MEASURES

		<u>FY03</u> <u>Actual</u>	<u>FY04</u> <u>Actual</u>	<u>FY05</u> <u>Budget</u>	<u>FY06</u> <u>Request</u>	<u>FY06</u> <u>Recomm</u>
Output	Number of acres restored	18,112	16,829	20,000		
Output	Number of seedlings delivered through conservation	189,810	191,918	190,000		
* Output	Number of fire and insect vulnerability assessments and number of implemented mitigation programs in high-risk communities				47 of 217	47 of 217
* Output	Number of nonfederal wildland firefighters provided with technical fire training appropriate to their incident command system				500	500

## STATE PARKS

The purpose of the state parks program is to create the best recreational opportunities possible in state parks by preserving cultural and natural resources, continuously improving facilities and providing quality, fun activities and to do it all efficiently.

### BUDGET SUMMARY (dollars in thousands)

FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES					
General Fund Transfers	7,799.6	8,892.0	9,102.0	9,352.9	5.2
Other Transfers	2,435.6	2,145.7	2,512.7	2,512.7	17.1
Fed Program Revenues	1,497.2	4,815.3	5,855.6	5,855.6	21.6
Other Program Revenues	4,016.7	4,050.2	4,165.8	4,165.8	2.9
General Revenues	3,895.6	3,655.0	3,805.0	3,805.0	4.1
Extraord/Special	119.6	19.0	15.0	15.0	-21.1
Fund Balance	1,216.1	851.2	1,650.0	1,650.0	93.8
SOURCES TOTAL	20,980.4	24,428.4	27,106.1	27,357.0	12.0
USES					
Personal Services/Empl Benefit	10,321.9	11,155.1	11,159.6	11,614.8	4.1
Contractual Services	971.7	2,321.2	4,739.7	4,737.2	104.1
Other	5,777.2	8,806.4	8,694.1	8,492.3	-3.6
Other Financing Uses	2,325.4	2,145.7	2,512.7	2,512.7	17.1
TOTAL USES	19,396.2	24,428.4	27,106.1	27,357.0	12.0
FTE					
Permanent	220.0	228.0	228.0	228.0	0.0
Term	5.0	5.0	5.0	5.0	0.0
Temporary	47.0	48.0	48.0	48.0	0.0
TOTAL FTE POSITIONS	272.0	281.0	281.0	281.0	0.0

### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of visitors participating in interpretive programs, including active programs and passive programs through displays at visitor centers			4.5%	4.5%	4.5%
Outcome	Percent of registered boats in New Mexico inspected			20%	20%	20%
* Outcome	Percent completion of new parks and park expansion projects				45%	45%
* Output	Number of interpretive programs available to park visitors	1,834	2,515	1,800	1,800	2,000
Output	Number of visitors participating in interpretive programs, including displays at visitor centers and self-guided tours	185,907	193,054			
Output	Number of boat safety inspections conducted	8,346	5,495			
* Explanatory	Number of visitors to state parks	3,983,454	3,842,433	4,000,000	4,000,000	4,000,000
Explanatory	Percent of general fund appropriation to total funds	38%	37.3%	60.3%		
* Explanatory	Self-generated revenue per visitor, in dollars	\$0.81	\$0.81	\$0.86	\$0.80	\$0.86
Explanatory	Number of boating accidents per thousand visitors			0.04	0.04	0.04

## **MINE RECLAMATION**

The purpose of the mine reclamation program is to implement the state laws that regulate the operation and reclamation of hard rock and coal mining facilities and to reclaim abandoned mine sites.

### **BUDGET SUMMARY (dollars in thousands)**

		FY06 - 2005-2006				
		FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES						
	General Fund Transfers	408.9	387.7	387.7	387.7	0.0
	Other Transfers	670.5	740.3	773.9	773.9	4.5
	Fed Program Revenues	2,868.9	2,583.9	2,511.8	2,511.8	-2.8
	Other Program Revenues	633.2	735.3	766.4	766.4	4.2
	Extraord/Special	7.8	0.0	0.0	0.0	
	Fund Balance	30.3	5.0	7.5	7.5	50.0
	SOURCES TOTAL	4,619.6	4,452.2	4,447.3	4,447.3	-0.1
USES						
	Personal Services/Empl Benefit	2,035.5	2,132.8	2,175.6	2,152.7	0.9
	Contractual Services	886.9	1,193.6	1,206.0	1,206.0	1.0
	Other	348.8	385.5	291.8	314.7	-18.4
	Other Financing Uses	671.0	740.3	773.9	773.9	4.5
	TOTAL USES	3,942.2	4,452.2	4,447.3	4,447.3	-0.1
FTE						
	Permanent	16.0	16.0	16.0	16.0	0.0
	Term	15.0	15.0	15.0	15.0	0.0
	TOTAL FTE POSITIONS	31.0	31.0	31.0	31.0	0.0

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Output	Number of abandoned mine reclamation projects completed, as specified in the abandoned mine land federal grant	9	6	5	6	6
* Output	Number of inspections conducted per year to ensure mining is being conducted in compliance with approved permits and regulations	300	282	300	300	300
* Explanatory	Number of abandoned mines safeguarded	120	78	120	120	120

## **OIL AND GAS CONSERVATION**

The purpose of the oil and gas conservation program is to assure the conservation and responsible development of oil and gas resources through professional and dynamic regulation.

### **BUDGET SUMMARY** (dollars in thousands)

	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
			<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	4,123.8	4,120.9	3,978.1	4,001.9	-2.9
Other Transfers	2,463.1	991.5	1,280.0	1,280.0	29.1
Fed Program Revenues	565.5	419.9	316.3	316.3	-24.7
Other Program Revenues	81.0	0.0	0.0	0.0	
General Revenues	2,569.8	910.0	1,200.0	1,200.0	31.9
Extraord/Special	0.1	0.0	0.0	0.0	
Fund Balance	250.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>10,053.3</b>	<b>6,442.3</b>	<b>6,774.4</b>	<b>6,798.2</b>	<b>5.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,595.2	3,822.4	3,619.6	3,665.3	-4.1
Contractual Services	2,717.0	926.5	1,280.9	1,280.9	38.3
Other	920.3	738.4	568.9	547.0	-25.9
Other Financing Uses	2,405.5	955.0	1,305.0	1,305.0	36.6
<b>TOTAL USES</b>	<b>9,638.0</b>	<b>6,442.3</b>	<b>6,774.4</b>	<b>6,798.2</b>	<b>5.5</b>
<b>FTE</b>					
Permanent	63.0	63.0	61.0	61.0	-3.2
Term	2.0	2.0	2.0	2.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>65.0</b>	<b>65.0</b>	<b>63.0</b>	<b>63.0</b>	<b>-3.1</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of inventoried orphaned wells plugged	28.5%	29.3%	23.8%	30%	30%
Outcome	Percent reduction in number of spills caused by infrastructure failures			5%	5%	5%
Outcome	Percentage of violations resolved within ninety days				95%	95%
* Output	Number of orphan wells plugged	57	86	60	60	60
* Output	Number of inspections of oil and gas wells and associated facilities	25,752	23,636	25,750	24,500	25,750
Output	Number of formal notices of violation issued				84	84
Efficiency	Percent of remediation plans for major releases approved within sixty days after notification			75%	75%	75%
Efficiency	Percent of applications for administrative orders reviewed within thirty days			85%	80%	80%

## **PROGRAM LEADERSHIP AND SUPPORT**

The purpose of program leadership and support is to provide leadership, set policy and provide support for every division in achieving goals.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b><u>Actuals</u></b>	<b>FY05</b> <b>2004-2005</b> <b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b>LFC</b> <b><u>Recommendation</u></b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	2,817.1	2,815.2	3,033.1	3,064.3	8.8
Other Transfers	50.0	50.0	50.0	50.0	0.0
Fed Program Revenues	1,637.1	1,979.4	1,981.1	1,981.1	0.1
General Revenues	0.1	0.0	0.0	0.0	
Extraord/Special	0.0	1.0	1.5	1.5	50.0
<b>SOURCES TOTAL</b>	<b>4,504.3</b>	<b>4,845.6</b>	<b>5,065.7</b>	<b>5,096.9</b>	<b>5.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,840.0	2,918.3	3,168.3	3,189.2	9.3
Contractual Services	33.3	18.7	29.5	29.5	57.8
Other	415.3	352.9	345.4	355.7	0.8
Other Financing Uses	1,344.3	1,555.7	1,522.5	1,522.5	-2.1
<b>TOTAL USES</b>	<b>4,632.9</b>	<b>4,845.6</b>	<b>5,065.7</b>	<b>5,096.9</b>	<b>5.2</b>
<b>FTE</b>					
Permanent	43.0	43.0	45.0	45.0	4.7
Term	3.0	3.0	3.0	3.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>46.0</b>	<b>46.0</b>	<b>48.0</b>	<b>48.0</b>	<b>4.3</b>

<b>PERFORMANCE MEASURES</b>						
		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
Outcome	Percent of time local area computer network is available			95%	95%	95%
Outcome	Percent of prior-year financial audit findings resolved			100%	95%	100%
Outcome	Percent of all hire packets reviewed for compliance within five working days of receipt			90%	90%	90%
Output	Number of waste-isolation-pilot-project-related United States department of energy compliance project management plan training courses and practical exercises conducted	40	47	24		
Output	Number of waste-isolation-pilot-project-related emergency responder and shipment inspection trainings and practice exercises conducted				40	40

## YOUTH CONSERVATION CORPS

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### STATUTORY AUTHORITY:

Sections 9-5B-1 through 9-5B-11 NMSA 1978 establish the New Mexico Youth Conservation Corps Act. The purpose of the act is to provide employment for youth in public projects that conserve New Mexico's natural resources and provide community benefits of lasting value. The corps is administratively attached to the New Mexico Energy, Minerals and Natural Resources Department (EMNRD).

### MISSION:

To promote the education, success and well-being of the youth of New Mexico through the conservation and enhancement of the state's natural resources and lasting community benefits.

BUDGET SUMMARY (dollars in thousands)					
			FY06 – 2005-2006		Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	1.5	0.0	0.0	0.0	
General Revenues	2,392.1	2,194.7	2,400.0	2,400.0	9.4
Fund Balance	785.5	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>3,179.1</b>	<b>2,194.7</b>	<b>2,400.0</b>	<b>2,400.0</b>	<b>9.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	122.1	121.8	163.5	126.3	3.7
Contractual Services	2,621.1	1,975.3	2,126.4	2,175.9	10.2
Other	55.0	47.6	60.1	47.8	0.4
Other Financing Uses	50.0	50.0	50.0	50.0	0.0
<b>TOTAL USES</b>	<b>2,848.2</b>	<b>2,194.7</b>	<b>2,400.0</b>	<b>2,400.0</b>	<b>9.4</b>
<b>FTE</b>					
Permanent	2.0	2.0	3.0	2.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>2.0</b>	<b>2.0</b>	<b>3.0</b>	<b>2.0</b>	<b>0.0</b>

### BUDGET ISSUES:

The agency requested an overall increase of \$155.8 thousand, or 7 percent, in base funding. The majority of this increase is in contractual services with a small amount in personal services and employee benefits. The Energy, Minerals and Natural Resources Department under an agreement with the Youth Conservation Corps Commission assesses an administrative fee of \$50 thousand for providing administrative support to the agency. This fee is included in the agency's request. The committee supports the agency request.

The primary focus of the Youth Conservation Corps (YCC) is to promote youth employment, values, training, and tuition. For FY03, the agency met or exceeded all performance expectations. In FY05 the agency expects to serve a greater number of youth; however, given the manpower needs of some larger and longer term projects, the total number of projects will be reduced. Given increased revenues, the committee recommends a modest increase in the number of projects funded. This increase is reflected in the committee's performance recommendation. Additionally, contractors are becoming more efficient in estimating project costs, resulting in lower per-project reversions.

From FY93 through FY03, YCC awarded more than \$18.3 million in grants and employed 4,595 youth in 386 projects statewide. In FY05, the commission employed 564 youth in 35 projects for a total of \$2.7 million in grants. The governor, using \$50 thousand in federal fiscal relief funds as a match to Governmental Gross Receipts Tax (GGRT) revenues, initiated a program to reduce the impact of the pine bark beetle on New Mexico's northern piñon forests. The YCC commission selected Rocky Mountain Youth Corps (RMYC) of Taos to receive the \$100 thousand grant. RMYC partnered with the Bureau of Land Management and the U.S. Forest Service to treat acreage owned by those agencies impacted by the bark beetle. A total of 440

acres were treated. The program commenced in April 2004 and was completed in October 2004.

The Youth Conservation Corps Act allows corps members to receive, as additional compensation, a \$500 cash bonus or a \$1 thousand educational waiver voucher. To be eligible, participating youth must have 12 months of service in a 48-month period. Corps members may use the tuition voucher at a New Mexico institution of higher learning. The agency reports that from inception through FY03 \$34.6 thousand in cash bonuses and \$46.8 thousand in educational tuition vouchers have been distributed to corps members. An additional \$1.2 thousand in cash bonuses and \$3.7 thousand in tuition bonuses have been awarded in the first and second quarters of FY05 for a total scholarship amount of \$96.3 thousand.

#### BASE EXPANSION:

YCC requested \$49.5 thousand in a base expansion to fund 1 FTE. The requested program change is to add an instructional coordinator to develop and implement a system to monitor, evaluate, and advance the educational levels of YCC members. Job responsibilities will also include ensuring available education programs meet the Public Education Department's curriculum standards and coordinating communication among educational entities to allow corps members to earn credit towards graduation for skills learned during YCC service. While supportive of the intent, the committee recommends maximizing funding for project costs and does not recommend the expansion.

#### BASE EXPANSION LISTING FY06 - 2005-2006

Agency Rank		(Division) (YCC)	Agency Request	LFC Recommendation
1	Instructional Coordinator-O (1 FTE)		49.5	0.0
<b>TOTAL</b>			<b>49.5</b>	<b>0.0</b>

#### YOUTH CONSERVATION CORPS

The purpose of the youth conservation corps program is to provide funding for the employment of New Mexicans from the ages of fourteen and twenty-five to work on projects that will improve New Mexico's natural, cultural, historical and agricultural resources.

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Output	Number of projects funded in a year that improve New Mexico's natural resources and provide lasting community benefits	43	41	35	35	40
* Output	Number of youth employed annually	603	618	600	500	625
* Outcome	Percent of grant awards used toward wages for corps members	61%	74%	65%	65%	65%
Outcome	Percent of training hours to total hours provided to corps members	15%	18%	8%		
* Output	Number of cash bonuses and tuition vouchers awarded	13	16	15	15	15



**STATUTORY AUTHORITY:**

The Commissioner of Public Lands is an elective office created by the New Mexico Constitution (Article V, Section 1). Responsibilities of the office are provided in Sections 19-1-1 through 19-1-22 NMSA 1978 and consist of the management, care, custody, and control of state trust lands allocated to specific beneficiaries by the federal Ferguson Act. State trust lands include 8.9 million land surface acres and 13.4 million subsurface, or mineral, acres administered by the Commissioner of Public Lands through the State Land Office (SLO). Each acre of land is designated to a specific beneficiary, with educational institutions the beneficiary of 90 percent of the acreage. The agency is divided into four divisions: Commercial Resources, Surface Resources, Mineral Resources, and Office of Administrative Management.

Activities of SLO include leasing state trust lands for mineral, oil and gas development, and agricultural uses; processing and collecting rentals and royalties from the lease of trust lands, including related audit and collection efforts; identifying trust lands with commercial and residential potential and planning or overseeing planning of those lands; leasing and exchanging land for commercial, industrial, and recreation uses; and issuing rights of way to various interests.

**MISSION:**

The mission of the State Land Office is to generate sustainable revenue from state trust lands to support public education and other beneficiary institutions and to build partnerships with all New Mexicans to conserve, protect, and maintain the highest level of stewardship for these lands so they may be a significant legacy for generations to come.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 – 2005-2006</b>		
	<b>Actuals</b>	<b>Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Other Program Revenues	515.4	422.3	445.0	445.0	5.4
General Revenues	10,678.1	11,887.3	11,864.6	11,864.6	-0.2
<b>SOURCES TOTAL</b>	<b>11,193.5</b>	<b>12,309.6</b>	<b>12,309.6</b>	<b>12,309.6</b>	<b>0.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	8,399.2	9,001.9	9,303.9	9,303.9	3.4
Contractual Services	406.7	277.8	309.2	309.2	11.3
Other	1,716.1	2,442.1	2,177.5	2,177.5	-10.8
Other Financing Uses	671.5	587.8	519.0	519.0	-11.7
<b>TOTAL USES</b>	<b>11,193.5</b>	<b>12,309.6</b>	<b>12,309.6</b>	<b>12,309.6</b>	<b>0.0</b>
<b>FTE</b>					
Permanent	153.0	155.0	155.0	155.0	0.0
Temporary	4.0	0.0	0.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>157.0</b>	<b>155.0</b>	<b>155.0</b>	<b>155.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

Royalty income received by the State Land Office (SLO) accrues to the land grant permanent fund; rental, bonus, and miscellaneous income are deposited in the state lands maintenance fund. State land maintenance fund revenue supports SLO operations with surpluses distributed directly to trust beneficiaries. The committee considers SLO to be a "general fund" agency because changes in agency revenue and expenditures directly affect general fund revenues.

Revenues for FY04 continued to be strong at \$278.7 million, 5.6 percent above FY03 income levels. The oil and gas sector continued to perform well in FY04 as noted by a 7 percent growth in royalties. This growth was enhanced by an increase in oil and gas bonuses of \$10 million. SLO reports that the level of bonus payments is volatile and reflects such factors as industry confidence, long-term pricing, and the projected value of land parcels, which has increased as a result of extraordinary oil prices.

Grazing income remains consistent with recent five-year trends, decreasing slightly in FY04. Interest earnings on SLO cash deposits increased slightly, ending a three-year decline. In FY04, the agency distributed \$28.5 million from rental, bonus, and miscellaneous revenue directly to beneficiaries and \$236.3 million in royalties to the land grant permanent fund.

The agency request for FY06 remains flat relative to FY05 with small increases in personal services related to compensation and increased healthcare costs and contractual services offset by reductions in other costs. The agency included a 1 percent vacancy savings in its request, an appropriate rate relative to historical vacancy rates. The committee supports funding of various agency initiatives, including implementation of an asset inventory of state lands, ongoing records modernization, and increased audit activities and recommends the agency request.

The State Land Office in FY05 received a special appropriation from the state lands maintenance fund to conduct onsite audit activities related to royalty payments from lessees. As a result of these audit activities, SLO so far in FY05 has collected approximately \$6.8 million from a number of major companies and has completed two additional audits expected to generate \$2 million. A separate audit is in process with a major producer that is expected to yield approximately \$2 million to \$4 million late in FY05. The agency will request continuation of funding for these activities in FY06. The committee commends SLO for aggressively pursuing these activities and recommends continued funding for audit activities in FY06.

Progress on a land exchange between the University of New Mexico and SLO initiated in FY04 for Mesa del Sol has slowed considerably. The exchange is still viable and SLO anticipates completion some time in FY05. This exchange will allow development of Mesa del Sol to begin. As a part of the overall project, University Boulevard is scheduled to be extended south of Albuquerque to Mesa del Sol. At this time, joint powers agreements are in place between SLO and the City of Albuquerque, the New Mexico Department of Transportation, and Bernalillo County. Environmental assessments have been completed with final design expected in December 2004, project bidding in January 2005, and the commencement of construction in March 2005. Although \$20.9 million has been committed to the project -- \$2.6 million from SLO, \$2.25 million from the New Mexico Department of Transportation, \$1.75 million in federal funding, \$6 million from Governor Richardson's Investment Partnership, \$4 million from the City of Albuquerque, \$335 thousand from Bernalillo County, and \$4 million in anticipated contributions from the project developer -- construction estimates are growing from approximately \$22 million to \$24 million. Sources for the additional funds has not been determined.

SLO is in the midst of litigation with Isleta Pueblo over access to trust lands through property purchased by the pueblo now being claimed as sovereign territory. SLO expects this issue to become more common as pueblos and tribes use gaming profits to purchase large tracts of property, some of which surrounds trust lands.

## **LAND TRUST STEWARDSHIP**

The purpose of the land grant stewardship program is to generate sustainable revenue from state trust lands to support public education and other beneficiary institutions and to build partnerships with all New Mexicans to conserve, protect and maintain the highest level of stewardship for these lands so that they may be a significant legacy for generations to come.

		<b>PERFORMANCE MEASURES</b>				
		<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY06</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Output	Total trust revenue generated, in millions	263.1	278.7	219.6	240.1	240.1
Outcome	Bonus income per leased acre from oil and gas activities	62.21	\$85.66			
* Outcome	Dollars generated through oil, natural gas and mineral audit activities, in millions	\$27.1	\$11.0	\$5.0	\$4.0	\$5.0
* Output	Average income per acre from oil, natural gas and mineral activities	\$16.80	\$20.41	\$94.49	\$17.54	\$20.00
* Output	Average income per acre from agriculture leasing activities	\$0.88	\$0.92	\$0.85	\$0.85	\$0.85
* Output	Average income per acre from commercial leasing activities	\$47.18	\$20.22	\$47.18	\$13.96	\$20.00

**STATUTORY AUTHORITY:**

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) are interrelated, companion agencies. Pursuant to Section 72-2-1 through 72-2-17 NMSA 1978, the state engineer, appointed by the governor and approved by the Senate, is responsible for supervision of New Mexico's water resources, including the measurement, appropriation, and distribution of the resources.

ISC consists of nine members, eight of whom are appointed by the governor. The ninth member is the state engineer who serves as the commission secretary. Pursuant to Section 72-14-1 through 72-14-44 NMSA 1978, ISC negotiates compacts with other states, settles interstate water controversies, and is responsible for fostering equitable distribution and division of water in interstate stream systems. New Mexico is currently party to eight interstate stream compacts. ISC also operates and maintains the Ute Dam. ISC has an administrative director who also serves as the deputy state engineer.

Specific functions include water rights application and disposition; administrative hearings; water rights adjudication; computer database abstraction, imaging, and population; water delivery via interstate compacts; water metering; water conservation; acequia and community ditch improvement; and collaboration with federal agencies and New Mexico water users to meet the requirements of the Endangered Species Act.

**MISSION:**

To actively protect and manage the water resources of New Mexico for beneficial uses by its people and in accordance with law.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	15,263.6	17,237.4	21,237.4	19,105.9	10.8
Other Transfers	14,917.0	14,971.0	15,359.0	12,641.7	-15.6
Fed Program Revenues	78.0	0.0	0.0	0.0	
Other Program Revenues	7,355.7	5,272.0	6,818.5	6,818.5	29.3
Fund Balance	8,242.2	7,149.5	7,351.2	5,023.9	-29.7
<b>SOURCES TOTAL</b>	<b>45,856.5</b>	<b>44,629.9</b>	<b>50,766.1</b>	<b>43,590.0</b>	<b>-2.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	12,841.2	15,996.5	19,793.7	18,156.6	13.5
Contractual Services	6,613.2	8,514.8	8,728.0	5,732.1	-32.7
Other	6,573.9	4,399.7	4,799.3	4,583.5	4.2
Other Financing Uses	16,525.1	15,718.9	17,445.1	15,117.8	-3.8
<b>TOTAL USES</b>	<b>42,553.4</b>	<b>44,629.9</b>	<b>50,766.1</b>	<b>43,590.0</b>	<b>-2.3</b>
<b>FTE</b>					
Permanent	210.0	240.0	314.5	296.0	23.3
Temporary	1.0	0.0	0.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>211.0</b>	<b>240.0</b>	<b>314.5</b>	<b>296.0</b>	<b>23.3</b>

**BUDGET ISSUES:**

For FY06, the agency's request assumes a vacancy savings of approximately 10 percent to meet the governor's directive to submit a flat budget. Analysis indicates this will require holding 26 to 30 positions vacant for the entire year. A more realistic vacancy rate assumption would be approximately 5 percent, achievable in an agency where turnover is relatively high because of high private sector demand for its employees. The committee recommends using a 5 percent vacancy rate.

OSE continues to rely on nonrecurring, special appropriations to fund an extraordinary number of term FTE in three of the agency's programs. These appropriations are a mix of general fund and trust fund sources and are considered year to year. The Legislature in 2004 began addressing this issue with an appropriation of \$1.4 million, which converted 29 term positions to

permanent status and reauthorized previously appropriated revenues to fund the remaining term FTE. The additional revenue received from increased trust fund distributions as a result of the constitutional amendment allowed the agency to reallocate general fund resources to convert 15 additional employees from term positions to permanent positions because trust fund revenue cannot be used directly for personal services.

The agency has requested an additional \$4 million in recurring revenue to convert the remaining term positions to permanent status in FY06. The committee supports the conversion of full-time term employees to permanent status and recommends \$2 million to convert an additional 38 positions. The committee recommends the agency resolve this issue as soon as possible.

The agency administers the Irrigation Works Construction Fund (IWCF) and the Improvement of the Rio Grande Income Fund (IRGIF) with revenue generated from trust lands. At the requested level of expenditure, fund balances projected by OSE for the end of FY06 will be \$3.6 million for IWCF and \$75 thousand for IRGIF. When distributions to the funds are included, IWCF should have sufficient fund balance to support anticipated expenditures through FY07 and IRGIF through FY06. Any additional appropriations from these funds will reduce the balances accordingly. See Appendix 550A.

OSE continues to rely on a large number of contracts funded with trust fund revenue to support day-to-day operations, particularly in the ISC and Litigation and Adjudication programs. The agency requested \$8.7 million in contractual services for FY06 with these two programs accounting for \$7.4 million of the total. ISC would use \$2.1 million of this total for grants for water conservation improvements. The Litigation and Adjudication Program has requested \$2.5 million in the base request for a large number of existing contracts for private legal services. It is expected this amount will grow significantly as the year progresses. The agency explains the 25 attorneys on staff cannot keep up with the workload and few staff attorneys are involved in litigation. The cost of this privatization is significant and requires serious consideration. In addition, a relatively large number of former employees work for the agency either directly under contract or as part of a firm under contract. This raises concern because the agency has indicated staff attorneys do not litigate ongoing issues because they lack particular knowledge. The committee recommends the agency reduce contracts significantly and use existing staff to conduct the litigation activities of the agency.

Expenditures in the lower Pecos River Basin continue to escalate with no end in sight. Since 1991, the Legislature has appropriated \$85.5 million for land and water rights purchases, water rights leasing, and contractual costs on a project originally predicted to cost \$60 million. OSE has noted the need for an additional \$60 million to complete water purchases and construct the augmentation well field. To date the agency has not begun construction of the well fields and, due to a statutorily required settlement with the Carlsbad Irrigation District prior to land purchase, is entering into lease-purchase agreements with land owners. This appears to be problematic because ownership remains with the land owner until the purchase is complete. For FY06, the agency expects to limit the number of special appropriation requests to \$30 million to supplement the two trust funds and \$30 million for additional land and water rights purchases in the Pecos River Basin.

The agency's effort to accelerate adjudication on the Lower Rio Grande Basin is causing a flood of new water rights applications. Current staffing levels will make it difficult to keep up with the applications and a backlog is expected for the first part of the year. Also an issue, language in the General Appropriations Act directs the State Engineer to include performance measures in its contracts and to report contractor purposes and performance compliance to the LFC prior to October 1, 2004. The agency has implemented performance measures tracked by the individual programs, however the agency did not report to LFC by October 2004 as required in the act.

The Legislature in 2004 appropriated \$4.8 million to an interagency taskforce for development of a statewide policy and plan for phreatophyte eradication and control, revegetation, and rehabilitation on the Canadian and Pecos rivers and the Rio Grande. In addition to \$500 thousand specified in the appropriation for the development of the statewide plan, the interagency taskforce, of which OSE is a member, has allocated an additional \$500 thousand to an experimental program to stimulate competitive research (EPSCoR) for evapotranspiration studies and as a 50 percent state match for a grant from the National Science Foundation. Funds for EPSCoR were included in Senate Bill 209 of the 2004 legislative session but the legislation did not pass out of committee and an appropriation of \$200 thousand dollars for an identical study at the New Mexico Institute of Mining and Technology was vetoed by the governor. The committee considers this expenditure to be outside of the language specified in the appropriation. The Legislature has committed substantial funds for phreatophyte removal but the benefits are not clear. A U.S. Geological Survey study on phreatophyte control on the Pecos River from 1967 to 1982 concluded stream flow is not significantly increased by phreatophyte removal. The study is dated but the conclusion is clear. The committee recommends a new study prior to any additional appropriations for phreatophyte control.

**BASE EXPANSION:**

OSE requested \$4 million in base expansion to convert 71.5 FTE currently classified as term to permanent status. Included in this number are 15 permanent FTE previously funded by additional trust fund revenue received as a result of the constitutional amendment passed in 2002.

Laws 2004, Chapter 114, appropriates \$1.5 million to OSE to fund permanent FTE. OSE used this funding to convert 29 term positions to permanent positions in the Litigation and Adjudication and the Water Resource Allocation programs. The committee notes these positions are included in the agency's base request and recommends authorization of these positions within the agency's permanent FTE base.

In recognition of the valuable service provided by the full-time employees of OSE who serve year after year as term employees, the committee supports the continued conversion of these term positions to permanent status and recommends \$2 million to convert an additional 38 positions.

**RECOMMENDED LANGUAGE:**

For the Water Resource Allocation Program:

The internal services funds/interagency transfers appropriation to the water resource allocation program of the state engineer includes six hundred thousand dollars (\$600,000) from the improvement of the Rio Grande income fund.

For the Interstate Stream Compact Compliance and Water Development Program:

The internal services funds/interagency transfers appropriations to the interstate stream compact compliance and water development program of the state engineer include four million two hundred thirteen thousand eight hundred dollars (\$4,213,800) from the irrigation works construction fund. Of this amount one million six hundred forty-eight thousand eight hundred dollars (\$1,648,800) is in the contractual services category and two million five hundred sixty-five thousand dollars (\$2,565,000) is in the other category.

The internal services funds/interagency transfers appropriation to the interstate stream compact compliance and water development program of the state engineer in the contractual service category includes one million six hundred twenty-five thousand dollars (\$1,625,000) from the improvement of the Rio Grande income fund

The internal services funds/interagency transfers appropriation to the interstate stream compact compliance and water development program of the state engineer includes one hundred thousand dollars (\$100,000) from the game protection fund for Ute dam operation. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 from this appropriation shall revert to the game protection fund.

Revenue from the sale of water to United States government agencies by New Mexico for the emergency drought water agreement dated April 2003, which expires February 29, 2013, is appropriated to the state engineer for the conservation and recovery of the listed species in the middle Rio Grande basin, including the optimizing of middle Rio Grande conservancy district operations.

For the Irrigation Works Construction Fund:

The appropriations to the irrigation works construction program of the state engineer include (1) one million nine hundred thousand dollars (\$1,900,000) to match seventeen and one-half percent of the cost of work undertaken by the United States army corps of engineers pursuant to the Federal Water Resources Development Act of 1986, provided that no amount of this appropriation shall be expended for any project unless the appropriate acequia system or community ditch has agreed to provide seven and one-half percent of the cost from any source other than the irrigation works construction fund or improvement of the Rio Grande income fund and provided that no more than two hundred fifty thousand dollars (\$250,000) shall be appropriated to one acequia per fiscal year; (2) two hundred fifty thousand dollars (\$250,000) for planning, design, supervision of construction and construction of approved acequia improvement projects in cooperation with the United States department of agriculture,

United States department of the interior, United States department of the army or other engineers; and (3) two hundred fifty thousand dollars (\$250,000) for the construction, improvement, repair and protection from floods of dams, reservoirs, ditches, flumes and appurtenances of community ditches in the state, provided that not more than sixty thousand dollars (\$60,000) of this appropriation shall be used for any one community ditch. The state engineer may enter into cooperative agreements with the owners or commissioners of ditch associations to ensure that the work is done in the most efficient and economical manner and may contract with the federal government or any of its agencies or instrumentalities that provide matching funds or assistance. No state funds other than loans may be used to meet the association's twenty percent share of the total cost of the project.

The appropriations to the irrigation works construction program of the state engineer include grants, in such amount as determined by the interstate stream commission, for construction, improvement, repair and protection from floods of dams, reservoirs, ditches, flumes and appurtenances of community ditches in the state on Indian land, whether pueblo or reservation.

The interstate stream commission's authority to make loans for irrigation improvements includes five hundred thousand dollars (\$500,000) for loans to acequias, irrigation and conservancy districts. The interstate stream commission's authority also includes five hundred thousand dollars (\$500,000) for loans to irrigation districts, conservancy districts and soil and water conservation districts for re-loan to farmers for implementation of water conservation improvements.

None of the money appropriated to the state engineer for operating or trust purposes shall be expended for primary clearing of vegetation in a phreatophyte removal project, except insofar as is required to meet the terms of the Pecos river compact between Texas and New Mexico. However, this prohibition shall not apply to removal of vegetation incidental to the construction, operation or maintenance for flood control or carriage of water or both.

The general fund and other state funds appropriations to the state engineer in the contractual services category are contingent upon the state engineer including performance measures in its contracts to increase contract oversight and accountability. The appropriations are further contingent on the preparation and presentation of a report on contractors' purposes and performance compliance to the legislative finance committee prior to October 1, 2005.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	Constitutional amendment conversions (7 FTE)	(ISC)	0.0	0.0
2	Constitutional amendment conversions (8 FTE)	(PS)	0.0	0.0
3	FY05 GAA special appropriation (29 FTE)	(LAP/WRAP)	0.0	0.0
4	FY06 term to perm conversion (56.5 FTE)	(various)	4,000.0	2,000.0
<b>TOTAL</b>			<b>4,000.0</b>	<b>2,000.0</b>

**IRRIGATION WORKS CONSTRUCTION**

**BUDGET SUMMARY  
(dollars in thousands)**

	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>FY06 - 2005-2006 Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Other Transfers	3,021.7	2,541.5	2,541.5	2,541.5	0.0
Other Program Revenues	403.6	0.0	0.0	0.0	
Fund Balance	6,484.8	5,216.9	5,418.6	3,931.3	-24.6
<b>SOURCES TOTAL</b>	<b>9,910.1</b>	<b>7,758.4</b>	<b>7,960.1</b>	<b>6,472.8</b>	<b>-16.6</b>
<b>USES</b>					
Other Financing Uses	7,119.8	7,758.4	7,960.1	6,472.8	-16.6
<b>TOTAL USES</b>	<b>7,119.8</b>	<b>7,758.4</b>	<b>7,960.1</b>	<b>6,472.8</b>	<b>-16.6</b>

**DEBT SERVICE FUND****BUDGET SUMMARY**  
(dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		Percent Incr (Decr)
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
Other Transfers	266.2	270.0	270.0	270.0	0.0
<b>SOURCES TOTAL</b>	<b>266.2</b>	<b>270.0</b>	<b>270.0</b>	<b>270.0</b>	<b>0.0</b>
<b>USES</b>					
Other	269.7	0.0	0.0	0.0	
Other Financing Uses	0.0	270.0	270.0	270.0	0.0
<b>TOTAL USES</b>	<b>269.7</b>	<b>270.0</b>	<b>270.0</b>	<b>270.0</b>	<b>0.0</b>

**INCOME FUND****BUDGET SUMMARY**  
(dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		Percent Incr (Decr)
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
Other Program Revenues	6,293.6	4,625.5	6,150.0	6,150.0	33.0
<b>SOURCES TOTAL</b>	<b>6,293.6</b>	<b>4,625.5</b>	<b>6,150.0</b>	<b>6,150.0</b>	<b>33.0</b>
<b>USES</b>					
Other Financing Uses	4,625.5	4,625.5	6,150.0	6,150.0	33.0
<b>TOTAL USES</b>	<b>4,625.5</b>	<b>4,625.5</b>	<b>6,150.0</b>	<b>6,150.0</b>	<b>33.0</b>

**IMPROVEMENT OF THE RIO GRANDE****BUDGET SUMMARY**  
(dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		Percent Incr (Decr)
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
Other Transfers	1,337.6	1,132.4	1,132.4	1,132.4	0.0
Other Program Revenues	56.9	0.0	0.0	0.0	
Fund Balance	1,757.4	1,932.6	1,932.6	1,092.6	-43.5
<b>SOURCES TOTAL</b>	<b>3,151.9</b>	<b>3,065.0</b>	<b>3,065.0</b>	<b>2,225.0</b>	<b>-27.4</b>
<b>USES</b>					
Other Financing Uses	4,768.8	3,065.0	3,065.0	2,225.0	-27.4
<b>TOTAL USES</b>	<b>4,768.8</b>	<b>3,065.0</b>	<b>3,065.0</b>	<b>2,225.0</b>	<b>-27.4</b>

## **WATER RESOURCE ALLOCATION**

The purpose of the water resource allocation program is to provide for the administration, distribution, protection, conservation and development of the state's available surface and underground water resources so all New Mexicans can maintain their quality of life.

### **BUDGET SUMMARY (dollars in thousands)**

	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
			<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	6,660.5	7,378.4	8,914.2	8,035.5	8.9
Other Transfers	345.6	600.0	990.0	600.0	0.0
Fed Program Revenues	53.0	0.0	0.0	0.0	
Other Program Revenues	396.8	434.1	456.1	456.1	5.1
<b>SOURCES TOTAL</b>	<b>7,455.9</b>	<b>8,412.5</b>	<b>10,360.3</b>	<b>9,091.6</b>	<b>8.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	5,900.1	6,933.5	8,387.5	7,719.0	11.3
Contractual Services	614.5	633.0	1,010.6	483.6	-23.6
Other	913.3	846.0	962.2	889.0	5.1
Other Financing Uses	2.3	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>7,430.2</b>	<b>8,412.5</b>	<b>10,360.3</b>	<b>9,091.6</b>	<b>8.1</b>
<b>FTE</b>					
Permanent	107.0	114.0	149.5	135.0	18.4
<b>TOTAL FTE POSITIONS</b>	<b>107.0</b>	<b>114.0</b>	<b>149.5</b>	<b>135.0</b>	<b>18.4</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Output	Average number of unprotested new and pending applications processed per month	81	58	75	75	75
* Output	Average number of protested and aggrieved applications processed per month	10	8.4	12	12	12
* Explanatory	Number of unprotested and unaggrieved water right applications backlogged	636	864	600	600	600
* Explanatory	Number of protested and aggrieved water rights backlogged	244	247	160	160	175
* Outcome	Percent of applications abstracted into the water administration technical engineering resource system database	29%	36.3%	40%	50%	60%



## **INTERSTATE STREAM COMPACT COMPLIANCE AND WATER DEVELOPMENT**

The purpose of the interstate stream compact compliance and water development program is to provide resolution of federal and interstate water issues and to develop water resources and stream systems for the people of New Mexico so they can have maximum sustained beneficial use of available water resources.

### **BUDGET SUMMARY (dollars in thousands)**

	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
			<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	2,384.4	2,188.0	3,925.4	3,058.4	39.8
Other Transfers	8,520.1	7,527.1	7,525.1	5,838.8	-22.4
Other Program Revenues	199.4	212.4	212.4	212.4	0.0
<b>SOURCES TOTAL</b>	<b>11,103.9</b>	<b>9,927.5</b>	<b>11,662.9</b>	<b>9,109.6</b>	<b>-8.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,804.3	2,119.7	3,845.3	3,025.2	42.7
Contractual Services	4,481.1	5,085.0	4,882.0	3,273.8	-35.6
Other	4,474.0	2,722.8	2,935.6	2,810.6	3.2
Other Financing Uses	1.7	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>10,761.1</b>	<b>9,927.5</b>	<b>11,662.9</b>	<b>9,109.6</b>	<b>-8.2</b>
<b>FTE</b>					
Permanent	22.0	23.0	51.0	45.0	95.7
Temporary	1.0	0.0	0.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>23.0</b>	<b>23.0</b>	<b>51.0</b>	<b>45.0</b>	<b>95.7</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Pecos river compact accumulated delivery credit or deficit, in acre-feet	6,900	8,900	0	0	9500
* Outcome	Rio Grande river compact accumulated delivery credit or deficit, in acre-feet	142,500	1000	0	0	0
Explanatory	Cumulative number of regional water plans completed and accepted by interstate stream commission	6	12	16		

## **LITIGATION AND ADJUDICATION**

The purpose of the litigation and adjudication program is to obtain a judicial determination and definition of water rights within each stream system and underground basin to effectively perform water rights administration and meet interstate stream obligations.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		<b>Percent</b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	3,695.9	4,846.1	4,816.4	4,816.4	-0.6
Other Transfers	1,376.1	2,500.0	2,500.0	1,841.0	-26.4
Other Program Revenues	0.4	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>5,072.4</b>	<b>7,346.1</b>	<b>7,316.4</b>	<b>6,657.4</b>	<b>-9.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,235.3	4,479.5	4,423.3	4,569.1	2.0
Contractual Services	1,363.7	2,550.0	2,550.0	1,720.0	-32.5
Other	454.8	316.6	343.1	368.3	16.3
Other Financing Uses	2.8	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>5,056.6</b>	<b>7,346.1</b>	<b>7,316.4</b>	<b>6,657.4</b>	<b>-9.4</b>
<b>FTE</b>					
Permanent	53.0	75.0	75.0	75.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>53.0</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>0.0</b>

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b><u>Actual</u></b>	<b>FY04</b> <b><u>Actual</u></b>	<b>FY05</b> <b><u>Budget</u></b>	<b>FY06</b> <b><u>Request</u></b>	<b>FY06</b> <b><u>Recomm</u></b>
* Outcome	Number of offers to defendants in adjudications	3,611	2,447	2,200	2,200	2400
* Outcome	Perc. all water rights that have judicial determinations	27%	34%	20%	30%	30%

## **PROGRAM SUPPORT**

The purpose of program support is to provide necessary administrative support to the agency programs so they may be successful in reaching their goals and objectives.

BUDGET SUMMARY (dollars in thousands)						
		FY04	FY05	FY06 - 2005-2006		Percent
		2003-2004	2004-2005	Agency	LFC	Incr
		<u>Actuals</u>	<u>Budgeted</u>	<u>Request</u>	<u>Recommendation</u>	<u>(Decr)</u>
SOURCES						
	General Fund Transfers	2,522.8	2,824.9	3,581.4	3,195.6	13.1
	Other Transfers	49.7	400.0	400.0	418.0	4.5
	Fed Program Revenues	25.0	0.0	0.0	0.0	
	Other Program Revenues	5.0	0.0	0.0	0.0	
	SOURCES TOTAL	2,602.5	3,224.9	3,981.4	3,613.6	12.1
USES						
	Personal Services/Empl Benefit	1,901.5	2,463.8	3,137.6	2,843.3	15.4
	Contractual Services	153.9	246.8	285.4	254.7	3.2
	Other	462.1	514.3	558.4	515.6	0.3
	Other Financing Uses	4.2	0.0	0.0	0.0	
	TOTAL USES	2,521.7	3,224.9	3,981.4	3,613.6	12.1
FTE						
	Permanent	28.0	28.0	39.0	41.0	46.4
	TOTAL FTE POSITIONS	28.0	28.0	39.0	41.0	46.4
PERFORMANCE MEASURES						
		FY03	FY04	FY05	FY06	FY06
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
Output	Percent contracts that include perform. measures	100%	100%	100%	100%	100%

**STATUTORY AUTHORITY:**

The Organic Commodity Act Sections 76-22-1 through 76-21-22 NMSA 1978 created the New Mexico Organic Commodity Commission to regulate and promote organic agriculture in New Mexico. The enabling act also created a five-member commission, which appoints the executive director. Under state and federal authority, the agency provides an organic certification program to New Mexico businesses, protects the public interest regarding organic labeling claims made in the marketplace, and promotes organic agriculture through public education and marketing assistance.

**MISSION:**

The New Mexico Organic Commodity Commission provides certification services and marketing assistance for organic producers, processors and retailers and information, education and marketplace protection for consumers. The goal of the commission is to be an effective advocate for organic production in New Mexico to make the certification process accessible and to rigorously ensure the truthfulness of organic claims.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	244.8	276.7	288.3	276.7	0.0
Fed Program Revenues	22.2	17.6	32.0	32.0	81.8
Other Program Revenues	38.4	38.5	83.2	63.5	64.9
Fund Balance	19.7	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>325.1</b>	<b>332.8</b>	<b>403.5</b>	<b>372.2</b>	<b>11.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	190.3	197.6	209.3	209.3	5.9
Contractual Services	21.2	45.5	45.5	39.5	-13.2
Other	71.2	89.7	148.7	123.4	37.6
Other Financing Uses	19.7	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>302.4</b>	<b>332.8</b>	<b>403.5</b>	<b>372.2</b>	<b>11.8</b>
<b>FTE</b>					
Permanent	4.0	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The commission budget is supported with close to 87 percent general fund monies. Other revenues are generated from annual application fees for registered (\$50) and certified (\$125) organic farmers, annual assessments of one-half of 1 percent on organic sales, the sale of organic certification manuals, and advertisements in the agency newsletter. The agency does not charge additional fees for inspections or residue testing. The committee recommends the agency implement inspection and testing fees to cover a greater share of oversight activities.

The commission, in FY04, received International Organization for Standardization certification allowing it to certify producers to international standards, opening up export opportunities to foreign markets. To date, a number of peanut growers in southeast New Mexico have qualified for certification and are actively expanding export operations. This expanded certification is expected to result in increased revenues of approximately \$45 thousand annually beginning in FY06.

The Organic Commodities Commission currently has one sitting member as a result of conflict-of-interest issues with the National Organic Program rules. As a result, the agency has operated without active commission oversight for almost a year. The committee recommends vacancies be filled immediately to improve efficiencies and move the agency forward.

## **NEW MEXICO ORGANIC**

The purpose of the New Mexico organic program is to provide consumers of organic products in New Mexico with credible assurance about the veracity of organic claims made and to enhance the development of local economies tied to agriculture through rigorous regulatory oversight of the organic industry in New Mexico and through ongoing educational and market assistance projects.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
*	Outcome	Percent increase in New Mexico organic market as measured by clients' gross sales of organic products	7.4%	7.7%	10%	10%
*	Output	Number of residue tests performed		20	10	20
	Output	Number of certified organic businesses	85	120	110	120
	Output	Number of spot-checks performed	5	6	20	10
	Output	Number of attendees at the annual organic farming conference	453	431	500	
*	Output	Number of client requests for assistance.	496	643	400	400

## COMMISSION ON THE STATUS OF WOMEN

601

### STATUTORY AUTHORITY:

The Commission on the Status of Women is authorized under Sections 28-3-1 through 28-3-11 NMSA 1978. The commission is composed of 15 members appointed by the governor and is a clearinghouse for all women's issues, including discrimination, education, training, health, housing, and recognition of achievement. The commission sponsors numerous conferences and training seminars and oversees the Governor's Award for Outstanding New Mexico Women, the New Mexico Women's Hall of Fame, and the TeamWorks-Transforming Women's Lives program, through the Temporary Assistance for Needy Families (TANF) block grant.

### MISSION:

The mission of the Commission on the Status of Women is to increase awareness of the rights, responsibilities, and interests of women and girls in New Mexico and to preserve women's history and contributions to the state.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b>	<b>FY05</b>	<b>FY06 – 2005-2006</b>		
	<b>2003-2004</b>	<b>2004-2005</b>	<b>Agency</b>	<b>LFC</b>	<b>Percent</b>
	<b>Actuals</b>	<b>Budgeted</b>	<b>Request</b>	<b>Recommendation</b>	<b>Incr</b>
<b>SOURCES</b>					<b>(Decr)</b>
General Fund Transfers	452.8	464.8	464.8	464.8	0.0
Fed Program Revenues	1,361.3	1,440.0	1,440.0	1,200.0	-16.7
Other Program Revenues	29.3	141.1	153.0	153.0	8.4
<b>SOURCES TOTAL</b>	<b>1,843.4</b>	<b>2,045.9</b>	<b>2,057.8</b>	<b>1,817.8</b>	<b>-11.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	377.5	447.6	687.7	591.3	32.1
Contractual Services	710.1	1,009.3	820.2	710.2	-29.6
Other	477.6	589.0	549.9	516.3	-12.3
<b>TOTAL USES</b>	<b>1,565.2</b>	<b>2,045.9</b>	<b>2,057.8</b>	<b>1,817.8</b>	<b>-11.1</b>
<b>FTE</b>					
Permanent	7.0	7.0	7.0	7.0	0.0
Term	2.0	2.0	7.0	7.0	250.0
<b>TOTAL FTE POSITIONS</b>	<b>9.0</b>	<b>9.0</b>	<b>14.0</b>	<b>14.0</b>	<b>55.6</b>

### BUDGET ISSUES:

Due to a sharp reduction in TANF program funds, all programs, including TeamWorks, face a potential program reduction, dependent on the determination of TANF revenues and prioritization among programs. Because the TeamWorks program was able to meet the targets in their FY04 contract with the Human Services Department, such as placing 435 clients in paid jobs, serving 500 new clients, and seeing 75 percent of their clients retain employment for six months or longer, the committee recommends \$1.2 million for continuation of the TeamWorks program.

### BASE EXPANSION:

The commission included the items noted in the base expansion listing as part of the base request. LFC considers the items to be expansion and has extracted the items from the base. The commission requested the expansion of five term employees to split between the Albuquerque and Las Cruces operations: two office clerks, two business and operations managers, and two part-time administrative support staff. These employees were previously on contract with the commission and, due to liability issues, the commission has asked that they be moved into term positions funded with TANF block grant dollars. The committee recognizes the need to keep liability costs down and commends the commission for creating these positions with existing funding. The committee recommends the necessary resources for the positions.

**RECOMMENDED LANGUAGE:**

The internal services funds/interagency transfer appropriation to the commission on the status of women includes one million two hundred thousand dollars (\$1,200,000) for the teamworks program directed toward workforce development for adult women on temporary assistance for needy families from the federal block grant funding to New Mexico.

Revenue collected for ticket sales in excess of expenses for conferences, awards programs, seminars and summits shall not revert.

The other state funds appropriation to the commission on the status of women includes ninety-nine thousand three hundred dollars (\$99,300) from the women in transition fund to host the year of the New Mexico girl conference and associated expenses and fifty-three thousand seven hundred dollars (\$53,700) from the commission on the status of women conference fund to host the governor's award for outstanding New Mexico women, the pioneer award, the trailblazer award and various conference booths.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Office clerk (2.0 term FTE)	(CSW)	58.4	44.9
2	Business/operations manager (2.0 term FTE)	(CSW)	88.2	69.0
3	Office/administrative support (1.0 term FTE)	(CSW)	32.7	28.4
<b>TOTAL</b>			<b>179.3</b>	<b>142.3</b>

**STATUS OF WOMEN**

The purpose of the status of women program is to provide information, public events, leadership, support services and career development to individuals, agencies and women's organizations so they can improve the economic, health and social status of women in New Mexico.

**PERFORMANCE MEASURES**

		<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Budget</b>	<b>FY06 Request</b>	<b>FY06 Recomm</b>
* Outcome	Number of paid employment teamworks placements	210	435	150	300	250
* Outcome	Percent of teamworks participants employed at nine months after initial employment placement	85%	73%	70%	70%	70%
* Output	Number of temporary assistance for needy families clients served through the teamworks program	476	896	800	1,000	950
Outcome	Percent of teamworks employment placements at \$7.00 per hour	54%	56%	35%	35%	55%
Output	Number of teamworks twelve-week classes conducted	16	20	16	18	18
Outcome	Average hourly rate for teamworks paid employment placements in Albuquerque		\$7.88	\$7.50	\$7.50	\$7.88
Outcome	Average hourly rate for teamworks paid employment placements in Las Cruces		\$6.44	\$6.50	\$6.50	\$6.50
Output	Number of collaborations and meetings coordinated or conducted with other agencies and organizations	100	100	100	100	100
Output	Number of major publications distributed annually	1	1	1	1	2
Output	Number of award programs conducted annually	5	3	1	1	2
Output	Number of workforce conferences or trainings sponsored	3	3	3	8	8
Output	Number of informational conferences conducted	8	3	3	2	3
Outcome	Number of information fairs				1	1
Outcome	Number of completed surveys or questionnaires				500	500
Outcome	Number of workshops on women, divorce and finances	3	3	3	12	12
Outcome	Number of follow-up activities for the year of the New Mexico girl				1	1

# OFFICE OF AFRICAN AMERICAN AFFAIRS

603

## STATUTORY AUTHORITY:

The Office of African American Affairs was established pursuant to African American Affairs Act, Sections 28-21-1 to 28-21.4 NMSA 1978. The agency is attached administratively to the Human Services Department.

## MISSION:

The agency's mission is to study, identify and provide solutions to issues relevant to African-Americans to ensure recognition of the accomplishments and contributions made by African-Americans in New Mexico and the United States and act as an advocate for African-American citizens in New Mexico.

BUDGET SUMMARY (dollars in thousands)					
FY06 – 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	300.0	330.5	410.5	327.8	-0.8
Other Transfers	25.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>325.0</b>	<b>330.5</b>	<b>410.5</b>	<b>327.8</b>	<b>-0.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	100.0	132.9	210.9	129.2	-2.8
Contractual Services	143.0	107.4	107.4	107.4	0.0
Other	82.0	90.2	92.2	91.2	1.1
<b>TOTAL USES</b>	<b>325.0</b>	<b>330.5</b>	<b>410.5</b>	<b>327.8</b>	<b>-0.8</b>
<b>FTE</b>					
Permanent	2.0	2.0	3.0	2.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>2.0</b>	<b>2.0</b>	<b>3.0</b>	<b>2.0</b>	<b>0.0</b>

BASE EXPANSION LISTING FY06 - 2005-2006				
Agency Rank		(Division)	Agency Request	LFC Recom- mendation
1	Assistant Director		80.0	0.0
<b>TOTAL</b>			<b>80.0</b>	<b>0.0</b>

## PUBLIC AWARENESS

The purpose of the public awareness program is to provide information and advocacy services to all New Mexicans and to empower African-Americans of New Mexico to improve their equality of life.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Output	Number of educational regional conferences		4	4	5	5
Output	Number of New Mexican African-Americans recognized per year, statewide, for their achievements		20	20	25	25
Output	Number of African-American organizations and churches statewide to be included in a database		269	375	375	375
Output	Number of town hall meetings conducted per year		7	7	7	7
Output	Number of churches, organizations and counties receiving information		10	375	375	375
Output	Number of forums within the state to mobilize citizens to address issues in prior-year town hall meetings		2	4	5	5

# COMMISSION FOR THE DEAF AND HARD-OF-HEARING PERSONS

604

## STATUTORY AUTHORITY:

Sections 28-11B-1 through 28-11B-4 NMSA 1978 created the Commission for the Deaf and Hard-of-Hearing Persons. The commission consists of seven members, a majority of whom are deaf or hard of hearing, three members are ex-officio and four are appointed by the governor without regard for party affiliation.

## MISSION:

Statutory duties of the commission comprise identifying the needs of deaf and hard-of-hearing persons and advocating for their needs; providing educational assistance to state agencies and ensuring agency compliance with regulations pertaining to deafness pursuant to the federal Americans with Disabilities Act; providing continuing education services for deaf and hard-of-hearing persons; and assisting in the establishment of a statewide referral service.

BUDGET SUMMARY (dollars in thousands)					
	FY06 – 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	533.4	0.0	0.0	0.0	
Other Transfers	306.3	821.1	3,000.0	1,904.1	131.9
Fund Balance	0.0	0.0	449.4	0.0	
<b>SOURCES TOTAL</b>	<b>839.7</b>	<b>821.1</b>	<b>3,449.4</b>	<b>1,904.1</b>	<b>131.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	454.8	544.4	636.9	550.0	1.0
Contractual Services	143.7	104.0	2,464.1	1,165.0	1020.2
Other	165.2	172.7	348.4	189.1	9.5
<b>TOTAL USES</b>	<b>763.7</b>	<b>821.1</b>	<b>3,449.4</b>	<b>1,904.1</b>	<b>131.9</b>
<b>FTE</b>					
Permanent	11.0	11.0	11.0	11.0	0.0
Term	1.0	1.0	2.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>12.0</b>	<b>12.0</b>	<b>13.0</b>	<b>12.0</b>	<b>0.0</b>

## BUDGET ISSUES:

Chapter 106, Laws 2004, transferred the telecommunications access fund and responsibility for administering the telecommunications access act from the General Services Department (GSD) directly to the commission. In addition, commission operating expenses may now be paid with revenues from the fund. The annual fund revenue is near \$2.9 million and is derived from a telecommunications relay service surcharge charged to the customer's telephone bill. The fund has a cash balance of \$7.3 million. The cost for administering the telecommunications act at GSD has been approximately \$1.3 million per year. The commission request includes the entire \$2.9 million revenue without including clear direction regarding expenditure of the additional funds. No strategic plan with new performance measures recognizing expanded targets accompanied the request. In the absence of such direction, the committee does not recommend funding in excess of the prior-year operating expenses plus the additional expenditures associated with administering the telecommunications act. The committee anticipates the commission will broaden its mission to positively impact quality of life issues for its clients and produce a strategic plan containing performance measures consistent with the expansion of responsibility. Nor does the committee recommend the requested base expansion in the absence of a clearly expanded mission defined in the updated strategic plan.

## BASE EXPANSION LISTING FY06 - 2005-2006

Agency Rank		(Division)	Agency Request	LFC Recom- mendation
1	2.0 Term FTE	(DHH)	86.9	0.0



**DEAF AND HARD-OF-HEARING**

The purpose of the deaf and hard-of-hearing program is to provide advocacy, outreach referral and education and to oversee the New Mexico telecommunications relay network for deaf and hard-of-hearing citizens, government agencies, institutions, businesses, and hearing individuals affiliated with those who have a hearing loss so they may become more aware of accessibility and services available and have equal access to telecommunications services.

		PERFORMANCE MEASURES				
		FY03	FY04	FY05	FY06	FY06
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
Output	Number of workshops and training sessions conducted	10	15	14		
Output	Number of outreach events coordinated	28	12	10		
* Output	Number of clients served	2,970	4,072	3,100	5,244	5,244
Output	Number of review and audits of the New Mexico telephone relay service conducted	12	12	12		
Outcome	Percent of employee files that contain a complete performance appraisal completed submitted within state personnel guidelines	100%	100%	95%		
Output	Average number of relay calls per month	18,363	22,993	19,000		

**MARTIN LUTHER KING, JR. COMMISSION****605****STATUTORY AUTHORITY:**

The Martin Luther King, Jr. Commission is authorized under Sections 28-19-1 through 28-19-4 NMSA 1978. The commission consists of 13 board members with four members appointed by the governor, four appointed by the Senate and House majority and minority leadership, and five designees from the office of the State Treasurer, Secretary of State, Secretary of Indian Affairs, Human Rights Division and Public Regulation Commission.

**MISSION:**

The mission of the Martin Luther King, Jr. State Commission is to promote Martin Luther King, Jr.'s principles and philosophy to the people of New Mexico and to improve interracial cooperation and reduce youth conflicts in our communities.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	186.6	232.1	232.1	232.1	0.0
<b>SOURCES TOTAL</b>	<b>186.6</b>	<b>232.1</b>	<b>232.1</b>	<b>232.1</b>	<b>0.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	100.7	139.9	129.8	129.8	-7.2
Contractual Services	14.3	13.8	13.8	13.8	0.0
Other	71.6	78.4	88.5	88.5	12.9
<b>TOTAL USES</b>	<b>186.6</b>	<b>232.1</b>	<b>232.1</b>	<b>232.1</b>	<b>0.0</b>
<b>FTE</b>					
Permanent	2.0	2.0	2.0	2.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>

**MARTIN LUTHER KING, JR. COMMISSION**

The purpose of the Martin Luther King, Jr. Commission is to promote Martin Luther King, Jr.'s non-violent principles and philosophy to the people of New Mexico through remembrance, celebration and action, so that everyone gets involved in making a difference toward the improvement of interracial cooperation and reduction of youth violence in our communities.

		<b>PERFORMANCE MEASURES</b>				
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
Outcome	Percent of program objectives achieved		100%	100%	100%	100%
Output	Number of annual statewide youth conferences using Dr. King's principles of nonviolence.		1	1	2	2
Output	Number of statewide holiday commemorative programs supported		13	14	14	14
Output	Number of youth anti-violence workshops conducted		5	9	9	9

**STATUTORY AUTHORITY:**

The Commission for the Blind was created by Sections 28-7-15 through 28-7-23 NMSA 1978. The commission consists of three members appointed by the governor for staggered three-year terms. The agency provides a variety of services enabling the blind and visually impaired to become fully participating members of society.

**MISSION:**

The Commission for the Blind strategic plan states the agency mission is to encourage and enable blind citizens to achieve vocational, economic and social equality. The commission accomplishes this by removing limitations and erasing stereotypes long imposed by the blind upon themselves as well as by the public. The commission provides career training and training in blindness skills and, of most importance, fosters the belief that blindness is not a barrier to employment or a full, meaningful life.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	1,467.2	1,537.1	1,537.1	1,573.0	2.3
Other Transfers	5.7	0.0	0.0	0.0	
Fed Program Revenues	4,832.4	5,162.6	5,342.1	5,328.1	3.2
Other Program Revenues	298.3	150.0	200.0	200.0	33.3
Enterprise Program Rev	699.6	979.4	976.9	976.9	-0.3
General Revenues	15.0	15.0	15.0	15.0	0.0
<b>SOURCES TOTAL</b>	<b>7,318.2</b>	<b>7,844.1</b>	<b>8,071.1</b>	<b>8,093.0</b>	<b>3.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	4,033.8	4,367.8	4,594.8	4,503.1	3.1
Contractual Services	183.7	207.4	207.4	207.4	0.0
Other	3,051.5	3,268.9	3,268.9	3,382.5	3.5
<b>TOTAL USES</b>	<b>7,269.0</b>	<b>7,844.1</b>	<b>8,071.1</b>	<b>8,093.0</b>	<b>3.2</b>
<b>FTE</b>					
Permanent	102.0	105.5	106.5	105.5	0.0
Term	9.0	1.0	1.0	1.0	0.0
Temporary	1.7	0.0	0.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>112.7</b>	<b>106.5</b>	<b>107.5</b>	<b>106.5</b>	<b>0.0</b>

**BUDGET ISSUES:**

Federal funding is the primary revenue source for the commission providing 66 percent of the total revenue under a variety of general fund matching requirements. The commission request calls for no increase in FY06 but, with an aging population and the prevalence of diabetes in New Mexico, demand for service is expected to grow over the next few years.

**RECOMMENDED LANGUAGE:**

Any unexpended or unencumbered balances in the commission for the blind remaining at the end of the fiscal year 2006 from appropriations made from the general fund shall not revert.

**BLIND SERVICES**

The purpose of the blind services program is to assist blind or visually impaired citizens of New Mexico to achieve economic and social equality so they can have independence based on their personal interests and abilities.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Output	Number of quality employment opportunities for blind or visually impaired consumers	45	45	35	35	35
* Output	Number of blind or visually impaired consumers trained in the skills of blindness to enable them to live independently in their homes and communities	348	580	400	400	400
Outcome	Percent of performance appraisal development plans completed by employee anniversary date	95%			n/a	n/a
* Outcome	Average employment wage for the blind or visually impaired person	\$11.71	11.08	\$10.70	\$11.00	\$11.00
* Output	Number of employment opportunities provided for blind business entrepreneurs in different vending and food facilities through the business enterprise program	31	33	30	30	32

# INDIAN AFFAIRS DEPARTMENT

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## STATUTORY AUTHORITY:

Sections 9-21-1 through 9-21-16 NMSA 1978 created the Indian Affairs Department and the advisory Indian Affairs Commission with 10 members appointed by the governor.

## MISSION:

The mission of Indian Affairs as stated in their program purpose is to serve as the coordinating body between state government and tribal government for New Mexico Indian tribes so they can address issues pertaining to health, economy, legislation and social issues in the most efficient way.

