Revised 4/20/2021

Accountability in Government
Selected Performance Highlights
Second Quarter, Fiscal Year 2021

Background

Pursuant to the Accountability in Government Act (AGA), quarterly reports are required of key state agencies, including performance measures and targets approved for each fiscal year by the Department of Finance and Administration (DFA) in consultation with LFC, as well as other measures important to agency operations. The quarterly LFC report card process begins when agencies submit quarterly performance reports. LFC management and staff use these performance reports and other pertinent sources of information to compile and send draft report cards to the agencies for feedback. When agencies have responded and staff make final edits, the report cards are presented to the LFC and posted on the website.

Agency performance measures are listed in tables in the body of the report cards, along with a green, yellow, or red rating that indicates how well agencies are progressing in meeting performance targets. Where relevant and timely data is available, LFC analysts may add national or regional benchmarks to provide context for the state's outcomes. Yellow and red ratings indicate the data is insufficient for LFC analysts to readily recognize progress or provide an early warning that an agency is not on track to meet a target by fiscal year end.

State agencies continue to work remotely, maintaining the government closures that have been in effect since March 2020. Lower performance or no reported measurement of performance in the second quarter suggests the shutdown has impaired many government functions and oversight. The public health emergency has exacerbated declining enrollments in education, health, and employment; delayed IT and capital projects; and slowed other functions, like MVD services and environmental inspections. Additionally, the governor vetoed multiple performance measures and reporting requirements in the General Appropriations Act of 2021, further reducing accountability for state agencies in FY22. Performance of note for the second quarter of FY21 by major area includes:

Health *(ALTSD page 33, DOH page 47)*

New Mexico has continued to rank high among states for vaccine distributions. As of mid-March 2020, DOH reported that 29 percent of New Mexicans received at least one dose and 18 percent were fully vaccinated. On average, the department was administering 100 thousand vaccinations every 7 days.

New Mexico has one of the highest suicide rates. The state's Medical Advisory Team estimated the pandemic will likely exacerbate behavioral health issues and could lead to an increase in suicides. State agencies and the suicide prevention coalition should expand and use proven initiatives, including ensuring care during and after a crisis, increasing access to behavioral healthcare through telehealth, and expanding gatekeeper training. The Legislature could restrict access to lethal means and strengthen best practices for the coalition and strategic plan.

DOH reported as of late January 2021, there were 4,660 individuals on the waiting list for waivers. Of those individuals, 473 have placed their allocation on hold, meaning these individuals were offered waiver services and chose to remain on the waiting list, for now. During the second quarter, the number of individuals on the waitlist decreased. As of January 2021, over 200 individuals on the wait list had enrolled in the community supports waiver, far less than the 1,000 expected. The slow enrollment of people on wait list for the community supports waiver and increased federal matching dollars have led to a significant projected surplus for the program. The department is expected to pull from the program surplus to cover deficits in the facilities management program in accordance with federal guidelines to maintain state funded supports as well.

Public Safety *(NMCD page 60, DPS page 63)*

Overall recidivism rates at NMCD increased by 3 percentage points, likely driven by increased parole revocations for technical violations. Prisoner reincarcerations due to technical parole violations, which doubled the first quarter, increased even more. Revocations due to new or pending charges, on the other hand, remained steady. Improvements in vacancy rates among public and private correctional officers and in prison violence were sustained this quarter. Since the beginning of the Covid-19 pandemic, about half of the state's prison population has been infected.

DPS reported decreases in all key measures of law enforcement activity but significant increases in felony and misdemeanor arrests. Forensic laboratory productivity remained steady with the previous quarter. The agency has made progress decreasing vacancy rates among both state police officers and forensic scientists and technicians.

Workforce Solutions *(page 42)*

The state's unemployment rate in January 2021 was 8.7 percent, down from a high of 13.4 percent in July 2020, the highest rate since measurement began in 1976. WSD continues to process a record number of unemployment claims resulting from the Covid-19 public health crisis. As of December 2020, there were over 116 thousand continuing claims, including over 47 thousand standard unemployment claims and 69 thousand pandemic unemployment and extended benefits claims. To reduce fraudulent claims, WSD added a 10-day hold on payments and request for identity verification to suspicious claims. This hold, coupled with delays in claimants submitting their verification documents, has made an impact on the timeliness of first payments. WSD continues to hire and train additional staff to assist with the workload and clear the backlog.

Early Childhood *(page 31)*

Prior to the pandemic, childcare assistance average monthly enrollment had been relatively flat, ranging between 18 thousand and 20 thousand children a month. Enrollment began to decline in the fall of 2020, decreasing to 13 thousand in February. The average monthly cost per child has risen to $666 ($7,992 annually), a 7 percent increase from FY20 despite significant declines in enrollment. The increased in cost is primarily driven by the department's coverage of parent co-payments and a $200 per child differential payment to providers.

