

Performance Trends

Performance in the second quarter changed little from the first quarter, an indication that trends are starting to emerge. Public safety agencies, including the Department of Public Safety and the Corrections Department, made strides to address vacancies, and measures related to recidivism and clearance rates within the judiciary demonstrated continuing positive performance trends. Meanwhile, performance within the Economic Development Department and Energy, Minerals and Natural Resources agencies declined. Medicaid enrollment dropped in the second quarter, totaling 838 thousand New Mexicans, continuing the downward trend following the end of the public health emergency and state economic improvements. The Children, Youth and Families Department again failed to provide any performance data in the second quarter, violating the Accountability in Government Act requirements.

Among the findings in the quarterly report cards:

Education

Public Education Department, page 7. PED continued efficient administrative operations, meeting its targets for processing reimbursements and budget adjustments, although it did not complete planned formula audits. New Mexico students showed continued low performance on the 2024 National Assessment of Educational Progress (NAEP), which reported that only 20 percent of fourth graders were proficient in reading—10 points below the national average. However, the state's Measures of Student Success and Achievement (MSSA) test indicated higher proficiency, with 43 percent of fourth graders proficient, underscoring ongoing differences between state and national testing standards.

Higher Education Institutions, page 10. New Mexico spends more than twice as much per student on higher education than any surrounding state and nearly double the national average. Despite this, the state routinely ranks near the bottom in terms of graduation rates, educational attainment, and per-capita income. It is clear that, given the high level of state appropriations, New Mexico colleges must improve student outcomes, particularly graduation. To meet the national average for graduates, New Mexico would need to produce 720 more graduates per year, with 707 graduates needed at the University of New Mexico and New Mexico State University to meet the national average.

Child Well-Being

Early Childhood Education and Care Department, page 12. The Early Childhood Education and Care Department (ECECD) reported mixed results for the second quarter of FY25. The program has reported an enrollment of only 823 families in the Medicaid-funded home visiting program, below the performance target of 1,500 but an increase above the 402 from the previous fiscal year. Increasing family enrollment in Medicaid-funded home visiting has been a policy priority of Legislature. As of the second quarter of FY25, Childcare Assistance average enrollment was close to 30.1 thousand at an average annual cost per child of \$10.9 thousand.

Children, Youth and Families Department, page 16. For the second quarter of fiscal year 2025, CYFD again did not submit performance data as required by the Accountability in Government Act, hindering the state's ability to measure performance of a critical system serving vulnerable children and families. CYFD cites last year's turnover of critical staff as contributing to an inability to produce performance data, as required by statute.

Health

Health Care Authority, page 20. The Health Care Authority's enrollment dashboard indicates 838,153 individuals were enrolled in Medicaid in February 2025, 39 thousand fewer than the department's September 2024 projection indicated. Available data continues to indicate enrollment is trending

downward with the end of the public health emergency and economic improvement, including increases in labor force participation. The Income Support Division (ISD) fell short of all performance targets but performance is trending in the right direction. Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads continued to be a drag on the authority's performance, even though the caseloads are nearing prepandemic levels.

Behavioral Health Collaborative, page 25. After little progress and no meetings in over one year, the Legislature passed, and the governor signed, legislation in February 2025 that repealed the Behavioral Health Collaborative statutes and created a new Behavioral Health Executive Committee charged with establishing new behavioral health regions, reviewing and approving regional plans, establishing funding strategies and structures based on regional plans, monitoring and tracking deliverables and expenditures, and establishing management strategies led by a project manager at the Health Care Authority (HCA). The law also requires the Administrative Office of the Courts to complete sequential intercept mapping and coordinate the development of regional plans.

Department of Health, page 27. The Department of Health (DOH) reported mixed performance across the agency for the second quarter of FY25. State health indicators, particularly those related to substance use disorders, have contributed to overall declines in the health outcomes of at-risk populations in the state. The Public Health Program continues reporting low performance for smoking cessation services. Research consistently shows that comprehensive tobacco cessation programs can significantly reduce smoking rates and lead to better long-term health outcomes. Addressing these gaps is a priority. The U.S. Centers for Disease Control and Prevention reports, among adult smokers, approximately 67 percent expressed a desire to quit smoking, and about 53 percent attempted to quit in the past year. However, only 8 percent successfully quit smoking.

Aging and Long-Term Services, page 30. The Aging and Long-Term Services Department (ALTSD) reported some improvement in performance during the second quarter of FY25. The department's mission is to serve older adults and adults with disabilities so they can remain active, age with dignity, be protected from abuse, neglect, and

exploitation, and have equal access to healthcare. During the second quarter of FY25, the Aging and Disability Resource Center (ADRC) received 12,675 calls, averaging 215 per day. This volume is higher than at end of FY24 but remains lower than pre-pandemic levels. During this quarter, ADRC averaged 12 dedicated FTE: five focused on appointments, one handled voicemail (typically responding within the same day), and the rest managed live calls, walk-ins, returned calls, and overflow appointments. The most common topics of inquiry include assistance with Medicaid, Medicare, and senior centers.

Economic Development

Economic Development Department, page 33. Performance measures in the second quarter, as is usual, were lower than in the first quarter. Total jobs created, jobs created by the Local Economic Development Act and by the New Mexico Partnership, buildings rehabilitated through MainStreet, and all performance measures for the Film Office were lower compared to the first quarter. This performance is typical of EDD, as it notes that economic development tends to slow during the holiday season. On the contrary, the Outdoor Recreation Division showed strong performance in the second quarter, as the division announced its first and only round of awardees through the outdoor equity fund and trail projects funded through the Trails+ Grant program.

Tourism Department, page 36. The Tourism Department continued to show progress in its performance in the second quarter of FY25. The agency awards funding for its main programs at the beginning of the fiscal year, so the second quarter is focused on continuing the agency's work on national and local advertising campaigns and supporting grantees and partners. NMTD's winter campaign started in all targeted metro areas started in November and ran until the end of February. The agency generated \$6.2 million in advertising value equivalence in the second quarter, securing 28 pieces of coverage in national and international leisure travel media outlets, including an article in *The New York Times* that highlighted protecting and preserving the state's natural environments.

Workforce Solutions Department, page 38. New Mexico continues to have a low labor force

participation rate, though employment levels exceed prepandemic levels. While WSD's second quarter performance reflects some increases in traffic to its offices and job seeker portal, counts remain below targets. In addition, the number of youth enrolled in federal programs also remains low. WSD will need to continue looking for ways to reach disengaged adults not in the labor force. Despite appropriations to hire additional staff in the Labor Relations Division, the program continues to fall well below timeliness targets.

Justice and Public Safety

Department of Public Safety, page 42. In the second quarter of FY25, the Department of Public Safety made significant strides in addressing staffing challenges and improving operational efficiency. Efforts included increasing dispatcher and officer pay, reducing vacancies, and enhancing workforce capacity, with a 12 percent vacancy rate among state police officers. DPS advanced its intelligence-led policing project by implementing a new records management system and improving crime data collection, with 84.6 percent of agencies now reporting through the National Incident-Based Reporting System. The agency also reduced vacancies at its forensic lab and worked to address backlogs, such as those for sexual assault kits.

Corrections Department, page 46. In the second quarter of FY25, the Corrections Department demonstrated significant progress in reducing staff vacancies and enhancing program outcomes. Correctional officer vacancy rates decreased, and the turnover rate improved, aligning facility occupancy with staffing levels. Additionally, the department achieved lower recidivism rates both for individuals reincarcerated due to new or pending charges and among participants in treatment programs and increased participation in educational initiatives, suggesting strides toward rehabilitation goals.

Courts and Justice, page 49. Positive performance trends within courts and justice from the first quarter of FY25 have largely continued in the second quarter. Courts did not reach the performance target for clearance rates but positive trends in underlying factors, like time to disposition and the age of pending criminal cases, could reverse clearance rate performance if these trends continue. The Law Offices of the Public Defender maintained positive

adjudication rates despite issues with recruiting and retaining attorneys, especially contract attorneys. District attorneys' performance measures regressed slightly but can be mostly attested to districts dealing with chronic recruitment and retention issues. Treatment courts are being utilized more, but capacity is significantly less than pre-pandemic levels, meaning the courts have reduced the number of individuals who can receive treatment due to declining treatment provider availability. Treatment courts dealing with capacity issues, especially in the 2nd judicial district, should investigate capacity expansion, marketing measures, and treatment court reconfiguration if utilization trends continue.

Natural Resources

Energy, Minerals, and Natural Resources Department, page 55. The Energy, Minerals and Natural Resources Department (EMNRD), continued to utilize the significant investment from the Legislature and federal government to improve key performance metrics. An outlier to this trend is the Oil Conservation Division's (OCD) orphaned and abandoned well plugging program, which missed its target for average number of wells plugged due to new compliance. Another reason for the missed target is issues with federal funding. OCD is not the only division of EMNRD to have issues with federal funding, with the Energy, Conservation and Management Division also noting issues with receiving federal funds. EMNRD's overall budget for FY25 is \$175.8 million, with federal funds comprising over half (52.5 percent).

Office of the State Engineer, page 58. The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) continue in negotiations with Texas, Colorado, and the U.S. government regarding a possible Rio Grande settlement. OSE and ISC met with representatives from all parties in February, though no timeline for completion of settlement was finalized. Additionally, negotiations continue in the Colorado River Basin with implications for the state's compact delivery obligations. New Mexico's cumulative debt under the Rio Grande Compact remained within acceptable margins of decline, though trends regarding the state's debt should be monitored. Efforts by the agency to improve deliveries to Elephant Butte continued in FY24. The number of offers submitted to defendants through OSE's Litigation and Adjudication Program are on

track to exceed the target for the second year in a row. Discussion of new performance measures to monitor the success of other aspects of OSE and ISC should be considered, as measures capture only a small portion of the agency's workload.

Environment Department, page 60. Deteriorating performance measure trends from the first quarter of FY25 continued in the second quarter of FY25 for the Environment Department's (NMED) regulatory programs, despite NMED funding having more than doubled over the last five years. These results are due to a mixture of external and internal issues. Due to new credentialing processes for the Surface and Water Quality bureaus, inspections fell far below the target. Additionally, persistent issues with staff recruitment and retention in the Solid and Hazardous Waste bureaus hinder performance. NMED's agencywide issues with recruitment and retention, could be further exacerbated by potential federal funding cuts to natural resource protection funding. Coordination with NMED regarding federal funding volatility and its potential impact on the agency will be imperative to anticipating and adapting to a changing natural resource landscape.

General Government

General Services Department, page 64. The department's Risk Management Program has seen several large payouts, leading to lower reserves and the potential for the fund to end the year with a negative cash balance. A small number of agencies account for most expenses, including the University of New Mexico Health Sciences Center, Corrections Department, and Children, Youth and Families Department.

State Personnel Office, page 67. Despite a significantly higher headcount of state employees, vacancy rates for classified employees remain stubbornly high, largely due to an increase in the number of positions. Turnover among new employees is down but remains high. The State Personnel Office has prioritized reducing the time it takes agencies to fill vacant positions. SPO reports an average of 64 days but some agencies are completing the process in as little as 19 days.

Taxation and Revenue Department, page 68. In the second quarter of FY25, the Taxation Revenue Department (TRD) continued to make technological

advancements in the Motor Vehicle Division (MVD) aimed at increasing the convenience of customers. The Audit Compliance Division of the Tax Administration Program has a collectable balance of \$1.5 billion and has collected \$195.4 million, or 13 percent of the collection goal. The total FY25 reduction in the fiscal year beginning accounts receivable is \$606.4 million or 31.7 percent, bringing the total balance to \$1.3 billion. The Tax Fraud Investigations Division (TFID) has seen some progress in judicial districts taking white-collar investigations. TRD leadership is working to integrate a special prosecutor who will provide legal support on TFID cases.

Infrastructure

Department of Transportation, page 71. The department reports recent spikes in the percentage of projects concluding late and over-budget have moderated in the second quarter, with all projects ending on-time and 2.6 percent under budget. New Mexico has one of the highest rates of traffic fatalities in the nation and the number of traffic fatalities remains high, with 410 fatalities in FY24. Year-to-date the department reports 200 fatalities, but totals are typically revised upwards in future quarters.

Information Technology Projects, page 72. Information technology project trends for the second quarter of FY25 remain the same as the first quarter. Agencies continue making progress in obtaining functional systems. The Health Care Authority's Medicaid management information system replacement project went up in its project status ranking, now at an overall rating of yellow, up from red. While the HCA has made significant project process, LFC has heard complaints from Medicaid providers of difficulty enrolling in the new Medicaid system. HCA is aware of these issues and is working with its vendor for a corrective action plan. The Children, Youth and Families Department's child welfare system will not have system functionality until late 2025 but still maintains the same closeout date of late 2027.

Investments

Fund Performance, page 84. The value of New Mexico's combined investment holdings grew by \$383.4 million quarter-over-quarter, to an ending balance of \$87.2 billion. For the year, funds increased

by \$9.6 billion, or 12.4 percent. Over the last five years, the state's combined investment holdings grew \$32.1 billion, or 58.3 percent. When compared with peer funds greater than \$1 billion on a net-of-fee

basis, the state's risk-averse investments generally performed better than peers over the quarter but worse in the one-, three-, five-, and 10-year periods.

Report Card Rating Rubric

Green	Yellow	Red
Agency has met the quarterly target or is on track to meet the annual target.	Agency slightly missed the target or is off track for meeting the annual target.	Agency failed, or is likely to fail, to meet the target or failed to provide data.

Fine Tuning

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

Department/Program	Q1	Q2	
Early Childhood Education and Care Department			
Family Support and Intervention	Y	Y	
Early Education, Care and Nutrition	Y	Y	
Prekindergarten (reported annually)			
Policy, Research, and Quality	G	G	
Children, Youth and Families Department			
Protective Services	R	R	
Juvenile Justice Services	R	R	
Behavioral Health Services	R	R	
Public Education Department			
Department Operations	Y	Y	
Department of Health			
Public Health	Y	Y	
Epidemiology and Response	R	R	
Scientific Laboratory	Y	Y	
Facilities Management	Y	Y	
Aging and Long-Term Services			
Consumer and Elder Rights	Y	Y	
Adult Protective Services	Y	Y	
Aging Network	Y	Y	
Health Care Authority			
Medical Assistance	Y	Y	
Income Support	Y	Y	
Child Support Enforcement	Y	Y	
Developmental Disabilities Support	Y	Y	
State Health Benefits	Y	Y	
Behavioral Health Collaborative			
Behavioral Health	Y	Y	
Courts and Justice			
Administrative Support	G	G	
Special Court Services	G	G	
District Attorneys	G	G	
Public Defender	G	G	
Department of Public Safety			
Law Enforcement	G	G	
Statewide Law Enforcement Support	Y	Y	
Corrections Department			
Inmate Management and Control	Y	Y	
Reentry	Y	Y	
Community Offender Management	G	G	
Energy, Minerals and Natural Resources			
Energy Conservation and Management	G	G	
Healthy Forests	G	Y	↓
State Parks	G	G	
Mine Reclamation	G	G	
Oil and Gas Conservation	G	Y	↓

Department/Program	Q1	Q2	
State Engineer			
Water Resource Allocation	Y	G	↑
Interstate Stream Commission	G	Y	↓
Litigation and Adjudication	G	G	
Environment Department			
Water Protection	Y	Y	
Environmental Protection	R	R	
Environmental Health	R	Y	↑
Resource Protection	Y	R	↓
Economic Development Department			
Economic Development	G	R	↓
New Mexico Film Office	Y	R	↓
Outdoor Recreation	Y	G	↑
Tourism Department			
Marketing and Promotion	G	G	
New Mexico Magazine	Y	G	↑
Tourism Development	G	Y	↓
Workforce Solutions Department			
Employment Services	Y	Y	
Unemployment Insurance	Y	Y	
Labor Relations	Y	Y	
Program Support and Workforce Invest.	Y	Y	
General Services Department			
Risk Management Funds	R	R	
Facilities Management	Y	Y	
State Purchasing	Y	R	↓
Transportation Services	G	G	
State Printing	G	G	
State Personnel System			
Human Resource Management	Y	Y	
Taxation and Revenue Department			
Tax Administration	Y	Y	
Compliance Enforcement	Y	Y	
Motor Vehicle	G	G	
Program Support	Y	Y	
Property Tax	Y	Y	
Department of Transportation			
Project Design and Construction	R	G	↑
Highway Operations	G	G	
Modal	R	R	
Program Support	G	G	

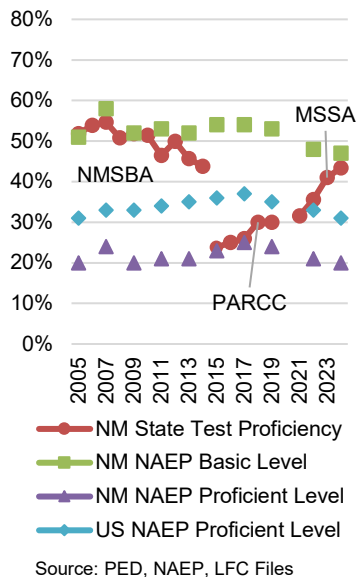
Programs with a Rating Upgrade	5
Programs with a Rating Downgrade	7

Total Q2 Green Ratings	21
Total Q2 Yellow Ratings	34
Total Q2 Red Ratings	11

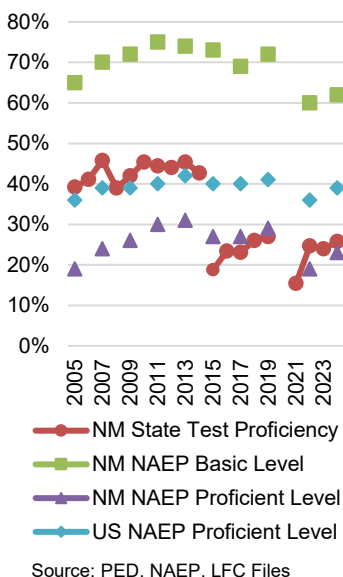
ACTION PLAN

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

Reading Proficiency of 4th Graders



Math Proficiency of 4th Graders



Public Schools

In the second quarter, the Public Education Department (PED) continued to process reimbursements and budget adjustment requests within their targets but did not complete any formula audits. PED also released test score performance information for 2024, alongside national assessment results. New Mexico's 2024 national test scores remain among the lowest in the country, with one of the measures—20 percent of fourth graders proficient in reading—being 10 points below the national average. These national scores tell a different story from the state's Measures of Student Success and Achievement (MSSA) assessment, which reports 43 percent of fourth graders are proficient in 2024. The discrepancy between the national and state tests reflect broader national debates on proficiency standards; however, the bigger issue is student achievement has dropped down to levels reported two decades ago. High chronic absenteeism (35 percent of fourth graders, 43 percent of eighth graders) and poverty rates are correlated with low scores, but some states have beat these odds by implementing evidence-based and targeted policies.

Student Outcomes

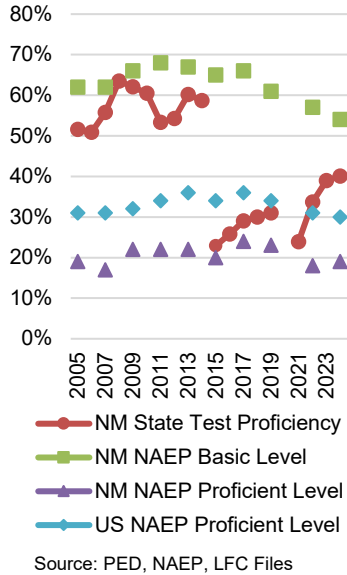
National Assessment of Educational Progress. New Mexico students continue to have some of the lowest reading and math proficiency levels in the U.S., according to the 2024 National Assessment of Educational Progress (NAEP) scores released in January. Often called the Nation's Report Card, NAEP is the only nationwide assessment, administered biennially to a representative sample of fourth and eighth graders and is often used to rank educational performance across states.

New Mexico's NAEP scores remain consistently below national averages across all subjects and grades, though the trends mirror national patterns. For instance, 20 percent of New Mexico's fourth graders scored proficient or above in reading—10 percentage points behind the national average. This is not statistically different from 2022, when 21 percent of the state's fourth graders were proficient, trailing the national average by 11 percentage points. These results are virtually identical to performance in 2005. In math, New Mexico's fourth graders improved their scores by three points, similar to the national two-point increase. Eighth grade reading and math scores remained statistically unchanged from 2022. However, across all grades and subjects, both in New Mexico and nationally, scores remain below pre-pandemic levels and have generally fallen to the same level from two decades ago.

PED reports the state's Measures of Student Success and Achievement (MSSA) test, administered to students in grades 3-8, provides a more accurate reflection of statewide achievement. The 2024 MSSA results indicate 43 percent of fourth graders are proficient or advanced in reading—more than double the 20 percent proficiency reported by NAEP. Additionally, while MSSA math scores remain flat, reading scores have improved for most grades for the third consecutive year.

PED notes that NAEP's "basic" performance level more closely aligns with the proficiency standards in New Mexico's Common Core, which they say are not measured by NAEP but are by the MSSA. However, New Mexico's NAEP performance for both "basic" and "proficient" achievement have remained relatively flat or worsened over the

Reading Proficiency of 8th Graders



last two decades. Further confounding the results are New Mexico's three different state assessments (NMSBA, PARCC, and MSSA) administered during this period, which show contrasting outcomes compared with the NAEP.

A National Center for Education Statistics (NCES) study found New Mexico is not alone—many states set their proficiency standards at levels corresponding to NAEP's "basic" achievement category. Proponents argue state tests are better suited to measure student achievement within local contexts. However, critics highlight the "proficiency gap," which emerges when state assessments report significantly higher proficiency rates than NAEP. This gap raises concerns that lower state standards may not accurately reflect students' preparedness for academic and economic success.

For example, research indicates students scoring below basic on NAEP often struggle with foundational skills. Fourth graders in this category may have difficulty recognizing common words and decoding new ones, while eighth graders may struggle with identifying a passage's main idea. In math, eighth graders scoring below basic often have difficulty with fundamental concepts like ratios and unit conversions. Eighth grade math performance is also considered a strong predictor of a state's future economic growth.

Chronic Absenteeism and Poverty. PED has pointed to New Mexico's high rates of chronic absenteeism and poverty as key challenges. While absenteeism is a nationwide issue, self-reported NAEP data show New Mexico has one of the highest rates in the country—35 percent of fourth graders and 43 percent of eighth graders reported missing significant amounts of school.

New Mexico also has one of the highest child poverty rates in the U.S., which correlates with lower NAEP scores. However, according to Georgetown University's Edunomics Lab, several other high-poverty states—including Kentucky, Louisiana, Mississippi, Tennessee, and West Virginia—saw gains from 2022, likely due to strategic use of federal pandemic relief funds. Louisiana and Mississippi, for example, returned to pre-pandemic fourth grade reading levels after implementing policies that focused on early literacy, teacher training, and interventions for struggling third graders.

Department Operations

In the second quarter, PED processed requests for reimbursement at an average rate of 18 days—five days slower than the first quarter's 13-day average, but still below the 22-day target. School district budget adjustment requests (BARs) increased slightly from 6.8 days in Q1 to 8.2 days in Q2, remaining within the 10-day target. PED attributes the slower processing times to the expiration of several grants, particularly related to federal pandemic (ESSER) aid.

By the end of Q2, PED had awarded 85 percent of special appropriations—a more than 30 percentage point increase from FY24. Early awards indicate the department has streamlined grant processes for most recurring programs, reducing delays in issuing funds from the agency, expediting program implementation, and reducing the need for larger school cash balances. PED has completed five teacher cost index audits and is working on completing 25 program compliance audits to meet its annual goal.

PERFORMANCE REPORT CARD

Public Education Department
Second Quarter, Fiscal Year 2025

Budget: \$24,917.9 FTE: 354	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Average days to process reimbursements	38	35	22	13	18		G
Average days to process budget adjustments	7.2	7.8	10	6.8	8.2		G
Data validation of funding formula components	12	30	30	0	5		R
Initiative funding awarded by September 30	95.6%	53.7%	95%	85%	85%		Y

Program Rating

Y

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

ACTION PLAN

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

6-Year Graduation Rate

Institution	2022	2023
ENMU	41.3%	39.8%
NMHU	25.5%	25.6%
NM Tech	55.0%	56.4%
NMSU	50.9%	52.2%
Northern	39.6%	32.6%
UNM	51.7%	52.5%
WNMU	31.1%	34.9%
Total	47.1%	48.2%

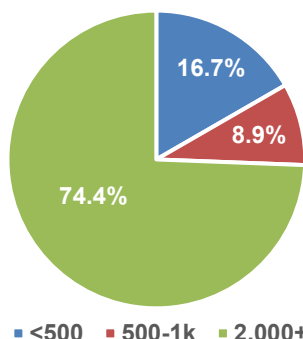
Source: IPEDS

Additional Graduates to Reach Size-Adjusted U.S. Graduation Average

Institution	2023 Grads	Grads for U.S. Avg.
ENMU	248	3
NMHU	65	33
NM Tech	133	0
NMSU	1,059	280
Northern	44	8
UNM	1,662	427
WNMU	97	10

Source: IPEDS

Distribution of Freshman at Four-year Colleges, by Class Size



Source: IPEDS

New Mexico continues to see graduation rates well below the national average at four-year and two-year colleges but has seen slight improvements over the past decade. The state recognizes the close link in economic wellbeing and educational attainment and has made significant investments in higher education, providing essentially tuition-free college to undergraduate students. Despite this, the state has fallen from 40th in median income to 48th over the past 30 years making it clear that higher education institutions must do more to meet needs of their students from enrollment to graduation.

National data show that for workers 24-34, bachelor's degree holders make 59 percent more on average than high school graduates, while associate degree holders make 18 percent more and those with some college, but no degree make 8 percent more. These data illustrate two critical points: (1) taking some college credits translates into negligible wage gains and (2) bachelor's degrees provide the highest value per year of education. State higher education policy recognizes the importance of ensuring students who begin college complete by providing significant funding for both tuition subsidies and student support.

Graduation

LFC analysis of federal data show graduation rates at four-year colleges vary significantly based on school size with smaller public schools having much lower graduation rates than the largest schools, likely due to less competitive admissions. New Mexico has a much higher proportion of students attending small institutions than the national average, 13 percent versus 4 percent, respectively. At the same time, 74 percent of New Mexico freshman in 2023 attended an institution with a freshman class of 2,000+ students, a higher proportion than the national average.

The table below compares New Mexico and U.S. average graduation rates based on the size of the entering freshman class of the institution and provides the number of additional graduates needed to meet the national average. Unsurprisingly, the vast majority of additional graduates needed to meet the national average are at large institutions, the University of New Mexico and New Mexico State University.

Analysis of U.S. Versus N.M. Graduation Rates

(Based on Completion Within 150% Standard Time)

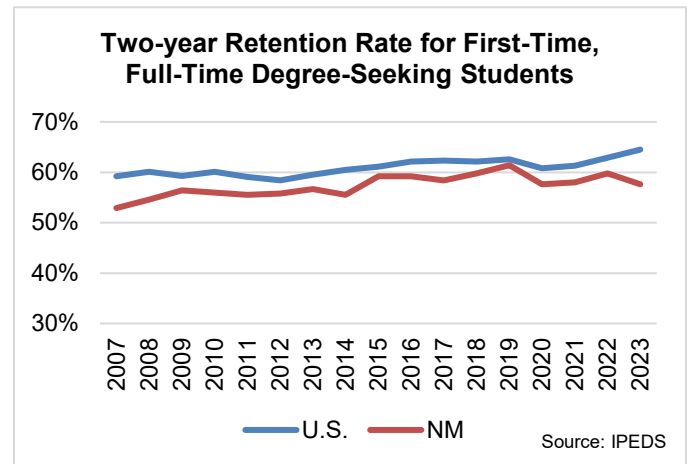
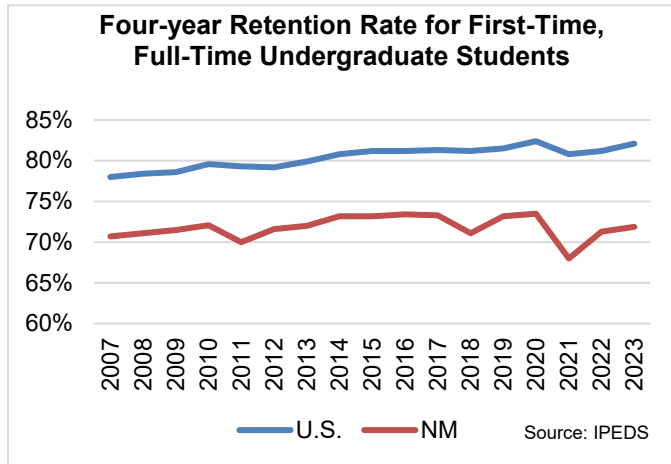
Freshman Class Size	U.S. Grad. Rate	NM Grad. Rate	Add'l Grads to Match U.S. Average
<500	38.6%	37.5%	9
500-1,000	40.3%	39.8%	3
1,000-2,000	48.6%	N/A	N/A
2,000+	66.0%	52.4%	707
Total	58.7%	48.2%	720

Source: IPEDS

Retention

Federal data show retention at New Mexico four-year institutions increased in 2023, but remains below the pre-pandemic levels. Retention fell at New Mexico two-year

institutions despite a national increase. It is unclear what drove the decline at two-year institutions, but the retention performance measure may not be a good indicator of sector-wide performance as most community college students are not first-time full-time students but rather working people returning to college on a part-time basis.



State and Local Higher Education Funding Per Full-Time Student

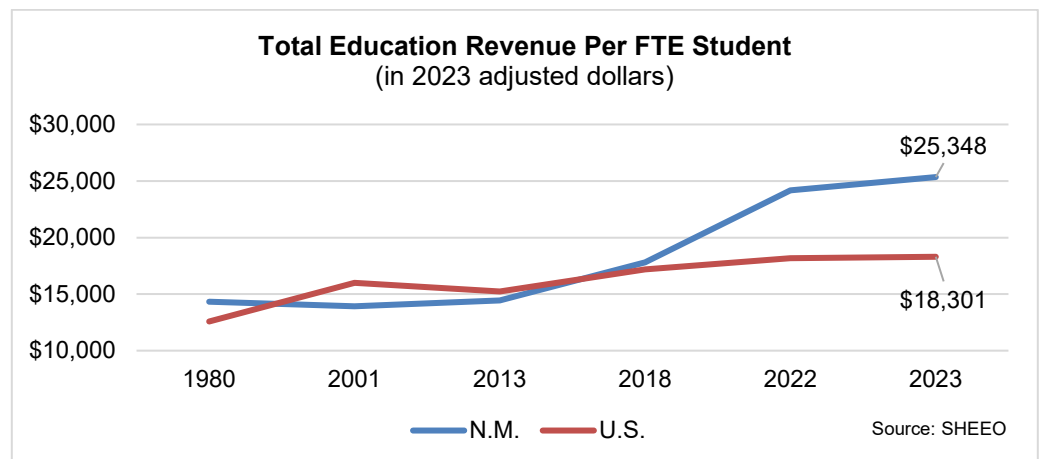
State	2018	2023
AZ	\$6,454	\$7,103
CO	\$4,990	\$6,603
NM	\$13,371	\$21,953
NV	\$8,870	\$8,590
OK	\$8,025	\$8,500
TX	\$9,145	\$10,335
UT	\$8,857	\$10,956
US Avg.	\$9,162	\$11,040

Source: SHEEO

Additionally, two-year institutions offer a number of noncredit workforce certification programs. However, the performance of these programs is not tracked in the federal data sets and uniform data are not available. The state has made significant investments in these programs and higher education institutions, the Higher Education Department, and the Legislature should develop a common set of performance metrics to capture this growing sector of community colleges.

Higher Education Funding

New Mexico ranks second in the nation for state and local appropriations per full-time student, nearly doubling the national average. The strong state support allows institutions to keep tuition lower than the national average. When all revenue, including tuition, is accounted for, the state ranks 6th in the nation for total higher education funding as shown in the graph below:



PERFORMANCE REPORT CARD

Early Childhood Education and Care Department

Second Quarter, Fiscal Year 2025

ACTION PLAN

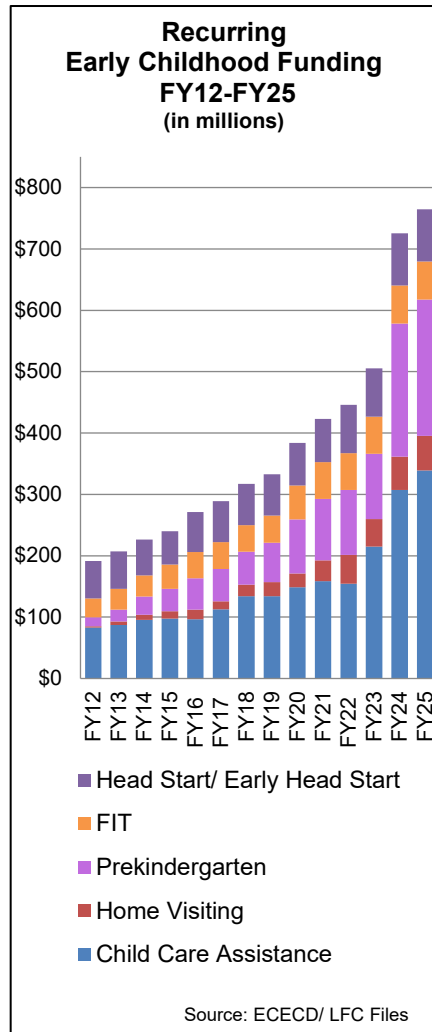
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

The Early Childhood Education and Care Department (ECECD) reported mixed results for the second quarter of FY25. The department also has several measures which are reported annually. Many of the annual measures related to prekindergarten and early learning readiness. While the department did not meet targeted performance for families enrolled in Medicaid funded home visiting, the department has doubled enrollment from the previous fiscal year. Increased enrollment in this program has been a focused performance goal for the Legislature.