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 – 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	1,918.7	2,229.9	2,537.6	2,233.2	0.1
Other Transfers	315.8	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>2,234.5</b>	<b>2,229.9</b>	<b>2,537.6</b>	<b>2,233.2</b>	<b>0.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	528.2	728.8	1,134.4	755.1	3.6
Contractual Services	192.7	433.0	363.1	411.0	-5.1
Other	1,501.9	1,068.1	1,040.1	1,067.1	-0.1
Other Financing Uses	1.6	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>2,224.4</b>	<b>2,229.9</b>	<b>2,537.6</b>	<b>2,233.2</b>	<b>0.1</b>
<b>FTE</b>					
Permanent	10.0	12.0	16.0	12.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>10.0</b>	<b>12.0</b>	<b>16.0</b>	<b>12.0</b>	<b>0.0</b>

## BUDGET ISSUES:

The Indian Affairs Department (IAD) request included \$92.1 thousand in the personal services/employee benefits category for the secretary. However, the secretary is funded in contractual services and, therefore, the personal services category was reduced a corresponding amount. With the exception of this change, the personal services/employee benefits category is fully funded with no additional vacancy savings credit despite the typical vacancy level of two or three positions. Two additional FTE were added in FY05 to act as Indian nation liaisons. Contractual services increased by \$75 thousand in FY06 for the secretary's employment contract and the inclusion of an additional appropriation for domestic violence shelter services of \$150 thousand as a recurring revenue. The other expenditure category contains the following, funded at the same level as FY05: Navajo Nation emergency management, \$488 thousand; Navajo Nation Shiprock uranium workers' fund, \$42.5 thousand; Jicarilla Apache historical preservation program, \$42.5 thousand; Cochiti Pueblo youth program, \$42.5 thousand; Isleta Pueblo recreation program, \$42.5 thousand; Jemez Pueblo Walatowa visitor center, \$34 thousand; Santa Fe Indian School Learning Center, \$212 thousand; Sandoval County voting program, \$21.1 thousand; San Juan Pueblo 911 expansion, \$32.1 thousand. The committee continues to encourage accountability for these programs through performance measures in the contracts.

The IAD strategic plan and measures are not yet of the quality incumbent on a cabinet level agency. The measures for FY06 were not submitted with targets. The committee does not recommend any of the measures for inclusion in the General Appropriation Act of 2005. The committee encourages IAD to develop a strategic plan consistent with the responsibility of a cabinet agency prior to the 2005 session. In addition, the committee continues to recommend that IAD, working in conjunction with the project coordinators, improve the accountability for the funds that pass through the other costs category to the organizations noted above.

**BASE EXPANSION:**

The FY06 request includes an expansion of 4 FTE. The committee does not recommend the expansion because the base personal services/employee benefits category is fully funded and the agency consistently has vacancies of three or four employees. Additionally, two positions approved in FY05 have not been filled. The committee does not recommend additional FTE in the absence of full staffing at current levels.

**BASE EXPANSION LISTING**  
**FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
<u>1</u>	<u>4.0 FTE to assist tribes with various tasks</u>	<u>(IAD)</u>	<u>307.7</u>	<u>0.0</u>

**INDIAN AFFAIRS**

The purpose of the Indian affairs program is to serve as the coordinating body between state government and tribal government for New Mexico Indian tribes so they can address issues pertaining to health, economy, legislation and social issues in the most efficient way.

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent increase of capital outlay projects closed			20%	20%	20%
Output	Number of tribal nations surveyed					
Output	Number of tribal issues identified					
Outcome	Percent of employee files that contain performance appraisals that were completed and submitted within state personnel guidelines					
Output	Target date to establish and implement capital outlay policies and procedures			6/30/05		
Outcome	Number of capital project education training sessions for tribes					
Output	Develop leadership institute for tribal leaders with a component designed for Native American youth					
Output	Number of monthly newsletters distributed to all twenty-two tribal nations, all Navajo chapters, New Mexico Indian organizations, and state government agencies			12		

**STATUTORY AUTHORITY:**

Sections 28-4-4 through 28-4-9 NMSA 1978 created the Agency on Aging to establish and maintain comprehensive statewide programs to meet the social needs of the state's aged population and to oversee the distribution of federal funds authorized by the federal Older Americans Act. Laws 2004, Chapter 23, elevated the agency to a cabinet-level department, the Aging and Long-Term Services Department (ALTSD). This legislation identifies five divisions: Consumer and Elder Rights, Aging Network Services, Long-Term Care, Adult Protective Services, and Administrative Services. It also creates the Office of Indian Elder Affairs within the department. The legislation expands the department substantially, moving to the new agency in FY05 the Traumatic Brain Injury program and fund from the Department of Health (DOH); and personal-care option program, home- and community-based waiver program for the disabled and elderly, centralized screening and intake services program, and all-inclusive care for the elderly from the Medicaid program under the Human Services Department (HSD). In FY06, it moves adult protective services, adult daycare, and attendant care from the Children, Youth and Families Department (CYFD). Finally, the legislation calls for the secretary of ALTSD to present a plan to provide long-term care and related services for all populations and possible additions to ALTSD to the Health and Human Services Committee by November 1, 2005.

**MISSION:**

The mission of the Aging and Long-Term Services Department is to address autonomy, health, economic well-being, community involvement, and personal responsibility to achieve the highest quality of life for older persons and their families.

It should be noted the department's expanded statutory responsibilities encompass much more than quality of life for older persons. The agency should revise the mission statement to include the long-term services duties transferred from DOH and HSD to ensure both areas are of equal importance.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	21,623.2	23,467.4	32,789.1	31,725.6	35.2
Other Transfers	50.0	3,761.1	9,218.9	8,833.2	134.9
Fed Program Revenues	9,139.3	9,189.3	10,743.5	10,716.0	16.6
General Revenues	0.2	0.0	0.0	0.0	
Extraord/Special	1.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>30,813.7</b>	<b>36,417.8</b>	<b>52,751.5</b>	<b>51,274.8</b>	<b>40.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	4,022.2	4,607.9	12,340.9	11,336.1	146.0
Contractual Services	149.6	3,487.4	7,501.2	7,461.4	114.0
Other	28,333.2	28,041.9	32,628.8	32,196.7	14.8
Other Financing Uses	282.8	280.6	280.6	280.6	0.0
<b>TOTAL USES</b>	<b>32,787.8</b>	<b>36,417.8</b>	<b>52,751.5</b>	<b>51,274.8</b>	<b>40.8</b>
<b>FTE</b>					
Permanent	39.0	50.0	221.0	214.0	328.0
Term	12.0	28.0	28.0	28.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>51.0</b>	<b>78.0</b>	<b>249.0</b>	<b>242.0</b>	<b>210.3</b>

**BUDGET ISSUES:**

With the creation of ALTSD, the department expanded and adjusted their current program structure to align with the legislation. For FY06, the department requested five program areas to combine previous responsibilities with the new responsibilities. The first is the Consumer and Elder Rights Program, which administers the long-term care ombudsman program and provides health insurance and benefits counseling and legal services. This program most closely aligns with the Elder Rights and Advocacy Program in FY05. The second is the Aging Network Services Program, which administers the federal Older Americans' Act and

encompasses the functions of the FY05 Older Worker and Community Involvement programs. The third program, the Long-Term Care Program, encompasses functions new to the department, the home- and community-based long-term care programs from DOH and HSD. The fourth program houses Adult Protective Services from CYFD. Finally, Program Support provides clerical, recordkeeping, and administrative support to the department in the areas of personnel, budget, procurement, and contracting.

The almost 45 percent increase in ALTSD's budget request is largely due to the statutory expansion. Although transferred during the current fiscal year, the programs transferred from DOH and HSD increased the ALTSD budget by \$3.3 million, \$980.1 thousand of which is from the general fund. When the department takes on the Adult Protective Services Program from CYFD in FY06, the overall budget will increase another \$13.6 million, \$8.4 million of which is from the general fund. Without the expansion, the department requested less-than-a 1 percent increase.

At the request of the Department of Finance and Administration and LFC, CYFD and ALTSD, on November 16, 2004, submitted a letter detailing all resources transferring to ALTSD for acquisition of the Adult Protective Services Program. The committee views this letter as the most current agreement of transferring resources, and recommends the amount CYFD has requested transfer to ALTSD.

The committee recommends a 4 percent vacancy savings for personal services and employee benefits, compared with a historic rate of over 9 percent. Additionally, the recommendation includes \$595 thousand from the special appropriation in Laws 2004, Chapter 114, Section 5, Item (24) allowing ALTSD to administer the Medicaid waiver for the disabled and elderly. The direct services portion of the special appropriation, approximately \$4 million, will stay at HSD.

ALTSD is conducting financial and quality care audits on all 81 nursing homes in the state within the next 18-24 months. Paper reviews will be conducted on all of the facilities, and on-site teams will examine about one-third of the facilities. The department defines the need for these audits: "During the course of the 2004 legislative session, it became apparent that the nursing home industry in New Mexico is more concerned with maximizing profits than with providing quality service and care to the frail population it serves." To date the department has audited 14 homes and the first report from the team is expected within a few weeks.

#### **BASE EXPANSION:**

The agency has requested an expansion of \$750 thousand to address additional needs for the Adult Protective Services Program. The request is for 7 permanent FTE at a cost of \$395 thousand and other costs of \$355 thousand to cover operating costs, travel, and supplies for the transfer of 164 FTE from CYFD.

Because ALTSD should administer the Adult Protective Services Program for at least one year before making a request of this nature, the committee does not recommend this expansion at this time.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Budget analyst (1.0 Perm FTE)	(APS)	63.2	0.0
2	Accountant/auditor (4.0 Perm FTE)	(APS)	228.4	0.0
3	Computer system analyst (1.0 Perm FTE)	(APS)	69.8	0.0
4	Office clerk (1.0 Perm FTE)	(APS)	33.6	0.0
5	<u>Operating costs for FTE</u>	(APS)	<u>355.0</u>	<u>0.0</u>
<b>TOTAL</b>			<b>750.0</b>	<b>0.0</b>



## CONSUMER AND ELDER RIGHTS

The purpose of the consumer and elder rights program is to provide current information, assistance, counseling, education and support to older individuals and persons with disabilities, residents of long-term care facilities and their families and caregivers that allow them to protect their rights and make informed choices about quality service.

### BUDGET SUMMARY (dollars in thousands)

	FY06 - 2005-2006				
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	680.2	708.3	724.3	642.2	-9.3
Fed Program Revenues	836.0	848.4	871.3	843.8	-0.5
Extraord/Special	1.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>1,517.2</b>	<b>1,556.7</b>	<b>1,595.6</b>	<b>1,486.0</b>	<b>-4.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,102.5	1,097.7	1,128.0	1,064.2	-3.1
Contractual Services	48.5	38.1	38.1	38.1	0.0
Other	572.2	420.9	429.5	383.7	-8.8
<b>TOTAL USES</b>	<b>1,723.2</b>	<b>1,556.7</b>	<b>1,595.6</b>	<b>1,486.0</b>	<b>-4.5</b>
<b>FTE</b>					
Permanent	10.0	10.0	10.0	10.0	0.0
Term	10.0	10.0	10.0	10.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>20.0</b>	<b>0.0</b>

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Outcome	Percent of long-term care complaints resolved	77%	64.8%			
* Output	Number of client contacts to assist on health, insurance, prescriptions and other programs	20,190	30,120	20,500	30,100	30,100
* Output	Number of clients who receive assistance to access low- or no-cost prescription drugs through MEDBANK and brownbag events		8,241	2,500	2,625	5,000
Output	Number of long-term care complaints identified and investigated during the state fiscal year	4,512	9,089			
Output	Number of volunteers trained in the state fiscal year to provide health insurance and benefits assistance	98	113	60	80	80
Output	Number of outreach events providing prescription education		18	20	21	21
* Output	Number of resident contacts by ombudsman			3,800	3,990	3,990
Output	Number of hours of legal representation provided including legal advice and education	16,371	16,008	16,500	17,000	17,500

## AGING NETWORK

The purpose of the aging network program is to provide supportive social and nutritional services for older individuals and persons with disabilities so they can remain independent and involved in their communities and to provide training, education and work experience to older individuals so they can enter or re-enter the work force and receive appropriate income and benefits.

### BUDGET SUMMARY (dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	FY06 - 2005-2006		Percent Incr (Decr)
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
General Fund Transfers	19,169.6	19,342.0	19,349.9	19,340.5	0.0
Other Transfers	0.0	497.6	475.6	475.6	-4.4
Fed Program Revenues	7,523.6	7,761.2	7,932.6	7,932.6	2.2
<b>SOURCES TOTAL</b>	<b>26,693.2</b>	<b>27,600.8</b>	<b>27,758.1</b>	<b>27,748.7</b>	<b>0.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	399.0	182.6	192.9	191.3	4.8
Other	27,146.3	27,137.6	27,284.6	27,276.8	0.5
Other Financing Uses	280.6	280.6	280.6	280.6	0.0
<b>TOTAL USES</b>	<b>27,825.9</b>	<b>27,600.8</b>	<b>27,758.1</b>	<b>27,748.7</b>	<b>0.5</b>
<b>FTE</b>					
Term	0.0	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>0.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>

### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of individuals participating in the state older worker program obtaining unsubsidized permanent employment	4%	14%	10%		
* Outcome	Percent of individuals participating in the federal older worker program obtaining unsubsidized permanent employment	12%	23%	20%	21%	23%
Outcome	Percent of temporary assistance for needy families clients placed in meaningful employment		26%	25%	25%	30%
* Outcome	Percent of individuals aged sixty and over served through community services	44%	42%	44%	43%	44%
Outcome	Community service hours provided by the state older worker program as a percent of work hours budgeted			80%	84%	84%
Output	Number of individuals enrolled in the state older worker program	160	147			
Output	Number of individuals enrolled in the federal older worker program	132	129	130	97	97
Output	Annual number of mentors		55	50	47	50
Output	Annual number of clients placed in meaningful employment		437	300	300	300
Output	Annual number of clients mentored		1,703	1,200	1,200	1,200
* Output	Unduplicated number of persons served through community services	135,359	131,346	139,000	140,000	140,000
* Output	Number of adult daycare service hours provided	219,360	189,062	186,400	191,100	191,100
* Output	Number of hours of respite care provided	174,282	160,394	121,900	123,375	123,375
Output	Number of one-way trips provided for access to community services	824,667	825,541	870,000	850,000	850,000
Output	Unduplicated number of persons receiving congregate meals	31,498	33,047	31,500	33,075	33,075
Output	Number of congregate and home-delivered meals served to eligible participants	3,397,780	3,416,342	3,400,000	3,450,000	3,450,000
Output	Number of senior centers providing meals	214	212	214	212	214

Output	Number of homemaker hours provided	121,936	143,910	122,000	130,000	130,000
Output	Number of participants in local and national senior olympic games	5,096	2,769	5,100	2,800	2,800
Output	Number of children served through the foster grandparent program	2,208	2,583	2,300	2,500	2,500
Output	Number of volunteer hours provided by retired and senior volunteers	1,396,100	1,237,324	1,398,000	1,350,000	1,350,000
Output	Number of home-bound clients served through the senior companion program	1,371	1,548	1,450	1,550	1,450
Output	Unduplicated number of persons receiving home-delivered meals	12,396	14,081	12,500	13,125	13,125

### **LONG-TERM SERVICES**

The purpose of the long-term services program is to administer home- and community-based long-term service programs that support individuals in the least restrictive environment possible.

#### **BUDGET SUMMARY (dollars in thousands)**

		<u>FY06 - 2005-2006</u>				
		FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr <u>(Decr)</u>
<b>SOURCES</b>						
	General Fund Transfers	0.0	1,575.1	1,633.5	1,563.2	-0.8
	Other Transfers	0.0	2,961.2	3,019.5	2,890.0	-2.4
	Fed Program Revenues	0.0	0.0	1,350.9	1,350.9	
	<b>SOURCES TOTAL</b>	<b>0.0</b>	<b>4,536.3</b>	<b>6,003.9</b>	<b>5,804.1</b>	<b>27.9</b>
<b>USES</b>						
	Personal Services/Empl Benefit	0.0	1,036.2	1,075.6	908.1	-12.4
	Contractual Services	0.0	3,350.6	4,676.5	4,646.5	38.7
	Other	0.0	149.5	251.8	249.5	66.9
	<b>TOTAL USES</b>	<b>0.0</b>	<b>4,536.3</b>	<b>6,003.9</b>	<b>5,804.1</b>	<b>27.9</b>
<b>FTE</b>						
	Permanent	0.0	10.0	10.0	10.0	0.0
	Term	0.0	9.0	9.0	9.0	0.0
	<b>TOTAL FTE POSITIONS</b>	<b>0.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>0.0</b>

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of total personal-care option cases that are consumer directed		2%	4%	4%	4%
* Outcome	Percent of disabled and elderly Medicaid waiver clients who receive services within ninety days of eligibility determination			100%	100%	100%
* Output	Number of traumatic brain injury compliance reviews performed annually			10	10	10

## **ADULT PROTECTIVE SERVICES**

The purpose of the adult protective services program is to receive and investigate referrals of adult abuse and neglect and to provide legal services to vulnerable adults to ensure their safety and well-being.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b><u>FY06 - 2005-2006</u></b>					
	<b><u>FY04</u></b> <b><u>2003-2004</u></b> <b><u>Actuals</u></b>	<b><u>FY05</u></b> <b><u>2004-2005</u></b> <b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Percent</u></b> <b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	0.0	0.0	9,151.6	8,416.4	
Other Transfers	0.0	0.0	5,399.4	5,149.4	
<b>SOURCES TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>14,551.0</b>	<b>13,565.8</b>	
<b>USES</b>					
Personal Services/Empl Benefit	0.0	0.0	7,569.5	6,948.5	
Contractual Services	0.0	0.0	2,690.0	2,680.2	
Other	0.0	0.0	4,291.5	3,937.1	
<b>TOTAL USES</b>	<b>0.0</b>	<b>0.0</b>	<b>14,551.0</b>	<b>13,565.8</b>	
<b>FTE</b>					
Permanent	0.0	0.0	171.0	164.0	
<b>TOTAL FTE POSITIONS</b>	<b>0.0</b>	<b>0.0</b>	<b>171.0</b>	<b>164.0</b>	

<b>PERFORMANCE MEASURES</b>						
		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
* Outcome	Percent of adults with repeat maltreatment	10.8%	12.8%	10.8%	12.8%	10.8%
Output	Number of adults with repeat maltreatment within one year	166	197		197	160

## **PROGRAM SUPPORT**

The purpose of program support is to provide clerical, record keeping and administrative support in the areas of personnel, budget, procurement and contracting to agency staff, outside contractors and external control agencies to implement and manage programs.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b><u>FY06 - 2005-2006</u></b>					
	<b><u>FY04</u></b> <b><u>2003-2004</u></b> <b><u>Actuals</u></b>	<b><u>FY05</u></b> <b><u>2004-2005</u></b> <b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Percent</u></b> <b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	1,773.4	1,842.0	1,929.8	1,763.3	-4.3
Other Transfers	50.0	302.3	324.4	318.2	5.3
Fed Program Revenues	779.7	579.7	588.7	588.7	1.6
General Revenues	0.2	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>2,603.3</b>	<b>2,724.0</b>	<b>2,842.9</b>	<b>2,670.2</b>	<b>-2.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,520.7	2,291.4	2,374.9	2,224.0	-2.9
Contractual Services	101.1	98.7	96.6	96.6	-2.1
Other	614.7	333.9	371.4	349.6	4.7
Other Financing Uses	2.2	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>3,238.7</b>	<b>2,724.0</b>	<b>2,842.9</b>	<b>2,670.2</b>	<b>-2.0</b>
<b>FTE</b>					
Permanent	29.0	30.0	30.0	30.0	0.0
Term	2.0	5.0	5.0	5.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>31.0</b>	<b>35.0</b>	<b>35.0</b>	<b>35.0</b>	<b>0.0</b>

		PERFORMANCE MEASURES				
		FY03	FY04	FY05	FY06	FY06
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
Output	Percent of contractors assessed with no significant findings	100%	100%	75%	85%	95%
Output	Number of attendees at annual conference on aging	1,500	1,873	1,600	1,680	1,680
Output	Number of contractors monitored or assessed	98	89	60	80	100
Output	Number of program performance and financial expenditure reports analyzed and processed within established deadlines	1,018	1,143	1,020	1,150	1,150

**STATUTORY AUTHORITY:**

The Human Services Department was created by Sections 9-8-1 through 9-8-12 NMSA 1978. The agency is responsible for administering a number of programs related to providing medical and financial assistance for eligible populations and child support collection activities. The agency consists of four divisions: Administrative Services, Child Support Enforcement, Medical Assistance, and Income Support.

Additional authority and definition of responsibilities are found in the Public Assistance Act (Sections 27-2-1 through 27-2-47 NMSA 1978) for the Income Support, Medical Assistance, and Child Support Enforcement divisions.

**MISSION:**

The Human Services Department strategic plan states the agency mission is to assist New Mexicans in improving their well being and moving toward self-sufficiency by planning, leading, and coordinating an integrated network of public and private support.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	471,401.4	544,265.8	668,256.2	630,580.0	15.9
Other Transfers	93,755.0	76,869.2	90,335.0	92,228.0	20.0
Fed Program Revenues	2,314,074.4	2,337,195.4	2,486,528.8	2,433,284.0	4.1
Other Program Revenues	42,538.8	48,833.9	55,313.3	55,040.0	12.7
<b>SOURCES TOTAL</b>	<b>2,921,769.6</b>	<b>3,007,164.3</b>	<b>3,300,433.3</b>	<b>3,211,132.0</b>	<b>6.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	68,210.6	72,864.5	81,375.0	74,896.5	2.8
Contractual Services	71,764.2	78,754.5	76,051.0	74,383.2	-5.6
Other	2,659,179.7	2,731,326.2	3,019,124.6	2,945,954.1	7.9
Other Financing Uses	123,379.9	124,219.1	123,882.7	115,898.2	-6.7
<b>TOTAL USES</b>	<b>2,922,534.4</b>	<b>3,007,164.3</b>	<b>3,300,433.3</b>	<b>3,211,132.0</b>	<b>6.8</b>
<b>FTE</b>					
Permanent	1,581.0	1,632.0	1,757.5	1,675.0	2.6
<b>TOTAL FTE POSITIONS</b>	<b>1,581.0</b>	<b>1,632.0</b>	<b>1,757.5</b>	<b>1,675.0</b>	<b>2.6</b>

**BUDGET ISSUES:**

The FY06 committee recommendation for the Human Services Department (HSD) totals \$3.21 billion, up 6.8 percent over FY05. The general fund recommendation is \$630.6 million, an increase of \$86.3 million over the FY05 total of \$544.3 million. This includes a total of \$3.2 million of expansion items.

By far the largest increase is in the Medicaid program, with total expenditures rising to \$2.6 billion from \$2.4 billion and general fund requirements to \$562 million from \$478.4 million. This includes the HSD portion of waiver services funds appropriated to the Department of Finance and Administration as a special appropriation. This is a general fund increase of \$83.6 million, or 17.5 percent, even larger than the FY05 increase of \$67.1 million, 16.6 percent. However, approximately \$56 million of the general fund requirement is only to compensate for the decline in the federal medical assistance percentage (FMAP), the federal share of total Medicaid costs. Based on the October 2004 HSD Medicaid projection, the total FY06 expenditure level is \$2.667 billion, necessitating a general fund match of \$577.3 million. However, the committee recommendation does not include expansions for behavioral health (\$15.3 million) or the state coverage initiative (\$16.2 million) built into the \$577.3 million, resulting in a general fund reduction of \$2.2 million. In addition, the Medicaid growth rate is expected to be slower by 0.66 percent than the projection of 4.36 percent. This is based on the recent reductions in enrollment and translates into an expenditure reduction of near \$15 million. Also, continued cost constraints due to more thorough eligibility criteria and third-party

evaluation in the personal-care option are recommended. For example, the criteria should include no or lower hours for persons with in-home caregivers. Also, consideration should be given to increasing the number of impaired activities of daily life required for program eligibility. It is anticipated such measures can reduce the expenditure level by a total of \$19.6 million for this costly and fast-growing optional program projected to top \$225 million in expenditures. This has now surpassed the entire nursing home projection and is equivalent to the disability waiver program of \$228 million for FY06. Finally, a credit of \$13 million is taken on the expected efficiency inherent in the behavioral health consolidation of \$230 million in expenditures.

These three items reduce total expenditures by \$47.5 million and the associated general fund requirement by \$13.1 million. The \$13.1 million reduction plus the previous \$2.2 million lowers the committee recommendation for the Medicaid program to \$563 million from the projection of \$577.3 million. Volume I lists these changes from the projection and adds the administrative portion to total the final Medical Assistance Division recommendation shown in the Medical Assistance Program budget summary.

An area of concern for both FY05 and FY06 is the potential failure of the federal government to participate in the nursing home bed surcharge enacted during the 2003 session. The lack of federal participation could result in an approximate shortfall of \$15 million starting in FY05 and continuing in FY06. The committee recognizes this potential problem and anticipates the full Legislature will address this issue through an alternate tax policy, an appropriation contingency, or a special appropriation during the 2005 legislative session. Due to the uncertainty of the solution, the committee recommendation does not include an expenditure for this item but recognizes the necessity for a resolution.

The Medical Assistance Division (MAD) administrative program recommendation totals \$56.1 million, compared with the base request of \$57.7 million. This agency base request includes 16 additional FTE, 147 rather than the authorized 131 after internal agency reorganizations. Elimination of the extra 16 FTE to normalize to the authorized 131 required a technical adjustment that lowered the base request to \$56.9 million, making the difference between the committee recommendation and the adjusted base request only \$2 thousand. The agency request from the general fund totaled \$11.7 million compared with the committee recommendation of \$10.7 million. The principal difference is in the other transfers total: \$305 thousand in the request compared with \$905 thousand in the recommendation. This difference is for administrative revenue allowed from the county supported Medicaid fund. HSD has included these funds through a budget adjustment request in previous years, but for FY06, \$600 thousand from this fund is included in the committee recommendation.

The Income Support Division (ISD) has a total base request of \$525.3 million, including \$65.6 million from the general fund, and the committee recommendation totals \$511.7 million, including \$44.5 million from the general fund. The difference in the general fund, \$21.1 million, principally originates in the ISD program expenses associated with the Temporary Assistance for Needy Families Program (TANF).

Appendix 630A shows the TANF budget for FY04 and FY05, the FY06 HSD request, and the FY06 committee recommendation. The HSD FY06 revenue request includes \$25.5 million of additional general fund monies that essentially maintains all programs at the FY05 level. This additional general fund spending was necessitated by the exhaustion of prior years' federal carry-over. In FY04 and FY05 respectively the appropriated nonrecurring federal carry-over totaled \$26.9 million and \$20.8 million. HSD reports no additional carry-over is available for FY06. The committee recommendation includes \$5 million of federal carry-over. To augment the \$5 million, the committee includes an additional \$4.9 million from the general fund, making the total FY06 TANF revenue \$159.8 million. The program has what may be considered mandatory expenditures totaling \$149.5 million that includes administration of \$12.8 million, cash assistance of \$75.4 million, work contracts of \$9.8 million, child care of \$32.5 million, and maintenance of effort in other agencies of \$19.1 million, leaving \$10.3 million to distribute over the other programs. For the remaining programs the committee focus was on funding those that enhanced the work training effort because cash assistance must end after 60 months and the clients must be employment ready. The committee expects the general fund monies for full-day kindergarten will be appropriated directly to the Public Education Department and early childhood development will fall under the umbrella of the new pre-kindergarten initiative. The committee recognizes the risk associated with the recommended \$5 million federal carry-over and includes language for a contingency appropriation in the event such funds are not available.

In addition, the committee recommends \$5.1 million for general assistance, the same as the agency request. It is anticipated that the food stamp program will continue to increase with the recommendation at \$290 million, up from \$216.8 in FY06. This increase accounts for most of the overall increase in the ISD recommendation.

The administrative portion of the ISD budget FY06 request totals \$61.8 million, including \$22 million from the general fund, and

the committee recommendation totals \$58.1 million, with \$19.4 million from the general fund. The principal difference is in the personal services and employee benefits category, where the base request includes 51 unauthorized FTE for a total of 975 rather than the authorized total of 923. A technical adjustment was required to normalize the request back to the 923 FTE level. The committee fails to recognize the necessity of such an expansion when the program consistently has more than 93 vacancies. Last year there were 69 vacancies and the committee recommended an additional 25 FTE but these have thus far remained vacant as well.

In the other costs expenditure category, the General Services Department (GSD) information technology charges to ISD were reduced from \$4 million to \$2.2 million as part of a lower GSD rate structure. Also, a \$1.1 million TANF item described as a "place-holder" in the event of a more favorable cost allocation is not recommended.

The committee anticipates an additional \$1.4 million from the statewide cost allocation plan, which increases the total other program revenues to \$3.6 million.

The committee recommendation for Child Support Enforcement (CSED) includes a general fund reduction to \$8.3 million from the FY05 appropriation of \$8.6 million, a 4.3 percent decrease. This lower general fund appropriation is possible as HSD has implemented an aggressive information system contract cost reduction by moving functions "in-house." CSED estimates this strategy will save more than \$4 million. In addition, the GSD information technology estimate for FY06 is only \$3 million, down from \$8 million in FY05. Rents increase approximately \$400 thousand, offsetting some of the savings.

The other program revenues will suffer a reduction of almost \$1.4 million in FY06 due to a lower renegotiated contract with the Navajo Nation for data-processing functions. Offsetting part of the reduction is an approximate \$600 thousand the committee recommends in TANF collections that the agency submitted later in the budget adjustment process.

In Program Support the base request included an additional 9 FTE that were removed to normalize to the authorized 213 FTE. This program has a total of 38 vacant positions out of the 213 authorized, a vacancy rate of 17 percent. With such a high vacancy rate, the committee does not recommend the extra positions included in the base. A year ago, the program had 27 vacant positions, which points to a pattern of high vacancies for this program. Again, the committee encourages HSD to develop a human resource function to deal with this issue.

The general fund recommendation reduction to \$4.9 million is partially offset by a \$1.1 million increase of other revenues related to the statewide cost allocation from the federal government. After approximately \$900 thousand is reduced from the agency request for the unauthorized positions and vacancy savings are taken, the remainder of the committee recommendation balances with the agency request.

LFC recommends restoring liability rates to the FY05 level for agencies with assessments in excess of \$100 thousand, including HSD in the amount of \$264 thousand compared to the overall agency request of \$793 thousand.

#### **BASE EXPANSION:**

Medical Assistance Division. Including the 16 unauthorized positions in the agency base request and the nine in base expansions, MAD requested a total of 25 additional positions. None are included in the agency recommendation because the program has 25 vacant positions, some open since 2002, out of a total of 131 positions. A year ago the situation was nearly the same with 19 vacant positions out of 127. With a consistent vacancy rate in excess of 15 percent the committee does not recommend additional positions but encourages HSD to develop and utilize a human resources strategic plan to alleviate this high rate. However, the committee does recommend \$704 thousand for the hardware and software upgrades associated with the transaction interface exchange system required by the Health Information Portability Act (HIPAA).

Income Support Division. From the 923 FTE level, a total of 22 FTE were added with 12 to facilitate with disability waiver program eligibility issues. The other 10 are added without funding to allow for continuous advertisement of vacant positions to aid in the hiring process. The committee encourages HSD to develop a strategic human relations function for this and all other programs to minimize employee turnover and move toward full employment.

Child Support Enforcement Division. An additional 15 FTE and \$1.04 million are recommended as an expansion to facilitate the projected savings from the informational services contracts. The committee also includes 6 FTE and \$840 thousand to institute a



pilot project to two locations as satellite CSED field offices. The committee requests performance measures for these offices to establish their value and determine continuing expansion.

**RECOMMENDED LANGUAGE:**

The appropriations to the income support program of the human services department include twelve million eight hundred thousand dollars (\$12,800,000) from the federal temporary assistance for needy families block grant for administration of the New Mexico Works Act.

The appropriations to the income support program of the human services department include eighteen million five hundred fifty-three thousand one hundred dollars (\$18,553,100) from the general fund and fifty-six million seven hundred ninety-six thousand nine hundred dollars (\$56,796,900) from the federal temporary assistance for needy families block grant to provide cash assistance grants to participants as defined in the New Mexico Works Act, including education grants, clothing allowances, wage subsidies, one-time diversion payments and state-funded aliens payments.

The appropriations to the income support program of the human services department include thirteen million ninety thousand dollars (\$13,090,000) from the federal temporary assistance for needy families block grant for support services, including nine million seven-hundred fifty thousand dollars (\$9,750,000) for job training and placement, one million six hundred thirteen thousand eight hundred dollars (\$1,613,800) for a domestic violence program, nine hundred thousand dollars (\$900,000) for transportation services and eight hundred twenty-six thousand two hundred dollars (\$826,200) for a family-strengthening and fatherhood program.

The appropriations to the income support program of the human services department include thirty-nine million four hundred twenty-two thousand two hundred dollars (\$39,422,200) from the temporary assistance for needy families block grant for transfers to other agencies, including one million three hundred thousand dollars (\$1,300,000) to the public education department for teen pregnancy education and prevention, two hundred fifty thousand dollars (\$250,000) to the commission on higher education for adult basic education programs, two hundred fifty thousand dollars (\$250,000) to the children, youth and families department for childcare training, two million dollars (\$2,000,000) to the children, youth and families department for adult protective services, thirty-two million four hundred seventy-two thousand two hundred dollars (\$32,472,200) to the children, youth and families department for childcare programs, six hundred thousand dollars (\$600,000) to the children, youth and families department for domestic violence programs, eight hundred fifty thousand dollars (\$850,000) to the department of health for substance abuse programs, one million two hundred thousand dollars (\$1,200,000) to the commission on the status of women for the teamworks program, and five hundred thousand dollars (\$500,000) to the aging and long term care services department for the gold mentor program.

The appropriations to the income support program of the human services department include four million five hundred sixty-five thousand five hundred dollars (\$4,565,500) from the general fund and five hundred thousand dollars (\$500,000) other state funds for general assistance.

The human services department shall provide the department of finance and administration and the legislative finance committee quarterly reports on the expenditures of the federal temporary assistance for needy families block grant and the state maintenance-of-effort expenditures.

The federal funds appropriation to the income support program includes five million dollars (\$5,000,000) prior year carry-over from the federal temporary assistance for needy families block grant. If some or any part of this fund balance is unavailable, then an amount equal to the unavailable portion up to a maximum of five million dollars (\$5,000,000) may be transferred from the appropriation contingency fund to the income support program of the human services department after certification to and approval by the board of finance.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	15 FTE for information technology positions	(CSED)	0.0	1,042.0
2	22 FTE for eligibility workers	(ISD)	0.0	569.0
3	Expansion for 5 satellite county offices	(CSED)	1,450.6	839.6
4	Resources for HIPAA	(MAD)	778.0	704.0
5	2 FTE for immunization data base	(MAD)	267.6	0.0
6	4 FTE for SCI administration	(MAD)	1,130.3	0.0
7	<u>State coverage initiative medicaid expansion</u>	<u>(MAD)</u>	<u>16,228.0</u>	<u>0.0</u>
<b>TOTAL</b>			<b>19,854.5</b>	<b>3,154.6</b>

**MEDICAL ASSISTANCE PROGRAM**

The purpose of the medical assistance program is to provide the necessary resources and information to enable low-income individuals to obtain either free or low-cost health care.

**BUDGET SUMMARY  
(dollars in thousands)**

		<u>FY06 - 2005-2006</u>			
	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	418,895.6	490,008.8	588,279.8	572,882.6	16.9
Other Transfers	93,186.5	76,523.4	90,335.0	92,228.0	20.5
Fed Program Revenues	1,885,624.9	1,891,578.7	1,992,957.8	1,935,145.1	2.3
Other Program Revenues	33,881.5	41,801.8	46,265.2	43,996.0	5.2
<b>SOURCES TOTAL</b>	<b>2,431,588.5</b>	<b>2,499,912.7</b>	<b>2,717,837.8</b>	<b>2,644,251.7</b>	<b>5.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	7,647.2	6,756.8	9,587.6	7,467.7	10.5
Contractual Services	25,352.0	36,074.0	35,782.8	35,015.0	-2.9
Other	2,325,104.0	2,381,698.5	2,596,980.4	2,526,282.0	6.1
Other Financing Uses	73,485.3	75,383.4	75,487.0	75,487.0	0.1
<b>TOTAL USES</b>	<b>2,431,588.5</b>	<b>2,499,912.7</b>	<b>2,717,837.8</b>	<b>2,644,251.7</b>	<b>5.8</b>
<b>FTE</b>					
Permanent	136.0	127.0	156.0	131.0	3.1
<b>TOTAL FTE POSITIONS</b>	<b>136.0</b>	<b>127.0</b>	<b>156.0</b>	<b>131.0</b>	<b>3.1</b>

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of children enrolled in Medicaid managed care who have a dental exam within the performance measure year	44%	85%	50%	50%	90%
* Outcome	Percent of readmissions to the same level of care or higher for individuals in managed care discharged from resident treatment centers				18%	15%
* Outcome	Number of children receiving services in the Medicaid school-based services program				16,000	16,000
* Outcome	Percent of children in Medicaid managed care receiving early and periodic screening, diagnosis, and treatment services	70%	52%	80%	75%	80%
* Outcome	Percent of adolescents in Medicaid managed care receiving well-care visits	45%	42%	N/A	48%	50%
* Outcome	Percent of women enrolled in Medicaid managed care and in the age-appropriate group receiving breast cancer screens	64%	63%	N/A	66%	70%
* Outcome	Percent of women enrolled in Medicaid managed care and in the age-appropriate group receiving cervical cancer screens	68%	77%	N/A	71%	75%
Output	Number of persons enrolled in the Medicaid	400,340				

Outcome	program at the end of the fiscal year 2003 Readmission rate at the same level of clinical care or higher for individuals discharged from residential treatment centers	19%
Outcome	Percent of individuals discharged from residential treatment centers who receive follow-up care within seven days	41%
Outcome	Percent of individuals discharged from residential treatment centers who receive follow-up care within thirty days	60%

### **INCOME SUPPORT PROGRAM**

The purpose of the income support program is to provide cash assistance and supportive services to eligible low-income families so they can achieve self-sufficiency.

#### **BUDGET SUMMARY (dollars in thousands)**

	<b><u>FY06 - 2005-2006</u></b>					<b>Percent Incr (Decr)</b>
	<b><u>FY04 2003-2004 Actuals</u></b>	<b><u>FY05 2004-2005 Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>		
<b>SOURCES</b>						
General Fund Transfers	38,387.7	40,153.5	65,590.4	44,522.2		10.9
Other Transfers	190.7	100.0	0.0	0.0		-100.0
Fed Program Revenues	389,787.4	403,500.0	457,562.3	463,591.2		14.9
Other Program Revenues	2,257.6	185.2	2,164.9	3,564.0		1824.4
<b>SOURCES TOTAL</b>	<b>430,623.4</b>	<b>443,938.7</b>	<b>525,317.6</b>	<b>511,677.4</b>		<b>15.3</b>
<b>USES</b>						
Personal Services/Empl Benefit	34,322.3	37,433.7	40,561.8	38,590.2		3.1
Contractual Services	29,016.7	25,387.4	27,110.9	26,210.9		3.2
Other	318,336.9	332,421.9	409,389.2	406,605.1		22.3
Other Financing Uses	49,869.1	48,695.7	48,255.7	40,271.2		-17.3
<b>TOTAL USES</b>	<b>431,545.0</b>	<b>443,938.7</b>	<b>525,317.6</b>	<b>511,677.4</b>		<b>15.3</b>
<b>FTE</b>						
Permanent	882.0	924.0	975.0	946.0		2.4
<b>TOTAL FTE POSITIONS</b>	<b>882.0</b>	<b>924.0</b>	<b>975.0</b>	<b>946.0</b>		<b>2.4</b>

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Output	Number of temporary assistance for needy family clients placed in jobs	7766	8,690	8,250	N/A	
* Outcome	Percent of temporary assistance for needy families participants who retain a job three or more months				65%	70%
Output	Percent of families leaving the temporary assistance for needy families program who receive at least one month of food stamp benefits	56.6%	65%			
Outcome	Percent of two-parent temporary assistance for needy families that meet participation requirements	57.3%				
* Outcome	Percent of all temporary assistance for needy families recipients meeting federally required work participation requirements	46.1%		N/A	50%	50%
Outcome	Six-month job retention rate	20.3%		60%		
* Outcome	Percent of food-stamp-eligible children participating in the program				90%	90%
* Outcome	Percent of expedited food stamp cases meeting federally required measure of timeliness within seven days				96%	96%

Outcome	Percent of temporary assistance for needy families clients phased into the interagency state workforce consolidation effort	100%	100%
* Outcome	Number of temporary assistance for needy families cash assistance recipients who receive a job	9,250	9,250

### **CHILD SUPPORT ENFORCEMENT**

The purpose of the child support enforcement program is to provide location, establishment and collection services for custodial parents and their children, to ensure that all court orders for support payments are being met to maximize child support collections and to reduce public assistance rolls.

#### **BUDGET SUMMARY (dollars in thousands)**

		<b><u>FY06 - 2005-2006</u></b>			
	<b><u>FY04 2003-2004 Actuals</u></b>	<b><u>FY05 2004-2005 Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	<b><u>Percent Incr (Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	8,244.5	8,647.6	9,094.2	8,278.2	-4.3
Other Transfers	78.1	200.0	0.0	0.0	-100.0
Fed Program Revenues	26,845.3	28,958.2	24,362.5	23,441.2	-19.1
Other Program Revenues	5,992.6	5,950.0	4,836.7	5,434.0	-8.7
<b>SOURCES TOTAL</b>	<b>41,160.5</b>	<b>43,755.8</b>	<b>38,293.4</b>	<b>37,153.4</b>	<b>-15.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	14,339.6	15,630.5	18,325.2	16,869.1	7.9
Contractual Services	16,111.9	16,234.4	12,081.3	12,081.3	-25.6
Other	10,630.6	11,890.9	7,886.9	8,203.0	-31.0
<b>TOTAL USES</b>	<b>41,082.1</b>	<b>43,755.8</b>	<b>38,293.4</b>	<b>37,153.4</b>	<b>-15.1</b>
<b>FTE</b>					
Permanent	357.0	364.0	409.0	385.0	5.8
<b>TOTAL FTE POSITIONS</b>	<b>357.0</b>	<b>364.0</b>	<b>409.0</b>	<b>385.0</b>	<b>5.8</b>

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of temporary assistance for needy families' cases with court-ordered child support receiving collections				58%	58%
* Outcome	Amount of child support collected, in millions of dollars	72.2	80.7	82.0	88.0	88.0
Output	Amount of child support collected for the temporary assistance for needy families program, in millions of dollars	3.4				
Efficiency	Ratio of dollars collected to program expenditures	1.53:1				
* Outcome	Percent of current support owed that is collected	50.9%	51.8%	57%	58%	60%
* Outcome	Percent of cases with support orders	50.6%	51.5%	55%	57%	60%
* Outcome	Percent of children born out-of-wedlock with voluntary paternity acknowledgment	49.1%	60%	55%	57%	60%
* Outcome	Percent of children with court-ordered medical support covered by private health insurance				30%	30%

## PROGRAM SUPPORT

The purpose of program support is to provide overall leadership, direction and administrative support to each agency program and to assist it in achieving its programmatic goals.

### BUDGET SUMMARY (dollars in thousands)

		FY06 - 2005-2006				
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr <u>(Decr)</u>	
SOURCES						
General Fund Transfers	5,873.6	5,455.9	5,291.8	4,897.0	-10.2	
Other Transfers	299.7	45.8	0.0	0.0	-100.0	
Fed Program Revenues	11,816.8	13,158.5	11,646.2	11,106.5	-15.6	
Other Program Revenues	407.1	896.9	2,046.5	2,046.0	128.1	
SOURCES TOTAL	18,397.2	19,557.1	18,984.5	18,049.5	-7.7	
USES						
Personal Services/Empl Benefit	11,901.5	13,043.5	12,900.4	11,969.5	-8.2	
Contractual Services	1,283.6	1,058.7	1,076.0	1,076.0	1.6	
Other	5,108.2	5,314.9	4,868.1	4,864.0	-8.5	
Other Financing Uses	25.5	140.0	140.0	140.0	0.0	
TOTAL USES	18,318.8	19,557.1	18,984.5	18,049.5	-7.7	
FTE						
Permanent	206.0	217.0	217.5	213.0	-1.8	
TOTAL FTE POSITIONS	206.0	217.0	217.5	213.0	-1.8	

### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Quality	Percent of federal financial reporting completed on time and accurately	48%	91%	90%	100%	100%
Outcome	Number audit findings in unqualified opinions issued	57	37			
Outcome	Average days to process a payment voucher	90%	7			
Outcome	Percent of audit findings resolved	30%	74%			
Outcome	Average days to process a purchase request doc.		2			
Outcome	Percent of DFA adjusted journal entries submitted within fifteen days of completion of reconciliation			85%		
Outcome	Percent of reconciliations completed within 30-45 days after receipt of accurate monthly reports from DFA, joint accounting system or STO		100%	85%		
Quality	Percent of state and federal financial reporting completed on time and accurately		100%		N/A	
* Outcome	Percent of fund reconciliations completed thirty days after receipt of accurate monthly reports from the department of finance and administration, human services department joint accounting system and the state treasurer's office				100%	100%
* Outcome	Percent invoices pd within 30 days of receipt of inv.				100%	
* Outcome	Percent of FY04 audit finding resolved the next FY				100%	100%
* Outcome	Percent FY05 audit findings of material weaknesses				0%	0%
Outcome	Total cost of contract information technology maintenance, in millions of dollars				8.398	8.4
Outcome	Percent of employee appraisal development plans received at least 2 weeks prior to employee's anniversary date processed by first pay period following the anniversary date				100%	100%
* Outcome	Number of active office of inspector general claims over thirty-six months old				0	0
* Outcome	Percent of reconciling items resolved within fifteen days of completion of reconciliation				90%	95%

**STATUTORY AUTHORITY:**

The Labor Department was created in 1987 by Section 9-18-1 through 9-19-16 NMSA 1978. The department administers the Unemployment Compensation Act, Wagner-Peyser Act of 1933 as amended, Trade Adjustment Act of 1974, Unemployment Tax Act, Human Rights Act, and labor laws and regulations.

**MISSION:**

The New Mexico Department of Labor's mission is to provide unemployment insurance, workforce development, and labor market services that meet the needs of job seekers and employers and to monitor and evaluate compliance with labor law, including nonpayment of wages, unlawful discrimination, child labor, apprentices, and wage rates for public works projects.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	1,380.0	841.7	2,107.1	1,813.4	115.4
Other Transfers	2,593.6	4,273.1	2,162.6	2,162.2	-49.4
Fed Program Revenues	31,915.2	26,864.3	32,612.9	29,652.9	10.4
Other Program Revenues	1,515.5	1,340.3	1,875.2	1,875.2	39.9
<b>SOURCES TOTAL</b>	<b>37,404.3</b>	<b>33,319.4</b>	<b>38,757.8</b>	<b>35,503.7</b>	<b>6.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	25,012.2	25,929.0	28,336.3	26,398.1	1.8
Contractual Services	3,988.0	1,305.2	2,032.0	1,678.7	28.6
Other	8,288.8	6,027.0	8,309.2	7,346.6	21.9
Other Financing Uses	7.5	58.2	80.3	80.3	38.0
<b>TOTAL USES</b>	<b>37,296.5</b>	<b>33,319.4</b>	<b>38,757.8</b>	<b>35,503.7</b>	<b>6.6</b>
<b>FTE</b>					
Permanent	627.0	530.0	529.0	529.0	-0.2
Term	36.0	41.0	42.0	42.0	2.4
Temporary	21.3	0.0	0.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>684.3</b>	<b>571.0</b>	<b>571.0</b>	<b>571.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The FY06 expenditure request for the New Mexico Department-Labor (NMDOL) is \$38.7 million, a 16 percent increase from the FY05 operating level and a \$1.3 million increase from the general fund. The budget recommendation reflects the transfer of the Workforce Investment Act (WIA) program to the Office of Workforce Training and Development. Adjusting for the transfer of WIA, the department's budget represents a 150 percent increase from the general fund and a 21 percent increase in federal revenue. The increase in general fund monies is primarily related to a \$1.3 million increase for the Labor and Industrial Commission. The commission was funded in FY05 with monies from the workers' compensation administration fund. The recommendation transfers 38 FTE to the Office of Workforce Training and Development (OWTD). The agency request includes increases in information technology services and maintenance of over \$1 million dollars. This includes funds for enhancement of the unemployment insurance system and for acquiring software license and software maintenance.

According to NMDOL, Reed Act funds will not be available for FY07 unless Congress adopts new legislation. This will require NMDOL to scale back operations, including laying off employees and closing field offices. Although this does not affect the budget for FY06, the agency needs to begin developing alternative funding proposals. LFC recommends the department report to LFC and the legislative Welfare Reform Oversight Committee on the revenue problem for FY07 and options. About 70 positions are currently supported by Reed Act funds.

The committee recommends a reduction of three million dollars in Reed Act funds from the department request based on several factors. First, the department inadvertently doubled the amount needed for the 2 percent salary increase granted to all

employees in FY05. Second, the committee recommends a 6 percent vacancy savings for the agency. The historical rate has been averaging 10 percent. Third, the virtual one-stop system (VOSS) is being transferred to the Office of Workforce Training and Development, and computer costs were reflected in both budgets. Fourth, the committee does not recommend a 60 percent increase in the rent line item as requested by the department. Further, the committee continues to stress the importance of integrating WIA and NMDOL at local one-stop centers and this would result in cost savings for both agencies.

A supplemental appropriation of Reed Act funds of \$1.7 million will be requested to cover expenses related to salary increases and insurance costs for FY05. The committee recommends further review of this request.

LFC supported the transfer of vouchering and payroll to the Department of Finance (DFA). An unintended consequence of this change is the agency now has to enter data into the DFA system and the federal system. LFC recommends NMDOL work in conjunction with DFA to modify the state and federal financial systems to eliminate double entry in the vouchering process.

Unemployment Insurance Technology Concerns. The unemployment insurance (UI) payment system developed at a cost of \$14 million remains non-functional. NMDOL has come to an agreement with the original contractor for completing the system and the agency plans to begin the testing phase in April 2005.

The Legislature has appropriated \$12 million Reed Act funds for a UI tax system. Work has not begun on the system. The department will initiate a request for funds from the tax system to assist in the completion of the UI payment system.

The federal Office of Inspector General is in the process of auditing the expenditures of WIA funds that may have been used for the UI re-engineering system project. If discrepancies are discovered, the agency may have to use state general fund monies for repayment to OWTD.

## UNEMPLOYMENT ADMINISTRATION

The purpose of the unemployment administration program is to provide payment of unemployment insurance benefits to qualified individuals who have lost their jobs through no fault of their own so that they may maintain economic stability and continue their livelihood while seeking employment and collect unemployment taxes from employers.

BUDGET SUMMARY (dollars in thousands)					
			FY06 - 2005-2006		Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	15.5	0.0	0.0	0.0	
Fed Program Revenues	10,139.0	10,426.0	11,028.7	10,072.7	-3.4
<b>SOURCES TOTAL</b>	<b>10,154.5</b>	<b>10,426.0</b>	<b>11,028.7</b>	<b>10,072.7</b>	<b>-3.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	7,258.4	7,927.0	8,323.8	7,959.9	0.4
Contractual Services	1,212.8	349.7	693.5	550.0	57.3
Other	1,683.3	2,130.7	2,007.8	1,559.2	-26.8
Other Financing Uses	0.0	18.6	3.6	3.6	-80.6
<b>TOTAL USES</b>	<b>10,154.5</b>	<b>10,426.0</b>	<b>11,028.7</b>	<b>10,072.7</b>	<b>-3.4</b>
<b>FTE</b>					
Permanent	160.0	182.0	180.0	180.0	-1.1
Term	5.0	4.0	5.0	5.0	25.0
<b>TOTAL FTE POSITIONS</b>	<b>165.0</b>	<b>186.0</b>	<b>185.0</b>	<b>185.0</b>	<b>-0.5</b>

PERFORMANCE MEASURES						
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Percent of status determinations for newly established employers made within ninety days of the quarter's end.	84%	84%	90%	90%	90%

## OPERATIONS

The purpose of the operations program is to provide workforce development and labor market services that meet the needs of job seekers and employers.

BUDGET SUMMARY (dollars in thousands)					
FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
Other Transfers	2,593.6	2,593.6	1,687.9	1,687.9	-34.9
Fed Program Revenues	11,488.8	8,827.8	12,372.3	10,979.4	24.4
Other Program Revenues	15.1	16.6	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>14,097.5</b>	<b>11,438.0</b>	<b>14,060.2</b>	<b>12,667.3</b>	<b>10.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	9,496.0	9,693.7	10,420.7	9,355.3	-3.5
Contractual Services	336.4	103.7	248.1	152.7	47.3
Other	4,265.1	1,616.9	3,370.0	3,137.9	94.1
Other Financing Uses	0.0	23.7	21.4	21.4	-9.7
<b>TOTAL USES</b>	<b>14,097.5</b>	<b>11,438.0</b>	<b>14,060.2</b>	<b>12,667.3</b>	<b>10.7</b>
<b>FTE</b>					
Permanent	270.0	200.0	196.0	196.0	-2.0
Term	25.0	32.0	29.0	29.0	-9.4
Temporary	2.0	0.0	0.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>297.0</b>	<b>232.0</b>	<b>225.0</b>	<b>225.0</b>	<b>-3.0</b>

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Number of individuals served by labor market services who found employment.	16,003	51,935	50,000	50,000	50,000
* Explanatory	Number of persons served by the labor market services program	173,629	367,901	170,000	200,000	200,000
Output	Number of organizations receiving unemployment data press releases per month			20	20	20
* Outcome	Error rate for forecasting employment data			+ / - 2%	+/-2%	+/-2%

## SUPPORT

The purpose of the support program is to provide overall leadership, direction and administrative support to each agency program to achieve their programmatic goals.

BUDGET SUMMARY (dollars in thousands)					
FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
Other Transfers	0.0	355.1	474.7	474.3	33.6
Fed Program Revenues	10,084.6	7,380.7	8,965.9	8,354.8	13.2
Other Program Revenues	508.9	1,098.7	1,138.2	1,138.2	3.6
<b>SOURCES TOTAL</b>	<b>10,593.5</b>	<b>8,834.5</b>	<b>10,578.8</b>	<b>9,967.3</b>	<b>12.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	6,438.3	6,305.6	7,409.3	7,087.5	12.4
Contractual Services	2,436.6	835.1	1,067.3	952.9	14.1
Other	1,711.1	1,681.9	2,047.9	1,872.6	11.3
Other Financing Uses	7.5	11.9	54.3	54.3	356.3
<b>TOTAL USES</b>	<b>10,593.5</b>	<b>8,834.5</b>	<b>10,578.8</b>	<b>9,967.3</b>	<b>12.8</b>



<b>FTE</b>						
Permanent	160.0	107.0	111.0	111.0	3.7	
Term	6.0	5.0	7.0	7.0	40.0	
Temporary	16.3	0.0	0.0	0.0		
<b>TOTAL FTE POSITIONS</b>	<b>182.3</b>	<b>112.0</b>	<b>118.0</b>	<b>118.0</b>	<b>5.4</b>	

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of prior-year audit findings resolved			75%	75%	80%
Output	Number of cost centers in which fixed assets inventory will be conducted			30	30	30

#### COMPLIANCE

The purpose of the compliance program is to monitor and evaluate compliance with labor law, including nonpayment of wages, unlawful discrimination, child labor, apprentices and wage rates for public works projects.

#### BUDGET SUMMARY (dollars in thousands)

	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	1,364.5	841.7	2,107.1	1,813.4	115.4
Other Transfers	0.0	1,324.4	0.0	0.0	-100.0
Fed Program Revenues	202.8	229.8	246.0	246.0	7.0
Other Program Revenues	991.5	225.0	737.0	737.0	227.6
<b>SOURCES TOTAL</b>	<b>2,558.8</b>	<b>2,620.9</b>	<b>3,090.1</b>	<b>2,796.4</b>	<b>6.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,819.5	2,002.7	2,182.5	1,995.4	-0.4
Contractual Services	2.2	16.7	23.1	23.1	38.3
Other	629.3	597.5	883.5	776.9	30.0
Other Financing Uses	0.0	4.0	1.0	1.0	-75.0
<b>TOTAL USES</b>	<b>2,451.0</b>	<b>2,620.9</b>	<b>3,090.1</b>	<b>2,796.4</b>	<b>6.7</b>
<b>FTE</b>					
Permanent	37.0	41.0	42.0	42.0	2.4
Term	0.0	0.0	1.0	1.0	
Temporary	3.0	0.0	0.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>40.0</b>	<b>41.0</b>	<b>43.0</b>	<b>43.0</b>	<b>4.9</b>

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Output	Number of targeted public works inspections completed	1,775	1,638	1,775	1,800	1,800
* Outcome	Percent of wage claims investigated and resolved within one hundred twenty days	97%	94%	82%	80%	80%
* Efficiency	Number of backlogged human rights commission hearings pending	22	0	20	0	0
* Efficiency	Percent of discrimination cases settled through alternative dispute resolution	75%	73%	60%	60%	75%
* Efficiency	Average number of days for completion of discrimination investigations and determinations.	152	163	145	160	150
* Output	Annual collections of apprentice contributions for public works projects.		\$433,507	\$200,000	\$300,000	\$300,000

## OFFICE OF WORKFORCE TRAINING & DEVELOPMENT

### STATUTORY AUTHORITY:

The Workforce Development Act was established under Section 50-14-1 through 50-14-8 NMSA 1978 and the federal Workforce Investment Act of 1998; Executive Order 2004-004 established the Office of Workforce Training and Development administratively attached to the Governor as the grant recipient and administrative entity of the Workforce Investment Act.

The executive order provides for the Office of Workforce Training and Development (OWTD) to serve as the grant recipient and administrative entity for workforce funds and programs under the Workforce Investment Act (WIA), develops a comprehensive, statewide plan with workforce systems and expands criteria for comprehensive one-stop centers, coordinates with community colleges on a workforce development strategic plan, develops a performance-based system of accountability for state workforce partners, and monitors the state's job training programs.

### MISSION:

The purpose of the Office of Workforce Training and Development Program is to provide services that meet the needs of job seekers and employers.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	300.0	700.0	700.0	700.0	0.0
Fed Program Revenues	13,817.1	23,830.1	22,166.9	22,166.9	-7.0
<b>SOURCES TOTAL</b>	<b>14,117.1</b>	<b>24,530.1</b>	<b>22,866.9</b>	<b>22,866.9</b>	<b>-6.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,423.3	2,461.2	2,102.4	1,940.8	-21.1
Contractual Services	130.6	24.0	253.0	350.0	1358.3
Other	12,563.2	22,042.2	20,508.5	20,573.1	-6.7
Other Financing Uses	0.0	2.7	3.0	3.0	11.1
<b>TOTAL USES</b>	<b>14,117.1</b>	<b>24,530.1</b>	<b>22,866.9</b>	<b>22,866.9</b>	<b>-6.8</b>
<b>FTE</b>					
Permanent	35.0	35.0	37.0	37.0	5.7
Term	3.0	2.0	0.0	0.0	-100.0
Temporary	1.0	1.0	1.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>39.0</b>	<b>38.0</b>	<b>38.0</b>	<b>38.0</b>	<b>0.0</b>

### BUDGET ISSUES:

A November 2003 LFC audit noted that New Mexico's implementation of WIA could be improved by transferring management and oversight responsibilities to a new agency. Before the transfer, NMDOL both operated one-stop services and provided program oversight, creating a potential conflict of interest. While the creation of OWTD by executive order was an attempt to address the conflict, addition of another agency adds to an already complex system of the funding of workforce programs in New Mexico. This includes programs not only funded through NMDOL and the Human Services Department but others managed through the Economic Development, Finance and Administration, Public Education departments and other agencies. The change should have streamlined these efforts but arguably might have added another layer of administration. Consequently, the challenge for OWTD is to accomplish the mandates of the executive order to maximize services; otherwise, workforce programs will continue to act independently with little or no integration of services and inefficiencies in administration.

OWTD has recommended statutory changes to move the fiscal and program administrative functions of the WIA from the New Mexico Department of Labor (NMDOL) to OWTD. The recommendation provides the new office with authority to require workforce partners co-locate and develop common performance measures, move TANF Works program from the Human Services Department to OWTD, and adjust the public school funding formula for post-secondary schools to cover noncredit

courses. The new legislation would remove the Job Training Division, WIA oversight function and the State Workforce Development Board (SWDB) fiscal and administrative responsibilities from NMDOL and place it in OWTD. The new legislation would establish OWTD as the fiscal agent for the state board, and allow federal funds for WIA to flow directly to OWTD.

The transfer of the WIA program to OWTD by executive order involved \$22 million in federal funds, 38 FTE, and \$700 thousand from the general fund for at-risk youth programs across the state. OWTD began operations as an autonomous agency on July 1, 2004, the same date NMDOL and OWTD began vouchering through the Department of Finance and Administration. Therefore, OWTD has relied on the financial information from the NMDOL federal accounting, reporting system (FARS) to report FY04 actual expenditures. OWTD is experiencing difficulty reconciling the FY04 expenditures provided by the NMDOL. The agency recognizes it may take several months until it can determine with certainty the amount of funds expended and the amount of prior-year funds available in FY05 and FY06 for OWTD and the local boards.

The federal Workforce Investment Act of 1998, an effort to consolidate all workforce development and development programs into one coordinated system, has three funding streams to serve adults, dislocated workers and youth ages 14 to 21. WIA dollars, most of which flow through OWTD to the four local boards and the state board, have steadily declined from \$37.8 million in FY01 to 18 million in FY06; however, three of the local board report they still have funds from previous years. The FY06 request includes four million dollars in projected carry-over funding from prior years. In FY04, the local boards' share of WIA funds was \$14 million with \$900 thousand for administration, 1.4 million for rapid response, and \$1.8 million for 10 percent activities. The state distributed three million dollars to the northern area, \$2.9 million to the eastern area, \$4.8 million to the southwest area, and \$3.3 million to the central area. See appendix chart 635A. Almost 10,000 New Mexicans were served through WIA at an average cost of \$1,418.

The state distributed \$700 thousand in FY05 funds for at-risk youth through a proposal process with \$139.6 thousand going to Families and Youth, Inc., \$379 thousand to SER Santa Fe Jobs for Progress, \$93.1 thousand to New Mexico Retail Association Youth Opportunity in Retailing, and \$53.2 thousand to SER de New Mexico. The committee recommends OWTD include performance measure in the next round of contracts.

Since the transfer of WIA to OWTD, the vacancy rate has approached 40 percent. The department's budget represents a 10 percent vacancy rate. The committee recommendation budgets all vacancies at the minimum level. Plans are currently underway to transfer the virtual one stop system (VOSS) from NMDOL to OWTD. Therefore, in anticipation of the transfer, the committee recommendation increases the information technology services in the contracts line item to \$250 thousand for modification of the VOSS system as a common intake system for WIA partners. In addition, the committee adds \$100 thousand in the other category for information technology maintenance.

The committee supports the recommendation of converting 2 term FTE to permanent status. These represent the only term positions in the agency and the conversion will enable the agency to keep the positions filled for longer periods of time.

OWTD through the four local boards will administer the TANF Works contracts of approximately \$10 million. The integration will need to be coordinated with the Human Services Department (HSD) and monitored through both HSD and OWTD.

## **OFFICE OF WORKFORCE TRAINING AND DEVELOPMENT**

The purpose of the office of workforce training and development program is to provide workforce development services that meet the needs of job seekers and employers and to provide resources to job training entities so that they may train and re-train individuals seeking work or improved employment opportunities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of adults receiving workforce development services that have entered employment within one quarter of leaving job training services		76.8%	70%	78%	78%
* Outcome	Percent of all local Workforce Investment Act boards monitored a minimum of once a year to ensure compliance with all federal and state fiscal and program requirements		*	100%	100%	100%
* Outcome	Percent of youth receiving workforce development services that have entered employment within one quarter of leaving the program			70%	70%	70%
* Outcome	Percent of dislocated workers receiving workforce development services that have entered employment within one quarter of leaving the program		83.8%	73%	85%	85%
* Output	Number of individuals in the adult, dislocated worker and youth programs receiving services through the federal Workforce Investment Act		*	8,400	8,800	8,800

**STATUTORY AUTHORITY:**

The Workers' Compensation Administration (WCA) administers the Workers' Compensation Act (Sections 52-1-1 through Sections 52-1-70 and Sections 52-5-1 to 52-5-22 NMSA 1978) Occupational Disease Disablement Law (Sections 52-3-1 to 52-3-60 NMSA 1978), and Health Care Provider Law (Sections 52-4-1 through 52-4-5 NMSA 1978). WCA is responsible for monitoring the insurance industry to ensure compliance with accepted performance standards, mediating and adjudicating contested workers' compensation claims, and regulating workers' compensation self-insurance activity.