Despite the increased cost per child, low enrollment will result in general fund reversions or significant federal revenue carry-forward. The department is unlikely to spend more than $140 million of the $158 million annual child care assistance budget in FY21. This estimate does not include the most recent federal child care relief funding in the American Rescue Plan, which New Mexico is estimated to receive $320.3 million.

Children, Youth and Families *(page 56)*

CYFD improved performance across most divisions; however, the Protective Services and Juvenile Justice Services programs continue to fall short on critical measures related to repeat maltreatment, maltreatment in foster care, and recidivism of youth offenders. The Covid-19 pandemic likely affected repeat maltreatment rates, as families were less likely to access and engage in community services due to fewer available services and the need to juggle multiple stressors related to employment, remote schooling, and reduced availability of child care and family support. In addition, unemployment, unstable housing and transient living have put many system-involved youth and youth transitioning from care at high risk.

Public Education *(page 67)*

The statewide high school graduation rate grew to 76.9 percent, a 2 percentage point increase over the prior year, with notable gains for African American, Native American, English learners, and economically disadvantaged students.

Out of a sample of 5,637 students that disappeared from attendance rolls this year, approximately 2,404 students, or 43 percent, left the state. Only 28 percent of surveyed students plan to return in the fall, which will affect school budget projections (particularly urban school districts) in FY23.

Natural Resources *(EMNRD page 24, OSE page 27, NMED page 53)*

New Mexico residents were permitted to begin camping in state parks on October 1, 2020, and the agency expected above-average visitation in this quarter due to mild weather conditions. However, visitation was 29 percent lower than the second quarter of FY20. Self-generated revenue from camping was down 93 percent relative to the same period last year, and day-use revenue was down 22 percent.

According to the U.S. Drought Monitor, the entire state is in some level of drought and most of the state is in exceptional drought, the most severe category. This continuation of a decades-long “megadrought” has resulted in shortened irrigation seasons and a pilot project in the Office of the State Engineer that awards grants for fallowing land to conserve water.

The frequency of inspections is an ever-worsening problem in all programs of the Environment Department. Limited staff resources, combined with Covid-related complications, resulted in extremely low inspection rates in the second quarter: inspections relative to totals were 3 percent for groundwater discharge permittees, less than 1 percent for underground storage tank facilities, and 3 percent for large quantity hazardous waste generators.

Economic Development and Tourism *(Tourism page 19, EDD page 21)*

The Job Training Incentive Program (JTIP) board approved 29 businesses, with a total of $6.6 million in awards, and 432 new jobs with an average wage of $63.1 thousand and a cost per job of $15.4 thousand. The cost per job has increased in recent years, with previous costs ranging from $4.5 thousand to $12.5 thousand.

Covid-19 has negatively affected on the tourism industry. Jobs in the leisure and hospitality sector continued to show year over year declines, with an overall average decline of 24 percent. In January 2021, employment rates in leisure and hospitality decreased by 43.4 percent compared to January 2020, a greater decline than in any surrounding state for the same period.

Human Services and Medicaid *(page 38)*

The Medical Assistance Division only reported on three performance measures related to health outcomes in FY21. In FY22, HSD is required to report on 18 performance measures for the Medicaid program; however, it is problematic to have a gap year with only three performance measures reported on for Medicaid. LFC recommends the third quarter performance report submitted by HSD include reporting on the regular full slate of Medicaid performance measures.

HSD is not reporting quarterly data on all the performance measures identified in the General Appropriation Act of 2020, such as infants well child visits and emergency room use categorized as nonemergent care. In October, HSD's website added a performance scorecard that provides comparative annual performance data on the three managed care organizations and other HSD programs and services.

Behavioral Health *(page 36)*

HSD did not report on performance measures required by LFC and DFA relating to emergency department visits relating to alcohol or other drug dependence (AOD), housing assistance for adults with mental illness or substance use disorders, follow-up services for individuals discharged from inpatient facilities, AOD patients who initiated treatment, and PAX good behavior game incident reductions.

Courts and Justice *(page 7)*

The judiciary submitted quarterly data on case disposition rates for the first time since magistrate and district courts consolidated in FY19, signaling a commitment to better reporting practices. Cases referred to district attorneys continued to fall year-over-year compared to FY20, and with the exception of the 11th Division II (McKinley County), the 6th (Grant, Hidalgo, and Luna counties) and the 10th (DeBaca, Quay and Harding counties) judicial districts, prosecuting attorney caseloads are at or below the national benchmark for cases handled per attorney.

Investments *(page 80)*

In the fourth quarter of 2020, election clarity, vaccine success, and fiscal stimulus resulted in soaring financial markets and strong returns for state investments. The aggregate value of New Mexico's combined investment holdings for pensions and permanent funds ended calendar year 2020 at $57.9 billion, which was $2.8 billion, or 5 percent, higher than the same period in 2019. Over the last 5 years, the state's combined investment holdings grew $14.1 billion, or 32.2 percent.