Family Support and Intervention

The program primarily consists of three components: the Family, Infant, Toddler (FIT) developmental disabilities intervention program, the Families First case management program, and the Home Visiting parental education and support program. This program reported mixed results for performance targets and did not meet targeted performance for the Families First program and connected families involved with Comprehensive Addiction and Recovery Act (CARA) to services. The program has reported an enrollment of only 823 families in the Medicaid-funded home visiting program, below the performance target of 1,500 but an increase above the 402 previous fiscal year. Increasing family enrollment in Medicaid-funded home visiting has been a policy priority of Legislature. If implemented well, in combination with other child welfare interventions, certain home visiting models, such as Nurse Family Partnership, Health Families America, and SafeCare Augmented, could help the state reduce child maltreatment.

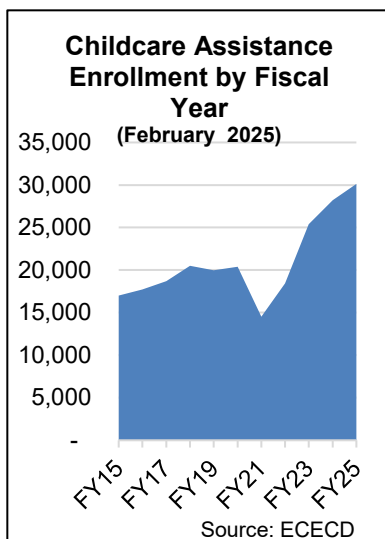
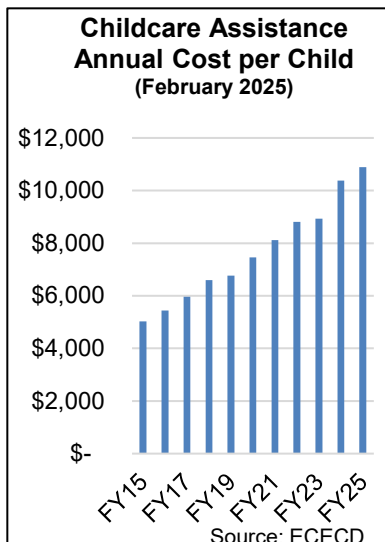
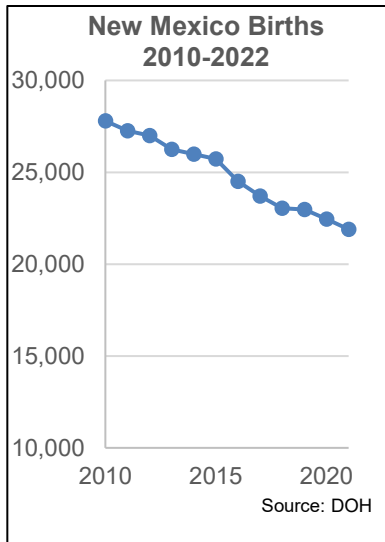
Budget: \$78,0616.6 FTE: 58	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of families enrolled in Medicaid Home Visiting	440	402	1,250	727	823		G
Average annual number of home visits per family	19	22	20	Reported Annually			
Percent of children enrolled in home visiting for longer than six months that receive regular well child exams as recommended by the American Academy of Pediatrics	88%	91%	90%	91%	91%		G
Percent of parents participating in the New Mexico home-visiting program for at least eight months who demonstrate progress in practicing positive parent-child interactions as demonstrated by the state-approved, evidence-based screening tool	79%	82%	80%	85%	85%		G
Percent of women enrolled in Families First who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy	90%	90%	93%	82%	90%		Y
Percent of children making significant improvement annually in social emotional skills, knowledge and skills and appropriate behavior	New	Not Reported	78%	78%	78%		G
Percentage of women that are pregnant when they enroll in home visiting who access postpartum care	New	New	90%	81%	79%		R
Percent of eligible infants and toddlers with individual family service	93%	94%	100%	96%	96%		Y



PERFORMANCE REPORT CARD

Early Childhood Education and Care Department

Second Quarter, Fiscal Year 2025



plan for whom an initial evaluation and initial assessment and an initial individual family service plan meeting were conducted within the forty-five-day timeline

Percent of home visiting families with face-to-face visits, monthly

New 91% NA 94% 93%

Percent of families enrolled in Families First by the twenty-eighth week of pregnancy

New 65% 80% 42% 88%

G

Percent of families enrolled in home visiting by the twenty-eighth week of pregnancy

New 75% 30% 73% 73%

G

Percent of families enrolled in home visiting who receive safe sleep education and supporting materials and follow the recommended safe sleep practices

New 82% 80% 75% 80%

G

Percent of pregnant women enrolled in home visiting who are eligible for Medicaid and access prenatal care by the twenty-eighth week of pregnancy

New 93% 80% 92% 92%

G

Percent of women who are pregnant when they enroll in Families First and access postpartum care

New 100% 75% 44% 44%

R

Percent of Comprehensive Addiction and Recovery Act families connected to agency services and supports

New 41% 60% 37% 40%

R

Program Rating

R

Y

Y

Early Education, Care and Nutrition

The Early Education, Care, and Nutrition Program is primarily composed of childcare assistance, the Family Nutrition Bureau, and prekindergarten. Prior to the pandemic, childcare assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. However, in fall 2020, enrollment declined significantly to 15 thousand. In FY21, average monthly enrollment was 14.5 thousand. The average monthly cost per child, however, increased to \$676, or \$8,117 annually. At the close of FY22, monthly enrollment had increased to nearly 22 thousand, and the average monthly cost was at \$734, or \$8,810 annually. In April 2022, ECECD announced Childcare Assistance income eligibility would increase to 400 percent of the federal poverty level (FPL) and all copayments would be waived. At the close of FY24, enrollment had increased to around 29 thousand, with an average annual cost per child of \$10,379. As of the second quarter of FY25, average enrollment was close to 30.1 thousand and an average annual cost per child of \$10.9 thousand.

Budget: \$380,195.9 **FTE:** 157

FY23 Actual FY24 Actual FY25 Target FY25 Q1 FY25 Q2 FY25 Q3 Rating

Percent of infants and toddlers participating in the childcare assistance program enrolled in childcare programs with four- or five-stars

58% 65% 75% 69% 63%

R

Average monthly copay as a percentage of monthly income

New New 7% 0% 0%

G

PERFORMANCE REPORT CARD

Early Childhood Education and Care Department

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Average length of time enrolled in months for families receiving childcare assistance	New	18	12	19	19	G
Percent of children attending full-time childcare, defined as thirty hours or more a week	New	73%	75%	76%	67%	R
Percent of enrolled families at or below one hundred twenty-five percent of the federal poverty level	New	42%	70%	43%	40%	R
Program Rating	R	Y				Y

Policy, Research and Quality

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

Budget: \$37,275.6 FTE: 36	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of early childhood professionals, including tribal educators, with degrees and/or credentials in early childhood related fields	Not Reported	77%	50%	Reported Annually			
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system	64%	65%	60%	65%	66%		G
Percent of licensed childcare providers participating in Focus tiered quality rating and improvement system at the four- and five-star level	60%	62%	60%	69%	67%		G
Number of infant early child mental health professionals trained and onboarded	New	15	15	19	21		G
Percent of early childhood professionals receiving support from infant early child mental health consultants	New	30%	10%	37%	33%		G
Program Rating	R	G					G

Prekindergarten

Performance measures for the program are reported annually. New Mexico PreK, an early education program for 3- and 4-year-olds, currently serves over 17 thousand children. Despite certain obstacles to expansion, New Mexico has made substantial strides in ensuring sufficient funding is in place to guarantee all 4-year-olds have access to some form of early education through programs such as Childcare Assistance, New Mexico PreK, or the federal Head Start program. In fact, New Mexico ranks 14th in spending on prekindergarten, 13th for providing access to 3-year-olds, and 13th in access for 4-year-olds, according to the National Institute for Early Education Research

PERFORMANCE REPORT CARD

Early Childhood Education and Care Department

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(NIEER). As of FY25, the state appropriated over \$222 million on prekindergarten and early prekindergarten statewide.

Budget: \$238,173.6 FTE: 17	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of children who were enrolled for at least six months in the state-funded prekindergarten program who score at first step for kindergarten or higher on the fall observation kindergarten observation tool	New	49%	80%				
Percent of children participating in public and private state-funded New Mexico prekindergarten program for at least six months showing measurable progress on the school readiness spring preschool assessment tool	92%	91%	92%				Reported Annually
Percentage of children who participated in the prekindergarten, for at least nine months, that are proficient in math in kindergarten	63%	52%	75%				
Percentage of children who participated in the prekindergarten program, for at least nine months, that are proficient in literacy in kindergarten	60%	51%	80%				
Program Rating	R	Y					

ACTION PLAN

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

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

The lawsuit against CYFD alleged:

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

A settlement agreement committed CYFD to improve Protective Services caseloads, increase the number of resource (foster care) and community-based placements, expand access to children's behavioral health services, among other commitments.

The Children, Youth and Families Department (CYFD) did not submit performance data as required by the Accountability in Government Act in either the first or second quarter of FY25, hindering the state's ability to measure performance of a critical system serving vulnerable children and families. CYFD cites staff turnover as a contributing factor to an inability to provide quarterly performance data. New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of the initial allegation, and in FY24 the rate worsened to 15 percent. The state has enacted legislation and significantly increased appropriations for evidence-based approaches to reduce and prevent maltreatment, though these strategies have not yet been implemented statewide. During FY24, the number of youth in foster care increased over FY23 and time-to-permanency measures worsened, reversing positive prior trends. In addition, the department continues to face challenges recruiting and retaining a professional social worker workforce, though turnover within Protective Services has improved. Other indicators of repeat maltreatment and protective services performance are trending in a negative direction. While several indicators in juvenile justice were trending in a positive direction in FY24, the number of youths in secure juvenile justice facilities has increased after years of decline.

Protective Services

Prevention. Prevention and early intervention are key to reducing maltreatment and repeat child maltreatment, and several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. Between FY18 and FY24, CYFD preventive services expenditures grew significantly, though these expenditures remain a small portion of overall protective services expenditures. During the same period, repeat maltreatment hovered around 14 percent, well above the national benchmark of 9 percent. In FY24, the state's rate of repeat maltreatment increased to 15 percent. The repeat maltreatment measure is an indicator of how successfully CYFD is facilitating families' engagement in secondary prevention and intervention services. The greatest opportunity to intervene and prevent repeat maltreatment exists near the initial case, and the repeat maltreatment data reflects organization practice roughly a year prior.

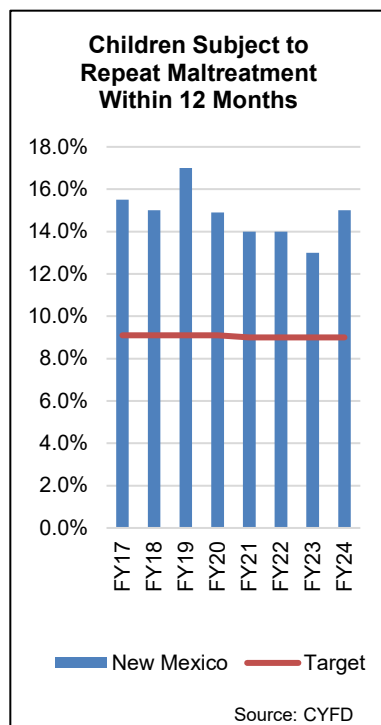
Previous LFC reports have noted New Mexico is missing out on federal revenue to fund evidence-based programs to prevent and reduce child maltreatment because New Mexico does not have an approved Families First Prevention plan. During the second quarter of FY25, CYFD reported resubmitting the state's plan, though the proposed programs do not meet federal requirements.

Foster Care. The number of children in foster care in New Mexico steadily declined from FY17 to FY23, when the trend reversed. In December 2024, 2,119 children were in state care, an increase of 6 percent relative to December 2023. Without performance data reported by CYFD, the state is unable to further assess outcomes.

Budget: \$230,995.7 **FTE:** 1,179 **FY23 Actual** **FY24 Actual** **FY25 Target** **FY25 Q1** **FY25 Q2** **Rating**

Maltreatment

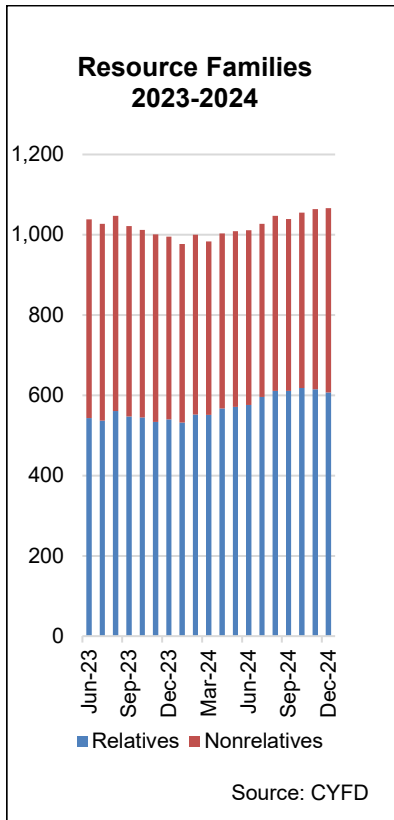
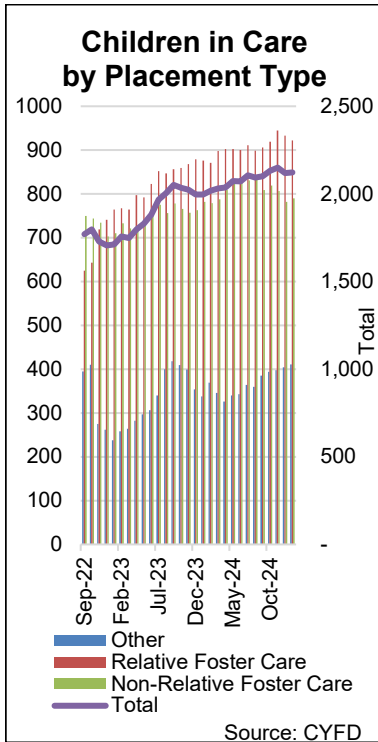
Percent of children in foster care who have at least one monthly visit with their case worker*	92%	86%	N/A	Not reported	Not reported	NA
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PERFORMANCE REPORT CARD

Children, Youth and Families Department

Second Quarter, Fiscal Year 2025



Children who were victims of a substantiated maltreatment report who were victims of another substantiated maltreatment allegation within twelve months of their initial report	14%	15%	9%	Not reported	Not reported	R
Rate of maltreatment victimizations per one hundred thousand days in foster care within a rolling twelve month period	10.2	10.0	8.0	Not reported	Not reported	R
Families that participated in in-home services or family support services and did not have a subsequent substantiated report within the next twelve months	80%	74%	80%	Not reported	Not reported	R
Fatalities or near-fatalities in a rolling twelve-month period that had protective services involvement in the twelve months preceding the incident	Reported differently	57%	15%	Not reported	Not reported	R
Average statewide central intake call center wait time (in seconds)	29	76	50	Not reported	Not reported	R
Foster Care						
Turnover rate for protective services workers	37%	34%	25%	Not reported	Not reported	R
Of the children who enter care during a 12-month period and stay for greater than 8 days, placement moves rate per 1,000 days of care	7.6	8.1	4.1	Not reported	Not reported	R
Children in foster care more than eight days who achieve permanency within twelve months of entry into foster care	33%	34%	42%	Not reported	Not reported	R
Children removed during a rolling twelve-month period who were initially placed with a relative or fictive kin	New	32%	45%	Not reported	Not reported	R
Children in foster care for twenty-four months or more at the start of a twelve-month period who achieve permanency within twelve months	31%	25%	30%	Not reported	Not reported	R
Foster care placements currently in kinship care settings	52%	48%	42%	Not reported	Not reported	R
Children in foster care for twelve to twenty-three months at the start of a twelve-month period who achieve permanency within those twelve months	34%	34%	44%	Not reported	Not reported	R
Eligible youth who enroll in fostering connections upon emancipation from foster care	New	81%	95%	Not reported	Not reported	R
Program Rating	R	R				R

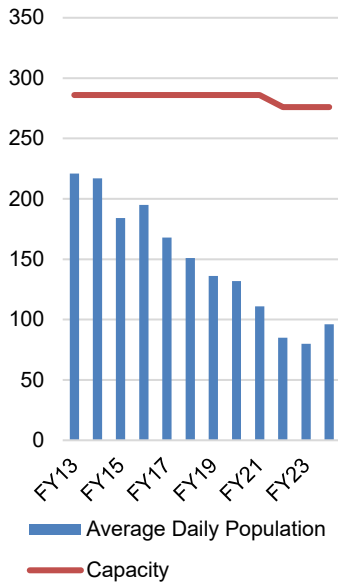
Juvenile Justice Services

Over the last decade, the number of youths incarcerated in secure juvenile justice facilities has steadily decreased from the state's peak as CYFD has implemented evidence-based practices. However, during FY24, the number of youths in secure Juvenile Justice Services (JJS) facilities increased, from an average census of 80 in FY23

PERFORMANCE REPORT CARD

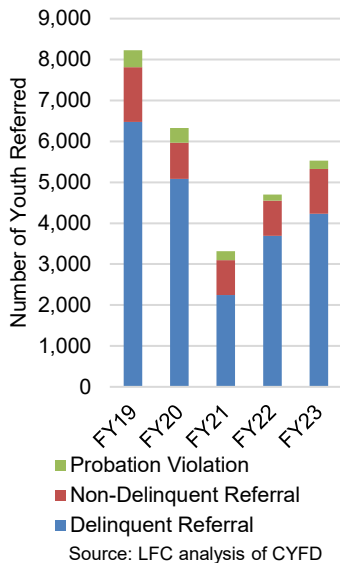
Children, Youth and Families Department
Second Quarter, Fiscal Year 2025

JJS Secure Facility Population



Source: CYFD

Juvenile Justice Referrals by Type FY19-FY23



Source: LFC analysis of CYFD

to an average census of 104. This increase may be due, in part, to changes CYFD has made to override a validated risk assessment tool and an increase in the number of youths charged with violent crimes, particularly in the 2nd Judicial District. While referrals to JJS increased in the last few years, referrals remain well below pre-pandemic levels. Average daily census remains below capacity in the state's two secure juvenile justice facilities, the Youth Diagnostic and Development Center in Albuquerque and the J. Paul Taylor Center in Las Cruces. Several metrics reflected positive trends in FY24, including a reduction in turnover among youth care specialists, an increase in the rate at which clients successfully complete informal probation, improvements in recidivism rates, and reductions in physical assaults within secure facilities.

Budget: \$82,322.6 FTE: 736.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Turnover rate for youth care specialists	42%	34%	21%	Not reported	Not reported	R
Percent of clients who successfully complete formal probation	93%	90%	93%	Not reported	Not reported	R
Percent of clients who successfully complete informal probation	Not reported	91%	80%	Not reported	Not reported	R
Percent of clients successfully completing term of supervised release	Not reported	Not reported	78%	Not reported	Not reported	R
Number of substantiated complaints by clients of abuse or neglect in juvenile justice facilities	4	Not reported	3	Not reported	Not reported	R
Percent of youth discharged from active field supervision who recidivate in the following two-year period	Reported differently	14%	20%	Not reported	Not reported	R
Rate of physical assaults per one thousand days youth spent in facilities differently	Reported differently	5.5	3.75	Not reported	Not reported	R
Percent of youth discharged from a secure facility who recidivate in the following two-year time period	Reported differently	34%	45%	Not reported	Not reported	R
Youth served by juvenile justice who are placed in a less-restrictive, community-based setting	New	94%	93%	Not reported	Not reported	R
Percent of clients reviewed at 40 days	0%	Not reported	92%	Not reported	Not reported	R
Program Rating	R	Y		Not reported	Not reported	R

Behavioral Health Services

In FY24, the department received \$963.4 thousand to establish three more community behavioral health clinician teams, but the department struggled to hire clinicians and used the funding for other purposes. In FY24, while the Behavioral Health Services program is near the target for ensuring targeted Juvenile Justice clients receive consultation from a community behavioral health clinician, the department was far from the target in the third quarter. Additionally, the department fell well below the target and FY23 performance level for least-restrictive placements for children in foster care.

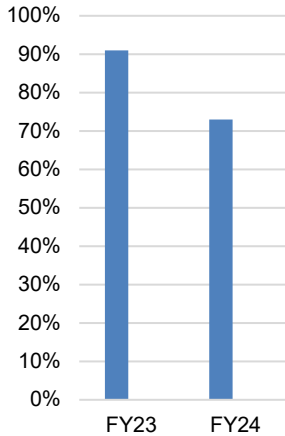
Budget: \$53,109.2 FTE: 123	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Children with at least one electronic benefit transfer service need identified in their CANS who have	103%	Not reported	65%	Not reported	Not reported	R

PERFORMANCE REPORT CARD

Children, Youth and Families Department

Second Quarter, Fiscal Year 2025

Youth Aged 12 or Older in PS Custody Placed in a Community-Based Setting



Note: Reported differently prior to FY23

Source: CYFD

accessed that service, to include placements that correspond with the recommended level of care

Percent change in number of community-based behavioral health personnel, that support children and youth to remain in their community

126% 50% Not reported Not reported **R**

Infant mental health program participants showing improvement developmentally through clinical assessment and observation

NA 93%% 95% Not reported Not reported **R**

Domestic violence program participants who agree or strongly agree that because of their participation in the program as a parent, they have a better understanding of the impact that domestic abuse/ violence can have on children

94% 96% 95% Not reported Not reported **R**

Youth aged twelve or older in protective services custody who are placed in a less restrictive, community-based setting

91% 85% 73% Not reported Not reported **R**

Domestic violence program participants who agree or strongly agree that staff and advocates regularly discuss their safety needs, including specific things they can do to keep themselves safe

90% 92% 95% Not reported Not reported **R**

Clients enrolled in multisystemic therapy who demonstrate improvement in one or more behavioral health outcomes

89% 92% 90% Not reported Not reported **R**

Percent of protective services-involved youth in the target population who receive consultation from a community behavioral health clinician

66% 15% 75% Not reported Not reported **R**

Percent of juvenile-justice involved youth in the estimated target population who have received consultation from a community behavioral health clinician

Reported differently 63% 75% Not reported Not reported **R**

Program Rating

Y Y R

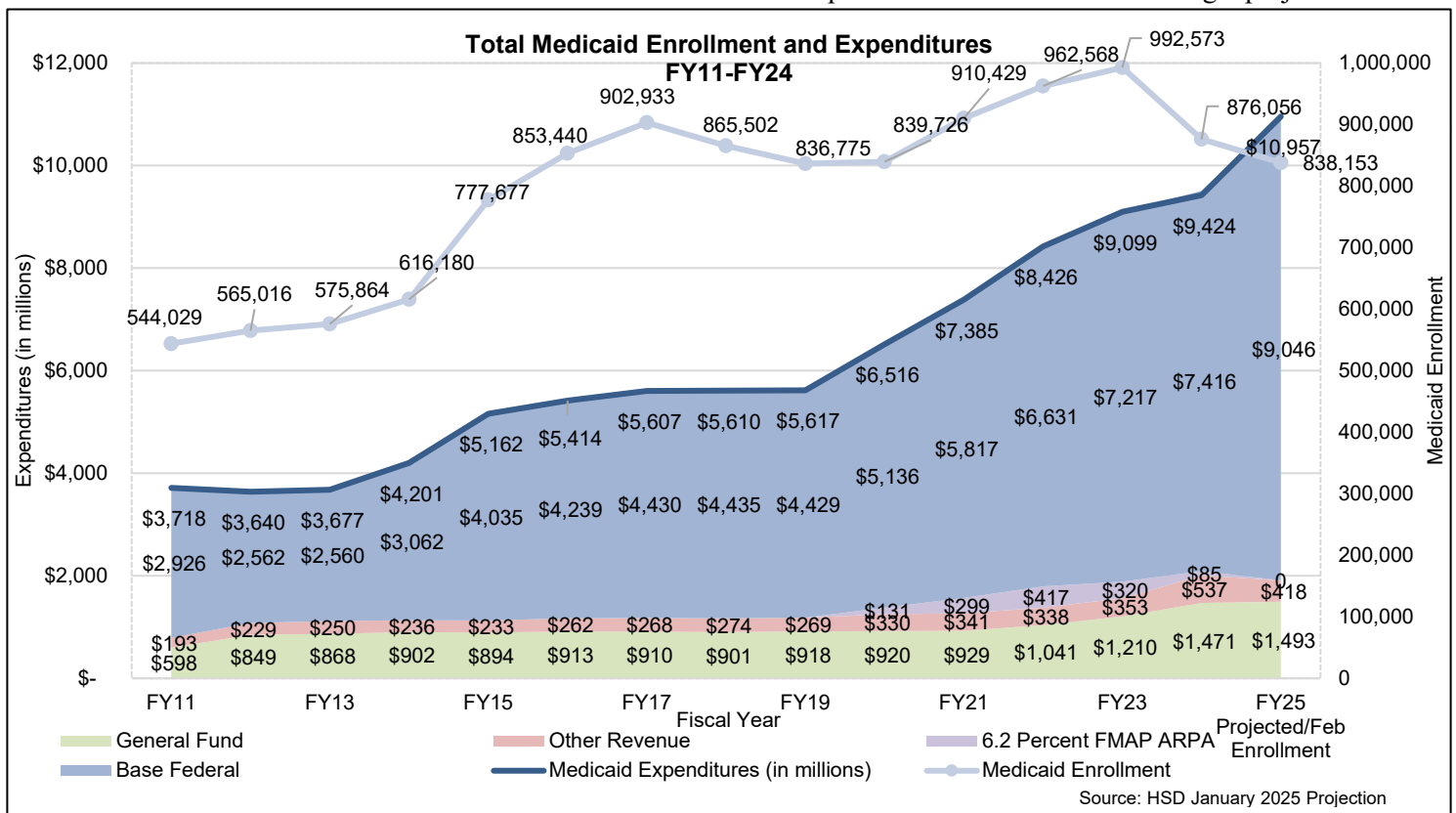
ACTION PLAN

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

The Legislature invested significantly in Medicaid over the last decade, including hundreds of millions in the past five years for provider rate adjustments, with the most significant increases scheduled for FY25, including more than \$1 billion for hospitals. However, many rates from FY24's legislative session were not effective until January 2025. With close to half of the state's population enrolled in the Health Care Authority's (HCA) Medicaid Program, ensuring rate adjustments reach the intended providers and improves access is a major lever for the state to improve health outcomes overall. Given the investment, performance is marginally improving, and the state should maintain an expectation of more improvement over the next two years.

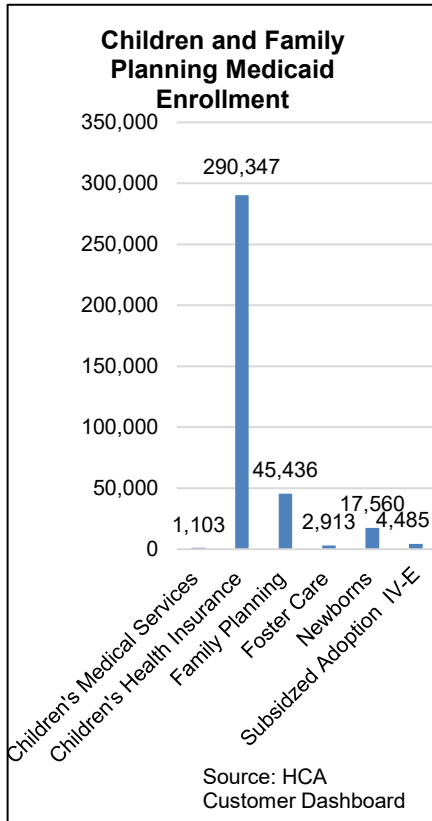
With these investments, the Legislature is expecting to see improvements in access to care through the expansion of managed care organization (MCO) networks, more well-care visits, and improved provider recruitment and retention. The health challenges experienced by the state's Medicaid population will likely not improve if Medicaid enrollees continue to have trouble making appointments.

Projecting Future Needs. The Health Care Authority's enrollment dashboard indicates 838,153 individuals were enrolled in Medicaid in February 2025, 39 thousand fewer individuals than the department's September 2024 projection indicated. Available data continues to indicate enrollment is trending downward with the end of the public health emergency and economic improvement, including increases in labor force participation. The FY25 budget was largely based on a higher January 2024 estimate of 938.2 thousand enrollees. In the future, to ensure funds are allocated appropriately, the department will need to work with LFC to develop more consensus around its budget projections.



PERFORMANCE REPORT CARD

Health Care Authority Second Quarter, Fiscal Year 2025



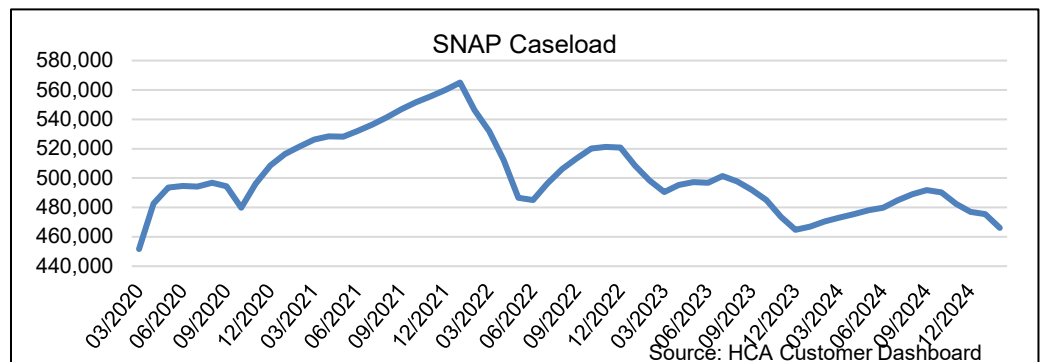
Budget: \$8,885,408.9 FTE: 222.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Infants in Medicaid managed care who had six or more well-child visits with a primary care physician during their first 15 months* **	63%	66%	N/A	35%	47%		G
Children and adolescents ages 3 to 21 enrolled in Medicaid managed care who had one or more well-care visits during the measurement year**	44%	45%	60%	9%	17%		R
Children ages 2 to 20 enrolled in Medicaid managed care who had at least one dental visit during the measurement year**	57%	51%		No Report	No Report		R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	7%	8%	<5%	6%	7.5%		R
Hospital readmissions for adults 18 and over within 30 days of discharge**	9%	9%	<8%	9%	12%		R
Emergency department use categorized as nonemergent care	57%	57%	50%	57%	57%		R
Newborns with Medicaid whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in the managed care organization**	80%	78%		No Report	No Report		R
Medicaid managed care members ages 18 through 75 with diabetes, types 1 and 2, whose HbA1c was >9 percent during the measurement year**	52%	52%		No Report	No Report		R
Program Rating	R	Y					Y

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

**Measure is from the national health effectiveness data and information set (HEDIS) and is reported on a calendar year, cumulatively, and two quarters behind the state fiscal year. FY25's Q1 column is reporting CY24's first quarter data.

Income Support

The Income Support Division (ISD) fell short of all performance targets but performance is trending in the right direction. Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP) caseloads continued to be a drag on the authority's performance, even though the caseloads are nearing pre-pandemic levels. The authority reports it implemented processes to improve performance. The federal government requires enrolling 95 percent of expedited cases within seven days. For the second quarter, ISD enrolled 96 percent of expedited SNAP cases within seven



PERFORMANCE REPORT CARD

Health Care Authority

Second Quarter, Fiscal Year 2025

days, an improvement from 84 percent in the prior year. ISD has hired contract staff to work on Medicaid recertifications and applications to allow ISD staff to work on SNAP applications and recertifications to improve expedited timeliness. Using this method, ISD is slated to increase the overall timeliness in all areas.