**MISSION:**

The mission of the Workers' Compensation Administration is to assure the quick and efficient delivery of indemnity and medical benefits to injured and disabled workers at a reasonable cost to employers.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Other Program Revenues	9,407.6	9,308.6	9,875.5	9,654.7	3.7
<b>SOURCES TOTAL</b>	<b>9,407.6</b>	<b>9,308.6</b>	<b>9,875.5</b>	<b>9,654.7</b>	<b>3.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	6,685.8	7,125.4	7,620.6	7,300.6	2.5
Contractual Services	532.6	339.0	300.8	400.0	18.0
Other	1,687.9	1,844.2	1,954.1	1,954.1	6.0
Other Financing Uses	501.3	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>9,407.6</b>	<b>9,308.6</b>	<b>9,875.5</b>	<b>9,654.7</b>	<b>3.7</b>
<b>FTE</b>					
Permanent	129.0	132.0	137.0	134.0	1.5
<b>TOTAL FTE POSITIONS</b>	<b>129.0</b>	<b>132.0</b>	<b>137.0</b>	<b>134.0</b>	<b>1.5</b>

**BUDGET ISSUES:**

The Workers' Compensation Administration request for a 6.1 percent increase in funding with expansion items represents a \$567 thousand increase from the FY05 operating budget. The request reflects a \$146 thousand increase in salaries and benefits of which \$46 thousand was a result of providing an in-band pay increase (not budgeted) to 18 employees. An increase of \$89 thousand in the rent line item is due to the new offices in Roswell and Santa Fe and a \$94 thousand increase in telecommunications for T1 lines. Considering a historical vacancy rate (previous 12 months) of 10 percent, the LFC recommendation provides for a 3 percent vacancy savings rate. Furthermore, LFC recommends that if in-band pay increases are going to be provided to a substantial number of employees, the agency should request the increase in the budget process. The projected unreserved/undesignated ending fund balance for the workers' compensation fund for FY06 is \$9.7 million. Money from the fund was used to finance the Labor and Industrial Commission in the amount of \$1.3 million in FY05. The fund has remained stable for the last few years and it is not expected to significantly fluctuate in the future.

WCA requested an expansion of 2 FTE for (occupational health and safety specialists) for the offices in Santa Fe and Roswell. Each of these offices is staffed with 3 FTE. One of the offices currently has an occupational health and safety specialist. Mediations, adjudications and formal trials have remained steady in the last few years, with a drop in adjudications. Therefore, LFC does not recommend funding for these two positions. Using vacancy savings, the agency should reallocate needed personnel to the field.

The agency has begun administering the uninsured employer fund. The fund is available to pay workers' compensation benefits to employees of uninsured employers. The fund's source of revenue is an assessment to employers of 30 cents per employee per quarter. This assessment is collected together with the workers' compensation assessment fee and \$4.30 per employee is required to be submitted by all employers each quarter. According to WCA many employers are failing to pay this assessment.

WCA estimates liabilities exceed available funding. The Legislature initially provided \$500 thousand in funding for this fund and the FY06 request contains \$650 thousand for this fund. Liabilities are projected to exceed \$2 million. WCA does not handle or process this fee. It is considered a state tax administered by the Taxation and Revenue Department (NMTRD). NMTRD collects a 5 percent administrative fee for this service, or approximately \$494 thousand per year. Third-party administration for the uninsured employers fund increased from \$50 thousand in FY05 to \$100 thousand in FY06. This is because WCA is budgeting a 5 percent increase in the adjusters' fee for FY06. Also, WCA will contract for collection of amounts paid by the uninsured employers fund. This requires contact with employers who were not providing workers compensation benefits and possible preliminary court actions. LFC recommends that the contracts be performance based and the results be reported to LFC.

Legislation may be required pertaining to the uninsured employers fund. The state statute limits the liability of the state to the assets in the fund. WCA needs to clarify whether the liability applies to the budgeted amount for the year or the fund balance as well. The projected ending unreserved/undesignated fund balance for the uninsured employers fund for FY06 is \$486 thousand.

#### **BASE EXPANSION:**

The agency requested funding for three accountant and auditor positions to assist in securing employer compliance with workers' compensation laws including payment of the WCA assessment fee.

Based on Department of Labor statistics and compared with actual collections by NMTRD at the end of 2003, WCA indicates approximately \$1.5 million currently is not being collected. Employers not abiding by the law incur a great competitive advantage over those who do. WCA indicates that revenue streams to both the workers' compensation and uninsured employers funds will increase if positions are funded. Consequently, LFC recommends funding 2 FTE for this purpose. LFC recommends that WCA maintain collection data attributed to the 2 FTE for reporting to LFC.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Occ Hlth & Sfty SP-O/SF/Roswell (2.0 FTE)	(Sfty & Fr)	75.9	0.0
2	Accountant & Auditor (3 FTE)	(Amin)	125.6	83.0
<b>TOTAL</b>			<b>201.5</b>	<b>83.0</b>

#### **WORKERS' COMPENSATION ADMINISTRATION**

The purpose of the workers' compensation administration program is to arbitrate and administer the workers' compensation system to maintain a balance between workers' prompt receipt of statutory benefits and reasonable costs for employers.

#### **PERFORMANCE MEASURES**

		<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Budget</b>	<b>FY06 Request</b>	<b>FY06 Recomm</b>
* Outcome	Percent of formal claims resolved without trial;	84%	87 %	85%	85 %	85%
Outcome	Number of employers who have received education outreach from WCA				10,000	10,000
* Output	Number of first reports of injury processed	40,877	39,750	40,750	40,750	40,750
* Output	Number of reviews of employers to ensure the employer has workers' compensation insurance	3,047	3,600	3,200	3,500	3,500
Output	Number of employers who had a work place safety visit or consultation			4,700	5,000	5,000
Output	Number of workers, employers or other contacts with an ombudsman			27,500	27,500	27,500
Output	Number of complaints about uninsured employers investigated and resolved	3,024	3,750	3,750	3,750	3,750

## DIVISION OF VOCATIONAL REHABILITATION

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### STATUTORY AUTHORITY:

The Division of Vocational Rehabilitation (DVR) is governed by the statutory guidelines outlined in Sections 22-14-1 to 22-14-16 NMSA 1978. DVR is a division within the Public Education Department. The statute requires DVR to provide vocational education to disabled individuals. Vocational education services include guidance and counseling, vocational instruction, training for vocational education instructors, transportation, and training material and equipment.

### MISSION:

The DVR strategic plan defines as its mission to be a highly accountable, professional team that provides, ensures and advocates service excellence for participants.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<u>FY06 – 2005-2006</u>		Percent Incr (Decr)
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	5,401.4	5,570.5	6,545.8	5,609.2	0.7
Other Transfers	258.0	436.5	572.5	572.5	31.2
Fed Program Revenues	30,711.1	33,892.1	34,485.6	34,958.1	3.1
Other Program Revenues	108.9	44.1	0.0	0.0	-100.0
General Revenues	5.0	0.0	0.0	0.0	
Fund Balance	0.0	75.0	55.0	55.0	-26.7
<b>SOURCES TOTAL</b>	<b>36,484.4</b>	<b>40,018.2</b>	<b>41,658.9</b>	<b>41,194.8</b>	<b>2.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	15,171.1	15,088.8	16,695.7	16,166.6	7.1
Contractual Services	984.1	1,184.7	1,103.2	1,101.0	-7.1
Other	21,245.0	23,634.6	23,857.6	23,924.8	1.2
Other Financing Uses	2.4	110.1	2.4	2.4	-97.8
<b>TOTAL USES</b>	<b>37,402.6</b>	<b>40,018.2</b>	<b>41,658.9</b>	<b>41,194.8</b>	<b>2.9</b>
<b>FTE</b>					
Permanent	281.0	281.0	286.0	286.0	1.8
Term	26.0	26.0	26.0	26.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>307.0</b>	<b>307.0</b>	<b>312.0</b>	<b>312.0</b>	<b>1.6</b>

### BUDGET ISSUES:

The basic general fund recommendation of \$5.6 million for the rehabilitation services program is an increase of \$38.7 thousand, or 0.7 percent. Total rehabilitation services revenue of \$29.9 million includes \$23.7 million of federal funds at various matching rates. The basic support federal grant is at the favorable mix of 78.7 percent federal funds to 21.3 percent general fund monies. Including reallocation from other categories, the personal services and employee benefits expenditure category increases \$492.5 thousand. A vacancy rate of only 3 percent was applied to recognize that basic services must be available at all times through temporary employees. In addition, personal services include \$153.8 thousand of retention differential for rehabilitation counselor positions in an effort to reduce the turnover rate. DVR is tracking the turnover of these masters level positions after receipt of the retention differential and is attempting to correlate a lower rate with higher achievement of the performance measures.

Independent living receives 20 percent of the entire DVR general fund appropriation, \$1.14 million, and it is not available for matching federal funds. Performance measures related to independent living should be more meaningful and target quality of life issues rather than only outputs.

The disability determination services program is 100 percent federally funded and provides Social Security disability eligibility services for the federal government.

**BASE EXPANSION:**

The committee recommends two expansion positions for rehabilitation services. A rehabilitation technician position will assist with a growing deaf population in Albuquerque. A second rehabilitation technician position is recommended for an expanding deaf population in the Rio Rancho area that must currently be served remotely. The total general fund requirement for the two positions is \$38.7 thousand.

Three federally funded positions are recommended for the determination services program to assist with the administration of the new electronic folder process. The process is expected to facilitate eligibility determination by interacting electronically with medical evidence.

**RECOMMENDED LANGUAGE:**

Any unexpended or unencumbered balance in the division of vocational rehabilitation remaining at the end of fiscal year 2006 from the general fund shall not revert.

The division of vocational rehabilitation may apply an indirect cost rate of up to five percent for administering and monitoring independent living projects.

**BASE EXPANSION LISTING**  
**FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	2.0 FTE-Rehabilitation tech-Albq/RioRancho	(RS)	407.0	381.7
2	3.0 FTE-Info and record clerks	(DD)	187.7	187.7
<b>TOTAL</b>			<b>594.7</b>	<b>569.4</b>

**REHABILITATION SERVICES**

The purpose of the rehabilitation services program is to promote opportunities for people with disabilities to become more independent and productive by empowering individuals with disabilities so that they may maximize their employment, economic self-sufficiency, independence and inclusion and integration into society.

**BUDGET SUMMARY**  
**(dollars in thousands)**

		<b>FY06 - 2005-2006</b>			
	<b>FY04</b>	<b>FY05</b>			<b>Percent</b>
	<b>2003-2004</b>	<b>2004-2005</b>	<b>Agency</b>	<b>LFC</b>	<b>Incr</b>
	<u>Actuals</u>	<u>Budgeted</u>	<u>Request</u>	<u>Recommendation</u>	<u>(Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	5,401.4	5,570.5	6,545.8	5,609.2	0.7
Other Transfers	258.0	436.5	572.5	572.5	31.2
Fed Program Revenues	21,645.4	23,367.3	23,230.3	23,702.8	1.4
Other Program Revenues	101.1	44.1	0.0	0.0	-100.0
General Revenues	5.0	0.0	0.0	0.0	
Fund Balance	0.0	75.0	55.0	55.0	-26.7
<b>SOURCES TOTAL</b>	<b>27,410.9</b>	<b>29,493.4</b>	<b>30,403.6</b>	<b>29,939.5</b>	<b>1.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	10,582.0	10,349.2	11,370.8	10,841.7	4.8
Contractual Services	827.7	1,031.7	868.7	866.5	-16.0
Other	16,221.7	18,002.4	18,161.7	18,228.9	1.3
Other Financing Uses	2.4	110.1	2.4	2.4	-97.8
<b>TOTAL USES</b>	<b>27,633.8</b>	<b>29,493.4</b>	<b>30,403.6</b>	<b>29,939.5</b>	<b>1.5</b>
<b>FTE</b>					
Permanent	184.0	184.0	186.0	186.0	1.1
Term	26.0	26.0	26.0	26.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>210.0</b>	<b>210.0</b>	<b>212.0</b>	<b>212.0</b>	<b>1.0</b>



		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Number of persons achieving suitable employment for a minimum of ninety days	1,540	1,518	1,695	1,695	1,695
* Outcome	Percent of persons achieving suitable employment outcomes of all cases closed after receiving planned services	N/A	N/A	55.8%	55.8%	60%
* Outcome	Percent of persons achieving suitable employment outcomes who are competitively employed or self employed and earning at least minimum wage	N/A	N/A	72.6%	72.6%	75%
* Outcome	Percent of individuals with significant disabilities achieving suitable employment outcomes who are competitively employed or self employed, and earning at least minimum wage.	N/A	N/A	62.4%	62.4%	65%
* Output	Number of independent living plans developed	209	224	355	355	355
* Output	Number of individuals served for independent living	508	461	558	558	558

### **DISABILITY DETERMINATION SERVICES**

The purpose of the disability determination program is to produce accurate and timely eligibility determinations to social security disability applicants so that they may receive benefits.

		BUDGET SUMMARY (dollars in thousands)			
		<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>				<u>LFC Recommendation</u>	
	Fed Program Revenues	9,065.7	10,524.8	11,255.3	6.9
	Other Program Revenues	7.8	0.0	0.0	
	<b>SOURCES TOTAL</b>	<b>9,073.5</b>	<b>10,524.8</b>	<b>11,255.3</b>	<b>6.9</b>
<b>USES</b>					
	Personal Services/Empl Benefit	4,589.1	4,739.6	5,324.9	12.3
	Contractual Services	156.4	153.0	234.5	53.3
	Other	5,023.3	5,632.2	5,695.9	1.1
	<b>TOTAL USES</b>	<b>9,768.8</b>	<b>10,524.8</b>	<b>11,255.3</b>	<b>6.9</b>
<b>FTE</b>					
	Permanent	97.0	97.0	100.0	3.1
	<b>TOTAL FTE POSITIONS</b>	<b>97.0</b>	<b>97.0</b>	<b>100.0</b>	<b>3.1</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Efficiency	Number of days for completing an initial disability claim	131.9	N/A	80	80	80
* Quality	Percent of disability determinations completed accurately	95%	N/A	97.5%	97.5%	97.5%

**STATUTORY AUTHORITY:**

Sections 28-10-1 through 28-10-8 NMSA 1978 created the Governor's Commission on Disability. The commission consists of 13 members: nine members appointed by the governor and the secretaries of the Children, Youth and Families and Labor departments, director of the Division of Vocational Rehabilitation of the Public Education Department, and the director of the Long-Term Services Division of the Department of Health.

**MISSION:**

The strategic plan of the Governor's Commission on Disability says its mission is to ensure that all people, regardless of disability, can participate fully in mainstream society. The mission is accomplished by addressing barriers, physical, programmatic and attitudinal, that may keep a person with a disability from enjoying what society has to offer.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	548.3	566.7	616.5	578.6	2.1
Other Transfers	198.7	169.0	169.0	169.0	0.0
Fed Program Revenues	20.0	0.0	0.0	0.0	
Fund Balance	0.0	0.0	0.0	30.0	
<b>SOURCES TOTAL</b>	<b>767.0</b>	<b>735.7</b>	<b>785.5</b>	<b>777.6</b>	<b>5.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	450.3	481.1	480.9	481.3	0.0
Contractual Services	46.7	35.4	46.7	42.5	20.1
Other	248.9	219.2	257.9	253.8	15.8
<b>TOTAL USES</b>	<b>745.9</b>	<b>735.7</b>	<b>785.5</b>	<b>777.6</b>	<b>5.7</b>
<b>FTE</b>					
Permanent	7.5	7.5	7.0	7.5	0.0
Term	0.5	0.5	1.0	0.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The commission's information technology charges with the General Services Department increased 500 percent from \$2.7 thousand to \$12.9 thousand. This budget level is consistent with FY05 because the commission has included an additional \$29 thousand through the budget adjustment process for staff to provide program enhancement.

**INFORMATION AND ADVOCACY**

The purpose of the information and advocacy program is to provide information on disability case law analysis, building code comparisons, awareness of technologies, dispelling of stereotypes, training on the legislative process and population estimates to New Mexico individuals with disabilities and decision makers, so they can improve the economic, health and social status of New Mexico individuals with disabilities.

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
* Output	Number of persons able to live independently outside nursing homes as a result of gap program	40	40	40	40	40
* Output	Number of persons seeking technical assistance on disability issues	4,400	5,500	6,000	6,500	6,500
* Output	Number of architectural plans reviewed/sites inspect.	189	187	210	220	220
Output	Number of meetings held to develop collaborative partnerships with other agencies and private disability agencies to ensure quality of life issues for New Mexicans with disabilities are being addressed		24	24	24	24

**STATUTORY AUTHORITY:**

The Developmental Disabilities Planning Council (DDPC) was created to comply with the federal Developmental Disabilities Assistance and Bill of Rights Act and functions as a statewide planning and advocacy agency for people with developmental disabilities (Section 28-16A NMSA 1978). The council is composed of no fewer than 18 members with at least half people with developmental disabilities or their parents, immediate relatives or legal guardians. DDPC also staffs the 18-member Brain Injury Advisory Council, which makes recommendations concerning case management, community support systems, long-term care, employment, emergency medical services, rehabilitation and prevention, and coordination of state services for people with brain injuries (Section 24-20-3 NMSA 1978). Laws 2003, Chapter 280, transferred the Office of Guardianship from the Attorney General to DDPC and the agency is responsible for providing guardianship services to individuals assigned by the judiciary as being unable to manage their financial affairs (Section 45-5-310 NMSA 1978).

**MISSION:**

The New Mexico Developmental Disabilities Planning Council will engage in advocacy, capacity building, and systemic change activities to contribute to a culturally competent and coordinated system of community services, individualized supports and other forms of assistance that are individual and family-centered and directed, and to enable individuals with disabilities to exercise self-determination, be independent, productive and integrated, and included in all facets of community life.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	2,533.4	2,813.7	3,380.5	2,968.1	5.5
Other Transfers	22.2	30.0	30.0	30.0	0.0
Fed Program Revenues	384.1	515.9	521.9	521.9	1.2
<b>SOURCES TOTAL</b>	<b>2,939.7</b>	<b>3,359.6</b>	<b>3,932.4</b>	<b>3,520.0</b>	<b>4.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	376.1	544.8	637.2	609.0	11.8
Contractual Services	2,135.7	2,256.0	2,830.6	2,403.0	6.5
Other	599.2	558.8	464.6	508.0	-9.1
<b>TOTAL USES</b>	<b>3,111.0</b>	<b>3,359.6</b>	<b>3,932.4</b>	<b>3,520.0</b>	<b>4.8</b>
<b>FTE</b>					
Permanent	10.0	10.0	11.5	13.0	30.0
<b>TOTAL FTE POSITIONS</b>	<b>10.0</b>	<b>10.0</b>	<b>11.5</b>	<b>13.0</b>	<b>30.0</b>

**BUDGET ISSUES:**

The Office of Guardianship has been diligent in trying to reform the guardianship system to ensure greater accountability. The challenge of ensuring client costs are accurate has led the agency to request help from the legal services of the Department of Finance and Administration, as well as the Children, Youth, and Families Department. While the program was housed at the Attorney General's office, numbers such as the number of clients served and cost per client were available for the committee to assess. In 2003, the number of guardianship clients served was approximately 550. In 2004 this number is not known. The agency has requested an expansion of the Office of Guardianship to deal with this issue.

The governor's performance review "Moving New Mexico Forward" suggested implementing a statewide 2-1-1 network in New Mexico. According to the review, "2-1-1 is the national abbreviated dialing code for free access to health and human services information for referrals, and could replace most of the existing toll-free 800 numbers maintained by New Mexico health and human services agencies." The review placed DDPC in charge of the implementation. To date, DDPC is coordinating with other health and human services agencies, such as the Public Education Department Special Education Division, Children, Youth, and Families Department, Department of Health, and the Office of Workforce Training and Development, to fund and administer the

network. Currently, DDPC has negotiated approximately \$72.5 thousand from these agencies. The review calls for the elimination of 30 percent of the existing health and human services toll-free phone lines by FY08.

The requested increase of \$190.3 thousand in base contractual services can be attributed to new contracts to create a unified developmental disabilities database, provide for transportation services, and create the 2-1-1 network. In addition, existing contractual services have increased, such as assistant services for brain injury advisory council members, student leadership and self-advocacy contracts, and various childcare needs. The committee recommends a base increase of \$109.8 thousand for contractual services in FY06.

#### **BASE EXPANSION:**

DDPC requested three expansion items for the office of guardianship: a lawyer, a part-time secretary, and contractual services for professional guardianship services, treatment guardians, computer services, and other guardianship services. Recognizing the need for full-time representation for the often-complicated guardianship program, the committee recommends the necessary funding for an attorney and 1 additional permanent FTE. It is the expectation of the committee that funding this position will increase accountability in the guardianship system. The committee also expects to see data on the number of clients served and the cost per client in FY06. While the committee is sympathetic to the needs of the developmental disability community, it cannot recommend expanding the program without this information.

Additionally, the committee recommends \$130 thousand and 2.0 permanent FTE to continue funding for the advocacy resource center, as originally funded in Laws 2004, Chapter 126, Section 141.

#### **RECOMMENDED LANGUAGE:**

The developmental disabilities planning council shall provide imperative information on the guardianship program, such as cost per client and number of clients served, to the legislative finance committee and the department of finance and administration by June 1, 2005, and quarterly thereafter.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Operational lawyer (1.0 Perm FTE)	(OG)	70.5	61.0
2	Secretary (0.5 Perm FTE)	(OG)	30.4	0.0
3	Contractual guardianship services	(OG)	384.3	0.0
4	Advocacy resource center (2.0 Perm FTE)	(OG)	0.0	130.0
<b>TOTAL</b>			<b>485.2</b>	<b>191.0</b>

#### **DEVELOPMENTAL DISABILITIES PLANNING COUNCIL**

The purpose of the developmental disabilities planning council program is to provide and produce opportunities to and for persons with developmental disabilities so that they may realize their dreams and potentials and become integrated members of society.

#### **BUDGET SUMMARY (dollars in thousands)**

	<b><u>FY06 - 2005-2006</u></b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	299.7	315.7	389.5	414.2	31.2
Other Transfers	22.2	30.0	30.0	30.0	0.0
Fed Program Revenues	384.1	515.9	521.9	521.9	1.2
<b>SOURCES TOTAL</b>	<b>706.0</b>	<b>861.6</b>	<b>941.4</b>	<b>966.1</b>	<b>12.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	307.5	355.0	365.2	378.5	6.6
Contractual Services	26.9	28.8	203.5	167.2	480.6
Other	543.5	477.8	372.7	420.4	-12.0
<b>TOTAL USES</b>	<b>877.9</b>	<b>861.6</b>	<b>941.4</b>	<b>966.1</b>	<b>12.1</b>

<b>FTE</b>						
Permanent		6.5	6.5	6.5	8.5	30.8
<b>TOTAL FTE POSITIONS</b>		<b>6.5</b>	<b>6.5</b>	<b>6.5</b>	<b>8.5</b>	<b>30.8</b>

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of reports in compliance with state and federal regulations in initial submission		60%		70%	70%
* Output	Number of persons with developmental disabilities served by the agency in federally mandated areas	7,521	8,000	7,500	8,000	8,000
* Output	Number of site visits conducted	41	50	36	42	42
* Output	Number of project, programmatic and financial reports reviewed to assure compliance with state and federal regulations	36	55	44	44	44

### **BRAIN INJURY ADVISORY COUNCIL**

The purpose of the brain injury advisory council program is to provide guidance on the utilization and implementation of programs provided through the aging and long-term services department's brain injury fund so that they may align service delivery with the needs as identified by the brain injury community.

#### BUDGET SUMMARY (dollars in thousands)

	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	105.8	106.2	108.0	97.6	-8.1
<b>SOURCES TOTAL</b>	<b>105.8</b>	<b>106.2</b>	<b>108.0</b>	<b>97.6</b>	<b>-8.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	39.2	54.3	54.9	53.6	-1.3
Contractual Services	29.3	3.9	18.4	11.4	192.3
Other	37.0	48.0	34.7	32.6	-32.1
<b>TOTAL USES</b>	<b>105.5</b>	<b>106.2</b>	<b>108.0</b>	<b>97.6</b>	<b>-8.1</b>
<b>FTE</b>					
Permanent	1.0	1.0	1.0	1.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of individuals receiving education or training on traumatic brain injury issues who demonstrate increased knowledge with a minimum score of 70 percent or better or a 30 percent increase on post-training tests	100%	93%	80%	80%	80%

## OFFICE OF GUARDIANSHIP

The purpose of the office of guardianship program is to enter into, monitor and enforce guardianship contracts for income-eligible persons and to file, investigate and resolve complaints about guardianship services provided by contractors.

### BUDGET SUMMARY (dollars in thousands)

		FY06 - 2005-2006			
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES					
General Fund Transfers	2,127.9	2,391.8	2,883.0	2,456.3	2.7
SOURCES TOTAL	2,127.9	2,391.8	2,883.0	2,456.3	2.7
USES					
Personal Services/Empl Benefit	29.4	135.5	217.1	176.9	30.6
Contractual Services	2,079.5	2,223.3	2,608.7	2,224.4	0.0
Other	18.7	33.0	57.2	55.0	66.7
TOTAL USES	2,127.6	2,391.8	2,883.0	2,456.3	2.7
FTE					
Permanent	2.5	2.5	4.0	3.5	40.0
TOTAL FTE POSITIONS	2.5	2.5	4.0	3.5	40.0

### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of complaints determined to be justified		100%	50%		
* Outcome	Percent of complaints resolved to the satisfaction of the complainant			55%	65%	65%
Outcome	Percent of wards properly served with the least restrictive means				75%	75%
* Outcome	Percent of wards and their families satisfied with services				70%	70%
* Output	Number of complaints received annually		3	35	35	35

**STATUTORY AUTHORITY:**

The Miners' Hospital of New Mexico was created as a state institution by Article XIV, Section 1, of the New Mexico Constitution and its purpose, powers, and duties are detailed in Sections 23-3-1 through 23-3-3 NMSA 1978. The hospital, licensed for 33 acute-care beds, 49 long-term care beds, an emergency room, and intensive care unit, is required to provide healthcare to New Mexico resident miners who may become sick, injured, or disabled as a result of their occupation. In addition, it provides services on a reimbursement basis to residents of northeastern New Mexico. As the population of miners has declined, the regional service has gained importance.

**MISSION:**

The mission of the Miners' Colfax Medical Center, an agency of the state of New Mexico, is to be the leader in healthcare providing quality acute care, long-term care, and related services to the beneficiaries of the miners' trust fund of New Mexico and the people of the region.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
Other Transfers	9,586.6	8,731.0	9,000.0	9,000.0	3.1
Fed Program Revenues	61.9	261.4	259.7	259.7	-0.7
Enterprise Program Rev	12,134.4	11,748.3	12,262.3	12,262.3	4.4
<b>SOURCES TOTAL</b>	<b>21,782.9</b>	<b>20,740.7</b>	<b>21,522.0</b>	<b>21,522.0</b>	<b>3.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	9,202.7	9,473.8	9,987.4	9,987.4	5.4
Contractual Services	3,255.7	2,548.6	2,896.0	2,896.0	13.6
Other	4,315.0	4,352.8	4,138.6	4,138.6	-4.9
Other Financing Uses	2,002.7	4,365.5	4,500.0	4,500.0	3.1
<b>TOTAL USES</b>	<b>18,776.1</b>	<b>20,740.7</b>	<b>21,522.0</b>	<b>21,522.0</b>	<b>3.8</b>
<b>FTE</b>					
Permanent	211.5	211.5	211.5	211.5	0.0
Term	13.5	13.5	13.5	13.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>225.0</b>	<b>225.0</b>	<b>225.0</b>	<b>225.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The hospital receives revenue from the miners' trust fund for care and treatment of miners and from the income invested by the State Investment Council on deposit with the State Treasurer. The hospital is a beneficiary of the land grant permanent fund, with earnings derived from trust lands assigned to the hospital by the Ferguson Act of 1898 and the New Mexico Enabling Act of 1910. Earnings and distributions from these sources are deposited in the trust fund. The distribution in FY04 was \$2.4 million. In addition, the fund earned \$4.8 million and the cash balance, as of June 30, 2004, is \$12.2 million. This is sufficient to meet the \$4.5 million recommended for transfers to the operating fund from the miners' trust fund.

The committee recommends the agency request because the agency was modest in their requested increase, the trust fund balance is growing faster than agency spending, and the agency needs more money for nurses and increasing healthcare inflation costs.

Because of the difficulty retaining professional staff, the hospital continues to contract with a nursing pool to provide services on an as-needed basis. The committee continues funding for this initiative, however, the committee again recommends the agency work with the State Personnel Office to address staffing needs and improve recruitment and retention.

Finally, the \$347.4 thousand increase in contractual services can be attributed to an increase in magnetic resonance imaging services and new contracts for medical waste disposal, software maintenance agreements, an architectural contract for the ongoing renovation project, a pulmonary director, and contracts to provide emergency room coverage.

## **HEALTHCARE**

The purpose of the healthcare program is to provide quality acute care, long-term care, and related health services to the beneficiaries of the miners' trust fund of New Mexico and the people of the region so they can maintain optimal health and quality of life.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
*	Outcome	Status of the long-term care facility to acquire accreditation by the joint commission on accreditation of healthcare organizations	In work	In work		In work
*	Outcome	Percent of billed revenue collected	82%	75%	80%	78%
	Outcome	Percent of budgeted revenue collected	100%	100%	100%	100%
	Outcome	Average patient length of stay, in days, for the acute care facility	4.4	3.7	4	4
	Outcome	Infection rates following treatment per 1,000 patient days		<1%	<1%	<1%
	Outcome	Patient fall rates per 1,000 patient days		.52%	.52%	.52%
*	Output	Number of outpatient visits	16,403	16,278	18,000	18,000
*	Output	Number of outreach clinics conducted	8	18	24	24
*	Output	Number of emergency room visits	4,871	5,075	5,000	5,000
*	Output	Number of patient days at the acute care facility	6,198	6,286	6,300	6,300
*	Output	Number of patient days at the long-term care facility	9,546	8,608	9,500	9,000
	Output	Number of admissions to the acute care facility	1,648	1,720	1,500	1,500
	Output	Number of discharges from the acute care facility	1,649	1,725	1,500	1,500
	Output	Number of visits to the black-lung clinic	173	106	230	130
	Output	Number of admissions to the long-term care facility	36	42	35	35
	Output	Number of visits to the outreach clinic	92	283	450	450
	Output	Number of specialty clinic visits	498	629	500	500
	Output	Number of surgeries performed	713	601	600	600



**STATUTORY AUTHORITY:**

The Department of Health (DOH) was created by Sections 9-7-1 through 9-7-15 NMSA 1978 to serve the citizens of New Mexico through programs designed to prevent disease and disability, promote health, and prevent or treat problems of mental health, substance abuse, developmental disabilities, and chronic disease. The agency licenses health and long-term care facilities and operates public health offices in all but one county throughout the state, seven treatment centers, and the state scientific laboratory. The department is organized into nine programs: Prevention and Health Promotion; Health Infrastructure; Surveillance, Response, and Reporting; Testing and Pharmaceutical; Behavioral Health Services, Long-Term Care Services, Developmentally Disabled Community Services; Licensing, Certification, and Oversight; and Administration and Policy.

Among the responsibilities of the department are the activities under the New Mexico Rural Primary Health Care Act and school-based health services, health surveillance and outbreak response, vital health statistics, accessible emergency medical services, pharmaceutical services, community-based services for the developmentally disabled (DD), and licensing and oversight of hospitals, nursing homes, other healthcare facilities, and other community programs.

In addition to providing other services, the Behavioral Health Services program operates the Southern New Mexico Rehabilitation Center in Roswell, Las Vegas Medical Center, and Sequoyah Adolescent Residential Treatment Facility and Turquoise Lodge for chemical dependency treatment, both in Albuquerque.

The Long-Term Care Services program operates the Fort Bayard Medical Center outside of Silver City, Los Lunas community waiver program, and the New Mexico Veterans' Home in Truth or Consequences.

**MISSION:**

The mission of the New Mexico Department of Health is to promote health and sound health policy, prevent disease and disability, improve health services systems, and assure that essential public health functions and safety net services are available to New Mexicans. It should be noted the mission statement focuses primarily on the public health aspect of the department with little emphasis on behavioral health, response to emergencies, or long-term care.

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 – 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
SOURCES					
General Fund Transfers	249,119.3	258,705.4	275,794.6	269,016.0	4.0
Other Transfers	64,551.0	62,748.1	67,778.9	67,758.6	8.0
Fed Program Revenues	98,473.1	103,978.3	119,500.5	119,407.1	14.8
Other Program Revenues	36,305.6	35,063.0	37,961.4	37,961.4	8.3
Fund Balance	5,000.0	2,800.0	0.0	0.0	-100.0
SOURCES TOTAL	453,449.0	463,294.8	501,035.4	494,143.1	6.7
USES					
Personal Services/Empl Benefit	168,170.3	171,789.6	183,022.2	179,224.3	4.3
Contractual Services	140,380.6	137,559.9	147,370.7	144,044.4	4.7
Other	100,148.0	93,494.4	104,082.6	103,314.5	10.5
Other Financing Uses	52,646.1	60,450.9	66,559.9	67,559.9	11.8
TOTAL USES	461,345.0	463,294.8	501,035.4	494,143.1	6.7
FTE					
Permanent	2,577.0	2,556.0	2,577.5	2,551.0	-0.2
Term	1,309.3	1,295.8	1,444.0	1,406.0	8.5
Temporary	15.0	15.0	15.0	15.0	0.0
TOTAL FTE POSITIONS	3,901.3	3,866.8	4,036.5	3,972.0	2.7

**BUDGET ISSUES:**

In FY05, DOH experienced many budgetary crises. In June 2004, DOH estimated an \$8.6 million shortfall in personal services and employee benefits due to increased insurance costs, the annualized 2 percent raise allotted in FY05, and the Department of Finance and Administration (DFA) compensation distribution. Additionally, the governor mandated the department restore some FY05 contracts to their FY04 service levels at a cost of \$5 million. The department also estimated a \$1.4 million shortfall in drug costs and an approximate \$800 thousand shortfall because of General Services Department rate increases. DOH developed significant cost containment measures but still requested an FY05 general fund supplemental of \$6.9 million.

Initially, DOH submitted an FY06 request for a general fund increase of \$6.5 million. It seems the department only requested enough to cover the initial supplemental request for contracts. Subsequently, on November 2, 2004, DOH submitted a revised request for \$9.9 million from the general fund, including \$1.8 million in personal services and employee benefits. About \$1.6 million of that amount is for salary and benefits shortfalls in the Long-Term Care Services program, specifically at Fort Bayard Medical Center, New Mexico Veterans' Home, and the Los Lunas community waiver program. The revision also included \$1.1 million for human immunodeficiency virus (HIV/AIDS) programs, \$600 thousand for receivership costs, \$500 thousand for the Family, Infant and Toddler Program, and other expansion items. The Long-Term Care Services Program budget summary includes the agency's adjustment for the \$1.6 million of personal services and employee benefits. Further, LFC recommends this funding.

DOH did not in its original or revised request directly provide for, first, the expected reduction in the federal medical assistance percentage (FMAP) rate for Medicaid expected to require \$6.5 million from the general fund to replace the lost federal funds, or, second, \$2.8 million from the general fund to replace departmental cash balances used in FY05. (These federal funds and department cash balances were used for the DD waiver program.) Instead, the department asked for the federal funds replacement as a special contingency appropriation, indicating a federal supplemental appropriation might be possible. However, the National Conference of State Legislatures (NCSL) advised LFC a federal supplemental appropriation is not likely, and according to Human Services Department projections, the \$9.3 million dollars is necessary to continue existing DD services. Therefore, the budget summary table shows the \$9.3 million in the agency's request and in the recommendation for the Developmentally Disabled Community Services program, contingent on exhausting the base budget.

In summary for FY06, LFC recommends a total expenditure of \$494.1 million, with \$269 million from the general fund. This is an increase of \$10.3 million from the general fund, or 4 percent. Highlights of the general fund recommendation include meeting the FMAP rate for the DD program at \$9.3 million, funding to cover a shortfall in personal services and employee benefits in the Long-Term Care Services Program of \$1.6 million, and funding of \$5.4 million for mostly federally funded expansion positions. The recommendation applies a manageable vacancy rate to all programs and allows for compliance with both the Lewis and Jackson lawsuits and the General Services Department rate increases. Finally, the recommendation assists the department with the governor's contract restorations.

LFC recommends restoring liability rates to the FY05 level for agencies with assessments in excess of \$100 thousand, including DOH in the amount of \$558 thousand compared with the agency request of \$1.2 million.

The agency vacancy rate has averaged around 10 percent, partly due to decentralized personnel practices and funding constraints. The agency budget request assumes a vacancy rate of 8 percent. LFC recommends an overall vacancy rate of 7.2 percent.

The recommendation deletes 1.5 FTE in the Behavioral Health Services program and 2 FTE in the Long-Term Care Services program because the FTE were not included in the department's listing of agency personnel in the budget submission.

In its FY05 request, DOH cut its contractual services request by \$7 million, indicating the department would more effectively manage its contracts. The department did not prioritize the existing list of contracts and, when HIV/AIDS, heroin treatment, the healthier kids' fund, and maternal and child health contracts were cut, the publicity caused the governor to mandate DOH restore those contract amounts. The restoration of these contracts put the department in a position of insufficient funding in the contractual services category. For FY06, the contractual services request increased 7.4 percent over FY05, largely in the Behavioral Health Services program due to the increase in federal funds from the screening, brief intervention, referral and treatment (SBIRT) and access to recovery (ATR) projects. The department will request a supplemental appropriation of \$6.9

million, of which \$5 million is for contractual restoration costs in FY05. LFC recommends a \$6.5 million, or 4.7 percent, increase in contractual services, largely in the Behavioral Health Services program for the federal SBIRT and ATR grants and in the Developmentally Disabled Community Services program for DD costs.

The departmental request for the other costs category increased 14.1 percent over the FY05 appropriation, primarily due to General Services Department rate increases, increased pharmaceutical costs, and medical supplies.

**Lewis and Jackson Lawsuits.** The Legislature in 2004 appropriated \$4.9 million allocated between the Human Services Department, the Department of Health, and the Aging and Long-Term Services Department to increase direct DD and disabled and elderly (D&E) services, based on a plan submitted by the departments. In FY05, the base DD appropriation to DOH expanded by \$4 million. Based on the \$4 million appropriated in the DD waiver program base budget, DOH only received \$400 thousand of the total special appropriation for DD services with the balance of the special going to the D&E waiver program administered by the Aging and Long-Term Services Department. With the base and its portion of the special appropriation, DOH will offer 264 new DD waiver slots beginning in September 2004.

The committee recommends \$400 thousand in other costs in the Developmentally Disabled Community Services program to assist the department with plaintiff attorney fees and \$2.1 million in contractual services for Jackson administration and disengagement.

To further support the needs of the developmentally disabled in the state, the committee recommends an additional \$1 million to move approximately 60 people off of the waiting list and into DD slots.

**Departmental Cash Balances.** At the close of FY04, DOH had between \$5 million and \$7 million in unreserved and undesignated cash balances. DOH is a reverting agency, but for many years, the DOH budget has included prior-year cash balances. At the end of FY04, the department proposed increasing the FY05 budget with unused FY04 cash balance through a budget adjustment request to fund contractual shortfalls. After deliberation, LFC staff and DFA agreed the department should not budget prior-year cash balances, the Legislature should not appropriate prior-year cash balances and cash balances should revert to the general fund. The department has requested exceptions, including the DD waiver fund, the county-supported Medicaid fund for rural and primary health care, money for receivership costs, and Caregivers Criminal History Screening Act funding. The area most affected by the loss of these cash balances is the Developmentally Disabled Community Services program. In FY05, \$2.8 million in departmental cash balances were re-appropriated to fund DD services. In FY06, the committee recommends replacing the cash balances with general fund dollars.

**Los Lunas Community Waiver Program.** In September 2004, DOH sent an audit team to the Los Lunas Community Waiver Program (LLCP) to investigate allegations related to misuse of overtime, over spending of the facility budget, and potential Medicaid fraud. Subsequently, the administrator of the facility has resigned. The audit team found "LLCP management had allowed persons to use space at LLCP in lieu of rent and used these funds, generally, for developmentally disabled (DD) client-related expenses in a manner that violates State Procurement Code." The team has also discovered a gross misuse of overtime based on specific employees, rather than specific facilities. Los Lunas has the highest overtime cost per employee of all DOH facilities. While the overtime cost at other DOH facilities averages from \$1.10 per employee at Las Vegas Medical Center to \$3.02 per employee at the New Mexico Veterans' Home, LLCP averages \$6.20 per employee.

LLCP expenditures for FY04 exceeded the facility budget by \$1.2 million. DOH indicates this was not anticipated until late in FY04 because LLCP management indicated its revenues would increase because of unpaid deliverables. The deliverables did not materialize. Finally, the team looked at financial exploitation of the LLCP residents and the upkeep of professional licenses and is working with the Attorney General's office on alleged exploitation and Medicaid fraud.

It should be noted \$438.9 thousand of the \$1.6 million added in the FY06 recommendation for personal services and employee benefits to the Long-Term Care Services program will go to LLCP to prevent a shortfall in FY06. The department will also ask for \$1.6 million in a supplemental to help alleviate the FY05 shortfall.

**Federal Revenue.** The federal revenue increase can be attributed primarily to two new grants: SBIRT at \$3 million and ATR at \$7.3 million. ATR will support voucher-funded treatment and recovery services for individuals in New Mexico's three largest population centers--Bernalillo County with outreach into Sandoval County, Santa Fe County, and Dona Ana County--and in the

five pueblo communities of Sandoval County. SBIRT provides substance-abuse prevention services through primary health clinics. It targets rural and ethnic minority non-addicted populations to increase access to behavioral health services. The federal bioterrorism grants allotments are similar to FY05; however, many of the grants were appropriated through budget adjustment authority requests in FY05, and the department's FY06 request more accurately reflects the federal funding in this area. There are two umbrella grants, one through the Health Reporting and Services Administration (HRSA) and the other is through the Centers for Disease Control (CDC). The HRSA bioterrorism grant is primarily for hospital and health systems. The CDC bioterrorism grant is broken into a number of focus areas, such as planning, exercise and assessment, surveillance and epidemiology, biological laboratory, chemical laboratory, overseeing a disaster expansion alert system, risk communication and public information, and training and education, including training for computer systems.

**BASE EXPANSION:**

DOH included many items in the base request that LFC considers to be expansion and has extracted from the base. DOH requested 114 new positions as indicated in the base expansion listing.

The 27 term FTE in the Prevention and Health Promotion program, including office clerks, registered nurses, health educators, dieticians, a management analyst, and an epidemiologist, will be funded through three federal grants: Title X family planning on a statewide basis; diabetes and obesity prevention, with education components for both individuals and medical providers and diabetic cooking classes; and the Women, Infant, and Children (WIC) nutrition programs. This grant is caseload driven for eligible clients.

The 4 term FTE increase in the Health Infrastructure program is a result of the transfer of the Office of Border Health's clinical positions from the Administration and Policy program, where there is a corresponding FTE decrease.

The 59.5 term FTE in the Surveillance, Response and Reporting program, consisting of epidemiologists, training and development specialists, financial specialists, eligibility interviewers, health educators and public relations officers, are funded with federal bioterrorism dollars. The positions are funded across the two bioterrorism grants. They will support building infrastructure to expand the capacity to respond to health emergencies in the state specifically in public health offices, hospitals, and health systems. The two grants, listed in the federal revenue section, are through HRSA and CDC. The large increase for this program indicates a shift at the federal level from creating infrastructure to hiring personnel to run the existing infrastructure.

The 10 term FTE in the Long-Term Care Services program and the Developmentally Disabled (DD) Community Services program, primarily social and community services coordinators, are related to DD direct services and funded with departmental DD dollars.

The 13 term FTE increase in the Licensing, Certification, and Oversight program of mainly health and safety engineers is needed to inspect nursing and long-term care facilities as well as investigate allegations of abuse and neglect throughout the state.

The committee recognizes the opportunity to expand term positions with federal dollars and encourages the department to use these positions as long as the federal dollars are available to fund the positions. The committee also understands the need for additional personnel in the DD program. The committee recommends an expansion of 113.5 term FTE for the department.

It should be noted the department requested fewer hours than proposed by the State Personnel Office for expansion positions in FY06. Although the overall expansion recommendation is lower than requested by the agency, certain categories in the LFC recommendation are higher than requested by the department because the committee used the correct number of working hours.

**RECOMMENDED LANGUAGE:**

The general fund appropriation to the prevention and health promotion program of the department of health in the contractual services category includes three million seventy-seven thousand four hundred eight dollars (\$3,077,408) for contracts related to the County Maternal and Child Health Plan Act.

The internal services funds/interagency transfers appropriation to the behavioral health services program of the department of health in the other category includes eight hundred fifty thousand dollars (\$850,000) from the federal temporary assistance for needy families block grant.

The general fund appropriation to the developmentally disabled community services program of the department of health in the other financing uses category includes nine million two hundred sixty-eight thousand, four hundred dollars (\$9,268,400) to offset changes in the federal medical assistance percentage for existing services. The disbursement to the agency is contingent upon certification from the secretary of the human services department and the secretary of the department of health to the department of finance and administration that the funding in the base budget for this purpose has been expended and additional funds are required to offset changes in the federal medical assistance percentage for existing services.

The general fund appropriation to the department of health in the contractual services category in all programs is contingent upon the department including performance measures in its outcome-based contracts to increase oversight and accountability.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recom- mendation</b>
01	Office clerk (11.0 FTE)		329.6	310.5
02	Registered nurse (8.0 FTE)		548.8	469.1
03	Health educator (14.0 FTE)		700.2	772.7
04	Dietician and nutritionist (3.0 FTE)		119.5	110.8
05	Epidemiologist (9.0 FTE)		656.5	562.3
06	Computer software engineer (4.0 FTE)		287.9	268.5
07	Physician assistant (2.0 FTE)		158.3	136.7
08	Purchasing agent (2.0 FTE)		93.4	67.0
09	Management analyst (2.0 FTE)		92.7	54.3
10	Line/staff manager (7.0 FTE)		544.0	400.3
11	Medical and clinical lab technician (1.0 FTE)		26.9	28.6
12	Medical scientist, (1.0 FTE)		45.4	51.4
13	Financial specialist (3.0 FTE)		139.9	136.3
14	Computer specialist (1.0 FTE)		86.4	82.6
15	Network and computer specialist (2.0 FTE)		146.4	98.9
16	Database administrator (3.0 FTE)		195.9	150.7
17	Executive secretary (1.0 FTE)		40.7	44.4
18	Budget analyst (2.0 FTE)		94.6	98.3
19	Training/developmental specialist (4.0 FTE)		229.0	212.2
20	Eligibility interviewer (12.0 FTE)		383.9	359.6
21	Business operations specialist (1.0 FTE)		54.9	60.1
22	Office and administrative support (1.0 FTE)		28.4	34.8
23	Public relations specialist (2.0 FTE)		102.1	107.0
24	Family and general practitioner (1.0 FTE)		131.0	94.1
25	Detective and criminal investigator (1.0 FTE)		48.8	36.4
26	Social/community service coord. (7.0 FTE)		357.9	255.0
27	Clinical and school psychologist (1.0 FTE)		64.8	44.3
28	Health and safety engineer (8.0 FTE)		512.6	330.8
<b>TOTAL</b>			<b>6,220.5</b>	<b>5,377.7</b>

## PREVENTION AND HEALTH PROMOTION

The purpose of the prevention and health promotion program is to provide a statewide system of prevention, health promotion and education, community health improvement and other public health services for the people of New Mexico.

BUDGET SUMMARY (dollars in thousands)					
FY06 - 2005-2006					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	34,236.7	32,669.6	36,875.7	34,828.2	6.6
Other Transfers	2,611.4	1,881.9	1,647.8	1,647.8	-12.4
Fed Program Revenues	62,823.7	63,930.7	64,797.5	64,767.6	1.3
Other Program Revenues	15,874.7	14,185.2	16,857.8	16,857.8	18.8
<b>SOURCES TOTAL</b>	<b>115,546.5</b>	<b>112,667.4</b>	<b>120,178.8</b>	<b>118,101.4</b>	<b>4.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	27,333.7	27,738.7	29,420.7	28,853.2	4.0
Contractual Services	28,893.3	27,780.5	27,202.7	25,897.0	-6.8
Other	58,697.3	56,843.7	63,250.9	63,046.7	10.9
Other Financing Uses	299.7	304.5	304.5	304.5	0.0
<b>TOTAL USES</b>	<b>115,224.0</b>	<b>112,667.4</b>	<b>120,178.8</b>	<b>118,101.4</b>	<b>4.8</b>
<b>FTE</b>					
Permanent	108.0	106.0	106.0	106.0	0.0
Term	510.5	510.5	540.5	537.5	5.3
<b>TOTAL FTE POSITIONS</b>	<b>618.5</b>	<b>616.5</b>	<b>646.5</b>	<b>643.5</b>	<b>4.4</b>

PERFORMANCE MEASURES						
		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Rate of 4:3:1:3:3 immunization coverage among children nineteen to thirty-five months	68.1%	75%	79%	83%	83%
Outcome	Birth rate per one thousand births for females ages fifteen to seventeen	37.5	37.8	36	35	35
Outcome	Rate of body mass index for adults	19.8%	20.3%	21.0%	21.6%	21.6%
Outcome	Suicide rate per one thousand suicides for youth ages fifteen to twenty-four	15.4	18.9	17.8	17	17
Outcome	Number of individuals participating in the harm reduction/syringe exchange program		7,500	7,650	7,800	7,800
Output	Number of doses of childhood vaccines distributed to vaccines for children providers	800,000	825,000	850,000	865,000	865,000
Output	Number of births to females ages fifteen to seventeen	1,647	1,618	1,580	1,540	1,540
Output	Number of community health councils with priorities that include reducing obesity and diabetes and promoting physical activity and healthy food choices	7	11	13	14	14

## HEALTH INFRASTRUCTURE

The purpose of the health infrastructure program is to maintain and enhance a statewide public health infrastructure and the interrelated systems of district and local public health, primary care, rural health, dental and school-based health services to assure access to an integrated system of high quality health services for all New Mexicans.

### BUDGET SUMMARY (dollars in thousands)

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	FY06 - 2005-2006		Percent Incr (Decr)
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
General Fund Transfers	28,945.3	30,136.2	31,114.2	30,478.2	1.1
Other Transfers	3,449.8	2,940.4	2,515.5	2,515.5	-14.5
Fed Program Revenues	1,193.5	1,228.4	1,546.2	1,546.2	25.9
Other Program Revenues	240.0	115.5	105.0	105.0	-9.1
Fund Balance	1,500.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>35,328.6</b>	<b>34,420.5</b>	<b>35,280.9</b>	<b>34,644.9</b>	<b>0.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	15,573.2	15,881.8	16,704.9	16,442.6	3.5
Contractual Services	15,971.2	14,730.7	14,563.4	14,244.8	-3.3
Other	3,310.3	3,308.0	3,512.6	3,457.5	4.5
Other Financing Uses	500.0	500.0	500.0	500.0	0.0
<b>TOTAL USES</b>	<b>35,354.7</b>	<b>34,420.5</b>	<b>35,280.9</b>	<b>34,644.9</b>	<b>0.7</b>
<b>FTE</b>					
Permanent	253.5	253.5	254.5	253.5	0.0
Term	60.0	59.0	63.0	63.0	6.8
<b>TOTAL FTE POSITIONS</b>	<b>313.5</b>	<b>312.5</b>	<b>317.5</b>	<b>316.5</b>	<b>1.3</b>

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Outcome	Percent of underserved areas in New Mexico served by community-based primary care centers	78%	80%	85%	87%	87%
Output	Number of students receiving behavioral health services in school-based health centers	1,883	3,760	3,800	3,850	3,850
Output	Number of dental encounters at community-based primary care centers	104,000	150,000	110,000	113,000	113,000
Output	Number of medical encounters at community-based primary care centers	480,000	550,000	475,000	487,000	490,000

## **SURVEILLANCE, RESPONSE, AND REPORTING**

The purpose of the surveillance, response and reporting program is to maintain and enhance a statewide system of population-based surveillance, vital records and health statistics, emergency medical services, bioterrorism and emergency preparedness and injury prevention.

### **BUDGET SUMMARY (dollars in thousands)**

		<b><u>FY06 - 2005-2006</u></b>			
	<b><u>FY04 2003-2004 Actuals</u></b>	<b><u>FY05 2004-2005 Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	<b><u>Percent Incr (Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	9,174.6	9,980.9	9,919.2	9,500.1	-4.8
Other Transfers	213.8	1,080.6	1,482.4	1,482.4	37.2
Fed Program Revenues	7,289.8	13,610.6	15,066.8	15,066.8	10.7
Other Program Revenues	712.0	519.4	623.3	623.3	20.0
<b>SOURCES TOTAL</b>	<b>17,390.2</b>	<b>25,191.5</b>	<b>27,091.7</b>	<b>26,672.6</b>	<b>5.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	6,979.4	7,423.2	11,155.0	10,869.5	46.4
Contractual Services	7,855.6	11,540.9	9,709.3	9,606.4	-16.8
Other	7,177.6	6,227.4	6,209.3	6,178.6	-0.8
Other Financing Uses	0.0	0.0	18.1	18.1	
<b>TOTAL USES</b>	<b>22,012.6</b>	<b>25,191.5</b>	<b>27,091.7</b>	<b>26,672.6</b>	<b>5.9</b>
<b>FTE</b>					
Permanent	53.0	53.0	56.0	56.0	5.7
Term	92.7	88.7	157.5	148.5	67.4
<b>TOTAL FTE POSITIONS</b>	<b>145.7</b>	<b>141.7</b>	<b>213.5</b>	<b>204.5</b>	<b>44.3</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Percent of department programs that use data in decision-making processes				75%	75%
* Outcome	Percent of individuals living in rural areas served by a comprehensive emergency medical services response within fifteen minutes	77%	79%	79%		82%
Output	Percent of counties testing state, county and municipal emergency preparedness in response to bioterrorism, other outbreaks of infectious disease and other public health threats and emergencies		70%	75%	78%	78%
Quality	Percent of department client data systems that have procedures in place to ensure data quality				50%	50%



## TESTING AND PHARMACEUTICALS

The purpose of the testing and pharmaceuticals program is to provide quality core analytical services for public health, environmental and toxicologic programs performed by state agencies and to provide pharmacy services to public health programs.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	5,386.8	6,089.6	6,050.3	5,906.0	-3.0
Fed Program Revenues	2,238.2	855.4	2,075.9	2,075.9	142.7
Other Program Revenues	3,275.0	3,431.1	3,357.3	3,357.3	-2.2
Fund Balance	0.0	200.0	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>10,900.0</b>	<b>10,576.1</b>	<b>11,483.5</b>	<b>11,339.2</b>	<b>7.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	5,860.9	6,315.2	6,463.9	6,322.7	0.1
Contractual Services	847.5	632.3	587.6	587.6	-7.1
Other	4,174.8	3,628.6	4,432.0	4,428.9	22.1
Other Financing Uses	1.6	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>10,884.8</b>	<b>10,576.1</b>	<b>11,483.5</b>	<b>11,339.2</b>	<b>7.2</b>
<b>FTE</b>					
Permanent	79.0	79.0	83.0	79.0	0.0
Term	44.0	44.0	45.0	44.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>123.0</b>	<b>123.0</b>	<b>128.0</b>	<b>123.0</b>	<b>0.0</b>

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
* Outcome	Percent of blood alcohol tests from DWI cases analyzed and reported within 3 days of receipt		20.4%	80%		50%
Efficiency	Percent of agency drugs eligible for discount purchased through the discount program		85%	92%	96%	96%
Efficiency	Dollar amount of returned or wasted drugs and vaccines per year at the central pharmacy		\$26,000	\$24,000	\$22,000	\$22,000

## BEHAVIORAL HEALTH SERVICES

The purpose of the behavioral health services program is to provide an effective, accessible, regionally coordinated and integrated continuum of behavioral health prevention and treatment services, which are consumer driven and provided in the least restrictive setting, for eligible persons in New Mexico so that they may become stabilized and their functioning levels may improve.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	79,111.0	77,576.6	79,377.4	76,579.3	-1.3
Other Transfers	23,865.9	20,467.0	21,548.1	21,548.1	5.3
Fed Program Revenues	13,557.5	12,893.4	23,643.6	23,580.1	82.9
Other Program Revenues	8,223.1	8,030.3	8,391.0	8,391.0	4.5
Fund Balance	0.0	200.0	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>124,757.5</b>	<b>119,167.3</b>	<b>132,960.1</b>	<b>130,098.5</b>	<b>9.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	55,523.6	56,195.6	57,673.0	56,572.5	0.7
Contractual Services	56,124.7	52,881.9	64,114.9	62,594.8	18.4
Other	10,332.4	8,803.3	9,777.9	9,536.9	8.3

	Other Financing Uses	642.9	1,286.5	1,394.3	1,394.3	8.4
	<b>TOTAL USES</b>	<b>122,623.6</b>	<b>119,167.3</b>	<b>132,960.1</b>	<b>130,098.5</b>	<b>9.2</b>
<b>FTE</b>						
	Permanent	1,234.0	1,228.0	1,235.0	1,226.5	-0.1
	Term	121.0	120.0	134.0	120.0	0.0
	<b>TOTAL FTE POSITIONS</b>	<b>1,355.0</b>	<b>1,348.0</b>	<b>1,369.0</b>	<b>1,346.5</b>	<b>-0.1</b>

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of consumers surveyed satisfied with their role in the new delivery system				89%	89%
* Outcome	Percent of adults receiving community-based substance abuse services who experience diminishing severity of problems after treatment	76%	78%	85%		85%
Output	Number of clients that receive services from the funding provided by the department of health		20,000	20,000	20,000	22,000
* Output	Number of active clients provided agency substance abuse treatment services during the fiscal year	5,626	8,771	10,255		9,000
Efficiency	Percent of adults registered in regional care coordination plans discharged from psychiatric inpatient care who receive follow-up care within seven days	83.8%	80%	85%		85%
* Efficiency	Percent of newly registered adults with urgent behavioral health treatment needs who have first face-to-face meeting with a community-based behavioral health professional within twenty-four hours of request for services	72.8%	83.6%	87%		87%

#### LONG-TERM CARE SERVICES

The purpose of the long-term care services program is to provide an effective, efficient and accessible safety net system of long-term care facilities and services for eligible New Mexicans so that their quality of life and independence can be maximized.

#### BUDGET SUMMARY (dollars in thousands)

	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	8,570.0	8,523.5	10,171.9	9,384.0	10.1
Other Transfers	27,953.7	29,051.0	31,707.2	31,707.2	9.1
Fed Program Revenues	3,048.4	3,295.7	3,124.2	3,124.2	-5.2
Other Program Revenues	6,448.2	7,615.2	6,841.8	6,841.8	-10.2
Fund Balance	0.0	400.0	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>46,020.3</b>	<b>48,885.4</b>	<b>51,845.1</b>	<b>51,057.2</b>	<b>4.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	35,740.0	36,010.5	37,812.2	37,165.6	3.2
Contractual Services	2,762.9	2,624.1	2,569.1	2,569.1	-2.1
Other	10,661.9	10,250.8	11,463.8	11,322.5	10.5
Other Financing Uses	26.9	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>49,191.7</b>	<b>48,885.4</b>	<b>51,845.1</b>	<b>51,057.2</b>	<b>4.4</b>
<b>FTE</b>					
Permanent	584.0	576.0	584.0	574.0	-0.3
Term	335.5	329.5	339.5	331.5	0.6
Temporary	15.0	15.0	15.0	15.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>934.5</b>	<b>920.5</b>	<b>938.5</b>	<b>920.5</b>	<b>0.0</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Rate of abuse, neglect and exploitation per one hundred patients in department-operated long-term care facilities as confirmed by the division of health improvement	7.5%	1.5%	<5%	<5%	<1%
* Quality	Status of Fort Bayard medical center long-term care facility efforts to acquire accreditation by the joint commission on accreditation of healthcare organizations	Preparing	Preparing	Acquire		Retain

### **DEVELOPMENTALLY DISABLED COMMUNITY SERVICES**

The purpose of the developmentally disabled community services program is to provide a statewide system of community-based services and supports to improve the quality of life and increase independence of individuals with developmental disabilities.

		BUDGET SUMMARY (dollars in thousands)				
		<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>						
	General Fund Transfers	72,371.7	81,232.4	90,269.3	90,702.1	11.7
	Other Transfers	3,458.0	3,966.7	5,245.7	5,225.4	31.7
	Fed Program Revenues	3,035.2	3,303.0	3,338.7	3,338.7	1.1
	Fund Balance	3,500.0	2,000.0	0.0	0.0	-100.0
	<b>SOURCES TOTAL</b>	<b>82,364.9</b>	<b>90,502.1</b>	<b>98,853.7</b>	<b>99,266.2</b>	<b>9.7</b>
<b>USES</b>						
	Personal Services/Empl Benefit	5,890.4	5,975.7	6,792.8	6,270.4	4.9
	Contractual Services	25,320.0	25,246.8	26,317.1	26,317.1	4.2
	Other	1,302.4	919.7	1,515.8	1,450.7	57.7
	Other Financing Uses	51,149.6	58,359.9	64,228.0	65,228.0	11.8
	<b>TOTAL USES</b>	<b>83,662.4</b>	<b>90,502.1</b>	<b>98,853.7</b>	<b>99,266.2</b>	<b>9.7</b>
<b>FTE</b>						
	Permanent	67.0	67.0	70.0	67.0	0.0
	Term	46.0	46.0	56.0	54.0	17.4
	<b>TOTAL FTE POSITIONS</b>	<b>113.0</b>	<b>113.0</b>	<b>126.0</b>	<b>121.0</b>	<b>7.1</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Rate of abuse, neglect and exploitation per one hundred clients in community-based long-term care programs as confirmed by the division of health improvement	7.5%	10.6%	<8%		<8%
* Outcome	Number of customers or registrants requesting and actively waiting for admission to the developmental disabilities medicaid waiver program on the measurement date	3,151	3,549	2,233	3,420	3,420
* Outcome	Number of developmental disabilities Medicaid waiver clients served during the fiscal year	3,086		3,618		3,678
Output	Percent of NM children, from birth to four years of age, who receive early intervention services through the family, infant and toddler services based on an individualized family service plan	5.2%	5.9%	5.6%		6.1%
* Efficiency	Number of days between eligibility determination and service initiation for developmental disabilities medicaid waiver clients		102	100	98	90

## **LICENSING, CERTIFICATION AND OVERSIGHT**

The purpose of the licensing, certification and oversight program is to assure safety and quality care in New Mexico's healthcare facilities and community-based programs in collaboration with consumers, providers, advocates and other agencies.

### **BUDGET SUMMARY (dollars in thousands)**

<u>FY06 - 2005-2006</u>					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>	Percent Incr (Decr)
SOURCES					
General Fund Transfers	4,708.7	4,342.5	4,563.7	4,396.8	1.3
Other Transfers	2,287.4	2,442.5	2,714.2	2,714.2	11.1
Fed Program Revenues	1,601.3	1,656.0	1,653.3	1,653.3	-0.2
Other Program Revenues	1,128.7	1,163.4	1,266.3	1,266.3	8.8
SOURCES TOTAL	9,726.1	9,604.4	10,197.5	10,030.6	4.4
USES					
Personal Services/Empl Benefit	6,781.7	7,618.9	7,900.8	7,750.5	1.7
Contractual Services	443.5	282.0	297.0	282.0	0.0
Other	2,446.8	1,703.5	1,884.7	1,883.1	10.5
Other Financing Uses	0.0	0.0	115.0	115.0	
TOTAL USES	9,672.0	9,604.4	10,197.5	10,030.6	4.4
FTE					
Permanent	57.0	56.0	55.0	55.0	-1.8
Term	77.0	77.0	89.0	88.0	14.3
TOTAL FTE POSITIONS	134.0	133.0	144.0	143.0	7.5

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Output	Number of reviews of behavioral health services regional care coordinators conducted	5	15	5		10
Output	Number of long-term services, developmental disabilities waiver, and supported-living providers receiving unannounced, on-site health and safety reviews	26	24	24		30
Quality	Status of effort to improve consumer awareness of health-facility and community-provider service quality through the expansion of the division website			Phase 2 com	Phase 3 com	Phase 3 com
* Efficiency	Percent of community-based program incident investigations completed within forty-five days	94%	93%	90%	90%	95%

## **ADMINISTRATION AND POLICY**

The purpose of the administration and policy program is to provide leadership, policy development, administrative support and information technology to the department of health.