Ending a year of record volatility, one-year returns ranged from 6.76 percent (ERB) to 8.94 percent (LGPF), and average investment returns over the last 10 years ranged from 7.19 percent (PERA) to 7.82 percent (LGPF).

All funds outperformed their targets for the quarter- and 5-year periods. The LGPF was the only fund to outperform its target return for every period included in the report. When compared with peer funds greater than $1 billion on a net-of-fee basis, PERA was the only fund to perform in the lowest quartile for all reported periods. The LGPF and ERB performed below the median but above the lowest quartile in the 3-year, 5-year and 10-year periods, but ranked in the lowest quartile for the quarter- and 1-year periods. The STPF performed in the lowest quartile for all periods except the 10-year, where it performed in the third quartile.

Taxation and Revenue Department *(page 11)*

The Audit and Compliance Division (ACD) made marginal improvements in performance on collectible audit assessments, continuing its slow but steady progress on the measure. Although the agency continues to fall short of its target of maintaining collections at 60 percent, ACD has improved its collection rate from approximately 20 percent to 28 percent over the past year. Call center wait times at the Motor Vehicle Division (MVD) increased significantly, which MVD attributes in part to a change in measurement. MVD call volumes continued to increase, as offices remain open at limited capacity. The agency's overall vacancy rate increased slightly, to 25 percent, but MVD field operations vacancy rates fell slightly, after several months of increases.

General Government *(GSD page 15, SPO page 18, DOT page 65)*

DOT is on track to meet the target for pavement miles preserved. The increased road maintenance activities are largely attributable to nonrecurring funding appropriated to the department in the past year. Additionally, a mild winter resulted in road crews spending less time on activities such as snow removal and allowed them to continue maintenance activities.

Information Technology Projects *(page 69)*

The majority of the 10 IT projects under LFC review continue to be at high risk of delays or needing corrective action. Two projects are rated green (low risk), four projects are rated yellow (moderate risk), and four projects are rated red (high risk). Low risk projects include the Department of Information Technology's statewide infrastructure replacement and enhancement project (SWIRE), which is moving to project closeout in January 2021, and the State Land Office's royalty administration and revenue processing system (RAPS) project, which has completed testing and is planning to move to implementation in January 2021.

ACTION PLAN

Submitted by agency? Yes
Courts and PDD

Timeline assigned? Yes

Responsibility assigned? Yes

Additional performance measures included in the General Appropriation Act for the judiciary:

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

Courts and Justice

Courts

Administrative Support. The Administrative Office of the Courts has effectively reduced costs in the Administrative Support program through centralized interpreter services and purchasing a new jury management tool that allows for uniform data collection, resulting in significant fund balance. The average cost per juror remained below the target for the second quarter of FY21, but increased by $6.00 above the first quarter, as the courts are required to purchase individual masks, note taking supplies, and hand sanitizer to safely conduct jury trials. Jury trials for the second quarter of FY21 decreased by almost 60 percent, as the Supreme Court halted all jury trials from November 2020 to February 2021 amid an increase Covid-19 cases. The average interpreter cost per session increased from the first to the second quarter of FY21, but is still well below FY20 levels, partially due to a drop in court hearings.

Budget: $13,169 **FTE:** 49.8

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Average cost per juror	$41.41	$49.17	$50.00	$40.69	$46.30		G
Number of jury trials*	963	725	N/A	136	56		
Average interpreter cost per session	$157	$117	$100	$55.92	$57.49		G
Program Rating	G	G					G

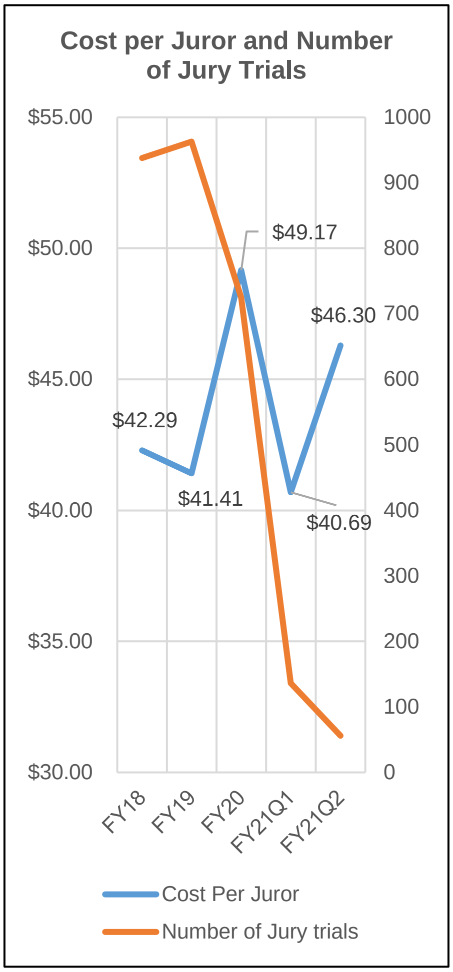
*Measure is classified as explanatory and does not have a target.