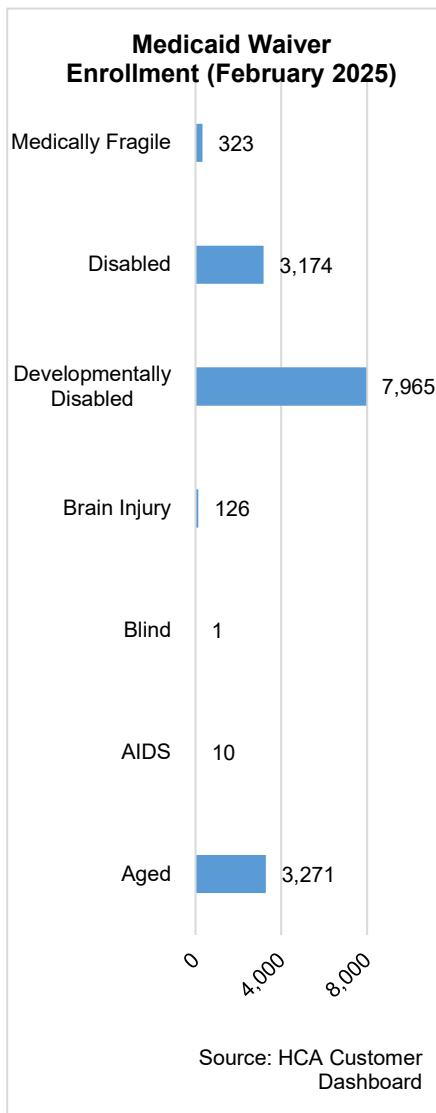
Budget: \$1,356,920.9 FTE: 1,060	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Regular Supplemental Nutrition Assistance Program cases meeting the federally required measure of timeliness of 30 days	38%	74%	98%	91%	95%		Y
Expedited Supplemental Nutrition Assistance Program cases meeting federally required measure of timeliness of seven days	64%	84%	98%	94%	96%		Y
Temporary Assistance for Needy Families recipients ineligible for cash assistance due to work-related income	7%	1%	37%	8%	8%		R
Two-parent recipients of Temporary Assistance for Needy Families meeting federally required work requirements	12%	12%	60%	18%	10%		R
All families receiving Temporary Assistance for Needy Families meeting federally required work requirements	10%	7%	45%	10%	9%		R
Program Rating	R	R					Y

Child Support Enforcement

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

Budget: \$42,953.9 FTE: 340	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Noncustodial parents paying support per total cases with support orders*	51%	51%		52%	52%		
Total child support enforcement collections, in millions	\$121	\$119	\$120	\$27.7	\$27.6		R
Child support owed that is collected	58%	59%	65%	59%	60%		R
Cases with support orders	84%	83%	85%	83%	83%		Y
Total dollars collected per dollars expended	\$2.46	\$2.18	\$3.00	Annual	Annual		
Average child support collected per child*	\$124.5	\$129		\$131	\$126		
Program Rating	R	Y					Y

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



Developmental Disabilities Support Division

This is the first year the division is being reported on the authority's performance report since it moved from the Department of Health in July 2024. For the second quarter, the division did not meet the target for the number of individuals receiving employment services nor did it reach the target for the number of individuals who have a service plan and budget in place. However, the division did improve on the later measure over the prior quarter, and it is possible the division could be on track to meet the target by the end of the year.

Budget: \$271,411.3	FTE: 195	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of home visits		6,881	11,461	19,458		7,325		
Number of individuals on the home and community-based waiver waiting list*		1,909	111		NA	474		
Number of individuals receiving home and community-based waiver services*		6,766	7,522		NA	8,057		
Percent of adults between ages twenty-two and sixty-two served on a developmental disabilities waiver (traditional or mi via) who receive employment supports		10%	9%	14%	8%	8%		R
Percent of home and community-based waiver applicants who have a service plan and budget in place within ninety days of income and clinical eligibility determination		88%	76%	95%	91%	89%		Y
Percent of general event reports in compliance with general events timely reporting requirements (two-day rule)		90%	92%	87%	91%	92%		G
Program Rating								Y

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

State Health Benefits

State Health Benefits continues to experience significant increases in the costs of providing care to state and local public bodies' employees and is projecting an \$85 million shortfall for FY25. The authority is working towards implementing reference-based pricing, switching pharmacy benefits managers, and working to collect the local public body share of the shortfall to reduce the costs to the state. However, the program is also looking at eliminating salary tiers which will increase costs for the state result in higher employer premiums in FY27.

Budget: \$479,368	FTE: 9	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of state health plan members who designate the stay well health center as their primary care provider*			2,162		2,294	2,397		
Number of visits to the stay well health center*			7,815		1,786	2,228		
Percent change in the average per-member per-month/ total healthcare cost**			TBD	4%	13%/- 11%	6%/Not Reported		

PERFORMANCE REPORT CARD

Health Care Authority
Second Quarter, Fiscal Year 2025

Percent of available appointments filled at the stay well health center*	74%		94%	97%	
Percent of state health plan members with diabetes receiving at least one hemoglobin A1C test in the last 12 months**	49%	86%	No Report/ 89%	Not Reported/ 89%	Y
Percent of state group prescriptions filled with generic drugs within 3 percent of public-entity-peer rate as reported by pharmacy benefits manager	56%	83%	84%	Not Reported	R
Program Rating		R	Y		Y

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

**Measure reported as BCBS/CIGNA

ACTION PLAN

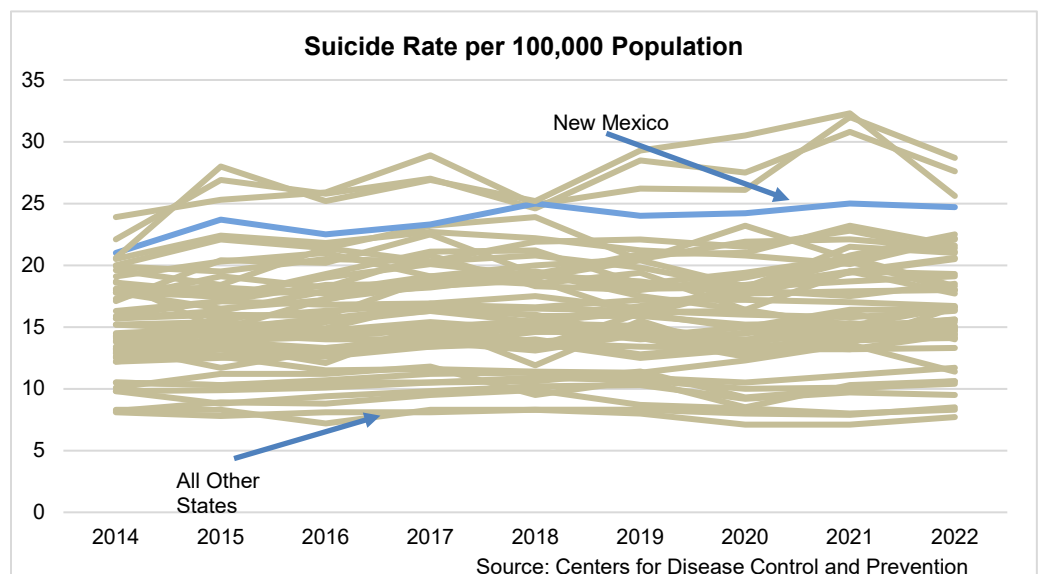
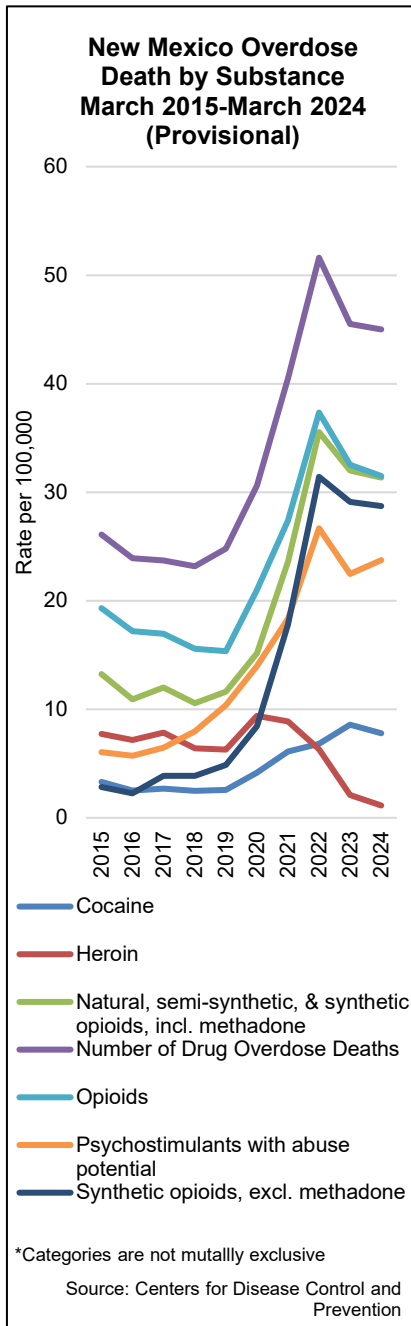
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

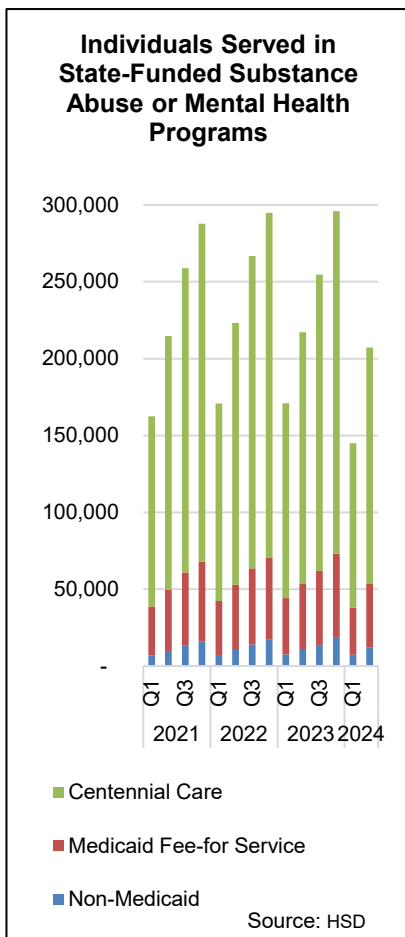
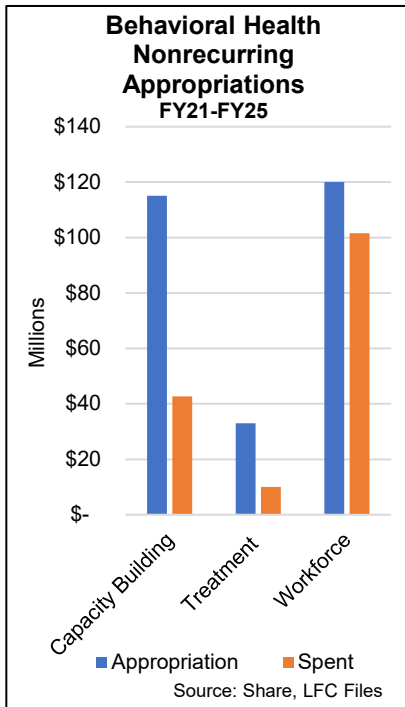
In February 2025, after little progress and no meetings in over one year, the state enacted Laws 2025 Chapter 3, which repealed the Behavioral Health Collaborative statutes and created a new Behavioral Health Executive Committee that would be charged with establishing new behavioral health regions, reviewing and approving regional plans, establishing funding strategies and structures based on regional plans, monitoring and tracking deliverables and expenditures, and establishing management strategies led by a project manager at the Health Care Authority (HCA). The law also requires the Administrative Office of the Courts to complete sequential intercept mapping and coordinate the development of regional plans. LFC with HCA is required to develop an initial set of evaluation guidelines for behavioral health services for adoption and implementation of regional plans. The General Appropriations Act includes significant amounts to carry out the provisions of the law.

The August 2023 LFC progress report *Addressing Substance Use Disorders* stated that efforts to expand treatment have not kept pace with the increased magnitude of substance use needs. Overdose deaths nearly tripled between 2013 and 2024 and have not returned to pre-pandemic levels. Behavioral Health Collaborative agencies are budgeted to spend \$1.1 billion in FY25, with \$987 million of that in the Health Care Authority. Additionally, collaborative agencies received about \$407 million in nonrecurring funding from the 2023 through 2025 sessions. Despite these investments, New Mexico has not yet been able to reverse trends in most substance-related deaths or suicides.

Existing Problem

In 2023, according to Kaiser Family Foundation data, about 36 percent of adults in New Mexico reported anxiety or a depressive disorder. Concurrently, as of 2022, New Mexico had the fourth highest suicide rate in the nation, a rate of 24.7 per 100 thousand people. However, in 2023 there was a 9 percent decrease in suicides. Kaiser also reported 31 percent of New Mexicans with anxiety or a depressive disorder in 2022 had an unmet need for counseling or therapy, while the federal government reported the percentage of New Mexicans with their need for mental health professionals met was 18.2 percent compared with the percentage met in the United States of 28 percent. Youth report less depression and substance use with more supports in place.





Drug overdose deaths increased in the state from 26 per 100 thousand in 2011 to 52 per 100 thousand in 2021. During that time, drug overdose death rates increased from 13.2 to 32.4 per 100 thousand nationally.

Behavioral Health System

In 2024, BHSD reported New Mexico had 7,754 prescribing and 5,149 nonprescribing Medicaid behavioral health providers. Behavioral health providers grew from 4,955 in 2022 to 5,511 in 2023, an increase of 556 providers. The total number of behavioral health encounters increased from about 2.5 million in 2020 to slightly over 3 million encounters in 2022. Approximately 75 percent of all people served were Medicaid managed care members, 19 percent were Medicaid fee-for-service members, and 6 percent were non-Medicaid beneficiaries. The top five behavioral health provider types were psychiatrists and other physicians; nurse/certified nurse practitioners (CNPs), which includes psychiatric certified CNPs; federally qualified health centers; licensed clinical social workers; and licensed professional clinical counselors.

For FY25 the percentage of Medicaid inpatient psychiatric hospitalization stays receiving a follow-up with community-based services at seven days stayed about the same as the prior year but was below the target of 51 percent. The division reports community follow-up with the adult population is a larger challenge than with the younger population. The division says the MCOs continue to develop interventions to maintain and improve performance on this measure.

Budget: \$938,947 FTE: 5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	43%	45%	42%	52%	53%		G
Medicaid members discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	35%	42%	51%	41%	41%		R
Number of persons served through telehealth in urban, rural, and frontier counties for behavioral health	48,718	73,054	35,062	36,270	51,025		G
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	10%	11.9%	5%	6.6%	6%		Y
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	217,126	207,259	210,000	253,251	298,706		G
Emergency department visits for Medicaid members ages 13 and older with a principal diagnosis of alcohol or drug dependence who receive follow-up visit within seven days and 30 days	21% 7 day; 34% 30 day	32%	54%	32%	35%		R
Program Rating	R	R					Y

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

ACTION PLAN

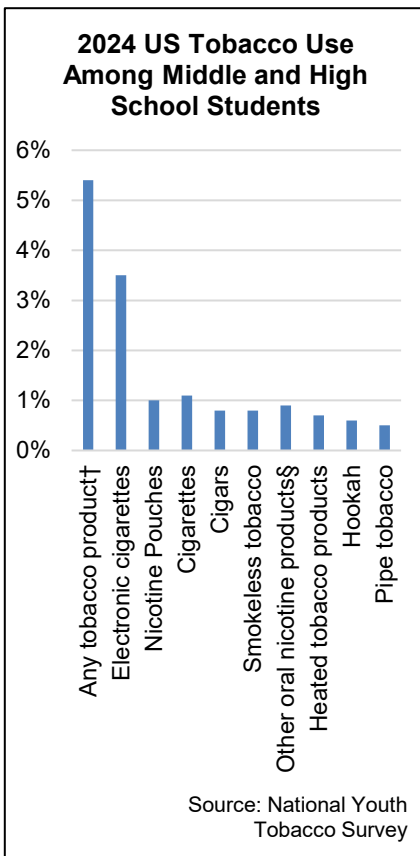
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

According to the U.S. CDC, tobacco product use remains the leading cause of preventable disease and death in the United States. In 2022, 49.2 million (19.8%)—or nearly 1 in 5—U.S. adults reported current tobacco product use.

Public Health

The Public Health Program continues reporting low performance for smoking cessation services. Research consistently shows comprehensive tobacco cessation programs can significantly reduce smoking rates and lead to better long-term health. Addressing these gaps is a priority. The U.S. Centers for Disease Control and Prevention reports approximately 67 percent of adult smokers expressed a desire to quit, and about 53 percent attempted to quit in the past year. However, only 8 percent were successful.

Additionally, the program did not meet targeted performance for overdose reversals, a harm reduction program. Drug harm reduction is a public health approach aimed at minimizing the negative health, social, and legal impacts associated with drug use. The program has begun implementing medication-assisted treatment (MAT) for substance use disorders in public health offices statewide to increase treatment access. LFC is expected to publish a report evaluating the approach in 2025.



Budget: \$262,490.2 FTE: 818.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of school-based health centers funded by the department of health that demonstrate improvement in their primary care or behavioral healthcare focus area	96%	96%	96%	Reported Annually			
Percent of New Mexico adult cigarette smokers who access New Mexico Department of Health cessation services	1.9%	1.3%	2.6%	0.2%	0.2%		R
Number of successful overdose reversals in the harm reduction program	3,025	3,153	3,200	989	1,586		Y
Percent of preschoolers ages nineteen to thirty-five months indicated as being fully immunized	69%	72%	68%	68%	68%		G
Percent of female New Mexico Department of health's public health office family planning clients, ages fifteen to nineteen, who were provided most- or moderately-effective contraceptives	88%	84%	88%	78%	85%		Y
Program Rating	R	R					Y

Epidemiology and Response

The Epidemiology and Response Program is falling short of the targets for all key performance measures, which focus improving health status, reducing substance use deaths, and preventing suicide.

PERFORMANCE REPORT CARD

Department of Health
Second Quarter, Fiscal Year 2025

Budget: \$57,934.2 **FTE:** 360

Number of people admitted to the emergency department of participating hospitals with a suicide diagnosis

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
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NA	228	300	55	43		R
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Percent of death certificates completed by bureau of vital records and health statistics within ten days of death

NA	56%	65%	57%	50%		R
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Percent of hospitals with emergency department based self-harm secondary prevention programs

NA	2.7%	7%	2.5%	2.5%		R
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Program Rating

R	R					R
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Scientific Laboratory

The Scientific Laboratory Program provides a wide variety of laboratory services mandated in statute and essential for the successful mission of the programs it supports. The program did not meet targeted performance of timely blood alcohol tests but improved performance above the previous quarter.

Budget: \$18,418.9 **FTE:** 139

Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within thirty calendar days

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
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99%	99%	95%	98%	100%		G
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Percent of blood alcohol tests from driving-while-intoxicated cases completed and reported to law enforcement within sixty calendar days

97%	72%	92%	55%	62%		Y
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Percent of public health threat samples for communicable diseases and other threatening illnesses that are completed and reported to the submitting agency within published turnaround times

98%	97%	96%	97%	97%		G
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Program Rating

R	R					Y
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Facilities Management

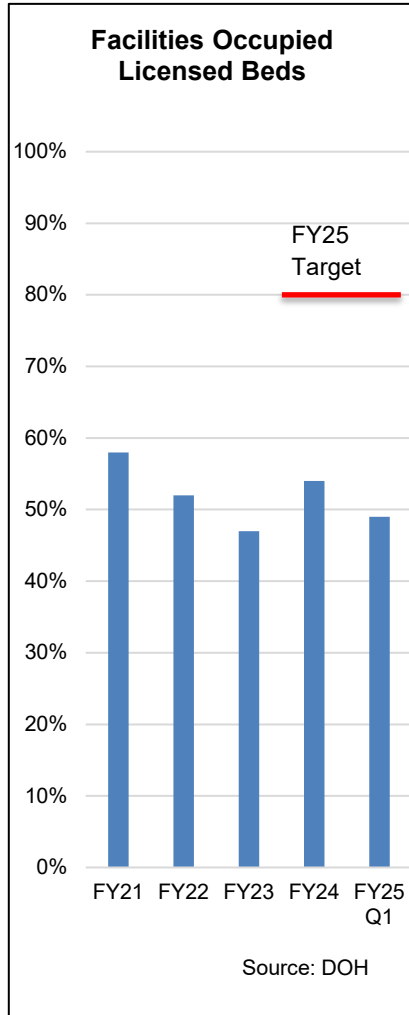
The occupancy of licensed beds in facilities statewide remains significantly below target levels. Lower than anticipated revenues combined with high personnel and contract costs continue to strain the program's finances. The program oversees six healthcare facilities and one community program, catering to individuals with complex medical conditions or behavioral health support needs.

Budget: \$177,631.8 **FTE:** 1,913.5

Percent of medication-assisted treatment utilized in the management of alcohol-use disorders while at turquoise lodge hospital

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
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NA	100%	85%	100%	100%		G
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PERFORMANCE REPORT CARD

Department of Health
Second Quarter, Fiscal Year 2025

Percent of medical detox occupancy at Turquoise Lodge Hospital	76%	28%	80%	26%	19%	R
Percent of medication assisted treatment utilized in the management of opioid use disorders while at Turquoise Lodge Hospital	100%	100%	92%	100%	100%	G
Percent of patients educated on medication assisted treatment options while receiving medical detox services	83%	100%	100%	100%	100%	G
Percent of patients eligible for naloxone kits who received the kits	52%	100%	90%	100%	100%	G
Percent of licensed beds occupied	47%	50%	80%	49%	53%	R
Percent of eligible third-party revenue collected at all agency facilities	89%	80%	93%	92%	81%	Y
Number of medication errors causing harm per one thousand patient days within identified categories	0	0	1	0	0	Y
Program Rating	R	R				Y

ACTION PLAN

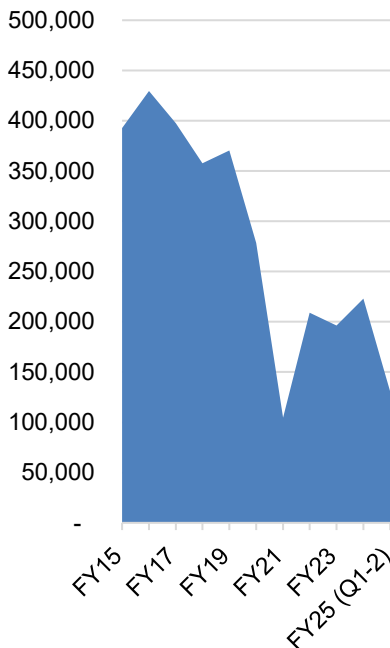
Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No

The Aging and Long-Term Services Department (ALTSD) reported some improvement in performance during the second quarter of FY25. The department's mission is to serve older adults and adults with disabilities so they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

Consumer and Elder Rights

During the second quarter of FY25, the Aging and Disability Resource Center (ADRC) received 12,675 calls, averaging 215 per day. This volume is higher than at end of FY24 but remains lower than prepandemic levels. During this quarter, ADRC averaged 12 dedicated FTE: Five focused on appointments, one handled voicemail (typically responding within the same day), and the rest managed live calls, walk-ins, returned calls, and overflow appointments. The most common topics of inquiry include assistance with Medicaid, Medicare, and senior centers.

Caregiver Support Hours Provided



Budget: \$4,922.1 FTE: 40	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of calls to the Aging and Disability Resource Center (ADRC), that are answered by a live operator	81%	73%	90%	54%	48%		R
Percent of calls to the ADRC that are resolved in a single contact	NA	73%	90%	100%	99%		G
Percent of customers satisfied with the outcome of their call to the ADRC	NA	96%	90%	100%	96%		G
Percent of residents who remained in the community six months following a nursing home care transition	98%	99%	90%	99%	99%		G
Percent of individuals provided short-term assistance that accessed services within 30 days of a referral from options counseling	84%	93%	92%	95%	97%		G
Percent of facilities visited monthly	53%	56%	40%	45%	62%		G
Percent of ombudsman complaints resolved within sixty days	100%	100%	99%	99%	99%		G
Program Rating	R	R					Y

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

Adult Protective Services

The Adult Protective Services Program (APS) began reporting on repeat maltreatment substantiations within six months of a previous substantiation of abuse or neglect in FY21. This performance measure assists the state in assessing the effectiveness of the program in preventing maltreatment. The program reported slightly declined performance for priority investigations, making face-to-face contact quickly for referral of additional services. The program reported 98 percent on-time visit rate, slightly impacted by winter conditions in rural New Mexico and noted ongoing vacancies—especially in urban and rural areas may result in struggles to meet targeted performance. The program reported challenges in provider capacity to refer to.

Budget: \$21,656.1 FTE: 128	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of Adult Protective Services investigations of abuse, neglect, or exploitation	6,863	1,908	6,150	1,838	1,760		G

PERFORMANCE REPORT CARD

Aging and Long-Term Services Department

Second Quarter, Fiscal Year 2025

Percent of emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	100%	99%	98%	Y
Percent of repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	0%	0.5%	2%	0.5%	0%	G
Number of outreach presentations conducted in the community within adult protective services' jurisdiction	409	438	180	99	111	G
Percent of contractor referrals in which services were implemented within two weeks of the initial referral	72%	71%	80%	69%	64%	R
Number of referrals made to enrollments in home care and adult day care services resulting from an investigation of abuse, neglect, or exploitation	147	248	400	68	75	R
Percent of priority two investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	98%	99%	99%	G
Percent of consumers for who referrals were made, who accessed services and remained in a community setting for six or more months	NA	95%	90%	98%	90%	G
Program Rating	R	R				Y

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

Aging Network

The Aging Network is on track to meet targeted performance for the hours of caregiver support for FY25, previously the program had struggled to meet pre-pandemic levels. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. The department reported the number of hours of caregiver support were 22,280 hours of respite care, 18,396 of adult daycare, 19,306 hours of homemakers, and 1,961 hours of other support services. Additionally, in FY22 and FY23, the federal government allowed flexibility to include grab and go meals in the home-delivered meals category which significantly increased the reported number of meals. In FY24 this flexibility ended with the expiration of the pandemic emergency.

Budget: \$58,230.6 FTE: 24	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of older New Mexicans receiving congregate, and home delivered meals through Aging Network programs that are assessed with "high" nutritional risk	17%	20%	17%	21%	29%		G
Number of hours of services provided by senior volunteers, statewide	472,250	454,772	745,000	133,168	152,291		Y
Number of outreach events and activities to identify, contact and provide information about aging network services to potential aging network consumers who may be eligible to access senior services but	764	986	800	178	176		Y

PERFORMANCE REPORT CARD

Aging and Long-Term Services Department

Second Quarter, Fiscal Year 2025

are not currently accessing those services

Number of meals served in congregate, and home delivered meal settings 4,105,279 4,020,390 4,430,000 478,048 744,110

R

Number of transportation units provided 223,938 265,565 300,000 59,806 57,319

R

Number of hours of caregiver support provided 196,246 222,922 167,000 68,508 61,943

G

Program Rating

R

R

Y

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

ACTION PLAN

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

Economic Development Department

New Mexico added 36.2 thousand jobs in the second quarter of FY25, a 1.6 percent increase compared to the same quarter in FY24. The Economic Development Department (EDD) reported creating 157 jobs during that same period.

Performance measures in the second quarter, as is usual, were lower than in the first quarter. Total jobs created, jobs created by the Local Economic Development Act (LEDA) and the New Mexico Partnership, buildings rehabilitated through MainStreet, and all performance measures for the Film Office were lower compared to the first quarter. This performance is typical of the agency, as it notes that economic development tends to slow during the holiday season. On the contrary, the Outdoor Recreation Division (ORD) showed strong performance in the second quarter, as the division announced its first and only round of awardees through the Outdoor Equity Fund and trail projects funded through the Trails+ Grant program.

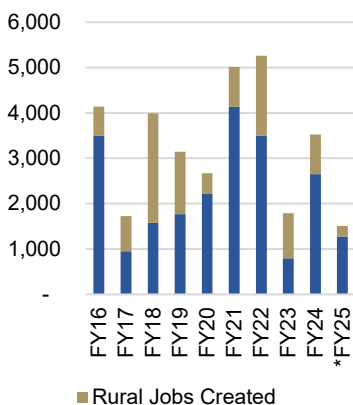
Creating Economic Opportunities

EDD reported supporting the creation of 157 jobs in the second quarter of FY25, a sharp decline from the 1,348 jobs created in the first quarter. These jobs had an average annual wage of \$59.8 thousand—approximately \$7 thousand above the local averages. Of those jobs, 49 were created in rural communities, including White Rock, Roswell, Santa Fe County, and Hobbs. The agency assisted 21 companies during the second quarter. EDD did not announce any Local Economic Development Act (LEDA) projects in the second quarter.

Office of Strategy, Science, and Technology. The Office of Strategy, Science, and Technology (OSST) launched the New Mexico Quantum Technologies Award pilot program to support the growth or relocation of quantum technology companies in or to New Mexico. EDD notes it plans to grant five awards of \$100 thousand. OSST also awarded \$300 thousand to seven technology companies through the Science and Technology Business Startup Grants program. The program aims to assist early-stage technology companies to commercialize technologies. Funding can be used to cover expenses related to business development such as marketing, customer acquisition, patent filing fees, and conference travel. Funding for quantum pilot program and startup grants was provided by the \$5 million recurring increase allocated during the 2024 legislative session. OSST also reports that two companies, Pajarito Powder and Molten Salt Solutions, received funding from non-state sources after receiving funding or technical assistance from OSST.

New Mexico Partnership. New Mexico Partnership supported the creation of 50 jobs in the second quarter following Crawford Hoying's announcement. The Ohio-based developer purchased land in Las Cruces' innovation industrial park to build a cold storage facility. The firm cited the property's proximity to the border, the limited supply of public freezer space in the Borderplex area, the region's agricultural market, and the concentration of food producers as key investment drivers. The developer expects to generate \$120 million in capital investment and over \$3.8 million in gross receipts taxes annually. New Mexico Partnership held five site visits in the second quarter to

Total Jobs Created by EDD



Note: FY25 only includes results the first and second quarter.

Source: EDD

Site Readiness Studies

During the 2024 session, the Legislature appropriated \$500 thousand to EDD for site readiness studies. EDD contracted with Global Location Strategies (GLS) to evaluate 28 publicly owned sites for industrial opportunities. The contractor assessed availability of infrastructure, site constraints, economic development capacity, transportation access, environmental impact, and workforce availability. GLS incorporated fatal flaw analysis, site selection simulations, and economic benchmarking based on labor- and capital-intensive industry requirements. Based on the analysis, GLS identified the following sites as the most ready for industrial development: Clovis Industrial Park in Curry county due to flexible zoning requirements, Las Cruces Innovation and Industrial Park in Dona Ana county due to an excess of utility capacity, and EnergyPlex Park in Lea county due to flexible zoning requirements.

Creative Industries Division

The Creative Industries Division was created in 2023 to support creative industry entrepreneurs, small businesses, and organizations. To date in FY25, the division has assisted 20 entrepreneurs and small businesses. The division is supporting industry with two grant opportunities in FY25—the Season Sponsorship grant program and Business Development and Expansion grant program. For the sponsorship program, EDD awarded seven \$5 thousand grants to in-person events that highlight the state's creativity. Funded events include Los Alamos Arts Council's festival in May and Bear Robe's Native Fashion Week in Santa Fe. For the business development and expansion program, EDD will award seven \$10 thousand grants to existing creative businesses for capacity building, business expansion, and program expansion.

Albuquerque, Rio Rancho, Las Cruces, Gallup, Farmington, and Santa Teresa. The corporation notes having five projects in the pipeline that could create 300 more jobs.

Job Training Incentive Program. The Job Training Incentive Program (JTIP) board approved 22 companies and 352 trainees for funding in the second quarter. Of those jobs, 75 are high-wage positions, of which 92 are urban with annual salaries greater than \$60 thousand and 83 are rural with annual salaries greater than \$40 thousand. The board also approved 21 internships and 14 incumbent workers to receive upskills training. The agency notes that many companies normally slow down hiring efforts in the second quarter due to the holidays and have 397 trainees in the queue for the third quarter.

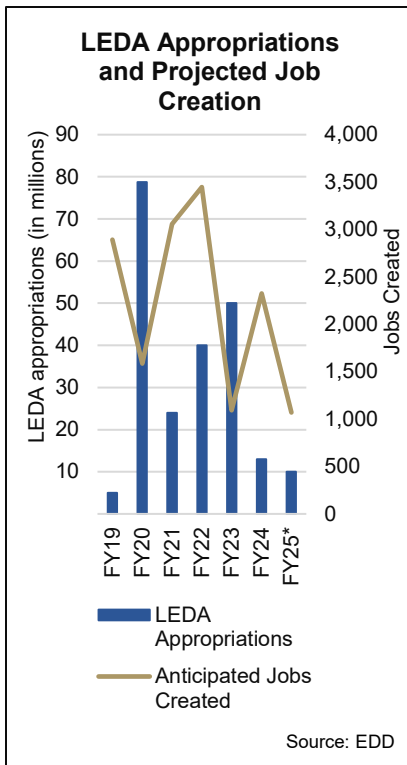
Budget: \$25,738.5 FTE: 57	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of jobs created due to department efforts	1,790	3,523	4,000	1,348	157		R
Number of rural jobs created due to department efforts	996	871	1,320	183	49		R
Average wage of jobs created	\$56,503	\$56,684	\$50,000	\$73,356	\$59,780		G
Wages for jobs created in excess of prevailing local wages	\$13,630	\$6,001	\$7,500	\$16,979	\$7,036		G
Number of jobs created by New Mexico Partnership	165	1,995	2,250	900	50		Y
Number of jobs created through LEDA	1,092	2,356	3,000	1,070	0		R
Dollars of private sector investment in MainStreet districts, in millions	\$52.9	\$51.6	\$30	\$7.9	\$24.7		Y
Number of building rehabilitations assisted by MainStreet	278	241	200	82	46		G
Number of workers trained by JTIP	1,255	2,359	2,000	341	352		R
Dollars of follow-on investment in technology-based companies from OSST, in millions	\$1	\$128.2	\$2	\$8.7	\$18.8		G
Program Rating	Y	Y					R

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

Outdoor Recreation

The Outdoor Recreation Division (ORD) connects outdoor recreation company with incentives, supports the development of outdoor recreation infrastructure, and helps make the outdoors accessible for New Mexico's youth. In the second quarter, ORD's efforts expect to create 380 jobs.