### **BUDGET SUMMARY (dollars in thousands)**

		<b><u>FY06 - 2005-2006</u></b>			
	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>Agency</u></b>	<b><u>LFC</u></b>	<b><u>Percent</u></b>
	<b><u>2003-2004</u></b>	<b><u>2004-2005</u></b>	<b><u>Request</u></b>	<b><u>Recommendation</u></b>	<b><u>Incr</u></b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>			<b><u>(Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	6,614.5	8,154.1	7,452.9	7,241.3	-11.2
Other Transfers	711.0	918.0	918.0	918.0	0.0
Fed Program Revenues	3,685.5	3,205.1	4,254.3	4,254.3	32.7
Other Program Revenues	403.9	2.9	518.9	518.9	17793.1
<b>SOURCES TOTAL</b>	<b>11,414.9</b>	<b>12,280.1</b>	<b>13,144.1</b>	<b>12,932.5</b>	<b>5.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	8,487.4	8,630.0	9,098.9	8,977.3	4.0
Contractual Services	2,161.9	1,840.7	2,009.6	1,945.6	5.7
Other	2,044.5	1,809.4	2,035.6	2,009.6	11.1
Other Financing Uses	25.4	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>12,719.2</b>	<b>12,280.1</b>	<b>13,144.1</b>	<b>12,932.5</b>	<b>5.3</b>
<b>FTE</b>					
Permanent	141.5	137.5	134.0	134.0	-2.7
Term	22.6	21.1	19.5	19.5	-7.6
<b>TOTAL FTE POSITIONS</b>	<b>164.1</b>	<b>158.6</b>	<b>153.5</b>	<b>153.5</b>	<b>-3.2</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
Outcome	Percent of warrants issued and paid within thirty days from date of acceptance of goods or services	83.1%	67.2%	75%	80%	85%
Quality	Percent of employees reporting satisfaction with their job		65%	70%	75%	75%
Quality	Number of employees completing required training courses				20%	20%
Efficiency	Number of signatures required to process personnel transactions		18	6	3	3
Efficiency	Percent of total federal funds drawn down per month		63%	73%	88%	88%
Efficiency	Percent of total scheduled time the network is available to users during normal working hours			95%	98%	98%
Efficiency	Status of effort to standardize all administrative services into unified regions by June 30, 2006, expressed as a percent				50%	50%
Efficiency	Percent of employees who report they receive the information they need to function effectively		61%	70%	80%	80%

**STATUTORY AUTHORITY:**

The New Mexico Department of Environment (NMED) is established by Sections 9-7A-1 through 9-7A-15 NMSA 1978. It is responsible for administration of federal and state laws and regulations related to air quality, ground- and surface-water quality, solid waste disposal, underground storage tanks, radioactive materials, radiologic technology, occupational safety, and food safety. The department administers rural water and wastewater infrastructure loans and monitors federal Department of Energy and Department of Defense facilities within New Mexico for nonradioactive hazardous materials.

**MISSION:**

The mission of the NMED is to provide the highest quality of life throughout the state by promoting a safe, clean, and productive environment.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	14,331.4	14,758.8	14,758.8	14,758.8	0.0
Other Transfers	12,447.6	14,719.5	17,623.6	17,411.2	18.3
Fed Program Revenues	17,349.1	21,058.3	19,570.4	19,164.8	-9.0
Other Program Revenues	31,275.1	30,217.5	14,874.1	12,933.7	-57.2
General Revenues	0.0	0.0	18,412.0	18,412.0	100.0
Extraord/Special	0.0	0.0	5,439.3	3,978.4	100.0
Fund Balance	2,113.6	9,780.8	8,299.3	8,299.3	-15.1
<b>SOURCES TOTAL</b>	<b>77,516.8</b>	<b>90,534.9</b>	<b>98,977.5</b>	<b>94,958.2</b>	<b>4.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	33,731.1	38,480.8	41,065.3	39,563.3	2.8
Contractual Services	6,723.6	14,229.1	7,992.3	7,652.7	-46.2
Other	18,573.9	20,651.7	27,084.5	26,847.2	30.0
Other Financing Uses	18,169.4	17,173.3	22,835.4	20,895.0	21.7
<b>TOTAL USES</b>	<b>77,198.0</b>	<b>90,534.9</b>	<b>98,977.5</b>	<b>94,958.2</b>	<b>4.9</b>
<b>FTE</b>					
Permanent	281.0	281.0	281.0	281.0	0.0
Term	359.5	361.5	393.5	367.5	1.7
<b>TOTAL FTE POSITIONS</b>	<b>640.5</b>	<b>642.5</b>	<b>674.5</b>	<b>648.5</b>	<b>0.9</b>

**BUDGET ISSUES:**

NMED is requested a flat general fund budget from the FY05 level. Under the NMED request, total expenditures would increase \$4.2 million or 4.7 percent in FY06 from the FY05 level without program expansions. With expansions, total expenditures would increase by \$8.4 million or 9.3 percent. The LFC recommends a flat general fund and an increase from all revenue sources of \$4.4 million or 4.9 percent.

Additional FTE in Base. NMED requested an additional five term positions in its base FY06 request above the number in the FY05 budget. When asked to identify the new positions, NMED indicated that they were not certain but the positions were approved by the Department of Finance and Administration and by the State Personnel Office and were likely added over the year pursuant to receipt of additional federal funds or in response to legislative mandates. The LFC recommendation does not include these positions. LFC encourages NMED to identify the positions and the reason for their creation and to seek authorization during the legislative session.

Nongeneral Fund Revenues. While general fund revenues would be flat and fund balance revenues would decline by \$1.48 million, revenues from other sources would increase \$5.9 million in the LFC recommended FY06 budget for NMED. To some degree, this is attributable to changes in statute or fees. Revenues from the corrective action fund would increase \$1.6 million per Section 74-6B-7 NMSA 1978. Air quality revenues would increase \$945 thousand due to fee increases and federal Title V

increases. Tire recycling revenues would increase \$354 thousand. Water conservation revenues would increase \$694 thousand to reflect regulation changes. Other fees would increase by smaller amounts reflecting NMED estimates. While these revenue estimates appear reasonable, it will be important to monitor NMED during FY06 to assure that they materialize or that programs are managed to reduce costs for revenues that are not realized.

"Moving New Mexico Forward: Further Along." During the review of the proposed FY06 budget, LFC staff inquired about the NMED plans to implement three recommendations contained in "Moving New Mexico Forward: Further Along" (the governor's plan to improve the efficiency and effectiveness of state services). The initial reply indicated NMED did not intend to implement the recommendations in two instances and believed the recommendation reflected current practice in one instance. Aside from the lack of concurrence, it appeared that NMED staff may have been unfamiliar with the recommendations three months after their release. For example, one recommendation called for NMED to implement pay-for-performance contracting based on actual environmental outcomes and to bundle clean-up sites in requests for proposals in order to encourage contractors to take on riskier projects. NMED indicated it currently follows a pay-for-performance contracting practice based on work plan specifications and it currently bundles generic sites when possible (such as monitoring wells at numerous sites). However, neither practice appears to address the actual recommendation. In a follow-up communication, NMED indicated that, upon further consideration, a working group might be formed to consider the contracting recommendation and additional research will be required to fully evaluate the other two recommendations. This still falls short of full concurrence with the plan recommendations and may delay or eliminate the opportunity to realize budget savings and improved performance promised in the governor's plan.

#### **BASE EXPANSION:**

Hazardous Waste Protection. The top expansion priority of NMED is to add \$1.7 million in permit fee revenues and 18 full-time term technical positions, as well as other contractual and operating costs, to expand the hazardous waste bureau. NMED indicates this is the implementation of Section 74-4-4.2 NMSA 1978 (Chapter 41, Laws 2003) which enacted a hazardous waste permit management fee among other statutory changes to the Hazardous Waste Act. The expansion would enhance enforcement activities at the national laboratories, military installations, and more than 2,000 generators of hazardous waste in New Mexico.

Revenues to support the expansion would come from revised fees and regulations governing hazardous waste in New Mexico. The proposed regulatory changes would include clarification of definitions, use of fee agreements, instituting an informal appeal before the formal administrative appeal, and increased or new fees for corrective actions, administrative completeness review, interim status closure plans, closure reports, land disposal review, audit review, and hearings. In all, NMED anticipates annual revenue from the revised regulations of \$4 million.

NMED plans to submit the proposed rules to the Environmental Improvement Board (EIB) in January 2005 with a hearing likely to be scheduled in April or May 2005.

LFC supports a strong and effective hazardous waste monitoring and remediation program. Nonetheless, the program expansion requested here is not included in the FY06 budget recommendation because it is preferable to allow EIB to complete its review of the proposed regulations prior to budgeting revenues from fees that it may or may not wish to adopt. Because of the wide range of businesses and agencies that will be affected by the fees, some changes in the proposed regulations may occur. Legislative appropriations at this stage of the regulatory review process could be interpreted as an effort to influence the deliberations on these reforms. NMED has had two years since adoption of the law to propose these regulations and fees and has not done so. This raises concerns about the timeline proposed in this expansion request.

Point source surface water pollution regulation. NMED also requested three additional positions and no additional funding to develop regulations and authorization documents to seek federal approval of a state-administered National Pollutant Discharge Elimination System permit program. Implementation of a state-administered program would allow the state to control point sources of surface water pollutants (typically, pollutants that come from a particular pipe into a stream or lake such as from a wastewater treatment plant). The LFC budget includes authorization for the three positions and requests that NMED inform the committee about its progress during the interim.

Air quality. NMED requested three additional term environmental scientist positions to address increasing complexity with regard to federal Title V operating permit issuance and air quality enforcement. Two of the three positions would address increased

workload. The Air Quality Bureau indicates the last staff expansion occurred more than five years ago. To some degree, the lack of expansions reflected a relatively high vacancy rate in the bureau (over 10 percent) that has fallen to about 5 percent in recent months. The third position would develop a New Mexico greenhouse gas program to identify strategies to reduce greenhouse gas emissions. Similar programs are currently in place in Utah, Wisconsin, California, Delaware, New York, and New Jersey, and in New England states. The new positions would be supported with revenues from a November 2004 increase in operating permit fees. The LFC recommendation includes this expansion request.

Water litigation. NMED requested \$212.4 thousand from revenue transferred from the Attorney General to pay 2.25 existing FTE to assist with water compact negotiations with Texas. The Attorney General did not include this expansion in its budget request. In Section 5 of the General Appropriation Act of 2004, the Legislature extended an appropriation of \$4.99 million to the Attorney General through the end of FY05 for the purpose of entering into cooperative agreements with the State Engineer, Interstate Stream Commission and NMED in preparing for potential litigation with Texas on water issues. However, this appropriation will expire prior to FY06. The LFC recommendation does not include funding for these positions but recommends that budget adjustment authority be considered to allow expenditure of these funds contingent upon extension of this appropriation for another fiscal year and conclusion of a cooperative agreement for the purpose above.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	Hazardous waste protection (18 FTE)	(Water Qual)	1,708.9	0.0
2	Surface water quality/NPDES (3 FTE)	(Water Qual)	0.0	0.0
3	Air quality permits and enforcement (3 FTE)	(Env. Prot.)	186.1	186.1
4	Water quality projects (3 FTE)	(Water Qual)	452.2	0.0
5	<u>Rio Grande compact</u>	<u>(Water Qual)</u>	<u>212.4</u>	<u>0.0</u>
<b>TOTAL</b>			<b>2,559.6</b>	<b>186.1</b>

**FIELD OPERATIONS**

The purpose of the field operations program is to protect the public health and the environment through specific programs that provide regulatory oversight over food service and food processing facilities, on-site treatment and disposal of liquid wastes, public swimming pools and baths, medical radiation and radiological technologist certification, compliance with the Safe Drinking Water Act, mosquito abatement, and waste isolation pilot plant transportation, and education and public outreach about radon in homes and public buildings.

**BUDGET SUMMARY  
(dollars in thousands)**

		<u>FY06 - 2005-2006</u>			
	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	6,020.2	5,955.6	5,955.6	5,955.6	0.0
Other Transfers	4,231.2	5,091.4	6,192.8	6,192.8	21.6
Fed Program Revenues	3,244.2	4,167.4	3,942.3	3,942.3	-5.4
<b>SOURCES TOTAL</b>	<b>13,495.6</b>	<b>15,214.4</b>	<b>16,090.7</b>	<b>16,090.7</b>	<b>5.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	8,414.0	9,370.9	9,746.1	9,746.1	4.0
Contractual Services	2,483.7	3,082.9	3,567.6	3,567.6	15.7
Other	2,277.1	2,760.6	2,777.0	2,777.0	0.6
Other Financing Uses	2.0	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>13,176.8</b>	<b>15,214.4</b>	<b>16,090.7</b>	<b>16,090.7</b>	<b>5.8</b>
<b>FTE</b>					
Permanent	111.0	111.0	111.0	111.0	0.0
Term	61.0	62.0	63.0	62.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>172.0</b>	<b>173.0</b>	<b>174.0</b>	<b>173.0</b>	<b>0.0</b>

**PERFORMANCE MEASURES**

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Efficiency	Percent of new septic tanks inspections	69.3%	82%	80%	80%	80%



* Efficiency	completed Percent of public drinking water systems inspected within one week of notification of system problems that might impact public health	83.3%	96%	80%	80%	80%
* Efficiency	Percent of drinking water chemical samplings completed within the regulatory timeframe	64.3%	100%	75%	75%	75%
* Output	Percent of annual commercial food establishment inspections completed			100%	100%	100%
Output	Percent of sanitary surveys completed within three years for community water systems and within five years for noncommunity public water systems			75%	75%	75%
* Output	Percent of license inspections and radiation-producing-machine inspections completed within nuclear regulatory commission and food and drug administration guidelines			100%	100%	100%
Output	Percent of new radioactive material license applications reviewed for administrative completeness within sixty days			100%	100%	100%
Output	Percent of radioactive material licensees and x-ray registrants receiving a notice of violation that come into compliance following receipt of technical assistance from the bureau			95%	95%	95%
* Outcome	Percentage of public water systems that comply with acute maximum contaminant levels				90%	90%

## **WATER QUALITY**

The purpose of the water quality program is to protect the quality of New Mexico's ground and surface water resources to ensure clean and safe water supplies are available now and in the future to support domestic, agricultural, economic and recreational activities and provide healthy habitat for fish, plants and wildlife and to ensure that hazardous waste generation, storage, treatment and disposal is conducted in a manner protective of public health and environmental quality.

### **BUDGET SUMMARY** (dollars in thousands)

		FY06 - 2005-2006				
		FY04	FY05	Agency	LFC	Percent
		2003-2004	2004-2005	Request	Recommendation	Incr
		Actuals	Budgeted			(Decr)
SOURCES						
	General Fund Transfers	3,329.5	3,608.0	3,608.0	3,608.0	0.0
	Other Transfers	0.0	124.6	348.5	136.1	9.2
	Fed Program Revenues	6,874.2	9,323.6	9,163.0	8,757.4	-6.1
	Other Program Revenues	3,601.6	4,325.0	0.0	0.0	-100.0
	Extraord/Special	0.0	0.0	5,439.3	3,978.4	100.0
	SOURCES TOTAL	13,805.3	17,381.2	18,558.8	16,479.9	-5.2
USES						
	Personal Services/Empl Benefit	9,604.2	11,497.6	12,917.5	11,415.5	-0.7
	Contractual Services	2,764.5	3,932.4	3,539.2	3,199.6	-18.6
	Other	1,434.6	1,951.2	2,102.1	1,864.8	-4.4
	Other Financing Uses	2.0	0.0	0.0	0.0	
	TOTAL USES	13,805.3	17,381.2	18,558.8	16,479.9	-5.2
FTE						
	Permanent	46.0	46.0	45.0	45.0	-2.2
	Term	140.5	138.5	162.5	141.5	2.2
	TOTAL FTE POSITIONS	186.5	184.5	207.5	186.5	1.1

### **PERFORMANCE MEASURES**

		<b><u>FY03</u></b> <b><u>Actual</u></b>	<b><u>FY04</u></b> <b><u>Actual</u></b>	<b><u>FY05</u></b> <b><u>Budget</u></b>	<b><u>FY06</u></b> <b><u>Request</u></b>	<b><u>FY06</u></b> <b><u>Recomm</u></b>
Outcome	Reduction in percent of impaired stream miles (percent of impaired total stream miles restored to		2%	5%	NR	5%

	beneficial uses)					
* Outcome	Percent of permitted facilities where groundwater monitoring results do not exceed standards	68%	68%	70%	70%	70%
Quality	Percent of groundwater discharge permits issued within the time allowed by statute or regulation			40%	40%	60%
* Output	Percent of permitted facilities receiving annual field inspections			60%	60%	60%
Output	Percent of permitted facilities receiving annual compliance evaluations			40%	40%	40%
* Output	Percent increase of hazardous waste generator inspections completed			10%	10%	10%
Output	Percent of inspections that are first-time inspections for hazardous waste notifiers, generators and transporters			20%	20%	20%
* Efficiency	Percent of department of energy generator site audits for waste isolation pilot project on which agency action will be taken within forty-five days			80%	80%	80%
* Output	Number of stream miles and acreage of lakes monitored annually to determine if surface water quality is impaired			500 mi	1500 mi/10K	1500 mi/10K
* Output	Number of nonpoint source pollution impaired stream miles currently being addressed through watershed restoration plans to improve surface water quality			220	220	220
* Output	Percent of cases in which Sandia national laboratories and Los Alamos national laboratory are notified of agency action on document submittals within the timeframes specified in the executed consent orders				90%	90%

## **ENVIRONMENTAL PROTECTION**

The purpose of the environmental protection program is to ensure that New Mexicans breathe healthy air, prevent releases of petroleum products into the environment, ensure solid waste is handled and disposed without harming natural resources, and ensure every employee safe and healthful working conditions.

### **BUDGET SUMMARY (dollars in thousands)**

	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	<u>FY06 - 2005-2006</u>		Percent Incr (Decr)
			<u>Agency Request</u>	<u>LFC Recommendation</u>	
<b>SOURCES</b>					
General Fund Transfers	2,541.8	2,776.5	2,776.5	2,776.5	0.0
Other Transfers	6,050.3	7,056.8	8,003.9	8,003.9	13.4
Fed Program Revenues	3,392.6	3,429.5	3,204.6	3,204.6	-6.6
<b>SOURCES TOTAL</b>	<b>11,984.7</b>	<b>13,262.8</b>	<b>13,985.0</b>	<b>13,985.0</b>	<b>5.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	9,555.0	10,647.3	11,380.7	11,380.7	6.9
Contractual Services	273.2	309.3	354.1	354.1	14.5
Other	2,154.5	2,306.2	2,250.2	2,250.2	-2.4
Other Financing Uses	2.0	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>11,984.7</b>	<b>13,262.8</b>	<b>13,985.0</b>	<b>13,985.0</b>	<b>5.4</b>
<b>FTE</b>					
Permanent	67.0	66.0	66.0	66.0	0.0
Term	119.0	122.0	126.0	125.0	2.5
<b>TOTAL FTE POSITIONS</b>	<b>186.0</b>	<b>188.0</b>	<b>192.0</b>	<b>191.0</b>	<b>1.6</b>

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Efficiency	Percent of air construction permit decisions within the first ninety days allowed by statute, or within additional time approved by the cabinet secretary as allowed by statute	96.6%	97.4%	95%	95%	95%
* Outcome	Percent of landfills meeting groundwater monitoring requirements	80%	88%	95%	93%	93%
* Outcome	Percent of confirmed releases from leaking storage tank sites that are undergoing assessment or corrective action	52.3%	63.3%	45%	45%	50%
* Outcome	Percent of facilities taking corrective action to mitigate air quality violations discovered as a result of inspections			95%	95%	95%
* Outcome	Improvement in visibility at all monitored locations in New Mexico based on a rolling average of the previous four quarters			3.25 km	3.25 km	3.25 km
Efficiency	Percent of payments made within 60 days from the corrective action fund after submission of the payment application and proper documentation				100%	100%
Output	Percent of worker health and safety inspections initiated within the timeframe which assigned				90%	90%
* Outcome	Percent of underground storage tank facilities in significant operational compliance with release prevention and release detection provisions of the petroleum storage tank regulations				80%	80%
Outcome	Percent increase in tons of materials recycled by state agencies				10%	10%
* Outcome	Percent of inspected solid waste facilities in substantial compliance with the solid waste management regulations				75%	75%
* Outcome	Percent of serious worker health and safety violations noted on issued citations corrected within fourteen days for the consultation section and within fifteen days for the compliance section				85%	85%
* Efficiency	Percent of worker health and safety complaints responded to within five days				95%	95%

## PROGRAM SUPPORT

The purpose of program support is to provide overall leadership, administrative, legal and information management support to allow programs to operate in the most knowledgeable, efficient and cost-effective manner so the public can receive the information it needs to hold the department accountable.

		BUDGET SUMMARY (dollars in thousands)				
		FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	FY06 - 2005-2006		Percent Incr (Decr)
SOURCES				Agency <u>Request</u>	LFC <u>Recommendation</u>	
	General Fund Transfers	2,439.9	2,418.7	2,418.7	2,418.7	0.0
	Other Transfers	2,166.1	2,446.7	3,078.4	3,078.4	25.8
	Fed Program Revenues	3,838.1	4,137.8	3,260.5	3,260.5	-21.2
	<b>SOURCES TOTAL</b>	<b>8,444.1</b>	<b>9,003.2</b>	<b>8,757.6</b>	<b>8,757.6</b>	<b>-2.7</b>
USES						
	Personal Services/Empl Benefit	6,157.9	6,965.0	7,021.0	7,021.0	0.8
	Contractual Services	1,202.2	904.5	531.4	531.4	-41.2
	Other	1,071.4	1,133.7	1,205.2	1,205.2	6.3
	Other Financing Uses	12.6	0.0	0.0	0.0	
	<b>TOTAL USES</b>	<b>8,444.1</b>	<b>9,003.2</b>	<b>8,757.6</b>	<b>8,757.6</b>	<b>-2.7</b>
FTE						
	Permanent	57.0	58.0	59.0	59.0	1.7
	Term	39.0	39.0	42.0	39.0	0.0
	<b>TOTAL FTE POSITIONS</b>	<b>96.0</b>	<b>97.0</b>	<b>101.0</b>	<b>98.0</b>	<b>1.0</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Quality	Average favorable percent rating on annual program support customer satisfaction survey	75%	73%	80%	NR	80%
* Output	Percent of enforcement actions brought within one year of inspection or documentation of violation			90%	NR	90%
Output	Percent of significant prior-year audit findings resolved		8%	100%	100%	100%
Efficiency	Percent reduction in the number of purchase documents			40%	10%	10%
Output	Percent of budgets reviewed and analyzed each month from the p-code level to the lowest program level			98%	98%	98%
Efficiency	Average number of days to process a payment voucher measured from the date the invoice is received until the date payment is made			10 days	10 days	10 days
Efficiency	Percent of legal requests reviewed and assigned within three days of receipt.			95%	95%	95%
Efficiency	Percent of clients contacted within two weeks of assignment of case			90%	90%	90%
Output	Percent of total scheduled time the network is available to department users			99%	99%	99%
Output	Percent of total scheduled time mission critical servers are available to department users			99%	99%	99%
* Quality	Percent customer satisfaction with the construction program services provided in conjunction with federal and state loan and grant projects for construction of water, wastewater and solid waste projects, based on written customer surveys			100%	100%	100%

# OFFICE OF THE NATURAL RESOURCES TRUSTEE

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## STATUTORY AUTHORITY:

The office of Natural Resources Trustee (ONRT) was created by Sections 75-7-1 through 75-7-5 NMSA 1978.

## MISSION:

The purpose of ONRT is to restore or replace natural resources or resource services injured or lost due to releases of hazardous substances or oil into the environment.

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 – 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	240.1	145.8	478.3	287.3	97.1
Other Transfers	57.8	205.5	0.0	86.4	-58.0
<b>SOURCES TOTAL</b>	<b>297.9</b>	<b>351.3</b>	<b>478.3</b>	<b>373.7</b>	<b>6.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	249.9	288.8	400.4	297.7	3.1
Contractual Services	9.6	16.5	24.6	24.6	49.1
Other	38.4	46.0	53.3	51.4	11.7
<b>TOTAL USES</b>	<b>297.9</b>	<b>351.3</b>	<b>478.3</b>	<b>373.7</b>	<b>6.4</b>
<b>FTE</b>					
Permanent	3.7	3.7	4.7	3.7	0.0
<b>TOTAL FTE POSITIONS</b>	<b>3.7</b>	<b>3.7</b>	<b>4.7</b>	<b>3.7</b>	<b>0.0</b>

## BUDGET ISSUES:

ONRT has received most of its appropriation for operating expenses from the general fund. It can also access some revenue from the nonreverting natural resources trustee fund through interest and cost-recovery awards. During the settlement process, cost-recovery monies are negotiated with the responsible party to compensate for the time and expense the state has incurred while investigating, assessing and collecting damages. Cost-recovery awards are generally low as they comprise the actual amount expended for a small staff. ONRT finds it difficult to project the amount of money collected or spent on restoration due to the unpredictable timeframe of the settlement process. The amount of interest and cost-recovery monies available for FY06 is projected at \$86.4 thousand.

In FY05 the agency reached settlement agreements for site restoration at the Clovis Playa Lake Superfund site for \$468.9 thousand and for \$1.1 million for habitat and groundwater restoration at the Albuquerque Superfund site with the Burlington Northern and Santa Fe Railroad Company. The agency received an additional \$500 thousand in federal tax relief funding that is being used to develop a strategic plan for the identification of potential sites and the development of assessment and restoration activities.

Conflict continues to exist between the Attorney General and ONRT. This has resulted in ONRT requesting an attorney position. The statute creating ONRT mandated the Attorney General provide legal counsel and representation. Therefore, the committee does not recommend the expansion.

BASE EXPANSION LISTING FY06 - 2005-2006				
Agency Rank		(Division)	Agency Request	LFC Recom- mendation
1	Attorney (1.0 FTE)		104.6	0.0

## **NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION**

The purpose of the natural resource damage assessment and restoration program is to restore or replace natural resources or resource services injured or lost due to releases of hazardous substances or oil into the environment.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
Outcome	Percent of preliminary evaluation of potential injuries completed at Los Alamos national laboratory		*	*	80%	80%
* Outcome	Percent of cases in settlement or settled with restorations planned, in progress or completed			75%	75%	75%
* Output	Number of acres of habitat restored		0	500	500	500
Output	Number of sites evaluated for damages		5	18	5	7
Output	Number of documented oil industry spills evaluated for resource damages		*	*	5	5
Output	Number of cases in settlement and restoration in progress of the forty known sites		4	4	8	6
* Output	Number of acre-feet of water conserved through restoration		*	600	500	500

**STATUTORY AUTHORITY:**

The New Mexico Health Policy Commission (HPC) is composed of eight members appointed to three-year terms by the governor and confirmed by the Senate in accordance with Sections 9-7-11.1 through 9-7-11.3 NMSA 1978. The commission administers the health information system, which collects, analyzes and disseminates health-related information, and the health information alliance, a cooperative effort of the state, national laboratories, and private entities interested in gathering, sharing, and evaluating health information.

**MISSION:**

The mission of the New Mexico Health Policy Commission is to empower consumers and develop equitable public and private partnerships to facilitate and improve healthcare access in New Mexico. Through the provision of a neutral forum, HPC will provide research, guidance and recommendations on health policy and planning issues to the executive and legislative branches of state government, healthcare consumers, and the healthcare industry.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	1,393.6	1,407.7	1,406.7	1,355.4	-3.7
Other Program Revenues	1.0	0.0	1.0	1.0	
<b>SOURCES TOTAL</b>	<b>1,394.6</b>	<b>1,407.7</b>	<b>1,407.7</b>	<b>1,356.4</b>	<b>-3.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	783.6	929.4	929.4	878.1	-5.5
Contractual Services	332.9	210.3	210.3	210.3	0.0
Other	229.3	268.0	268.0	268.0	0.0
<b>TOTAL USES</b>	<b>1,345.8</b>	<b>1,407.7</b>	<b>1,407.7</b>	<b>1,356.4</b>	<b>-3.6</b>
<b>FTE</b>					
Permanent	17.0	17.0	17.0	17.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

Based on a historic vacancy rate of over 14 percent, the committee recommends a 5 percent vacancy savings to calculate personal services and employee benefits.

Although HPC serves primarily as the study arm of the Health and Human Services Committee (HHS) and HHS indicates HPC staff has been present at almost every HHS meeting, the HPC website indicates HPC has released only five studies in the last year. In response to a request from LFC staff to try to define key outcomes, HPC recommended three new performance measures related to three new survey instruments and provided no data on agency initiatives. Based on this information, the committee recommends the full Legislature request a report from the commission on their significant activities and contributions to health policy in New Mexico over the last five years. The committee further recommends the full Legislature consider consolidating the commission into the Department of Health's Office of Policy, Planning and Evaluation or a division within the Human Services Department to save on overhead costs or enacting a sunset clause for this commission.

## HEALTH INFORMATION AND POLICY ANALYSIS

The purpose of the health information and policy analysis program is to provide relevant and current health related data, information and comprehensive analysis to consumers, state health agencies, the Legislature, and the private health sector so they can obtain or provide improved health care access in New Mexico.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Number of task forces convened to facilitate recommendations for health related strategies		1	2		
Outcome	Percent of bills analyzed and returned to the Legislature within twenty-four hours		87%	90%		92%
Outcome	Percent of purchasing documents and vouchers processed within one week of receipt		85%	90%		
Outcome	Percent of consumers who have found the managed care performance rating information for all managed care organizations to be useful information when selecting healthcare plans				80%	80%
Outcome	Percent of satisfied requesters of the hospital inpatient discharge data or analysis reports				80%	80%
Outcome	Percent of satisfied users of information presented through mini-posters as part of the health policy commission poster project				80%	80%
* Output	Number of health-related bills analyzed during the legislative session	230	108	200	100	150
Output	Number of formal collaborative partnerships, forums or workgroups that analyze the need for health professionals in the state to assist in identifying the gaps and options for reducing the shortages; determine feasible solutions for financing health care to meet the needs of citizens of the state; review the state's health policy and develop methods for monitoring its development and implementation.		3	5	5	7
Output	Number of customized or specialized health data analyses performed in response to requests for information or in anticipation of issues affecting the healthcare delivery and finance systems		20	8	8	10



**STATUTORY AUTHORITY:**

Sections 9-22-1 through 9-22-20 NMSA 1978 establish the functions of the Veterans' Services Department. The secretary is appointed by the governor with confirmation by the Senate. The department consists of the Field Services, State Approving, State Benefits, and Administrative Services divisions. The Veterans' Services Advisory Board consists of five members appointed by the governor from different geographical regions of the state to advise the secretary and department staff on matters of interest to New Mexico veterans.

**MISSION:**

The Veterans' Services Department carries out the mandates of the Legislature and the governor; disseminates information regarding all laws beneficial to veterans, their spouses and children; assists veterans and their dependents in the preparation and initiation of claims by reason of military service; and assists veterans, their widows or widowers, and their children in establishing the privileges to which they are entitled.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	1,815.1	2,232.8	2,232.8	2,232.8	0.0
Fed Program Revenues	131.6	248.5	259.7	259.7	4.5
Other Program Revenues	24.2	23.0	24.0	24.0	4.3
Fund Balance	29.8	21.1	11.2	11.2	-46.9
<b>SOURCES TOTAL</b>	<b>2,000.7</b>	<b>2,525.4</b>	<b>2,527.7</b>	<b>2,527.7</b>	<b>0.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,287.8	1,753.7	1,696.8	1,632.3	-6.9
Contractual Services	354.3	461.4	461.4	476.4	3.3
Other	325.8	310.3	369.5	419.0	35.0
Other Financing Uses	1.6	0.0	0.0	0.0	***
<b>TOTAL USES</b>	<b>1,969.5</b>	<b>2,525.4</b>	<b>2,527.7</b>	<b>2,527.7</b>	<b>0.1</b>
<b>FTE</b>					
Permanent	29.0	32.0	32.0	32.0	0.0
Term	2.0	2.0	2.0	2.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>31.0</b>	<b>34.0</b>	<b>34.0</b>	<b>34.0</b>	<b>0.0</b>

**BUDGET ISSUES:**

The agency received an increase of \$420 thousand from the general fund during the 2004 legislative session for elevation of the agency to department status. New Mexico is one of 19 states to have an agency providing veterans' services at the cabinet level. The former Veterans' Service Commission has been replaced with a five-member advisory board. The additional revenue provided for a deputy secretary and field services staff manager. Plans also call for an Administrative Services Division director in the future; however, current emphasis is being placed on filling field positions. The secretary has also chosen to further expand contracts and outreach efforts of the department, including better liaison with tribal veterans. In addition, funding for travel and office improvements was increased. The agency also received an additional \$62.8 thousand through the budget process for expanding contracts to one additional veteran's service organization and hiring a contracts and financial manager.

The department received a three-year grant from the Veterans' Administration (VA) for a short-term housing program for homeless veterans. This grant is normally awarded to private providers and veterans' groups that provide the services and this first-time award to the state agency is considered a test to determine if oversight, coordination, and administration of state programs will improve. Two private providers in New Mexico also received the grant. The department should investigate whether the state-funded contract with the Mesilla Valley Community of Hope, which operates a homeless program serving veterans in Las Cruces and Doña Ana County, can qualify under this grant to make additional funding available from federal

sources.

The agency has rewritten contracts for veterans' groups providing representation services for New Mexico veterans in claims actions with the VA. LFC has been concerned that the general nature of the previous contracts could result in varying degrees of service being provided. The secretary agreed with this assessment and upon his appointment took action to change the contracts with specifics for each veteran's organization.

While the agency developed new performance measures to comply with the 2004 General Appropriation Act, the Veterans' Services Department needs to refine measures to capture key functions and measure outcomes. Of the nine proposed measures, only one relating to the percent of veterans impacted by department programs is an outcome measure. This will be difficult to measure and does not specify how veterans are impacted and whether veterans are satisfied with the service. Agency staff should review agency requirements and develop measures directly related to provided services.

The committee recommends a 3 percent vacancy savings be applied, a rate considerably below the historic vacancy rate; however, savings are applied to the other cost category for veterans' outreach services, efforts to establish the cemetery at Ft. Stanton as a state veterans' cemetery, and improved connectivity between the field offices through upgrade of information technology equipment and services.

### **VETERANS' SERVICES**

The purpose of the veterans' services program is to provide information and assistance to veterans and their eligible dependents to obtain benefits to which they are entitled in order to improve their quality of life.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	Percent of New Mexico veterans impacted by department programs				12%	12%
* Output	Number of veterans served by commission field offices	20,150	32,742	38,216	42,000	42,000
* Output	Number of referrals from veteran service officers to contract veterans organizations	11,434	12,132	15,500	17,000	17,000
Output	Number of fiduciary transactions from trustee banks to meet clients living expenses	36,000	36,000	36,000	36,000	36,000
Output	Number of educational programs reviewed, approved and audited	Unavailable	207	227	250	250
* Output	Number of homeless veterans provided shelter for a period of two weeks or more	30	72	85	90	90
Output	Number of meetings attended		200	*	180	180
* Output	Compensation received by New Mexico veterans assisted by department veterans service officers, in thousands of dollars				\$110,000	\$110,000
Output	Number of property tax waiver and exemption certificates issued to New Mexico veterans				5,000	5,000

## CHILDREN, YOUTH AND FAMILIES DEPARTMENT

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### STATUTORY AUTHORITY:

The Children, Youth and Families Department (CYFD) was created in 1992 pursuant to Section 9-2A-1 through 9-2A-18 NMSA 1978. The department is responsible for state policies and programs to support children, youth, and families in need in such a manner as to promote self-sufficiency and to coordinate an integrated system of care and services for children, youth, and families among the various state agencies

### MISSION:

The mission of the Children Youth and Families Department is to serve and support children and families and supervise youth in a responsive community-based system of care that is client-centered, family focused, and culturally competent.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	141,035.7	149,989.1	148,848.1	144,660.0	-3.6
Other Transfers	53,650.7	47,494.4	47,203.9	46,926.0	-1.2
Fed Program Revenues	128,553.0	134,453.3	134,968.8	136,165.3	1.3
Other Program Revenues	4,047.7	3,163.0	3,534.6	3,534.6	11.7
Fund Balance	1,019.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>328,306.1</b>	<b>335,099.8</b>	<b>334,555.4</b>	<b>331,285.9</b>	<b>-1.1</b>
<b>USES</b>					
Personal Services/Empl Benefit	100,648.7	107,448.9	104,454.5	102,548.8	-4.6
Contractual Services	51,433.3	52,164.4	50,801.9	51,693.5	-0.9
Other	169,048.9	173,777.2	178,464.4	176,209.0	1.4
Other Financing Uses	3,247.4	1,709.3	834.6	834.6	-51.2
<b>TOTAL USES</b>	<b>324,378.4</b>	<b>335,099.8</b>	<b>334,555.4</b>	<b>331,285.9</b>	<b>-1.1</b>
<b>FTE</b>					
Permanent	2,063.0	2,111.5	1,971.5	1,968.5	-6.8
Term	74.3	95.3	91.3	91.3	-4.2
Temporary	8.0	2.0	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>2,145.3</b>	<b>2,208.8</b>	<b>2,062.8</b>	<b>2,059.8</b>	<b>-6.7</b>

### BUDGET ISSUES:

The Children, Youth and Families Department (CYFD) comprising four programs: the Juvenile Justice Program, the Protective Service Program, the Family Services Program and Program Support.

The FY06 base budget request is \$334.6 million, including \$149 million of general fund. Significantly, the budget reflects the transfer of the Adult Protective Services program (APS) to the Aging and Long-Term Services Department (ALTSD). CYFD budget realizes a general fund transfer of \$8 million, a \$5 million transfer of federal funds, and an \$80 thousand transfer from other funds to ALTSD. Taking into account the transfer of APS to ALTSD, the department's base budget request represents a general fund increase of 2 percent and a 1 percent increase in federal revenue. Most of the increase is in personal services and employee benefits, especially health insurance costs. The transfer reflects the transfer of 164 FTE to ALTSD.

LFC recommends restoring liability rates to the FY05 level for agencies with assessments in excess of \$100 thousand including CYFD in the amount of \$965 thousand compared to the agency request of \$2 million.

For FY06, LFC recommends \$331 million for an adjusted increase of \$ 9.8 million or 3 percent increase over the FY05 operating budget. A large portion of the increase is the result of matching general fund monies with federal State Children's Health Insurance Program (SCHIP) revenue for a home-visiting program. The adjusted general fund increase is \$ 3 million, or 2

percent, over the FY05 operating budget. This includes a \$3.4 million increase from the general fund in the Protective Services Program for expansion items.

The department proposes an overall vacancy rate of 5 percent with fluctuations among the programs. Vacant positions in the Protective Services Program are budgeted at midlevel while vacant positions in the Juvenile Justice Program are budgeted at the entry level. LFC supports the department's request for an overall vacancy rate of 5 percent except for the Juvenile Justice Program where the committee recommends an 11 percent vacancy rate. The historical vacancy rate over the last year approximates 16 percent.

Juvenile Justice Program. JJD provides rehabilitative services to youth adjudicated to CYFD including medical, educational, mental health, early intervention and prevention, detention and screening, and probation and parole supervision aimed at keeping youth from committing additional delinquent acts. JJD operates four detention facilities and three reintegration centers. The department has succeeded in receiving accreditation from the American Correctional Association for the New Mexico Boys' School and La Placita Juvenile Reintegration Center.

The FY06 request is for \$57 million, of which \$54 million is from general fund; the general fund amount represents an increase of \$651 thousand. The budget reflects a \$1 million increase in the salary line item for JJD program.

The committee recommends a reduction in general fund revenues of \$1.4 million based on 30 percent excess capacity in JDD facilities. The department is currently negotiating with the Human Services Department (HSD) on providing a Medicaid match for some of these services. This has the potential to translate into additional revenue of \$1.3 million. Medicaid funds of \$411 thousand are included in the committee recommendation for the operation of reintegration centers.

Protective Services Program. Protective Services programs for children include services for victims of abuse or neglect or those at risk of abuse and neglect, family preservation, permanency planning, independent living arrangements and placement services for those removed from families or caretakers. The FY06 request is for \$97 million, an increase of approximately \$11 million over the FY05 adjusted operating budget. The general fund request is \$43 million, an increase of \$5.8 million over the FY05 adjusted operating budget. The program picked up 4 FTE from the Juvenile Justice Program for the statewide central intake program.

Family Services Program. The Family Services program provides a wide array of services to children and families. This includes child care, behavioral health, and related community services for children, adolescents, and families. The FY06 request is for \$165 million, \$400 thousand more than FY05. The general fund request is \$41 million for a \$552 thousand increase.

Currently 24,155 children are receiving childcare through CYFD. See appendix 690A. While the eligibility income guidelines are expected to remain at 150 percent of poverty, 1,928 families with income exceeding the 150 percent of poverty were grandfathered into the program when the previous (200 percent of poverty) rate was in effect. Providing funding to these families is a worthwhile endeavor; however, with the increases in the foster care caseload described above and with the demonstrated success of home-visiting programs, the committee recommends a general fund reduction of \$2 million for childcare services for families above the 150 percent threshold.

The committee recommends \$500 thousand from the general fund in seed money for a voluntary nurse home-visiting program targeting families whose income is below 235 percent of poverty. This program could be matched with SCHIP federal funds of \$2 million. Also, the committee provides \$1.5 million from the general fund for equalizing the childcare rates of urban and rural providers. The committee recommendation for funding for the Office of Child Development represents \$250 thousand, declined from \$500 thousand, due to the loss of federal funds carry-forward from the Temporary Aid to Needy Families program.

#### **BASE EXPANSION:**

CYFD requested program expansion for an additional 15 FTE to support the increase in the foster-care caseload. The caseload has increased by 16 percent over the last year. This expansion request is for additional \$802 thousand from the general fund. Additionally, the agency requested a program expansion of \$ 4 million for caseload increase of which \$2 million represents an increase from the general fund. Because of enhanced screening of child abuse and neglect reports, more reports are investigated and more children are being placed in foster care to ensure their safety and well-being. Lastly, the department requested a program expansion of \$3 million to cover the cost of children in treatment foster care, where a cost shift from the

Medicaid program to Title IV-E is occurring. The increase in the general fund appropriation for this program expansion is \$1.4 million. The committee is concerned with the rise in foster care cases and supports the expansion of 12 FTE for an increase in the general fund appropriation of \$630 thousand. The committee recommendation further provides for a general fund increase of \$1.7 million to cover the cost of a caseload increase and a general fund increase of \$1.1 million to cover the shift in cost in the treatment foster-care program. The committee reduced the program expansion general fund request for caseload increase and FTE because the committee is also recommending funds for home visitation programs that have the potential of addressing problems associated with the foster-care-caseload increase.

#### RECOMMENDED LANGUAGE:

The general fund appropriation to the family services program of the children youth and families department in the professional service category includes five hundred thousand (\$500,000) for a home visiting program to be matched with federal SCHIP dollars and in the care and support category includes one million five hundred thousand (\$1,500,000) for equalizing child care rates of urban and rural providers.

#### BASE EXPANSION LISTING FY06 - 2005-2006

Agency Rank		(Division)	Agency Request	LFC Recommendation
1	Foster care and adoptions caseload increase	(50)	4,005.0	3,500.0
2	Treatment foster care cost shift	(50)	3,276.0	2,500.0
3	Increase investigators (15 FTE)	(50)	802.0	641.0
4	Home visiting program	(70)	500.0	2,500.0
<b>TOTAL</b>			<b>8,583.0</b>	<b>9,141.0</b>

#### JUVENILE JUSTICE

The purpose of the juvenile justice program is to provide rehabilitative services to youth committed to the department, including but not limited to medical, educational, mental health and other services, early intervention and prevention, detention and screening and probation and parole supervision aimed at keeping youth from committing additional delinquent acts.

#### BUDGET SUMMARY (dollars in thousands)

	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 - 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	53,227.6	53,767.4	54,418.2	52,587.2	-2.2
Other Transfers	1,609.7	1,720.1	1,574.7	1,574.7	-8.5
Other Program Revenues	1,365.4	777.6	1,149.2	1,149.2	47.8
<b>SOURCES TOTAL</b>	<b>56,202.7</b>	<b>56,265.1</b>	<b>57,142.1</b>	<b>55,311.1</b>	<b>-1.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	38,575.9	40,619.3	41,770.0	40,768.4	0.4
Contractual Services	8,828.9	8,309.2	8,180.1	7,589.1	-8.7
Other	8,491.6	7,336.6	7,138.4	6,900.0	-6.0
Other Financing Uses	53.6	0.0	53.6	53.6	
<b>TOTAL USES</b>	<b>55,950.1</b>	<b>56,265.1</b>	<b>57,142.1</b>	<b>55,311.1</b>	<b>-1.7</b>
<b>FTE</b>					
Permanent	828.0	876.5	866.5	866.5	-1.1
Term	30.3	30.3	29.3	29.3	-3.3
Temporary	6.0	0.0	0.0	0.0	
<b>TOTAL FTE POSITIONS</b>	<b>864.3</b>	<b>906.8</b>	<b>895.8</b>	<b>895.8</b>	<b>-1.2</b>

#### PERFORMANCE MEASURES

		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Percent of clients who complete formal probation.	76.3%	83%	80%	83%	83%
* Outcome	Percent of youth confined over ninety days who show an increase in reading, math or language arts scores between children, youth and families			70%	70%	70%

	department facility admission and discharge.					
* Outcome	Percent of re-adjudicated clients	4.1%	11.5%	4.0%	11%	4%
* Outcome	Percent of clients recommitted to a children, youth and families department facility	15.1%	16.9%	11.5%	16.9%	11.5%
* Outcome	Percent of clients receiving functional family therapy and multi-systemic therapy who have not committed a subsequent juvenile offense				60%	65%
Outcome	Average improvement in educational grade level of clients			0	1.5%	1.5%
* Output	Percent of clients earning education credits while in facility schools			75%	75%	75%
* Output	Number of children in community corrections programs				800	800
Output	Number of children committed to a juvenile facility				280	280

## **PROTECTIVE SERVICES**

The purpose of protective services program is to receive and investigate referrals of adult and child abuse and neglect and provide family preservation and treatment and legal services to vulnerable children and adults and their families to ensure their safety and well being.

### **BUDGET SUMMARY (dollars in thousands)**

		<b>FY04</b>	<b>FY05</b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent</b>
		<b>2003-2004</b>	<b>2004-2005</b>	<b>Agency</b>	<b>LFC</b>	<b>Incr</b>
		<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Request</u></b>	<b><u>Recommendation</u></b>	<b><u>(Decr)</u></b>
<b>SOURCES</b>						
	General Fund Transfers	42,292.5	46,095.3	43,573.2	42,099.4	-8.7
	Other Transfers	12,043.2	10,139.3	10,059.3	10,035.2	-1.0
	Fed Program Revenues	42,959.3	41,848.5	42,185.3	41,461.8	-0.9
	Other Program Revenues	1,590.5	1,259.5	1,259.5	1,259.5	0.0
	<b>SOURCES TOTAL</b>	<b>98,885.5</b>	<b>99,342.6</b>	<b>97,077.3</b>	<b>94,855.9</b>	<b>-4.5</b>
<b>USES</b>						
	Personal Services/Empl Benefit	43,977.2	46,983.0	42,403.3	41,653.3	-11.3
	Contractual Services	10,769.9	11,366.6	8,880.4	8,864.0	-22.0
	Other	42,200.3	40,785.0	45,585.6	44,130.6	8.2
	Other Financing Uses	196.3	208.0	208.0	208.0	0.0
	<b>TOTAL USES</b>	<b>97,143.7</b>	<b>99,342.6</b>	<b>97,077.3</b>	<b>94,855.9</b>	<b>-4.5</b>
<b>FTE</b>						
	Permanent	917.7	921.7	790.7	787.7	-14.5
	Term	6.0	6.0	0.0	0.0	-100.0
	Temporary	2.0	2.0	0.0	0.0	-100.0
	<b>TOTAL FTE POSITIONS</b>	<b>925.7</b>	<b>929.7</b>	<b>790.7</b>	<b>787.7</b>	<b>-15.3</b>

### **PERFORMANCE MEASURES**

		<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY06</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	Percent of children with repeat maltreatment	11.6%	11.1%	5%	7.5%	7.5%
* Outcome	Percent of children adopted within twenty-four months of entry into foster care	38.3%	43.8%	38.3%	40.0%	40%
* Outcome	Percent of children maltreated while in foster care		1.1%		1.0%	.57%
* Outcome	Percent of children determined to be maltreated within six month of a prior determination		7.9%		7.5%	7.5%
* Outcome	Percent of children committed to a juvenile facility who were the subjects of an accepted report of maltreatment within five years of a commitment					65%
Outcome	Percent of foster care children reunified with their families within one year of removal		86.9%		80%	80%
* Output	Number of children in foster care for twelve months with no more than two placements	2011	2187	2,000	2100	2100
Output	Number of child maltreatment reports accepted		18,309	18,309	19,000	19,000

Output	Number of children in substitute care	2,192	2,200	2,200
Output	Number of substantiated child victims	5,823	5,800	5800

## **FAMILY SERVICES**

The purpose of the family services program is to provide behavioral health, quality child care and nutrition services to children so they can enhance physical, social and emotional growth and development and can access quality care.

### **BUDGET SUMMARY** (dollars in thousands)

		FY06 - 2005-2006				
		FY04	FY05	Agency	LFC	Percent
		2003-2004	2004-2005	Request	Recommendation	Incr
		Actuals	Budgeted			(Decr)
SOURCES						
	General Fund Transfers	37,065.0	40,540.7	41,092.9	40,244.8	-0.7
	Other Transfers	38,959.7	34,698.9	34,698.9	34,448.5	-0.7
	Fed Program Revenues	80,769.0	88,258.9	88,121.5	90,058.1	2.0
	Other Program Revenues	1,091.8	1,125.9	1,125.9	1,125.9	0.0
	Fund Balance	1,000.0	0.0	0.0	0.0	
	SOURCES TOTAL	158,885.5	164,624.4	165,039.2	165,877.3	0.8
USES						
	Personal Services/Empl Benefit	9,299.5	9,505.3	9,894.0	9,768.1	2.8
	Contractual Services	29,499.3	30,869.3	31,924.1	33,423.1	8.3
	Other	115,436.2	122,748.5	122,648.1	122,113.1	-0.5
	Other Financing Uses	2,985.4	1,501.3	573.0	573.0	-61.8
	TOTAL USES	157,220.3	164,624.4	165,039.2	165,877.3	0.8
FTE						
	Permanent	152.3	143.3	145.3	145.3	1.4
	Term	38.0	59.0	62.0	62.0	5.1
	TOTAL FTE POSITIONS	190.3	202.3	207.3	207.3	2.5

### **PERFORMANCE MEASURES**

		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	Percent of children in families receiving behavioral health services who experience an improved level functioning at discharge	52.1%	51.1%	60%	51.1%	60%
* Outcome	Percent of family providers participating in the child and adult care food program.			82%	82%	82%
* Outcome	Percent of movement through levels one through five of aim high			25%	25%	25%
Outcome	Percent of licensed child care programs at aim high levels two, three, four and five and with national accreditation			15.0%	16.0%	16.0%
* Outcome	Percent of children receiving state subsidy in aim high levels two, three, four and five and with national accreditation			11.5%	13.0%	13.0%
Outcome	Percent of slots utilizing nontraditional childcare	31.3%	31.3%	32.0%	34.0%	34.0%
* Outcome	Percent of adult victims receiving domestic violence services who show improved client competencies in social, living, coping and thinking skills					65%
* Outcome	Percent of adult victims receiving domestic violence services who are living in a safer, more stable environment					85%
Output	Number of licensed childcare programs at aim high levels two, three, four and five and with national accreditation		1,019			1075

Output	Number of slots utilizing nontraditional childcare	8,320	8,586	8,586
* Output	Number of adult victim witnesses receiving domestic violence services			
Output	Number of children receiving behavioral health services	4,364		

## **PROGRAM SUPPORT**

The purpose of the program support program is to provide the direct services divisions with functional and administrative support so they may provide client services consistent with the department's mission and also support the development and professionalism of employees.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b><u>FY06 - 2005-2006</u></b>					
	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	8,450.6	9,585.7	9,763.8	9,728.6	1.5
Other Transfers	1,038.1	936.1	871.0	867.6	-7.3
Fed Program Revenues	4,824.7	4,345.9	4,662.0	4,645.4	6.9
Fund Balance	19.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>14,332.4</b>	<b>14,867.7</b>	<b>15,296.8</b>	<b>15,241.6</b>	<b>2.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	8,796.1	10,341.3	10,387.2	10,359.0	0.2
Contractual Services	2,335.3	1,619.3	1,817.3	1,817.3	12.2
Other	2,920.9	2,907.1	3,092.3	3,065.3	5.4
Other Financing Uses	12.2	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>14,064.4</b>	<b>14,867.7</b>	<b>15,296.8</b>	<b>15,241.6</b>	<b>2.5</b>
<b>FTE</b>					
Permanent	165.0	170.0	169.0	169.0	-0.6
<b>TOTAL FTE POSITIONS</b>	<b>165.0</b>	<b>170.0</b>	<b>169.0</b>	<b>169.0</b>	<b>-0.6</b>

<b>PERFORMANCE MEASURES</b>						
	<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>	
* Output	Turnover rate for social workers	21.6%	19.3%	20.0%	19.0%	20%
* Output	Turnover rate for juvenile correctional officers	15.1%	18.9%	14.5%	18.4%	11.9
Quality	Percent of employee files that contain performance appraisals development plans completed and submitted within state personnel guidelines			95%	95%	99%



**STATUTORY AUTHORITY:**

The Department of Military Affairs (DMA) operates pursuant to Article I, Section 8, of the Constitution of the United States and Article XVIII, Sections 1 and 2, of the Constitution of New Mexico. The department is established and governed by the New Mexico military code (Chapter 20 NMSA 1978). Although the governor is commander in chief of the state military forces, the adjutant general directs DMA and is appointed by the governor to a five-year term.

**MISSION:**

The department's primary mission is to provide the necessary infrastructure to support the Army and Air National Guard, State Defense Force, Civil Air Patrol, and the New Mexico Youth Challenge Academy.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	5,000.7	5,289.7	5,664.7	5,407.3	2.2
Other Transfers	274.6	0.0	30.0	0.0	
Fed Program Revenues	6,077.2	6,472.8	6,936.3	6,829.0	5.5
Other Program Revenues	66.9	43.7	47.1	47.1	7.8
Extraord/Special	12.9	10.0	9.0	9.0	-10.0
<b>SOURCES TOTAL</b>	<b>11,432.3</b>	<b>11,816.2</b>	<b>12,687.1</b>	<b>12,292.4</b>	<b>4.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	5,646.7	6,422.9	6,639.7	6,410.7	-0.2
Contractual Services	914.2	1,213.6	1,174.2	1,174.2	-3.2
Other	4,177.5	4,179.7	4,873.2	4,707.5	12.6
<b>TOTAL USES</b>	<b>10,738.4</b>	<b>11,816.2</b>	<b>12,687.1</b>	<b>12,292.4</b>	<b>4.0</b>
<b>FTE</b>					
Permanent	32.0	32.0	32.0	31.0	-3.1
Term	85.0	104.0	104.0	104.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>117.0</b>	<b>136.0</b>	<b>136.0</b>	<b>135.0</b>	<b>-0.7</b>

**BUDGET ISSUES:**

The performance measure "percent of strength of the New Mexico nation guard" had an FY04 actual of 78 percent; however, the FY05 target is 90 percent. DMA states this measure ties to recruitment and retention. The two budget factors that affect recruitment and retention are well-maintained training facilities and tuition funding. Also, a factor that affects this performance measure beyond DMA's control is the deployment of the National Guard. Currently, one-third of the National Guard is deployed.

Expenditures for FY04 exceed revenues due to federal reimbursements that have not been received by DMA. This is partly due to the federal fiscal year differing from the state fiscal year by three months.

DMA has 15 additional term FTE beyond the number authorized in the General Appropriation Act. This is due to the 15 FTE being added to the National Guard Support Program funded 100 percent with federal funds.

**BASE EXPANSION:**

Laws 2004, Chapter 114, Section 7 (119), appropriated \$30 thousand of nonrecurring funds to the Public Education Department (PED) for a drug-demand-reduction program through the Civil Air Patrol cadet program for at-risk middle-and high school students. DMA received the funding through an inter-agency transfer from PED for FY05. The Civil Air Patrol's primary missions are search and rescue missions, disaster relief, counter drug operations, homeland defense, and extensive training and cadet programs. The committee does not recommend funding for the Civil Air Patrol Drug Demand Reduction/Middle School Program.

DMA, under its National Guard Support program, manages 155 facilities throughout the state valued at over \$132 million. The facilities comprise 1.3 million square feet of building space and some 26,000 acres of property. The budget for maintenance and repair of the facilities was decreased by \$206 thousand, or 52 percent, in FY04. In FY04, DMA used temporary federal support to fund the maintenance and repair of facilities. The FY05 operating budget for maintenance and repair is \$20 thousand. It is critical to the structural integrity of these facilities to reinstate the maintenance and repair funding. The committee recommends \$250 thousand for the maintenance and repair of National Guard facilities.

#### RECOMMENDED LANGUAGE:

The general fund appropriation to the national guard support program of the department of military affairs in the personal services and employee benefits category includes funding for the adjutant general position not to exceed range thirty-four in the governor's exempt plan and funding for the deputy adjutant general position not to exceed range thirty-two in the governor's exempt plan.

The general fund appropriation to the national guard support program of the department of military affairs in the other category includes five thousand dollars (\$5,000) for expenditures for the employee support of guard and reserve program.

#### BASE EXPANSION LISTING FY06 - 2005-2006

Agency Rank		(Division)	Agency Request	LFC Recommendation
*	Maintenance for National Guard Facilities	(NGS)	375.0	250.0
1	Civil Air Patrol Drug Demand Reduction/Middle	(CR)	30.0	0.0
<b>TOTAL</b>			<b>405.0</b>	<b>250.0</b>

\* The department included this item in the base request. LFC considers the item to be expansion and has extracted it from the base.

#### NATIONAL GUARD SUPPORT

The purpose of the national guard support program is to provide administrative, fiscal, personnel, facility construction and maintenance support to the New Mexico national guard military and civilian activities so they can maintain a high degree of readiness to respond to state and federal missions.

#### BUDGET SUMMARY (dollars in thousands)

	FY06 - 2005-2006				
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	3,767.6	4,042.9	4,417.9	4,168.6	3.1
Fed Program Revenues	3,589.1	4,792.8	5,256.3	5,161.1	7.7
Other Program Revenues	60.9	43.7	47.1	47.1	7.8
Extraord/Special	12.9	10.0	9.0	9.0	-10.0
<b>SOURCES TOTAL</b>	<b>7,430.5</b>	<b>8,889.4</b>	<b>9,730.3</b>	<b>9,385.8</b>	<b>5.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	3,976.1	4,689.6	4,794.9	4,586.1	-2.2
Contractual Services	362.0	633.6	594.2	594.2	-6.2
Other	3,556.4	3,566.2	4,341.2	4,205.5	17.9
<b>TOTAL USES</b>	<b>7,894.5</b>	<b>8,889.4</b>	<b>9,730.3</b>	<b>9,385.8</b>	<b>5.6</b>
<b>FTE</b>					
Permanent	31.0	31.0	31.0	30.0	-3.2
Term	46.0	65.0	65.0	65.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>77.0</b>	<b>96.0</b>	<b>96.0</b>	<b>95.0</b>	<b>-1.0</b>

#### PERFORMANCE MEASURES

		FY03 Actual	FY04 Actual	FY05 Budget	FY06 Request	FY06 Recomm
* Outcome	Rate of attrition of the New Mexico army national guard	14%	15%	14%	14%	14%

* Outcome	Percent of strength of the New Mexico national guard	78%	78%	90%	91%	90%
* Output	Number of major environmental compliance findings from inspections	19	7	35	33	10

### **CRISIS RESPONSE**

The purpose of the crisis response program is to provide resources and a highly trained and experienced force to protect the public and improve the quality of life for New Mexicans.

#### **BUDGET SUMMARY (dollars in thousands)**

	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
			<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	1,233.1	1,246.8	1,246.8	1,238.7	-0.6
Other Transfers	274.6	0.0	30.0	0.0	
Fed Program Revenues	2,488.1	1,680.0	1,680.0	1,667.9	-0.7
Other Program Revenues	6.0	0.0	0.0	0.0	***
<b>SOURCES TOTAL</b>	<b>4,001.8</b>	<b>2,926.8</b>	<b>2,956.8</b>	<b>2,906.6</b>	<b>-0.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,670.6	1,733.3	1,844.8	1,824.6	5.3
Contractual Services	552.2	580.0	580.0	580.0	0.0
Other	621.1	613.5	532.0	502.0	-18.2
<b>TOTAL USES</b>	<b>2,843.9</b>	<b>2,926.8</b>	<b>2,956.8</b>	<b>2,906.6</b>	<b>-0.7</b>
<b>FTE</b>					
Permanent	1.0	1.0	1.0	1.0	0.0
Term	39.0	39.0	39.0	39.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>	<b>0.0</b>

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
		93%	99%	80%	85%	99%
* Outcome	Percent of cadets successfully graduating from the youth challenge academy					

## PAROLE BOARD

760

### STATUTORY AUTHORITY:

The statutory authority and responsibilities of the Parole Board are outlined in the Parole Board Act (Section 31-21-22 through 31-21-26 NMSA 1978) and the Probation and Parole Act (Sections 31-21-3 through 31-21-19 NMSA 1978). Although the Parole Board is administratively attached to the Corrections Department, it functions as an independent state agency charged with the responsibility of paroling adults incarcerated within the Corrections Department.

### MISSION:

The Parole Board grants, denies, or revokes parole, conducts investigations, summons witnesses, and adopts rules and regulations for the effective discharge of the duties of the board. Besides conducting parole release and revocation hearings and reviewing parolee discharge plans, the Parole Board also provides recommendations to the governor on applications for executive clemency.

BUDGET SUMMARY (dollars in thousands)					
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	FY06 – 2005-2006		Percent Incr (Decr)
			Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	351.9	359.7	413.2	365.9	1.7
<b>SOURCES TOTAL</b>	<b>351.9</b>	<b>359.7</b>	<b>413.2</b>	<b>365.9</b>	<b>1.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	244.8	254.3	290.3	262.2	3.1
Contractual Services	5.4	6.2	6.4	6.4	3.2
Other	94.7	99.2	116.5	97.3	-1.9
<b>TOTAL USES</b>	<b>344.9</b>	<b>359.7</b>	<b>413.2</b>	<b>365.9</b>	<b>1.7</b>
<b>FTE</b>					
Permanent	5.0	5.0	6.0	5.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>	<b>5.0</b>	<b>0.0</b>

### BUDGET ISSUES:

In FY04, the Adult Parole Board had their highest number of hearings conducted in one year with 3,657 hearings. Out of those hearings, 74.8 percent were regular hearings where the board sets conditions for parole and 25.2 percent were revocation hearings where the board decides whether the parolee is returned to incarceration or re-paroled to the community for the remainder of parole time. The board staff deals with a paper system of files and certificates of parole. A move towards automation would alleviate the current workload.

### BASE EXPANSION:

The Parole Board requested 1 additional FTE for an information and record clerk position. The agency reports their current workload leaves them seriously understaffed. Currently, the Parole Board is meeting and exceeding their performance measures. The committee does not recommend the base expansion for an information and record clerk.

BASE EXPANSION LISTING FY06 - 2005-2006				
Agency Rank		(Division)	Agency Request	LFC Recom- mendation
1	Information and Record Clerk (1-FTE)	(APB)	28.9	0.0
<b>TOTAL</b>			<b>28.9</b>	<b>0.0</b>

## **ADULT PAROLE**

The purpose of the adult parole program is to provide and establish parole conditions and guidelines for inmates and parolees so they may reintegrate back into the community as law-abiding citizens.

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Number of comprehensive resource guides and agency rules and regulations pamphlets produced and updated	1 update	1 update	1 each	1 update	1 update
Output	Number of informational meetings held with individuals, advocacy groups and local, state, federal or county governments	14	15	14	14	14
* Efficiency	Percent of revocation hearings held within thirty days of a parolee's return to the corrections department	98.6%	97.7%	99%	90%	99%
* Efficiency	Percent of initial parole hearings held a minimum of thirty days prior to the inmates projected release date	91.5%	94.2%	99%	85%	99%

## JUVENILE PAROLE BOARD

765

### STATUTORY AUTHORITY:

Sections 32A-7-1 through 32 A-7-9 NMSA1978 provide for the creation of the Juvenile Parole Board. The board is administratively attached to the Children, Youth and Families Department (CYFD); however, the board's powers are exclusive and its budget is separate from CYFD.