Special Court Services. The number of cases assigned to Court Appointed Special Advocates (CASA) continued to increase above FY20 levels in the second quarter of FY21, indicating the courts addressed the low referral rates in FY20. Recidivism rates for drug court participants was below the target for the second quarter of FY21 for the first time in two years, however, this may be artificially low due to low participation rates in the program during the public health emergency. Additionally, the cost per client per day for treatment programs increased in quarter two, also a result of low participation rates. Though AOC maintained monthly supervised visitation rates for children in abuse and neglect cases above the target, the rates are still far behind the FY20 quarterly average. The Legislature appropriated an additional $350 thousand in general fund revenue to AOC, to stand up new pretrial services in courts throughout the state in FY22, as well as new performance measures to gauge the success of the programs.

Budget: $13,416 **FTE:** 15.5

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Cases to which CASA volunteers are assigned*	2,413	1,050	N/A	724	611		G
Monthly supervised child visitations and exchanges conducted	11,698	11,359	1,000	2,659	2,692		G
Average time to completed disposition in abuse and neglect cases, in days.*	85	61.5	N/A	62	Data reported		G
Recidivism rate for drug-court participant	14%	18%	12%	No Report	11%		

Recidivism rate for DWI-court participants	6%	7%	12%	No Report	7%		
Graduation rate for drug-court participants*	51%	59%	N/A	No Report	52%		
Graduation rate for DWI-court participants*	76%	81%	N/A	No Report	81%		
Cost per client per day for all drug-court participants*	$18.36	$25.39	N/A	No Report	$27.72		
Program Rating	Y	Y					G



Statewide Judiciary Automation. AOC began reporting on new measures for FY20 to better gauge the success of the Statewide Judiciary Automation Program. Last year, complications with the Odyssey case management system caused times per service call to increase sharply. Previous targets, which measured call times in hours regardless of difficulty, were unattainable. The new measure tracks responses and resolutions to customer service requests in days, and AOC surpassed the target for the first and second quarters of FY21.

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Average time to resolve calls for assistance, in days	NEW	.33	1	.25	.17		G
Program Rating		G					G

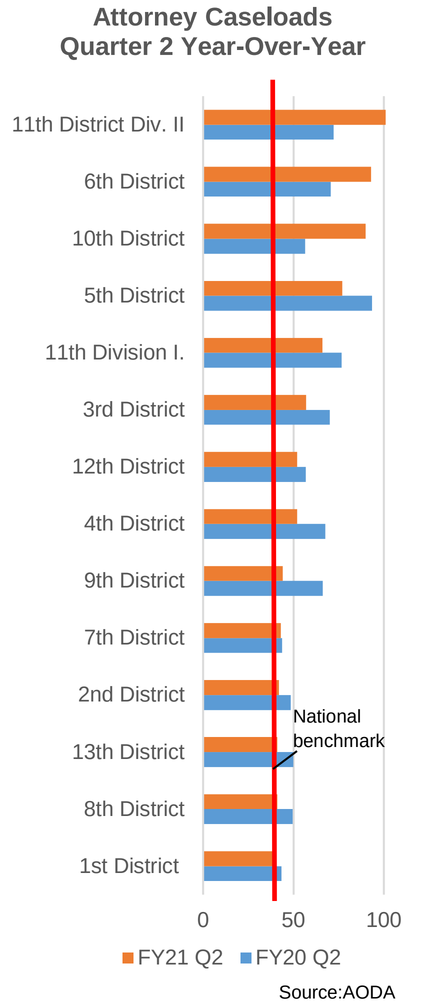
*Measure is classified as explanatory and does not have a target.

District, Metro, and Magistrate Courts. The Administrative Office of the Courts successfully collected and reported biannual data on disposition rates for district, metro, and magistrate courts for the first time since FY19. While magistrate and Metropolitan court surpassed the target for cases disposed as a percent of cases filed, district courts, with heavier and more complex dockets, did not, reflecting a backlog of cases filed during the first half of the public health emergency. The courts did not report on time to disposition for the second quarter of FY21, a key metric for gauging the administration of timely justice in state courts.