In the second quarter, ORD awarded \$4.3 million to 16 recipients through the Trails+ Grant program, which expect to create 380 seasonable, part-time, and full-time jobs over the next 2 years. These projects secured \$7 million in private and regional matching funds. Trails+ funding will be used for a variety of projects, including trail restoration in wildfire-affected areas, infrastructure upgrades, and youth conservation projects. Examples of funded projects in the second quarter include Rocky Mountain Youth Corps which will engage 60 young adults in paid service to restore more than 300 miles of fire-damaged trails and the city of Carlsbad which will employ construction and maintenance

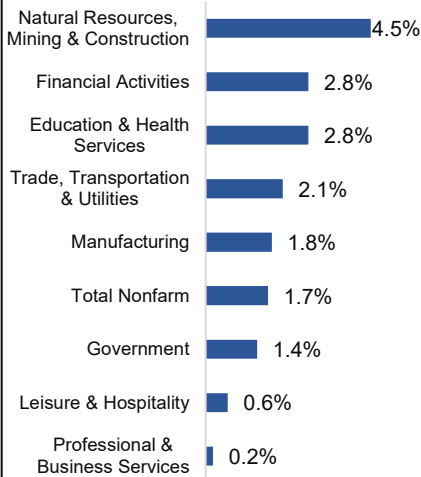


PERFORMANCE REPORT CARD

Economic Development Department
Second Quarter, Fiscal Year 2025

Over-the-Year Job Growth by Major Industry Sector

January 2024 to January 2025



Source: U.S. BLS

teams to renovate trails along the Pecos River. The program continues to accept applications. In total, ORD plans to award \$11.4 million through the program in FY25.

ORD awarded \$851.4 thousand to 43 organizations benefiting 10.9 thousand youth through the Outdoor Equity Fund. This will be the only round of funding for the Outdoor Equity Fund in FY25. Grants ranged from \$5 thousand to \$40 thousand. In FY25, the program is funded by \$468.8 thousand from the Land of Enchantment Legacy Fund and \$382.6 thousand from the agency's operating fund. ORD notes that the agency reviewed 96 applications requesting over \$3 million in funding.

Budget: \$3,061.6 FTE: 4	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of new outdoor recreation jobs created by ORD*	411	667	NA	282	380		G
Number of outdoor recreation conservation projects funded or led by ORD*	44	104	NA	20	16		G
Number of youth to benefit from outdoor education programs*	12,221	36,269	NA	0	10,987		G
Program Rating	G	G					G

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

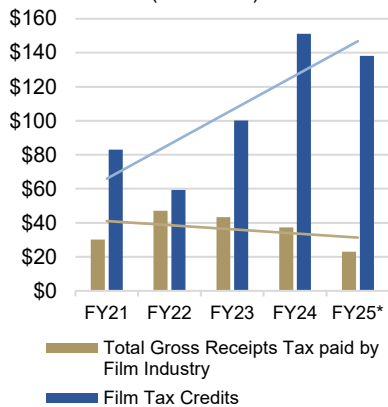
Film

The Film Office markets the state to the film industry and promotes the film production refundable tax credit, which provides between 25 percent to 40 percent reimbursement for eligible spending by film production companies. The film industry nationwide is facing a decline in production, stemming from the pandemic and recent strikes. In the second quarter, the film division estimated 45.9 thousand film and media workers days, down 43.4 percent from the previous quarter, with a median wage of \$74.9 thousand. The division also estimated \$59.7 million in direct spending by film industry productions, down 52.3 percent compared to the previous quarter. In the second quarter, the film industry paid \$3.8 million in gross receipts tax (GRT) in the second quarter. Direct spending and GRT paid by film industry are not on track to reach FY24 actuals or the FY25 target. GRT paid by film industry is trending downward, while film tax credits are trending upwards.

Budget: \$1,840.3 FTE: 10	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of film and media worker days	533,630	339,266	500,000	81,105	45,898		R
Estimated direct spending by film industry productions, in millions	\$794.11	\$740.42	\$700	\$125.2	\$59.7		R
Total wages paid by film industry productions to New Mexico residents, in millions	\$152.26	\$98.74	\$130	\$27.84	\$13.2		R
Total gross receipts taxes paid by film industry productions, in millions	\$43.41	\$37.25	\$35	\$7.65	\$3.83		R
Program Rating	G	G					R

Film Tax Credits and GRT Paid by Film Industry

(in millions)



Note: Includes estimated film tax credits to be paid out in FY25 and anticipated gross receipts paid by film industry based on the first two quarters of FY25.

Source: EDD, LFC

ACTION PLAN

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

Center for Marketing Excellence

The Marketing Center of Excellence, launched on July 1, 2024, serves as a central marketing arm for all the state's executive agencies. NMTD contracted with a vendor, Real Time Solutions, to maintain the agency's press release dashboard, develop communication materials, and place media plans. Since its launch, the center has met and worked with 19 agencies on campaign launches, promotional items, marketing strategy, and possible collaborations. Notable projects include creating a landing page and interactive map and confirming media buys with the New Mexico Film Office and refining strategy for "Welcome to New Mexico" signage with the Department of Transportation.

Tourism Department

The Tourism Department (NMTD) continued to show progress in its performance in the second quarter of FY25. The agency awards funding for its main programs at the beginning of the fiscal year, so the second quarter is focused on continuing the agency's work on national and local advertising campaigns and supporting grantees and partners. Notable highlights from the second quarter include the launch of a New Mexico True Certified holiday gift guide to promote local shopping, hosting a Route 66 centennial coordination group meeting in Grants and Gallup, and placing articles featuring New Mexico's cuisine and natural landscapes in media outlets.

Marketing and Promotion

Employment in Leisure and Hospitality. New Mexico's employment in the leisure and hospitality sector grew by 2.2 percent in the second quarter of FY25, adding 6.7 thousand jobs in the past year. While quarterly growth fell just short of the 3 percent year-over-year target for the second consecutive quarter, the state's sector outpaced the national growth rate of 1.7 percent during the same period.

Advertising. NMTD promotes the state as a premier tourist destination through in-state and national advertising. During the 2024 legislative session, the agency received \$16 million in one-time funding for national marketing and advertising, in addition to \$18.3 million in its operating budget, for a total marketing and advertising budget of \$34.3 million. The agency targets potential travelers in California, Texas, Colorado, and Arizona. The winter campaign started in all targeted metro areas starting in November 2024 and will run until the end of February, and featured weaving in Chimayo, a family skiing at Angel Fire, and the culinary work of Navajo chef, Justin Pioche.

The agency manages the Cooperative Marketing and Advertising program, which provides up to a 2-to-1 dollar match for local entities. In FY25, the agency awarded \$3.8 million to 48 entities. Due to the available match, the total advertising investment, including grant recipients' obligations, is approximately \$5.7 million. Grants in FY25 range from \$4.3 thousand for the New Mexico Wildlife Center to \$608.9 thousand for Ruidoso. Ruidoso plans to use this funding to reactivate tourism promotion after the South Fork and Salt fires.

Earned Media. The agency generated \$6.2-million in advertising value equivalence in the second quarter. NMTD secured 28 pieces of coverage in national and international leisure travel media outlets, including an article in *The New York Times* that highlighted protecting and preserving the state's natural environments.



Budget: \$21,870.3 FTE: 14	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Year-over-year change in New Mexico leisure and hospitality employment	4.6%	2.8%	3%	2.2%	2.2%		R
Amount of earned media value generated in millions	\$16.4	\$23.6	\$5	\$6.1	\$6.2		G
Open email rate of NM True eNewsletters	27%	28%	18%	25%	28%		G
Program Rating	G	G					G

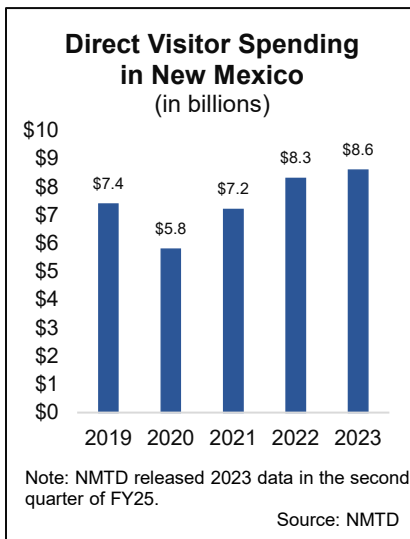
FY25 Clean and Beautiful Projects

Completed projects for the Clean and Beautiful program during the second quarter include clean up efforts to remove 2 thousand pounds of litter and debris off the highway in Silver City, five youth clean up events in Curry county, tree timing in the Village of Mosquero, and educational classes on how to repurpose t-shirts into grocery bags and how to make bath bombs in Rio Rancho.

Clean and Beautiful Grant Program FY25 Awards by Initiative (in thousands)

Program Initiative	Grant Award Amount
End Littering	\$432.9
Reduce Waste	\$84.4
Beautify Communities	\$207.4
Empower Youth	\$228.7
Increase Program Capacity	\$46.6

Source: NMTD



Tourism Development

Grants. The agency announced its awards for FY25 for its three main programs—Clean and Beautiful, Destination Forward, and Tourism Event Growth and Sustainability programs—at the beginning of every fiscal year. All three programs increased the number of grantees in FY25 compared to FY24.

For the Clean and Beautiful program, NMTD awarded \$1 million to 67 participants, surpassing the 59 awardees in FY24. Awards ranged from \$1 thousand for Española to \$60 thousand for Albuquerque. Notably, 77 percent of grant funding was awarded to rural communities.

New Mexico True Certified. NMTD also administers the New Mexico True Certified program, which allows local products to leverage the agency's New Mexico True brand for further amplification of products and marketing. To date, the agency has certified 460 products in New Mexico. During the second quarter, NMTD prepared its New Mexico True Certified holiday gift guide, which was paired with an in-state advertising campaign aimed at promoting shopping local during the holiday season. The guide featured 145 locally grown and produced products ranging from jewelry, art, apparel, and snacks. The agency also maintains a *Tales, Tours & Tasting* interactive map that allows users to local and learn about New Mexico True certified partners.

Budget: \$1,1516 FTE: 18	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Number of meetings or events conducted with Native American tribes and pueblos	50	72	75	15	31		G
Number of participants in New Mexico True certified program	433	475	410	495	461		G
Program Rating	G	G					G

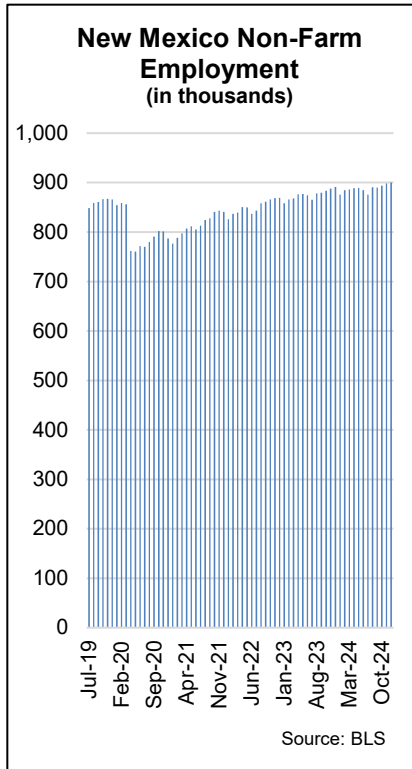
New Mexico Magazine

New Mexico Magazine generated \$80.8 thousand in revenue in the second quarter, slightly below the quarter's target. In the second quarter, the magazine featured stories on New Mexico's film industry, and the December issues feature the agency's True Certified Holiday Gift Guide. Also in this issue, the recipients of the New Mexico Magazine True Heroes award were featured. In partnership with KOB-4, the 10 recipients were also featured in the morning news segments on KOB-4 during December.

Budget: \$3,041.3 FTE: 10	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Advertising revenue per issue, in thousands	\$146	\$79	\$85	\$102.9	\$80.8		G
Program Rating	G	G					Y

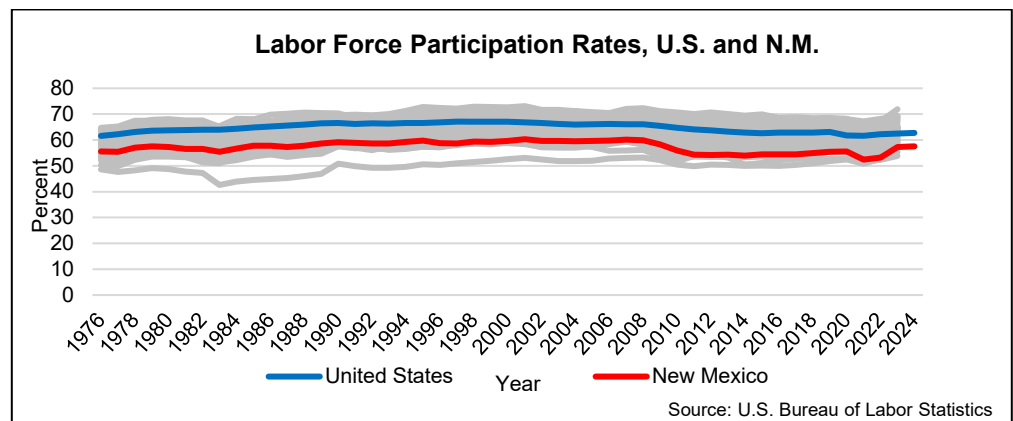
ACTION PLAN

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



While the state's unemployment rate remains below prepandemic levels, the state's unemployment rate increased from the December 2023 rate of 4 percent in December 2023 to 4.4 percent in December 2024. WSD reported the state added 13,100 non-farm jobs between December 2023 and December 2024, an increase of 1.5 percent. Total non-farm employment in New Mexico was 900 thousand in December 2024.

Meanwhile, New Mexico's lags the nation in its labor force participation, the share of individuals between ages 20 and 54 working or looking for work. Low labor force participation holds the state back from economic development and expansion. Typically, a high labor force participation rate (LFPR) reflects a healthy economy and a high LFPR reflects a larger labor pool, making it easier to find workers. In the second quarter of FY25, the state's labor force participation rate increased slightly from 57.6 percent in September 2024 to 57.9 percent in December 2024.



For FY25, the department received several nonrecurring appropriations through the government results and opportunity (GRO) fund to pilot strategies intended to improve labor force participation, including \$2 million for Be Pro Be Proud mobile workshops and \$600 thousand for pre-apprenticeship. WSD is using remaining federal American Rescue Plan Act (ARPA) appropriations to fund the pre-apprenticeship program at a total level of \$1.2 million, projecting 267 participants. WSD is primarily measuring outputs, including completion, but does not have robust ways to measure employment outcomes. In addition, the workforce development and apprenticeship trust fund will distribute \$5 million for apprenticeship programs in FY25. WSD reports primarily using the distribution to increase per-apprenticeship payments instead of increasing the overall number of apprentices. WSD has increased the number of funded apprentices by 144 in FY25 and added 16 new apprenticeship programs since August 2023.

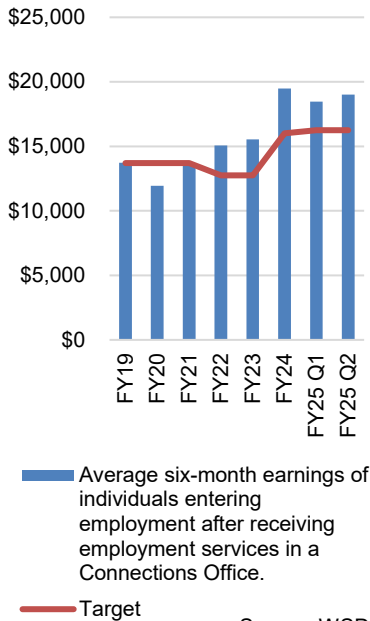
Employment Services

The Employment Services Program plays a key role in addressing low labor force participation and is a central player in developing a plan to bring more working-age adults into the labor force. The program oversees the state's network of America's Job Center New Mexico locations (formerly known as Workforce Connections Offices) and operates several programs related to the federal Workforce Innovation and Opportunity Act (WIOA). An April 2024 LFC evaluation concluded these centers are underutilized and have limited impact on employment. In the first and second quarters of FY25, center

PERFORMANCE REPORT CARD

Workforce Solutions Department
Second Quarter, Fiscal Year 2025

Six-Month Earnings After Receiving Employment Services



Source: WSD

and online portal utilization increased relative to the first quarter of FY24 but still fall below the department's target. To increase the state's labor force participation, WSD will need to find more ways to reach people who are not actively seeking their services.

Budget: \$35,569.3 FTE: 368

Adults

Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office

FY23 Actual FY24 Actual FY25 Target FY25 Q1 FY25 Q2 Rating

Individuals receiving employment services in a Workforce Connections Office

15,547 19,493 16,250 18,467 19,001 G

Individuals accessing the agency's online Job Seeking portal

50,041 67,545 21,875/quarter 20,187 20,640 Y

Unemployed individuals employed after receiving employment services in a Workforce Connections Office

63,024 83,123 29,500/quarter 23,922 21,342 Y

Unemployed individuals who have received employment services in a Workforce Connections Office, retaining employment after six months

61% 65% 60% 66% 66% G

Average change in six-month earnings of working individuals after receiving employment services in a Workforce Connections Office

63% 63% 65% 57% 66% G

Audited apprenticeship programs deemed compliant*

\$4,616 \$2,217 \$3,000 \$1,848 \$912 R

Apprentices registered and in training

66% 44% 75% N/A N/A

Veterans

Average six-month earnings of unemployed veterans after receiving employment services in a Workforce Connections Office

2,273 2,565 2,150 2,584 2,566 G

Recently separated veterans entering employment

19,323 \$21,386 \$18,500 \$19,131 \$20,991 G

Unemployed disabled veterans entering employment after receiving employment services in a Workforce Connections Office

51% 55% 55% 57% 67% G

Recently separated veterans retaining employment after six months

50% 53% 55% 54% 51% Y

Program Rating

*No programs were due for audit in the first and second quarter

51% 51% 55% 49% 76% G

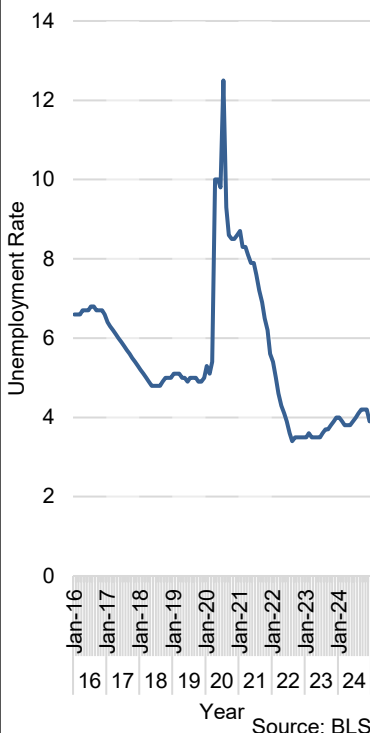
Y

Y

Unemployment Insurance

New Mexico's unemployment rate remains below prepandemic levels but ticked up in the fall of 2024. Unemployment benefit claims remain below prepandemic levels as well but have also increased in FY25. At the end of December 2024, the UI program had a total of 11,381 claimants, an increase of 700 claimants relative to the same week in 2023. The department reports falling short of the FY25 target for several unemployment insurance claims determination metrics and attributes performance to cleaning up older pandemic claims and decreased staffing. WSD reports implementing productivity standards to improve performance. In the first two quarters of FY25, performance within

NM Unemployment Rate



Source: BLS

PERFORMANCE REPORT CARD

Workforce Solutions Department
Second Quarter, Fiscal Year 2025

the Unemployment Insurance Program was trending toward improvement, compared to FY24 performance levels.

Budget: \$14,116.80 FTE: 164	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Eligible unemployment insurance claims issued a determination within twenty-one days from the date of claims	36%	34%	80%	58%	61%	Y
First payments made within 14 days after the waiting week	61%	65%	87%	67%	76%	Y
Accuracy rate of claimant separation determinations	51%	40%	75%	86%	79%	G
Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Center to file a new unemployment insurance claim, in minutes	16:31	13:55	13:30	13:11	12:46	G
Average waiting time to speak to a customer service agent in the Unemployment Insurance Operation Center to file a weekly certification, in minutes	14:54	14:54	13:00	12:51	12:32	G
Program Rating	Y					Y

Labor Relations

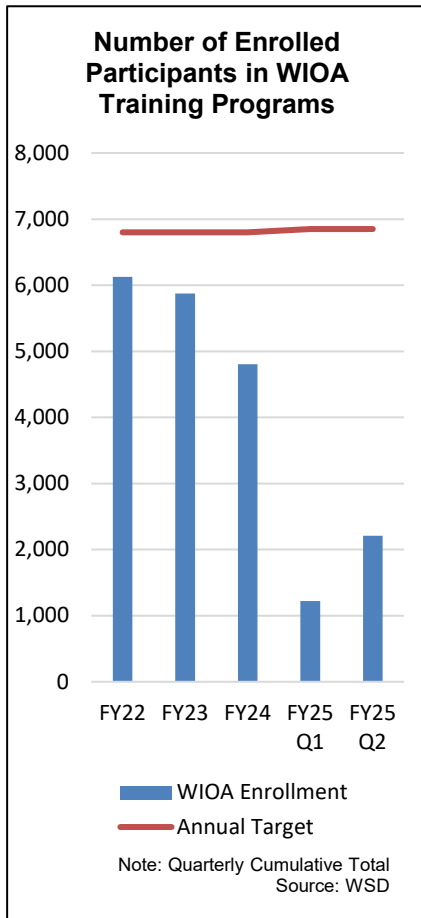
Since 2021, WSD is required to investigate complaints related to the sick leave requirements of the Healthy Workplaces Act, significantly increasing investigations. In addition, the Labor Relations Division must reach a decision in 85 percent of wage and hour determinations within 120 days under a 2023 court ruling. To meet the conditions of the ruling, the Legislature appropriated \$1.8 million to WSD to hire additional staff in FY25. However, performance on the wage and hour bureau metric remains concerning in the second quarter. WSD began hiring new staff in the first quarter and training staff in the second quarter but still has a backlog of claims.

Budget: \$6,343.2 FTE: 63.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Average number of days for the Human Rights Bureau to investigate a claim and issue a determination	187	202	240	169	230	G
Discrimination claims investigated and issued a determination by the human rights bureau within one year	N/A	100%	75%	100%	100%	G
Total public works projects inspected, and public works payroll audited within one year	N/A	105%	75%	100%	100%	G
Non-settled wage claims investigated and issued a determination by the wage and hour bureau within two hundred and seventy days	N/A	25%	90%	8%	3%	R
Program Rating	Y	G				Y

Program Support and Workforce Investment

WSD also implements programs through the local workforce boards related to the federal Workforce Innovation and Opportunity Act (WIOA). WIOA funds four core

workforce development programs for at-risk adults, youth, dislocated workers, and basic career services. WIOA programs exceeded many of the related performance targets. While WSD is meeting many of the program performance targets, LFC analysis of program performance compared to other state WIOA programs in the dislocated worker, youth, and basic career services programs has generally ranked in the bottom 5 percent over the last five years. The department also continues to see a decrease in WIOA participants, attributing it to a decline in job centers traffic and the availability of scholarships and other subsidized funding for education and training.



Budget: \$ 45,694.3 FTE: 113	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Youth Unemployment						
Youth who are employed in the state	63%	72%	71%	52%	59%	R
WIOA Programs						
Participants who are in unsubsidized employment during the second quarter after exit from a WIOA program	76%	79%	77%	77%	78%	G
Median earnings of participants who are in unsubsidized employment during the second quarter after exit from a WIOA	\$8,701	\$9,421	\$8,650	\$8,945	\$10,375	G
Participants who are in unsubsidized employment during the fourth quarter after exit from a WIOA program	76%	77%	78%	77%	80%	Y
Number of enrolled youth participants in WIOA training programs	4,337	13,323	1,450	469	404	R
Title I youth program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from a WIOA program	63%	72%	70%	67%	60%	Y
Title I youth program participants who are in education and training activities, or in unsubsidized employment, during the fourth quarter after exit from a WIOA program	67%	68%	70%	74%	71%	G
Participants enrolled in an education or training program, excluding those in on-the-job training, who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from a WIOA program	69%	70%	70%	71%	57%	Y
Number of adult and dislocated workers receiving supplemental services of WIOA as administered and directed by the local area workforce board	3,423	2,802	2,863	2,630	2,597	Y
Number of enrolled participants in WIOA training programs	5,872	4,804	6,850	1,223	985	R
Re-Employment Programs						
Reemployment Services and Eligibility Assessment program participants exhausting unemployment insurance benefits	41%	46%	47%	48%	48%	Y
Reemployment Services and Eligibility Assessment program participants reemployed	49%	56%	55%	56%	56%	G
Program Rating						Y

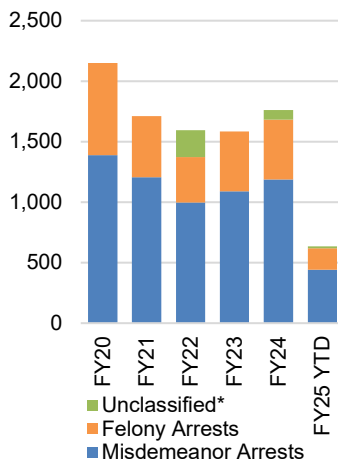
PERFORMANCE REPORT CARD

Department of Public Safety
Second Quarter, Fiscal Year 2025

ACTION PLAN

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

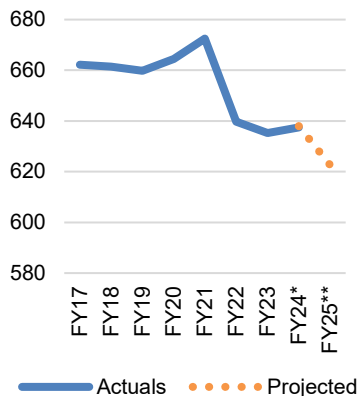
**Average Quarterly
NMSP Arrests
FY19 to FY27 YTD**



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

Source: DPS

**State Police Force
Strength**



Note:
*Reflects average force strength based on force strength at the end of each quarter.
**Projected by DPS for FY25 Q1 to Q4.

The Department of Public Safety (DPS) began implementing many of the programmatic and structural changes outlined in its FY25 budget. Having received funding for pay increases to appropriately pay state police officers based on their years of service, increase dispatcher pay, and reduce vacancies, DPS partnered with the State Personnel Office to put these changes in place. The agency also continued to add staff for the new Law Enforcement Standards and Training Council and the Law Enforcement Certification Board. Workforce issues are pervasive across the criminal justice system, leading to reduced enforcement of crimes and slower case adjudications. DPS worked to reduce vacancies in several key areas while working with the Department of Finance and Administration to continue rolling out funding from the law enforcement protection fund to other law enforcement agencies throughout New Mexico.

Law Enforcement Program

The New Mexico State Police (NMSP) continued working to reduce the incidence of crime and fear of crime in New Mexico by conducting enforcement activities, partnering with other enforcement agencies, and investigating criminal activity.

Operations. The Law Enforcement Program improved actionable data and intelligence related to crime by implementing a new records management system (RMS) and integrating multiple agencies' RMSs into its intelligence-led policing project. NMSP is also working to hire additional data analysts who do not require a law enforcement certification to improve the speed and accuracy with which it processes and disseminates information to criminal justice partners and other agencies.

Since FY24, NMSP has been reporting on clearance rates for crimes investigated by the criminal investigations bureau, broken out by type of crime. Although cases can take multiple quarters, sometimes several years, from assignment to closure and clearance, the data will provide a helpful window into agency operations and efficiency, and will give the Legislature a useful window into what types of crime are most drastically affecting public safety in New Mexico.

Manpower. State Police averaged 638 officers in FY24 and the start of FY25, with a 11.1 percent overall vacancy rate and a 10 percent vacancy rate among positions supported by the general fund. However, NMSP projects it will have an average of 634 commissioned officers in FY25.

Budget: \$173,186.2	FTE: 1,068.25	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Motor Vehicle Safety							
Number of data-driven traffic-related enforcement projects held		4,142	3,781	4,500	1,169	1,159	G
Number of driving-while-intoxicated saturation patrols conducted		2,588	3,030	3,000	793	738	G
Number of driving-while-intoxicated arrests*		1,641	2,277	N/A	600	461	
Number of New Mexico State Police misdemeanor and felony arrests*		6,340	7,044	N/A	1,364	1,175	
Number of commercial motor vehicle safety inspections conducted		114,539	122,768	100,000	35,987	22,023	G
Number of commercial driver and vehicle-out-of-service violations issued*		16,831	15,087	N/A	4,305	3,355	

PERFORMANCE REPORT CARD

Department of Public Safety
Second Quarter, Fiscal Year 2025

NIBRS Reporting

DPS is required to collect and report crime data from all law enforcement agencies but has not publicly reported this data as it transitions to the National Incident Based Reporting System (NIBRS) required by the FBI. Unfortunately, many law enforcement agencies are not yet reporting through NIBRS. As of October 2024, 84.6 percent of the state's 130 law enforcement agencies were reporting to the system. However, according to DPS, several local law enforcement agencies are actively working to validate their data reporting, which will lead to some of these agencies coming off the list.

Number of motor carrier safety trainings completed*	41	25	N/A	3	3
Number of proactive special investigations unit operations to reduce driving-while-intoxicated or alcohol-related crimes*	1,088	1,521	N/A	318	187
Investigations					
Number of investigations conducted by criminal investigation bureau agents*	390	464	N/A	154	96
Percent of total crime scenes processed for other law enforcement agencies*	49%	30%	N/A	21%	13%
Number of drug-related investigations conducted by narcotics agents*	458	536	N/A	114	141
Number of illegally possessed firearms seized as part of criminal investigations*	90	70	N/A	7	14
Number of violent repeat offender arrests by the fugitive apprehension unit*	230	401	N/A	62	58
Clearance rate of crimes against persons investigated by the criminal investigations bureau*	New	58%	N/A	26%	26%
Clearance rate of crimes against property investigated by the criminal investigations bureau*	New	40%	N/A	15%	4%
Clearance rate of crimes against society investigated by the criminal investigations bureau*	New	33%	N/A	17%	9%
Clearance rate of homicide cases investigated by the criminal investigations bureau*	New	82%	N/A	44%	44%
Total cases investigated by the New Mexico State Police*	1,832	3,140	N/A	644	509
Other Law Enforcement Activity					
Percent of total New Mexico State Police special operations deployments for other law enforcement agencies	35%	38%	N/A	35%	33%
Number of crisis intervention cases handled*	283	327	N/A	77	53
Number of governor-ordered special deployment operations conducted*	3	7	N/A	3	4
Number of man-hours spent on governor-ordered special deployment operations*	4,746	18,381	N/A	3,854	1,601.3
Recruitment and Retention					
Graduation rate of the New Mexico state police recruit school*	66%	54%	80%	80%	63.3%
Turnover rate of commissioned state police officers*	7.08	8.2	N/A	1.75	1.09
Vacancy rate of commissioned state police officers*	12%	12%	N/A	13%	11.1%
New Mexico state police transportation inspector vacancy rate*	7%	10%	N/A	9%	9%
New Mexico state police dispatcher vacancy rate*	36%	23%	N/A	27%	14%
Program Rating	G	G	G	G	G

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

Statewide Law Enforcement Support Program

The Statewide Law Enforcement Support program made early progress toward fulfilling its performance goals for FY25. DPS worked with multiple other law enforcement agencies to validate and begin reporting to the National Incident-Based Reporting

System (NIBRS), including bringing NMSP into the reporting system. Finally, the Law Enforcement Academy (LEA) continued supporting the newly created standards and training council and law enforcement certification board.

Crime Reporting. DPS reports the percentage of law enforcement agencies reporting to NIBRS climbed from 77.6 percent at the end of FY24 to 84.6 percent by the end of the second quarter of FY25. This will help public safety and judicial agencies make more data-driven decisions and allow New Mexico to stay off the list of states for which the FBI has been unable to estimate crime data. Lack of reporting had previously made it impossible to accurately understand crime trends in the state because 2021 marked the first year the FBI's national crime statistics relied solely on information provided via NIBRS.

Law Enforcement Academy. In addition to conducting training for both law enforcement officers and dispatchers, including for the largest incoming class of cadets in state history, the academy worked to support the newly established Standards and Training Council as it creates administrative rules related to training requirements, curricula, and methods, professional development programs and performance standards for law enforcement and public safety dispatchers. LEA brought on a new director who has spent time working in conjunction with the Standards and Training Council to update the training curriculum and hire staff. The academy is also working to finish its buildout of a new training track and complete several deferred maintenance projects in between academy classes.

**Law Enforcement Agencies
NOT Reporting**

Agency Name
Deming Police Department
Estancia Police Department
Harding County Sheriff's Office
Loving Police Department
NM Highlands University Police Department
Roosevelt County Sheriff's Office
Socorro Police Department
Taos County Sheriff's Office

Source: DPS

Forensic Laboratory. The newly opened forensic lab in Santa Fe saw its vacancy rate decrease from 40 percent to 26 percent due to successfully filling positions over the last several months. An increase in the number of sexual assault examination kits not completed within 6 months of receipt was a troubling development at the close of FY24. Still, the agency made steady progress towards reducing the backlog to midway through FY25. The agency also finalized the forensic scientist pay plan with the help of the State Personnel Office and is currently in the process of onboarding several new scientists.