### MISSION:

The mission of the Juvenile Parole Board is to grant, deny, or revoke parole for children through a fair and impartial hearing and to assure that incarcerated youth have received rehabilitative services through the juvenile justice system administered by CYFD.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 – 2005-2006</b>					
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	352.1	368.2	379.2	375.2	1.9
<b>SOURCES TOTAL</b>	<b>352.1</b>	<b>368.2</b>	<b>379.2</b>	<b>375.2</b>	<b>1.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	301.0	317.0	331.1	327.1	3.2
Contractual Services	5.7	6.0	5.4	5.4	-10.0
Other	45.4	45.2	42.7	42.7	-5.5
<b>TOTAL USES</b>	<b>352.1</b>	<b>368.2</b>	<b>379.2</b>	<b>375.2</b>	<b>1.9</b>
<b>FTE</b>					
Permanent	6.0	6.0	6.0	6.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>0.0</b>

### BUDGET ISSUES:

The board must work with CYFD to ensure consistency in juvenile justice goals and policies. Currently, CYFD is redirecting the focus of New Mexico's juvenile justice system to a community-based monitoring and treatment approach and this requires strong communication and coordination between the agencies.

This new focus should result in fewer children in facilities. Current data shows a considerable drop of juveniles in facilities. However, the decline in youths in custody does not reflect a decline in parole rates. Actually the number of juveniles paroled increased from 148 in FY03 to 212 in FY04. The increase in paroles is consistent with the move to community corrections. Recommitment data is consistent with last year's data indicating 52 recommitments in FY03 and 48 recommitments in FY04. This is an important factor to monitor as CYFD continues its efforts toward a community corrections model.

## JUVENILE PAROLE BOARD

The purpose of the juvenile parole board program is to provide fair and impartial hearings through reviews to incarcerated youth so they can mainstream into society as law-abiding citizens.

### PERFORMANCE MEASURES

		<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Budget</b>	<b>FY06 Request</b>	<b>FY06 Recomm</b>
* Output	Percent of increase in the number of parole hearings	*	21%	10%	10%	10%
* Output	Percent of total residents placed on the hearing agenda by juvenile parole board staff	*	37%	33%	40%	40%
* Output	Percent of facilities' population paroled	*	73%	60%	60%	60%
* Outcome	Percent of residents paroled who successfully complete the conditions of their parole	*	60%	50%	50%	60%

## CORRECTIONS DEPARTMENT

770

### STATUTORY AUTHORITY:

The purpose of the Corrections Department Act, as outlined in Sections 9-3-1 through 9-3-12 NMSA 1978, is to create a single, unified department to administer all laws and exercise all functions formerly administered and exercised by the Corrections and Criminal Rehabilitation Department and to ensure a comprehensive criminal justice system in New Mexico.

### MISSION:

The mission of the New Mexico Corrections Department is to provide a balanced system approach to corrections from incarceration to community-based supervision with training, education, programs and services that provide opportunities for offenders to transition to communities.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	202,480.9	207,567.3	222,567.7	215,406.8	3.8
Other Transfers	1,265.0	1,058.9	715.8	715.8	-32.4
Fed Program Revenues	1,390.9	2,158.7	1,711.6	1,685.9	-21.9
Other Program Revenues	3,284.3	3,348.2	3,487.7	3,487.7	4.2
Enterprise Program Rev	3,837.4	4,941.4	5,691.8	5,686.5	15.1
General Revenues	8,387.3	9,535.5	9,464.2	8,235.5	-13.6
Extraord/Special	1,110.7	0.0	0.0	0.0	
Fund Balance	978.7	672.0	581.1	481.1	-28.4
<b>SOURCES TOTAL</b>	<b>222,735.2</b>	<b>229,282.0</b>	<b>244,219.9</b>	<b>235,699.3</b>	<b>2.8</b>
<b>USES</b>					
Personal Services/Empl Benefit	100,929.0	110,591.7	115,946.9	111,255.0	0.6
Contractual Services	29,044.6	30,699.9	32,916.8	31,886.5	3.9
Other	90,157.2	86,576.5	94,027.5	92,457.8	6.8
Other Financing Uses	1,356.6	1,413.9	1,328.7	100.0	-92.9
<b>TOTAL USES</b>	<b>221,487.4</b>	<b>229,282.0</b>	<b>244,219.9</b>	<b>235,699.3</b>	<b>2.8</b>
<b>FTE</b>					
Permanent	2,241.5	2,273.5	2,297.5	2,285.5	0.5
Term	56.5	46.5	51.5	51.5	10.8
<b>TOTAL FTE POSITIONS</b>	<b>2,298.0</b>	<b>2,320.0</b>	<b>2,349.0</b>	<b>2,337.0</b>	<b>0.7</b>

### BUDGET ISSUES:

Department strategies to slow inmate population growth appear to be working with the release of 248 in-house parolees to outside supervision and projected inmate growth at 2.3 percent for FY06. Nevertheless, NMCD will need additional capacity in a year or less. The LFC recommendation fully funds the department's estimates in inmate population growth.

NMCD averaged a vacancy rate of around 10 percent in FY04. LFC recommends an applied overall vacancy rate of 3.83 percent for the agency in FY06.

The committee recommends a special appropriation of \$3.8 million to pay off the remaining balance of a lease purchase agreement for NMCD's central administration office. Payment of the principal balance would save the state \$683 thousand in interest charged at 7.85 percent. Also, FY06 savings would result from the annual payment which is \$1.2 million.

LFC recommends restoring liability rates to the FY05 level for agencies with assessments in excess of \$100 thousand including NMCD in the amount of \$517 thousand compared to the agency request of \$1.2 million.

**BASE EXPANSION:**

NMCD has an expansion request for \$5.6 million for out-of-system beds. NMCD was funded for 6,254 inmates for FY05. As of September 30, 2004, there are 6,431 inmates in New Mexico correctional facilities. Even with a \$1.5 million contingency appropriation, the department was under-funded for out-of-system prison beds. The committee recommends the \$5.6 million expansion for out-of-system beds.

NMCD has an expansion request for \$2 million for the medical contract due to inmate growth. The department based this on 7 percent inflation. Other state agencies and contractors are not factoring an inflation rate for medical expenses in FY06. The committee recommends \$1 million for the medical contract expansion.

NMCD has an expansion request for \$1.1 million for 24 FTE probation and parole officers. The number of parole and probation clients has increased by 26 percent since FY99. The FY05 first-quarter key performance measure data shows the current average caseload of a probation and parole officer to be 85. The committee recommends \$455 thousand for 12 FTE probation and parole officers and also recommends a 2 percent pay increase for all probation and parole officers in FY06.

**RECOMMENDED LANGUAGE:**

The general fund appropriations to the inmate management and control program of the corrections department include twenty-eight million six hundred seventeen thousand dollar (\$28,617,000) for medical services, a comprehensive medical contract and other health-related expenses.

The general fund appropriations to the inmate and control program of the corrections department include fifty-three million four hundred eleven thousand one hundred dollars (\$53,411,100) to be used only for housing inmates in privately operated facilities.

The general fund appropriations to the inmate programming program of the corrections department include one million four hundred fifty thousand dollars (\$1,450,000) to provide residential treatment, mental health, substance abuse, parenting and reintegration services for women under the supervision of the probation and parole division and their children as appropriate.

The general fund appropriations to the community offender management program of the corrections department include three hundred fifty thousand dollars (\$350,000) for the residential evaluation and treatment center at Fort Stanton as a sentencing alternative to incarceration for selected nonviolent prisoners and parole violators.

The general fund appropriations to the community offender management program of the corrections department include four hundred fifty-two thousand five hundred dollars (\$452,500) to continue treatment services for drug court.

No more than one million dollars (\$1,000,000) of the general fund appropriations to the community offender management program of the corrections department shall be used for detention costs for parole violators.

The appropriations for the community corrections vendor-run program of the corrections department are appropriated to the community corrections grant fund.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<u>Agency Rank</u>		<u>(Division)</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>
1	Private prison cost due to inmate growth	(IMC)	5,600.0	5,600.0
2	Medical contract due to inmate growth	(IMC)	2,000.0	1,000.0
3	<u>Additional probation and parole officers</u>	<u>(CCOM)</u>	<u>1,100.0</u>	<u>454.8</u>
<b>TOTAL</b>			<b>8,700.0</b>	<b>7,054.8</b>



## INMATE MANAGEMENT AND CONTROL

The purpose of the inmate management and control program is to incarcerate in a humane, professionally sound manner offenders sentenced to prison and to provide safe and secure prison operations. This includes quality hiring and in-service training of corrections officers, protecting the public from escape risks and protecting prison staff, contractors and inmates from violence exposure to the extent possible within budgetary resources.

### BUDGET SUMMARY (dollars in thousands)

	FY06 - 2005-2006				
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	166,327.4	168,191.6	180,874.5	174,720.9	3.9
Other Transfers	132.0	303.9	225.0	225.0	-26.0
Fed Program Revenues	1,131.7	500.0	0.0	0.0	-100.0
Other Program Revenues	2,275.5	2,310.8	2,356.7	2,356.7	2.0
General Revenues	7,150.3	8,173.1	8,209.4	8,209.4	0.4
Extraord/Special	784.8	0.0	0.0	0.0	
Fund Balance	0.0	49.6	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>177,801.7</b>	<b>179,529.0</b>	<b>191,665.6</b>	<b>185,512.0</b>	<b>3.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	74,414.2	80,859.9	84,071.5	80,519.1	-0.4
Contractual Services	28,026.1	29,130.8	31,203.2	30,172.9	3.6
Other	74,759.5	69,528.3	76,390.9	74,820.0	7.6
Other Financing Uses	0.0	10.0	0.0	0.0	-100.0
<b>TOTAL USES</b>	<b>177,199.8</b>	<b>179,529.0</b>	<b>191,665.6</b>	<b>185,512.0</b>	<b>3.3</b>
<b>FTE</b>					
Permanent	1,672.0	1,679.0	1,683.0	1,683.0	0.2
Term	18.0	18.0	22.0	22.0	22.2
<b>TOTAL FTE POSITIONS</b>	<b>1,690.0</b>	<b>1,697.0</b>	<b>1,705.0</b>	<b>1,705.0</b>	<b>0.5</b>

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Outcome	Percent turnover of correctional officers	9.97%	11.80%	13%	15%	13%
* Outcome	Percent of female offenders successfully released in accordance with their scheduled release date			95%	95%	95%
* Output	Percent of inmates testing positive or refusing the random monthly drug test	.92%	1.33%	<=5%	<=5%	<=5%
* Output	Graduation rate of correctional officer cadets from the corrections department training academy	83%	79%	78%	78%	78%
* Output	Number of cadets entering corrections department training academy	236	215	221	200	210
Output	Percent of monthly participants in the residential program for women dually diagnosed with mental illness and substance abuse compared with available beds		61%	95%		
* Output	Percent of participants in the residential program for women dually diagnosed with mental illness and substance abuse issues; and women dually diagnosed who have children				85%	85%
* Efficiency	Daily cost per inmate, in dollars	\$80.98	final 12/04	\$88.27	\$88.27	\$88.27

## **INMATE PROGRAMMING**

The purpose of the inmate programming program is to provide motivated inmates the opportunity to participate in appropriate programs and services so they have less propensity toward inmate violence while incarcerated and the opportunity to acquire living skills and links to community support systems that can assist them on release.

### **BUDGET SUMMARY (dollars in thousands)**

			<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
	<b><u>FY04 2003-2004 Actuals</u></b>	<b><u>FY05 2004-2005 Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	8,631.4	9,641.1	9,890.5	9,610.6	-0.3
Other Transfers	660.9	537.8	280.6	280.6	-47.8
Fed Program Revenues	259.2	571.4	673.5	658.9	15.3
Other Program Revenues	5.5	4.4	5.5	5.5	25.0
Extraord/Special	91.0	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>9,648.0</b>	<b>10,754.7</b>	<b>10,850.1</b>	<b>10,555.6</b>	<b>-1.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	6,735.1	7,572.3	7,502.2	7,207.7	-4.8
Contractual Services	547.8	1,044.3	1,186.7	1,186.7	13.6
Other	1,419.2	2,138.1	2,161.2	2,161.2	1.1
<b>TOTAL USES</b>	<b>8,702.0</b>	<b>10,754.7</b>	<b>10,850.1</b>	<b>10,555.6</b>	<b>-1.9</b>
<b>FTE</b>					
Permanent	124.5	129.5	125.5	125.5	-3.1
Term	20.5	10.5	11.5	11.5	9.5
<b>TOTAL FTE POSITIONS</b>	<b>145.0</b>	<b>140.0</b>	<b>137.0</b>	<b>137.0</b>	<b>-2.1</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget baseline</u></b>	<b><u>FY06 Request 40%</u></b>	<b><u>FY06 Recomm 40%</u></b>
* Outcome	Recidivism rate of the success for offenders after release program by thirty-six months					
* Output	Number of inmates who successfully complete general equivalency diploma	97	143	125	125	125
* Output	Average number of inmates enrolled in cognitive education, pre-release planning and literacy skills per year	686	690	900	700	700
* Output	Percentage of reception diagnostic center intake inmates who receive substance abuse screening	8%	100%	99%	99%	99%
* Output	Annual number of inmates enrolled in adult basic education	1746	1685	1350	1350	1500
* Output	Number of inmates enrolled into the success for offenders after release program	250	232	500	500	500

## **CORRECTIONS INDUSTRIES**

The purpose of the corrections industries program is to provide training and work experience opportunities for inmates in order to instill a quality work ethic and to prepare them to perform effectively in an employment position and to reduce idle time of inmates while in prison.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		<b>Percent</b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
Enterprise Program Rev	3,837.4	4,941.4	5,691.8	5,686.5	15.1
General Revenues	28.0	58.5	26.1	26.1	-55.4
Extraord/Special	4.2	0.0	0.0	0.0	
Fund Balance	460.1	481.1	481.1	481.1	0.0
<b>SOURCES TOTAL</b>	<b>4,329.7</b>	<b>5,481.0</b>	<b>6,199.0</b>	<b>6,193.7</b>	<b>13.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,791.6	1,923.8	2,027.5	2,022.2	5.1
Contractual Services	0.2	20.6	27.1	27.1	31.6
Other	2,455.6	3,436.6	4,044.4	4,044.4	17.7
Other Financing Uses	77.7	100.0	100.0	100.0	0.0
<b>TOTAL USES</b>	<b>4,325.1</b>	<b>5,481.0</b>	<b>6,199.0</b>	<b>6,193.7</b>	<b>13.0</b>
<b>FTE</b>					
Permanent	33.0	33.0	33.0	33.0	0.0
Term	4.0	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>37.0</b>	<b>37.0</b>	<b>37.0</b>	<b>37.0</b>	<b>0.0</b>

<b>PERFORMANCE MEASURES</b>					
		<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>
* Outcome	Profit and loss ratio	-6.3% loss	-6.0% loss	break even	break even
* Outcome	Percent of inmates employed	7.26%	6.12%	7.40%	7.40%

## **COMMUNITY OFFENDER MANAGEMENT**

The purpose of the community offender management program is to provide programming and supervision to offenders on probation and parole with increased emphasis on high-risk offenders to better ensure the probability of them becoming law-abiding citizens to protect the public from undue risk and to provide intermediate sanctions and post-incarceration support services as a cost-effective alternative to incarceration.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		<b>Percent</b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	17,894.1	19,509.5	20,881.1	20,320.1	4.2
Other Transfers	261.9	0.0	0.0	0.0	
Fed Program Revenues	0.0	1,087.3	1,038.1	1,027.0	-5.5
Other Program Revenues	954.9	1,016.5	1,059.0	1,059.0	4.2
Extraord/Special	161.8	0.0	0.0	0.0	
Fund Balance	0.0	41.3	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>19,272.7</b>	<b>21,654.6</b>	<b>22,978.2</b>	<b>22,406.1</b>	<b>3.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	13,030.1	14,656.6	15,728.2	15,154.9	3.4
Contractual Services	137.6	142.9	148.1	148.1	3.6
Other	6,687.5	6,855.1	7,101.9	7,103.1	3.6
Other Financing Uses	46.5	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>19,901.7</b>	<b>21,654.6</b>	<b>22,978.2</b>	<b>22,406.1</b>	<b>3.3</b>

<b>FTE</b>					
Permanent	320.0	323.0	346.0	334.0	3.4
Term	14.0	14.0	14.0	14.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>334.0</b>	<b>337.0</b>	<b>360.0</b>	<b>348.0</b>	<b>3.3</b>

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of out-of-office contacts per month with offenders on high and extreme supervision on standard caseloads			90%	90%	90%
* Quality	Average standard caseload per probation and parole officer	77	92	77	80	80
* Quality	Average specialized program caseload per probation and parole officer	21	31	30	30	30
* Quality	Average intensive supervision program caseload per probation and parole officer		22	20	20	20

#### COMMUNITY CORRECTIONS/VENDOR RUN

The purpose of the community corrections/vendor run program is to provide selected offenders on probation and parole with residential and nonresidential service settings and to provide intermediate sanctions and post-incarceration support services as a cost-effective alternative to incarceration without undue risk to the public.

#### BUDGET SUMMARY (dollars in thousands)

	<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>FY06 - 2005-2006 Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>					
General Fund Transfers	3,667.2	3,667.2	3,617.2	3,695.8	0.8
Other Program Revenues	0.0	0.0	50.0	50.0	
Fund Balance	518.6	100.0	100.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>4,185.8</b>	<b>3,767.2</b>	<b>3,767.2</b>	<b>3,745.8</b>	<b>-0.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	0.0	2.2	776.7	755.3	34231.8
Contractual Services	147.2	106.5	92.8	92.8	-12.9
Other	3,813.8	3,658.5	2,897.7	2,897.7	-20.8
<b>TOTAL USES</b>	<b>3,961.0</b>	<b>3,767.2</b>	<b>3,767.2</b>	<b>3,745.8</b>	<b>-0.6</b>
<b>FTE</b>					
Permanent	0.0	17.0	17.0	17.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>0.0</b>	<b>17.0</b>	<b>17.0</b>	<b>17.0</b>	<b>0.0</b>

#### PERFORMANCE MEASURES

		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Output	Number of successful completions per year from male residential treatment center at Fort Stanton		93	74	74	74
* Output	Number of terminations per year from male residential treatment center at Fort Stanton		15	10	10	10
* Output	Number of transfers or other noncompletions per year from male residential treatment center at Fort Stanton		7	12	12	12

## PROGRAM SUPPORT

The purpose of program support is to provide quality administrative support and oversight to the department operating units to ensure a clean audit, effective budget, personnel management and cost-effective management information system services.

BUDGET SUMMARY (dollars in thousands)					
FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
<b>SOURCES</b>					
General Fund Transfers	5,960.8	6,557.9	7,304.4	7,059.4	7.6
Other Transfers	210.2	217.2	210.2	210.2	-3.2
Other Program Revenues	48.4	16.5	16.5	16.5	0.0
General Revenues	1,209.0	1,303.9	1,228.7	0.0	-100.0
Extraord/Special	68.9	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>7,497.3</b>	<b>8,095.5</b>	<b>8,759.8</b>	<b>7,286.1</b>	<b>-10.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	4,958.1	5,576.9	5,840.8	5,595.8	0.3
Contractual Services	185.7	254.8	258.9	258.9	1.6
Other	1,021.6	959.9	1,431.4	1,431.4	49.1
Other Financing Uses	1,232.4	1,303.9	1,228.7	0.0	-100.0
<b>TOTAL USES</b>	<b>7,397.8</b>	<b>8,095.5</b>	<b>8,759.8</b>	<b>7,286.1</b>	<b>-10.0</b>
<b>FTE</b>					
Permanent	92.0	92.0	93.0	93.0	1.1
<b>TOTAL FTE POSITIONS</b>	<b>92.0</b>	<b>92.0</b>	<b>93.0</b>	<b>93.0</b>	<b>1.1</b>

PERFORMANCE MEASURES						
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u> baseline	FY06 <u>Recomm</u> baseline
Outcome	Number of prisoners reincarcerated within twelve, twenty-four or thirty-six months after being discharged from the New Mexico corrections department prison system or released into community supervision					
Outcome	Number of inmates placed into the sanctioned parole violator program, instead of going to prison				baseline	baseline
Output	Number of meetings of recidivism task force required to formulate an action plan with timetables that identify the corrections department recidivism rate, to formulate an action plan for a ten percent reduction in male and female recidivism and to report progress quarterly to the department of finance and administration and the legislative finance committee		4	6		
* Quality	Percent of employee files that contain performance appraisal development plans completed and submitted within the evaluation period	98.41%	100%	99%	90%	95%

## CRIME VICTIMS REPARATION COMMISSION

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### STATUTORY AUTHORITY:

The Crime Victims Reparation Commission was created by Section 31-22-4 NMSA 1978 to provide a mechanism for compensating crime victims or their dependents for death or bodily injury resulting from violent crimes. Eligibility for reparation awards, limits on the award per victim, and required deductions for payments received from collateral sources are specified by law. The commission board consists of five gubernatorial appointees and operates under the Crime Victims Reparation Act (Section 31-22-1 through 31-22-24 NMSA 1978). The authority to administer the federal Victims of Crime Act grant and the S.T.O.P. Violence Against Women Act grant is through executive orders.

### MISSION:

To assist victims of violent crime by providing reimbursement for certain eligible expenses related to the crime and by making distributions of federal grants in accordance with federal guidelines, which assist victims of crime.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY06 – 2005-2006</b>				
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	1,697.7	1,726.3	1,807.6	1,799.7	4.3
Fed Program Revenues	5,083.0	5,154.3	4,589.8	4,589.8	-11.0
Other Program Revenues	459.8	400.0	700.0	700.0	75.0
Fund Balance	72.9	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>7,313.4</b>	<b>7,280.6</b>	<b>7,097.4</b>	<b>7,089.5</b>	<b>-2.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	827.1	910.8	974.5	966.6	6.1
Contractual Services	206.0	224.1	224.4	224.4	0.1
Other	5,339.3	5,108.3	5,104.0	5,104.0	-0.1
Other Financing Uses	886.9	1,037.4	794.5	794.5	-23.4
<b>TOTAL USES</b>	<b>7,259.3</b>	<b>7,280.6</b>	<b>7,097.4</b>	<b>7,089.5</b>	<b>-2.6</b>
<b>FTE</b>					
Permanent	15.0	15.0	16.0	16.0	6.7
Term	4.0	4.0	4.0	4.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>19.0</b>	<b>19.0</b>	<b>20.0</b>	<b>20.0</b>	<b>5.3</b>

### BUDGET ISSUES:

The Crime Victim Reparation Commission's FY06 budget request is 65 percent federal program revenues. The federal program revenues for FY06 decreased by \$564 thousand or 11 percent. The federal grants are budgeted over three years and, due to increases in victim payments, are being spent at a faster rate than budgeted. Also, the Victim Compensation Program shows no federal revenue but the budget does have a line item for federal grants.

### BASE EXPANSION:

The Crime Victims Reparation Commission requested 1 additional FTE for a restitution recovery officer position. By statute the commission is entitled to receive 15 percent of inmate wages plus court-ordered restitution. Collections of these funds have remained level over the past several years. The restitution recovery officer would monitor and track these collections. The commission has found that other states with similar positions have doubled and tripled fund collections over time. The commission is confident the position will fund itself and increase "care and support" of victims by \$200 thousand as reflected in their FY06 budget request. The position will help the agency accommodate anticipated increases in victim payments and depleting federal funds. Staff recommends support for the base expansion request for a restitution recovery officer.

**BASE EXPANSION LISTING  
FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Restitution Recovery Officer (1-FTE)	(VCP)	38.5	38.5

**VICTIM COMPENSATION**

The purpose of the victim compensation program is to provide financial assistance and information to victims of violent crime in New Mexico so they can receive services to restore their lives.

**BUDGET SUMMARY  
(dollars in thousands)**

	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>FY06 - 2005-2006 Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	1,697.7	1,726.3	1,807.6	1,799.7	4.3
Other Program Revenues	459.8	400.0	700.0	700.0	75.0
Fund Balance	72.9	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>2,230.4</b>	<b>2,126.3</b>	<b>2,507.6</b>	<b>2,499.7</b>	<b>17.6</b>
<b>USES</b>					
Personal Services/Empl Benefit	636.1	710.9	770.1	762.2	7.2
Contractual Services	196.4	205.2	205.5	205.5	0.1
Other	1,343.8	1,210.2	1,532.0	1,532.0	26.6
<b>TOTAL USES</b>	<b>2,176.3</b>	<b>2,126.3</b>	<b>2,507.6</b>	<b>2,499.7</b>	<b>17.6</b>
<b>FTE</b>					
Permanent	15.0	15.0	16.0	16.0	6.7
<b>TOTAL FTE POSITIONS</b>	<b>15.0</b>	<b>15.0</b>	<b>16.0</b>	<b>16.0</b>	<b>6.7</b>

**PERFORMANCE MEASURES**

		<b>FY03 Actual</b>	<b>FY04 Actual</b>	<b>FY05 Budget</b>	<b>FY06 Request</b>	<b>FY06 Recomm</b>
Outcome	Percent increase in number of reparation applications received			2%	2%	2%
Output	Number of formal regional trainings conducted annually	9	7	8	8	8
Output	Number of formal internal staff trainings conducted annually	6	4	6	6	6
* Efficiency	Average number of days to process applications	182	183	<150	<150	<150
Efficiency	Percent of payment vouchers for care and support sent to department of finance and administration within two working days of receipt of payment list	96%	94%	90%	90%	90%

## **FEDERAL GRANT ADMINISTRATION**

The purpose of the federal grant administration program is to provide funding and training to non-profit victim providers and public agencies so they can provide services to victims of crime.

### **BUDGET SUMMARY (dollars in thousands)**

		FY06 - 2005-2006				
		FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES						
	Fed Program Revenues	5,083.0	5,154.3	4,589.8	4,589.8	-11.0
	<b>SOURCES TOTAL</b>	<b>5,083.0</b>	<b>5,154.3</b>	<b>4,589.8</b>	<b>4,589.8</b>	<b>-11.0</b>
USES						
	Personal Services/Empl Benefit	191.0	199.9	204.4	204.4	2.3
	Contractual Services	9.6	18.9	18.9	18.9	0.0
	Other	3,995.5	3,898.1	3,572.0	3,572.0	-8.4
	Other Financing Uses	886.9	1,037.4	794.5	794.5	-23.4
	<b>TOTAL USES</b>	<b>5,083.0</b>	<b>5,154.3</b>	<b>4,589.8</b>	<b>4,589.8</b>	<b>-11.0</b>
FTE						
	Term	4.0	4.0	4.0	4.0	0.0
	<b>TOTAL FTE POSITIONS</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>0.0</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Percent increase in number of service units provided to victims of violent crime by grant subrecipients			2%	2%	2%
Output	Number of training workshops conducted for subrecipients	9	7	8	8	8
Output	Number of statewide training conferences held for service providers and victim advocates	2	2	1	1	1
Efficiency	Percent of site visits conducted			30%	30%	30%
Efficiency	Percent of subrecipients that receive compliance monitoring via desk audits	80%	83%	80%	80%	80%
Efficiency	Number of working days to complete payment voucher after completion of drawdown	3	3	5	5	5



## DEPARTMENT OF PUBLIC SAFETY

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### STATUTORY AUTHORITY:

The Department of Public Safety (DPS) was created as a cabinet department in 1987. The reorganization sections are in the Department of Public Safety Act, Sections 9-19-1 through 9-19-11 NMSA 1978. The act incorporated the following law enforcement entities under a single organization: New Mexico State Police, Law Enforcement Academy, Alcoholic Beverage Control Enforcement, and the Civil Emergency Preparedness Division of the Department of Military Affairs. The Motor Transportation Division was formerly a part of the Taxation and Revenue Department and was transferred to DPS on July 1, 1998. Creating a cabinet department was intended to provide overall coordination and access for all law enforcement functions in the State of New Mexico.

### MISSION:

The mission of the Department of Public Safety (DPS) is to provide the best and most efficient law enforcement, support, and emergency services available to protect and secure the people of New Mexico in their lives, homes, and communities. DPS's areas of focus are driving while intoxicated (DWI), drug crime, violent crime, traffic safety, and emergency preparedness.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>FY06 – 2005-2006</b>		<b>Percent</b>
			<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	70,931.8	73,501.5	77,851.5	74,914.8	1.9
Other Transfers	18,267.6	11,220.0	11,469.4	11,469.4	2.2
Fed Program Revenues	26,836.0	52,046.8	37,958.6	40,310.1	-22.6
Other Program Revenues	1,906.0	2,526.8	2,980.4	2,980.4	18.0
Fund Balance	1,807.6	453.4	420.5	420.5	-7.3
<b>SOURCES TOTAL</b>	<b>119,749.0</b>	<b>139,748.5</b>	<b>130,680.4</b>	<b>130,095.2</b>	<b>-6.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	64,824.7	72,709.7	74,693.6	72,186.0	-0.7
Contractual Services	3,761.3	3,570.1	3,037.0	2,992.0	-16.2
Other	39,870.7	32,580.9	28,562.2	28,473.1	-12.6
Other Financing Uses	3,811.3	30,887.8	24,387.6	26,444.1	-14.4
<b>TOTAL USES</b>	<b>112,268.0</b>	<b>139,748.5</b>	<b>130,680.4</b>	<b>130,095.2</b>	<b>-6.9</b>
<b>FTE</b>					
Permanent	1,141.0	1,158.0	1,186.0	1,183.0	2.2
Term	89.0	106.0	104.0	104.0	-1.9
Temporary	0.0	31.5	31.1	31.1	-1.3
<b>TOTAL FTE POSITIONS</b>	<b>1,230.0</b>	<b>1,295.5</b>	<b>1,321.1</b>	<b>1,318.1</b>	<b>1.7</b>

### BUDGET ISSUES:

Legislature in 2004 adopted the executive recommendation for DPS in FY05 which was said to include sufficient funding to provide a 5 percent compensation increase for state police officers. DPS averaged a vacancy rate of 15 percent in FY04. The pay raise for state police officers is \$1.6 million and will require the Law Enforcement program to generate a vacancy savings rate of 2.6 percent in FY05 to cover the cost. As of August 29, 2004, the divisions within the law enforcement program were at the following vacancy rates: Special Investigation Division at 29 percent, Motor Transportation Division at 26 percent, and State Police at 5 percent.

In FY05, Public Safety Support received \$630 thousand from the appropriation contingency fund. This was due to legislation failing to pass regarding fees paid for criminal background checks. There were 370 unprocessed criminal background checks and 49,751 unprocessed fingerprint files at the end of FY04. LFC recommends support for legislation regarding fees paid for criminal background checks.

DPS requested \$37.9 million in federal program revenues for FY06. This is a reduction of \$14.1 million or 27 percent from the FY05 operating budget. The majority of the reduction comes from the Emergency Management program stemming from large amounts of Federal Emergency Management Agency (FEMA) money that is nonrecurring and a reduction in Office of Domestic Preparedness grants. However, DPS only requested \$40 thousand for state and federal forfeiture funds in FY06. In FY04, the department increased the operating budget through the Budget Adjustment Request process by a total of \$2.1 million to purchase equipment. LFC recommends adjusting the state and federal forfeiture funds to \$2.1 million to reflect actual spending in FY04.

The department's top three capital outlay priorities for FY06 are fleet replacement and maintenance (\$4.5 million), replacement of the automatic fingerprint identification system and interim distributing imaging system (\$3.5 million), and hazard mitigation (\$757 thousand).

In "Moving New Mexico Forward: Further Along," the administration highlights increasing fines for commercial vehicles. The current average penalty assessment fine for violations is \$114. The recommendation calls for doubling fines for the penalty assessment schedule. LFC supports the recommendation, which will positively impact the Taxation and Revenue Department with an increase in revenues estimated to be around \$1 million beginning in FY06.

LFC recommends restoring liability rates to the FY05 level for agencies with assessments in excess of \$100 thousand including DPS in the amount of \$1 million compared to the agency request of \$2 million.

#### **BASE EXPANSION:**

DPS submitted a program expansion request for \$500 thousand to fund a Mobile Strike Unit in the Special Investigation Division for alcohol enforcement. In FY05, the governor distributed a portion of the federal payments to New Mexico under Section 401(b) of the Jobs and Growth Tax Relief Reconciliation Act of 2003 to DPS for the unit. DPS requested the expansion of base budget to continue funding of the Mobile Strike Unit. The expansion would fund 6 permanent FTE, outside analysis of effectiveness of projects, and other miscellaneous costs. The committee recommends the expansion request for a Mobile Strike Unit for alcohol enforcement.

The Accountability and Compliance Support program received a general fund appropriation in FY05 for \$350 thousand to fund 4 FTE. That included one position to coordinate statewide efforts to prevent driving while intoxicated, which became the DWI czar position. Later on, a drug czar was also designated out of the 4 initial FTE. Also, DPS received \$70 thousand of the 2003 federal payment to New Mexico for the drug and DWI czar operating expenses. The DPS submission for its FY06 base budget reflects \$350 thousand for salaries and operations pertaining to the DWI and drug czars. LFC considers the item to be an expansion and has extracted it from the base. The committee does not recommend the expansion for the DWI and drug czars. LFC recommends continued funding for coordination of statewide driving while-intoxicated and drug enforcement efforts out of the base budget.

#### **RECOMMENDED LANGUAGE:**

The internal services funds/interagency transfers appropriations to the law enforcement program of the department of public safety include seven million eight hundred sixty-one thousand nine hundred dollars (\$7,861,900) for the motor transportation division from the state road fund. Any unexpected or unencumbered balance in the department of public safety remaining at the end of fiscal year 2006 made from appropriations from the state road fund shall revert to the state road fund.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>		<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
*	DWI and drug czars (FTE-2)	(ACSP)	350.0	0.0
1	Mobile strike unit (FTE-6)	(LEP)	500.0	500.0
<b>TOTAL</b>			<b>850.0</b>	<b>500.0</b>

\* The department included this item in the base request. LFC considers the item to be expansion and has extracted it from the base.

## **LAW ENFORCEMENT**

The purpose of the law enforcement program is to provide the highest quality of law enforcement services to the public and ensure a safer state.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b>Actuals</b>	<b>FY05</b> <b>2004-2005</b> <b>Budgeted</b>	<b>Agency</b> <b>Request</b>	<b>LFC</b> <b>Recommendation</b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
General Fund Transfers	59,173.3	60,743.7	64,293.3	62,725.5	3.3
Other Transfers	16,673.1	10,498.0	11,169.2	11,169.2	6.4
Fed Program Revenues	6,569.8	5,322.6	4,540.4	7,128.2	33.9
Other Program Revenues	1,113.0	1,809.3	2,060.9	2,060.9	13.9
Fund Balance	1,792.7	420.5	420.5	420.5	0.0
<b>SOURCES TOTAL</b>	<b>85,321.9</b>	<b>78,794.1</b>	<b>82,484.3</b>	<b>83,504.3</b>	<b>6.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	55,146.8	60,650.7	62,709.7	61,688.2	1.7
Contractual Services	2,223.2	1,706.2	1,744.5	1,744.5	2.2
Other	21,754.2	16,417.2	17,990.1	17,975.1	9.5
Other Financing Uses	92.1	20.0	40.0	2,096.5	10382.5
<b>TOTAL USES</b>	<b>79,216.3</b>	<b>78,794.1</b>	<b>82,484.3</b>	<b>83,504.3</b>	<b>6.0</b>
<b>FTE</b>					
Permanent	980.0	997.0	1,024.0	1,024.0	2.7
Term	46.0	57.0	58.0	58.0	1.8
Temporary	0.0	31.5	31.1	31.1	-1.3
<b>TOTAL FTE POSITIONS</b>	<b>1,026.0</b>	<b>1,085.5</b>	<b>1,113.1</b>	<b>1,113.1</b>	<b>2.5</b>

<b>PERFORMANCE MEASURES</b>						
		<b>FY03</b> <b>Actual</b>	<b>FY04</b> <b>Actual</b>	<b>FY05</b> <b>Budget</b>	<b>FY06</b> <b>Request</b>	<b>FY06</b> <b>Recomm</b>
* Outcome	Ratio of New Mexico traffic death rate to national death rate on highways per one hundred million vehicle miles driven and averaged over five years	1.92	NA	1.7	1.27	1.27
* Outcome	Ratio of serious commercial motor vehicle crashes per one hundred million miles driven and averaged over five years	27.1	26.6	26.1	26.1	26.1
* Outcome	Ratio of New Mexico alcohol-related deaths to national alcohol-related deaths per one hundred million vehicle miles driven and averaged over five years	1.48	NA	1.42	1.42	1.42
* Outcome	Ratio of New Mexico illegal drug-related deaths to national illegal drug-related deaths per one hundred thousand population and averaged over five years	0.94	NA	1.66	1.66	1.66
Outcome	Number of investigations of suspected and reported methamphetamine laboratory activity per year	94	80	84	88	88
Output	Percent of commissioned law enforcement officers trained in crimes against children		8.21%	10%	10%	10%
Output	Percent of commissioned law enforcement officers trained in domestic violence		8.21%	15%	15%	15%
Output	Percent increase in sobriety checkpoints per year		2.9%	4.9%	5.0%	5.0%
* Output	Number of driving while intoxicated arrests per year	4,132	2,780	3,191	3,510	3,510
* Output	Number of repeat driving while intoxicated arrests per year	2,446	2,127	2,127	2,340	2,200

## **PUBLIC SAFETY SUPPORT**

The purpose of the public safety support program is to provide statewide training, criminal record services, forensic and emergency management support to law enforcement, government agencies and the general public to maintain and improve overall public safety in New Mexico.

### **BUDGET SUMMARY (dollars in thousands)**

FY06 - 2005-2006					
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	Percent Incr (Decr)
SOURCES					
General Fund Transfers	3,022.1	3,429.8	3,429.8	3,094.0	-9.8
Other Transfers	400.0	0.0	0.0	0.0	
Fed Program Revenues	1,215.1	1,148.8	1,246.2	1,190.3	3.6
Other Program Revenues	661.9	584.1	781.7	781.7	33.8
SOURCES TOTAL	5,299.1	5,162.7	5,457.7	5,066.0	-1.9
USES					
Personal Services/Empl Benefit	2,842.4	3,668.8	3,604.3	3,231.8	-11.9
Contractual Services	559.3	706.3	625.0	625.0	-11.5
Other	1,036.1	787.6	1,080.8	1,061.6	34.8
Other Financing Uses	1.4	0.0	147.6	147.6	
TOTAL USES	4,439.2	5,162.7	5,457.7	5,066.0	-1.9
FTE					
Permanent	50.0	50.0	50.0	50.0	0.0
Term	12.0	12.0	11.0	11.0	-8.3
TOTAL FTE POSITIONS	62.0	62.0	61.0	61.0	-1.6

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of crime laboratory compliance compared with american society of crime laboratory director's standards	100%	100%	100%	100%	100%
Outcome	Percent reduction in the backlog of criminal history records that need to be entered into the criminal history system		0%	0%	1%	5%
Outcome	Percent compliance with the new international standards organization 17025 standards for testing laboratories				75%	75%
Outcome	Number of crime lab training seminars provided for law enforcement agencies per year				3	3
* Output	Number of unprocessed deoxyribonucleic acid cases	181	4	100	0	0
* Output	Number of unprocessed firearms cases	70	17	90	0	0
* Output	Number of unprocessed fingerprint files		49,751	51,000	51,000	50,000
* Output	Number of unprocessed criminal background checks		370	0	0	0
Output	Number of days turn around time on all case work for the deoxyribonucleic acid, latent prints and firearms sections of the crime lab				60	45
Output	Number of backlogged cases reduced in the chemistry section				99	99

## **INFORMATION TECHNOLOGY**

The purpose of the information technology program is to ensure access to information and to provide reliable and timely information technology services to the department of public safety programs, law enforcement and other government agencies in their commitment to build a safer, stronger New Mexico.

### **BUDGET SUMMARY** (dollars in thousands)

	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
			<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	2,764.0	2,618.7	2,813.4	2,662.9	1.7
Other Transfers	850.0	402.8	0.0	0.0	-100.0
Fed Program Revenues	437.0	175.2	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>4,051.0</b>	<b>3,196.7</b>	<b>2,813.4</b>	<b>2,662.9</b>	<b>-16.7</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,783.6	2,120.5	2,090.6	1,980.1	-6.6
Contractual Services	688.1	531.9	40.0	0.0	-100.0
Other	1,074.0	544.3	682.8	682.8	25.4
Other Financing Uses	2.8	0.0	0.0	0.0	
<b>TOTAL USES</b>	<b>3,548.5</b>	<b>3,196.7</b>	<b>2,813.4</b>	<b>2,662.9</b>	<b>-16.7</b>
<b>FTE</b>					
Permanent	33.0	33.0	33.0	33.0	0.0
Term	0.0	1.0	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>33.0</b>	<b>34.0</b>	<b>33.0</b>	<b>33.0</b>	<b>-2.9</b>

### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of operability for all mission-critical software applications residing on agency servers		99.9%	90%	99%	99%
Output	Percent of total help desk calls resolved within four hours				98%	98%

## **OFFICE OF EMERGENCY MANAGEMENT**

The purpose of the office of emergency management program is to provide for and coordinate an integrated, statewide, comprehensive emergency management system for New Mexico including all agencies, branches and levels of government for the citizens of the state.

### **BUDGET SUMMARY** (dollars in thousands)

	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
			<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	
<b>SOURCES</b>					
General Fund Transfers	949.3	1,116.1	1,116.1	1,020.8	-8.5
Other Transfers	261.3	255.7	217.0	217.0	-15.1
Fed Program Revenues	14,963.4	40,143.9	27,756.2	27,645.8	-31.1
<b>SOURCES TOTAL</b>	<b>16,174.0</b>	<b>41,515.7</b>	<b>29,089.3</b>	<b>28,883.6</b>	<b>-30.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,337.3	1,948.6	1,714.4	1,513.7	-22.3
Contractual Services	138.3	512.0	475.0	475.0	-7.2
Other	10,983.7	8,187.3	2,699.9	2,694.9	-67.1
Other Financing Uses	3,710.6	30,867.8	24,200.0	24,200.0	-21.6
<b>TOTAL USES</b>	<b>16,169.9</b>	<b>41,515.7</b>	<b>29,089.3</b>	<b>28,883.6</b>	<b>-30.4</b>
<b>FTE</b>					
Permanent	7.0	7.0	7.0	7.0	0.0
Term	20.0	25.0	25.0	25.0	0.0
<b>TOTAL FTE POSITIONS</b>	<b>27.0</b>	<b>32.0</b>	<b>32.0</b>	<b>32.0</b>	<b>0.0</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent compliance with fifty-four emergency management accreditation program standards endorsed by federal emergency management act		54%	95%	95%	95%
Outcome	Percent of filed superfund amendment and reauthorization act title III and title II reports compiled in the computer-aided management for emergency operations databases		98%	100%	100%	100%
Output	Number of emergency and disaster exercises conducted per year		15	16	16	16

### **ACCOUNTABILITY AND COMPLIANCE SUPPORT**

The purpose of the accountability and compliance program is to provide quality legal, administrative, financial, technical and auditing services to department of public safety programs in their commitment to building a safer, stronger New Mexico and to ensure the fiscal integrity and responsibility of those programs.

		BUDGET SUMMARY (dollars in thousands)				
				<u>FY06 - 2005-2006</u>		
		<u>FY04 2003-2004 Actuals</u>	<u>FY05 2004-2005 Budgeted</u>	<u>Agency Request</u>	<u>LFC Recommendation</u>	<u>Percent Incr (Decr)</u>
<b>SOURCES</b>						
	General Fund Transfers	5,023.1	5,593.2	6,198.9	5,411.6	-3.2
	Other Transfers	83.2	63.5	83.2	83.2	31.0
	Fed Program Revenues	3,650.7	5,256.3	4,415.8	4,345.8	-17.3
	Other Program Revenues	131.1	133.4	137.8	137.8	3.3
	Fund Balance	14.9	32.9	0.0	0.0	-100.0
	<b>SOURCES TOTAL</b>	<b>8,903.0</b>	<b>11,079.3</b>	<b>10,835.7</b>	<b>9,978.4</b>	<b>-9.9</b>
<b>USES</b>						
	Personal Services/Empl Benefit	3,714.6	4,321.1	4,574.6	3,772.2	-12.7
	Contractual Services	152.4	113.7	152.5	147.5	29.7
	Other	5,022.7	6,644.5	6,108.6	6,058.7	-8.8
	Other Financing Uses	4.4	0.0	0.0	0.0	
	<b>TOTAL USES</b>	<b>8,894.1</b>	<b>11,079.3</b>	<b>10,835.7</b>	<b>9,978.4</b>	<b>-9.9</b>
<b>FTE</b>						
	Permanent	71.0	71.0	72.0	69.0	-2.8
	Term	11.0	11.0	10.0	10.0	-9.1
	<b>TOTAL FTE POSITIONS</b>	<b>82.0</b>	<b>82.0</b>	<b>82.0</b>	<b>79.0</b>	<b>-3.7</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
Outcome	Percent of prior-year audit findings resolved	0%	33%	100%	100%	100%
Output	Percent of employee files that contain performance evaluation plans completed and submitted within thirty days of employee's anniversary date	100%	No Data	90%	100%	100%
Output	Number of grants management bureau compliance site visits made to each grantee per year		37	47	51	51
Output	Average number of days for the grants management bureau to process sub-grantee reimbursements, from the date request is received to approval and processed for payment		60	30	30	30

**STATUTORY AUTHORITY:**

Sections 67-1-1 through 67-16-14 NMSA 1978 codify the laws pertaining to the New Mexico Department of Transportation (NMDOT), State Transportation Commission, and highways and transportation in general. Article V, Section 14, of the Constitution of New Mexico, establishes the State Highway Commission. A constitutional amendment approved in November 2002 changed the name to the State Transportation Commission. Each of the six governor-appointed commissioners represents a highway district. The department is administered in accordance with the policies established by the commission and all applicable federal and state laws and regulations.

**MISSION:**

The department and the commission maintain responsibility for creating a comprehensive program of design, construction, and maintenance of the state's highway system. The department's mission is to use its personnel and technical and financial resources to facilitate a high-quality state transportation network.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
Fed Program Revenues	187,679.0	302,189.3	315,491.7	315,491.7	4.4
Other Program Revenues	345,001.3	395,833.4	408,267.2	408,267.2	3.1
General Revenues	0.0	676.0	0.0	0.0	-100.0
Fund Balance	7,386.5	8,698.9	6,669.3	6,669.3	-23.3
<b>SOURCES TOTAL</b>	<b>540,066.8</b>	<b>707,397.6</b>	<b>730,428.2</b>	<b>730,428.2</b>	<b>3.3</b>
<b>USES</b>					
Personal Services/Empl Benefit	107,237.7	126,100.6	132,718.6	127,559.7	1.2
Contractual Services	258,393.7	294,201.5	297,629.5	307,134.4	4.4
Other	236,991.9	279,201.5	292,186.1	287,840.1	3.1
Other Financing Uses	7,264.2	7,894.0	7,894.0	7,894.0	0.0
<b>TOTAL USES</b>	<b>609,887.5</b>	<b>707,397.6</b>	<b>730,428.2</b>	<b>730,428.2</b>	<b>3.3</b>
<b>FTE</b>					
Permanent	2,601.0	2,601.0	2,598.0	2,598.0	-0.1
Term	21.0	21.0	25.0	25.0	19.0
Temporary	51.5	51.5	50.5	50.5	-1.9
<b>TOTAL FTE POSITIONS</b>	<b>2,673.5</b>	<b>2,673.5</b>	<b>2,673.5</b>	<b>2,673.5</b>	<b>0.0</b>

**BUDGET ISSUES:**

The department request for \$730.4 million is 3.3 percent higher than the approved FY05 operating budget. NMDOT requested a 5.25 percent increase for salaries and benefits, which includes funding for all of its vacant positions (more than 400 FTE). The agency did not apply a vacancy factor to any program. Additionally, the request reflects growth in health insurance premiums well above any projected increase.

The committee recommends a 3.3 percent increase over the FY05 operating budget. The committee is concerned with the continued high level of vacancies within the department and its inability to fill these positions. While no positions are recommended for deletion, the committee has applied an appropriate vacancy rate of 3.25 percent. The department's programs necessitate that these vacant positions be filled expeditiously. The department is requested to report quarterly to the committee the status of vacancies and the specific activities being taken to address this issue.

Further, the committee provides \$9.9 million to address critical maintenance and reconstruction needs throughout the state on state highways in rural counties that may not qualify for prioritization through either GRIP or STIP funding. These roads typically are in rural areas with low traffic volumes. This \$9.9 million investment in the state construction program will allow the department to address concerns within the state's highway infrastructure. The committee recommends the current process be reevaluated

and allow either a funding source for the maintenance and reconstruction of these roads or allow for their reprioritization into STIP.

The planning process used by NMDOT in establishing a commuter rail route between Belen and Bernalillo is of major concern because of its lack of rideship analysis prior to the department's commitment to capital investment.

In FY06 the department requested that performance measures be adjusted to reflect the department's reorganization and those standards that assess their success or failure in the delivery of their programs. The committee concurs with these recommended changes.

## **INFRASTRUCTURE & PROGRAMS (CONSTRUCTION)**

The purpose of infrastructure and programs is to plan, design, operate and manage highway projects and transportation programs that provide a safe and sustainable multi-modal transportation infrastructure.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b><u>FY06 - 2005-2006</u></b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
Fed Program Revenues	181,313.0	287,459.7	304,955.8	304,955.8	6.1
Other Program Revenues	156,209.5	178,554.4	135,878.7	144,285.7	-19.2
Fund Balance	7,386.5	8,198.9	6,669.3	6,669.3	-18.7
<b>SOURCES TOTAL</b>	<b>344,909.0</b>	<b>474,213.0</b>	<b>447,503.8</b>	<b>455,910.8</b>	<b>-3.9</b>
<b>USES</b>					
Personal Services/Empl Benefit	41,769.6	51,811.6	22,662.0	21,389.0	-58.7
Contractual Services	210,848.9	243,302.3	243,631.7	253,541.8	4.2
Other	137,276.4	179,099.1	181,210.1	180,980.0	1.1
<b>TOTAL USES</b>	<b>389,894.9</b>	<b>474,213.0</b>	<b>447,503.8</b>	<b>455,910.8</b>	<b>-3.9</b>
<b>FTE</b>					
Permanent	972.0	968.0	388.0	388.0	-59.9
Term	15.0	15.0	12.0	12.0	-20.0
Temporary	31.8	32.1	1.0	1.0	-96.9
<b>TOTAL FTE POSITIONS</b>	<b>1,018.8</b>	<b>1,015.1</b>	<b>401.0</b>	<b>401.0</b>	<b>-60.5</b>

<b>PERFORMANCE MEASURES</b>						
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of front occupant seat belt use by the public	88%	88.5%	92%	92%	92%
Explanatory	Percent of programmed projects let	88%	60%	92%		
Explanatory	Time in calendar days between the date of physical completion of a project and the date of final payment	265	277	110		
Output	Number of airport improvement projects around the state	43	50	50		
Outcome	Fiscal year total dollar amount of airport projects completed in millions	\$19.07	\$16.5	\$16		
Outcome	Five-year capital improvement funding compared with needs		38%	29%		
Output	Annual rural public transportation ridership in thousands	623.6	600	671		
Output	Number of welfare to work transportation ridership	113,868	101,381	137,300		
Outcome	Number of head-on crashes per one hundred million vehicle miles traveled	2.71	2.71	2.15		
* Outcome	Number of traffic fatalities per hundred million vehicle miles traveled	1.90	2.09	1.45	0.55	0.55



* Output	Annual number of riders on park and ride		56,744	N/A	175,000	175,000
* Output	Revenue dollars per passenger on park and ride			N/A	\$1.60	1.60
* Quality	Percent of final cost-over-bid amount	4.1%	4.67%	4.0%	4.0%	4.0%
* Quality	Ride quality index for new construction	4.3	4.2	>=4.7	>=4.7	>=4.7
Outcome	Number of alcohol-involved fatalities per one hundred million vehicle miles traveled	.84	0.88	0.55		

### **TRANSPORTATION & HIGHWAY OPERATIONS (MAINTENANCE)**

The purpose of the transportation and highway operations program is to provide construction, maintenance, repair and improvements to the state's highway infrastructure to preserve roadway integrity and maintain open highway access throughout the state system.

#### **BUDGET SUMMARY (dollars in thousands)**

		FY06 - 2005-2006				Percent Incr (Decr)
		FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	
SOURCES						
	Fed Program Revenues	0.0	0.0	10,288.5	10,288.5	
	Other Program Revenues	140,074.8	158,543.2	219,018.7	211,964.2	33.7
	<b>SOURCES TOTAL</b>	<b>140,074.8</b>	<b>158,543.2</b>	<b>229,307.2</b>	<b>222,252.7</b>	<b>40.2</b>
USES						
	Personal Services/Empl Benefit	43,689.0	47,490.8	86,243.7	82,822.8	74.4
	Contractual Services	44,141.2	47,529.4	50,411.3	50,177.1	5.6
	Other	63,903.0	63,523.0	92,652.2	89,252.8	40.5
	<b>TOTAL USES</b>	<b>151,733.2</b>	<b>158,543.2</b>	<b>229,307.2</b>	<b>222,252.7</b>	<b>40.2</b>
FTE						
	Permanent	1,177.0	1,182.0	1,921.0	1,921.0	62.5
	Term	1.0	1.0	5.0	5.0	400.0
	Temporary	17.8	17.5	48.2	48.2	175.4
	<b>TOTAL FTE POSITIONS</b>	<b>1,195.8</b>	<b>1,200.5</b>	<b>1,974.2</b>	<b>1,974.2</b>	<b>64.4</b>

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Number of combined systemwide miles in deficient condition	3,581	3,206	<=2,500	<=2,500	<=2,500
* Output	Number of statewide improved pavement surface miles	5,000	5,361	5,000	5,000	5,000
Outcome	Number of noninterstate miles rated good	6,797	5,762	8,225		
Outcome	Number of interstate miles rated good	983	850	1,190		
Quality	Customer satisfaction levels at rest areas	83%	85%	88%		
Efficiency	Maintenance expenditures per lane mile of combined systemwide miles	\$5,250	\$6,864	\$5,250		

## **PROGRAM SUPPORT**

The purpose of the program support program is to provide business services that support management, development and operation of highway and transportation programs.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b><u>Actuals</u></b>	<b>FY05</b> <b>2004-2005</b> <b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
Fed Program Revenues	90.3	93.3	247.4	247.4	165.2
Other Program Revenues	36,465.2	50,399.8	53,369.8	52,017.3	3.2
Fund Balance	0.0	500.0	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>36,555.5</b>	<b>50,993.1</b>	<b>53,617.2</b>	<b>52,264.7</b>	<b>2.5</b>
<b>USES</b>					
Personal Services/Empl Benefit	20,237.9	25,012.8	23,812.9	23,347.9	-6.7
Contractual Services	1,478.9	1,463.6	3,586.5	3,415.5	133.4
Other	14,988.5	16,622.7	18,323.8	17,607.3	5.9
Other Financing Uses	7,264.2	7,894.0	7,894.0	7,894.0	0.0
<b>TOTAL USES</b>	<b>43,969.5</b>	<b>50,993.1</b>	<b>53,617.2</b>	<b>52,264.7</b>	<b>2.5</b>
<b>FTE</b>					
Permanent	424.0	423.0	289.0	289.0	-31.7
Term	0.0	0.0	8.0	8.0	
Temporary	1.9	1.9	1.3	1.3	-31.6
<b>TOTAL FTE POSITIONS</b>	<b>425.9</b>	<b>424.9</b>	<b>298.3</b>	<b>298.3</b>	<b>-29.8</b>

PERFORMANCE MEASURES						
		FY03	FY04	FY05	FY06	FY06
		<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Request</u>	<u>Recomm</u>
* Outcome	Percent of vacancy rate in all programs			N/A	2.5%	2.5%
Outcome	Number of workers' compensation claims	143	139	105		
Quality	Number of external audit findings		2	0		
Quality	Percent of prior-year audit findings resolved	75%	90%	100%		
Efficiency	Percent of payments made in less than thirty days	94%	98.9%	95%		

## **AVIATION**

<b>BUDGET SUMMARY</b> (dollars in thousands)					
<b>FY06 - 2005-2006</b>					
	<b>FY04</b> <b>2003-2004</b> <b><u>Actuals</u></b>	<b>FY05</b> <b>2004-2005</b> <b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b>Percent</b> <b>Incr</b> <b>(Decr)</b>
<b>SOURCES</b>					
Fed Program Revenues	271.7	150.0	0.0	0.0	-100.0
Other Program Revenues	7,830.2	1,748.5	0.0	0.0	-100.0
General Revenues	0.0	676.0	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>8,101.9</b>	<b>2,574.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	394.9	428.1	0.0	0.0	-100.0
Contractual Services	1,424.7	254.0	0.0	0.0	-100.0
Other	6,135.0	1,892.4	0.0	0.0	-100.0
<b>TOTAL USES</b>	<b>7,954.6</b>	<b>2,574.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>
<b>FTE</b>					
Permanent	7.0	7.0	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>7.0</b>	<b>7.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>

**TRAFFIC SAFETY****BUDGET SUMMARY**  
**(dollars in thousands)**

		<b><u>FY06 - 2005-2006</u></b>			
	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Fed Program Revenues	2,513.4	7,312.9	0.0	0.0	-100.0
Other Program Revenues	3,328.2	3,944.1	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>5,841.6</b>	<b>11,257.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	696.9	827.7	0.0	0.0	-100.0
Other	8,414.4	10,429.3	0.0	0.0	-100.0
<b>TOTAL USES</b>	<b>9,111.3</b>	<b>11,257.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>
<b>FTE</b>					
Permanent	14.0	14.0	0.0	0.0	-100.0
Term	3.0	3.0	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>17.0</b>	<b>17.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>

**PUBLIC TRANSPORTATION****BUDGET SUMMARY**  
**(dollars in thousands)**

		<b><u>FY06 - 2005-2006</u></b>			
	<b>FY04 2003-2004 <u>Actuals</u></b>	<b>FY05 2004-2005 <u>Budgeted</u></b>	<b><u>Agency Request</u></b>	<b><u>LFC Recommendation</u></b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Fed Program Revenues	3,490.6	7,173.4	0.0	0.0	-100.0
Other Program Revenues	1,093.4	2,643.4	0.0	0.0	-100.0
<b>SOURCES TOTAL</b>	<b>4,584.0</b>	<b>9,816.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	449.4	529.6	0.0	0.0	-100.0
Contractual Services	500.0	1,652.2	0.0	0.0	-100.0
Other	6,274.6	7,635.0	0.0	0.0	-100.0
<b>TOTAL USES</b>	<b>7,224.0</b>	<b>9,816.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>
<b>FTE</b>					
Permanent	7.0	7.0	0.0	0.0	-100.0
Term	2.0	2.0	0.0	0.0	-100.0
<b>TOTAL FTE POSITIONS</b>	<b>9.0</b>	<b>9.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-100.0</b>

**STATUTORY AUTHORITY:**

Statutory Authority: Article XII, Section I, of the New Mexico Constitution states a uniform system of free public schools sufficient for the education of and open to all the children of school age in the state shall be established and maintained. Statutory provisions related to public school education can be found in the Public School Code, Chapter 22 of the state statutes. Passage of an amendment to Article 12, Section 6, created a cabinet department headed by a secretary of public education and created an elected, advisory Public Education Commission. The secretary of public education is appointed by the governor and confirmed by the Senate. The secretary of public education has administrative and regulatory powers and duties, including all functions relating to the distribution of school funds and financial accounting for public schools.

**MISSION:**

To create and maintain a customer- focused organization that provides leadership, technical assistance, and quality assurance to improve performance for all students and close the achievement gap.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
			<b>FY06 – 2005-2006</b>		<b>Percent Incr (Decr)</b>
	<b>FY04 2003-2004 Actuals</b>	<b>FY05 2004-2005 Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	
<b>SOURCES</b>					
General Fund Transfers	10,193.2	11,493.3	15,928.5	11,636.2	1.2
Other Transfers	1,352.1	2,993.7	0.0	0.0	-100.0
Fed Program Revenues	16,017.7	16,860.5	17,018.5	16,944.5	0.5
Other Program Revenues	584.6	601.3	671.7	671.7	11.7
General Revenues	7.1	0.0	0.0	0.0	
<b>SOURCES TOTAL</b>	<b>28,154.7</b>	<b>31,948.8</b>	<b>33,618.7</b>	<b>29,252.4</b>	<b>-8.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	12,866.6	15,332.9	20,351.9	17,427.8	13.7
Contractual Services	13,616.9	10,483.2	9,829.1	9,075.6	-13.4
Other	2,164.2	3,212.6	3,149.2	2,460.5	-23.4
Other Financing Uses	3,024.8	2,920.1	288.5	288.5	-90.1
<b>TOTAL USES</b>	<b>31,672.5</b>	<b>31,948.8</b>	<b>33,618.7</b>	<b>29,252.4</b>	<b>-8.4</b>
<b>FTE</b>					
Permanent	175.2	175.2	236.2	197.2	12.6
Term	79.0	79.0	95.0	94.0	19.0
Temporary	0.2	0.2	2.6	2.6	1200.0
<b>TOTAL FTE POSITIONS</b>	<b>254.4</b>	<b>254.4</b>	<b>333.8</b>	<b>293.8</b>	<b>15.5</b>

**BUDGET ISSUES:**

The agency requested a 38.6 percent increase from the general fund for FY06, primarily for personal services and employee benefits. The agency applied a self-imposed 5 percent vacancy rate; the LFC recommendation applies an additional 3.5 percent vacancy factor for a total of 8.5 percent down from the current vacancy rate of 16 percent. The agency request did not include \$2.9 million in Temporary Assistance for Needy Families funds transferred from the Human Services Department for early childhood family education training programs, such as before-and after-school programs for children participating in the New Mexico Works Act. The majority of the general fund increase is for expansion of 47 permanent FTE and 14 permanent FTE in the agency base request previously funded as nonrecurring in FY05.

The Legislature in 2004 appropriated \$10.9 million in nonrecurring funds to support 30 public school reform initiatives for expenditures in FY04 and FY05. To date the department has spent or encumbered \$109 thousand of the total. Positions funded include the assistant secretary for Indian Education and the assistant secretary for Rural Education.

The agency implemented a partial reorganization in FY05 affecting the quality assurance and rural education bureaus approved by the Department of Finance and Administration. The committee requested the department provide a detailed plan of it's

proposed department-wide reorganization for review, however to date the agency has not provided the plan or the approved partial reorganization. The agency needs to be cognizant of the importance of keeping the Legislature informed of major changes to the operations of PED. The committee suggests the agency concentrate on (1) stabilizing current program areas; (2) improving PED's oversight activities for the 89 districts, including data assessment, reporting, and financial accountability; and (3) closing the achievement gap. This needs to be accomplished with available resources and might require the redirection of resources and prioritizing programs. It might also include reevaluating the current proposed reorganization plan that depicts a top-heavy administration.

During FY05 the agency reclassified 17 positions at a cost of \$61.9 thousand as part of the agency reorganization plan. Also, seven positions funded as special nonrecurring appropriations in FY05 are included in the FY06 base request as permanent and recurring as well as an additional seven positions approved by Department of Finance and Administration as part of the reorganization. As the No.1 priority for expansion the agency requested \$868.3 and 15 FTE.

The agency continues to work with LFC and the Department of Finance and Administration to improve its performance measures, establish targets, and prepare quarterly performance reports. Although PED is one of the "key" agencies, no quarterly report has been provided. The agency submitted their FY06 budget request with their strategic plan and performance measures by program areas stamped as draft.

A performance accountability data system project report was presented to the Legislative Finance Committee and the Legislative Education Study Committee on October 22, 2004. LFC, the Office of Education Accountability (OEA), PED, and LESC conducted joint needs assessment of New Mexico's performance accountability data system. The goal of the review was to (1) inventory performance accountability data systems at the state and public school district levels (2) examine the process for gathering, interpreting and using accountability data, and (3) provide recommendations to PED on how New Mexico can better meet the needs of accountability and student learning.