	FY20 Actual	FY21 Target	FY21 Q2	FY21 Q4	Rating
District Courts					
Cases disposed as a percent of cases filed	106%	100%	86%		Y
Time to disposition in days	No Report	180	No Report		R
Metropolitan Court					
Cases disposed as a percent of cases filed	119%	100%	103%		G
Time to disposition in days	No Report	180	No Report		R
Magistrate Courts					
Cases disposed as a percent of cases filed	108%	100%	102%		G
Time to disposition in days	No Report	180	No Report		R
Program Rating	Y				Y

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

District Attorneys

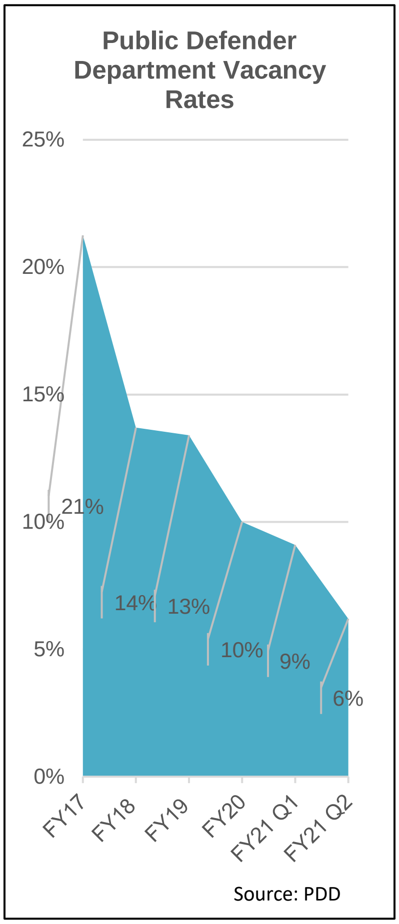


After receiving guidance from the Legislature, the district attorneys submitted a unified priorities budget request for FY22, requesting restoration of original funding levels approved in the 2020 General Appropriation Act, prior to the solvency measures of the 2020 Special Session. District attorneys statewide experienced a sharp drop in workload in the latter half of 2020 as case referrals dropped during the Covid-19 public health emergency, which has largely continued in the first half of FY21. Cases referred in the second quarter of FY21 decreased by about 13 percent compared with the first quarter, and by 11 percent compared with the second quarter of FY20. The drop in cases referred has significantly reduced attorney and staff workloads. Attorney caseloads for the second quarter of FY21 were below FY20 levels in all judicial districts except the 11th Division II (McKinley County), the 6th (Grant, Hidalgo, and Luna counties) and the 10th (DeBaca, Quay and Harding counties). Several district attorney offices, including the most populous judicial districts, have attorney caseloads well below the national benchmark of 70 cases per attorney.

Budget: $80,486 **FTE:** 954

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Number of Cases Referred for Screening*	73,256	73,386	N/A	16,376	14,058		
1st District	5,888	4,985	N/A	1,281	1,059		
2nd District	24,859	21,806	N/A	5,314	4,542		
3rd District	1,878	5,244	N/A	1,231	1,004		
4th District	1,888	1,734	N/A	488	415		
5th District	7,510	7,163	N/A	1,867	1,587		
6th District	2,737	2,621	N/A	685	560		
7th District	2,107	1,747	N/A	366	367		
8th District	2,005	1,758	N/A	423	307		
9th District	3,150	2,840	N/A	691	552		
10th District	902	670	N/A	161	135		
11th Division I.	5,298	5,128	N/A	1,226	1,182		
11th District Div. II	2,603	2,279	N/A	469	553		
12th District	2,936	2,850	N/A	710	599		
13th District	5,803	5,647	N/A	1,464	1,196		
Average Attorney Caseload	287	231	70	67	60		G
1st District	210	174	70	46	40		G
2nd District	239	207	70	47	42		G
3rd District	346	233	70	79	57		G
4th District	376	247	70	65	52		G
5th District	319	318	70	91	77		G
6th District	288	275	70	124	93		Y
7th District	221	183	70	38	43		G
8th District	286	251	70	56	41		G
9th District	331	270	70	66	44		G
10th District	360	268	70	64	90		Y
11th Division I.	294	301	70	72	66		G
11th District Div. II	274	414	70	85	101		R
12th District	244	219	70	56	52		G
13th District	232	195	70	50	41		G
Program Rating	R	R					Y

Public Defender



Like other criminal justice partners, the Public Defender Department (PDD) has difficulties recruiting and retaining legal professionals in rural areas. PDD implemented geographical pay differentials and expanded recruitment tactics, significantly decreasing the agency vacancy rate from 21 percent in FY17 to 6.2 percent in the second quarter of FY21, the lowest vacancy rate in the last five years, significantly reducing attorney caseloads.

PDD did not meet the target for total reduced charges in felony, misdemeanor, and juvenile cases for the second quarter of FY21. According to the agency, this is largely due to the dramatic change in how the criminal justice system operated during the Covid-19 pandemic, where limited in-person contact decreased the ability of attorneys to effectively communicate with clients and increased the likelihood that defendants accepted unfavorable plea deals for fear of contracting the virus in detention. Contract attorneys reduced originally filed charges in only 36 percent of assigned cases according to data provided by PDD, which may be in part due to poor reporting practices and overwhelming caseloads.