Budget: \$34,593.9 FTE: 225	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Crime Reporting						
Number of crimes against persons reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	18,815	23,752	N/A	10,008	10,868	
Number of crimes against property reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	44,272	49,459	N/A	24,795	23,633	
Number of crimes against society reported in the National Incident Based Reporting System by participating law enforcement agencies statewide*	12,350	10,303	N/A	3,839	4,141	
Number of expungements processed*	500	383	N/A	124	117	
Law Enforcement Academy						
Percent of law enforcement agencies reporting to the National Incident Based Reporting System*	63.8%	76.3%	N/A	83.6%	84.6%	Y

PERFORMANCE REPORT CARD

Department of Public Safety
Second Quarter, Fiscal Year 2025

Percent of non-state police cadets who graduated from the law enforcement academy through certification by waiver*

98%	98.1%	N/A	93.8%	88.2%
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Percent of non-state police cadets who graduated from the basic law enforcement academy*

76%	75%	N/A	56.3%	52.1%
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Graduation rate of telecommunication students from the law enforcement academy*

100%	98.8%	N/A	100%	100%	G
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Law Enforcement Certification Board

Percent of complaint cases reviewed and adjudicated annually by the New Mexico Law Enforcement Certification Board*

76.3%	48.6%	N/A	91.3%	80%
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Number of complaint cases adjudicated*

74	54	N/A	21	24
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Number of complaint cases received*

97	111	N/A	23	30
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Average age of outstanding complaint cases at the close of the fiscal year, in days*

212	231	N/A	276	358
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Average time to adjudicate complaint cases, in days*

1,141	300	N/A	260	312
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Number of certifications issued

565	535	600	147	127	G
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Forensics Laboratory

Percent of forensic cases completed

129.4%	94.9%	100%	74.6%	69%	R
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Number of sexual assault examination kits not completed within 180 days of receipt of the kits by the forensic laboratory

0	259	0	134	225	R
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Forensic scientist and forensic technician vacancy rate*

29.6%	40.1%	N/A	29.8%	26.3%
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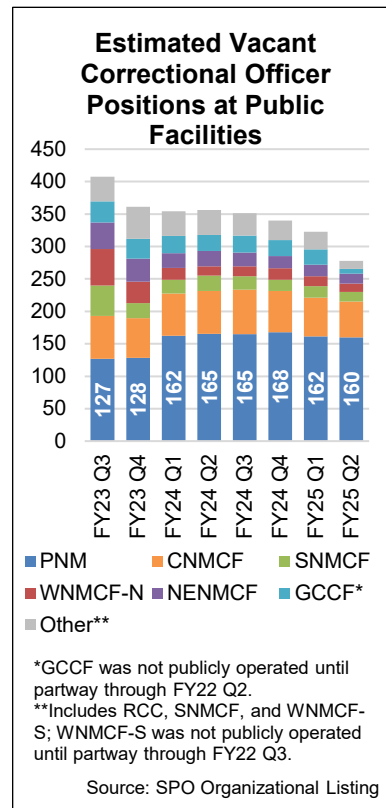
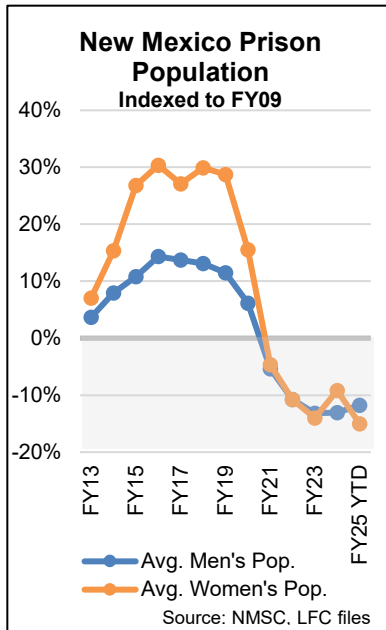
Program Rating

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

ACTION PLAN

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



The Corrections Department (NMCD) made progress toward several of its performance targets in FY25. The agency successfully reduced vacancy rates and turnover among correctional officers at public facilities and saw a decrease in recidivism for participants in treatment programs, even as participation rates increased. The agency continued the trend of improving the percentage of people in prison participating in education programming. NMCD reduced vacancy rates among probation and parole officers, resulting in a decline in the average number of cases per officer. Prison populations appear to be leveling off after several years of consistent decline.

Inmate Management and Control

The state's inmate population has declined since 2018, dropping by more than 23 percent between FY19 and FY25. Recent increases in admissions for new offenses suggest the population is likely to stabilize in the near future. The New Mexico Sentencing Commission's September 2024 prison population projection estimated that total prison populations would average 5,864 over FY25; however, actual data show average populations of approximately 5,618, a 0.7 percent increase from FY24. This increase was primarily due to a 1.5 percent increase in the men's population between July 2024 and December 2024. Women's prison populations were projected to fall an average of 2.3 percent between FY24 and FY25, but the commission anticipates that women's prison populations will continue to rise during FY25 as more individuals are charged in the 2nd Judicial District and these cases resolve.

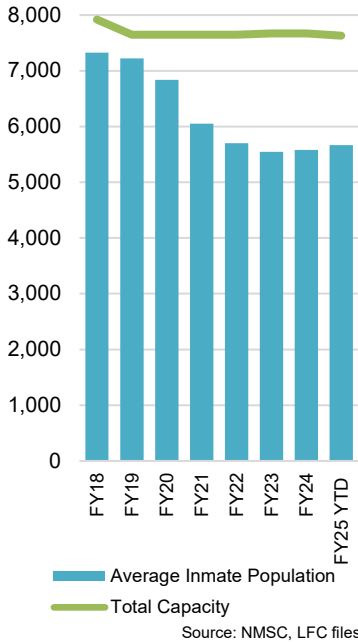
Staffing. Low populations enabled NMCD to adjust facility occupancy to align with staffing levels despite high vacancy rates. However, this has not been possible at all facilities. About 25.3 percent of the agency's total positions were unfilled as of December 2024, and public correctional officer vacancies declined by approximately two percent to 26.7 percent, while private correctional officer vacancies rose to 37 percent. Vacancy rates have declined notably at several facilities, with vacancies at the Southern New Mexico Correctional Facility decreasing by 4 percent between July 2024 and December 2024, and vacancy rates at the Roswell Correctional Center decreasing by 3 percent during the same period. The most notable reduction occurred at the Northeast New Mexico Correctional Facility, with a 7 percent decrease in vacancies since July 2024.

Budget: \$282,250.3	FTE: 1,857	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Staffing							
Vacancy rate of correctional officers in public facilities.		32.2%	29.7%	25%	28.5%	26.7%	Y
Vacancy rate of correctional officers in private facilities		33.8%	31.9%	25%	33.8%	37%	R
In-House Parole							
Average number of male inmates on in-house parole		59.6	39.2	65	46	43	G
Average number of female inmates on in-house parole		3.9	1.9	10	2.7	2	G
Prison Violence							
Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment		7	13	10	1	2	G

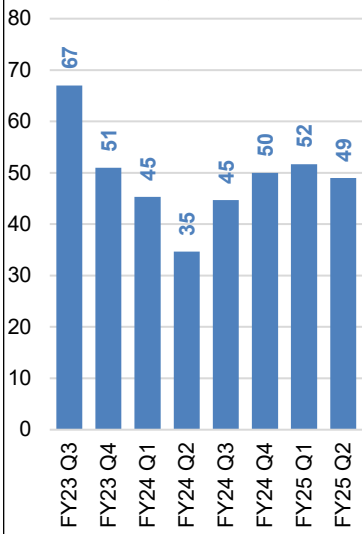
PERFORMANCE REPORT CARD

Corrections Department Second Quarter, Fiscal Year 2025

NMCD Population and Facility Capacity



Estimated Number of Release-Eligible Inmates Incarcerated Past Release Date by Quarter



Budget: \$282,250.3 **FTE:** 1,857

Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
4	2	4	1	0	G

Health

Percent of random monthly drug tests administered to at least 10 percent of the inmate population that test positive for drug use*

1.4%	2.1%	N/A	2.7%	1.5%
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Percent of standard healthcare requirements met by medical contract vendor

99%	98%	98%	90%	96%	Y
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Program Rating

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

Reentry

Recidivism. The three-year recidivism rate of offenders released from NMCD's custody increased from 36 percent in FY23 to an average of approximately 40 percent in FY24. It continued to rise to start FY25, reaching 42 percent in Q1 before dropping to 38 percent in Q2. Recidivism due to new offenses increased from 17 percent in FY23 to 18 percent in FY24 and dropped to an average of 16.6 percent in the first two quarters of FY25. Recidivism rates during FY23-FY26 are expected to reflect lower recovery center populations due to Covid-19, potentially leading to higher recidivism numbers. However, recovery center populations are gradually increasing, with both the women's and men's recovery centers nearing capacity. The number of individuals enrolled in these programs began to rise following the resumption of normal court operations and the lifting of Covid-19 restrictions. NMCD is also making strides in the number of eligible inmates incarcerated past their release date, showing a steady reduction in the number of individuals housed past their release date from a peak in FY23.

Programming. One of the highlights of FY24 for NMCD was its success in maintaining the number of eligible students who completed adult basic education, as well as the record number of students (236) who earned their high school equivalency credential. The agency remained committed to increasing the availability of these programs in its facilities, and the results indicate that these efforts have been largely successful. Despite a slow start to FY25, the agency is now on track to meet its target before the end of the year.

NMCD focuses on providing evidence- and research-based programs for all individuals in its custody. However, a 2024 study of the inmate classification system used by NMCD cited evidence of over-classification of some inmates based on the availability of medical and behavioral health services at certain facilities. LFC previously raised concerns about completion rates among participants in certain evidence-based programs, which can be affected by the unavailability of programming and services at some facilities. NMCD recently reported adjusting its classification policy based on recommendations from this study; these changes are expected to enable more appropriate placement of certain inmates.

Budget: \$22,970.2 **FTE:** 130

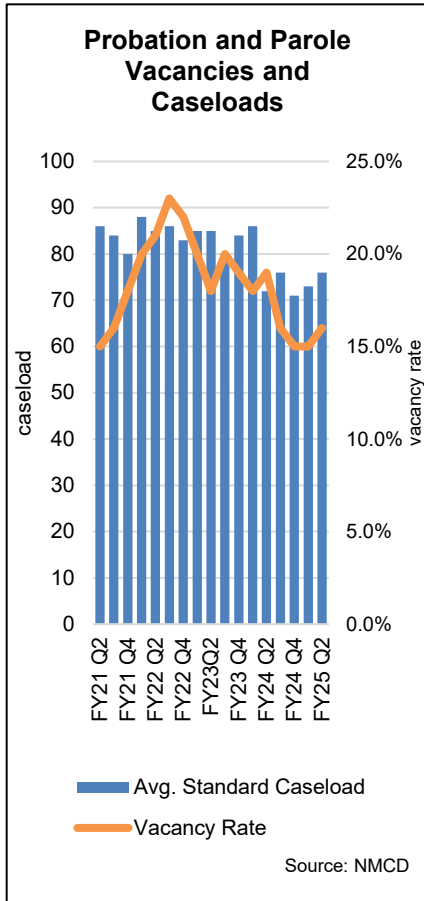
Recidivism

Prisoners reincarcerated within 36 months

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
36%	40%	40%	42%	38%	G

PERFORMANCE REPORT CARD

Corrections Department Second Quarter, Fiscal Year 2025



Prisoners reincarcerated within 36 months due to new charges or pending charges	17%	18%	17%	18%	14.7%	G
Prisoners reincarcerated within 36 months due to technical parole violations	19%	21%	20%	8%	8%	G
Percent of sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	4%	3%	5%	0%	0%	G
Percent of residential drug abuse program who are reincarcerated within 36 months of release*	19%	26%	N/A	35%	20%	
Graduates from the men's recovery center who are reincarcerated within 36 months*	17%	19%	20%	31%	22%	Y
Graduates from the women's recovery center who are reincarcerated within 36 months*	11%	23%	20%	23%	25%	Y
Education						
Percent of eligible inmates enrolled in educational, cognitive, vocational, and college programs	51%	68%	60%	46%	60%	G
Percent of participating students who have completed adult basic education*	15%	75%	N/A	60%	72%	
Number of students who earn a high school equivalency credential	184	236	165	33	79	G
Percent of eligible students who earn a high school equivalency credential	15%	75%	80%	60%	72%	Y
Program Rating	G	Y		Y		Y

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

Community Offender Management

Vacancy rates among probation and parole officers rose to 16 percent in the second quarter of FY25 but were still down from 19 percent in FY23. The average caseload per officer increased slightly from 73 to 76. NMCD reports that 32 percent of absconders were apprehended in the second quarter of FY25, representing a 5 percent improvement from the previous year. Research suggests offenders with unstable employment or housing and those struggling with substance use disorder are more likely to abscond.

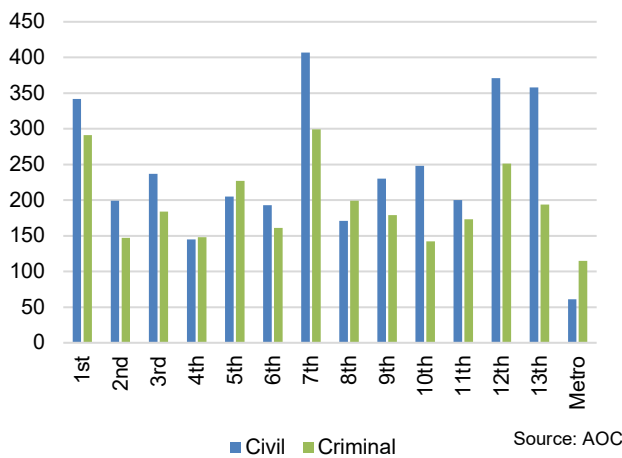
Budget: \$40,871.5 FTE: 359	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Average standard caseload per probation and parole officer	83	76	88	73	76	G
Vacancy rate of probation and parole officers	19%	17%	18%	15%	16%	G
Percent of absconders apprehended	24.9%	27%	30%	33%	32%	G
Program Rating	Y	Y		G		G

ACTION PLAN

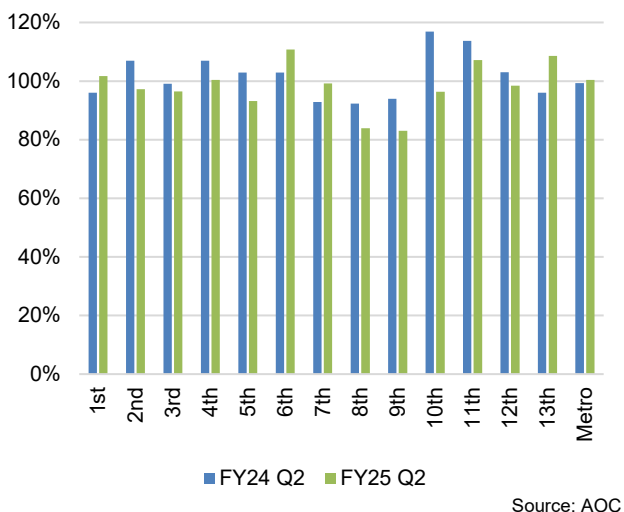
Submitted by agency?	No
Timeline assigned?	No
Responsibility assigned?	No

Positive performance trends within courts and justice from the first quarter of FY25 have largely continued in the second quarter. Courts did not reach the performance target for clearance rates but positive trends in underlying factors, like time to disposition and the age of pending criminal cases, could reverse clearance rate performance if these trends continue. The Law Offices of the Public Defender maintained positive adjudication rates despite issues with recruiting and retaining attorneys, especially contract attorneys. District attorneys' performance measures regressed slightly but can be mostly attributed to districts dealing with chronic recruitment and retention issues. Treatment courts are being utilized more, but capacity is significantly less than pre-pandemic levels, meaning the courts have reduced the number of individuals who can receive treatment due to declining treatment provider availability. Treatment courts dealing with capacity issues, especially in the 2nd Judicial District, should investigate capacity expansion, marketing measures, and treatment court reconfiguration if utilization trends continue.

FY25 Second Quarter Days to Disposition



Clearance Rate FY24 Q2 v. FY25 Q2



Courts

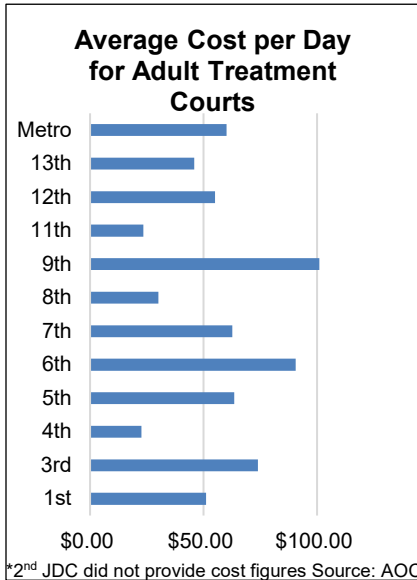
Administrative Support. The average time to disposition for criminal cases was 194 days for the second quarter of FY25, improving by 34 days from the second quarter of FY23 and 30 days from the second quarter of FY24. This improvement is a very positive sign that the courts are disposing of criminal cases at a faster rate than previous quarters, improving the swiftness of justice. Courts clearance rates concluded in the second quarter of FY25 at 98 percent, 2 percent below the measure's target and FY24's performance. Because the measure is slightly below 100 percent, it means the courts did not maintain the progress seen in the first quarter of FY25, meaning the courts are exacerbating case backlogs slightly. Clearance rates decreased, in part, due to the 8th and 9th districts finishing the second quarter with clearance rates of 84 percent and 83 percent, respectively. The age of pending criminal cases improved by 71 days from the second quarter of FY23 and by 31 days from the second quarter of FY24. While clearance rates dipped below 100 percent, the courts could rebound if the positive trends in average time to disposition and age of pending criminal cases continue. With their limited jurisdiction, magistrate courts and the Metropolitan Court continued to perform better than district courts for days to disposition in criminal cases.

One hundred forty-five (145) jury trials were held in the second quarter of FY25 and based on the first two quarters of FY25, LFC staff project a total of 632 jury trials in FY25. The projection for FY25, if true, means that jury trials would be below FY23's and FY24's totals but would be better than the transition period from the pandemic in FY21 and FY22. The average cost per juror increased to \$68.84, which is an increase of 40 percent compared to FY20, which was \$49.17. It is important to note that courts are statutorily required to pay jurors minimum wage pursuant to Section 38-5-15 NMSA 1978, which has increased by 60 percent since FY20. While juror costs have not risen at the same rate, the consistent increase in the cost per juror is concerning and should continue to be monitored.

PERFORMANCE REPORT CARD

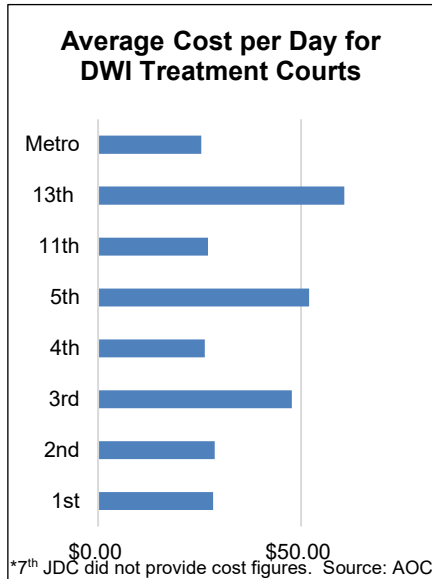
Courts and Justice

Second Quarter, Fiscal Year 2025



Budget: \$21,366.0 FTE: 67.8	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Average cost per juror	\$58.3	\$66.3	\$55	\$60.6	\$68.8	R
Number of jury trials for metro, district, and statewide courts*	760	689	N/A	171	145	N/A
Average interpreter cost per session	\$73.6	\$76.2	\$150	\$55.7	\$67.2	G
Percent of supervised defendants who make all scheduled court appearances	74%	73%	N/A	73%	75%	G
Percent of supervised defendants who are not charged with a new offense during the pretrial stage	81%	73%	N/A	72%	75%	G
Age of active pending criminal cases in days	375	276	365	264	273	G
Days to disposition in criminal cases	277	221	365	198	194	G
Cases disposed as a percent of cases filed	120%	100%	100%	102%	98%	Y
Program Rating	Y	G		G	G	

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



Special Court Services. The Legislature prioritized increasing funds for treatment courts in the last several years which resulted in the 10th Judicial District being the only remaining judicial district that does not have at least one form of treatment court. Despite increases in the number of treatment courts, underutilization continues to be an issue. While some DWI and adult treatment court programs are overcapacity, there are still various programs with below 25 percent utilization in several districts including the 1st, 2nd, 3rd, 7th, and 13th districts. Overall, the utilization rate of all treatment courts in New Mexico is at 109 percent. While overall utilization seems high, it should be noted that the figure is inflated substantially by the 2nd district's adult treatment court which has 714 active participants. Excluding the 2nd district's program, overall utilization drops substantially to 63 percent with a capacity for only 1,324 participants. Prioritizing capacity building for treatment courts, especially for the 2nd Judicial District's adult treatment court, would allow more individuals to receive services and help treatment providers and court staff with their workload. For the districts with below 25 percent utilization, they should prioritize marketing of the treatment court programs available. Drug and DWI court recidivism rates increased since FY23 but for the second quarter of FY25, recidivism rates improved drastically compared to FY24 and drug court participant recidivism is below FY23's performance, a very encouraging sign.

Districts Under Capacity

District	Type	County	Capacity	Participants*	Utilization
1 st	Adult	Santa Fe	30	5	17%
1 st	DWI	Santa Fe	30	3	10%
1 st	Mental Health	Santa Fe	20	2	10%
2 nd	Juvenile	Bernalillo	15	3	20%
3 rd	Family	Dona Ana	18	3	17%
3 rd	Juvenile	Dona Ana	20	2	10%
7 th	Adult	Sierra	15	3	20%
7 th	DWI	Torrance	10	2	20%
13 th	Adult	Cibola	40	9	23%
13 th	Juvenile	Cibola	25	3	12%

*The active participant number includes everyone in the reporting period, regardless of treatment phase. This includes those needing more resources and those nearing program completion, who require less.

Source: AOC

PERFORMANCE REPORT CARD

Courts and Justice
Second Quarter, Fiscal Year 2025

Districts Over Capacity

District	Type	County	Capacity	Participants*	Utilization
1 st	Adult	Rio Arriba	15	21	140%
1 st	DWI	Rio Arriba	15	18	120%
2 nd	Adult	Bernalillo	90	714*	793%
2 nd	Young Adult	Bernalillo	60	81	135%
5 th	DWI	Eddy	15	16	107%
11 th	DWI	San Juan	25	42	168%
13 th	Adult	Valencia	25	27	108%

*The active participant number includes everyone in the reporting period, regardless of treatment phase. This includes those needing more resources and those nearing program completion, who require less.

Source: AOC

The percentage of defendants not charged with a new violent crime during the pretrial process was 93 percent, consistent with FY24 performance. The percentage of defendants who make all their scheduled appearances was 75 percent, improving slightly over FY24.

Performance data indicates significant progress in child welfare efforts during the second quarter of FY25. Along with improved numbers for CASA volunteer assignments and supervised child visits, the percentage of children who achieve legal permanency within 12 to 18 months in an abuse or neglect case concluded at 23.7 percent for the second quarter of FY25, an increase of 11.7 percent compared to FY20.

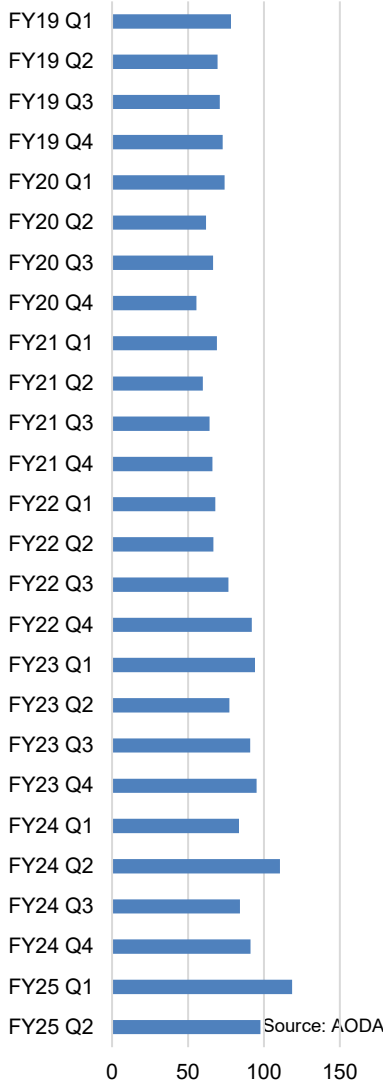
Budget: \$22,333.4 FTE: 51.5	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Cases to which CASA volunteers are assigned*	507	436	N/A	502	552	N/A
Monthly supervised child visitations and exchanges conducted	11,181	10,129	N/A	2,614	2,558	G
Average time to completed disposition in abuse and neglect cases, in days*	160	157	N/A	160	167	N/A
Recidivism rate for drug-court participants	9.3%	11.8%	12%	7.8%	6.8%	G
Recidivism rate for DWI-court participants	5.1%	8.1%	12%	6.8%	6.0%	G
Graduation rate for drug-court participants*	54.8%	61.0%	90%	68.0%	68.0%	G
Graduation rate for DWI-court participants*	82.5%	66.8%	90%	85.8%	84.7%	G
Cost per client per day for all drug-court participants*	\$37.35	\$34.13	N/A	\$38.15	\$37.17	N/A
Program Rating	Y	G		G	G	

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

District Attorneys

Recruiting and retaining attorneys continues to be an issue for district attorney offices, especially in rural parts of the state. Statewide, prosecutors and defenders report seeing felonies as an increasing share of their caseloads. The felony-heavy caseloads, coupled with decreasing share of misdemeanors, require more time per case and may require modified measures to fully understand attorney workload. While new performance

Average Number of Cases Added to Attorney Caseloads



measures, like average attorney caseloads, are informative, the makeup of those caseloads is equally important, e.g., a district attorney may have a higher caseload but mostly noncomplex cases, which can be handled efficiently. Until a more complete understanding of district attorneys' workloads and conviction rates based on case type is available, efforts to understand how district attorneys are performing remain nontransparent.

The three highest average attorney caseloads, for the first quarter of FY25, were:

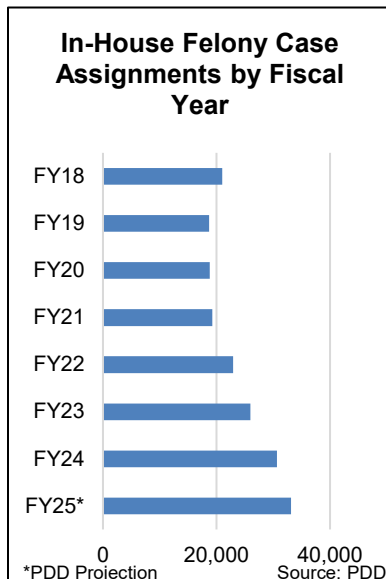
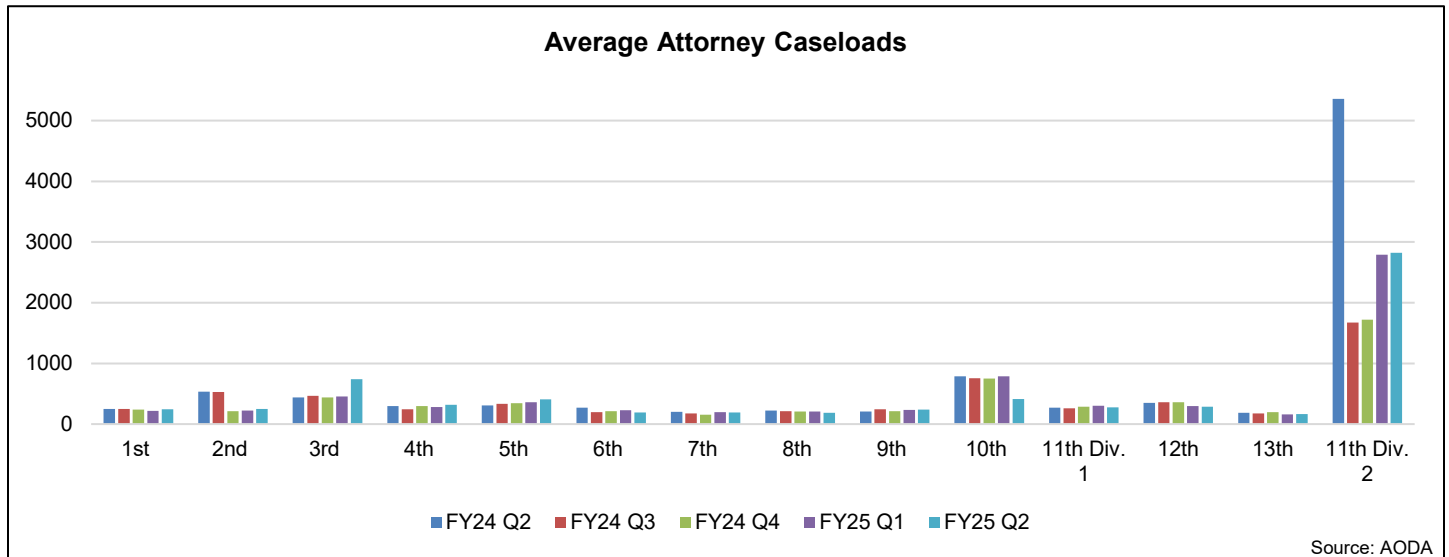
- The 11th Judicial District Attorney Division 2, with 2,822.
- The 3rd Judicial District Attorney, with 738.
- The 10th Judicial District Attorney, with 413.

The 10th Judicial District Attorney, despite maintaining one of the highest caseloads, saw a reduction of 48 percent compared to the previous quarter due to reduced attorney vacancies. The 3rd Judicial District Attorney's average attorney caseloads increased by 61 percent since the last quarter, raising concerns over recruitment and retention. The 11th Judicial District Attorney Division 2's average caseload only increased by 1 percent since the last quarter, but its already high caseload remains worrisome due to chronic staffing issues. Given the potential impact on justice efficiency, public safety, and trust, the 11th Judicial District Attorney Division 2 should be closely monitored.

In the second quarter of FY25, the average number of cases added to attorney caseloads was 98, which was well below its target and a reduction of 18 percent compared to the previous quarter. Overall, the strain of growing caseloads and declining attorney retention at some district attorney's offices threatens agencies' capacity to meet their statutory duty.

Budget: \$107,819.9	FTE: 1,037	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Average number of cases added to attorney caseloads		89	92	200	119	98	
Number of Cases Referred for Screening*		58,603	61,982	N/A	17,619	15,488	
1st District		4,105	4,504	N/A	1,236	1,025	
2nd District		16,434	20,929	N/A	6,129	5,629	
3rd District		5,174	4,875	N/A	1,525	1,244	
4th District		1,914	2,037	N/A	512	428	
5th District		6,147	6,603	N/A	1,853	1,626	
6th District		2,593	2,300	N/A	591	498	
7th District		1,796	1,526	N/A	338	342	
8th District		1,683	1,591	N/A	427	358	
9th District		2,412	2,451	N/A	684	698	
10th District		683	616	N/A	229	207	
11th Division I.		5,133	4,771	N/A	1,218	1,012	
11th District Div. II		2,172	1,461	N/A	534	401	
12th District		2,678	2,217	N/A	616	523	
13th District		6,139	6,101	N/A	1,727	1,497	
Program Rating		G	G		G	G	

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



Public Defender

Like other criminal justice partners, the Law Office of the Public Defender (LOPD) has had to address difficulties in recruiting and retaining legal professionals in rural areas. In the second quarter of FY25, the agency demonstrated the ability to tackle the issue, especially in relation to support staff. The agency reported an overall vacancy rate of 9.7 percent, 5.1 percent for support staff and 14.4 percent for in-house attorneys. Vacancies for support staff declined by about 2.5 percent from the second quarter of FY24, while vacancy rates for attorneys declined by 1 percent. The average number of cases assigned to in-house attorneys was 81, staying flat with the second quarter of FY24, possibly reflecting the continuing decline in contract attorneys.

LOPD reports that starting in the second quarter of FY25, they will report the number of contract attorneys available statewide differently. In prior quarters, LOPD counted contractors with contracts in multiple counties multiple times, inflating the total number of contract attorneys. In other words, a contractor taking cases in multiple counties was counted as a contractor in each county, inflating the total number of contractors. With this adjustment, LOPD has 75.5 contractors at the end of the second quarter of FY25. When making the same adjustment for the first quarter of FY25, there were 81.5 contractors, meaning a reduction of 8 percent in one quarter. The declining rates of contract attorneys should be monitored as the shift to more felony weighed caseloads could exacerbate this problem further, as these cases take more time.

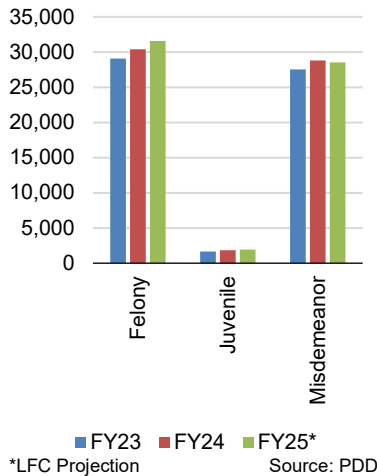
Like district attorney offices, LOPD reports a changing mix of case types, with an increasing share of felony cases and a decreasing share of misdemeanor cases. LFC staff project that the number of felony cases assigned to in-house attorneys will increase by 78 percent from FY19 and 8 percent compared to FY24. This results in a more complex caseload that could extend the amount of time an attorney spends on each case. The changing mix also results in a higher attorney workload. The agency notes the biggest drivers of the changing case mix are increases in third- and fourth-degree felonies, particularly possession of a controlled substance and probation violations.