The report indicates PED and public school districts are struggling to meet accountability data requirements mandated by the federal government and the state and at the same time use data effectively to improve student achievement and financial effectiveness. States and public school districts nationwide are increasingly focusing on effective administration in education to direct the maximum funding possible to the classroom. The financial data framework, called the chart of accounts, must provide sufficient consistency and accuracy to allow conclusions to be drawn between public investment and associated gains and losses in achievement on a local, state, and national level. Schools districts must assign expenditures to programs in a consistent manner. The committee supports this recommendation in the information technology request.

#### **BASE EXPANSION:**

The committee recommends 4 FTE to support a comprehensive data warehouse project. This recommendation is contingent PED demonstrating performance through development of a strategic implementation plan, assignment of additional staff totally dedicated to the project, and periodic status reports. The recommendation includes 4 FTE for the No Child Left Behind Student Success framework, which will help to improve student achievement and close the achievement gap by providing diagnosis, prescription, and technical assistance to schools in need of improvement.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>	<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
01	PED reorganization (15.0 FTE)	868.3	0.0
02	NCLB student success: no excuses	1,163.2	272.0
03	NCLB database warehouse (4.0 FTE)	318.8	318.8
04	Charter school success(5.0 FTE)	385.5	0.0
05	Continuation of Title V (7.0 FTE)	380.6	0.0
06	Contracts	354.4	0.0
07	Standards for student excellence	150.0	0.0
08	Travel	100.0	0.0
09	data processing equipment	65.0	0.0
10	State match for Carl Perkins	60.0	0.0
11	Professional development for PED employees	50.0	0.0
12	Bilingual education (1.0 FTE)	74.0	0.0
<b>TOTAL</b>		<b>3,969.8</b>	<b>590.8</b>

## **PUBLIC EDUCATION DEPARTMENT**

The public education department is responsible for providing a public education to all students. The secretary of education is responsible to the governor for the operation of the department. It is her duty to manage all operations of the department and to administer and enforce the laws with which she or the department is charged. In order to do this the department is focusing on: leadership and support, productivity, building capacity, accountability, communication, and fiscal responsibility.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Percent of FY05 appropriated education reform initiatives completed on time and within budget			*	100%	100%
Outcome	Percent of educators accessing the status of their licensure application via the internet and telephone			*	*	
Outcome	Percent of teachers' adequately informed and trained on the preparation of the licensure advancement professional dossiers			*	80%	80%
Outcome	Percent of customers (districts and/or schools) interacting with the public education department will report satisfaction with their telephone communications with the New Mexico public education department			*	100%	100%
Outcome	Percent of criterion reference tests required by No Child Left Behind Act and New Mexico state statute will be developed and ready for distribution to school districts			*	100%	100%
Outcome	Percent of FY03 audit findings resolved and not repeated in the FY 04 audit			*	15%	15%
Outcome	Percent of FY03 audit findings resolved and not repeated in FY05 audit			*	100%	100%
Outcome	Completion of fiscal corrective action plan in FY05			*	90%	90%

**STATUTORY AUTHORITY:**

The Public School Facilities Authority (PSFA) was created in 2003 to staff the Public School Capital Outlay Council (PSCOC) pursuant to the Public School Capital Outlay Act, Section 22-24-9 NMSA 1978. Under the direction of PSCOC, the authority is responsible for providing assistance and oversight in administering the grant assistance, deficiencies correction, and statewide, standards-based programs; assisting school districts with the development and implementation of five-year master plans and preventive maintenance plans; and overseeing all state-funded public school construction. The director, versed in construction, architecture, or project management, is selected by the council. The director and two deputies are exempt employees; after July 1, 2005, all other employees of the authority shall be subject to the provisions of the Personnel Act.

**MISSION:**

The mission of PSFA is to support quality public education by encouraging and assisting school districts with the prudent planning, construction, and maintenance of appropriate physical environments to foster successful student learning and to involve active community participation in the educational process and to assist policymakers and New Mexico taxpayers with current and accurate financial and technical information and recommendations.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 – 2005-2006</b>		
	<b>Actuals</b>	<b>Budgeted</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>	<b>Percent Incr (Decr)</b>
<b>SOURCES</b>					
Other Transfers	4,020.1	3,683.6	4,881.5	4,722.4	28.2
<b>SOURCES TOTAL</b>	<b>4,020.1</b>	<b>3,683.6</b>	<b>4,881.5</b>	<b>4,722.4</b>	<b>28.2</b>
<b>USES</b>					
Personal Services/Empl Benefit	2,227.7	2,523.9	3,433.6	3,326.6	31.8
Contractual Services	1,337.9	255.0	255.0	255.0	0.0
Other	454.5	904.7	1,192.9	1,140.8	26.1
<b>TOTAL USES</b>	<b>4,020.0</b>	<b>3,683.6</b>	<b>4,881.5</b>	<b>4,722.4</b>	<b>28.2</b>
<b>FTE</b>					
Permanent	37.0	37.0	48.0	46.0	24.3
<b>TOTAL FTE POSITIONS</b>	<b>37.0</b>	<b>37.0</b>	<b>48.0</b>	<b>46.0</b>	<b>24.3</b>

**BUDGET ISSUES:**

The authority's revenue source for its core administrative functions, totaling \$1.8 million for FY06, and field oversight expenses, totaling \$3.1 million for FY06, is derived from balances in the public school capital outlay fund pursuant to the Public School Capital Outlay Act. According to Section 22-24-4 NMSA 1978, field management expenses are limited to an amount not to exceed 5 percent of the average annual grant assistance authorized from the public school capital outlay fund during the three previous fiscal years. PSCOC has capped field management expenditures at 3 percent of the fund and authorized 5 additional FTE for field oversight in FY05. The average allocation for the last three years of grant assistance totaled \$173.1 million for FY05 and is projected to total \$203.7 million for FY06. PSFA currently operates at less than 1.7 percent of the allowed allocation for project oversight.

The FY06 budget request submitted by PSFA seeks an increase totaling \$100.5 thousand reflecting increases in insurance, rent, and data processing equipment costs. The request assumes a 5 percent vacancy rate as directed by PSCOC. The committee recommends the authority's base request.

The second proposal is development of an improved model for forecasting student populations within individual school feeder patterns that predict growth, decline, and migration over a one to 20 year planning period. Improved forecasting tools for present and future student demographics may allow for more effective analysis of key issues, such as the most effective overall use of state and district capital outlay funds, whether a new facility is warranted, the size and grades the facility would serve, how school boundaries should evolve, how to optimize busing routes now and in the future, and other data needed to effectively

expend state dollars. Projected costs include a nonrecurring expenditure of \$575 thousand in FY06 for development of the system and estimated annual operating expenses of \$175 thousand in FY07. The committee's recommendation is within the information technology section.

#### **BASE EXPANSION:**

PSFA requested \$500.4 thousand in base expansion from the public school capital outlay fund to support 6 additional FTE (two project technicians, two assistant construction managers, one maintenance specialist, and one financial specialist). In its second year as a new agency, the authority's statutory responsibilities have greatly expanded requiring more specialized personnel in the field. PSCOC reports that over \$120 million in deficiencies correction work will be performed, along with over \$198 million in other school construction, and is concerned that a shortage of staff could jeopardize construction timetables, adequate oversight, and other assistance to the school districts as required by law.

In support of the mitigation of deferred maintenance costs, the accountability of state dollars, and proficient project management, the committee supports funding for 4 new FTE (one project technician, one assistant construction manager, one maintenance specialist, and one financial specialist).

The committee commends PSFA staff for its performance in its first year of operation. Although not scheduled for performance-based budgeting until FY06, the committee recognizes PSFA's compliance with the prompt payment provision of the Retainage Act, progress in completing projects, and streamlining of the administrative and procurement process. PSCOC has been prudent in its authority to approve funding for field management expenditures. However, the committee urges PSCOC to refrain from approving additional FTE until PSFA has had an opportunity to stabilize, establish its performance baseline, and digest the new statutory provisions and standards-based program for at least a full year. Consideration should also be given to the volatility of natural resources revenues, which could impact the authority's funding levels and productivity.

#### **BASE EXPANSION LISTING FY06 - 2005-2006**

<b>Agency Rank</b>	<b>(Division)</b>	<b>Agency Request</b>	<b>LFC Recommendation</b>
1	Project technicians (2 FTE)	135.7	70.0
2	Assistant construction managers (2 FTE)	190.9	97.5
3	Maintenance specialist (1 FTE)	96.0	96.0
4	<u>Financial specialist (1 FTE)</u>	<u>77.8</u>	<u>77.8</u>
<b>TOTAL</b>		<b>500.4</b>	<b>341.3</b>

#### **PUBLIC SCHOOL FACILITIES OVERSIGHT**

The purpose of the public school facilities oversight program is to oversee public school facilities in all eighty-nine school districts ensuring correct and prudent planning, building and maintenance using state funds and ensuring adequacy of all facilities in accordance with public education department approved educational programs.

#### **PERFORMANCE MEASURES**

		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Efficiency	Percent compliance with reviewing and taking final actions on plans submitted for approval for school construction within thirty days				85%	85%
Efficiency	Percent compliance with prompt payment provision of Retainage Act for all direct payments to vendors				85%	85%
Efficiency	Percent of projects meeting all contingencies completed within the specified period of all awards				75%	75%
Output	Number of days to disseminate all pertinent documents to school districts for all awards made by the public school capital outlay council				45	45
* Explanatory	Change in statewide public school facility condition index measured at December 31 of prior calendar year compared with prior year					



BUDGET SUMMARY (dollars in thousands)					
			FY06 – 2005-2006		Percent Incr (Decr)
	FY04 2003-2004 Actuals	FY05 2004-2005 Budgeted	Agency Request	LFC Recommendation	
<b>SOURCES</b>					
General Fund Transfers	32,021.4	32,410.0	40,324.4	34,039.0	5.0
Other Transfers	27,870.3	31,861.9	31,845.9	31,095.9	-2.4
Fed Program Revenues	7,519.7	4,225.2	7,114.3	7,114.3	68.4
Other Program Revenues	30.0	30.0	30.0	30.0	0.0
General Revenues	80.0	100.0	100.0	100.0	0.0
Fund Balance	903.6	629.4	631.6	631.6	0.3
<b>SOURCES TOTAL</b>	<b>68,425.0</b>	<b>69,256.5</b>	<b>80,046.2</b>	<b>73,010.8</b>	<b>5.4</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,622.4	1,934.4	2,536.0	2,303.6	19.1
Contractual Services	162.6	440.6	583.2	543.3	23.3
Other	50,919.6	58,062.2	58,687.3	58,621.7	1.0
Other Financing Uses	11,391.9	8,819.3	18,239.7	11,542.2	30.9
<b>TOTAL USES</b>	<b>64,096.5</b>	<b>69,256.5</b>	<b>80,046.2</b>	<b>73,010.8</b>	<b>5.4</b>
<b>FTE</b>					
Permanent	24.0	24.0	24.0	24.0	0.0
Term	9.5	9.5	10.5	9.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>33.5</b>	<b>33.5</b>	<b>34.5</b>	<b>33.5</b>	<b>0.0</b>

**STATUTORY AUTHORITY:**

Pursuant to Section 21-1-26 NMSA 1978, the Commission on Higher Education (commission) determines an adequate level of funding for institutions of higher education and recommends the equitable distribution of available funds among them. Responsibilities of the commission include implementing the Postsecondary Educational Planning Act, Postsecondary Education Articulation Act, Student Loan Act, Education Trust Act, graduate program approval, and proprietary school licensing. Additionally, the commission recommends institutional capital project priorities and administers state-supported financial aid programs. Finally, the commission administers the adult basic education program.

The commission receives the state appropriations for financial aid and allocates funds to institutions, verifies aid eligibility for financial aid disbursement, coordinates selection of loan-for-service recipients, and collects payments for students defaulting on loan-for-service obligations. The commission receives a direct appropriation for 16 grant and loan-for-service programs, including lottery scholarships, work-study assistance, Vietnam veterans assistance, New Mexico scholarships, state student incentive grants, and Western Interstate Commission for Higher Education loans-for-service. In addition, the commission coordinates tuition waivers regarding reciprocity agreements and residency status.

**MISSION:**

The mission of the New Mexico Commission on Higher Education is to administer a coordinated statewide system of public postsecondary education with governance shared between the commission and the governing boards of the colleges and universities.

**BUDGET ISSUES:**

The committee recommendation is \$73 million of total sources and uses, or 5.4 percent over the FY05 budget for the agency as a whole. The most significant increases are in the appropriation from the general fund and federal funds. The total general fund recommendation for the commission is \$34 million, an increase of \$1.6 million or 5 percent from the FY05 level. The general fund increase is attributed to a \$1 million increase in student financial aid programs, an increase for adult basic education of over \$400 thousand and a nearly \$200 thousand increase in NM MESA. Increases in federal funds are driven by the Going Early Awareness and Readiness for Undergraduates Program (GEAR UP) grant, which is expected to resume in FY06.

The agency operating budget, contained within the policy development and institutional financial oversight program, is held flat to FY05 general fund levels in the committee recommendation. The agency has had a vacancy rate in excess of 18 percent throughout the fall. Clearly, agency performance is impacted by staffing levels. As such, the committee recommendation holds the agency's operating budget flat, with flat personnel services and benefits in line with investing in organizational capacity. Further, requested increases in funding for paper, mail-outs and postage do not appear consistent with the executive's emphasis on efficiencies and cost savings embodied in the Moving New Mexico Forward project.

With respect to programs administered by the commission, the recommendation for an increase in the general fund appropriation is included for adult basic education programs to offset the reduction in Temporary Assistance for Needy Families (TANF) funds. TANF funding in FY06 for adult basic education programs is \$250 thousand. Given the link to rigorous high school curriculum needs, a college preparatory focus and strong performance measurement and evaluation, the committee recommends an increase in general fund appropriation of nearly \$200 thousand to expand NM Mesa Program to additional schools. As well, the committee recommendation continues the \$600 thousand appropriation for high skills training at two-year campuses which flows through the commission and maintains the \$2 million lump sum appropriation for allocation to postsecondary institutions to address the state's nursing shortage.

The FY05 agency audit resulted in a qualified opinion, with two findings. The findings focused on the need for reconciliation of the general ledger for loan-for-service programs and the need to reflect statements for the Education Trust Board. Further, the audit noted \$2.6 million for doubtful accounts, of which \$1.2 million is in the nursing student loan area. These amounts were a factor in coming to net loans receivable. Further, prior-period adjustments to fund balance of (\$779,317) for financial aid were shown.

Concurrent Enrollment Management Issues. Students enrolled in concurrent (dual) enrollment programs receive both high school and college credit for qualifying coursework. Most education experts indicate concurrent enrollment programs are valuable. In New Mexico, these students are included in the public school funding formula; as well, the student credit hours from the college courses in which they are enrolled are included in the workload component of the higher education funding formula. According to Laws 1990, Chapter 25, public school districts with students participating in concurrent enrollment will transfer tuition and fees to the two-year, postsecondary institution if the student is counted in the membership of the public school district and will receive high school credit for coursework taken at a postsecondary institution. There are variations across the state in the payment mechanisms for tuition, fees, books, and transportation (see Appendices Higher Ed-H and Higher Ed-I). New Mexico's two-year postsecondary institutions generally experienced notable increases in concurrent enrollment over the last five years; however, the percentage of enrollment represented by the concurrent enrollment program is still quite small in relation to total higher education enrollment. Despite recommendations from two task forces, the concurrent enrollment program remains plagued with inconsistent policies and a lack of data to understand participation, program outcomes and fiscal costs.

Data from an LFC/New Mexico Association of Community Colleges survey shows the largest number of dual credit participants tends to occur at those colleges with an area vocational schools programs (Eastern New Mexico University at Roswell, Luna Community College, New Mexico Junior College, New Mexico State University at Dona Ana, San Juan College and University of New Mexico at Gallup) and interactive television capabilities (Clovis and New Mexico Junior College). Some colleges with large increases over the last five years are engaged with schools both within and outside of their taxing districts to promote dual credit program (such as Albuquerque TVI, NMSU at Alamogordo, Santa Fe Community College and UNM Taos). Officials at the New Mexico Association of Community Colleges indicate a significant amount of dual credit programs relate to career-technical courses often counted by high schools as electives.

The purpose, goals, and objectives of the concurrent enrollment program are not readily clear. Further, there are "gray" areas in current statute.

The need for data and in some cases, better quality data, reflecting the program and its performance was noted by the 2003 Task Force Report on Concurrent Enrollment. It is not clear if CHE and PED are advancing in this area. There have been no performance measures or accountability tracking for the program by either CHE or PED; CHE is proposing to measure the number of students in the program in FY06, but lacks focus on outcomes for the program.

There are significant concerns regarding enforcement of existing statute by the CHE and PED. Inconsistencies exist in the following:

- Terms of the agreements between school districts and postsecondary institutions;
- Who pays for tuition, textbooks, and fees;
- What courses are available for concurrent enrollment or dual credit;

- Who teaches the course;
- What sort of credit the courses earn; and
- Who provides transportation.

Statute and regulations regarding funding and credit earned are not enforced. The kinds of courses eligible for concurrent enrollment are uncertain and inconsistent. Further, for public schools with closed campuses, students leaving campus might be an issue.

Data on program costs are not readily available from CHE or PED. Based on a request from LFC staff, CHE calculates the cost of the concurrent enrollment program in FY03 between \$7 million and \$8 million under the instruction and general component of the higher education funding formula. The cost has escalated significantly in recent years due to two factors: (1) an increase in the number of students participating in the program and (2) an increase in average funding for two-year institutions instruction and general formula dollars per full-time-equivalent student under the funding formula. Data on the public school funding cost for concurrent enrollment classes is not available.

#### **BASE EXPANSION:**

The committee recommendation does not fund the requested expansion of 1 FTE for an administration operations manager in the financial classification.

#### **RECOMMENDED LANGUAGE:**

Any unexpended or unencumbered balance in the policy development and institutional financial oversight program remaining at the end of fiscal year 2006 from appropriations made from the general fund shall revert to the general fund.

By September 1, 2005, the commission on higher education shall report time series data to the office of the governor, public education department, department of finance and administration and legislative finance committee on performance measures and targets for recruitment, enrollment, retention and graduation rates for Native American and Hispanic students. The commission on higher education shall provide an action plan by institution to achieve targeted results.

#### **POLICY DEVELOPMENT AND INSTITUTIONAL FINANCIAL OVERSIGHT**

The purpose of the policy development and institutional financial oversight program is to provide a continuous process of statewide planning and oversight within the commission's statutory authority for the higher education partners, to ensure both the efficient use of state resources and progress in implementing the public agenda.

<b>BUDGET SUMMARY</b> (dollars in thousands)					
	<b>FY04</b> <b>2003-2004</b>	<b>FY05</b> <b>2004-2005</b>	<b>FY06 - 2005-2006</b>		<b>Percent</b>
	<b><u>Actuals</u></b>	<b><u>Budgeted</u></b>	<b><u>Agency</u></b> <b><u>Request</u></b>	<b><u>LFC</u></b> <b><u>Recommendation</u></b>	<b><u>Incr</u></b> <b><u>(Decr)</u></b>
<b>SOURCES</b>					
General Fund Transfers	9,768.6	10,165.4	16,967.6	10,775.4	6.0
Other Transfers	140.0	1,323.0	1,323.0	573.0	-56.7
Fed Program Revenues	6,990.5	3,738.5	6,627.6	6,627.6	77.3
Other Program Revenues	30.0	30.0	30.0	30.0	0.0
<b>SOURCES TOTAL</b>	<b>16,929.1</b>	<b>15,256.9</b>	<b>24,948.2</b>	<b>18,006.0</b>	<b>18.0</b>
<b>USES</b>					
Personal Services/Empl Benefit	1,622.4	1,934.4	2,536.0	2,303.6	19.1
Contractual Services	162.6	440.6	583.2	543.3	23.3
Other	3,717.4	4,162.6	3,689.3	3,716.9	-10.7
Other Financing Uses	11,311.9	8,719.3	18,139.7	11,442.2	31.2
<b>TOTAL USES</b>	<b>16,814.3</b>	<b>15,256.9</b>	<b>24,948.2</b>	<b>18,006.0</b>	<b>18.0</b>
<b>FTE</b>					
Permanent	24.0	24.0	24.0	24.0	0.0
Term	9.5	9.5	10.5	9.5	0.0
<b>TOTAL FTE POSITIONS</b>	<b>33.5</b>	<b>33.5</b>	<b>34.5</b>	<b>33.5</b>	<b>0.0</b>

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Efficiency	Percent of properly completed capital infrastructure draws released to the state board of finance within thirty days of receipt from the institutions	65%		90%	65%	90%
* Output	Number of outreach services and events provided to secondary schools and students related to college readiness, college preparation curriculum and financial aid	67		78	100	100
Output	Percent of capital project evaluations and audits performed to insure institutional fiscal accountability and responsibility	35%		45%	50%	50%
Outcome	Number of outreach services and events provided by institutions relating to statewide occupational needs, economic development, and labor force data				Not defined	
Outcome	Percent of students persisting to graduation within six years at research universities			47%	50%	
Outcome	Percent of students persisting to graduation within six years at comprehensive universities			26%	30%	
Outcome	Percent of students continuing from freshman to sophomore year at research universities			75%	78%	
Outcome	Percent of students continuing from freshman to sophomore year at comprehensive universities			65%	68%	
Outcome	Percent of students continuing from freshman to sophomore year at branch colleges			45%	48%	
Outcome	Percent of students continuing from freshman to sophomore year at community colleges			45%	48%	
Outcome	Percent of adult learners who earn a high school diploma or its recognized equivalent	38%		40%	40%	
Output	Number of students enrolled in dual credit programs				Not defined	
Outcome	Percent of students persisting to completion within three years for two-year institutions				Not defined	
Outcome	Percent of students successfully transferring from a two-year to a four-year institution				Not defined	
Output	Number of outreach services and events provided to adults regarding the adult basic education programs statewide				Not defined	
Outcome	Percent of population aged 25 to 65 with bachelor's degree or higher	25%	30%	40%		
Output	Number of support outreach services and outreach events provided to institutions, such as financial aid hot line, website, seminars, presentations, conferences and training				Not defined	

## STUDENT FINANCIAL AID

The purpose of the student financial aid program is to provide access, affordability and opportunities for success in higher education to students and their families so that all New Mexicans can benefit from postsecondary education and training beyond high school.

### BUDGET SUMMARY (dollars in thousands)

	FY06 - 2005-2006				Percent Incr (Decr)
	FY04 2003-2004 <u>Actuals</u>	FY05 2004-2005 <u>Budgeted</u>	Agency <u>Request</u>	LFC <u>Recommendation</u>	
SOURCES					
General Fund Transfers	22,252.8	22,244.6	23,356.8	23,263.6	4.6
Other Transfers	27,730.3	30,538.9	30,522.9	30,522.9	-0.1
Fed Program Revenues	529.2	486.7	486.7	486.7	0.0
General Revenues	80.0	100.0	100.0	100.0	0.0
Fund Balance	903.6	629.4	631.6	631.6	0.3
SOURCES TOTAL	51,495.9	53,999.6	55,098.0	55,004.8	1.9
USES					
Other	47,202.2	53,899.6	54,998.0	54,904.8	1.9
Other Financing Uses	80.0	100.0	100.0	100.0	0.0
TOTAL USES	47,282.2	53,999.6	55,098.0	55,004.8	1.9

### PERFORMANCE MEASURES

		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output	Number of lottery success recipients enrolled in or graduated from college after the ninth semester	1500		2,900	1,800	3,000
* Outcome	Percent of students meeting eligibility criteria for state loan programs who continue to be enrolled by the sixth semester	60%		80%	65%	80%
* Outcome	Percent of students meeting eligibility criteria for work-study programs who continue to be enrolled by the sixth semester	60%		70%	65%	70%
* Outcome	Percent of students meeting eligibility criteria for merit-based programs who continue to be enrolled by the sixth semester	65%		78%	80%	80%
* Outcome	Percent of students meeting eligibility criteria for need-based programs who continue to be enrolled by the sixth semester	50		60%	65%	65%
Efficiency	Percent of properly completed financial aid allocations and draw-downs processed within thirty days				Not defined	
* Outcome	Percent of state funds for need-based aid relative to Pell grant data				Not defined	
Output	Number of institutions requiring the free application for federal student financial aid to receive state financial aid for statewide implementation to insure adequate federal funding.				Not defined	

**STUDENT FINANCIAL AID  
BUDGET DETAIL  
(Dollars in Thousands)**

	FY03	FY04	FY05	CHE FY06	LFC FY06	LFC	LFC
	Actual	Actual *	Budget **	REQ (rev. 11/04) **	REC	\$ inc/dec	% inc/dec
<b>Student Incentive Grant</b>							
general fund	10,479.10	11,502.20	11,502.20	11,502.20	12,052.20	550	4.80%
fund balance	7.3	287	7.7	7.7	7.7	0	0.00%
general revenues	170	80	100	100	100	0	
federal funds	174	337.7	322.8	322.8	322.8	0	0.00%
<b>total</b>	<b>10,830.40</b>	<b>12,206.90</b>	<b>11,932.70</b>	<b>11,932.70</b>	<b>12,482.70</b>	<b>550</b>	<b>4.60%</b>
<b>Nursing Student Loan</b>							
general fund	289.4	321.8	321.8	319.4	321.8	0	0.00%
fund balance	12.3	24	26.4	26.4	26.4	0	0.00%
<b>total</b>	<b>301.7</b>	<b>345.8</b>	<b>348.2</b>	<b>345.8</b>	<b>348.2</b>	<b>0</b>	<b>0.00%</b>
<b>Medical Student Loan Prog.</b>							
general fund	259.5	236.4	236.4	236.4	236.4	0	0.00%
fund balance	14	12	13.2	13.2	13.2	0	0.00%
<b>total</b>	<b>273.5</b>	<b>248.4</b>	<b>249.6</b>	<b>249.6</b>	<b>249.6</b>	<b>0</b>	<b>0.00%</b>
<b>Osteopathic Student Loan</b>							
general fund	0	0	0	0	0	0	
fund balance	17.3	12	24	24	24	0	0.00%
<b>total</b>	<b>17.3</b>	<b>12</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>0.00%</b>
<b>Work-Study</b>							
general fund	5,189.60	5,189.60	5,189.60	5,189.60	5,739.60	550	10.60%
fund balance	9.2	106	6.6	7.2	7.2	0.6	9.10%
<b>total</b>	<b>5,198.80</b>	<b>5,295.60</b>	<b>5,196.20</b>	<b>5,196.80</b>	<b>5,746.80</b>	<b>550.6</b>	<b>10.60%</b>
<b>Student Choice</b>							
general fund	1,004.70	1,004.70	1,004.70	1,004.70	1,004.70	0	0.00%
fund balance	7.4	0	0	0	0	0	
<b>total</b>	<b>1,012.10</b>	<b>1,004.70</b>	<b>1,004.70</b>	<b>1,004.70</b>	<b>1,004.70</b>	<b>0</b>	<b>0.00%</b>
<b>Vietnam Veterans Scholarship</b>							
general fund	0	0	91.6	100	91.6	0	0.00%
fund balance	96.4	100.3	0	0	0	0	
<b>total</b>	<b>96.4</b>	<b>100.3</b>	<b>91.6</b>	<b>100</b>	<b>91.6</b>	<b>0</b>	<b>0.00%</b>
<b>Graduate Scholarship</b>							
general fund	618.8	618.8	618.8	618.8	618.8	0	0.00%
fund balance	10.8	8.3	7.9	8.6	8.6	0.7	8.90%
<b>total</b>	<b>629.6</b>	<b>627.1</b>	<b>626.7</b>	<b>627.4</b>	<b>627.4</b>	<b>0.7</b>	<b>0.10%</b>
<b>NM Scholars</b>							
general fund	998	998	998	1,020.90	998	0	0.00%
fund balance	1.9	202.7	0	0.9	0.9	0.9	
<b>total</b>	<b>999.9</b>	<b>1,200.70</b>	<b>998</b>	<b>1,021.80</b>	<b>998.9</b>	<b>0.9</b>	<b>0.10%</b>
<b>Minority Doctoral Assistance</b>							
general fund	129.7	129.7	129.7	129.7	129.7	0	0.00%
fund balance	23.8	2	2.2	2.2	2.2	0	0.00%
<b>total</b>	<b>153.5</b>	<b>131.7</b>	<b>131.9</b>	<b>131.9</b>	<b>131.9</b>	<b>0</b>	<b>0.00%</b>
<b>Teacher Loan-for-Service</b>							
general fund	99.8	99.8	0	71.1	35	35	
fund balance	210.6	140.3	315.4	315.4	315.4	0	0.00%
<b>total</b>	<b>310.4</b>	<b>240.1</b>	<b>315.4</b>	<b>386.5</b>	<b>350.4</b>	<b>35</b>	<b>11.10%</b>
<b>Allied Health</b>							
general fund	135	135	135	135	135	0	0.00%
fund balance	20.4	0	0	0	0	0	
<b>total</b>	<b>155.4</b>	<b>135</b>	<b>135</b>	<b>135</b>	<b>135</b>	<b>0</b>	<b>0.00%</b>
<b>Health Professional Loan Repayment</b>							
general fund	449.1	416.7	416.7	416.7	416.7	0	0.00%
fund balance	14.1	9	0	0	0	0	
federal funds	325	155.5	163.9	163.9	163.9	0	0.00%
<b>total</b>	<b>788.2</b>	<b>581.2</b>	<b>580.6</b>	<b>580.6</b>	<b>580.6</b>	<b>0</b>	<b>0.00%</b>
<b>Legislative Endowment Fund</b>							
general fund				16	0	0	
other program revenues	100	40	40	24	24	-16	-40.00%
fund balance	0	0	0	0	0	0	
<b>total</b>	<b>100</b>	<b>40</b>	<b>40</b>	<b>24</b>	<b>24</b>	<b>-16</b>	<b>-40.00%</b>
<b>WICHE Loan-for-Service</b>							
general fund	1,550.10	1,550.10	1,550.10	1,434.10	1,434.10	-116	-7.50%
fund balance	13.3	0	226	226	226	0	0.00%
<b>total</b>	<b>1,563.40</b>	<b>1,550.10</b>	<b>1,776.10</b>	<b>1,660.10</b>	<b>1,660.10</b>	<b>-116</b>	<b>-6.50%</b>
<b>Lottery Scholarship</b>							
other program revenues	18,356.60	27,726.30	30,498.90	27,905.00	27,905.00	-2,593.90	-8.50%
fund balance	0	0	0	0	0	0	
<b>total</b>	<b>18,356.60</b>	<b>27,726.30</b>	<b>30,498.90</b>	<b>27,905.00</b>	<b>27,905.00</b>	<b>-2,593.90</b>	<b>-8.50%</b>
<b>Dentistry Loan for Service</b>							
general fund	0	50	50	50	50	0	0.00%
fund balance	0	0	0	0	0	0	
<b>total</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>0</b>	<b>0.00%</b>
<b>Lump Sum Increase</b>							
general fund				1,112.20			
<b>total</b>				<b>1,112.20</b>			
<b>GRAND TOTAL</b>	<b>40,787.20</b>	<b>51,495.90</b>	<b>53,999.60</b>	<b>52,488.10</b>	<b>52,410.90</b>	<b>-1,588.70</b>	<b>-2.90%</b>
<b>GF GRAND TOTAL</b>	<b>21,202.80</b>	<b>22,252.80</b>	<b>22,244.60</b>	<b>23,356.80</b>	<b>23,263.60</b>	<b>1,019.00</b>	<b>4.60%</b>

\* CHE report notes significant changes to non-general fund sources. \*\* CHE line item detail inconsistent with LFC line item detail for some smaller programs.

\*\*\* CHE November 19, 2004 recommendation included a lump sum incremental amount in FY06 of \$1,112.2 thousand to be split in unspecified amounts between work-study, student choice and student incentive grant programs.

**HIGHER EDUCATION FY06 RECURRING FUNDING SUMMARY**  
(dollars in thousands)

**FY05 Recurring Base: \$671,905.5**

**Workload with Updates:**

four-year net workload  
two-year net workload  
Taos Branch phase-in  
tuition waiver changes  
HSC base adj.  
athletic scholarships  
miscellaneous adj.

**Tuition Credit**

**Formula Issues - Expansion Items:**

Expansion Item: CA Amendment (see workload)

BR&R Enhancement - Recurring  
BR&R Enhancement - Recurring - NMB&VI  
BR&R Enhancement - Recurring - NMSD

**Plus Inflationary Factors:**

Library Inflation including UNM HSC

Utilities Inflation

Group Insurance Inflation

Risk Insurance Inflation

Expansion Item: Two-year science cluster

**Compensation**

faculty  
non-faculty  
adj. compensation total

**Special Projects Expansion**

UNM HSC BS/MD Comm. Partnership Physicians  
NMHU Spanish Language Program  
NMSU Water Quality, Irrigation & Water Policy  
NMSU Water Resource Research Institute  
NMIMT Water Bureau of Geology & Mineral Resources  
Reduce Nursing Line Items  
Reduce RPSP I&G Line Items

**Incentive Funds:**

Program Development Enhancement Fund  
Nursing/Teacher Convert FY05 NR to R  
Switch of Nursing Line Items  
Switch RPSP I&G Line Items

Workforce Development Fund

Technology Enhancement Fund

Higher Education Performance Fund

Faculty Endowment Fund (NR)

**Special Schools:**

NM School for the Deaf

**Student Financial Aid:**

Student Incentive Grant  
Work-Study  
Other Financial Aid Programs

**Other:**

CHE Operating

High Skills

CHE Adult Basic Education

NM Mesa

Technical adjustment  
Change from FY06

**Grand Total Higher Education**

	CHE REQ	LFC REQ
	23,608.7	24,204.9
four-year net workload	15,957.4	15,957.4
two-year net workload	7,815.8	7,815.8
Taos Branch phase-in	165.1	165.1
tuition waiver changes	0.0	0.0
HSC base adj.	230.6	266.5
athletic scholarships	98.4	0.0
miscellaneous adj.	(658.6)	0.0
<b>Tuition Credit</b>	@ 4.0% (7,141.6)	@ 3.0% (5,356.2)
<b>Formula Issues - Expansion Items:</b>		
Expansion Item: CA Amendment (see workload)	2,050.2	0.0
BR&R Enhancement - Recurring	682.6	0.0
BR&R Enhancement - Recurring - NMB&VI	0.0	153.1
BR&R Enhancement - Recurring - NMSD	0.0	175.4
<b>Plus Inflationary Factors:</b>		
Library Inflation including UNM HSC	0.0	@ 2.5% 238.0
Utilities Inflation	@ 5% 1,697.2	@ 2.5% 848.6
Group Insurance Inflation	@ 5% 2,237.0	
Risk Insurance Inflation		
Expansion Item: Two-year science cluster	677.8	0.0
<b>Compensation</b>		
faculty	@ 4.0% 11,901.5	@ 2.0% 5,950.8
non-faculty	@ 4.0% 16,032.6	@ 2.0% 7,942.5
adj. compensation total	27,920.7	13,893.3
<b>Special Projects Expansion</b>	(4,127.5)	0.0
UNM HSC BS/MD Comm. Partnership Physicians	500.0	0.0
NMHU Spanish Language Program	(300.0)	
NMSU Water Quality, Irrigation & Water Policy	525.0	
NMSU Water Resource Research Institute	140.0	
NMIMT Water Bureau of Geology & Mineral Resources	455.0	
Reduce Nursing Line Items	(3,264.1)	0.0
Reduce RPSP I&G Line Items	(2,183.4)	
<b>Incentive Funds:</b>		
Program Development Enhancement Fund	6,747.5	0.0
Nursing/Teacher Convert FY05 NR to R	1,300.0	
Switch of Nursing Line Items	3,264.1	0.0
Switch RPSP I&G Line Items	2,183.4	
Workforce Development Fund	see CHE High Skills	see CHE High Skills
Technology Enhancement Fund		
Higher Education Performance Fund	see nonrecurring	see nonrecurring
Faculty Endowment Fund (NR)		
<b>Special Schools:</b>		
NM School for the Deaf	1,989.8	1,000.0
<b>Student Financial Aid:</b>	1,112.2	1,019.0
Student Incentive Grant		550.0
Work-Study		550.0
Other Financial Aid Programs		-81.0
<b>Other:</b>		
CHE Operating	405.2	0.0
High Skills	(300.0)	0.0
CHE Adult Basic Education	see comp calculation (88.7)	411.3
NM Mesa	38.1	198.6
Technical adjustment	0.0	0.0
Change from FY06	\$57,509.3	\$36,785.9
<b>Grand Total Higher Education</b>	<b>\$729,414.8</b>	<b>\$708,691.4</b>

\* CHE request columns differs from November 19, 2004 CHE publication due to variations between September 1, 2004 and November 19, 2004 requests.

HIGHER EDUCATION INSTITUTIONAL BUDGET SUMMARY (dollars in thousands)							
Agency/Institution/Program	FY03 (2002-2003)	FY04 (2003-2004)	FY06 (2005-2006)				
	ACTUAL	ACTUAL	FY05 BUDGET	Rev. Nov 19, 2004 CHE REQUEST (distrib comp) (a) (b)	LFC REC (lump sum comp)	Dollar Change	Percent Change
UNM							
I&G	142,477.7	150,360.1	152,328.9	166,918.6	158,536.7	6,207.8	4.1%
Athletics	2,637.8	2,662.0	2,684.1	2,770.3	2,684.1	0.0	0.0%
Educational Television	1,243.6	1,263.4	1,278.7	1,309.4	1,278.7	0.0	0.0%
Extended Services Inst.	1,587.7	0.0	-	-	0.0	0.0	
Gallup	7,509.8	7,532.9	8,459.9	8,985.1	8,565.2	105.3	1.2%
Gallup Extended Services	2.3	0.0	-	-	0.0	0.0	
Nursing Expansion	34.9	34.9	34.9	-	34.9	0.0	0.0%
Los Alamos	1,882.6	2,106.3	2,191.9	2,411.8	2,279.8	87.9	4.0%
Los Alamos Extended Services	93.0	0.0	-	-	0.0	0.0	
Valencia	4,024.8	4,090.3	4,412.7	4,647.3	4,454.7	42.0	1.0%
Valencia Extended Services	27.2	0.0	-	-	0.0	0.0	
Taos	1,174.8	1,380.8	1,941.8	1,916.7	1,789.1	(152.7)	-7.9%
Judicial Selection	72.6	74.2	75.8	78.5	75.8	0.0	0.0%
Judicial Education Center	283.6	288.7	93.3	95.2	93.3	0.0	0.0%
Spanish Resource Center	109.9	110.1	110.3	111.3	110.3	0.0	0.0%
Southwest Research Center	1,197.9	1,309.6	1,261.1	1,308.0	1,261.1	0.0	0.0%
Substance Abuse Program	164.5	160.2	154.4	158.6	154.4	0.0	0.0%
Native American Intervention	206.8	200.6	193.6	-	193.6	0.0	0.0%
Resource Geographic Info Sys	138.4	134.9	130.6	135.8	130.6	0.0	0.0%
Natural Heritage Program	85.1	82.8	80.1	81.7	80.1	0.0	0.0%
Southwest Indian Law Clinic	129.4	126.6	122.8	128.1	122.8	0.0	0.0%
BBER-Census & Pop. Analysis	55.1	53.6	252.0	254.4	252.0	0.0	0.0%
New Mexico Historical Review	88.5	86.1	83.5	86.4	83.5	0.0	0.0%
Ibero-American Ed. Consortium	177.8	173.3	168.2	175.9	168.2	0.0	0.0%
Youth Educ. Recreation Prog.	151.8	147.5	142.2	148.3	142.2	0.0	0.0%
Advanced Materials Research	72.9	71.2	68.0	68.2	68.0	0.0	0.0%
Mfg. Engineering Prog.	425.8	413.5	649.2	-	649.2	0.0	0.0%
Office of Intl. Tech. Coop.	0.0	0.0	-	-	0.0	0.0	
Hispanic Student Center	128.8	128.8	124.8	-	124.8	0.0	0.0%
Wildlife Law Education	53.4	76.8	74.0	75.4	74.0	0.0	0.0%
Women's Career Development	23.3	22.7	22.6	24.4	22.6	0.0	0.0%
Youth Leadership Development	82.3	78.7	75.0	76.4	75.0	0.0	0.0%
Morrissey Hall Research	48.4	47.1	55.2	61.2	55.2	0.0	0.0%
Disabled Student Services	235.7	235.7	227.8	-	227.8	0.0	0.0%
Minority Engr. Math & Science	184.4	0.0	-	-	0.0	0.0	
Min. Grad Recruit & Retention	172.9	172.9	166.6	-	166.6	0.0	0.0%
Graduate Research Dev. Fund	99.8	94.8	90.1	90.2	90.1	0.0	0.0%
Community Based Education	450.5	437.7	422.8	438.7	422.8	0.0	0.0%
Corrine Wolfe Children's Law Center	0.0	50.0	68.2	68.4	68.2	0.0	0.0%
Mock Trials Program	0.0	25.0	23.8	23.8	23.8	0.0	0.0%
UNM Total	167,535.8	174,233.9	178,268.9	192,648.1	184,559.3	6,290.4	3.5%



HIGHER EDUCATION INSTITUTIONAL BUDGET SUMMARY (dollars in thousands)							
	FY03 (2002-2003)	FY04 (2003-2004)	FY06 (2005-2006)				
Agency/Institution/Program	ACTUAL	ACTUAL	FY05 BUDGET	Rev. Nov 19, 2004 CHE REQUEST (distrib comp) (a) (b)	LFC REC (lump sum comp)	Dollar Change	Percent Change
Health Sciences Center							
Medical School I & G	42,983.2	44,240.6	45,399.9	48,287.5	45,748.4	348.5	0.8%
Cancer Center	2,644.2	2,675.2	2,692.9	2,734.1	2,692.9	0.0	0.0%
Office of Medical Investigator	2,992.9	3,258.2	3,310.0	3,435.0	3,310.0	0.0	0.0%
EMS Academy	751.0	771.3	790.1	825.4	790.1	0.0	0.0%
Children's Psychiatric Hospital	4,878.3	5,187.8	5,451.1	6,005.3	5,451.1	0.0	0.0%
Hemophilia Program	519.7	528.2	534.6	546.4	534.6	0.0	0.0%
Carrie Tingley Hospital	3,695.4	3,883.6	4,024.8	4,380.4	4,024.8	0.0	0.0%
Out-of-County Indigent	1,307.7	1,242.3	1,242.4	1,242.4	1,242.4	0.0	0.0%
Specialized Perinatal Care	445.6	433.7	442.3	458.7	442.3	0.0	0.0%
Newborn Intensive Care	2,933.7	3,033.7	3,106.9	3,269.9	3,106.9	0.0	0.0%
Pediatric Oncology	192.9	588.6	592.4	715.8	592.4	0.0	0.0%
Young Children's Health Center	228.7	231.7	254.6	284.1	254.6	0.0	0.0%
Pediatric Pulmonary Program	181.5	178.1	181.0	188.5	181.0	0.0	0.0%
Health Resources Registry	0.0	0.0	0.0	-	0.0	0.0	0.0%
Area Health Education Centers	184.9	226.2	227.1	228.2	227.1	0.0	0.0%
Grief Intervention Program	160.3	157.0	160.3	169.3	160.3	0.0	0.0%
Pediatric Dysmorphology	141.7	138.5	141.2	146.2	141.2	0.0	0.0%
Locum Tenens	408.7	428.0	460.4	538.0	460.4	0.0	0.0%
Center for Disaster Medicine	100.8	98.8	100.4	103.5	100.4	0.0	0.0%
Poison Control Center	942.0	1,414.7	1,431.0	1,481.7	1,431.0	0.0	0.0%
Fetal Alcohol Study	168.8	163.9	165.7	170.4	165.7	0.0	0.0%
Telemedicine	281.3	423.5	428.7	445.0	428.7	0.0	0.0%
Nurse Mid-wifery	326.2	320.5	377.4	-	377.4	0.0	0.0%
Nursing Expansion	1,422.2	1,388.9	1,418.2	-	1,418.2	0.0	0.0%
Lung/Tobacco-rel. Res. & Clinical	0.0	1,000.0	1,000.0	1,000.0	1,000.0	0.0	0.0%
Genomics, Biocomp, & Env. Health	0.0	1,500.0	1,528.9	1,577.3	1,528.9	0.0	0.0%
Los Pasos Program	0.0	50.0	51.0	53.1	51.0	0.0	0.0%
Trauma Specialty Education	0.0	400.0	408.2	408.2	408.2	0.0	0.0%
Pediatrics Specialty Education	0.0	400.0	408.1	408.1	408.1	0.0	0.0%
Native American Health Center			300.0	300.0	300.0	0.0	0.0%
Children's Cancer Camp			100.0	100.0	100.0	0.0	0.0%
Oncology			100.0		100.0	0.0	0.0%
BS/MD Community Partnership Physician				500.0	0.0	0.0	
Health Sciences Total	67,891.6	74,362.9	76,829.7	80,002.5	77,178.2	348.5	0.5%

HIGHER EDUCATION INSTITUTIONAL BUDGET SUMMARY (dollars in thousands)							
	FY03 (2002-2003)	FY04 (2003-2004)	FY06 (2005-2006)				
Agency/Institution/Program	ACTUAL	ACTUAL	FY05 BUDGET	Rev. Nov 19, 2004 CHE REQUEST (distrib comp) (a) (b)	LFC REC (lump sum comp)	Dollar Change	Percent Change
NMSU							
I&G	90,543.4	92,728.9	98,016.4	107,100.1	102,658.0	4,641.6	4.7%
Athletics	2,766.9	2,800.7	2,951.3	3,044.4	2,951.3	0.0	0.0%
Educational Television	1,100.2	1,123.1	1,141.5	1,181.4	1,141.5	0.0	0.0%
Extended Services Inst.	423.9	0.0			0.0	0.0	
Alamogordo	5,274.4	5,359.8	5,358.8	5,933.2	5,501.4	142.6	2.7%
Nursing Expansion	27.9	27.9	28.4	-	28.4	0.0	0.0%
Carlsbad	3,019.4	3,017.4	3,317.8	3,752.8	3,571.3	253.5	7.6%
Nursing Expansion	34.9	34.9	35.7	-	35.7	0.0	0.0%
Dona Ana	11,354.1	12,139.1	13,160.5	14,766.2	14,139.9	979.4	7.4%
Nursing Expansion	104.8	104.8	105.3	-	105.3	0.0	0.0%
Grants	2,317.1	2,561.2	2,632.2	2,835.4	2,731.9	99.7	3.8%
Department of Agriculture	8,479.7	8,469.4	8,581.3	8,868.6	8,581.3	0.0	0.0%
Agricultural Experiment Station	11,413.9	12,093.4	12,753.2	13,368.9	12,753.2	0.0	0.0%
Cooperative Extension Service	9,135.0	9,521.1	9,725.1	10,353.4	9,725.1	0.0	0.0%
Water Resources Research	367.6	455.9	438.0	590.8	438.0	0.0	0.0%
Coordination of Mexico Prog.	96.8	98.0	93.7	95.7	93.7	0.0	0.0%
Indian Resources Development	375.1	380.2	383.4	390.5	383.4	0.0	0.0%
Mfg. Sector Development Program	417.1	405.1	391.7	408.0	391.7	0.0	0.0%
Waste Mgmt. Ed./Res. Cons.	473.5	506.5	512.3	524.7	512.3	0.0	0.0%
Alliance for Underrep. Students	387.8	372.6	358.3	367.2	358.3	0.0	0.0%
Campus Security	91.4	91.4	92.7	-	92.7	0.0	0.0%
Carlsbad Mfg. Sector Development	392.7	377.5	361.8	368.3	361.8	0.0	0.0%
Nursing Expansion	419.2	419.2	425.7	-	425.7	0.0	0.0%
Arrowhead Center for Business Dev.			75.0	75.0	75.0	0.0	0.0%
Viticulturnist			75.0		75.0	0.0	0.0%
Water Quality, Irrigation and Water Policy				525.0	0.0	0.0	
<b>NMSU Total</b>	<b>149,016.8</b>	<b>153,088.0</b>	<b>161,015.2</b>	<b>174,549.6</b>	<b>167,132.0</b>	<b>6,116.8</b>	<b>3.8%</b>
NMHU							
I&G	17,533.5	21,672.3	23,423.3	24,380.7	23,598.6	175.3	0.7%
Athletics	1,340.9	1,354.0	1,364.1	1,395.2	1,364.1	0.0	0.0%
Extended Services Inst.	1,973.3	0.0	0.0	-	0.0	0.0	
Visiting Scientist	19.3	18.6	17.9	18.5	17.9	0.0	0.0%
Upward Bound	111.7	106.1	100.8	100.8	100.8	0.0	0.0%
Advanced Placement	313.5	301.8	289.8	296.6	289.8	0.0	0.0%
Native American Rec. & Ret.	45.6	45.6	43.8	-	43.8	0.0	0.0%
Diverse Populations Study	221.6	224.5	215.3	222.3	215.3	0.0	0.0%
Spanish Program			300.0	-	300.0	0.0	0.0%
<b>NMHU Total</b>	<b>21,559.6</b>	<b>23,723.1</b>	<b>25,755.0</b>	<b>26,414.1</b>	<b>25,930.4</b>	<b>175.3</b>	<b>0.7%</b>

<p style="text-align: center;"><b>HIGHER EDUCATION</b>  <b>INSTITUTIONAL BUDGET SUMMARY</b>  (dollars in thousands)</p>							
	FY03 (2002-2003)	FY04 (2003-2004)	FY06 (2005-2006)				
Agency/Institution/Program	ACTUAL	ACTUAL	FY05 BUDGET	Rev. Nov 19, 2004 CHE REQUEST (distrib comp) (a) (b)	LFC REC (lump sum comp)	Dollar Change	Percent Change
<b>WNMU</b>							
I&G	12,120.4	13,266.7	14,063.1	15,185.3	14,522.4	459.3	3.3%
Athletics	1,258.1	1,272.7	1,519.5	1,547.5	1,519.5	0.0	0.0%
Extended Services Inst.	750.1	0.0		-	0.0	0.0	
Child Development Center	348.7	598.7	577.5	599.3	577.5	0.0	0.0%
NAFTA	17.0	16.2	15.3	15.3	15.3	0.0	0.0%
Instructional Television	101.4	121.4	122.1	-	122.1	0.0	0.0%
Nursing Expansion	41.9	141.9	142.7	-	142.7	0.0	0.0%
<b>WNMU Total</b>	<b>14,637.6</b>	<b>15,417.6</b>	<b>16,440.2</b>	<b>17,347.4</b>	<b>16,899.5</b>	<b>459.3</b>	<b>2.8%</b>
<b>ENMU</b>							
I&G	19,760.0	20,886.0	21,617.5	22,718.3	21,759.7	142.2	0.7%
Athletics	1,412.1	1,626.7	1,638.0	1,674.6	1,638.0	0.0	0.0%
Educational Television	996.0	1,016.0	1,032.7	1,088.4	1,032.7	0.0	0.0%
Extended Services Inst.	682.6	0.0		-	0.0	0.0	
Roswell	9,587.3	10,475.8	11,982.4	13,221.9	12,706.7	724.3	6.0%
Nursing Expansion	69.9	69.9	71.0	-	71.0	0.0	0.0%
Extended Serv. Instr.-Roswell	538.1	0.0		-	0.0	0.0	
Ruidoso Off-Campus Center	531.9	777.2	758.2	787.2	760.7	2.5	0.3%
Center for Teaching Excellence	261.2	271.6	260.9	267.2	260.9	0.0	0.0%
Blackwater Draw Site & Mus.	95.6	92.8	89.9	93.8	89.9	0.0	0.0%
Airframe Mechanics	74.9	74.9	72.7	-	72.7	0.0	0.0%
Job Trng for Physically & Ment.	25.0	25.0	23.8	-	23.8	0.0	0.0%
Assessment Project	141.8	137.7	133.3	138.1	133.3	0.0	0.0%
Nursing Expansion	41.9	41.9	42.0	-	42.0	0.0	0.0%
Social Work	0.0	150.0	152.8	-	152.8	0.0	0.0%
<b>ENMU Total</b>	<b>34,218.3</b>	<b>35,645.6</b>	<b>37,875.2</b>	<b>39,969.5</b>	<b>38,744.2</b>	<b>869.0</b>	<b>2.3%</b>
<b>NMIMT</b>							
I&G	20,733.5	22,020.0	22,889.0	25,160.6	23,871.9	982.9	4.3%
Athletics	153.9	157.2	159.8	165.4	159.8	0.0	0.0%
Extended Services Inst.	81.3	0.0		-	0.0	0.0	
Geophysical Research Center	844.3	872.6	885.0	916.7	885.0	0.0	0.0%
Bureau of Mines	3,752.7	3,832.0	3,889.5	4,468.9	3,889.5	0.0	0.0%
Petroleum Recovery Research	1,709.1	1,926.2	1,936.5	1,966.9	1,936.5	0.0	0.0%
Bureau of Mine Inspection	284.4	290.1	294.7	303.4	294.7	0.0	0.0%
Energetic Materials Center	702.1	779.0	790.8	796.8	790.8	0.0	0.0%
Science Fair/Science Olympiad	108.3	114.7	320.3	322.4	320.3	0.0	0.0%
Homeland Security	249.5	241.7	245.2	253.2	245.2	0.0	0.0%
Cave & Karst Research	349.3	338.8	326.5	334.8	326.5	0.0	0.0%
Institute for Complex Additive Sys Ana	323.2	530.3	535.6	554.7	535.6	0.0	0.0%
<b>NMIMT Total</b>	<b>29,291.6</b>	<b>31,102.6</b>	<b>32,272.8</b>	<b>35,243.8</b>	<b>33,255.7</b>	<b>982.9</b>	<b>3.0%</b>

HIGHER EDUCATION INSTITUTIONAL BUDGET SUMMARY (dollars in thousands)							
Agency/Institution/Program	FY03 (2002-2003)	FY04 (2003-2004)	FY06 (2005-2006)				
	ACTUAL	ACTUAL	FY05 BUDGET	Rev. Nov 19, 2004 CHE REQUEST (distrib comp) (a) (b)	LFC REC (lump sum comp)	Dollar Change	Percent Change
<b>NNMCC</b>							
I&G	7,402.4	7,921.4	8,183.7	8,359.9	8,012.8	(170.9)	-2.1%
Extended Services Instruction	206.6	0.0	-	-	0.0	0.0	
Northern Pueblo's Institute	59.9	58.0	56.0	57.9	56.0	0.0	0.0%
Nursing Expansion	27.9	27.9	28.5	-	28.5	0.0	0.0%
<b>NNMCC Total</b>	<b>7,696.8</b>	<b>8,007.3</b>	<b>8,268.2</b>	<b>8,417.8</b>	<b>8,097.3</b>	<b>(170.9)</b>	<b>-2.1%</b>
<b>SFCC</b>							
I&G	7,399.4	7,941.9	9,122.7	9,914.4	9,213.0	90.3	1.0%
Small Business Devlpt. Centers	2,944.2	3,399.7	3,273.2	3,378.3	3,273.2	0.0	0.0%
Working To Learn	49.7	0.0	-	-	0.0	0.0	
Sign Language Services	21.2	21.2	20.5	-	20.5	0.0	0.0%
Nursing Expansion	34.9	34.9	35.6	-	35.6	0.0	0.0%
<b>SFCC Total</b>	<b>10,449.5</b>	<b>11,397.7</b>	<b>12,452.0</b>	<b>13,292.7</b>	<b>12,542.3</b>	<b>90.3</b>	<b>0.7%</b>
<b>ATVI</b>							
I&G	36,151.0	40,917.5	44,071.3	50,712.3	48,004.6	3,933.3	8.9%
<b>ATVI Total</b>	<b>36,151.0</b>	<b>40,917.5</b>	<b>44,071.3</b>	<b>50,712.3</b>	<b>48,004.6</b>	<b>3,933.3</b>	<b>8.9%</b>
<b>LVT</b>							
I&G	6,174.2	6,162.7	6,663.3	7,356.1	7,074.3	411.0	6.2%
Nursing Expansion	34.9	34.9	36.1	-	36.1	0.0	0.0%
<b>LVT Total</b>	<b>6,209.1</b>	<b>6,197.6</b>	<b>6,699.4</b>	<b>7,356.1</b>	<b>7,110.4</b>	<b>411.0</b>	<b>6.1%</b>
<b>MTC</b>							
I&G	2,164.2	2,238.2	2,326.5	2,465.6	2,372.3	45.8	2.0%
Extended Services Instruction	26.0	0.0	-	-	0.0	0.0	
<b>MTC Total</b>	<b>2,190.3</b>	<b>2,238.2</b>	<b>2,326.5</b>	<b>2,465.6</b>	<b>2,372.3</b>	<b>45.8</b>	<b>2.0%</b>
<b>NMJC</b>							
I&G	7,167.2	7,615.3	7,874.5	7,485.6	7,042.9	(831.6)	-10.6%
Extended Services Instruction	139.1	0.0	-	-	0.0	0.0	
Athletics	34.5	34.5	35.9	43.4	35.9	0.0	0.0%
Nursing Expansion	69.9	69.9	72.7	-	72.7	0.0	0.0%
<b>NMJC Total</b>	<b>7,410.7</b>	<b>7,719.7</b>	<b>7,983.1</b>	<b>7,529.0</b>	<b>7,151.5</b>	<b>(831.6)</b>	<b>-10.4%</b>
<b>SJC</b>							
I&G	14,494.1	15,640.1	18,440.1	20,004.7	19,080.8	640.7	3.5%
Extended Services Instruction	(16.1)	0.0	-	-	0.0	0.0	
Dental Hygiene	200.1	200.1	196.5	-	196.5	0.0	0.0%
Nursing Expansion	134.7	334.7	339.3	-	339.3	0.0	0.0%
Oil and Gas Job Training Program	-	100.0	96.5	-	96.5	0.0	0.0%
<b>SJC Total</b>	<b>14,812.9</b>	<b>16,274.9</b>	<b>19,072.4</b>	<b>20,004.7</b>	<b>19,713.1</b>	<b>640.7</b>	<b>3.4%</b>

<b>HIGHER EDUCATION INSTITUTIONAL BUDGET SUMMARY</b> (dollars in thousands)							
Agency/Institution/Program	FY03 (2002-2003)	FY04 (2003-2004)	FY06 (2005-2006)				
	ACTUAL	ACTUAL	FY05 BUDGET	Rev. Nov 19, 2004 CHE REQUEST (distrib comp) (a) (b)	LFC REC (lump sum comp)	Dollar Change	Percent Change
CCC							
I&G	8,954.1	9,208.4	9,425.3	10,477.8	9,994.1	568.8	6.0%
Extended Services Instruction	71.9	0.0		-	0.0	0.0	
Nursing Expansion	69.9	69.9	70.6	-	70.6	0.0	0.0%
CCC Total	9,095.8	9,278.3	9,495.9	10,477.8	10,064.7	568.8	6.0%
Four-Year/Two-Year Total	578,167.2	609,604.7	638,825.8	686,431.0	658,755.6	19,929.8	3.1%
NMMI							
I&G	0.0	0.0	0.0	-	0.0	0.0	
NMMI Total	0.0	0.0	0.0	0.0	0.0	0.0	
NMSBVI							
I&G	0.0	11.5	11.5	11.5	164.6	153.1	1331.3%
NMSBVI Total	0.0	11.5	11.5	11.5	164.6	153.1	1331.3%
NM School for the Deaf							
I&G	3,174.9	3,393.3	658.1	2,647.9	1,839.0	1,180.9	179.4%
School for the Deaf Total	3,174.9	3,393.3	658.1	2,647.9	1,839.0	1,180.9	179.4%
Special School GF Total	3,174.9	3,404.8	669.6	2,659.4	2,003.6	1,334.0	199.2%
Commission on Higher Education							
CHE Operating	1,506.1	1,681.5	1,726.0	2,131.2	1,726.0	0.0	0.0%
CHE Adult Basic Education		5,000.0	5,123.7	5,035.0	5,535.0	411.3	8.0%
CHE Financial Aid	21,202.7	22,202.7	22,194.6	23,306.8	23,213.6	1,019.0	4.6%
CHE High Skills		300.0	600.0	300.0	600.0	0.0	0.0%
CHE Nursing		2,000.0	0.0	-	0.0	0.0	
NM MESA, Inc.	791.7	753.9	715.8	753.9	914.4	198.6	27.7%
Contract to Train Dentists in NM	50.0	50.0	50.0	50.0	50.0	0.0	0.0%
Program Enhancement Fund	0.0	0.0	2,000.0	8,747.5	2,000.0	0.0	0.0%
Workforce Training Fund	0.0	0.0	0.0	-	0.0	0.0	
CHE Total	23,550.5	31,988.1	32,410.1	40,324.4	34,039.0	1,628.9	5.0%
COMPENSATION (a)	0.0	0.0	-	-	13,893.3	13,893.3	
HIGHER EDUCATION TOTAL	604,892.7	644,997.6	671,905.5	729,414.8	708,691.5	36,786.0	5.5%

(a) CHE compensation recommendation is distributed into line item details; total CHE compensation amount is \$27.9 million.

(b) CHE request column differs from November 19, 2004 CHE recommendation book due to variations in September 1, 2004 and November 19, 2004 requests.

**STATUTORY AUTHORITY:**

Article XII, Section 11, of the New Mexico Constitution established the state educational institutions and the control and management of each institution by a board of regents. Most statutory provisions related to postsecondary education can be found in Sections 21-1-1 through 21-29-6 NMSA 1978.

**BUDGET ISSUES:**

The committee recommends a total of \$708.7 million of recurring general fund for FY06 for higher education, including the commission on higher education and including a 2 percent total compensation increase for faculty and staff. This recommendation represents an increase of \$36.8 million, or 5.5 percent, from the FY05 recurring base.

The committee recommendation invests in New Mexico's future through a higher education funding package that prioritizes education and advances the state's higher education funding formula through the use of both recurring and nonrecurring general fund monies. The recommendation increases recurring funding for financial aid needs of students and calls for keeping tuition low for students and their families through a 3 percent tuition credit. The recommendation fully funds workload and advances the concept of the "cost of opening the doors" with funding for library and utility inflationary factors. The committee recommendation invests in faculty and staff salary needs through a compensation increase as well as funding for endowed chairs at the state's universities. The committee's recommendation for higher education funding continues the state's commitment, but increases the call for accountability.

As advanced by the Commission on Higher Education (commission), the total general fund request for higher education, including the commission agency budget and the state's special schools, was just over \$729 million, an increase of \$58 million. The commission fully funded workload and requested funding for inflationary factors such as 5 percent for group insurance and 5 percent for utilities to address the cost of opening the doors. The commission request incorporated a 4 percent tuition credit valued at \$7.3 million, as well as a 4 percent increase in compensation for faculty and staff at a cost of \$27.9 million.

The commission request included numerous expansions, including an increase of building renewal and replacement (BR&R) of 2.5 percent to 42.5 percent at a cost of \$682.6 thousand. This BR&R enhancement would not apply to special schools. Other expansions in the commission request included a reversal of a \$2 million adjustment adopted in the 2004 legislative session for incremental revenues to postsecondary institutions from the passage of a November 2003 constitutional amendment. The commission requested adjusting lower division funding for science courses at two-year institutions at a cost of \$677.8 thousand. The commission proposed converting nonrecurring FY05 funding for nursing and teacher education programs to a recurring appropriation at a cost of \$1.3 million. Finally, other expansions included "other recommended needs of higher education" in the form of \$500 thousand for the University of New Mexico Health Sciences Center BS/MD community partnerships for physicians proposal and over \$1.1 million in water research and policy projects at New Mexico State University and New Mexico Institute of Mining and Technology.

The current funding formula is based on two components: instruction and general (I&G). The general components include academic support; student services; institutional support, and plant operations and maintenance.

A task force developed a simplistic "base-plus-incentive" funding model to determine an institution's base expenditure level. The base-plus-incentive funding model dropped any claims of insufficient funding in certain areas in the past and moves forward with a model that begins with the current appropriation, recognizes increases or decreases in workload driven by enrollment changes and the mix of courses offered, adjusts for compensation increases, and recognizes changes in fixed costs such as utilities, library acquisitions, and health insurance and risk management premiums. This model is similar to the public school funding formula that acknowledges basic costs to "open the doors." Formula-generated transfers (building renewal and replacement, equipment renewal and replacement, 3 percent scholarships, etc.) are added, then revenue credits (land and permanent fund, mill levy, tuition credit, etc.) are subtracted, and the resulting product is the recommended general fund appropriation.

The incentive component of the formula recognizes institutional success in meeting the needs of students and the state through several incentive funds. There are five incentive funds: program development enhancement fund, performance fund, work force skills development fund, faculty endowment fund, and technology enhancement fund.