Budget: $55,488 **FTE:** 439

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Felony, misdemeanor, and juvenile cases resulting in a reduction of original formally filed charges	72%	63%	70%	50.3%	46%		G
In-house attorneys	84%	77%	70%	40%	52%		Y
Contract attorneys	31%	20.6%	70%	38%	36%		R
Felony, misdemeanor, and juvenile cases resulting in alternative sentencing treatment	13,900	8,003	5,000	1,491	1,592		G
In-house attorneys	12,281	6956	4000	1,159	1,109		G
Contract attorneys	1,169	1047	1000	332	483		Y
Percent of cases assigned to contract attorneys*	34%	35%	N/A	35.7%	32.5%		
Average time to disposition for felonies, in days*	326	268	N/A	271	294		
In-house attorneys*	291	243	N/A	281	246		
Contract attorneys*	326	293	N/A	271	343		
Cases opened by Public Defender Department *	63,292	54,607	N/A	14,057	13,613		
In-house attorneys*	40,628	40,074	N/A	7.919	8,794		
Contract attorneys*	22,664	21,220	N/A	4,857	4,819		
Program Rating	G	G					Y

ACTION PLAN

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

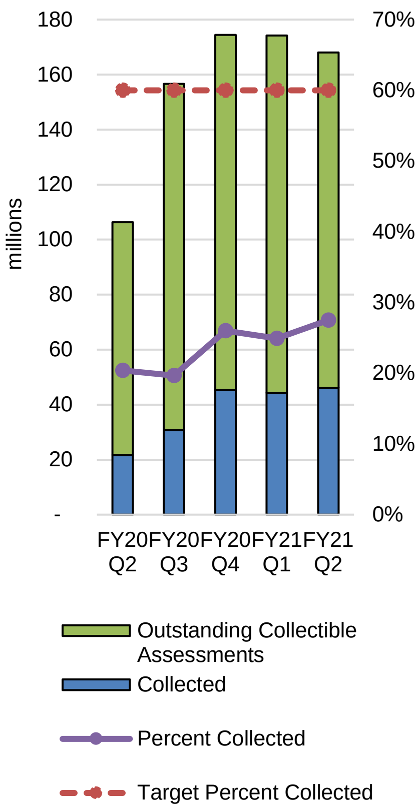
Taxation and Revenue Department

For the second quarter of FY21, the Taxation and Revenue Department (TRD) is on track to meet its annual target for collections of outstanding balances. While the department continues to fall short of its target for collectible audit assessments, the Audit and Compliance Division (ACD) is making slow but steady progress in increasing collectible audit assessments, improving its collection rate from approximately 20 percent to 28 percent over the past year.

Call center wait times in the Motor Vehicle Division (MVD) increased significantly, which MVD attributes in part to a change in measurement. MVD did not track wait times in offices for the past three quarters, citing a need to focus on social distancing and hygiene practices. A lack of measurement makes it difficult to know how well MVD offices are able to serve customers, even with limited capacity. The division implemented a number of customer-friendly changes that make it easier for drivers to conduct transactions remotely and in-person.

The agency's vacancy rate increased slightly, surpassing 25 percent in March, despite an overall decline in state agency vacancy rates. However, the agency was able to stabilize its MVD field operations vacancy rates, after several months of rising vacancies. The Office of the Secretary was also able to hire two economists and a tax policy director in recent months. In response to the Covid-19 public health emergency, both MVD offices and TRD district offices are open by appointment only. The department has not held delinquent property tax sales for the past two quarters.

Collections as a Percent of Collectible Audit Assessments



Source: TRD

Tax Administration

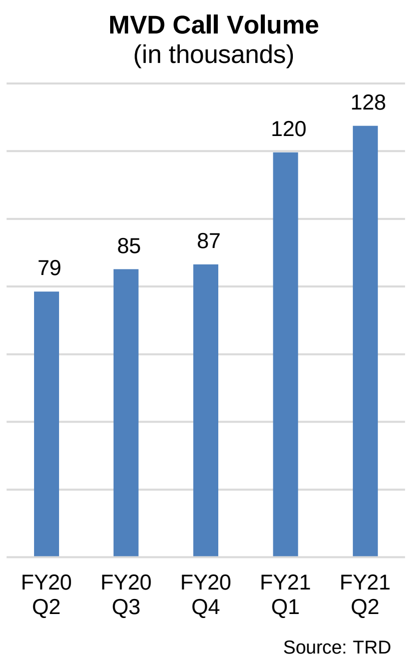
The Tax Administration Program is on track to meet its annual target for collections of outstanding balances. The program collected $109.1 million, or 12 percent, of its total collectible balance of $913.5 million, or 52 percent of the target amount for the year.