PERFORMANCE REPORT CARD

Courts and Justice

Second Quarter, Fiscal Year 2025

**LOPD Opened Cases
by Type**



Compared to the second quarter of FY24, there was an overall decrease of 9 percent in felony, misdemeanor, and juvenile cases resulting in a reduction of charges. While this reduction may be concerning in the short term due to the consistent increase in caseloads, the positive developments seen throughout FY24 and the first quarter of FY25 suggest that trends should reverse. Additionally, there was an increase of 5 percent in felony, misdemeanor, and juvenile cases resulting in a reduction of charges by contract attorneys since the second quarter of FY24. This indicates that LOPD's contract attorneys are logging case outcomes more consistently in LOPD's case management system. Since the increase is primarily due to improved data reporting by contract attorneys, their performance should be monitored, especially given that LOPD has lost contract attorneys. If in-house attorneys can recover, performance trends should return to positive levels seen in FY24. Contract attorneys' percentage of the caseload increased slightly to 34 percent, staying flat with FY24. The number of felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment increased compared to the second quarter of FY24, increasing by 2,330 cases, or 42 percent. The biggest driver of this increase is in-house attorneys who increased cases resulting in alternative sentencing treatment by 48 percent in the same period. Contract attorneys, however, did not lag far behind in-house attorneys, as they saw a 30 percent increase during the same period, further supporting the progress made by in-house attorneys.

Budget: \$77,155.0 FTE: 516	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	57%	65%	65%	70%	65%	G
In-house attorneys	62%	66%	65%	70%	63%	G
Contract attorneys	47%	63%	65%	67%	71%	G
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	13,260	28,523	5,000	7,770	7,830	G
In-house attorneys	9,774	20,173	4,000	5,751	5,636	G
Contract attorneys	1,000	8,350	1,000	2,019	2,194	G
Cases assigned to contract attorneys*	37%	34%	N/A	33%	34%	N/A
Average time to disposition for felonies, in days*	324	313	N/A	265	304	N/A
In-house attorneys*	268	229	N/A	249	292	N/A
Contract attorneys*	380	399	N/A	281	316	N/A
Cases opened by Public Defender Department *	58,253	61,046	N/A	16,704	14,338	N/A
In-house attorneys*	36,775	39,145	N/A	10,943	9,427	N/A
Contract attorneys*	21,478	21,901	N/A	5,761	4,911	N/A
Program Rating	G	G		G	G	

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

PERFORMANCE REPORT CARD

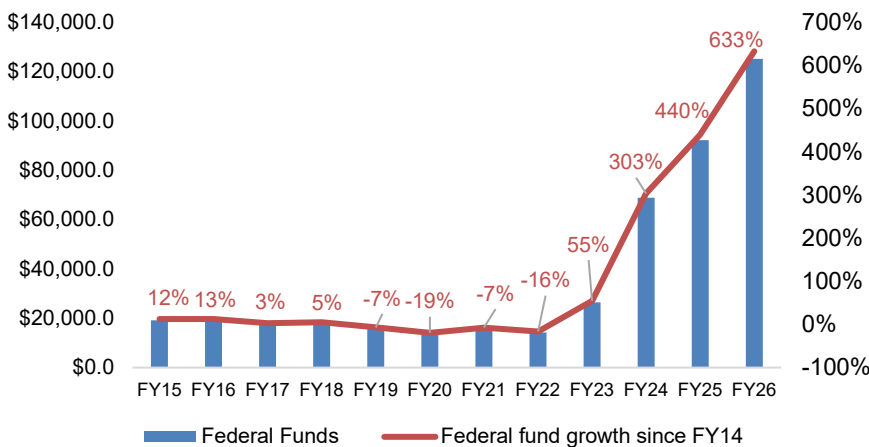
Energy, Minerals and Natural Resources Department
Second Quarter, Fiscal Year 2025

ACTION PLAN

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

The Energy, Minerals and Natural Resources Department (EMNRD) continued to utilize the significant investments from the Legislature and federal government to improve key performance metrics. However, the Oil Conservation Division's (OCD) orphaned and abandoned well plugging program fell short on the number of wells plugged because of new compliance requirements. Federal funding issues further contributed to the missed goal. OCD is not the only division of EMNRD to have issues with federal funding—the Energy, Conservation and Management Division also note concerns with federal funds. EMNRD's overall budget for FY25 is \$175.8 million, with federal funds comprising over half (52.5 percent).

EMNRD Federal Funds Growth Since FY14



Healthy Forests

Wildland Firefighter Training. The Healthy Forests Program saw a significant bump in training numbers after the fires in 2022, resulting in historic numbers of newly trained wildland firefighters in 2023 and 2024. The program also predicts an increased interest in wildland wildfire training because of the fires in Los Angeles. Due to the department's resources being directed to firefighting activities in and out of the state for the majority of the first quarter of FY25, no new trainings were provided in the first quarter. Twenty-one training courses were held in the second quarter and 60 are planned for the

third, which could result in training numbers moving back up to previous year totals.

Forest and Watershed Treatment. The program reports the average per-acre cost of forest and watershed restoration has risen due to increased contractor wage rates and supply costs. The work receives additional funding from the irrigation works construction fund and the land of enchantment legacy fund. These additional funds are aimed at enhancing funding predictability and directing expanding state resources to statewide forest and watershed treatments.

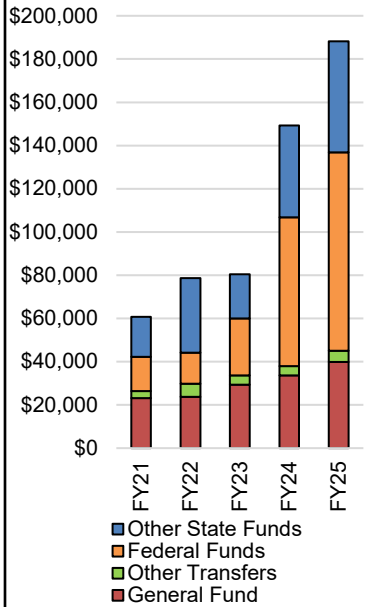
In the second quarter, the Healthy Forests Program treated 7,556 acres, more than half of the FY25 annual target. The program notes low snowpack improved access to watersheds and forests and allowed the program to treat an higher-than-average number of acres. While the low snowpack made it possible to treat more acreage, it also increases the threat of wildfire.

Budget: \$61,269 FTE: 145	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Number of nonfederal wildland firefighters provided professional and technical incident command system training.	1,554	3,012	1,500	0	364	Y
Number of acres treated in New Mexico's forest and watersheds.	15,735	13,954	14,500	810	7,556	G
Program Rating	Y	G				Y

PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department
Second Quarter, Fiscal Year 2025

**EMNRD Appropriations
by Funding Source
(in thousands)**



Energy Conservation and Management

At the conclusion of the second quarter, ECM had received 1,107 applications for the solar market development tax credit. Of these, 287 applications were returned due to incompleteness, while 820 were successfully approved for processing. ECM also received 71 applications for the energy conserving products credit and 160 applications for the sustainable building tax credit. The program is working with EMNRD IT staff to make improvements to its online application portal to accommodate updated clean car and clean car charging tax credits passed in the 2024 legislative session.

In late 2022, ECM applied for federal grid modernization grant funding under the Infrastructure Investment and Jobs Act. This grant is expected to bring in more than \$35 million to New Mexico over a five-year period, and ECM was awarded \$14.4 million for the program's first two years (FY22-23). The grant requires a 15 percent state match, which the Legislature appropriated funds for in both FY24 and FY25. ECM has noted issues with receiving federal funding, either through slow processing or no response. The issue of receiving federal funds should be closely monitored because most of the funding for the program and its initiatives is federal. Pauses or lapses in federal funding for the community energy efficiency block grants and similar projects would inhibit the state's energy transition.

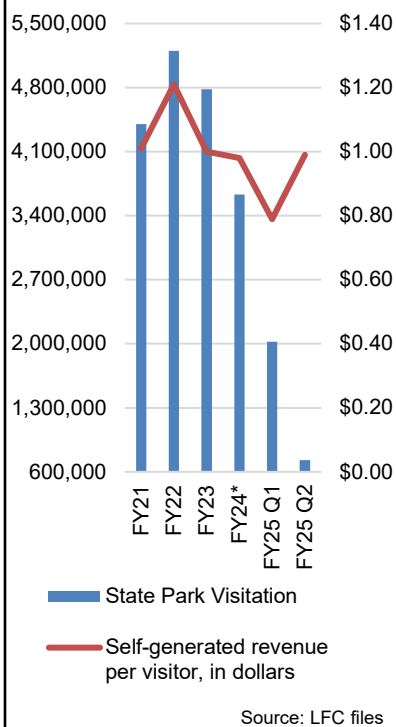
Budget: \$6,373.9 **FTE:** 34

Percent of completed applications for clean energy tax credits reviewed within 30 days of receipt

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
99%	99%	95%	99.9%	100%	G
G	G				G

Program Rating

**State Park Visitation vs.
Self-Generated
Revenue Per Visitor**



State Parks

Visitation to state parks is typically low in the cold months of the second quarter. The State Parks Program initiated marketing and outreach initiatives to attract both residents and nonresidents to visit during peak season. New state park fees have increased the amount of revenue the program receives. While visitation was low, the amount of revenue per visitor increased to the FY25 target.

Budget: \$41,352.9 **FTE:** 241.31

Number of visitors to state parks

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
4.78 million	5.4 million	4.75 million	2.02 million	729.8 thousand	G
\$1.01	\$1.21	\$1.00	\$0.80	\$0.99	G
G	G				G

Amount of self-generated revenue per visitor, in dollars

Program Rating

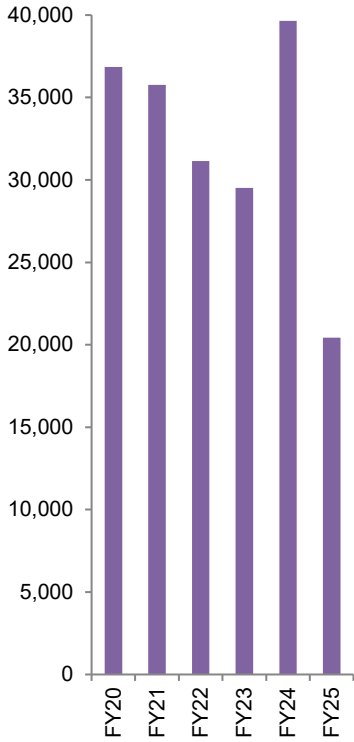
Mine Reclamation

The Mine Reclamation Program require financial assurance for permitted mines. The coal program monitors six coal mines, all of which are 100 percent covered by financial

PERFORMANCE REPORT CARD

Energy, Minerals and Natural Resources Department
Second Quarter, Fiscal Year 2025

**Number of Inspections
of Oil and Gas Wells
(and associated facilities)**



Source: EMNRD

assurance. The mining program manages 60 mines, of which 59 have adequate financial assurance posted to cover the cost of reclamation. Together, the programs have a 99 percent compliance rate. Due to the stability of the existing performance measures, new performance measures should be discussed to gain more information on the division's activity.

Budget: \$13,668.1	FTE: 33	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Percent of permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation.		99%	99%	99%	99%	99%	G
Program Rating		G	G				G

Oil and Gas Conservation

The Oil and Gas Conservation Program issued 1,426 violations across the state's oil-producing basins during routine inspections in the second quarter of FY25. The program increased its pace of inspections after three consecutive years of decline while also implementing new inspection protocols. Halfway through the fiscal year, the program is well on pace to exceed its 30 thousand inspection target. The program currently has an acting director, with efforts to hire a permanent one underway. The program has 33 vacant FTE, a funded vacancy rate of 15.3 percent, and \$1.5 million in projected vacancy savings in FY25.

The program is behind its target for plugging abandoned wells. Use of federal funds for plugging has been delayed due to new requirements and compliance with the Endangered Species Act and National Historic Preservation Act. The program notes issues with receiving federal funding. Lags in receiving federal funds for work such as plugging abandoned and orphaned wells should be closely monitored. With 2,000 orphaned wells identified in New Mexico, the agency's ability to complete these plugging projects, with the aid of federal funds, is critical to protecting public health and safety.

Budget: \$58,008.3	FTE: 86	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Number of inspections of oil and gas wells and associated facilities		29,522	39,640	30,000	11,691	8,749	G
Number of abandoned wells properly plugged		76	105	70	9	18	Y
Number of violations issued with associated administrative penalties*		2,552	5,138	N/A	1,343	1,426	
Program Rating		Y	Y				Y

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

PERFORMANCE REPORT CARD

Office of the State Engineer
Second Quarter, Fiscal Year 2025

ACTION PLAN

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

Water Security Planning Act

ISC has published its proposed regional water planning report. The report proposes splitting the state into nine different hydro-administrative boundaries. The largest would stretch from central New Mexico to the border between Texas and New Mexico. These new boundaries would be administered by councils within them, and the councils would provide region-specific insight into effective water management and propose and prioritize projects or improvement within the regions. ISC notes a key point gleaned from public input was for the boundaries to be “soft,” allowing the regions to collaborate on overlapping needs and engage in multi-regional planning.

The Office of the State Engineer (OSE) and the Interstate Stream Commission (ISC) continue in negotiations with Texas, Colorado, and the U.S. government regarding a possible settlement of the Texas lawsuit against New Mexico over the management of the Rio Grande. OSE and ISC met with representatives from all parties in February, though no timeline was finalized. Additionally, negotiations continue in the Colorado River Basin with implications for the state’s compact delivery obligations.

New Mexico’s cumulative debt under the Rio Grande Compact remained within acceptable margins of decline, though trends regarding the state’s debt should be monitored. Efforts by the agency to improve deliveries to Elephant Butte continued in FY24. The number of offers submitted to defendants through OSE’s Litigation and Adjudication Program are on track to exceed the target for the second year in a row. Discussions about new performance measures to monitor the success of other aspects of OSE and ISC should be considered because existing measures capture only a small portion of the agency’s workload.

Water Resource Allocation

The Water Resource Allocation Program processed 21 applications per month in the second quarter of FY25, missing the target by 14. The agency noted this was due to staffing shortages. The program has 51 vacant FTE. This program also serves as “agency reviewers” for the New Mexico Finance Authority and Water Trust Board and as “cannabis water rights validation reviewers” for the Regulation and Licensing Department. Neither of these additional workloads are reflected in current performance measures.

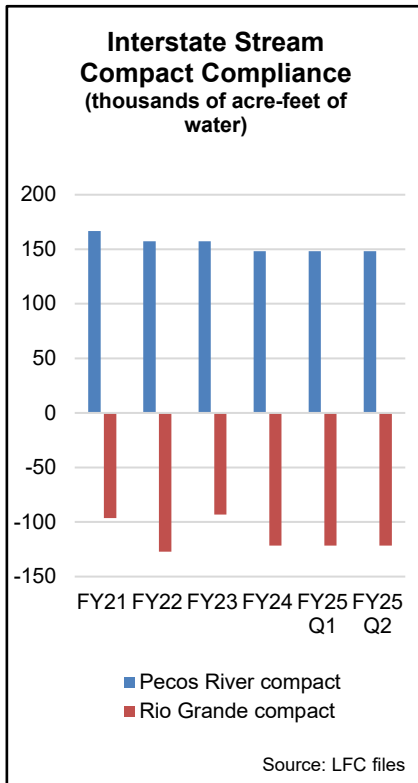
The Water Rights Abstract Bureau is responsible for populating and maintaining the Water Administration Technical Engineering Resource System and is on pace to meet the annual target of 21 thousand transactions. Staff are focusing on groundwater files and district office file maintenance work, which does not substantially affect database numbers. The bureau is also close to completing the abstracting (surveying) of the Estancia groundwater basin. Once done, it will start on the Roswell artesian basin. The Dam Safety Bureau performed enough inspections in the second quarter to nearly reach half the annual target.

Budget: \$21,960 FTE: 192	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Number of unprotested and unaggrieved water right applications backlogged*	499	445	N/A	343	350	G
Average number of unprotested new and pending applications processed per month	39	37.8	35	36	21	Y
Number of transactions abstracted annually into the water administration technical engineering resource system database.	28,665	19,210	21,000	4,361	7,410	G
Number of notices issued to owners of publicly owned dams notifying them of deficiencies or potential issues	61	26	45	0	22	G
Program Rating	G	Y				G

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

PERFORMANCE REPORT CARD

Office of the State Engineer
Second Quarter, Fiscal Year 2025



Interstate Stream Commission

The state's cumulative Pecos River Compact credit continues to be positive; however, the U.S. Supreme Court's Pecos River master recently determined that New Mexico underdelivered for water year 2023 by 8,400 acre-feet. This decision brought New Mexico's current cumulative credit down to 148,200 acre-feet.

New Mexico's Rio Grande Compact cumulative delivery deficit remained at 121,500 acre-feet halfway through FY25, a 31 percent increase in the deficit from FY23. While the current cumulative delivery deficit is still below the compact compliance debit threshold of 200,000 acre-feet, the 31 percent increase is a worrying trend. OSE and ISC are working to identify additional actions that might be needed to increase deliveries. New Mexico's compact status has implications for the ability to store native Rio Grande water in upstream reservoirs. This, in combination with continued construction on El Vado Reservoir, has resulted in challenges for the Middle Rio Grande Conservancy District ability to store irrigation water.

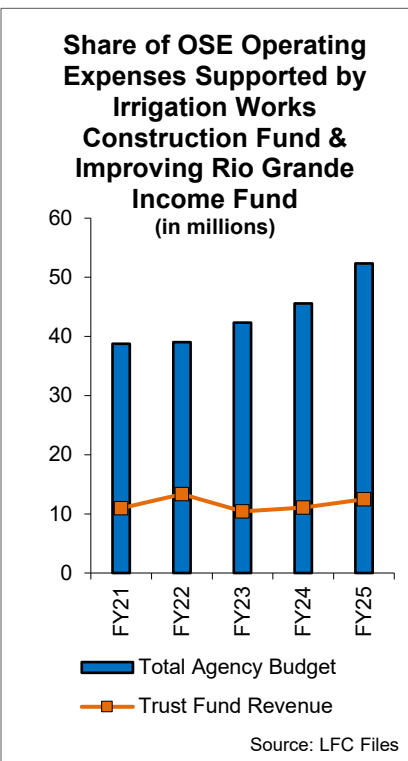
Budget: \$15,095.1	FTE: 68	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Cumulative New Mexico Unit fund expenditures, in millions of dollars*		\$22.0	\$22.3	N/A	N/A	\$23.1	
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet		157.2	156.6	161.6	148.2	148.2	G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre-feet		-127.1	-93	< -150	-121.5	-121.5	Y
Program Rating		Y	G				Y

Litigation and Adjudication

The Litigation and Adjudication Program (LAP) is making progress in the second quarter of FY24 toward its goal of fully adjudicating water rights in the Lower Rio Grande Basin. Anticipating a substantial increase in offers during the third quarter, LAP expects to stay on course to meet its target of 300 offers for FY25 and continue to increase the Lower Rio Grande Bureau's productivity.

Data is regularly added to LAP's water right adjudication database, encompassing information from hydrographic surveys to finalized adjudication details. Monthly updates or as-needed entries are made based on field investigations, surveys, and court actions that result in offers.

Budget: \$8,966.3	FTE: 68	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Number of offers to defendants in adjudications		142	436	300	68	89	G
Percent of all water rights with judicial determinations		76.5%	76.7%	76%	65%	65%	Y
Program Rating		G	G				G

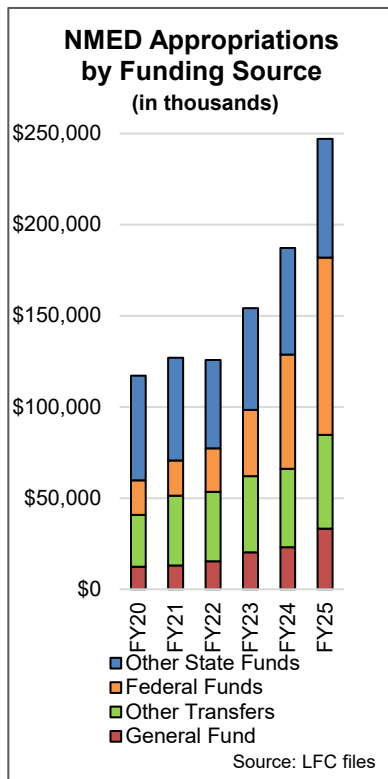


PERFORMANCE REPORT CARD

Environment Department
Second Quarter, Fiscal Year 2025

ACTION PLAN

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



Federal Funding Exposure

The portion of NMED's budget funded through federal dollars has steadily increased over the past five years, growing from \$19 million, or 16.3 percent, in FY20 to \$97.3 million, or 40 percent, in FY25. NMED's Water Protection Division receives the largest portion of federal funding, roughly \$51 million, making up 68 percent of the division's total budget. Discussions at the federal level regarding cuts or clawbacks related to natural resource protection funding increases the pressure on the state to ensure its natural resource agencies can operate even if federal funding is reduced.

Deteriorating performance trends from the first quarter of FY25 continued in the second quarter of FY25 for the Environment Department's (NMED) regulatory programs, despite NMED funding having more than doubled over the last five years. These results are due to a mixture of external and internal issues. Due to new credentialing processes for the Surface and Water Quality bureaus, inspections fell far below the target. Additionally, persistent issues with staff recruitment and retention hinder performance at the Solid and Hazardous Waste bureaus. These issues, coupled with NMED's agencywide issues with recruitment and retention, result in deteriorating performance. NMED suggests the department needs additional significant funding to address its staffing and retention issues.

These issues could be further exacerbated by potential federal funding cuts to natural resource protection funding. Coordination with NMED regarding federal funding volatility and its potential impact on the agency will be imperative to anticipate and adapt to a changing natural resource landscape.

Water Protection

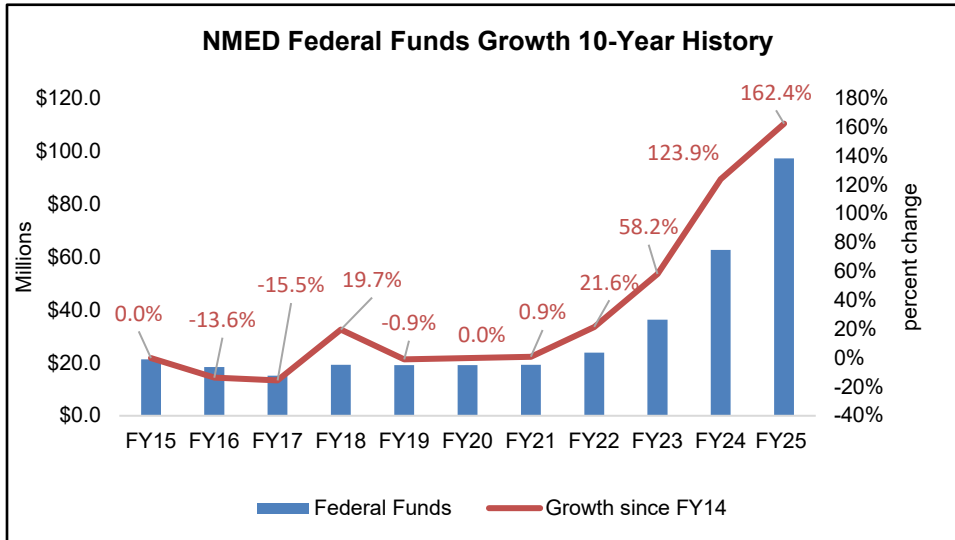
The Water Protection Program continues to assist communities in developing internal capacity to use state and federal funding for infrastructure improvement and water resource management. The Surface Water Quality Bureau, due to changes in the U.S. Environmental Protection Agency's credentialing process, added one additional credential inspector in the second quarter of FY25. This resulted in the percentage of surface water permittees inspected increasing to 25 percent in the second quarter of FY25, an improvement from the first quarter but still off the pace to reach the FY25 target. Staffing issues with the groundwater program continue to hamper the program's ability to conduct inspections. The agency is working to reclassify the positions to make them more competitive, though the consistent vacancy level at the program and its impact on its performance remain an issue to be monitored. The Construction Programs Bureau initiated 47 new water infrastructure projects, totaling roughly \$14.9 million, and is on pace to exceed its FY25 target.

Budget: \$62,511.4 FTE: 191.3	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Percent of the population served safe and healthy drinking water	89.8%	89.5%	95%	95%	94.8%	Y
Percent of surface water permittees inspected	145%	100%	100%	10%	25%	R
Percent of groundwater permittees inspected	18.2%	30.6%	65%	11%	9.3%	R
Number of new water infrastructure projects	157	175	115	47	47	G
Program Rating	Y	Y				Y

Resource Protection

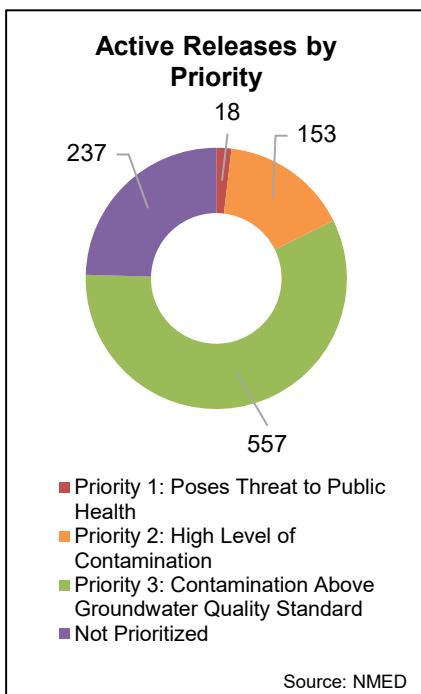
The Resource Protection Program continued to fall far behind its target for all three of its performance measures. The program has historically had issues with recruitment and retention, specifically in its Solid and Hazardous Waste bureaus, resulting in performance that consistently lags its targets. The program notes it has continued to work to reclassify existing vacancies to higher-level positions to improve recruitment and

retention, but the agency reports additional staffing is needed to improve the rate of inspections. The agency did not prioritize staffing increases for its FY26 budget request.



In the second quarter of FY25, the Petroleum Storage Tank Bureau (PSTB) did not issue “no further action” (NFA) status for any sites. NFA status signifies compliance with remediation standards, assuring no significant risk of harm to public health or the environment at the site. Notably, NFA status determinations are fluid throughout the year, based on specific site conditions, staffing levels, and the availability of funding from the corrective action fund. PSTB currently has proposed assessments totaling \$2.5 million from the corrective action fund pending approval by the department for proposed work.

The Hazardous Waste Bureau (HWB) monitors 2,495 hazardous waste generators in the state, though this number changes frequently. HWB has 6 FTE focused on compliance and completed 93 inspections in FY24. HWB inspected 1 percent of the hazardous waste sites in the state in the second quarter of FY25, though the bureau noted it has hired new inspectors and plans to expand the department. The continued trend of low inspection rates remains even after the bureaus began the decline in the pandemic and while it has been predominantly due to a lack of staff, new efforts to improve performance should be prioritized. The creation of the Compliance and Enforcement Division (CED) could aid in increasing the operational success of the bureau.



	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Budget: \$18,653.4 FTE: 144.3						
Number of completed cleanups of petroleum storage tank release sites that require no further action	2,005	2,041	1,976	0	0	R
Percent of solid waste facilities and infectious waste management facilities inspected	53.3%	98.8%	87.5%	10.6%	13%	R
Percent of hazardous waste facilities inspected	3.7%	3.7%	15.0%	1.3%	1%	R
Program Rating	R	R				R

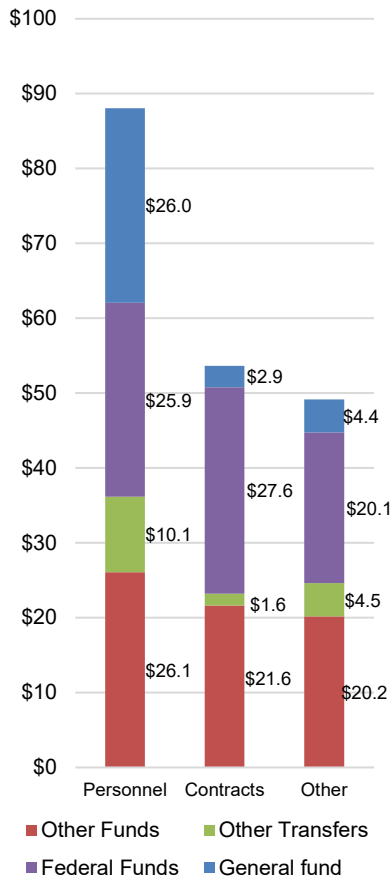
Environmental Protection

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, many of NMED’s regulatory compliance programs continually struggle to meet their targets. The Environmental Protection Division’s Air Quality (AQB) and Radiation Control bureaus (RCB) are responsible for enforcing regulatory and compliance measures to protect the environment and prevent harm to human health. The creation of CED will move the enforcing of the regulation and permits from these bureaus, which could improve compliance.

PERFORMANCE REPORT CARD

Environment Department
Second Quarter, Fiscal Year 2025

**FY25 Budget Categories
Revenue Source
(in thousands)**



Source: LFC files

In addition to inspections and monitoring, RCB's work includes assisting nuclear workers who have become ill due to occupational exposures received while working for contractors or subcontractors at U.S. Department of Energy facilities or in the uranium industry. NMED contends that reaching the target of inspecting 85 percent of radiation sources would require 216 inspections from each staff member, and the target cannot be met with current staffing levels.

AQB has deployed new air monitoring instruments that improve connectivity, efficiency, and remote access to air quality data. The bureau worked with the New Mexico Climate Change Task Force to develop rules for reducing volatile organic compounds and oxides of nitrogen emissions in the oil and gas industry. AQB has hired three new inspectors and is in the process of hiring two more, with the goal of 11 inspectors, a supervisor, and a manager. New hires could address the lagging performance measures, which are not on track to meet FY25 targets.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Budget: \$18,320.1 FTE: 121.8						
Percent of ionizing and non-ionizing radiation sources inspected	15%	16.8%	20%	5.6%	3.7%	R
Percent of air emitting sources inspected	33.3%	32.2%	25%	7.8%	3.4%	R
Percent of the population breathing air meeting federal health standards	99.9%	99.9%	95%	98.3%	90.8%	Y
Program Rating	R	R				R

Environmental Health

The Environmental Health Program continued to administer the state hemp extraction and manufacturing program. The program is also responsible for working to prevent workplace injuries and fatalities, avoiding unnecessary risks to public health from commercially prepared foods, regulating septic tanks, and ensuring the safety of public pools and spas.

The Occupational Health and Safety Bureau conducts hundreds of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau, which inspects approximately 1 percent of all workplaces each year, found 80 percent of employers did not meet occupational health and safety requirement for at least one standard in the second quarter, exceeding the target by 55 percent. The bureau must continuously refine its strategy for targeting the highest-risk workplaces and aim to meet its FY25 target, falling short of reaching it last year.

Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. However, the same inspectors cover restaurants, food manufacturers, pools, and spas. Bureau staff currently have a compliance and enforcement workload of approximately 313 facilities per inspector, above the federal Food and Drug Administration's guidance that retail food inspectors (a much narrower role than Environmental Health Bureau inspectors) are assigned 280-320 inspections.

PERFORMANCE REPORT CARD

Environment Department
Second Quarter, Fiscal Year 2025

This has resulted in high vacancy rates within the bureau and most inspections not being able to be conducted in-person, a worrying trend the agency should work to improve.

Budget: \$ 16,219.3 FTE: 156.0	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Number of employers that did not meet occupational health and safety requirements for at least one standard compared with the total number of employers	64%	67.1%	55%	72%	80%	Y
Percent of restaurants and food manufacturers inspected	80%	80.5%	90%	21%	17.1%	Y
Percent of new or modified liquid waste systems inspected	86%	91%	85%	49%	51.5%	Y
Program Rating	R	R				Y

ACTION PLAN

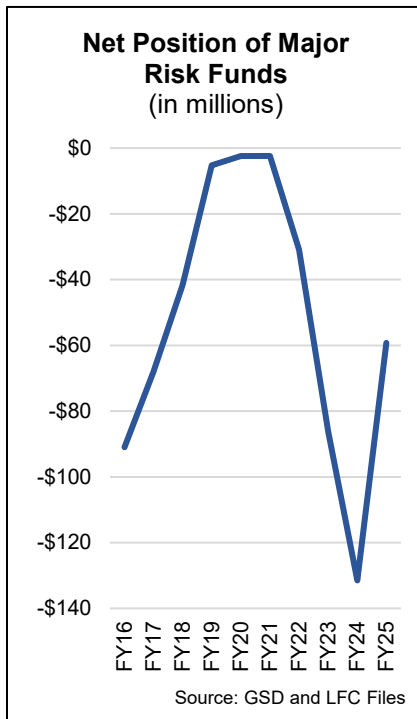
Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes

The General Services Department (GSD) reports continued deterioration of funds managed by the Risk Management Division, driven by large civil rights claims against several state agencies and institutions of higher education. GSD reports the state's public liability fund is projected to close the fiscal year without reserves. Special appropriations to ensure the solvency of the fund were approved by the Legislature but will only cover a portion of the fund's losses.