The committee recommends continuation of the base-plus-incentive funding model adopted for FY04. The following are major elements of the funding request and recommendation for FY06.

Workload. In determining workload, the commission compares the latest available, final data on student credit hour enrollment for academic year 2003-2004 with comparable data for academic year 2002-2003 (summer, fall, and spring) and calculates the percentage change. The methodology is the same for both four-year and two-year institutions. The commission also compares instructional base dollars funded in absolute amounts and the percentage change. If an institution exceeds a 3 percent change in either student credit hours or base dollars, it qualifies for additional workload funding in FY06. If an institution declines by 5 percent or more only in student credit hours, it loses funding in FY06. (The base dollar comparison is not a consideration when calculating declines.) If an institution falls within the enrollment or base dollar band, it does not receive a workload adjustment directly attributed to students but may receive workload for facilities.

The committee recommendation fully funds the cost of workload in FY06. A component of providing equity for funding of two-year institution science classes was overlooked in the formula revision process. The committee recognizes the need to address this concern, but directs the Commission on Higher Education to revisit the funding formula to address this and other inequities in the coming interim for consideration as expansion items at the 2006 legislative session.

Workload includes the incremental step of the phase-in funding of \$164.1 thousand in FY06 for the conversion of the instructional center in Taos to a branch campus of the University of New Mexico. In addition, workload includes \$374.2 thousand of equipment renewal and replacement adjustments for the University of New Mexico Health Sciences Center consistent with formula methodology.

Tuition Waivers for Certain Nonresidents. The General Appropriation Act of 2004 limited the general fund cost of the Texas 135 mile nonresident tuition waiver program. The statutory language directed the Commission on Higher Education to recommend adjustments to higher education funding regarding "relief for affected regional institutions." The commission studied the issue and recommended the following: (1) Program limitations should be based on student FTE, not dollars and (2) The possibility of a two-year phase-in for a reduction in use of the waiver program by NMSU, along with potential increases for WNMU and ENMU. The net effect is anticipated to be a continuation of the cap on the program costs, with an allowance for tuition increases. Associated funding mechanism changes remain to be incorporated into the formula by the commission.

At the November 2004 meeting, the commission changed its regulation on residency to "remain silent" on the issue of residency status of undocumented immigrants. The commission staff characterized the regulation change as improving the ability of registrars to charge in-state tuition, while waiting on legislative action on the issue.

Building Renewal and Replacement (BR&R). This funding is currently at 40 percent of full cost to allow institutions to address the maintenance of aging buildings. If BR&R were to be fully funded, the funding would provide 3 percent of the replacement cost of eligible facilities on an annual basis. Legislation enacted in 2004 expanded the BR&R formula to the facilities of the agricultural research centers of NMSU. The BR&R formula offsets the general fund by available land grant permanent fund distributions to institutions.

The commission recommendation included an expansion of building renewal and replacement funding to 42.5 percent for four- and two-year public, postsecondary institutions. The committee does not recommend this base expansion.

Land and Permanent Fund Excess. As recipients of land grant permanent fund (LGPF) distributions, higher education institutions utilize those funds to offset the general fund requirement for BR&R appropriations. For two institutions, New Mexico Institute of Mining and Technology and the University of New Mexico, receipts of LGPF income exceed the formula generated requirement for BR&R in FY06. In determining the total general fund need for institutions, the commission deducted one-third of the excess from each institution's general fund need and would allow the institutions to retain the two-thirds to supplement operating expenditures during the fiscal year. The committee concurs with the commission recommendation on treatment of land and permanent fund excess distributions in FY06.

Equipment Renewal and Replacement. The equipment renewal and replacement (ER&R) factor is designed to provide resources for the periodic replacement of unrestricted instruction and general equipment. Currently funded at 46.5 percent of the value required to replace all equipment using five and 12-year depreciated life cycles.

Compensation. In recent years, the Legislature provides a lump sum appropriation for higher education salary increases to CHE for distribution to the institutions. Salary and total compensation increases are at the discretion of the board of regents of each institution. In 2001 the Legislature added \$1.6 million for all four-year institutions to update salary tables for the purposes of calculating the true cost of a 1 percent salary increase for higher education personnel who are part of the I&G formula. The commission began to enhance the

transparency of their compensation calculations for FY06. In the 2005 interim, the commission needs to do a more thorough preparation of the compensation calculation, including enhanced efforts to verify actuals, greater consistency with methodology for state employee compensation increases, revisiting the methodology for research and public service project faculty and staff, as well as generally addressing the transparency and accuracy of methodology and data early in the interim.

For the last few years, the commission and institutions have considered faculty salary increases a top priority. In FY01, the Legislature funded a 3 percent compensation increase for both faculty and staff, then in FY02 funded a 7 percent increase for faculty and 6.5 percent increase for staff. In FY04, the Legislature funded a 3 percent increase for faculty and a 2.5 percent increase for staff. In FY05, the Legislature funded a 2 percent increase for faculty and staff.

In FY05, most institutions awarded average salary increases to faculty and staff in excess of 2 percent. University of New Mexico-Main along with most of its branches and the Albuquerque Technical Vocation Institute posted the largest compensation increases at 5 to 6 percent for faculty. Other than Albuquerque Technical Vocational Institute, most institutions awarded staff salaries at the same rate as faculty.

The CHE annual review of compensation levels of four-year postsecondary institutional faculty in relation to their peers in other states was not prepared this year. Based on the American Association of University Professors (AAUP) Faculty Salary Survey, an analysis by the Council of University Presidents notes the highest salaries at public, four-year postsecondary institutions in New Mexico are about 8 percent below the averages for peer institutions in other states. Further, several of New Mexico's four-year institutions have seen faculty salaries as a percent of peer averages erode from levels posted six years ago.

Corresponding information for community college salaries is compiled by the New Mexico Association of Community Colleges (NMACC) based on an annual survey of faculty salaries in the mountain states region. The latest NMACC survey indicates average salaries at New Mexico community colleges have trended upward over the last five years from an average of \$35,410 in 1999-00 to \$40,591 in 2003-04. However, when compared with the average of counterpart institutions in the mountain states region, salaries at New Mexico two-year institutions have dropped from 91.1 percent to 89.5 percent of the regional average over the same time period. (The regional comparison excludes the Maricopa system serving the Phoenix metropolitan area.)

The commission requested \$27.9 million for a 4 percent salary increase for both faculty and staff in FY06; the committee recommends a 2 percent increase in total compensation for both faculty and staff at a general fund cost of \$13.9 million.

**Other Plus Components.** The inflationary factors of the higher education funding formula are designed to recognize changes in fixed costs, such as utilities, library acquisitions, and health insurance and risk management premiums. This model is similar to the public school funding formula that acknowledges basic costs to "open the doors." The base for calculating inflationary adjustments is actual expenditures plus any percentage increase approved during the previous legislative session. Due to general fund restraints, inflationary factors were not funded in FY05.

For FY06, the commission requested \$2.2 million to fund inflationary increases for group health at 5 percent and \$1.7 million for increases in utility costs at a 5 percent formula factor. The committee recommends inflationary factors of 2.5 percent for libraries and utilities associated with instruction and general activities. These recommendations call for total incremental general fund appropriations of \$1.1 million.

**Special Projects.** For FY06, the commission received approximately \$13 million in requests for new projects and \$12 million in requests for project expansions. After its review, the commission recommended the following special project-related proposals.

The commission requested \$500 thousand of general fund to address workforce needs through the University of New Mexico Health Science Center BS/MD Community Partnership for Physicians. The program is intended to address physician shortages, particularly in rural areas, through a process of identifying high school students to match with mentors through the pursuit of an undergraduate pre-med degree, medical school enrollment assistance and community-based internships and residencies. The commission proposed converting nonrecurring FY05 funding for nursing and teacher education programs at a recurring cost of \$1.3 million. Further, the commission recommended collapsing recurring line items for nursing expansion programs into the program development enhancement fund for annual awards to be determined by the commission. Total funding to be allocated by the commission would total \$3.3 million from this nursing expansion line item change. Similarly, the commission requested collapsing from institutional budgets those line item programs relating to instruction and general research and public service projects into the program development enhancement fund in the amount of \$2.2 million



with an application and award process as determined by the commission. Finally, the commission recommended \$1.12 million of recurring general fund appropriation for water projects. The committee does not recommend these special project requests.

#### **RECOMMENDED LANGUAGE:**

On approval of the commission on higher education, the state budget division of the department of finance and administration may approve increases in budgets of agencies in this section with the exception of the policy development and institutional financial oversight program of the commission on higher education whose other state funds exceed amounts specified. In approving budget increases, the director of the state budget division shall advise the Legislature through its officers and appropriate committees, in writing, of the justification for the approval.

Except as otherwise provided, any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall not revert to the general fund.

The general fund appropriation to the New Mexico institute of mining and technology for the bureau of mines includes one hundred thousand dollars (\$100,000) from federal Mineral Lands Leasing Act receipts.

#### **UNM MAIN CAMPUS**

The purpose of the instruction and general program is to provide education services designated to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
Outcome	Number of first-time freshmen from New Mexico who are Native American	177	122	162	184	184
* Outcome	Percent of full-time, degree-seeking, first-time freshmen retained to second year	76.3%	76.2%	75.5%	76.0%	76.0%
* Output	Number of post-baccalaureate degrees awarded	1,256	1,250	1,275	1,300	1,300
Output	Number of degrees awarded utilizing extended services	155	145	150	170	170
* Outcome	External dollars for research and public service, in millions	\$100.8	\$96.6	\$112.2	\$114.4	\$114.4
* Output	Number of undergraduate transfer students from two-year colleges	1,416	1,516	1,516	1,590	1,590
* Outcome	Percent of full-time, degree-seeking, first-time freshmen completing an academic program within six years	45.8%	42.5%	41%	42.5%	42.5%

#### **UNM GALLUP BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	39.40%	40.90%	42.00%	42.00%	42.00%
Outcome	Percent of a cohort of full-time, first-time degree or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		11.05%		12.52%	12.52%
* Outcome	Percent of graduates placed in jobs in New Mexico	50.00%	59.35%	51.00%	55.00%	55.00%
Outcome	Percent of Hispanic students enrolled	9.50%	9.85%	10.00%	10.00%	10.00%
Outcome	Percent of Hispanic graduates	9.80%	9.56%	11.00%	11.00%	11.00%

Output	Number of students enrolled in the adult basic education program	622	676	683	685	685
* Output	Number of students enrolled in the area vocational schools program	439	448	450	452	452
Efficiency	Percent of programs having stable or increasing enrollments	62.00%	85.00%	53.00%	55.00%	55.00%
* Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		82.00%		79.87%	79.87%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		75.48%		76.00%	76.00%

### **UNM LOS ALAMOS BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	68.00%	58.50%	65.00%	65.00	65.00
Outcome	Percent of a cohort of full-time, first-time, degree or certificate seeking community college students who complete the program in one hundred fifty percent of normal time to completion		8.80%		12.04%	12.04%
* Outcome	Percent of graduates placed in jobs in New Mexico	63.80%	52.08%	65.00%	65.00%	65.00%
Outcome	Percent of Asian graduates	1.70%	4.00%	5.00%	5.00%	5.00%
Output	Number of students enrolled the adult basic education program	383	390	480	480	480
* Output	Number of students enrolled in the small business development center program	562	396	580	580	580
Efficiency	Percent of programs having stable or increasing enrollments	73.00%	73.00%	77.00%	77.00%	77.00%
* Outcome	Percent of first-time in college, full-time degree seeking students enrolled in a given fall term who persist to the following spring term		73.00%		73.61%	73.61%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		75.00%		75.50%	75.50%
Outcome	Percent of white students enrolled	51.00%	50.00%	53.00%	53.00%	53.00%

### **UNM VALENCIA BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		PERFORMANCE MEASURES				
		<u>FY03 Actual</u>	<u>FY04 Actual</u>	<u>FY05 Budget</u>	<u>FY06 Request</u>	<u>FY06 Recomm</u>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	58.90%	60.50%	53.00%	55.00%	55.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		7.45%		10.12%	10.12%
* Outcome	Percent of graduates placed in jobs in New Mexico	69.72%	71.11%	67.00%	68.00%	68.00%
Outcome	Percent of Native Americans enrolled	3.80%	3.80%	4.75%	4.75%	4.75%

Outcome	Percent of Native American graduates	3.61%	3.05%	3.50%	3.50%	3.50%
* Output	Number of students enrolled in the adult basic education program	1,101	872	1,150	1,150	1,150
Output	Number of students enrolled in the community services program	1,333	1,460	1,350	1,400	1,400
Efficiency	Percent of programs having stable or increasing enrollments	71.00%	81.00%	73.00%	74.00%	74.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		76.00%		72.40%	72.40%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		82.22%		82.50%	82.50%

### **UNM TAOS BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	55.60%	55.30%	57.00%	57.00%	57.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		7.89%		9.30%	9.30%
* Outcome	Percent of graduates placed in jobs in New Mexico	66.00%	66.18%	63.00%	64.00%	64.00%
Outcome	Percent of males enrolled	32.76%	33.61%	34.00%	34.00%	34.00%
Outcome	Percent of male graduates	22.04%	16.38%	23.00%	23.00%	23.00%
Output	Number of students enrolled in the adult basic education program	153	211	155	163	163
* Output	Number of students enrolled in the concurrent enrollment program	469	457	470	494	494
Efficiency	Percent of programs having stable or increasing enrollments	77.00%	57.00%	50.00%	52.00%	52.00%
* Outcome	Percent of first-time in college, full-time degree seeking students enrolled in a given fall term who persist to the following spring term		59.09%		74.65%	74.65%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		79.42%		80.00%	80.00%

### **UNM HEALTH SCIENCES CENTER**

The purpose of the instruction and general program is to provide education services designated to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy, and contribute to social advancement through informed citizenship.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Output	Number of degrees awarded utilizing extended university courses	20	24	25	25	25
Output	University of New Mexico hospital inpatient readmission rate	10.7	10.5	12.0	12.0	12.0
* Outcome	University of New Mexico inpatient satisfaction rate		76.8		78.1	78.1
* Output	Number of university of New Mexico patients participating in cancer research and treatment	155	171	210	215	215

	center clinical trials					
Outcome	Pass rate on licensure test by college of nursing students	90.3	90.6	90.0	90.0	90.0
Outcome	Number of health sciences center technology commercialization activities	33	38		95	95
* Output	Number of post-baccalaureate degrees awarded	270	238	250	275	275
* Outcome	External dollars for research and public service, in millions	\$172.5	\$209.7	\$212.0	\$236.0	\$236.0
* Outcome	Pass rates for step three of the United States medical licensing exam on the first attempt	98	98	99	99	99
Outcome	Percent of medical students who secured one of their top three choices in the residency program	85	87	85	85	85
Outcome	Medical student satisfaction rates on national standardized survey	83.7	81.0	87.1	87.1	87.1
Output	Number of university of New Mexico hospital clinic visits	334,194	334,843	349,417	372,031	372,031
Output	Number of university of New Mexico hospital inpatient discharges	22,666	21,844		23,022	23,022
Output	Percent of human poisoning exposures treated safely at home after poison and drug information center contact	64.0%	65.0%	67.0%	67.0%	67.0%

### **NMSU MAIN CAMPUS**

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Number of first-time, Native American freshmen enrolled	86	85	116	116	116
* Outcome	Percent of full-time, degree-seeking, first-time freshmen retained to second year	70.6%	71.7%	75.0%	75.0%	75.0%
Output	Number of degree programs offered via distance education	6	13	17	21	21
Quality	Percent of academic departments or programs using the results of student learning outcomes for improvement	90.0%	92.0%	75.0%	75.0%	75.0%
* Outcome	External dollars for research and creative activity, in millions	\$152.2	\$165.9	\$186.3	\$175.8	\$175.8
* Output	Number of teacher preparation programs available at New Mexico community college sites	1	3	4	5	5
* Outcome	Number of undergraduate transfer students from two-year colleges	929	872	1,099	1,028	1,028
* Outcome	Percent of full-time, degree-seeking, first-time freshmen completing programs within six years	45.9%	42.7%	50.0%	52.0%	52.0%

### **NMSU ALAMOGORDO BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	37.30%	49.20%	39.00%	43.00%	43.00%

Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		11.30%		12.00%	12.00%
* Outcome	Percent of graduates placed in jobs in New Mexico	56.70%	59.01%	54.00%	56.00%	56.00%
Outcome	Percent of Hispanic students enrolled	22.00%	22.90%	23.00%	23.50%	23.50%
Outcome	Percent of Native Americans graduates	1.90%	2.10%	2.85%	2.90%	2.90%
Output	Number of students enrolled in the adult basic education program	1,027	908	1,038	800	800
* Output	Number of students enrolled in the small business development center program	896	959	1,000	1,000	1,000
Efficiency	Percent of programs having stable or increasing enrollments	30.80%	50.00%	50.00%	55.00%	55.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		75.60%		77.20%	77.20%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		74.78%		75.50%	75.50%

### **NMSU CARLSBAD BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	56.60%	52.40%	61.00%	55.00%	55.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		4.20%		7.00%	7.00%
* Outcome	Percent of graduates placed in jobs in New Mexico	79.80%	82.11%	80.00%	82.00%	82.00%
Outcome	Percent of Hispanic students enrolled	35.30%	36.40%	39.00%	39.00%	39.00%
Outcome	Percent of Hispanic graduates	30.00%	32.70%	35.00%	39.00%	39.00%
* Output	Number of students enrolled in the contract training program	110	110	225	225	225
Output	Number of students enrolled in the area vocational school program	42	42	80	80	80
Efficiency	Percent of programs having stable or increasing enrollments	73.30%	75.00%	75.00%	75.00%	75.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		69.80%		71.53%	71.53%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		83.16%		83.00%	83.00%

### **NMSU DONA ANA BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit	36.60%	39.50%	38.00%	39.00%	39.00%

	hours successful after three years					
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		10.00%		12.50%	12.50%
* Outcome	Percent of graduates placed in jobs in New Mexico	68.20%	73.38%	64.00%	66.00%	66.00%
Outcome	Percent of males enrolled	45.00%	44.50%	47.00%	47.00%	47.00%
Outcome	Percent of Hispanic graduates	54.70%	57.40%	55.00%	56.00%	56.00%
Output	Number of students enrolled in the contract training program	769	972	1,050	1,200	1,200
* Output	Number of students enrolled in the adult basic education program	4,888	4,960	4,700	4,900	4,900
Efficiency	Percent of programs having stable or increasing enrollments	83.30%	83.30%	83.00%	84.00%	84.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		79.90%		81.00%	81.00%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		83.00%		84.00%	84.00%

### **NMSU GRANTS BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY06</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	39.60%	44.94%	40.00%	46.00%	46.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		9.21%		10.09%	10.09%
* Outcome	Percent of graduate students placed in jobs in New Mexico	74.00%	77.69%	66.00%	68.00%	68.00%
Outcome	Percent of Hispanic students enrolled	27.50%	27.70%	28.50%	29.00%	29.00%
Outcome	Percent of Native American graduates	38.60%	41.30%	33.00%	36.00%	36.00%
Output	Number of students enrolled in the adult basic education program	352	309	360	400	400
* Output	Number of students enrolled in the community services program	1,221	1,131	1,180	1,180	1,180
Efficiency	Percent of programs having stable or increasing enrollments	69.60%	74.00%	60.00%	70.00%	70.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		79.31%		72.49%	72.49%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		83.84%		84.00%	84.00%

**NMHU MAIN**

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Outcome	Percent of Native American students enrolled	9.50%	7.60%	8.0%	8.0%	8.0%
* Outcome	Percent of first-time, full-time freshmen retained to second year	41.5%	57.3%	64.0%	53.0%	53.0%
Output	Number of students enrolled in extended services	840	991	1,090	1,300	1,300
* Outcome	Percent of graduating seniors indicating "satisfied" or "very satisfied" with the university on student satisfaction survey	85.0%	89.5%	91.0%	93.0%	93.0%
* Outcome	Percent of total funds generated by grants and contracts	33.0%	29.0%	36.0%	31.0%	31.0%
* Output	Number of undergraduate transfer students from two-year colleges	142	131	145	250	250
* Output	Percent of full-time, degree-seeking, first-time freshmen completing programs within six years	18.3%	NA	24.0%	24.0%	24.0%

**WNMU MAIN**

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Outcome	Number of entering first-time, full-time freshmen who are Native American	18	14	18	9	9
* Outcome	Percent of first-time, full-time freshmen retained to second year	56.7%	48.7%	60.0%	54.0%	54.0%
Output	Number of courses available through instructional television and online via the world-wide web	41	68	45	115	115
Efficiency	Maintain a year-end instruction and general balance of at least three percent of instruction and general expenditures	10%	5%	3%-5%	3%-5%	3%-5%
* Output	Number of graduates receiving teacher licensure	135	142	145	150	150
* Outcome	External dollars to be used for programs to promote student success, in millions	\$2.37	\$3.0	\$3.1	\$3.7	\$3.7
* Output	Number of undergraduate transfer students from two-year colleges	NA	120	168	150	150
* Output	Percent of full-time, first-time students completing programs within six years	25.1%	21.7.0%	27.0%	23.0%	23.0%

**ENMU MAIN CAMPUS**

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
Outcome	Number of Hispanic first-year students enrolled	168	193	200	210	210
* Outcome	Percent of first-time freshmen retained to second year	57.4%	60.2%	61%	62.0%	62.0%
Output	Number of internet-based courses offered	37	44	55	65	65

* Efficiency	Ratio of full time equivalent students to full time equivalent instruction and general staff	6.0:1	6.1:1	6.2:1	6.2:1	6.2:1
* Outcome	Number of external dollars supporting research and student success, in millions	\$7.58	\$8.29	\$8.5	\$8.6	\$8.6
* Output	Number of undergraduate transfer students from two-year colleges	415	331	350	360	360
* Output	Percent of full-time freshmen completing their program within six years	29.3%	31.2%	31.5%	32.0%	32.0%

### **ENMU ROSWELL BRANCH**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	58.00%	57.50%	59.00%	61.00%	61.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		5.58%		8.72%	8.72%
* Outcome	Percent of graduates placed in jobs in New Mexico	68.00%	83.51%	74.00%	75.00%	75.00%
Outcome	Percent of males enrolled	44.70%	46.27%	45.00%	46.00%	46.00%
Outcome	Percent of male graduates	25.27%	32.16%	25.50%	26.00%	26.00%
Output	Number of students enrolled in the concurrent enrollment program	395	548	500	550	550
Output	Number of students enrolled in the distance education program	1,166	1,539	1,500	1,750	1,750
* Efficiency	Percent of programs having stable or increasing enrollments	78.60%	89.47%	63.00%	80.00%	80.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		75.50%		75.88%	75.88%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		85.11%		76.00%	76.00%

### **NMIMT MAIN**

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
Outcome	Number of Hispanic and Native American first-time freshmen enrolled	72	64	60	60	60
* Outcome	Percent of first-time freshmen retained to second year	74.0%	73.0%	75%	75.0%	75.0%
Output	Number of students enrolled in distance education courses	77	164	105	297	297
* Output	Unduplicated number of students registered in master of science teaching program	31	34	41	132	132
* Outcome	External dollars for research and creative activity, in millions	\$49.47	\$71	\$58	\$64	\$64
* Output	Number of undergraduate transfer students from two-year colleges	NA	36	35	40	40



* Output	Percent of full-time, first-time freshmen completing their program within six years	41.0%	42.0%	40.0%	42.0%	42.0%
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### **NNMCC MAIN**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	73.00%	69.00%	71.00%	71.00%	71.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		15.80%		17.24%	17.24%
* Outcome	Percent of graduates placed in jobs in New Mexico	65.00%	71.98%	65.00%	70.00%	70.00%
Outcome	Percent of Native Americans enrolled population	7.80%	7.60%	8.30%	9.30%	9.30%
Outcome	Percent of Native American graduates	5.90%	7.50%	7.00%	7.00%	7.00%
* Output	Number of students enrolled in the adult basic education program	445	337	350	400	400
Output	Number of students enrolled in the concurrent enrollment program	289	276	300	300	300
Efficiency	Percent of programs having stable or increasing enrollments	45.00%	48.00%	48.00%	69.00%	69.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		78.00%		66.20%	66.20%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		86.05%		86.50%	86.50%

### **SFCC MAIN**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	39.10%	39.30%	42.00%	45.00%	45.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		5.60%		8.98%	8.98%
* Outcome	Percent of graduates placed in jobs in New Mexico	81.60%	71.04%	83.00%	77.00%	77.00%
Outcome	Percent of Hispanic students enrolled	36.80%	36.80%	42.00%	42.00%	42.00%
Outcome	Percent of Hispanic graduates	48.90%	50.80%	46.00%	46.00%	46.00%
Output	Number of students enrolled in the adult basic education program	2,126	2,227	2,283	2,300	2,300
* Output	Number of students enrolled in the contract training program	1,274	1,544	1,275	2,000	2,000
Efficiency	Percent of programs having stable or increasing enrollments	69.80%	72.90%	72.00%	74.00%	74.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who		70.70%		71.78%	71.78%

Outcome	persist to the following spring term Percent of graduates placed in jobs and continuing their education in New Mexico	75.96%	78.00%	78.00%
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### **TECHNICAL-VOCATIONAL INSTITUTE**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	41.80%	43.80%	43.00%	44.00%	44.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		6.30%		7.28%	7.28%
* Outcome	Percent of graduates placed in jobs in New Mexico	81.80%	77.97%	82.00%	82.00%	82.00%
Outcome	Percent of Hispanic students enrolled	39.60%	40.00%	40.00%	40.20%	40.20%
Outcome	Percent of Hispanic graduates	36.90%	37.00%	37.00%	37.20%	37.20%
* Output	Number of students enrolled in distance education program	1,940	2,354	2,150	2,400	2,400
Output	Number of students enrolled in concurrent enrollment program	366	477	400	500	500
Efficiency	Percent of programs having stable or increasing enrollments	77.30%	84.40%	77.50%	85.00%	85.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		83.10%		79.30%	79.30%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		82.30%		83.00%	83.00%

### **LUNA COMMUNITY COLLEGE**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	52.00%	54.00%	73.00%	73.00%	73.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		18.00%		19.80%	19.80%
* Outcome	Percent of graduates placed in jobs in New Mexico	59.00%	87.68%	31.00%	50.00%	50.00%
Outcome	Percent of white students enrolled	16.00%	16.00%	18.00%	20.00%	20.00%
Outcome	Percent of male graduates	34.00%	27.00%	37.00%	38.00%	38.00%
Output	Number of students enrolled in the health education center program	2,481	2,433	2,588	2,588	2,588
* Output	Number of students enrolled in the small business development center program	287	240	324	324	324
Efficiency	Percent of programs having stable or increasing enrollments	65.00%%	76.00%	71.00%	75.00%	75.00%
* Outcome	Percent of first-time in college, full-time, degree-		76.00%		66.30%	66.30%

	seeking students enrolled in a given fall term who persist to the following spring term			
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	92.75%	92.80%	92.80%

### **MESALANDS COMMUNITY COLLEGE**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	46.10%	39.80%	47.00%	40.20%	40.20%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		7.30%		13.35%	13.35%
* Outcome	Percent of graduates placed in jobs in New Mexico	68.10%	53.13%	70.00%	54.30%	54.30%
Outcome	Percent of Hispanic students enrolled	37.40%	26.10%	39.00%	39.10%	39.10%
Outcome	Percent of female graduates	32.30%	39.40%	35.00%	35.10%	35.10%
Output	Number of students enrolled in the adult basic education program	400	422	425	426	426
* Output	Number of students enrolled in the small business development center program	70	62	71	61	61
Efficiency	Percent of programs having stable or increasing enrollments	75.00%	77.80%	75.00%	78.00%	78.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		85.30%		67.40%	67.40%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		56.26%		57.00%	57.00%

### **NEW MEXICO JUNIOR COLLEGE**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	60.66%	62.60%	65.00%	65.00%	65.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		17.38%		18.24%	18.24%
* Outcome	Percent of graduates placed in jobs in New Mexico	59.50%	65.43%	60.00%	62.00%	62.00%
Outcome	Percent of Hispanic students enrolled	32.80%	33.70%	34.00%	34.00%	34.00%
Outcome	Percent of Hispanic graduates	33.90%	33.98%	34.00%	34.00%	34.00%
Output	Number of students enrolled in the area vocational school program	149	162	170	170	170
* Output	Number of students enrolled in distance education program	1,619	2,332	2,400	2,400	2,400
Efficiency	Percent of programs having stable or increasing enrollments	77.70%	71.10%	82.00%	82.00%	82.00%

* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	72.64%	73.11%	73.11%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	71.01%	71.50%	71.50%

### **SJC MAIN**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	53.90%	59.50%	54.00%	55.00%	55.00%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion		11.30%		12.71%	12.71%
* Outcome	Percent of graduates placed in jobs in New Mexico	64.50%	60.48%	65.00%	65.00%	65.00%
Outcome	Percent of Native Americans enrolled	29.90%	29.60%	30.00%	27.00%	27.00%
Outcome	Percent of Native American graduates	24.30%	24.30%	26.00%	26.00%	26.00%
Output	Number of students enrolled in the community services program	2,654	2,602	2,720	2,720	2,720
* Output	Number of students enrolled in the service learning program	333	362	340	360	360
Efficiency	Percent of programs having stable or increasing enrollments	85.30%	84.90%	85.00%	85.00%	85.00%
* Outcome	Percent of first-time in college, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term		81.90%		81.95%	81.95%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico		64.58%		65.00%	65.00%

### **CLOVIS COMMUNITY COLLEGE**

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit postsecondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of new students taking nine or more credit hours successful after three years	41.00%	47.41%	42.00%	44.00%	44.00%
Outcome	Percent of a cohort of full-time, first-time degree/certificate seeking community college students who complete the program in one hundred fifty percent of normal time to completion		16.75%		18.97%	18.97%
* Outcome	Percent of graduates placed in jobs in New Mexico	56.00%	62.69%	57.00%	59.00%	59.00%
Outcome	Percent of Hispanic students enrolled	27.45%	27.35%	30.00%	30.00%	30.00%
Outcome	Percent of Hispanic graduates	22.26%	23.67%	24.00%	24.00%	24.00%
Output	Number of students enrolled in the distance education program	506	862	350	700	700
* Output	Number of students enrolled in the concurrent enrollment program	392	409	380	400	400
Efficiency	Percent of programs having stable or increasing	76.20%	76.50%	77.50%	77.50%	77.50%

	enrollments			
* Outcome	Percent of first-time in college, full-time degree seeking students enrolled in a given fall term who persist to the following spring term	67.56%	70.04%	70.04%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	73.07%	73.50%	73.50%

## **SPECIAL SCHOOLS**

As noted under Higher Education Accountability and Performance, Volume I, the special schools generally improved reporting of performance measures under the Accountability in Government Act in 2005.

### **NEW MEXICO MILITARY INSTITUTE - JUNIOR COLLEGE**

#### **BUDGET ISSUES:**

According to the commission, total expenditures of \$13.7 million are offset by land grant permanent fund revenue, tuition, and fees and cash balances in FY06.

### **NEW MEXICO MILITARY INSTITUTE - JUNIOR COLLEGE**

The purpose of the New Mexico military institute is to provide instruction for students to receive a military education culminating in an associates degree.

		PERFORMANCE MEASURES				
		FY03 <u>Actual</u>	FY04 <u>Actual</u>	FY05 <u>Budget</u>	FY06 <u>Request</u>	FY06 <u>Recomm</u>
* Output	Number of college students attending each fall term			450	460	460
* Outcome	American College Testing (ACT) scores for entering college freshmen			21.0	21.5	21.5
Outcome	Collegiate assessment of academic proficiency (CAAP) writing scores for graduating class			62.5	63	63
Outcome	Collegiate assessment of academic proficiency (CAAP) reading scores for graduating class			59	60	60
Outcome	Collegiate Assessment of Academic Proficiency (CAAP) mathematics scores for each graduating class			61.0	61.5	61.5
Quality	Number of faculty holding master's or doctoral degrees from accredited institutions			58	58	58
* Quality	Number of faculty development events			58	65	65
* Efficiency	Percentage of cadets on scholarship or financial aid			66%	67%	67%
Efficiency	Total annual cost of attendance			\$7,900	\$8,216	\$8,216

### **NEW MEXICO SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED**

#### **BUDGET ISSUES:**

November 2004, New Mexico voters approved a constitutional amendment to change the name of the school from the New Mexico School for the Visually Handicapped to the New Mexico School for the Blind and Visually Impaired. According to the commission, total projected expenditures of \$10.2 million in FY06 are offset by revenues and other transfers. The committee recommends a general fund increase of \$153.1 thousand in FY06 to bring equity to the treatment of base recurring BR&R for the school.

## **NEW MEXICO SCHOOL FOR THE BLIND AND VISUALLY IMPAIRED**

The purpose of the New Mexico School for the Blind and Visually Impaired program is provide the training, support, and resources necessary to prepare blind and visually impaired children of New Mexico to participate fully in their families, communities, and the work force, and to lead independent, productive lives.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of students achieving at least seventy percent of annual individualized education program goals at main campus	92%	94%	80%		80%
Output	Number of students served at main campus	50	52	60		60
* Quality	Number of staff proficient in braille on main campus	60	48	52		52
* Efficiency	Number of students per teacher at main campus	4:1	5:1	5:1		5:1
Quality	Percent of parents' and districts' rating of overall quality of services based on annual survey				75%	75%
Output	Number of students served through a full continuum of services					
Outcome	Number of training opportunities within the state using a diverse service delivery model				2	2
Output	Number of contacts with outside agencies				50	50
Output	Number of interactions and communications among departments and programs				25	25
* Outcome	Percent of students achieving at least seventy percent of annual individualized education program goals in the early childhood program	92%	83%	80%		80%
Output	Number of students served through the early childhood program	275	364	210		210
Quality	Number of staff proficient in braille within early childhood program	28	33	20		20
Efficiency	Number of students per teacher in the early childhood program	3:1	3:1	6:1		6:1
* Output	Number of students served through outreach programs	158	115	165		165
Quality	Number of staff proficient in braille in outreach programs	10	9	8		8

## **NEW MEXICO SCHOOL FOR THE DEAF**

### **BUDGET ISSUES:**

Total expenditures are projected at \$10.9 million. The FY05 base reflected constraints on the general fund as well as the need to reduce balances from levels in excess of 25 percent. The general fund appropriation for the school now needs to be increased from the FY05 operating budget to align total revenues with total expenditures. The commission requested an incremental \$2.0 million of general fund appropriation in FY06. The committee recommends an incremental \$1 million as well as parity funding for BR&R at \$175.4 thousand and a component of the utility inflationary factor. In sum, the committee recommends a total FY06 general fund appropriation of \$1.8 million, up \$1.2 million from FY05.

## **SCHOOL FOR THE DEAF**

The purpose of the School for the Deaf program is to provide a comprehensive, fully accessible and language-rich learning environment where children who are deaf or hard of hearing can reach their maximum potential.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03 Actual</u></b>	<b><u>FY04 Actual</u></b>	<b><u>FY05 Budget</u></b>	<b><u>FY06 Request</u></b>	<b><u>FY06 Recomm</u></b>
* Outcome	Percent of students in grades 3 to 12 demonstrating academic improvement across curriculum domains	46%	54%	75%	75%	75%
	Outcome		95%	75%	75%	75%
* Outcome	Percent of students in grades 3 to 12 who are significantly cognitively delayed demonstrating sufficient growth across curricular domains					
	Rate of transition to post-secondary education, vocational-technical training schools, junior colleges, work training and/or employment for graduates	90%	100%	90%	90%	90%
	Outcome					
	Percent of students in grades 3 to 12 at New Mexico School for the Deaf who are late language learners (american sign language/english) demonstrating significant gains in language and communication as demonstrated by pre/post test results	80%	80%	75%	75%	75%
* Quality	Percent of parents satisfied with the educational services from New Mexico School for the Deaf	94%	91%	90%	90%	90%
* Quality	Number of teachers and support staff participating in a two-year intensive staff development-training program in bilingual (american sign language/english) education methodologies					
	Outcome					
	Percent of parents of children receiving outreach services indicating ability to make informed decisions about educational options/programs.	100%	100%	90%	90%	90%
	Output					
	Percent of individualized education program meetings which address special factors of language and communication	100%	100%	90%	90%	90%
	Outcome					
	Number of children referred to the step*hi program by age six months (who are identified through newborn hearing screening)	12	13	15	15	15
	Outcome					
	Percent of students enrolled in preschool, kindergarten, and first and second grade programs demonstrating three to six month developmental progress	93%	100%	75%	75%	75%

PUBLIC SCHOOL SUPPORT FUNDING SUMMARY FY06  
(dollars in thousands)

	FY04 Appropriation	FY05 Appropriation	FY06 PSS Request	FY06 LFC Recommendation	
<b>PROGRAM COST</b>	\$ 1,714,906.2	\$ 1,802,906.6	\$ 1,903,074.6	\$ 1,903,074.6	
Cash Balance Credit Taken	\$ (18,000.0)	\$ (11,600.0)	\$ -	\$ -	
<b>ADJUSTED PROGRAM COST</b>	\$ 1,696,906.2	\$ 1,791,306.6	\$ 1,903,074.6	\$ 1,903,074.6	
<b>ENROLLMENT GROWTH</b>	\$ 4,473.1	\$ 5,200.0	\$ 17,507.6	\$ 10,000.0	
<b>FIXED COSTS</b>	\$ 3,325.5	\$ 1,900.0	\$ 3,650.0	\$ 3,650.0	
<b>INSURANCE COSTS</b>	\$ 25,000.0	\$ 19,000.0	\$ 21,100.0	\$ 17,500.0	
<b>COMPENSATION</b>					
Teachers (1.25% in FY06)	\$ 32,098.3	\$ 19,276.0	\$ -	\$ 6,144.4	1
Instructional Staff (1.25% in FY06)	\$ 5,879.0	\$ 3,531.1	\$ -	\$ 2,247.8	
Other Certified and Non-certified Staff (1.25% in FY06)	\$ 11,554.5	\$ 7,991.7	\$ -	\$ 5,098.0	
Annualize FY04	\$ -	\$ 25,830.5	\$ -	\$ -	
Three-tiered Licensure (Levels 2 & 3 to \$40,000 in FY06)	\$ 5,700.0	\$ 8,638.7	\$ 51,800.0	\$ 51,800.0	
Principal Salaries	\$ -	\$ -	\$ 1,975.4	\$ 783.0	2
Increased ERB Contribution (.75% of employee salary)	\$ -	\$ -	\$ -	\$ 12,081.5	
Full-day Kindergarten (TANF Replacement in FY06)	\$ 7,000.0	\$ 9,600.0	\$ 4,000.0	\$ 4,000.0	
Student Assessment of CRTs/Administration	\$ 2,000.0	\$ 1,800.0	\$ 2,047.6	\$ 2,047.6	
Elementary Fine Arts (full requirement at .0332)	\$ 4,000.0	\$ 4,000.0	\$ 9,772.9	\$ 2,500.0	3
Enrollment Growth (formula change)	\$ 4,500.0	\$ -	\$ -	\$ -	
National Board Certification (Formula Change)	\$ 470.0	\$ -	\$ 258.4	\$ -	
Career Ladder for Educational Assistants (Current Law)	\$ -	\$ 5,000.0	\$ -	\$ 1,500.0	
Career Ladder for Educational Assistants (Proposed 4-Tiered)	\$ -	\$ -	\$ -	\$ -	
<b>PROGRAM COST</b>	\$ 1,802,906.6	\$ 1,903,074.6	\$ 2,015,186.5	\$ 2,022,426.8	
Sanding Credit Adjustment	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL ADJUSTED PROGRAM COST</b>	<b>\$ 1,802,906.6</b>	<b>\$ 1,903,074.6</b>	<b>\$ 2,015,186.5</b>	<b>\$ 2,022,426.8</b>	
Dollar Increase Over Previous Year Appropriation	\$ 88,000.4	\$ 100,168.0	\$ 112,111.9	\$ 119,352.2	
Percentage Increase	5.13%	5.56%	5.89%	5.92%	
LESS PROJECTED CREDITS (from school district cash balances)	\$ (16,400.0)	\$ -	\$ -	\$ -	
LESS PROJECTED CREDITS	\$ (58,600.0)	\$ (61,000.0)	\$ (55,700.0)	\$ (58,600.0)	
LESS PROJECTED CREDITS (from driver's license fees)	\$ (3,000.0)	\$ (1,700.0)	\$ (1,300.0)	\$ (1,300.0)	
<b>STATE EQUALIZATION GUARANTEE</b>	<b>\$ 1,724,906.6</b>	<b>\$ 1,840,374.6</b>	<b>\$ 1,958,186.5</b>	<b>\$ 1,962,526.8</b>	
Dollar Increase Over Previous Year Appropriation	\$ 69,483.9	\$ 115,468.0	\$ 117,811.9	\$ 122,152.2	
Percentage Increase	4.05%	6.69%	6.40%	6.24%	
<b>CATEGORICAL PUBLIC SCHOOL SUPPORT</b>					
<b>TRANSPORTATION</b>	\$ 94,500.0	\$ -	\$ -	\$ -	
Operational	\$ -	\$ 84,717.8	\$ 88,078.7	\$ 88,078.7	
School Owned Bus Replacements	\$ -	\$ 342.6	\$ 176.4	\$ 176.4	
Rental Fees	\$ -	\$ 12,336.0	\$ 11,296.5	\$ 11,296.5	
Compensation (1.25% in FY06)	\$ 1,222.2	\$ 840.4	\$ -	\$ 501.5	
<b>TOTAL TRANSPORTATION</b>	<b>\$ 95,722.2</b>	<b>\$ 98,236.8</b>	<b>\$ 99,551.6</b>	<b>\$ 100,053.1</b>	
<b>SUPPLEMENTAL DISTRIBUTIONS</b>					
Out-of-State Tuition	\$ 495.0	\$ 495.0	\$ 380.0	\$ 380.0	
Emergency Supplemental	\$ 2,600.0	\$ 2,600.0	\$ 2,920.0	\$ 2,000.0	
Emergency Capital Outlay	\$ -	\$ -	\$ -	\$ -	
<b>INSTRUCTIONAL MATERIAL FUND</b>	\$ 32,700.0	\$ 26,600.0	\$ 32,324.0	\$ 32,324.8	
<b>EDUCATIONAL TECHNOLOGY FUND</b>	\$ 5,000.0	\$ 5,000.0	\$ 5,000.0	\$ 5,000.0	
<b>INCENTIVES FOR SCHOOL IMPROVEMENT</b>	\$ 1,600.0	\$ -	\$ -	\$ -	
Adequate Yearly Progress Program (at least 60%)	\$ -	\$ 960.0	\$ 960.0	\$ 1,600.0	
State Improving School Program (up to 40%)	\$ -	\$ 640.0	\$ 640.0	\$ -	
Three-tiered Licensure Evaluation System Implementation	\$ 250.0	\$ -	\$ -	\$ -	
<b>TOTAL CATEGORICAL</b>	<b>\$ 138,367.2</b>	<b>\$ 134,531.8</b>	<b>\$ 141,775.6</b>	<b>\$ 141,357.9</b>	
<b>TOTAL PUBLIC SCHOOL SUPPORT</b>	<b>\$ 1,863,273.8</b>	<b>\$ 1,974,906.4</b>	<b>\$ 2,099,962.1</b>	<b>\$ 2,103,884.7</b>	
Dollar Increase Over Previous Year Appropriation	\$ 74,708.3	\$ 111,632.6	\$ 125,055.7	\$ 128,978.3	
Percentage Increase	4.18%	6.0%	6.3%	6.1%	
<b>RELATED APPROPRIATIONS/RECURRING</b>					
Public Education Department	\$ 10,193.2	\$ 11,493.3	\$ 15,928.5	\$ 11,636.2	
Advanced Placement Framework	\$ 381.6	\$ 381.6	\$ 381.6	\$ 381.6	
Apprenticeship Assistance	\$ 650.0	\$ 650.0	\$ 650.0	\$ 650.0	
Beginning Teacher Induction/Mentorship	\$ 900.0	\$ 900.0	\$ 1,100.0	\$ 900.0	
Charter School Stimulus Fund	\$ 200.0	\$ 200.0	\$ 1,000.0	\$ -	
Family and Youth Resource Act/Family and Youth Services	\$ -	\$ 1,800.0	\$ 1,800.0	\$ 1,800.0	
FY04 One-Time Appropriation	\$ 3,300.0	\$ -	\$ -	\$ -	
Indian Education Act	\$ 2,000.0	\$ 2,500.0	\$ 2,500.0	\$ 2,500.0	
Kindergarten Plus (Extended Kindergarten for High-Poverty Areas)	\$ 100.0	\$ 100.0	\$ 100.0	\$ 100.0	
To CHE: Teacher Loan for Service	\$ -	\$ 386.5	\$ 386.5	\$ 386.5	
<b>TOTAL RELATED RECURRING APPROPRIATIONS</b>	<b>\$ 17,724.8</b>	<b>\$ 18,411.4</b>	<b>\$ 23,846.6</b>	<b>\$ 18,354.3</b>	



**PUBLIC SCHOOL SUPPORT FUNDING SUMMARY FY06**  
(dollars in thousands)

	FY04 Appropriation	FY05 Appropriation	FY06 PSS Request	FY06 LFC Recommendation	
<b>TOTAL RECURRING APPROPRIATIONS</b>	<b>\$ 1,880,998.6</b>	<b>\$ 1,993,317.8</b>	<b>\$ 2,123,808.7</b>	<b>\$ 2,122,239.0</b>	
Dollar Increase Over Previous Year Appropriation	\$ 81,484.2	\$ 112,319.2	\$ 130,490.9	\$ 128,921.2	
Percentage Increase	4.53%	5.97%	6.55%	6.07%	
<b>SPECIAL NON-RECURRING APPROPRIATIONS/NON-RECURRING</b>					
ADS upgrade to meet NCLB requirements	\$ -	\$ 500.0	\$ -	\$ -	4
Adult GED Initiative	\$ -	\$ 200.0	\$ 200.0	\$ -	4
Assessment Districts and PED	\$ -	\$ -	\$ 7,264.6	\$ 7,264.6	7
Breakfast for Elementary Students (5 year phase-in)	\$ -	\$ -	\$ 600.0	\$ -	4
Bullying Prevention	\$ -	\$ 350.0	\$ 350.0	\$ -	4
Cash Balance Credit - non recurring infusion to program cost	\$ -	\$ -	\$ 11,600.0	\$ -	4
Charter School Expanded Services	\$ -	\$ 475.0	\$ 475.0	\$ -	4
Community Conversations	\$ -	\$ -	\$ 50.0	\$ -	4
Creation of Voluntary Statewide Curriculum	\$ -	\$ -	\$ 495.3	\$ -	4
Dance Activity Program/In-school or Residency	\$ -	\$ 100.0	\$ 100.0	\$ -	4
Develop an Alternative Version (Part B) of "Prueba de Espanol"	\$ -	\$ -	\$ 200.0	\$ -	4
Dropout Enlace	\$ -	\$ -	\$ 1,200.0	\$ -	4
Dropout Prevention Program (includes 1 FTE)	\$ -	\$ 200.0	\$ -	\$ -	5
ECE Before & After School (currently TANF) includes 2 FTE	\$ -	\$ -	\$ 2,982.5	\$ -	4
Education Support (1 FTE)	\$ -	\$ 113.6	\$ -	\$ -	5
Educator Preparation: Three-tiered Licensure Support (1 FTE)	\$ -	\$ 47.6	\$ -	\$ -	5
Extended School Day for Students	\$ -	\$ -	\$ 1,500.0	\$ -	4
Elementary PE Pilot (7 year Phase-in)	\$ -	\$ -	\$ 4,000.0	\$ -	4
Family School Readiness Program Initiative (Even Start)	\$ -	\$ 200.0	\$ 200.0	\$ -	4
Funding Formula Study	\$ -	\$ -	\$ 350.0	\$ 200.0	7
Governor's Commission on Teaching	\$ -	\$ 50.0	\$ 50.0	\$ -	4
GRADS - Teen Pregnancy Prevention (TANF)	\$ -	\$ -	\$ 1,300.0	\$ 1,300.0	6
High School Initiative	\$ -	\$ -	\$ 500.0	\$ -	4
Indian Education (1 FTE)	\$ -	\$ 113.6	\$ -	\$ -	5
Information Technology Education Reform Support (1 FTE)	\$ -	\$ 113.6	\$ -	\$ -	5
Information Technology Infrastructure Upgrade and Network	\$ -	\$ 200.0	\$ -	\$ -	
Instructional Materials New Charter Schools Contingency	\$ -	\$ 1,500.0	\$ 1,590.2	\$ -	4
Jobs for New Mexico's Graduates (JNMG) Program	\$ -	\$ -	\$ 1,041.3	\$ -	4
Magnet Career Academy	\$ -	\$ 200.0	\$ 200.0	\$ -	4
Math and Science Standards-based Education Technology	\$ -	\$ 200.0	\$ -	\$ -	
Middle College Dropout Initiative	\$ -	\$ 100.0	\$ 100.0	\$ -	4
New Mexico Border Superintendent Leadership Institute	\$ -	\$ 200.0	\$ 200.0	\$ -	4
New Mexico Leadership Academy	\$ -	\$ -	\$ 1,000.0	\$ -	4
New Mexico Teacher Corps	\$ -	\$ -	\$ 900.0	\$ -	4
Pre-K Governor's Initiative (Lock Box)	\$ -	\$ -	\$ 9,000.0	\$ 4,000.0	4
PBPB (FY04)/NCES Chart of Accounts Implementation (FY05)	\$ -	\$ 1,800.0	\$ 2,500.0	\$ 1,000.0	7
Professional Development Fund	\$ -	\$ 2,400.0	\$ 3,000.0	\$ -	4
Rural Ed Initiatives	\$ -	\$ 300.0	\$ 500.0	\$ -	4
Rural Education (1 FTE)	\$ -	\$ 113.6	\$ -	\$ -	5
Rural School Advanced Placement Acceleration Program	\$ -	\$ 100.0	\$ 100.0	\$ -	4
School Bus Fuel Adjustment (Contingency)	\$ -	\$ -	\$ 500.0	\$ -	4
School District and PED Quality Assurance (1 FTE)	\$ -	\$ 113.6	\$ -	\$ -	5
School Library Fund	\$ -	\$ 1,000.0	\$ -	\$ -	
Small District Save Harmless Stopgap	\$ -	\$ -	\$ 1,700.0	\$ -	4
State Student Identification Number System (FY05 maintenance)	\$ -	\$ 93.0	\$ -	\$ -	
Statwide Transition/Next Steps Coordinating Council	\$ -	\$ -	\$ 70.0	\$ -	4
Student Assessment	\$ -	\$ 385.5	\$ -	\$ -	
Student Assessment Criterion Reference Testing - State-level costs	\$ -	\$ 350.0	\$ -	\$ -	
Teacher Incentives for Priority/Rural Schools	\$ -	\$ -	\$ 250.0	\$ -	4
Teacher Licensure Evaluation System (1 FTE)	\$ -	\$ 140.0	\$ -	\$ -	5
Three-tiered Licensure Evaluation System Implementation	\$ -	\$ 1,000.0	\$ 1,000.0	\$ -	4
Truancy Initiative	\$ -	\$ 500.0	\$ 500.0	\$ -	4
Vocational High School Model	\$ -	\$ 225.0	\$ 225.0	\$ -	4
<b>TOTAL RELATED NON-RECURRING APPROPRIATIONS</b>	<b>\$ -</b>	<b>\$ 13,384.1</b>	<b>\$ 57,793.9</b>	<b>\$ 13,764.6</b>	
<b>TOTAL PUBLIC SCHOOL SUPPORT REQUEST</b>	<b>\$ 1,880,998.6</b>	<b>\$ 2,006,701.9</b>	<b>\$ 2,181,602.6</b>	<b>\$ 2,136,003.6</b>	
Dollar Increase Over Previous Year Appropriation	\$ 81,484.2	\$ 125,703.3	\$ 174,900.7	\$ 129,301.7	
Percentage Increase	4.53%	6.68%	8.72%	5.93%	

1. 1.25% increase for teachers not receiving increases to meet 3-Tier minimum salaries
2. Assumes statute change to principals' minimum
3. Assumes statute change to keep weighting factor at .0332
4. If funded, use non-recurring "Education Lock Box"
5. Included in PED recommendation
6. LFC Human Services Department recommendation uses TANF funding
7. Transfer from the "Education Lock Box"

**STATUTORY AUTHORITY:**

Article XII, Section 1, of the New Mexico Constitution states a uniform system of free public schools sufficient for the education of, and open to, all the children of school age in the state shall be established and maintained. Statutory provisions related to public school education can be found in the Public School Code, chapter 22 of state statutes. Constitutional amendments passed in 2003 restructured state education administration from one directed by an elected board to a cabinet agency under the governor and increased the amount of money distributed to public schools and all beneficiaries of income from state trust land.

**MISSION:**

The purpose of public school support is to carry out the mandate to establish and maintain a uniform system of free public schools sufficient for the education of, and open to, all the children of school age in the state.

**BUDGET ISSUES:**

Public schools receive operational revenue from the general fund, federal funds, other state funds, local revenue, and cash balances. Public schools are required to offer an elective classroom driver safety education course and receive \$3 from each driver's license for this purpose.

PED uses the state equalization guarantee (SEG)—the "funding formula"—to distribute money to the public schools. About 90 percent of a school's operational revenue comes through the formula. The formula, designed to distribute operational funds to school districts objectively, is enrollment driven with weighted factors for school and district size, teacher qualifications, students' special needs, and other circumstances. The end result is called a program unit. The Public Education Department divides the SEG appropriation by the statewide total number of units to determine the unit value and then distributes the money to each district by multiplying the unit value by the number of units earned by the district. School districts have the discretion to spend formula dollars according to local priorities as long as they comply with state education statutes and PED directives.

In determining a district's SEG, the state takes credit for 75 percent of three revenue sources: a 0.5 mill local levy, federal forest reserve funds, and the operational portion of the federal impact aid funds, all of which remain in the local district. The state does not take credit for impact aid funds designated for special education or for students living on Indian lands. School districts retain 5 percent of the local and federal revenues for operational purposes and are required to budget an amount of its SEG equal to 20 percent of those revenues for capital outlay needs.

Program Cost and State Equalization Guarantee. Requests far exceed the resources available to public schools and, as a result, the committee prioritized recommendations beginning with those in statute before proceeding to other initiatives and requests for funding. The committee recommends \$1.963 billion for program costs, an increase of \$122.2 million, or 6.24 percent, more than FY05. The committee's recommendation reflects the continued emphasis placed on education by allocating approximately 43.9 percent of the available, new revenue to public education. If Medicaid increases (\$57 million resulting from the federal medical assistance percentage match increases that do not provide new programs or enrollees) are subtracted from the anticipated new revenue, the portion going to public schools is 55 percent.

The committee recommendation for credits assumes annual increases of an estimated 3 percent in property tax revenue but assumes a reduction in impact aid due to prior-year balances being spent down by the U.S. Department of Education. The federal fiscal year omnibus bill increased impact aid for all states by \$14 million; however, PED has been advised that prior-year funding has been spent and the federal impact aid office is assessing the impact on individual state allocations. The committee recommends reducing the credits by \$2.8 million to reflect the actual revenues earned the previous year; however, the committee also recommends this figure be adjusted during the session as better estimates of impact aid payments and property revenues are received.

Specific recommendations are as follows:

Enrollment growth. The committee recognizes growth has been underestimated in the past and the need for a realistic projection of expected student growth. The committee recommends \$10 million be included for growth. This is an increase over the \$5.2 million in FY05.

Fixed costs. The committee recommends the request for increases in utility costs of \$3.65 million.

Insurance. These costs become part of the unit value and are distributed to schools through the funding formula. Except for Albuquerque Public Schools, revenue is then transferred from the districts to the New Mexico Public School Insurance Authority (NMPSIA) to provide health insurance benefits to employees and risk insurance to the districts. NMPSIA estimates costs will increase between 11 percent and 14 percent in the next year. The committee recommends \$17.5 million over the FY05 appropriation for insurance costs based on fund balances available to the authority. Increases in insurance costs reduce the revenue available for other initiatives and costs for public education in New Mexico.

Three-Tiered Teacher Licensure. The committee recommends \$51.8 million for the \$40,000 minimum salary requirements for Level 2 and 3 teachers. The committee is committed to and recommends fully funding the implementation of three-tiered teacher licensure for each phase throughout the implementation.

Full-Day Kindergarten. The full-day kindergarten program was fully implemented in FY05. However, \$4 million of the funding came from the temporary assistance to needy families (TANF) block grant. Due to drawdown of prior-year carryover TANF funds, the committee recommends replacing these TANF funds from the general fund in the 2006 General Appropriation Act.

Student Assessment. Testing requirements are a key component of the federal No Child Left Behind and the Public School Reform Act. Testing costs will range from \$30 to \$50 per student per year. The committee recommends increasing funding for testing by \$2 million for FY06. In addition, the committee recommends \$7.6 million for test development be funded from the "education lock box."

Categorical Public School Support. The committee recommendation is \$141.4 million, an increase of \$6.9 million, or 5.1 percent. The following are included in categorical public school support.

Transportation. Within categorical support, the transportation distribution is used to make payments to school districts for the to-and-from transportation costs of students in kindergarten through 12th grade, and 3- and 4-year-old developmentally disabled students enrolled in public school programs. The funding is for operational costs, school-owned equipment, and rental and lease fees for buses. The committee recommends \$100 million, almost \$2 million over the FY05 operating budget.

Instructional Materials. Funds for instructional materials are generated through the provisions of the federal Mineral Lands Leasing Act. The funds are provided directly to schools on a per-pupil basis. The department funds materials for public, charter, state-supported, and accredited private schools, as well as adult education centers. Any balances remaining at the end of the fiscal year may be retained by the eligible entities for expenditure in subsequent years. The public schools are restricted to using 70 percent of their state funds on adopted instructional materials and 30 percent on nonadopted materials. Charter schools and adult basic education centers may use all the funding on nonadopted materials. Accredited private schools may only purchase instructional materials on the state adopted list. The committee recommends \$32.3 million for FY06.

The total appropriation for recurring direct public school support is \$2.1 billion, an increase of \$129 million or 6.1 percent.

School Reform Initiatives. In 2004, the Legislature appropriated \$10.9 million to PED for 30 nonrecurring public school reform initiatives. In these initiatives was 8 FTE, including six assistant secretary positions. Through agreement with DFA, funding for these positions is now included in PED's base operating budget. About \$9.7 million remains in the nonrecurring category but is being requested in the public school support appropriation request. In addition, PED requested a total of \$57.8 million for initiatives including those funded as nonrecurring in FY05. The committee recommends all these initiatives be reviewed and any the Legislature elects to continue be funded from the "education lock box."

#### **RECOMMENDED LANGUAGE:**

The rate of distribution of the state equalization guarantee distribution shall be based on a program unit value determined by the secretary of public education. The secretary shall establish a preliminary unit value to establish budget for the 2005-2006 school year and then, upon verification of the number of units statewide for fiscal year 2006 but no later than January 31, 2006, the secretary of public instruction may adjust the program unit value.

The general fund appropriation for the state equalization guarantee distribution contains sufficient funding to provide a one and one-quarter (1.25) percent salary increase for teachers except those receiving salary increases from minimum salary requirements of three-tiered licensure, other instructional staff, and other certified staff and noncertified staff, effective July 1, 2005.

The general fund appropriation for the state equalization guarantee distribution contains sufficient funding to provide a three-quarter (.75) percent increase in the employer contribution to the education retirement fund.

The general fund appropriation to the state equalization guarantee distribution reflects the deduction of federal revenues pursuant to Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that includes payments commonly known as "impact aid funds" pursuant to 20 USCA 7701 et seq., and formerly known as "PL874 funds".

The general fund appropriation to the public school fund shall be reduced by the amounts transferred to the public school fund from the current school fund and from the federal Mineral Lands Leasing Act receipts otherwise unappropriated.

Any unexpended or unencumbered balance in the distributions authorized remaining at the of fiscal year 2006 from appropriation made from the general fund shall revert to the general fund.

The appropriation to the instructional materials fund is made from the federal Minerals Land Leasing Act (30 USCA 181, et seq.) receipts.

### **PUBLIC SCHOOL SUPPORT**

The purpose of public school support is to carry out the mandate to establish and maintain a uniform system of free public schools sufficient for the education of, and open to, all the children of school age in the state.

		<b>PERFORMANCE MEASURES</b>				
		<b><u>FY03</u></b>	<b><u>FY04</u></b>	<b><u>FY05</u></b>	<b><u>FY06</u></b>	<b><u>FY06</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Request</u></b>	<b><u>Recomm</u></b>
* Outcome	Percent of fourth-grade students who achieve proficiency or above on the criterion-referenced assessments in reading and language arts	*	49%	55%	61%	61%
* Outcome	Percent of eighth-grade students who achieve proficiency or above on the criterion-referenced assessments reading and language arts	*	57%	59%	65%	65%
* Outcome	Percent of fourth-grade students who achieve proficiency or above on the criterion-referenced assessments in mathematics	*	58%	61%	67%	67%
* Outcome	Percent of eighth-grade students who achieve proficiency or above on the criterion-reference assessments in mathematics	*	49%	56%	62%	62%
* Quality	Percent of classes being taught by "highly qualified" teachers in high-poverty schools	*	72%	90%	90%	90%
* Quality	Percent of classes being taught by "highly qualified" teachers in all schools	*	77%	92%	92%	92%
* Quality	Percent of stakeholders who rate their involvement with public elementary schools as positive	*	87.5%	91%	91%	91%
* Quality	Percent of stakeholders who rate their involvement with public middle schools as positive	*	75%	88%	88%	88%
* Quality	Percent of stakeholders who rate their involvement with public high schools as positive	*	65%	85%	85%	85%
* Explanatory	Percent of American Indian language classes being taught in public schools that serve American Indian students	*		*	*	*

## APPENDIX TO VOLUME II

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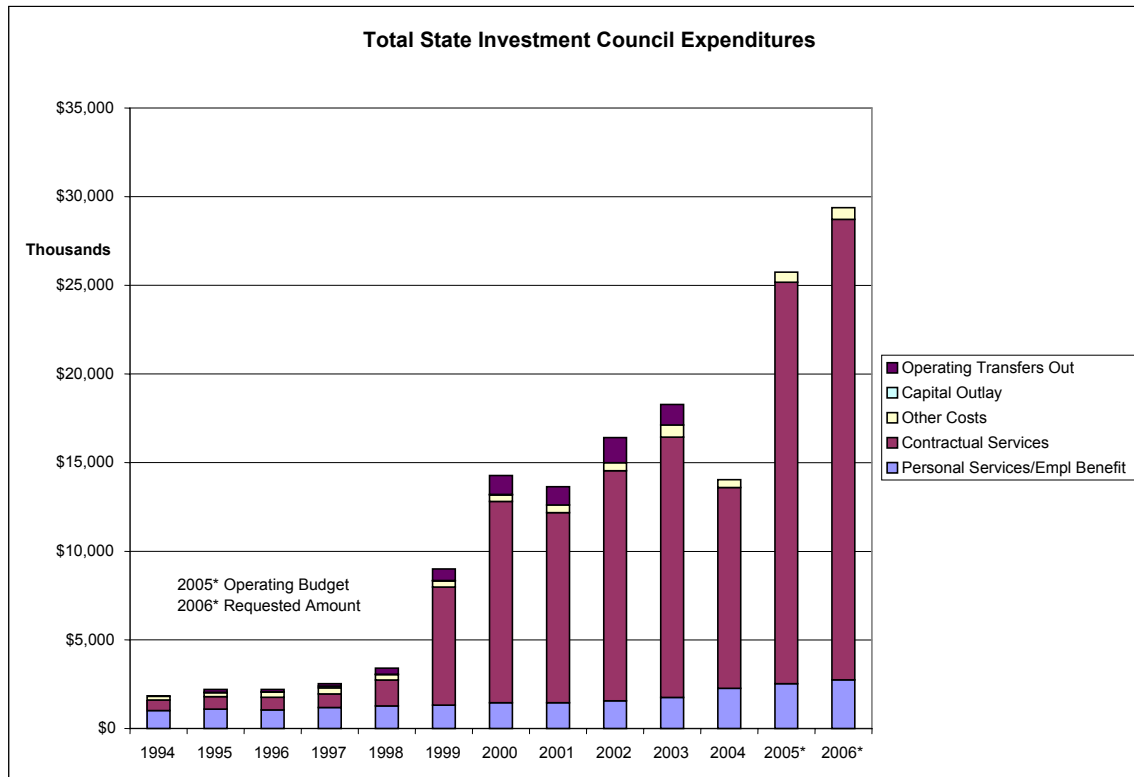
APPENDIX 218A

Judge and Staff Caseload Study Results for Magistrate Courts							
Appendix 218A, Chart provided by the Administrative Office of the Courts							
Agency	Judges				Staff		
MAGISTRATE COURTS	Judge Need <sup>1</sup> (based on weighted caseload study)	Current Actual Judges	Gap (negative number denotes need)	FTE Need <sup>3</sup>	Current Court Staff	Current Staffing Percentage	Gap (Negative Number denotes need)
Catron	0.19	1.00	0.81	2.38	2.00	84.03%	(0.38)
Chaves	2.25	2.00	(0.25)	9.84	10.00	101.63%	0.16
Cibola	1.80	2.00	0.20	7.95	6.00	75.47%	(1.95)
Colfax	0.79	2.00	1.21	4.43	4.00	90.29%	(0.43)
Curry	2.81	2.00	(0.81)	12.33	9.00	72.99%	(3.33)
De Baca	0.22	1.00	0.78	1.24	1.00	80.65%	(0.24)
Dona Ana	6.40	5.00	(1.40)	26.55	28.00	105.46%	1.45
Eddy	2.05	3.00	0.95	9.58	7.75	80.90%	(1.83)
Grant	1.54	2.00	0.46	7.53	7.50	99.60%	(0.03)
Guadalupe	0.70	1.00	0.30	3.63	2.75	75.76%	(0.88)
Harding	0.03	1.00	0.97	0.61	1.00	163.93%	0.39
Hidalgo	0.87	1.00	0.13	4.39	3.75	85.42%	(0.64)
Lea	2.16	5.00	2.84	11.36	12.50	110.04%	1.14
Lincoln	1.18	2.00	0.82	5.99	6.00	100.17%	0.01
Los Alamos	0.11	1.00	0.89	0.92	1.00	108.70%	0.08
Luna	1.34	1.00	(0.34)	6.39	4.50	70.42%	(1.89)
McKinley	4.26	3.00	(1.26)	19.65	18.00	91.60%	(1.65)
Mora	0.19	1.00	0.81	1.60	1.50	93.75%	(0.10)
Otero	2.51	2.00	(0.51)	11.96	9.00	75.25%	(2.96)
Quay	1.22	1.00	(0.22)	6.14	7.00	114.01%	0.86
Rio Arriba	1.28	2.00	0.72	6.56	7.00	106.71%	0.44
Roosevelt	1.15	1.00	(0.15)	6.51	6.00	92.17%	(0.51)
San Juan	5.87	4.00	(1.87)	24.41	20.50	83.98%	(3.91)
San Miguel	1.75	2.00	0.25	8.56	8.00	93.46%	(0.56)
Sandoval	2.59	2.00	(0.59)	10.63	7.75	72.91%	(2.88)
Santa Fe	4.80	3.00	(1.80)	19.53	19.00	97.29%	(0.53)
Sierra	0.75	1.00	0.25	4.57	5.00	109.41%	0.43
Socorro	1.06	1.00	(0.06)	5.19	5.00	96.34%	(0.19)
Taos	0.97	2.00	1.03	5.36	6.00	111.94%	0.64
Torrance	0.96	1.00	0.04	8.57	6.00	70.01%	(2.57)
Union	0.23	1.00	0.77	1.73	1.50	86.71%	(0.23)
Valencia	2.48	3.00	0.52	12.05	12.00	99.59%	(0.05)
TOTAL POSITIONS NEEDED <sup>3</sup> :			(8.00)			91.00%	(29.00)
<sup>1</sup> Weighted Caseload Study for judges revisited in 1998 by NM AOC and Heidi Green, National Center for State Courts							
<sup>2</sup> New Mexico Court Staff Study by National Center for State Courts in 2004; staffing numbers reflect general funded positions							
<sup>3</sup> Total Positions Needed (.5 or greater need rounded to the next whole number.)							