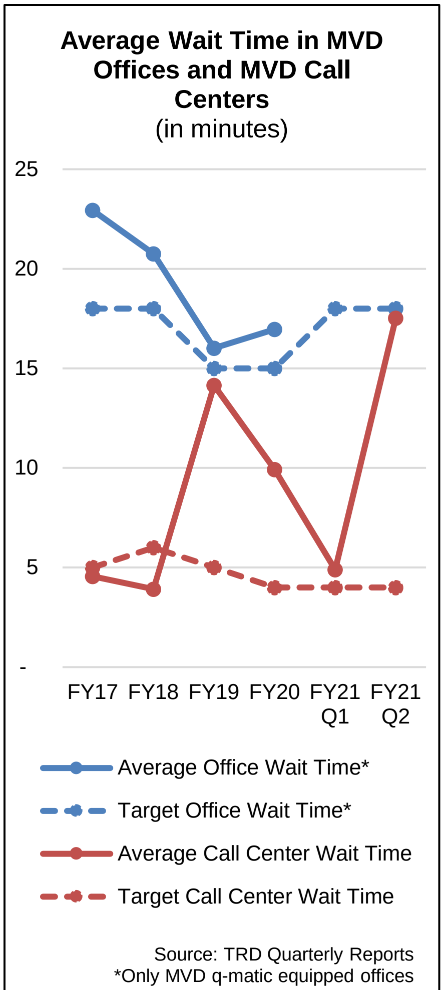
The program again fell short of its goal for collectible audit assessments. At the end of the second quarter, the program had collected $46.2 million, or 27.5 percent, of the $168 million in collectible audit assessments, short of its goal of maintaining collections at 60 percent. However, the program has made progress over the past year, increasing collectible audit assessments by approximately 8 percentage points. ACD began using a new data analytics tool in FY20 to identify the most collectible audits, and expects performance on collectible audits to continue to improve over time as a result of the tool.

Budget: $33,916 **FTE:** 495.8

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year*	19%	19%	23%	9.4%	12%		G
Collections as a percent of collectible audit assessments generated in the current fiscal year	49%	26%	60%	24.9%	27.5%		R
Program Rating	Y	Y					Y

*Target is cumulative





Motor Vehicle

Motor Vehicle Program call center wait times continued to fluctuate, increasing from under five minutes in the first quarter to 17.5 minutes in the second quarter. However, MVD also changed how it measures call times, using a weighted average based on volume of different call types. For example, MVD now weights English-language calls, which tend to have a longer wait time, more heavily, as they account for the majority of all calls. MVD call volume continued to increase, growing by six percent from the previous quarter and 62 percent from the same quarter last year. Due to the Covid-19 pandemic, many MVD customers prefer to conduct transactions by phone, or have difficulty obtaining office appointments.

MVD again did not report on office wait times, citing a need to focus on maintaining social distancing and proper hygiene practices while offices are operating on an appointment-only basis and with limited capacity. However, MVD should still track wait times to ensure efficiency, even with limited service. MVD has made available additional online transaction types, including license renewal for New Mexicans over the age of 79, weight distance renewals, and interlock driver's licenses. The division is also piloting self-serve kiosks at grocery stores in Albuquerque that allow customers to renew vehicle registrations. In addition, MVD is implementing a new queuing system to allow customers to check-in at offices. The improvements to online and in-person services will likely be beneficial even after offices are able to reopen fully.

The share of registered vehicles with liability insurance continued to increase slightly, nearly reaching the target of 92 percent.

Budget: $40,396 **FTE:** 326

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Registered vehicles with liability insurance	90.4%	90.6%	92%	91.2%	91.3%		Y
Average wait time in "q-matic" equipped offices, in minutes	16:01	16:29	<18:00	NR	NR		R
Average call center wait time to reach an agent, in minutes	14:09	9:55	<4:00	4:54	17:31		R
Program Rating	Y	Y					R

Compliance Enforcement

The agency is on track to meet its target for referral of tax investigations to prosecutors. As of the end of the second quarter, four cases had been opened and three were referred to prosecutors. The number of tax investigations opened annually is small, causing this measure to fluctuate significantly between each quarter. However, due to the Covid-19 pandemic, the courts are experiencing a delay in scheduling hearings, and no cases were prosecuted during the first or second quarters of FY21.