Risk Management

The department's Risk Management Division oversees the state's shared risk pools, including the public property fund, the workers compensation fund, and the public liability fund. Overall, the financial position of the three funds, determined by dividing the current assets by the current liabilities, is 45 percent, down from 78 percent at the end of FY22, but the larger driver of losses is the state's public liability fund. While projected liabilities in that fund have decreased to \$86.2 million, down from \$131 million, projected assets are expected to be in the negative at the end of FY25. Overall, projected assets are short of projected liabilities by \$59.2 million, with the public liability fund reporting a shortage of \$102 million. The public property fund remains well above the 50 percent target and currently holds reserves in excess of projected liabilities.

A one-time cash infusion of \$20 million to the public liability fund, approved by the Legislature during the 2024 session, has helped rebuild cash reserves, which stood at \$30.3 million in January 2025. But large settlements from a few agencies, notably the Children, Youth and Families Department and the Corrections Department, have driven significant losses for the fund that will need to be recovered in future years. The Legislature approved an additional \$5 million at the 2025 session.



Budget: \$110,968.7 FTE: 0	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Projected financial position of the public property fund*	215%	275%		370%	369%		G
Projected financial position of the workers' compensation fund*	56%	63%		279%	282%		G
Projected financial position of the public liability fund*	42%	16%		-19%	-18%		R
Program Rating	R	R					R

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

Facilities Management

The Facilities Management Division (FMD) is responsible for maintaining 6.8 million square feet of state-owned and leased space. FMD reports only 85 percent of scheduled preventive maintenance activities were completed on time, although the agency met performance targets for on-time completion of capital projects. The agency reports an inability to keep up with preventive maintenance due to a shortage of staff.

GSD continues to report 100 percent of leases meet adopted space standards; however, reports indicate most of the leases were exempt from the standard recommendation and not counted in the total. In the second quarter, seven new leases were completed. Four were exempt and one lease received a waiver. Routine exclusion of leases not meeting

PERFORMANCE REPORT CARD

General Services Department
Second Quarter, Fiscal Year 2025

space standards negates the value of this measure and the agency should adjust its methodology to accurately report the percentage of leases meeting the 215 square feet per FTE target.

Budget: \$20,369.5 FTE: 148	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Capital projects completed on schedule	87%	94%	90%	92%	94%		G
Preventive maintenance completed on time	70%	67%	90%	60%	85%		R
Amount of utility savings resulting from green energy initiatives, in thousands*	-\$38	\$376		\$77	\$137		R
Program Rating	R	Y					Y

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

The state has yet to realize projected cost savings from the green energy initiatives, with the department reporting \$376 thousand in savings in FY24. In August 2019, FMD began a \$32 million project to reduce energy use in state facilities, estimated to save at least \$1.4 million per year, with guaranteed savings of \$1.1 million. In the second quarter of FY25, the department reported \$137 thousand in savings.

Other Programs

GSD also provides other services to state agencies, including printing and transportation services, and oversees executive agency compliance with the Procurement Code.

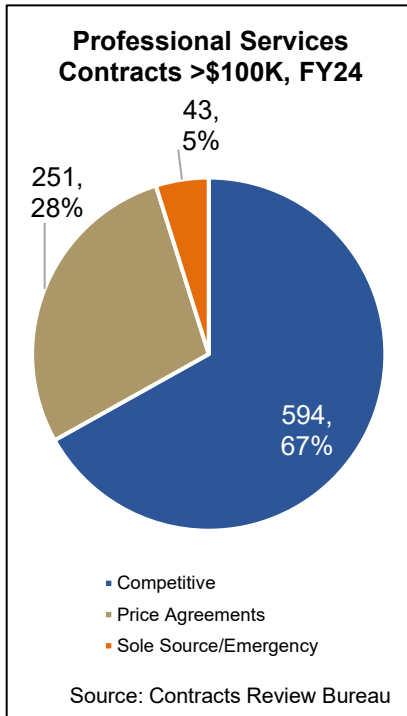
State Purchasing

In the second quarter, the awards from invitations to bid were not completed within the targeted timeframe, with only 74 percent of bids awarded within 90 days. Overall, only 67 percent of procurements were completed within targeted timeframes, below the target of 80 percent.

State agencies have increased their reliance on price agreements for purchasing services: monthly reports from the GSD's Contracts Review Bureau show a quarter of professional services contracts valued at more than \$100 thousand were purchased using a price agreement rather than through a competitive proposal. Previous LFC evaluations included recommendations to repeal some widely used purchasing exemptions that circumvent competition and adding guardrails to the use of statewide price agreements. To date, recommended changes to the Procurement Code remain unaddressed.

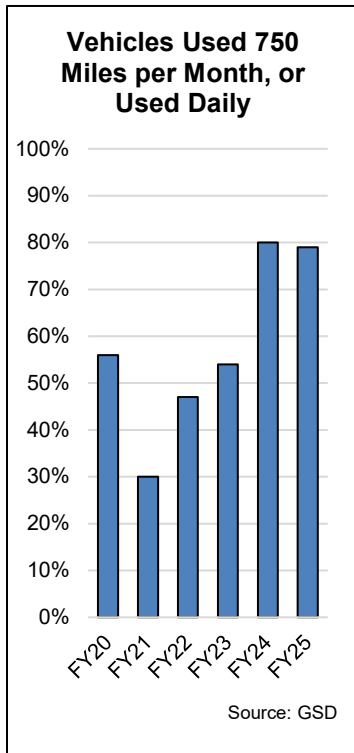
Transportation Services

Over the long term, state agencies have improved their vehicle utilization, with nearly 80 percent of leased vehicles used daily or for at least 750 miles per month, above the performance target of 70 percent. GSD reports 36 percent of vehicles were used for more than 750 miles per month, while 42 percent of vehicles were used daily. Operating costs for vehicles exceeded the target 9 cents per mile in FY24, although the department notes the total remains below the industry average of 81 cents per mile, according to the



PERFORMANCE REPORT CARD

General Services Department
Second Quarter, Fiscal Year 2025



American Automobile Association. The division's operation could change dramatically in light of the recent executive order transitioning the state's vehicle fleet to zero emission vehicles. Currently, the division does not have performance metrics related to the transition, but the executive order required GSD and the Department of Transportation to develop program benchmarks and progress reporting.

State Printing

The State Printing Program reported a 39 percent increase in sales in the first quarter, and to prepare for the legislative session in the third quarter the division needed to purchase paper and supplies. Expenses exceeded revenue by \$209 thousand, but the division anticipates recovering those costs as invoices are paid. All printing jobs were delivered on time.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Procurements completed within targeted timeframes	87.4%	80.8%	80%	78%	67%		R
Percent of invitations to bid awarded within 90 days	NEW	74%	90%	84%	74%		R
Average number of days for completion of contract review	3.2	1.0	5	1.6	NR		R
Percent of leased vehicles used for 750 miles per month or used daily	54%	80%	70%	97%	79%		G
State printing revenue exceeding expenditures	7%	1%	5%	-60%	-22%		Y
Program Rating: Purchasing	G	G		Y	R		
Program Rating: Transportation	Y	Y		G	G		
Program Rating: Printing	G	G		G	G		

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

PERFORMANCE REPORT CARD

State Personnel System

Second Quarter, Fiscal Year 2025

ACTION PLAN

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

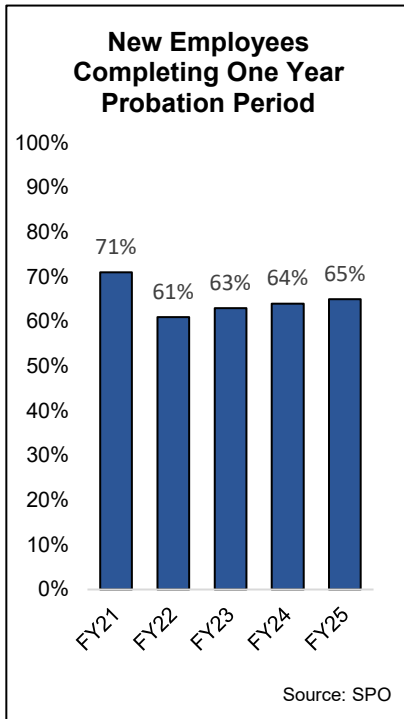
Recent pay increases and stabilization of the broader job market helped to improve key metrics related to the state's personnel system, but high turnover and the continued growth in the number of positions within state agencies led to continued high vacancy rates. SPO reports a promising increase in the percentage of employees completing probationary periods.

Budget: \$4,673.0	FTE: 44	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Average number of days to fill a position from the date of posting*		66	64	N/A	63	64		Y
Classified service vacancy rate*		23.8%	22.7%	N/A	22.3%	21.8%		R
Percent of classified employees who successfully complete the probationary period*		63%	64%	N/A	65%	69%		R
Average classified employee compa-ratio*		98.7%	100.8%	N/A	101.6%	102.0%		Y
Average classified employee new hire compa-ratio*		95.5%	96.9%	N/A	97.7%	97.9%		G
Number of hires external to state government*		3,109	3,465	N/A	762	685		G
Average classified service employee total compensation, in thousands*		\$99.8	\$108.1	N/A	\$111.6	\$112.2		
Cost of overtime pay, in millions*		\$41.1	\$44.8	N/A	\$11.8	\$9.6		
Number of salary increases awarded*		1,660	890	N/A	1,576	319		Y
Program Rating		Y	Y					Y

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

The State Personnel Office (SPO) reports the classified service vacancy rate is 21.8 percent, nearly 20 percent higher than the rate in FY21, but this increase has been primarily caused by significant increases in the number of new positions created. While agencies have been successful at attracting candidates from outside state government, the state must work on retaining these new employees to lower vacancy rates. SPO reports agencies have made significant inroads in reducing the time it takes to fill a position, dropping from 72 days in the first quarter of FY23 to 64 days in the second quarter of FY25. SPO has prioritized working with agencies to reduce the time-to-fill metric.

Providing competitive compensation packages to state employees is key to improving recruitment and retention. On average, total compensation for state employees topped \$112 thousand in FY25, an increase of 5.2 percent from the first quarter of FY23 and 11.6 percent from the first quarter of FY24. Based on information from the U.S. Bureau of Labor Statistics, recent increases in New Mexico have been higher than national benchmarks. However, many agency staff report a lack of competitive pay packages as a barrier to filling positions. Part of this perception is due to the relatively high share of total compensation in fringe benefits offered to state employees. State employees receive nearly 40 percent of their total compensation through benefits, compared with 30 percent for workers in the private sector, based on national data. This amount will increase in the future based on legislation passed during the 2025 legislative session which increased the state's share of health insurance premiums to a minimum of 80 percent of the total cost.



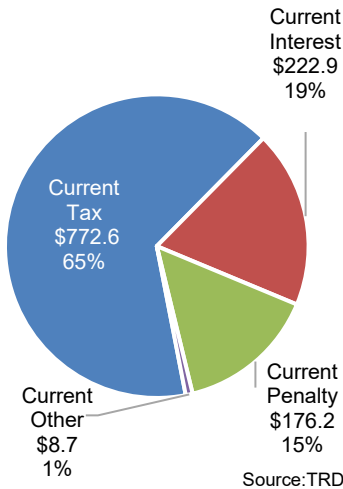
According to SPO, only 64 percent of new employees complete their probationary period. If retention patterns do not change, more than 1,200 on the 3,465 people hired in FY24 will not complete their one-year probation.

To reverse trends, SPO has encouraged agencies to take advantage of resources such as SPO-led management training courses. Research shows positive relationships with managers are key to retaining employees and encouraging a productive workforce.

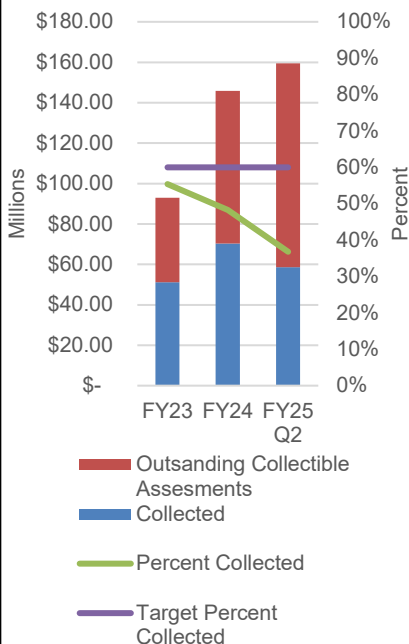
ACTION PLAN

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

Outstanding Tax Amounts by Category
\$1.18 Billion Total
(In millions)



Collections as a Percent of Collectible Audit Assessments



In the second quarter of FY25, the Taxation Revenue Department (TRD) continued to make technological advancements in the Motor Vehicle Division (MVD) aimed at increasing the convenience of customers. The Audit Compliance Division of the Tax Administration Program has a collectable balance of \$1.5 billion and has collected \$195.4 million, or 13 percent of the collection goal. The total FY25 reduction in the fiscal year beginning accounts receivable is \$606.4 million or 31.7 percent, bringing the total balance to \$1.3 billion. The Tax Fraud Investigations Division (TFID) has seen some progress in judicial districts taking white-collar investigations. TRD leadership is working to integrate a special prosecutor who will provide legal support on TFID cases.

Tax Administration

The Audit and Compliance Division creates collection goals centered around return on investment (ROI) measures. Of the \$1.5 billion, ACD collected \$195.4 million, which is 13 percent. The beginning accounts receivable reductions are a result of amended returns, abatements, deactivations, bankruptcy, and reversals. The total FY25 reduction in the fiscal year beginning accounts receivable is \$606.4 million or 31.7 percent, bringing the balance to \$1.3 billion. As of January 9, 2025, ACD collected \$183.4 million of the \$279.7 million collection goal for the ROI Measure. The budget for FY25 is \$21.5 million with a collection goal of \$279.7 million. Assessments are deemed uncollectible by statute if cases are in protest, bankruptcy, deactivated, or less than 91 days old. FY25 2nd quarter assessments totaled \$173.4 million; of which \$0 is less than 90 days old, \$1.5 million is in protest, \$134.6 thousand in bankruptcies, and \$12.4 million has been abated. This leaves a collectible balance of \$159.4 million, of which \$58.6 million has been collected. This results in a collection percentage of 36.8 percent.

Budget: \$28,463.8	FTE: 340.66	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*		15.8%	22.6%	20%	9.4%	13.0%	Y
Collections as a percent of collectible audit assessments generated in the current fiscal year		55.4%	48.3%	60%	31.9%	36.8%	G
Program Rating		R	R				Y
*Accompanying graph is from FY24							

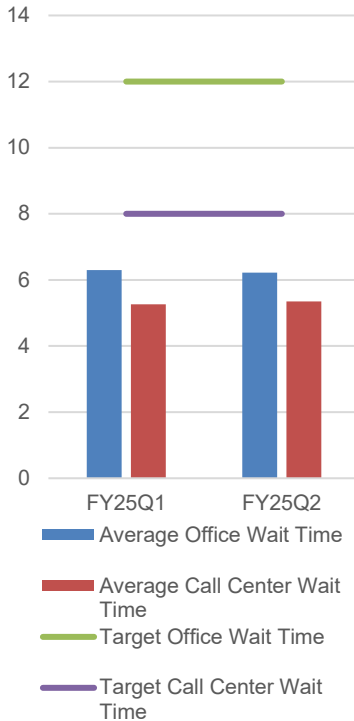
Compliance Enforcement

The Internal Investigations Bureau opened 49 cases and completed 46 cases during the second quarter of FY25. All closed cases were within the 60-day timeframe, and there are three cases still pending completion. During the second quarter of FY25, TFID had five tax investigation cases referred for prosecution and opened 12 investigations for additional review. TFID has 34 open investigations which will require in-depth analysis, subpoena returns and investigative action. There are also nine preliminary investigations which require additional review before being assigned as an open case. TFID currently has two tax fraud cases in the prosecution process, with 24 cases pending prosecutions in several district courts.

PERFORMANCE REPORT CARD

Taxation Revenue Department
Second Quarter, Fiscal Year 2025

Average Waiting Time in Q-matic MVD Call Centers and Q-matic MVD Offices (in minutes)



Source: TRD

Budget: \$2,097.1 FTE: 21

Tax investigations referred to prosecutors as a percent of total investigations assigned during the year

FY23 Actual FY24 Actual FY25 Target FY25 Q1 FY25 Q2 Rating

10% 41% 30% 80% 42% **G**

Successful tax fraud prosecutions as a percent of total cases prosecuted

100% 100% 50% 0% 0% **R**

Program Rating

R **R** **Y**

Motor Vehicle

The Motor Vehicle Division (MVD) launched two digital tools for consumers this quarter: the Mobile Driver License (MDL) and the In-State Age Verifier app. The purpose of the MDL is to offer consumers a secure, convenient way to carry their driver's license. The digital version is supposed to enhance accessibility by reducing the need to use a physical card in everyday situations. Since the launch of MDLs in November, 28,324 customers have enrolled for an MDL. MVD also launched the In-State Age Verifier App to streamline age verification processes for both businesses and individuals. The purpose of the app is to allow users to efficiently and accurately confirm the age of a person based on their state-issued ID.

The MVD call center and office wait times have not changed since the first quarter, which is a result of the division's new queueing system. The new system has allowed improved customer satisfaction by providing clear expectations about waiting times and service processes. During the second quarter, MVD served 179,023 customers, which is slightly lower than its quarterly average from FY24. MVD has been working with an outside vendor to analyze the division's weaknesses and find areas of opportunity to improve the quality of its service.

Budget: \$55,161.1 FTE: 332

Registered vehicles with liability insurance

FY23 Actual FY24 Actual FY25 Target FY25 Q1 FY25 Q2 Rating

91.0% 90% 95% 90% 91% **Y**

Average wait time in Q-matic equipped offices, in minutes

4:48 4:50 12:00 6:30 6:22 **G**

Average call center waiting time to reach an agent, in minutes

6:18 4:19 8:00 5:26 5:35 **G**

Program Rating

G **G** **G**

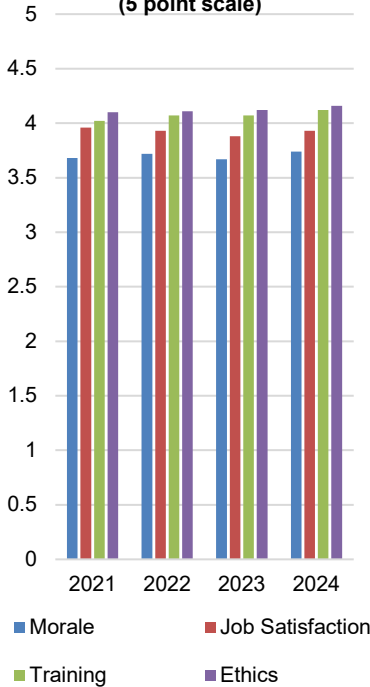
Property Tax

The Property Tax Division (PTD) is working with its software supplier, Catalis, in bridging the gap between county software uploads and the State system. PTD is projecting the Catalis software to be fully updated by the end of the third quarter, which will allow the system to provide the total value of every property sold at each auction. PTD held 15 auctions in quarter two, which led to an increase in property tax collections.

PERFORMANCE REPORT CARD

Taxation Revenue Department
Second Quarter, Fiscal Year 2025

Employee Year-to-Year Survey Results (5 point scale)



Budget: \$6,491.4 **FTE:** 39

Delinquent property tax collected and distributed to counties, in millions

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
-------------	-------------	-------------	---------	---------	--------

\$13.9	\$10.8	\$11.0	\$2.4	\$3.4	Y
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Percent of total delinquent property taxes recovered

21.0%	17.0%	15.0%	3.5%	4.0%	Y
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Program Rating

G	G	Y
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Program Support

During the second quarter of FY25, the Office of Internal Oversight (OIO) reported 386 of 2,317 tax protest cases were resolved. OIO has resolved a total of 801 tax protest cases for FY25, which is 46 percent of the end of year target of 1,738. Program Support can send protest cases to the Administrative Hearings Office (AHO) for specialized hearings and 58 cases of the total number of cases were sent to AHO. Currently there are three internal auditor positions vacant, which impacts the internal audit team's efforts to implement internal audit recommendations. OIO managed to reach its quarterly goal of three by recommending six internal audits.

Budget: \$12,047.2 **FTE:** 102

Tax protest cases resolved

FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	Rating
-------------	-------------	-------------	---------	---------	--------

1,892	1,593	1,738	415	801	Y
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Internal audit recommendations implemented

90%	92%	90%	100%	100%	G
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Program Rating

R	G	Y
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ACTION PLAN

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

The Department of Transportation (NMDOT) reported deterioration in the quality of New Mexico's roads between 2022 and 2023. While most roads and bridges remain in fair or better condition, the number of miles of poor roadways has spiked from previous years, returning closer to historic averages.

Project Design and Construction

NMDOT has improved its ability to put projects out to bid as scheduled over the long term, but rising costs have limited the number of projects the department can complete, and projects are falling behind schedule more frequently. NMDOT reports all of projects were completed on time in the second quarter; overall projects were completed 1 percent over budget.

Highway Operations

The department is on track to easily surpass its annual performance targets for preserving highway pavement, with 2,797 miles preserved in the first half of the year, with a target of 3,500. Overall, the number of bridges rated in better than poor condition remains better than the target of 95 percent.

Modal

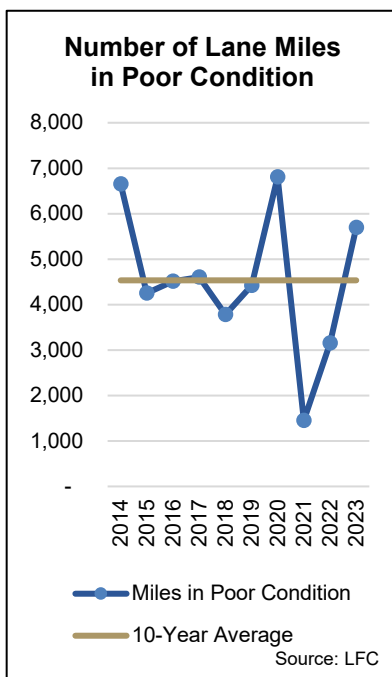
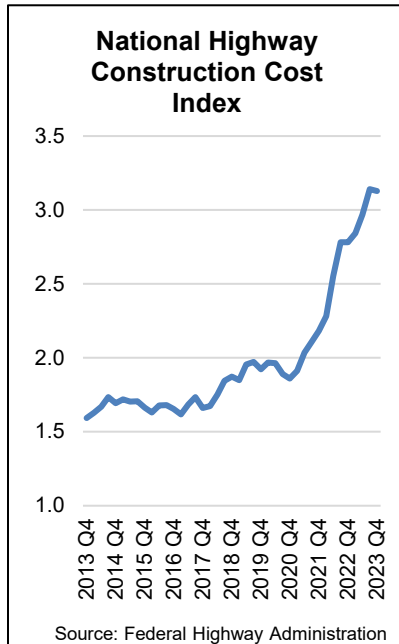
New Mexico has among the highest number of motor-vehicle-related fatalities in the country and the highest rate of fatalities for pedestrians involved in motor vehicle crashes. Notably, the number of pedestrian fatalities appears to have decreased, but totals are typically revised upwards after the end of the reporting period.

Program Support

The department's vacancy rate fell from the level seen in FY23 and remains below the statewide average vacancy rate, while departmental safety initiatives are reducing workplace injuries, which are on track to fall below the performance target.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
Percent of projects completed according to schedule	89%	85%	88%	82%	100%		G
Number of statewide pavement lane miles preserved	4,373	2,966	3,500	1,454	1,343		G
Lane miles in poor condition.	1,451	3,155	6,925	5,696	5,696		G
Traffic fatalities	443	410	400	123	76		R
Vacancy rate in all programs	20%	17%		16%	15%		G
Program Rating: Project Design and Construction	G	Y		R	G		
Program Rating: Highway Operations	G	G		G	G		
Program Rating: Modal	R	R		R	R		
Program Rating: Program Support	G	G		G	G		




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







For the second quarter of FY25, most project statuses remain the same as the first quarter of the fiscal year ranking. Agencies continue making progress in obtaining functional systems. However, project trends at the beginning of FY25 include delayed deployment in project functions, which has caused closeout-date extensions and cost increases for some projects.

Project Status Legend





G	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
Y	Project has potential risk to scope, cost, schedule, or deliverables; independent verification and validation (IV&V) or LFC staff has identified one or more areas of concern needing improvement.
R	Significant issues limit success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed.

Status Trend	Overall project status has shown improvement this quarter (example: a project moved from red to yellow)	Overall project status has declined since last quarter (example: a project moved from green to yellow)	Overall project status remains the same
			

DoIT-Led Projects

-   The **P25 public safety radio project** (\$101.1 million; 84.8 percent expended) will replace and upgrade public safety radio equipment statewide for an estimated total cost of \$190 million. The agency has 50 confirmed subscribers, including school and local police, fire departments, and other various federal and state safety agencies. However, DoIT reestimated the project to be completed by 2030, with a new estimated total project cost of \$190 million, 6 years and \$40 million beyond initial estimates.
-   2021 legislation created a new **statewide broadband program** (\$281.6 million; 8.5 percent expended) within DoIT and the new Office of Broadband Access and Expansion (OBAE). OBAE has grown to 23 full-time employees. The agency's Broadband Equity, Access, and Deployment (BEAD) Volume 2 was approved in July 2024, allowing OBAE one year to distribute \$675 million of federal funds for broadband expansion and recently published its three-year plan in January 2025.

Executive Agency IT Projects

-   The Health Care Authority's (HCA) **child support enforcement system replacement (CSESR) project** (\$32.9 million appropriated; 46.3 percent expended) aims to replace the legacy child support application. Project cost estimates increased—totaling \$109 million, up from the initial \$65 million expected cost—alongside an expanded timeline through FY27 that has not yet been certified by the project certification committee (PCC), posing risk. The Legislature reauthorized \$10.6 million in unspent balances from previously appropriated funds for FY26.
-   HCA's **Medicaid management information system replacement (MMISR) project** (\$369.4 million appropriated; 82.8 percent expended), which started in December 2013, will replace the legacy MMIS application and is supported by a 90 percent federal funding match at a total estimated cost of \$533 million in nonrecurring funds alone. The project has seen substantial delays—estimated to be completed in FY27—and cost overruns. The HCA has gone live with its benefit management services in FY25, allowing provider enrollment of Medicaid and other providers into the agency's new system

Given the HCA's progress on the project and deployment of modules, the schedule has changed to yellow for Q2, affecting the overall score for the quarter.

Y



The Children, Youth and Families Department's **comprehensive child welfare information system (CCWIS) project** (\$69.5 million appropriated; 65.2 percent expended) –now the New Mexico Impact Project- intends to replace the old family automated client tracking system or FACTS. Initially expected in 2023, CYFD now estimates system utilization in late 2025, with a project close-out in late 2027. Costs have almost doubled from \$45 million to \$82 million, and the complete project is now expected to cost \$90 million.

G



The Corrections Department's (NMCD) **electronic health records project** (\$8.6 million appropriated; 73.3 percent expended) is intended to replace the existing paper healthcare records system with an electronic-based system that will integrate and exchange information across systems. The project is currently adequately funded and will receive \$1.925 million in FY25 for project improvements. The end date has changed to May 2025, almost a year later than the initial planned end date.

G



The Department of Public Safety's (DPS) **records management system (RMS) project** (\$7.4 million appropriated; 95.7 percent expended) will provide public safety agencies with a new data repository. DPS closed out its computer-aided dispatch (CAD) project (\$3 million; 100 percent expended) in July 2024. Both systems are live as of May 2024.

Y



DPS's **intelligence-led policing project** (\$5.5 million appropriated; 47.8 percent expended) will implement a new system to incorporate the needed data and analytics functions to generate valuable intelligence to more efficiently direct law enforcement resources in a proactive rather than reactive approach. DPS reports the project, now in two phases. Phase one is near completion, and phase two will finish by June 2027, with a new total cost estimate of \$16.1 million.

R



The Higher Education Department's (HED) **longitudinal data system (LDS) project** (\$16.4 million appropriated; 40.3 percent expended) will implement a cloud-based data-warehouse to aggregate New Mexico's education and workforce data for a total estimated cost of \$14.1 million. HED expanded the timeline to 2026 to accommodate additional project phases, posing a substantial risk.

G



The Regulation and Licensing Department's (RLD) **permitting and inspection software modernization project** (\$17.1 million appropriated; 96.5 percent expended) will replace the legacy system Accela. RLD has certified \$7.1 million for all phases of the project. The accelerated timeline is regarded as the highest current risk but does not significantly impact the project. RLD currently does not have an independent verification and validation contract in place for phase five of the project.

OVERVIEW

Project Phase Implementation

Start Date 9/27/18

Est. End Date 6/30/24

Revised 6/30/27

Revised 6/30/30

Est. Total Cost \$150,000.0

Revised \$170,000.0

Revised \$190,000.0

Project Description

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

P25 Digital Public Safety Radio System Upgrade Project

Overall Status

The Department of Information Technology (DoIT) continues with deployment plans for its public safety radio project, with 38 confirmed agency subscribers, including school and local police, fire departments, and other various federal and state public safety agencies. P25 currently provides coverage for 62 percent of the state, a 22 percent increase from the end of FY23. However, DoIT reestimated the project to be completed by 2030, with a new estimated total project cost of \$190 million, 6 years and \$40 million beyond initial estimates.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	Y	Y	Y	Rating	Rating
Schedule	G	G	Y	Y	Rating	Rating
Risk	Y	Y	Y	Y	Rating	Rating
Overall Rating	Y	Y	Y	Y	Rating	Rating

Budget

DoIT was appropriated \$10 million in new capital outlay funding for the project during the 2024 legislative session, now available for use following voter approval of the general obligation bond. DoIT has been subsidizing costs for its agencies, including the use of a \$2.8 million nonrecurring appropriation for radio subsidies for federal and local governments. The 2025 General Appropriation Act contains a \$2 million nonrecurring special appropriation to continue subsidies, with the Capital Outlay Bill supporting \$20 million in severance tax bonds for further infrastructure deployment.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$101,164.3	\$0.0	\$101,164.3	\$85,806.7	\$5,357.6	84.8%

Schedule

The agency has 68 radio towers with full operability usage and is in active deployment for an additional 36 towers. Though capital projects tend to have longer timeframes, DoIT has revised the completion date for the project to end in 2030, in addition to a \$40 million cost increase. Because the project is a multi-year, multi-phase project, funding availability and the potential for deployment delays will continue to play a role in DoIT's ability to maintain its current project schedule.

Risk

The large capital cost and long-term deployment schedule continue to pose some level of risk, which has been manageable as the agency continues to work on various expansion projects. There is potential for deployment delays due to ongoing chain supply disruptions. The P25 advisory committee continues meeting regularly.

P25 Full Subscribers*
Los Lunas School Police
Office of Superintendent of Insurance
Doña Ana County (Fire and Sheriff)
Rio Rancho Police Department
State Parks
TRD Tax Fraud Investigations Division
City of Santa Fe
Doña Ana County Office of Emerg. Management
BNSF Railroad Police
Peralta
Belen
Valencia County Fire
Department of Transportation
Eddy County (in deployment)
New Mexico District Attorney's Office
Attorney General's Office
Corrections Department
Children, Youth and Families Department
Rio Rancho (in deployment)
Sandoval County (in deployment)
Los Lunas
Tijeras Fire Dept.
U.S. Marshal Service
Bernalillo County
U.S. Bureau of Alcohol, Tobacco and Firearms
New Mexico State University
Albuquerque
Spaceport America
State Police

*Does not include nine interoperability partner organizations

Source: DoIT

OVERVIEW

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

Statewide Broadband Program

Overall Status

The Office of Broadband Access and Expansion (OBAE) released its updated three-year statewide broadband plan in January 2025 and has opened its applications for the \$675 million federal Broadband Equity, Access and Deployment (BEAD) grant program, with 29 entities eligible to apply. OBAE received 66 applications from 18 entities for BEAD funding.

Project Description

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Rating	Y	R	R	R	Rating	Rating
Schedule	Y	Y	Y	Y	Rating	Rating
Risk	Y	Y	Y	Y	Rating	Rating
Overall Rating	Y	Y	Y	Y	Rating	Rating

Budget

OBAE has opened its applications for BEAD funding to start the federal award process of \$675 million. Additionally, OBAE has awarded \$13.5 million to three entities in student connect grants, funded by general fund appropriations, to provide rural students and staff with more internet access. For FY26, the Legislature reauthorized more than \$54.4 million from balances from previous broadband special appropriations.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding ¹	Spent to Date ¹	Balance	Percent of Appropriations Spent
\$151,388.7	\$130,307.3	\$281,696.0	\$24,036.7	\$257,659.3	8.5%

¹ State funding includes Connect New Mexico, capital outlay, and other DoIT funds. Federal funding includes \$123 million from ARPA funds, \$1.5 million in CARES Act funding, \$5 million from the BEAD planning grant, and \$745 thousand from Digital Equity grants. ¹ Spent to date amounts do not include encumbrances.

Schedule

Reversion deadlines pose the biggest risk for the office. Currently, \$25 million is set to revert at the end of FY25 as the Legislature did not extend the use of funding. However, the office is on track to obligate federal funds before deadlines. The office is making awards for federal programs, such as the Promoting Internet Needs of New Mexicans (PINON) grant program for digital equity.