APPENDIX 231 – 243A

Judge and Staff Caseload Study Results for District Courts								
Appendix 231-243A, Chart provided by the Administrative Office of the Courts								
Agency	Judges/Hearing Officers				Staff			
	Judge Need <sup>1</sup> (based on weighted caseload study)	Current Actual Judges	Hearing Officers/Special Masters <sup>2</sup> (at 66% of judge weight)	Gap (negative number denotes need)	FTE Need <sup>3</sup>	Current Court Staff	Current Staffing Percentage	Gap (negative number denotes need)
First Judicial District	8.72	7.00	1.33	(0.39)	64.20	57.00	89%	(7.20)
Second Judicial District	29.82	23.00	4.66	(2.16)	268.69	247.50	92%	(21.19)
Third Judicial District	8.30	7.00	0.66	(0.64)	57.42	39.00	68%	(18.42)
Fourth Judicial District	2.58	2.00	0.34	(0.24)	18.49	16.00	87%	(2.49)
Fifth Judicial District	10.25	8.00	0.00	(2.25)	56.97	56.00	98%	(0.97)
Sixth Judicial District	3.86	3.00	0.00	(0.86)	25.18	19.00	75%	(6.18)
Seventh Judicial District	3.22	3.00	0.66	0.44	23.35	20.50	88%	(2.85)
Eighth Judicial District	2.82	2.00	1.00	0.18	21.56	17.50	81%	(4.06)
Ninth Judicial District	5.53	3.00	0.54	(1.99)	34.27	22.50	66%	(11.77)
Tenth Judicial District	1.22	1.00	0.11	(0.11)	10.28	8.10	79%	(2.18)
Eleventh Judicial District	9.66	6.00	0.66	(3.00)	59.06	42.50	72%	(16.56)
Twelfth Judicial District	4.56	4.00	0.66	0.10	31.69	26.00	82%	(5.69)
Thirteenth Judicial District	8.55	6.00	1.33	(1.22)	55.70	40.50	73%	(15.20)
DISTRICT POSITIONS NEEDED <sup>4</sup> :				12				114.00
Bernalillo County Metropolitan Court	18.68	16.00		(2.68)	243.10	229.00	94%	(14.10)
<sup>1</sup> Weighted Caseload Study for judges revisited in 1998 by NM AOC and Heidi Green								
<sup>2</sup> Court Administrators provided information based on having:								
- permanent FTE's within their district								
- if hearing officer/special master is shared with another district, FTE time was estimated								
- hearing officers/special masters given credit of .66 of a district judge as authorized by Chief Judges Council on May 21, 2004								
<sup>3</sup> New Mexico Court Staff Study by National Center for State Courts in 2004								
<sup>4</sup> Total Positions Needed (.5 or greater need rounded to the next whole number.)								

# APPENDIX 337A



# APPENDIX 342A

Public School Insurance Authority Health Benefit Utilization (dollars in thousands)							
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Actual	FY 05 Projected	FY06 Budget
<b>Number of participants</b>	57,922	58,634	58,526	58,561	58,614	60,405	59,792
<b>Medical</b>	\$ 84,643	\$ 96,644 14%	\$ 108,299 12%	\$ 123,531 14%	\$ 122,726 -1%	\$ 147,000 20%	\$ 171,100 16%
<b>Prescription Drugs</b>	\$ 12,856	\$ 14,778 15%	\$ 18,814 27%	\$ 22,280 18%	\$ 24,627 11%	\$ 27,000 10%	\$ 34,500 28%
<b>Other*</b>	\$ 21,413	\$ 20,004 -7%	\$ 20,488 2%	\$ 19,164 -6%	\$ 20,825 9%	\$ 23,748 14%	\$ 24,140 2%
<b>Total</b>	\$ 118,912	\$ 131,426	\$ 147,601	\$ 164,975	\$ 168,177	\$ 197,748	\$ 229,740
<b>% Change</b>	N/A	11%	12%	12%	2%	18%	16%

\*Dental, vision, basic life & accidental death, voluntary life and long-term disability coverages.

Source: Public School Insurance Authority



APPENDIX 342B

Public School Insurance Authority Risk Coverage Utilization (dollars in thousands)							
Claims Paid/Percent Change	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Actual	FY05 Projected	FY06 Budget
Workers' Compensation	\$ 5,259	\$ 8,255 57%	\$ 8,725 6%	\$ 8,378 -4%	\$ 9,103 9%	\$ 12,434 37%	\$ 9,932 -20%
Property/liability	\$ 6,336	\$ 7,328 16%	\$ 8,231 12%	\$ 8,121 -1%	\$ 11,644 43%	\$ 10,509 -10%	\$ 15,631 49%
Total Claims Paid	\$ 11,595	\$ 15,583	\$ 16,956	\$ 16,499	\$ 20,747	\$ 22,944	\$ 25,562
Percent Chage	N/A	34%	9%	-3%	26%	11%	11%

Source: Public School Insurance Authority

APPENDIX 343A

Retiree Health Care Authority Health Benefit Utilization (dollars in thousands)							
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Actual	FY 05 Projected	FY06 Budget
Number of participants	28,865	30,386	30,928	31,510	32,428	33,220	34,166
Medical	\$ 50,979	\$ 53,413 5%	\$ 63,568 19%	\$ 72,016 13%	\$ 78,073 8%	\$ 83,433 7%	\$ 94,102 13%
Prescription Drugs	\$ 17,431	\$ 25,106 44%	\$ 30,635 22%	\$ 33,389 9%	\$ 36,400 9%	\$ 41,742 15%	\$ 48,153 15%
Other*	\$ 6,623	\$ 7,383 11%	\$ 7,795 6%	\$ 9,088 17%	\$ 10,558 16%	\$ 11,496 9%	\$ 12,218 6%
Total	\$ 75,033	\$ 85,901	\$ 101,997	\$ 114,493	\$ 125,031	\$ 136,672	\$ 154,474
% Change	N/A	14%	19%	12%	9%	9%	13%

\*Dental, vision, basic life & accidental death, voluntary life and long-term disability coverages.

Source: Retiree Health Care Authority

APPENDIX 350A

General Services Department State Plan Health Benefit Utilization (all dollars in thousands)							
	FY00 Actual	FY01 Actual	FY02 Actual	FY03 Actual	FY04 Actual	FY 05 Projected	FY06 Budget
Number of participants	48,311	48,133	47,945	51,304	53,407	60,000	61,000
Medical	\$ 73,254	\$ 68,171 -7%	\$ 89,632 31%	\$ 100,547 12%	\$ 113,160 13%	\$ 128,624 14%	\$ 153,675 19%
Prescription Drugs	\$ 10,098	\$ 10,668 6%	\$ 13,317 25%	\$ 16,929 27%	\$ 20,070 19%	\$ 19,000 -5%	\$ 23,725 25%
Other*	\$ 9,557	\$ 10,533 10%	\$ 13,212 25%	\$ 14,904 13%	\$ 18,576 25%	\$ 19,065 3%	\$ 20,311 7%
Total	\$ 92,909	\$ 89,372	\$ 116,161	\$ 132,380	\$ 151,806	\$ 166,689	\$ 197,711
% Change	N/A	-4%	30%	14%	15%	10%	19%

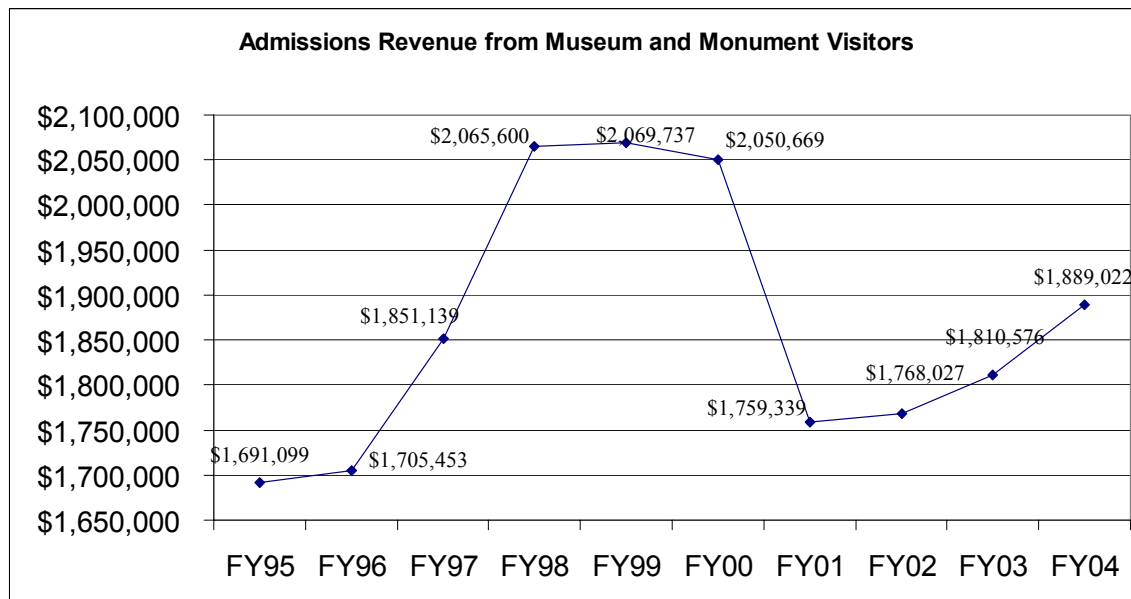
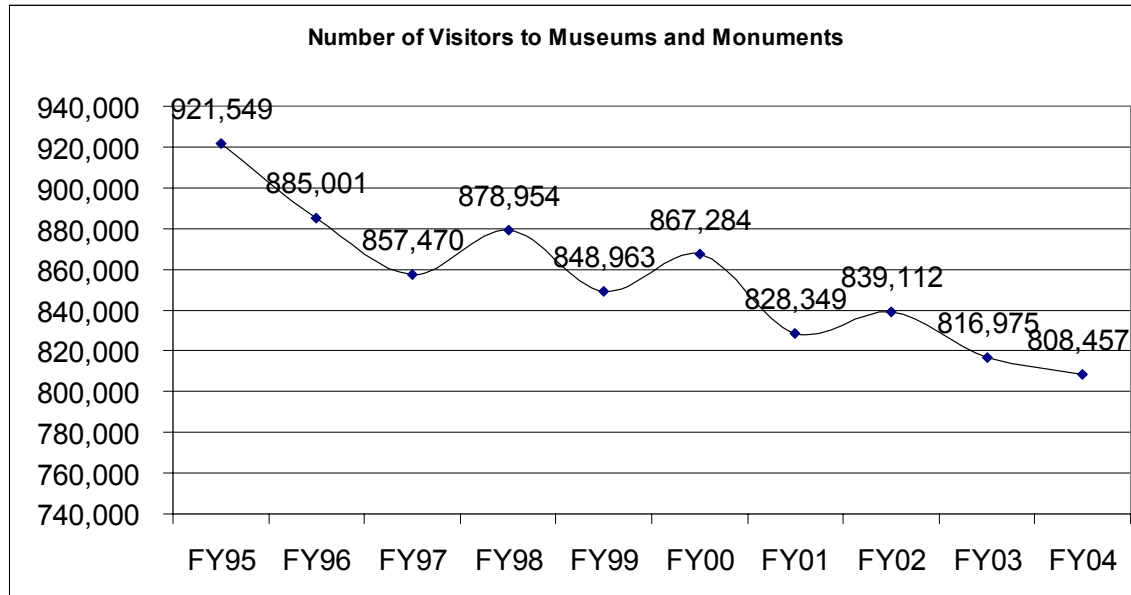
\*Dental, vision, basic life & accidental death, voluntary life and long-term disability coverages.

Source: General Services Department

APPENDIX 350B

GENERAL SERVICES DEPARTMENT RISK FUND PROJECTED ACTUARIAL POSITION (Dollars in 000's)							
	FY98	FY99	FY00	FY01	FY02	FY03	FY04
<b>Risk Fund Assets</b>							
Workers Comp	46,983	39,144	34,972	31,914	25,882	17,844	9,857
Public Liability	101,215	95,990	92,302	91,735	85,834	90,621	81,736
Surety	1,391	1,340	1,385	1,444	1,480	1,454	1,412
Public Property	412	3,250	5,687	6,365	4,783	397	1,580
Unemployment Comp	4,722	5,752	13,655	10,698	6,853	1,578	1,723
<b>Total</b>	<b>154,724</b>	<b>145,476</b>	<b>148,001</b>	<b>142,156</b>	<b>124,832</b>	<b>111,894</b>	<b>96,309</b>
<b>Actuarial Projected Losses</b>							
Workers Comp	30,551	22,817	20,820	19,292	21,769	16,919	19,299
Public Liability	94,439	80,545	80,960	80,810	86,856	91,441	115,926
Surety	123	15	215	39	10	32	376
Public Property	1,032	495	970	1,461	1,202	1,097	1,766
Unemployment Comp	3,470	3,457	3,451	3,470	3,607	3,597	4,158
<b>Total</b>	<b>129,616</b>	<b>107,328</b>	<b>106,416</b>	<b>105,072</b>	<b>113,445</b>	<b>113,086</b>	<b>141,525</b>
<b>Projected Financial Position</b>							
Workers Comp	16,432	16,327	14,152	12,621	4,113	925	(9,442)
Public Liability	6,776	15,445	11,341	10,925	(1,022)	(820)	(34,190)
Surety	1,268	1,324	1,170	1,406	1,469	1,422	1,037
Public Property	(620)	2,755	4,717	4,904	3,581	(700)	(186)
Unemployment Comp	<b>1,252</b>	<b>2,295</b>	<b>10,205</b>	<b>7,228</b>	<b>3,245</b>	<b>(2,019)</b>	<b>(2,435)</b>
<b>Total</b>	<b>25,108</b>	<b>38,147</b>	<b>41,585</b>	<b>37,085</b>	<b>11,387</b>	<b>(1,192)</b>	<b>(45,216)</b>
Source: actuarial studies for risk funds performed by GSD contractors.							

**APPENDIX 505A**



**APPENDIX 521A**
**State Park Capital Projects**

Park	Project Total		Park	Project Total
Bluewater Lake	\$776,000		Manzano	\$290,000
Bottomless Lake	\$680,000		Morphy Lake	\$54,500
Brantley Lake	\$2,109,000		Navajo Lake	\$6,313,000
Caballo/Percha Lake	\$272,000		Oasis	\$131,500
Cimarron Canyon	\$800,700		Oliver Lee	\$587,500
City of Rocks	\$37,350		Pancho Villa	\$1,287,000
Clayton Lake	\$275,400		Rio Grande Nature Center	\$216,000
Conchas Lake	\$1,310,000		Rockhound/Spring Canyon	\$968,000
Coyote Creek	\$557,500		Santa Rosa Lake	\$826,000
Eagle Nest Lake	\$1,750,000		Storrie Lake	\$1,477,000
Elephant Butte Lake	\$4,879,700		Sugarite	\$967,500
Fenton Lake	\$551,000		Sumner Lake	\$524,100
Heron/El Vado	\$1,803,000		Ute Lake	\$1,119,500
Hyde Memorial	\$288,000		Villanueva	\$205,000
Leasburg	\$277,000			
Living Desert	\$2,549,000			
			<b>Total Needs</b>	<b>\$31,916,250</b>

Source: Energy, Minerals and Natural Resources; State Parks Division

**Department of Cultural Affairs Capital Projects**

Archaeological Repository	\$4,500,000
DCA Facility Repair and ADA Upgrades	\$6,835,000
National Hispanic Cultural Center Education Complex	\$3,000,000
Museum of Natural History Property Acquisition	\$1,500,000
Space History Museum Exhibit Building	\$3,500,000
Museum Resources – Van of Enchantment	\$150,000
Camino Real State Monument Completion	\$110,000
State Monuments – Exhibition Upgrades	\$300,000
Public Art Collection Conservation	\$50,000
Museum Resource Center – Site Development and Furnishing	\$50,000
State Library Bookmobile	\$165,000
Historic Preservation Loan Fund	\$500,000
Farm Ranch Heritage Museum Exhibits	\$300,000
<b>Total Needs</b>	<b>\$20,960,000</b>

Source: Department of Cultural Affairs

APPENDIX 550A

State Engineer/Interstate Stream Commission (550)  
IRRIGATION WORKS CONSTRUCTION FUND

	ACTUAL EXPENDITURES (thousands)			PROJECTED EXPENDITURES (thousands)		
	FY02	FY03	FY04	FY05	FY06	FY07
Cash	\$1,912.4	\$2,190.5	\$2,250.4	\$2,200.0	\$2,200.0	\$1,870.0
Investments	\$11,667.6	\$12,066.5	\$13,266.1	\$7,997.3	\$4,000.0	\$1,772.5
Beginning Balance:	\$13,580.0	\$14,257.0	\$15,516.5	\$10,197.3	\$6,200.0	\$3,642.5
REVENUE						
Permanent Fund	\$3,129.6	\$3,403.2	\$3,632.2	\$3,800.0	\$3,800.0	\$3,800.0
Interest/Loans	\$125.3	\$180.9	\$252.5	\$250.0	\$250.0	\$250.0
Lease Income	\$552.8 *	\$981.4	\$885.0	\$900.0	\$900.0	\$900.0
Interest/Treasurer	\$45.4	\$43.8	\$46.3	\$45.0	\$38.0	\$32.0
Total:	\$3,853.1	\$4,609.3	\$4,816.0	\$4,995.0	\$4,988.0	\$4,982.0
Loan Principal #	\$1,083.3	\$1,483.9	\$1,896.6	\$1,750.0	\$1,750.0	\$1,750.0
TOTAL REVENUE	\$4,936.4	\$6,093.2	\$6,712.6	\$6,745.0	\$6,738.0	\$6,732.0
EXPENDITURES						
Operating Budget	\$4,406.8	\$4,895.2	\$7,119.8	\$7,000.0	\$6,500.0	\$6,500.0
Special Appropriations						
Pecos W/R Purchase	\$804.5	\$855.3	\$675.4	\$301.5		
Federal Natural Resources			\$1,604.8	\$895.2		
WATERS (Match)			\$610.0	\$390.0	\$390.0	
Adjudication (Match)			\$100.0			
Implementation of GIS		\$398.0				
Capital Projects						
Cebolleta				\$150.0	\$150.0	
Bluewater Toltec				\$255.7	\$315.5	
Puerto de Luna					\$150.0	
Anto del Gato					\$40.0	
Local Government			\$25.0			
La Joya Acequia		\$395.0				
Gila		\$24.0				
TOTAL EXPEND:	\$5,211.3	\$6,567.5	\$10,135.0	\$8,992.4	\$7,545.5	\$6,500.0
ADJUSTED BALANCE	\$12,221.8	\$12,298.8	\$10,197.5	\$6,199.9	\$3,642.5	\$2,124.5

Source: Office of the State Engineer

# Not accounted for as a receivable--reimbursement only

\* Received a one-time settlement

State Engineer/Interstate Stream Commission (550)  
IMPROVEMENT OF THE RIO GRANDE INCOME FUND

	ACTUAL EXPENDITURES (thousands)			PROJECTED EXPENDITURES (thousands)		
	FY02	FY03	FY04	FY05	FY06	FY07
Cash	\$1,267.3	\$1,757.4	\$1,473.9	\$750.0	\$500.0	\$425.0
Investments	\$11,271.6	\$3,255.1	\$3,576.3	\$1,675.6	\$938.6	\$300.0
Beginning Balance:	\$12,538.9	\$5,012.5	\$5,050.2	\$2,425.6	\$1,438.6	\$725.0
REVENUE						
Permanent Fund	\$1,041.9	\$1,091.9	\$1,126.0	\$1,100.0	\$935.0	\$794.8
Lease Income	\$105.4 #	\$309.4	\$397.0	\$390.0	\$390.0	\$390.0
Interest/Treasurer	\$41.5	\$49.4	\$23.9	\$23.0	\$19.6	\$16.6
Total Revenue	\$1,188.8	\$1,450.7	\$1,546.9	\$1,513.0	\$1,344.6	\$1,201.4
EXPENDITURES						
Operating Budget	\$6,778.1	\$4,785.7	\$4,171.5	\$2,500.0	\$2,058.2	\$2,500.0
Special Appropriations						
Capital Projects						
TOTAL EXPEND:	\$6,778.1	\$4,785.7	\$4,171.5	\$2,500.0	\$2,058.2	\$2,500.0
ADJUSTED BALANCE	\$6,949.6	\$1,677.5	\$2,425.6	\$1,438.6	\$725.0	(\$573.6)

Source: Office of the State Engineer

# Received a one-time settlement

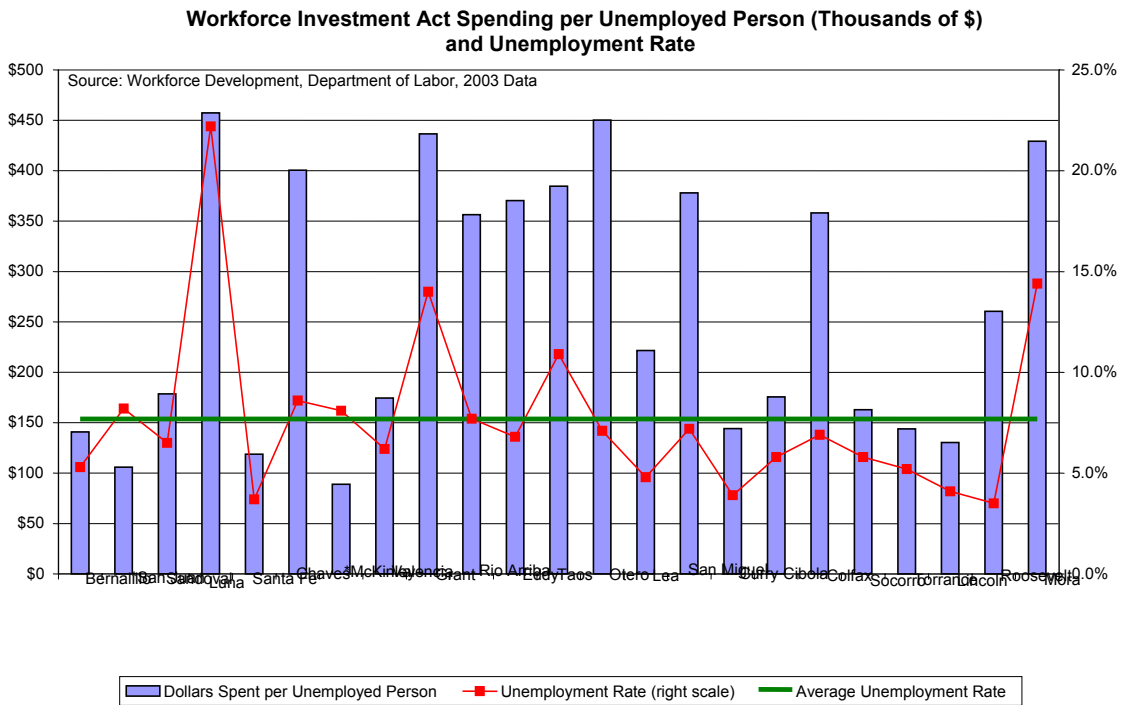
APPENDIX 630A

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDING SUMMARY

(dollars in thousands)

	FY04 Actuals	FY05 Budget	FY06 HSD Request			FY06 Recommendation		
	Total	Total	Gen Fund	Fed Fund	Total	Gen Fund	Fed Fund	Total
<b>REVENUE</b>								
1 General Fund	32,748.3	32,748.3	32,953.2	0.0	32,953.2	32,748.3	0.0	32,748.3
2 TANF Block Grant	110,578.1	110,578.1	0.0	111,578.1	111,578.1	0.0	110,578.1	110,578.1
3 TANF Supplemental Grant	6,531.0	6,553.1	0.0	6,553.1	6,553.1	0.0	6,531.0	6,531.0
4 TANF Carryover	26,944.0	20,751.1	0.0	0.0	0.0	0.0	5,000.0	5,000.0
5 Additional General Fund	0.0	0.0	25,500.0	0.0	25,500.0	4,900.0	0.0	4,900.0
6 High Performance TANF Bonus	0.0	4,574.2	0.0	0.0	0.0	0.0	0.0	0.0
7 Total Available Revenue	176,801.4	175,204.8	58,453.2	118,131.2	176,584.4	37,648.3	122,109.1	159,757.4
8								
<b>EXPENDITURES</b>								
10 ASD Admin	11,525.0	6,242.8	0.0	3,126.2	3,126.2	0.0	2,400.0	2,400.0
11 ISD Admin	1,577.1	13,497.0	0.0	12,873.8	12,873.8	0.0	10,400.0	10,400.0
12 Total Administration	13,102.1	19,739.8	0.0	16,000.0	16,000.0	0.0	12,800.0	12,800.0
13								
<b>Cash Payments</b>								
15 Cash Assistance	66,104.9	69,600.1	34,368.0	36,875.2	71,243.2	16,003.1	54,996.9	71,000.0
16 Education Works	1,874.1	2,000.0	2,000.0	0.0	2,000.0	2,000.0	0.0	2,000.0
17 Clothing Allowance	880.9	785.0	0.0	785.0	785.0	0.0	800.0	800.0
18 Wage Subsidy Other	0.0	600.0	0.0	950.0	950.0	0.0	500.0	500.0
19 Disregard Pass Through	376.3	440.0	800.0	0.0	800.0	450.0	0.0	450.0
20 One-Time Expenses (Diversion)		700.0	0.0	700.0	700.0	0.0	500.0	500.0
21 TANF State-funded Aliens	81.0	175.0	90.0	0.0	90.0	100.0	0.0	100.0
22 Total Cash Assistance	69,317.2	74,300.1	37,258.0	39,310.2	76,568.2	18,553.1	56,796.9	75,350.0
23								
<b>Support Services-HSD</b>								
25 Regional TANF Contracts	9,372.3	9,300.0	0.0	9,740.0	9,740.0	0.0	9,750.0	9,750.0
26 Intensive Case Mgt	3,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
27 Domestic Violence	2,000.0	2,000.0	0.0	2,000.0	2,000.0	0.0	1,613.8	1,613.8
28 Teen Pregnancy	300.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29 Micro enterprise Program	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30 Employment Related Costs	464.9	425.0	0.0	425.0	425.0	0.0	0.0	0.0
31 Transportation	837.3	1,250.0	0.0	1,250.0	1,250.0	0.0	900.0	900.0
32 Family Strengthening/Fatherhood RFP	1,000.0	1,000.0	0.0	1,000.0	1,000.0	0.0	826.2	826.2
33 Total Support-HSD	17,074.5	13,975.0	0.0	14,415.0	14,415.0	0.0	13,090.0	13,090.0
34								
<b>Support Services-Other Agencies</b>								
36 Early Childhood Development (PED)	2,982.5	2,982.5	0.0	2,982.5	2,982.5	0.0	0.0	0.0
37 GRADS (PED)	1,300.0	1,300.0	0.0	1,300.0	1,300.0	0.0	1,300.0	1,300.0
38 Full Day Kindergarten (PED)	4,000.0	4,000.0	0.0	4,000.0	4,000.0	0.0	0.0	0.0
39 Adult Basic Education (CHE)	1,000.0	1,000.0	0.0	1,000.0	1,000.0	0.0	250.0	250.0
40 Child Care Training (CYFD)	0.0	500.0	0.0	500.0	500.0	0.0	250.0	250.0
41 SSBG (Adult Protective Services) (CYFD)	2,000.0	2,000.0	0.0	2,000.0	2,000.0	0.0	2,000.0	2,000.0
42 Child Care (CYFD)	34,402.6	32,472.2	0.0	32,223.5	32,223.5	0.0	32,472.2	32,472.2
43 Domestic Violence (CYFD)	0.0	600.0	0.0	600.0	600.0	0.0	600.0	600.0
44 Substance Abuse (DOH)	1,000.0	1,000.0	0.0	1,000.0	1,000.0	0.0	850.0	850.0
45 CSW	1,159.3	1,440.0	0.0	1,000.0	1,000.0	0.0	1,200.0	1,200.0
46 Gold Mentor (ALTCs)	1,000.0	800.0	0.0	800.0	800.0	0.0	500.0	500.0
47 TOTAL-Support Other Agencies	48,844.4	48,094.7	0.0	47,406.0	47,406.0	0.0	39,422.2	39,422.2
48 TOTAL TANF BUDGET	148,338.2	156,109.6	37,258.0	117,131.2	154,389.2	18,553.1	122,109.1	140,662.2
49								
<b>MOE-Other Agency Budgets</b>								
51 DOH	1,294.7	0.0	2,100.0	0.0	2,100.0		0.0	0.0
52 CYFD-Childcare	16,400.0	14,200.0	14,200.0	0.0	14,200.0	14,200.0	0.0	14,200.0
53 CCDF	3,498.0	2,895.2	2,895.2	0.0	2,895.2	2,895.2	0.0	2,895.2
54 Head Start	2,100.0	2,000.0	2,000.0	0.0	2,000.0	2,000.0	0.0	2,000.0
55 Total MOE to Other Agencies	23,292.7	19,095.2	21,195.2	0.0	21,195.2	19,095.2	0.0	19,095.2
56 TOTAL WELFARE BUDGET	171,630.9	175,204.8	58,453.2	117,131.2	175,584.4	37,648.3	122,109.1	159,757.4

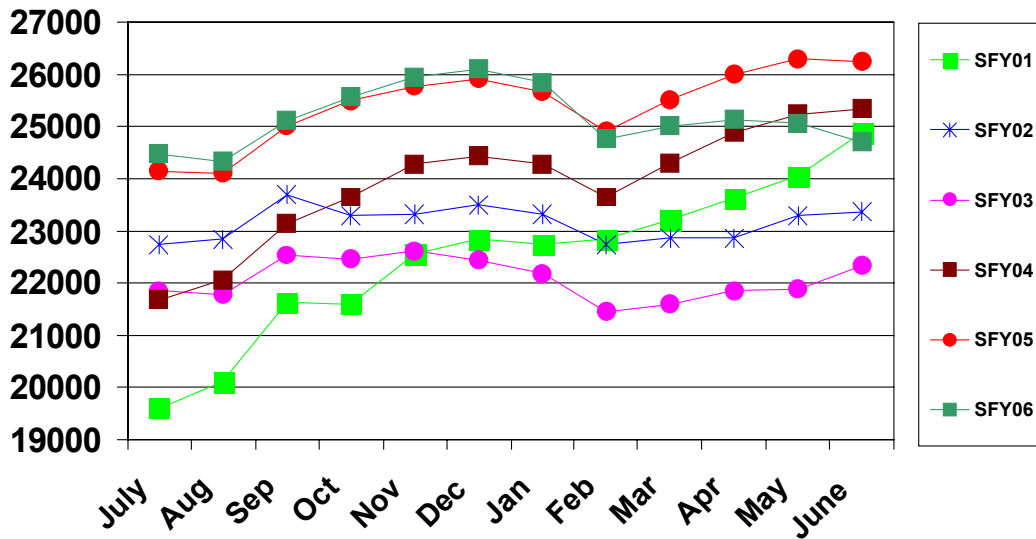
## APPENDIX 635A



\* DOES NOT INCLUDE \$2 MILLION OF WIA FUNDS FOR NAVAJO NATION.

## APPENDIX 690A

### Number of Childcare Placements



APPENDIX 770A

Capacity and Population of Correctional Facilities

Facility	Capacity Available	Total Inmate Population	General Population Beds Available
PNM Disciplinary/Interim Level 6	12	12	0
PNM North Level 6	276	276	0
PNM South Level 5	279	289	0
PNM Level 2	330	327	3
<b>Total PNM</b>	<b>897</b>	<b>904</b>	<b>3</b>
SNMCF Disciplinary/Interim Level 6	48	46	0
SNMCF APA - Level 6	48	42	0
SNMCF Level 4	144	142	2
SNMCF Level 3	240	239	1
SNMCF Level 2	330	327	3
<b>Total SNMCF</b>	<b>810</b>	<b>796</b>	<b>6</b>
WNMCF Disciplinary/Interim Level 6	16	0	0
WNMCF Level 4	48	47	2
WNMCF Level 3	80	78	2
WNMCF Level 2	284	287	-2
<b>Total WNMCF</b>	<b>428</b>	<b>412</b>	<b>2</b>
CNMCF Disciplinary/Interim Level 6	48	58	0
CNMCF Geriatric Level 3	39	38	1
CNMCF LTC - Male Special Mgt. Unit	28	21	0
CNMCF LTC - Female Special Mgt. Unit	6	3	0
CNMCF MHTC - Special Mgt. Unit	104	93	0
CNMCF RDC - Level 4	340	347	-7
CNMCF General Population - Level 3	128	143	-15
CNMCF Level 2	330	328	2
CNMCF Level 1	336	336	0
<b>Total CNMCF</b>	<b>1359</b>	<b>1367</b>	<b>-19</b>
RCC - Level 2	312	311	1
<b>Total RCC</b>	<b>312</b>	<b>311</b>	<b>1</b>
LCCF Disciplinary/Interim Level 6	75	43	0
LCCF Level 3	852	849	3
LCCF Prot. Custody - Special Mgt. Unit	306	267	0
GCCF Disciplinary/Interim Level 6	33	19	0
GCCF Level 3	590	563	27
SFCDF Level 3	144	136	8
TCDF Disciplinary/Interim Level 6	19	9	0
TCDF Level 3	194	183	11
NMWCF Level 1-6	587	557	30
NMWCF Special Mgt.	24	19	0
<b>Total Females</b>	<b>617</b>	<b>579</b>	<b>30</b>
<b>Total Males</b>	<b>6013</b>	<b>5856</b>	<b>42</b>
<b>Total Inmates</b>	<b>6630</b>	<b>6435</b>	<b>72</b>



# APPENDIX 790A

## Number of Appropriated officers by Assignment

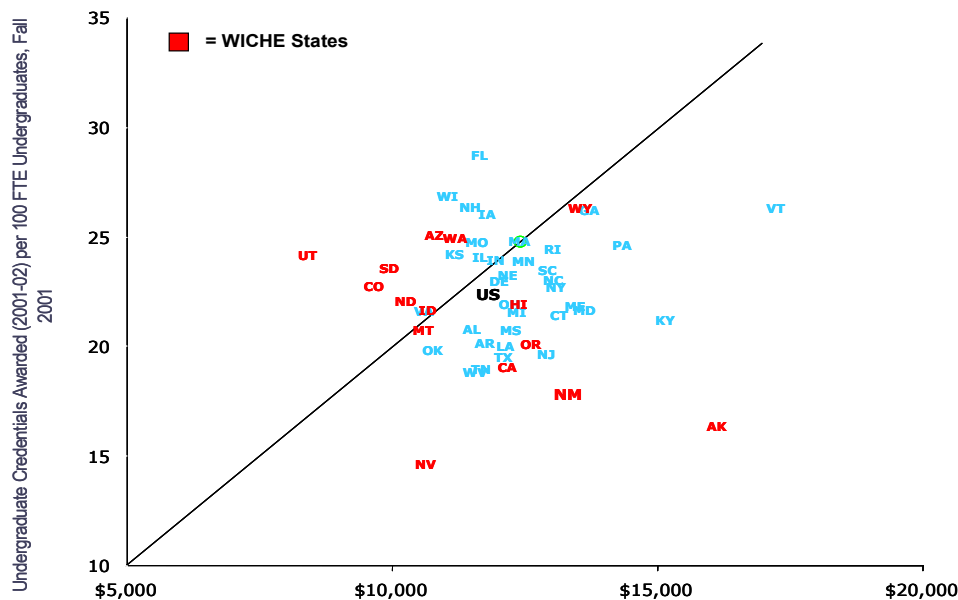
State Police Organizational Unit	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	Increase from FY98	Percent Change from FY98
Chief's Office	4	4	4	4	4	4	6	11	7	175%
Zone Commanders	2	2	2	2	2	2	2	2	0	0%
Governor's Security	9	9	9	9	9	9	14	15	6	67%
Special Operations	8	8	8	8	8	8	16	14	6	75%
D-01 - Santa Fe	21	24	25	25	29	29	28	28	7	33%
D-02 - Las Vegas	42	47	49	49	52	52	47	47	5	12%
D-03 - Roswell	26	29	35	35	35	35	32	31	5	19%
D-04 - Las Cruces	21	23	24	24	27	27	28	28	7	33%
D-05 - Albuquerque	38	42	44	44	48	48	45	45	7	18%
D-06 - Gallup	22	27	31	31	36	36	34	28	6	27%
D-07 - Espanola	35	41	44	44	51	51	55	53	18	51%
D-08 - Alamogordo	21	23	24	25	26	26	23	23	2	10%
D-09 - Clovis	33	35	39	39	44	44	43	43	10	30%
D-10 - Farmington	24	27	31	31	34	34	32	32	8	33%
D-11 - Socorro	18	22	25	25	26	26	26	26	8	44%
D-12 - Deming	22	27	31	31	36	36	33	33	11	50%
Investigation Bureau	1	1	1	1	1	1	0	0	-1	-100%
Criminal Section	29	34	36	49	56	56	57	58	29	100%
Narcotics Section	40	40	43	53	60	60	63	63	23	58%
State Police Training	12	12	12	12	12	12	12	15	3	25%
Standards Bureau	7	8	8	9	9	9	9	10	3	43%
<b>TOTALS</b>	<b>435</b>	<b>485</b>	<b>525</b>	<b>550</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>170</b>	<b>38%</b>

# HIGHER ED A

## Performance Relative to Total Funding per FTE

### State Higher Education Systems

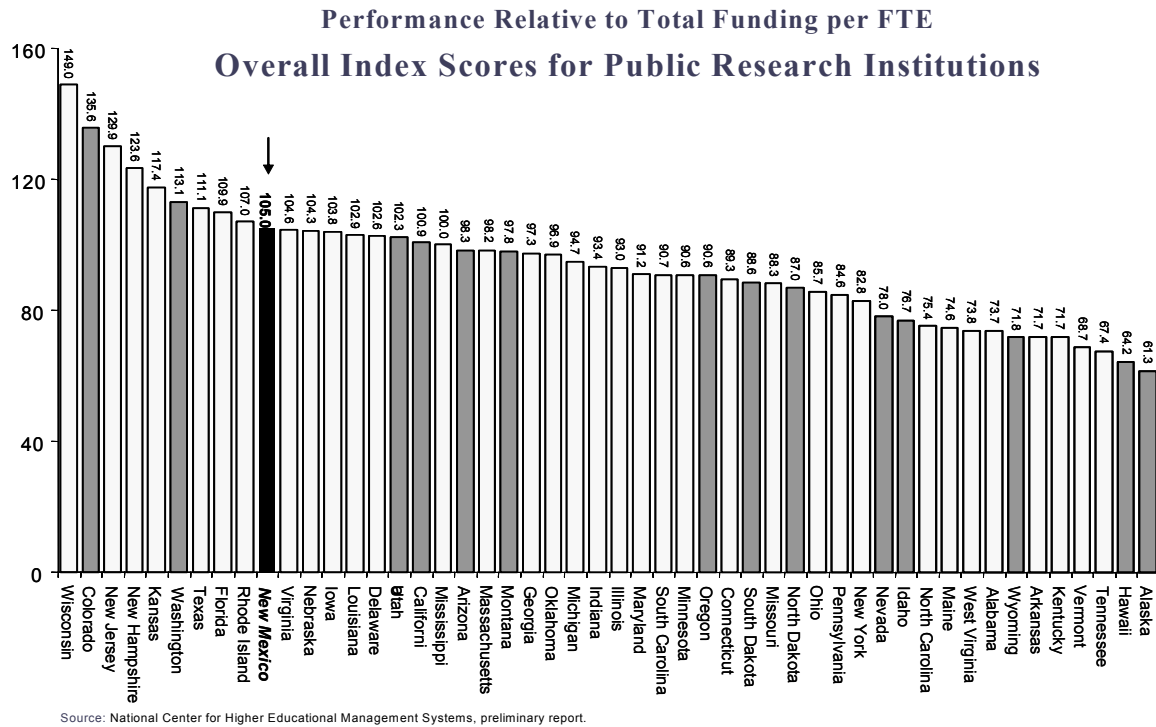
Undergraduate Credentials Awarded (2001-02) per 100 FTE Undergraduates, Fall 2001



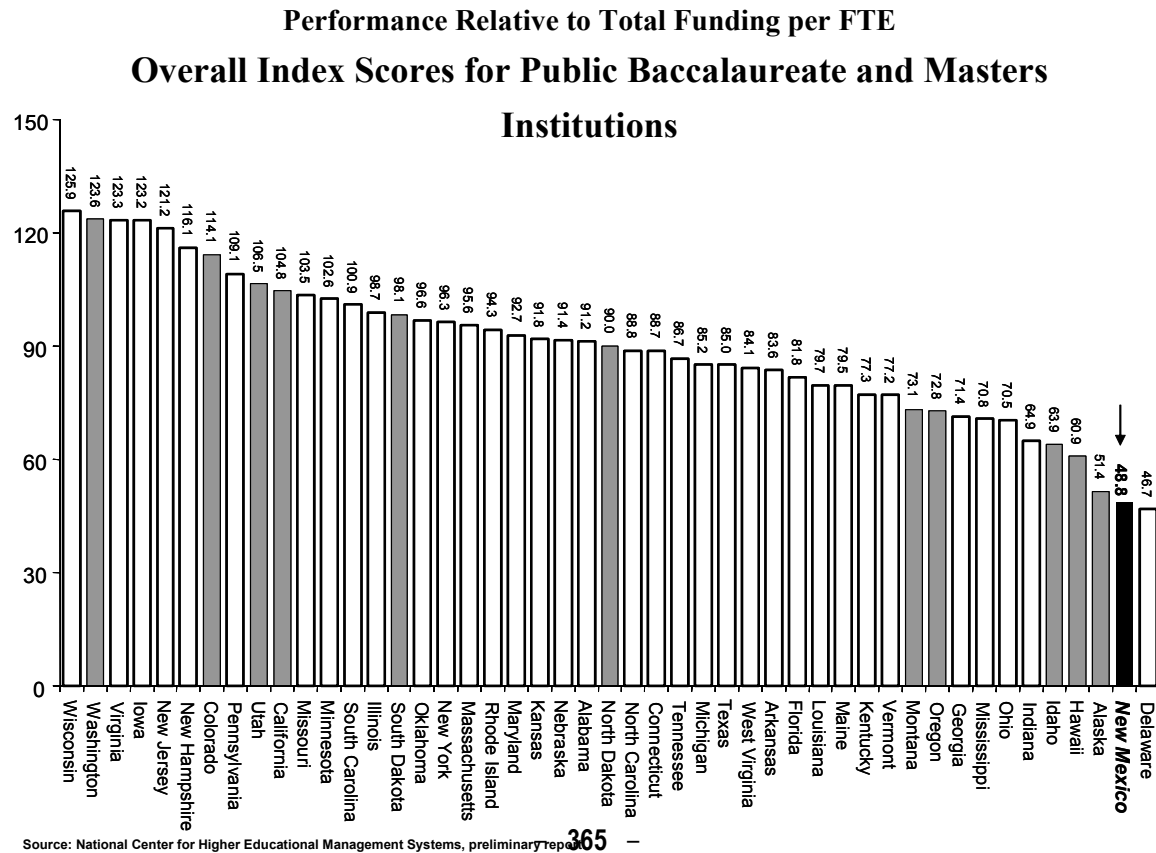
Total Funding per FTE (State, Local, Tuition & Fees, State Financial Aid—Adjusted for COL and Faculty Salaries)

Source: National Center for Higher Educational Management Systems, preliminary report.

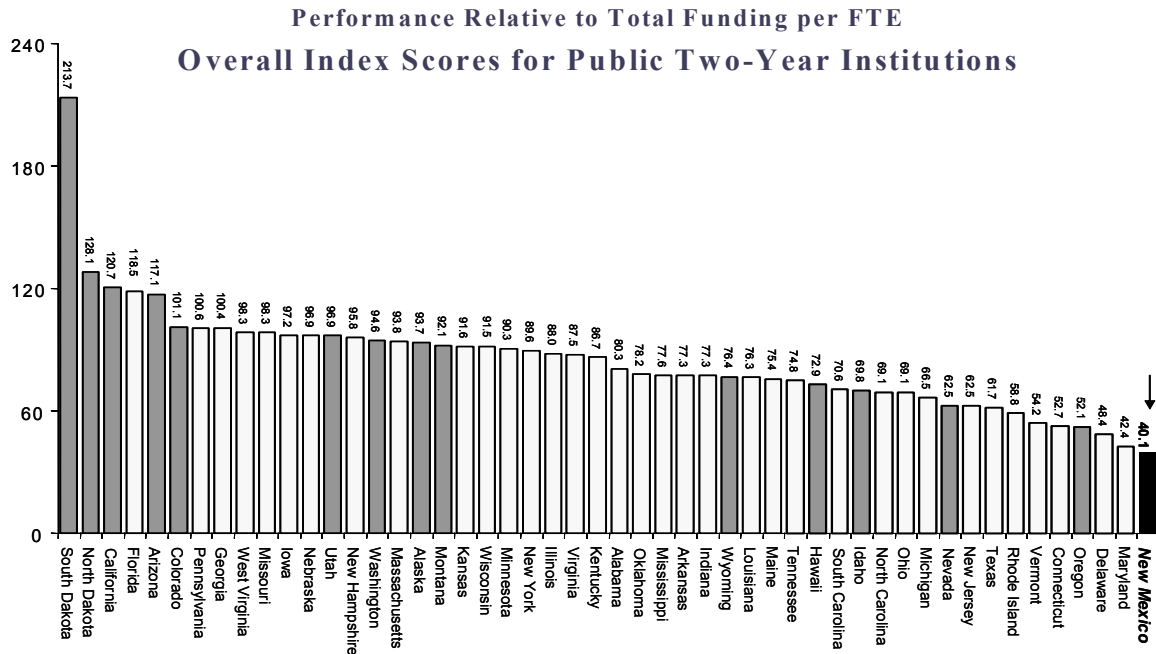
## HIGHER ED B



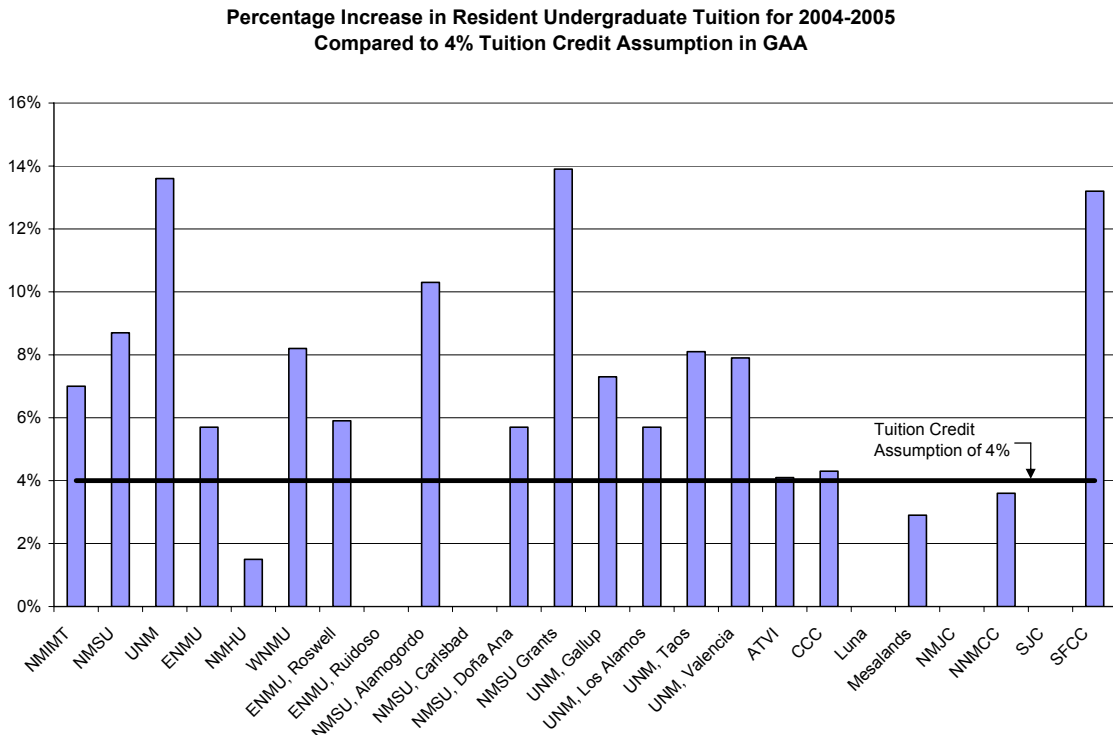
## HIGHER ED C



## HIGHER ED D



## HIGHER ED E



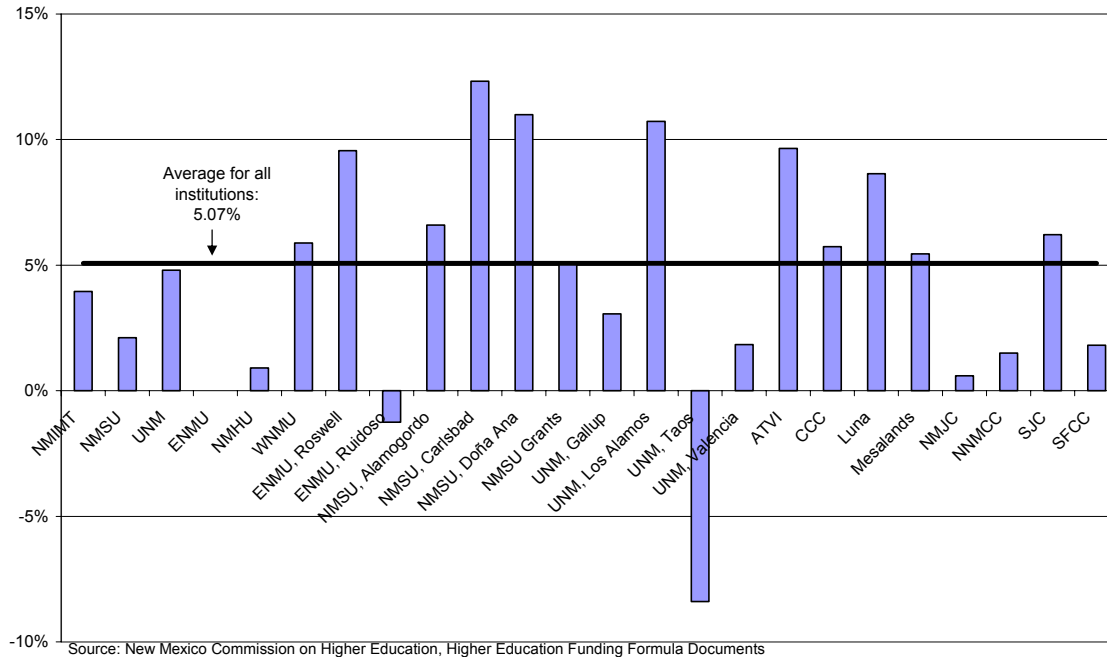
## HIGHER ED F

**NEW MEXICO COMMISSION ON HIGHER EDUCATION**  
**COMPARISON OF I&G FORMULA WORKLOAD INCREASES, FY 2004-05 AND FY 2005-06**

2004-05					2005-06				
Institution	Base Expenditure Level	SCH Enrollment % Change	Workload Adjustment	Workload % Change	Institution	Base Expenditure Level	SCH Enrollment % Change	Workload Adjustment	Workload % Change
<b>UNIVERSITIES</b>					<b>UNIVERSITIES</b>				
NMIMT	25,268,633	8.28%	1,114,161	4.41%	NMIMT	26,812,040	3.95%	1,111,690	4.15%
NMSU	122,411,759	2.08%	5,805,098	4.74%	NMSU	133,510,034	2.11%	6,133,602	4.59%
UNM	209,268,775	3.90%	5,443,060	2.60%	UNM	218,543,643	4.80%	8,787,178	4.02%
ENMU	25,021,614	1.02%	834,738	3.34%	ENMU	26,963,190	0.00%	174,655	0.65%
NVHU	25,039,035	-0.20%	1,570,987	6.27%	NVHU	26,958,956	0.91%	-	0.00%
WNMU	16,197,903	10.70%	1,361,006	8.40%	WNMU	18,005,470	5.88%	1,083,465	6.02%
Subtotal	423,207,720	3.35%	16,129,051	3.81%	Subtotal	450,793,333	3.41%	17,290,590	3.84%
<b>BRANCH COMMUNITY COLLEGES &amp; INSTRUCTIONAL CENTERS</b>					<b>BRANCH COMMUNITY COLLEGES &amp; INSTRUCTIONAL CENTERS</b>				
Roswell	12,421,784	19.42%	1,804,107	14.52%	Roswell	14,382,695	9.56%	1,186,606	8.25%
Ruidoso (proposed)	945,498	7.88%	70,029	7.41%	Ruidoso (proposed)	1,018,185	-1.25%	-	0.00%
Alamogordo	6,750,128	-0.22%	-	0.00%	Alamogordo	6,851,604	6.60%	514,114	7.50%
Carlsbad	4,379,550	10.35%	380,495	8.69%	Carlsbad	4,818,611	12.32%	526,199	10.92%
Dona Ana	16,388,620	11.76%	1,383,386	8.44%	Dona Ana	18,009,856	10.99%	1,570,242	8.72%
Grants	2,922,768	3.96%	87,243	2.98%	Grants	3,050,399	5.07%	137,249	4.50%
Gallup	9,319,581	19.33%	1,346,294	14.45%	Gallup	10,749,015	3.06%	275,403	2.56%
Los Alamos	2,859,122	5.03%	121,978	4.27%	Los Alamos	3,022,886	10.73%	190,731	6.31%
Taos	2,706,157	13.03%	545,727	20.17%	Taos	3,427,722	-8.39%	(304,065)	-8.87%
Valencia	5,545,353	10.37%	489,036	8.82%	Valencia	6,083,739	1.84%	25,469	0.42%
Branch Subtotal	64,238,560	12.00%	6,228,294	9.70%	Branch Subtotal	71,414,712	6.71%	4,121,948	5.77%
<b>INDEPENDENT COMMUNITY COLLEGES</b>					<b>INDEPENDENT COMMUNITY COLLEGES</b>				
Albuquerque	68,318,304	9.77%	4,966,132	7.30%	Albuquerque	74,246,058	9.65%	5,966,762	8.04%
Clovis	11,091,169	3.00%	198,767	1.79%	Clovis	11,464,591	5.74%	780,391	6.81%
Luna	7,129,744	17.23%	601,632	8.44%	Luna	7,813,548	8.64%	535,552	6.85%
Mesalands	2,559,216	11.94%	88,380	3.40%	Mesalands	2,729,048	5.45%	44,741	1.64%
NMJC	11,038,664	1.33%	-	0.00%	NMJC	11,235,715	0.60%	-	0.00%
NNMCC	8,338,642	0.45%	-	0.00%	NNMCC	8,505,905	1.50%	-	0.00%
San Juan	23,281,943	7.81%	1,633,574	7.02%	San Juan	25,301,820	6.21%	1,526,551	6.03%
Santa Fe	14,684,540	9.10%	1,203,503	8.20%	Santa Fe	16,211,491	1.81%	494,696	3.05%
Independent Subtotal	146,482,222	4.89%	8,711,988	5.95%	Independent Subtotal	157,508,176	6.89%	9,348,693	5.94%
<b>GRAND TOTAL</b>	<b>\$ 633,928,502</b>	<b>3.14%</b>	<b>\$ 31,069,334</b>	<b>4.90%</b>	<b>GRAND TOTAL</b>	<b>\$ 679,716,221</b>	<b>5.07%</b>	<b>\$ 30,761,231</b>	<b>4.53%</b>

## HIGHER ED G

**Annual Increase in Student Credit Hour Enrollment for Budget FY06  
(Based on Academic Year 2003-2004)**



## HIGHER ED H

**Summary of Concurrent Enrollment (Dual Enrollment) Program Participation  
Data Based on Survey Request from the Legislative Finance Committee and Prepared by the New Mexico Association of Community Colleges  
Report on Dual Credit  
Headcount and FTE  
1998-1999 through 2002-2003**

College	Number of Students							FTE						
	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	Total	% Inc.	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	Total	% Inc.
Albuquerque TVI	89	145	275	352	471	1332	429%	21	30	56	67	91	265	333%
Clovis CC	364	351	342	422	423	1902	16%	220	247	218	217	235	1137	7%
ENMU-Roswell	398	545	581	576	646	2746	62%	57	71	98	120	168	514	197%
ENMU-Ruidoso	137	113	173	144	138	705	1%							
Luna CC				439	781	1220	78%				50	162	213	223%
Mesalands CC	124	118	129	103	100	574	-19%	29	23	25	34	23	134	-21%
NM Jr. College		398	452	433	527	1810	32%		40	45	43	53	181	32%
NMSU-Alamo.	37	124	70	113	134	478	262%	6	18	11	23	26	84	324%
NMSU-Carlsbad	43	37	38	65	45	228	5%	7	7	6	14	9	44	38%
NMSU-Dona Ana	322	327	350	321	268	1588	-17%	64	69	72	71	58	335	-10%
NMSU-Grants	12	2	3	4	6	27	-50%	2	1	1	1	2	5	-2%
Northern NM CC	287	257	273	225	206	1248	-28%	53	63	56	49	41	262	-23%
San Juan College	473	471	798	505	534	2781	13%	194	182	218	211	200	1006	3%
Santa Fe CC	156	160	219	282	681	1498	337%	18	26	35	46	148	273	706%
UNM-Gallup	435	431	465	422	500	2253	15%	131	118	142	120	172	681	32%
UNM-Los Alamos	67	47	22	236	161	533	140%	9	7	4	21	14	54	52%
UNM-Taos	12	20	33	421	413	899	3342%	3	5	7	125	115	255	3733%
UNM-Valencia		139	232	142	201	714	45%		23	26	19	26	94	11%
Total	2956	3685	4455	5205	6235	22536	111%	814	930	1019	1231	1544	5537	90%

## HIGHER ED I

**Summary of Concurrent Enrollment (Dual Enrollment) Variations in Program Cost Distributions**  
**Survey Request from the Legislative Finance Committee & Prepared by the New Mexico Association of Community Colleges**  
**Aug-04**

College	School/District			Student/Parent			College		
	Tuition and Fees	Books	Supplies/Tools	Tuition and Fees	Books	Supplies/Tools	Tuition and Fees	Books	Supplies/Tools
Albuquerque TVI	Note <sup>1</sup>				x	x	x		
Clovis CC	See Attached								
ENMU-Roswell	x				x	x			
ENMU-Ruidoso	Note <sup>2</sup>			x	x	x			
Luna CC	Note <sup>3</sup>								
Mesalands CC	x	x	x	x	Note <sup>4</sup>	Note <sup>4</sup>			
NM Jr. College		Note <sup>5</sup>	Note <sup>5</sup>		Note <sup>5</sup>	Note <sup>5</sup>	x		
NMSU-Alamo.				x	x	x	x Note <sup>6</sup>		
NMSU-Carlsbad	x	x Note <sup>7</sup>				x			
NMSU-Dona Ana	x	x				x	x Note <sup>8</sup>		
NMSU-Grants	x	x	x						
Northern NM CC				x Note <sup>9</sup>	x	x	Note <sup>9</sup>		
San Juan College	x	x							x
Santa Fe CC		Varies	Varies				\$30/cr hr		
UNM-Gallup	x Note <sup>10</sup>	x							
UNM-Los Alamos					x	x	x		
UNM-Taos			x				x	x	
UNM-Valencia	Note <sup>11</sup>								

Note<sup>1</sup>: Starting spring 2005, there will be an out-of-district fee that will be assessed to the school district

Note<sup>2</sup>: CISCO Networking course

Note<sup>3</sup>: Of the total expenses, 80% is paid for by the college and 20% by the school district

Note<sup>4</sup>: Student pays for books and supplies only at Tucumcari High and in some cases Logan High

Note<sup>5</sup>: Some school district buy books and supplies, others do not so in those cases the student or parent pays

Note<sup>6</sup>: While the college pays the tuition, the fees are paid by the student or the parent

Note<sup>7</sup>: Only the Loving school district pays for books; he student pays for books in the Carlsbad district

Note<sup>8</sup>: DABCC offsets some of the cost in all categories on a case by case basis

Note<sup>9</sup>: Espanola school district does pay for tuition and fees and not the student/parent; Northern NM CC pays for selected extended

Note<sup>10</sup>: For area vocational school classes, the schools pay \$110 per student per term instead of the \$250 regular tuition

Note<sup>11</sup>: One school district pays nothing, student/parent responsible for tuition, fees, books and supplies; one school district pays for tuition/fees only-parent/student responsible for books and supplies; and for the third district, the college pays for tuition pays for tuition and fees and the school district pays for books and supplies