Risk

OBAE's growth has allowed the office to make progress on awarding Connect New Mexico fund dollars and developing needed plans to access new federal funds. However, OBAE expects several staff and leadership changes, which may affect the agency's capacity to administer funds in future quarters, posing risk. The 1-year timeline to award \$675 million of BEAD funding poses further risk and potential delay in spending other available funds.

OVERVIEW

Project Phase	Planning
Start Date	12/18/13
Est. End Date	6/30/19
Revised	6/28/27
Revised	10/30/29
Est. Total Cost	\$65,581.9
Revised	\$76,700.0
Revised	\$109,161.0

Project Description

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

Child Support Enforcement System Replacement Project

Overall Status

The Health Care Authority (HCA) has completed improvements to the system design (refactoring) and upgraded the old system to a new, modern cloud platform (replatforming) in February 2022. The decade-old project is in phase two, but is now moving toward system modernization as opposed to replacement, per federal recommendation. HCA is using its already gathered information from its planning phase to move forward with the project.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	R	R	R	Rating	Rating
Schedule	R	R	R	R	Rating	Rating
Risk	R	R	R	R	Rating	Rating
Overall Rating	R	R	R	R	Rating	Rating

Budget

The project continues to cite a total estimated cost of \$109 million—up from \$76 million—resulting from expanding the project timeline. The HCA certified \$5.74 million of prior funding at the Project Certification Committee in June 2024. The General Appropriation Act supports the reauthorization of \$15 million from previous appropriations.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$13,418.6	\$19,448.0	\$32,866.6	\$17,519.5	\$15,347.1	53.3%

Schedule

The project is now expected to close out in 2029, 16 years after the project start date. The federal Office of Child Support Services recommended the agency to modernize the legacy system as opposed to a complete system replacement, which should realize benefits sooner. The HCA will start a phased approach to its modernization starting in July 2025.

Risk

Prior changes to the schedule and the increased budget have created risks to the project. Due to federal guidance to modernize, scope changes and integrating previously collected data pose the biggest risks to the project at this time.

OVERVIEW

Project Phase Implementation

Start Date 12/18/13

Est. End Date 12/30/21

Revised 8/31/26

Revised 1/14/27

Est. Total Cost \$221,167.8

Revised \$346,319.8

Revised \$418,317.6

Revised \$533,804.4

Project Description

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

Medicaid Management Information System Replacement Project

Overall Status

The Health Care Authority (HCA) experienced several substantial delays and increases in the project budget. The HCA has gone live with its benefit management services in FY25, allowing provider enrollment of Medicaid and other providers into the agency's new system. The agency's recent economic impact assessment of MMISR shows the return on investment based on state funding in FY25 is an estimated 22 percent. The project will create 18 new jobs in FY25.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	Y	Y	Y	Rating	Rating
Schedule	R	R	R	Y	Rating	Rating
Risk	R	R	R	R	Rating	Rating
Overall Rating	R	R	R	Y	Rating	Rating

Budget

HCA has certified all funding through the Project Certification Committee as of June 2024. The overall project is now expected to cost \$533.8 million just in nonrecurring costs alone. The General Appropriation Act supports \$5 million in state funds, with a federal match of \$45 million, in addition to reauthorizing approximately \$32 million in balances from three previous appropriations.

Budget Status Overview

(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$37,757.6	\$331,864.5	\$369,480.9	\$306,042.3	\$63,438.6	82.8%

Schedule

The agency is preparing for federal certification for certain modules. The consolidated customer service center, which went live in 2020, will be implementing an enhancement that will integrate different generative artificial intelligence for managing chatbot FAQs and handling outbound calls. Given the HCA's progress on the project and deployment of modules, the schedule has improved to yellow for Q2, affecting the overall score for the quarter.

Risk

Additions to the scope, cost increases, and delays are the biggest risk to the project. While the HCA has made significant project process, the LFC has heard complaints from Medicaid providers of difficulty enrolling in the new Medicaid system. The HCA is aware of these issues and is working with its vendor for a corrective action plan. Additional cost increases and additions to the scope pose a substantial risk to the project.

OVERVIEW

Project Phase Implementation

Start Date	9/1/17
Est. End Date	10/31/22
Revised	6/30/25
Revised	11/05/27
Est. Total Cost	\$36,000.0
Revised	\$71,068.0
Revised	\$82,000.0
Revised	\$90,410.2

Project Description

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

The simplified cost allocation approved by federal partners designates 39.55 percent of total project costs as shared Medicaid costs, eligible for a 90 percent federal match, while the remaining 60.45 percent of costs qualify for a 50 percent federal match from the federal Administration on Children and Families.

New Mexico Impact Project

The Children, Youth and Families Department (CYFD) and other stakeholders are now referring to the comprehensive child welfare information system (CCWIS) replacement project as the New Mexico Impact Project. Risk remains moderate given prior delays and leadership changes. CYFD now estimates system utilization in late 2025, with a project close-out in late 2027.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	Y	Y	Y	Rating	Rating
Schedule	R	Y	Y	Y	Rating	Rating
Risk	Y	Y	Y	Y	Rating	Rating
Overall Rating	Y	Y	Y	Y	Rating	Rating

Budget

The total project budget is \$90.4 million, an increase of \$60.4 million from initial cost estimates. CYFD certified \$26.1 million at DoIT's PCC in August 2024 and requested a total of \$20 million from state and federal funds for FY26. The project cost remains at \$90.4 million. The current version of the General Appropriation Act supports an additional \$9 million across state and federal funds for the project's continuation in addition to the reauthorization of approximately \$37 million in balances from three previous appropriations.

Budget Status Overview

(in thousands)

State	Federal	Total Available Funding*	Spent to Date	Balance	Percent of Appropriations Spent
\$34,963.1	\$31,726.9	\$69,545.4	\$45,311.9	\$24,233.5	65.2%

*\$9.3 million in prior historical funds are expended, expired, or inactive, \$8.8 million from Medicaid revenue from the HCA.

Schedule

The expected system usage is late 2025. CYFD states it is still on track to closeout the project in late 2027. Additionally, the agency is working to extend its contracts with its contractors for project management and independent verification and validation contracts, which should help ensure the project remains on the current schedule. CYFD is working with various state agencies to start data sharing, including information for federal Title IV-E.

Risk

The project management's office continues conducting weekly risk reviews to mitigate the risks to the project. However, schedule and organizational readiness are the project's biggest risks. Given the project's aggressive schedule and plan for system usage in late 2025, it is likely system utilization will not occur until early 2026.

OVERVIEW

Project Phase	Implementation
Start Date	7/1/21
Est. End Date	6/30/24
Revised	9/30/24
Revised	5/31/25
Est. Total Cost	\$6,783.0
Revised	\$8,663.0

Project Description

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

Electronic Health Records Project

Overall Status

The New Mexico Corrections Department (NMCD) has been certified for the implementation phase of the electronic health records (eHR) project in August 2023. The agency is expecting a close-out date of May 2025. However, the biggest risk to the project is the interface with the department's offender management system.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	G	G	G	G	Rating	Rating
Schedule	G	G	G	G	Rating	Rating
Risk	G	Y	Y	G	Rating	Rating
Overall Rating	G	G	G	G	Rating	Rating

Budget

During the FY21 funding cycle, NMCD was appropriated \$500 thousand to initiate planning and an additional \$6.2 million to continue the project in FY22. The agency reauthorized this appropriation balance for FY25. NMCD did not request an extension of funds through FY26, thus will have to spend any needed funds before funds revert in June 2025. However, the agency does not anticipate reverting funds at the end of the fiscal year.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$8,663.0	\$0.0	\$8,663.0	\$6,353.9	\$2,309.0	73.3%

Schedule

The project end date changed from June 2024 to May 2025. NMCD states that its women's and men's facilities are currently operating with the eHR project as of September 2024. Additional interface for men's facilities are planned for spring 2025.

Risk

The primary risk to the project is the ability to interface with the agency's offender management system and the health information exchange. NMCD has not yet fully transitioned from its legacy system or integrated full functionality into its new offender management network information system, which is crucial for the success of the eHR project. According to NMCD, data integration for the offender management system is expected to be completed by June 2025, aligning with the estimated eHR project completion date, with the department's legacy system set to be sunset shortly thereafter. Given NMCD's implementation plan for related systems impacting eHR's success, the risk status for Q2 improves to green.

OVERVIEW

Project Phase	Implementation
Start Date	5/10/16
Est. End Date	6/30/21
Revised	3/1/23
Revised	12/31/24
Revised	4/25/25
Est. Total Cost	\$7,381.3
Revised	\$7,881.2

Project Description

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

Records Management System

Overall Status

The Department of Public Safety (DPS) was pursuing both the records management system (RMS) and computer-aided dispatch (CAD) projects simultaneously, but the agency separated the project timelines after going live with RMS in April 2023. DPS closed out CAD through the PCC in July 2024 but continues to refine interfaces for RMS.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Rating	G	G	G	G	Rating	Rating
Schedule	Y	Y	Y	Y	Rating	Rating
Risk	Y	G	G	G	Rating	Rating
Overall Rating	Y	G	G	G	Rating	Rating

Budget

The agency requested \$500 thousand to continue with the implementation of RMS in FY26. However, the funds were not requested as a nonrecurring special IT appropriation. This appropriation is in the most current version of the General Appropriation Act, bringing the total estimated cost to \$7.8 million.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$7,381.3	\$0.0	\$7,381.3	\$7,064.9	\$316.4	95.7%

Schedule

DPS went live with RMS in March 2023. The agency's schedule risk remains moderate given these delays, but RMS project activities remain low risk as the agency continues to refine its interfaces. The project is on track to close almost four years later than the initial anticipated end date. It is unclear if the agency is on track to closeout the project by April 2025 given its request for an additional \$500 thousand, and if there are other potential cost increases not currently defined in the project's scope.

Risk

Since RMS has been implemented, the risk for that project is low. Both RMS and CAD have gone live, reducing overall project risk. Executive support remains high and DPS reports that the electronic warrants pilot has been successful.

OVERVIEW

Project Phase Implementation

Start Date 4/28/22

Est. End Date 6/30/23

Revised 6/30/25

Revised 6/30/27

Est. Total Cost \$6,210.0

Revised \$9,300.0

Revised \$16,119.8

Project Description

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

Intelligence-Led Policing

Overall Status

The Department of Public Safety (DPS) is contracting with the New Mexico Institute of Mining and Technology Institute for Complex Additive Systems Analysis, Amazon Web Services, and Peregrine, through Carahsoft, for its intelligence-led policing project. DPS reports the two-phased project will finish by June 2027, with a new total cost estimate of \$16.1 million.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Rating	G	G	Y	Y	Rating	Rating
Schedule	Y	Y	Y	Y	Rating	Rating
Risk	G	G	G	G	Rating	Rating
Overall Rating	G	G	Y	Y	Rating	Rating

Budget

The agency has certified \$5 million, almost all of its appropriations for phase one of the project. With an updated nonrecurring budget at \$16 million, DPS expects a recurring cost of \$4.7 million a year starting in FY28 to maintain the system.

Budget Status Overview

(in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$5,585.0	\$0.0	\$5,585.0	\$2,670.2	\$2,914.8	47.8%

Schedule

DPS is in the implementation phase of the project as of February 2025 and is to start external agency implementation, such as integration with local law enforcement agencies. Phase one is expected to be completed by June 2025. Phase two will then start and is currently expected to be completed two years after phase one. With a two-phased approach, the project schedule could be revised.

Risk

The agency continues to address data governance concerns with partner organizations. The agency is planning a proof of concept prior to implementing the system statewide, which should improve risk and allow for additional testing and training internally prior to moving onto moving into phase two. The biggest risks posed to the project are different data integration solutions and data governance.

OVERVIEW

Project Phase	Implementation (Phase 1)
Start Date	8/27/20
Est. End Date	6/30/24
Revised (Phase 2)	9/20/26
Est. Total Cost	\$9,930.0
Revised	\$14,100.0
Revised	\$16,000.0

Project Description

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

Phase One will focus on development of infrastructure and foundational policies and establishing shared collection of data sources for integration into RISE NM.

Phase Two will expand RISE NM through system enhancements, additional data sources, increased access, and expanded research questions through a public-facing portal.

Phase Three will further expand the number of data source systems and research questions available through RISE NM.

New Mexico Longitudinal Data System

Overall Status

The Higher Education Department (HED) is citing a new budget and schedule changes to accommodate the other project phases, posing risk. Phase two was scheduled to start in August 2024, however, project delays have caused the project to be stagnant. HED demonstrated the system to LFC staff in January 2025.

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	R	R	R	R	Rating	Rating
Schedule	R	R	R	R	Rating	Rating
Risk	Y	R	R	R	Rating	Rating
Overall Rating	R	R	R	R	Rating	Rating

Budget

HED is now citing total project costs of \$16 million, posing an increased risk. HED was appropriated \$3million for FY26 for project continuation. The agency has certified a total of \$11.9 million through the Project Certification Committee, but has been appropriated \$16.4 million across state and federal funding, which should cover the project's revised estimated cost, should there be no new scope changes or project delays.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$10,679.2	\$5,755.6	\$16,434.8	\$6,627.4	\$9,807.4	40.3%

Schedule

The project originally was to complete phase one by June 2024, which would have transitioned the project into phase two in August 2024, with a completion date of September 2026. HED has executed several contracts for phase two, such as for independent verification and validation, however, the agency has not started implementation work for its second phase, as it is still commencing planning work.

Risk

Security testing and assessment efforts are in progress, but issues with the data warehouse pose risks to the project. Currently, there is no vendor in place for phase two of the project for the project's implementation, posing some risk for the project overall. Biggest risks to the project are schedule and data quality.

OVERVIEW

Project Phase Implementation

Start Date 5/23/18

Est. End Date 9/30/23

Revised 6/30/24

Revised (Phase Five) 6/30/26

Est. Total Cost \$7,297.0
(BCD Phase)
Revised \$9,418.6 (BCD and ABC Phases)

Permitting and Inspection Software Modernization Project

Overall Status

The Regulation and Licensing Department (RLD) completed phase three by June 30, 2024, with all 28 boards and commissions live in Salesforce. Phase four, which includes the Alcohol and Beverage Control Division, also went live on June 30, 2024. Both phases were accepted by RLD leadership, and vendor invoices were paid. RLD is now proceeding with procurement for phase five.

Project Description

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

Measure	FY23 Rating	FY24 Rating	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Rating
Budget	Y	G	G	G	Rating	Rating
Schedule	Y	G	G	Y	Rating	Rating
Risk	Y	G	G	G	Rating	Rating
Overall Rating	Y	G	G	G	Rating	Rating

Budget

RLD certified \$586 thousand in February 2025 for phase five of the project, bringing the total available amount of funding to \$17.1 million. The \$586 thousand is to go towards a new Independent Verification and Validation contract for the next phase, as well as a pending Carahsoft contract for Salesforce integration. Since FY19, the department has received \$20 million through the General Appropriation Act for the modernization.

Budget Status Overview (in thousands)

State	Federal	Total Available Funding	Spent to Date	Balance	Percent of Appropriations Spent
\$17,160.3	\$0.0	\$17,160.3	\$16,574.2	\$586.1	96.5%

Schedule

RLD closed-out phase four in February 2025 and is in the procurement process for phase five for its Finance Industries Division. The department expects contracts to be finalized by April 2025. However, as phase five's scope of work does not have current due dates given the stage of procuring contracts, the project's schedule is rated yellow for the second quarter of the fiscal year, with opportunity to change as RLD finalizes and executes contracts and deliverables for phase five.

Risk

All project risks have been closed in coordination with RLD leadership for phase four. The adjusting of scope while onboarding a new contractor poses some risk to the project, but RLD remains on the project's budget overall.



Investment Performance Quarterly Report, Second Quarter, FY25

State investment balances increased by \$9.6 billion, or 12.4 percent, compared with this time last year. Investments benefited from resilient market conditions continuing several months of growth through 2024. One-year returns remained strong despite some volatility in the quarter for the state's pension funds. The state's risk-averse allocations generally performed worse than peer funds in the one-year period amid strong markets. The fund managed by the Educational Retirement Board continued to demonstrate strong performance, with the state's best long-term returns and a more optimized risk profile than other large state investments.

Investment Performance Highlights

- The value of New Mexico's combined investment holdings grew by \$383.4 million quarter-over-quarter, to an ending balance of \$87.2 billion, with gains bolstered by contributions of excess oil and gas revenues to the ECTF and the STPF. For the year, funds increased by \$9.6 billion, or 12.4 percent. Over the last five years, the state's combined investment holdings grew by \$32.1 billion, or 58.3 percent.
- One-year returns were strong for all funds, ranging from 9.9 percent (ERB) to 6.6 percent (STPF). Average investment returns over the last 10 years ranged from 7.7 percent (ERB) to 6.0 percent (STPF).
- Inflows of oil and gas taxes and royalties across the LGPF, STPF, and ECTF made up 41 percent, or \$3.96 billion, of the one-year value increase across all funds. STPF performance is lowered by the allocation to New Mexico investments, which typically provide a lower return. ERB and PERA balances were moderated by benefit payments greater than contributions typical for pension funds.
- Only STPF failed to meet its long-term return target for the one-year period. ERB and LGPF outperformed their long-term targets in every period except for the three-year period. PERA only met its long-term target in the one-year period.¹

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

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

Aggregate Value of New Mexico Investment Holdings

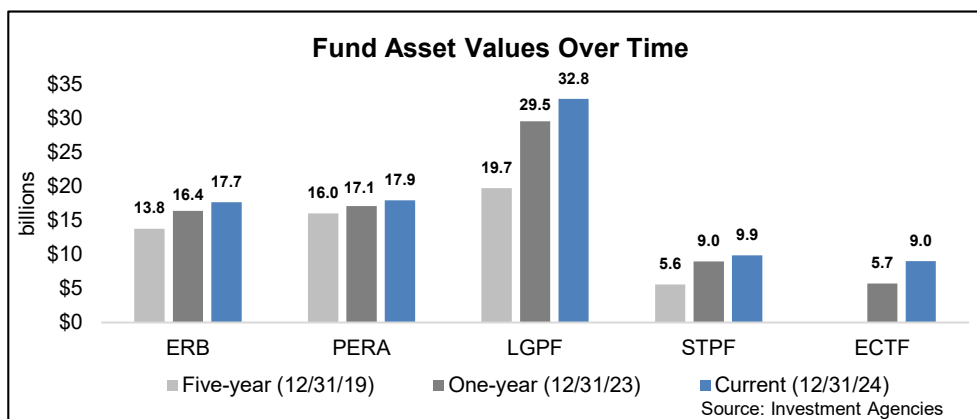
\$87.2 billion

Note: does not include general fund investments.

Annual Combined Growth of all Funds

**\$9.6 billion
12%**

Note: does not include general fund investments.



5-Year Annualized Returns

Fund	Returns
ERB	7.91
LGPF	7.14
PERA	6.20
STPF	5.99

Source: Investment Agencies

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

About the Funds

PERA and ERB manage state pension funds that offer members guaranteed life-long monthly benefits after retirement. Both members and employers make contributions. PERA members are New Mexico public employees. ERB members are New Mexico public education employees. The pension funds are invested to generate income that covers the gap between contributions and benefit payments. Pension funds offer a major benefit to state employees and are often cited as a major benefit of a career in the public sector. However, they also represent one of the state's largest long-term liabilities, and the health of the funds is important to monitor.

Pension Fund Agencies

Pension fund investments grew by \$2.1 billion, or 6.4 percent, over the year. Annualized returns for both funds were above their long-term targets in the one-year period, but only the Educational Retirement Board (ERB) exceeded that target in the five- and 10-year periods. ERB allocated more of its assets to U.S. equity and alternatives while the Public Employees Retirement Association (PERA) allocated more of its portfolio toward fixed income.

Table 1

Pension Funds Asset Values (net of fees)

Period ending 12/31/2024

Fund	Value as of		Value Change	Percent Change
	12/31/23	12/31/24		
ERB	\$16,364.5	\$17,660.1	\$1,295.7	7.9%
PERA	\$17,063.3	\$17,906.2	\$842.9	4.9%
Total	\$33,427.8	\$35,566.3	\$2,138.6	6.4%

Source: ERB, PERA

ERB. ERB's annualized returns outperformed the fund's long-term target of 7 percent in each period except for the three-year period. The fund outperformed its policy index, a performance benchmark, in each annualized period. The fund's return in the quarter, which is not annualized, was 0.59 percent while the policy index for that period was 0.67 percent. The fund also had the best risk-to-return measures among all investment funds, with the lowest standard deviation, the best Sharpe ratio, and lowest Beta.

PERA. PERA annualized returns outperformed the fund's long-term target of 7.25 percent only in the one-year period. The fund outperformed its policy index in the three-, five-, and 10-year periods. The fund's return in the quarter, which is not annualized, was -0.18 percent, significantly above the policy index of -1.6 percent.

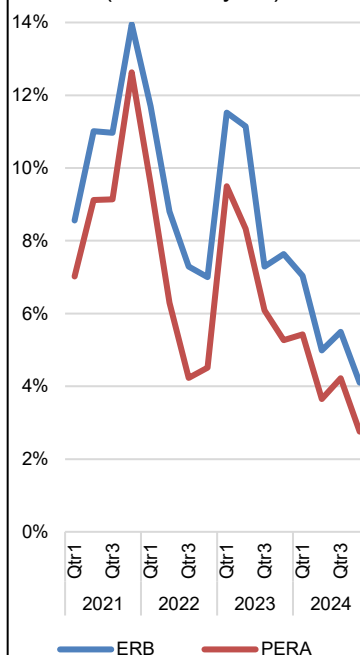
Member Snapshot

(thousands)

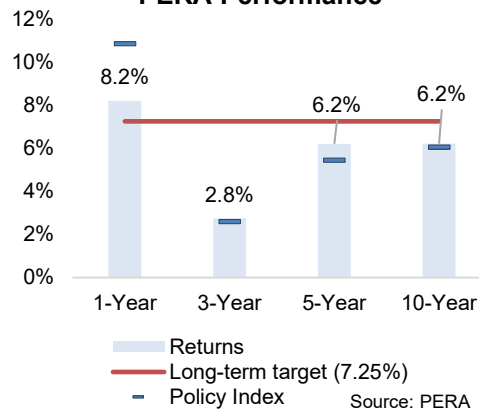
Type	PERA	ERB	Total
Active	55.7	61.5	117.2
Inactive	28.9	54.7	83.7
Retirees	47.1	54.8	101.8
Total	131.7	171.0	302.7

Source: PERA, ERB

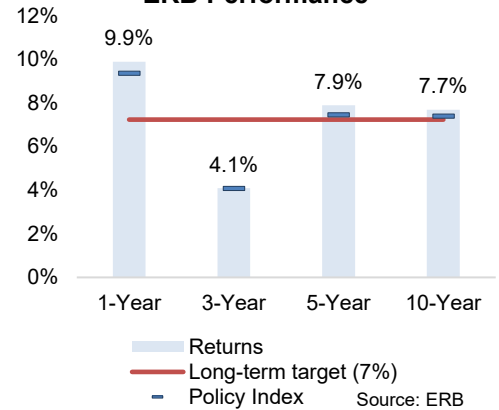
Historical Three-Year Annualized Returns (calendar year)



PERA Performance



ERB Performance



SIC Long-Term Investment Funds

The long-term investment funds managed by the State Investment Council (SIC) grew by \$7.5 billion, or 16.9 percent, over the year. Of the increased value, about half—53 percent—was the result of inflows of oil and gas taxes and royalties. The LGPF surpassed its long-term target in the one- and five-year period and met it in the 10-year period. The STPF failed to meet its long-term target in any period. The fund’s performance in the long-term period has failed to meet its targets for ten consecutive quarters.

Table 2
Long-Term Investment Funds Asset Values (net of fees)
Period ending 12/31/2024

Fund	Value as of		Value Change	Percent Change
	12/31/23	12/31/24		
LGPF	\$29,493.2	\$32,776.6	\$3,283.4	11.1%
STPF	\$8,970.5	\$9,850.7	\$880.1	9.8%
ECTF	<u>\$5,721.2</u>	<u>\$9,015.8</u>	<u>\$3,294.5</u>	<u>57.6%</u>
Total	\$44,185.0	\$51,643.1	\$7,458.1	16.9%

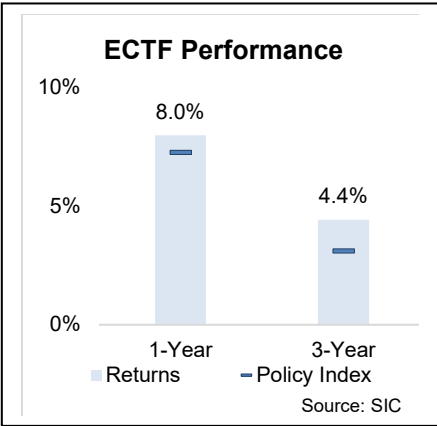
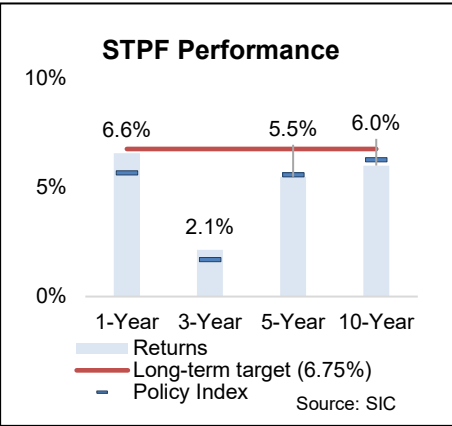
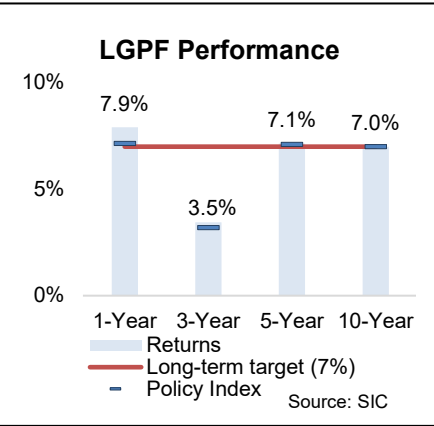
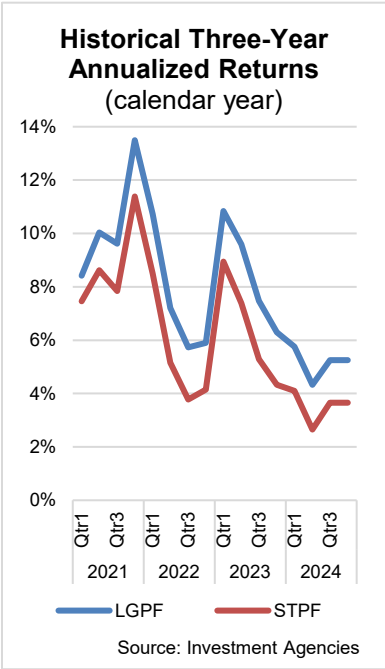
Source: SIC

STPF. The STPF underperformed its long-term target of 6.75 percent in each period. The fund underperformed its policy index in the five- and 10-year periods but overperformed its policy index in the one-year and three-year periods. The fund distributed \$311.2 million to the general fund and received \$618.6 million in oil and gas revenues. STPF returns are lowered by an allocation to the in-state private equity program, the New Mexico Small Business Investment Corporation, and the small business recovery loan program, which all have lower returns compared to traditional investments. This policy concern runs contrary to the state’s expectation for the STPF to secure New Mexico’s long-term fiscal health.

ECTF. The ECTF tracked closely with other SIC-managed funds, exceeding its policy index in each period. SIC recently approved a new asset allocation for the fund with a long-term return expectation of 6.8 percent, which was exceeded in the one-year period but not in the three-year period. Of all funds, the ECTF had the largest net non-investment cashflow, benefitting from \$2.99 billion in oil and gas revenues and distributing \$250 million to the general fund. Investing cash quickly and prudently remains the fund’s most significant short-term challenge. For example, in the first quarter of FY25, ECTF had 17 percent of its assets in cash equivalents,

About the Funds

The state’s long-term investment funds have a diverse history. The **land grant permanent fund (LGPF)** is a constitutionally protected fund created at statehood to invest proceeds from the use of natural resources on state lands. The fund receives royalties from state lands and makes distributions to the general fund earmarked for use in public schools. The **severance tax permanent fund (STPF)** is a constitutionally protected fund that receives severance taxes—taxes levied against the extraction of natural resources—not required for bond maintenance. The STPF makes distributions to the state general fund. The **early childhood education and care trust fund (ECTF)** is a statutorily created fund that receives above-trend oil and gas revenues and supports funding for education and early childhood.



Risk Profiles, Five Years Ending

Net of Fees Period ending
12/31/2024

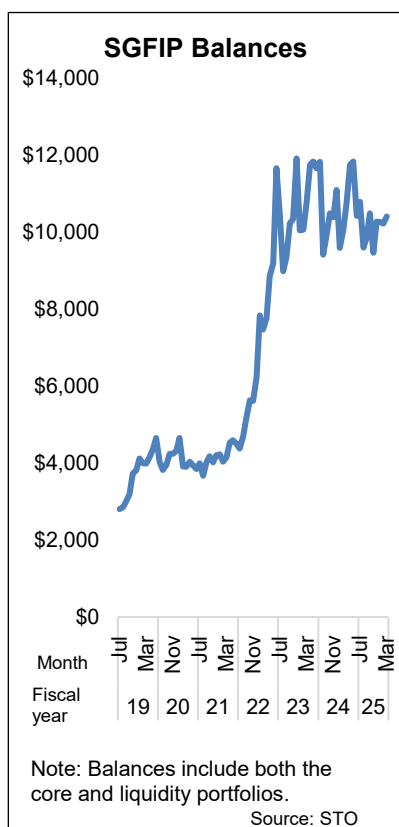
Fund	Standard Deviation ¹	Sharpe Ratio ²	Beta ³
PERA	8.0	0.5	0.4
ERB	6.9	0.8	0.3
LGPF	8.8	0.6	0.4
STPF	8.7	0.4	0.4

¹Measures variability from the mean return; higher is more volatile.

²Higher numbers indicate higher return-to-risk level; a good ratio is 1 or better.

³Represents the volatility of the portfolio versus the S&P 500. Beta = 1: portfolio moves with the market. Beta < 1: portfolio is less volatile than market. Beta > 1: portfolio is more volatile than the market.

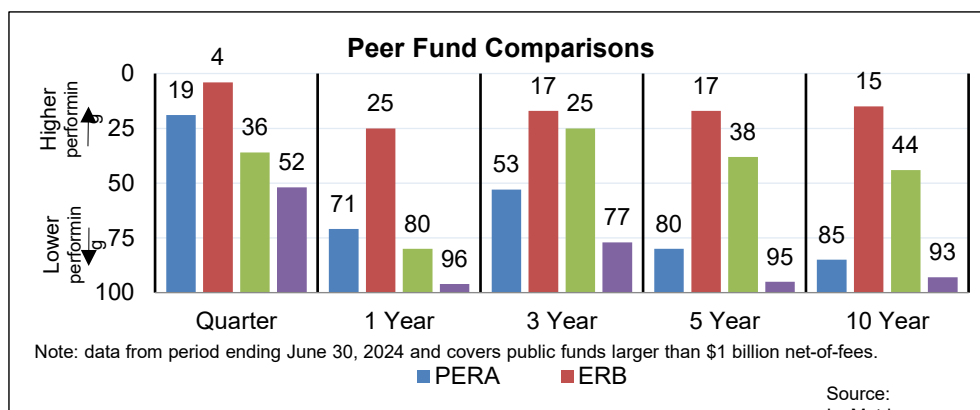
Source: Investment Agencies



but about three-quarters of that cash was received by SIC shortly before its liquidity window opened.

Comparison with Peer Funds

When compared with peer funds greater than \$1 billion on a net-of-fee basis, New Mexico's large investment funds had varied performance, with ERB and the LFPF above the median and PERA and the STPF performing below the median. ERB was at or above the 25th percentile in all periods. STPF performed poorly compared with peer funds and was the only fund to perform near or below the 75th percentile for each period except the quarter. STPF performance is moderated by the allocation to differential rate New Mexico investments, which generate lower returns. PERA performed well compared with peers in the quarter and was at the median of peer funds in the three-year period. However, the fund was at or below the 70th percentile in the one-, five-, and 10-year periods. All investments performed well compared to peer funds in the quarter period, where the state's investments benefitted from an overall risk-adverse portfolio.



General Fund Investment Pool

Table 3

General Fund Investment Pool

Period ending 12/31/2024

Fund	Value as of		Value Change	Percent Change
	12/31/23	12/31/24		
GF Core	\$5,481.5	\$5,968.2	\$486.7	8.9%

Source: STO

Table 4

General Fund Investment Pool – Core Portfolio

Period ending 12/31/2024

	Performance	
	Quarter	1-Year
GF Core	-0.24%	4.10%
Benchmark - Treasury 0-5 Year	-0.37%	3.82%
Relative Performance	0.13%	0.28%

Source: STO

The State Treasurer's Office (STO) acts as the state's bank when receipts are deposited and later pooled into a statewide investment fund, known as the state general fund investment pool (SGFIP). The SGFIP has a liquidity portfolio, structured to meet the immediate cash needs of the state, and the core portfolio, which invests balances not necessary to meet the state's short-term cash flow needs over a longer time horizon.

The general fund core portfolio met its benchmark over the quarter and overperformed it by 0.28 percentage points over the year.