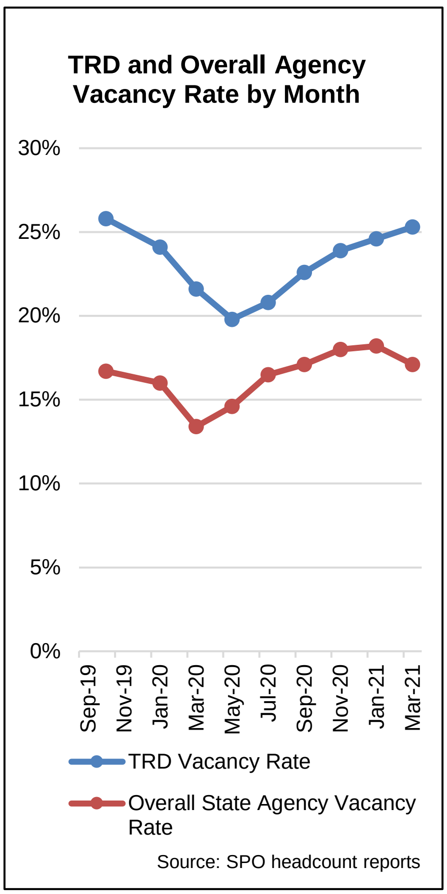
Budget: $1,656 **FTE:** 21

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Tax investigations referred to prosecutors as a percent of total investigations assigned during the year	61%	114%	85%	25%	50%		G
Successful tax fraud prosecutions as a percent of total cases prosecuted*	100%	100%	N/A	0%	0%		
Program Rating	R	G					G

*Measure is explanatory and does not have a target

Property Tax

The Property Tax Program collected and distributed to counties $1.2 million in delinquent property taxes in the second quarter of FY21, reaching 26 percent of the annual target in the first half of the fiscal year, and recovered 2.7 percent of total delinquent property taxes. Public sales of delinquent property have not taken place for the previous three quarters due to public health restrictions. TRD should implement procedures to hold tax sales remotely as soon as is feasible or resume in-person sales where possible according to public health guidelines.



Budget: $4,226 **FTE:** 41

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Delinquent property tax collected and distributed to counties, in millions	$12.9	$10.4	$13	$2.2	$1.2		Y
Percent of total delinquent property taxes recovered	21.2%	18.7%	18%	3.7%	2.7%		Y
Dollar value of all delinquent property tax sales held, in thousands	$244.4	$435.6	$800	$0	$0		R
Program Rating	G	Y					Y

Program Support

The department is on track to meet its performance target for the number of tax protest cases resolved, resolving 310 cases in the second quarter of FY21, reaching nearly half of its total target number of cases for FY21.

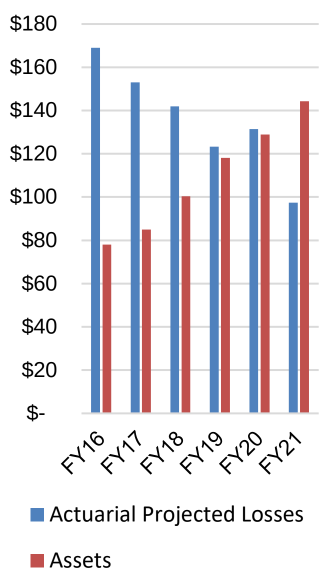
The department submitted a figure of 73 percent for internal audit recommendations implemented, which is on track to meet a goal of 92 percent for FY21. However, the Internal Audit Division is engaged in documenting procedures for all of TRD and is counting completed internal controls as part of the performance measure on implementation of internal audit recommendations. This may not be a meaningful gauge of the division's efficacy and does not directly address the performance measure. In the second quarter, the division implemented eleven internal controls but did not implement any audit recommendations.

Budget: $21,077 **FTE:** 182	**FY19**	**FY20**	**FY21**	**FY21**	**FY21**	**FY21**	
Measure	**Actual**	**Actual**	**Target**	**Q1**	**Q2**	**Q3**	**Rating**
Tax protest cases resolved	1,003	1,744	1,550	432	310		G
Internal audit recommendations implemented	61%	94%	92%	43%	73%		Y
Program Rating	R	Y					Y

ACTION PLAN

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

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



Source: GSD and LFC Files

General Services Department

The General Services Department (GSD) reports healthy fund balances in the risk programs but reports health care spending is increasing as Covid-19 restrictions are eased. A number of new measures will be added for the Group Health Benefits Program that will be reported, including nationally benchmarked measures comparable across public and private health plans. Improved performance reporting in the health benefits program is vital as it will provide insight into cost drivers, care quality, and employee satisfaction with the benefit offered.

Risk Management

GSD reports the three largest risk funds have a combined balance of $144 million and liabilities of $97.5 million for a total funded ratio of 148 percent. The dramatic improvement in funded ratio was mostly driven by a reduction in anticipated liabilities; total projected liabilities fell from $131.4 million to $97.5 million between the fourth quarter of FY20 and the second quarter of FY21. Assets grew from $129 million to $144.3 million over this time. The change in liabilities was not explained in the quarterly report.

Budget: $9,086.7 **FTE: 56**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Projected financial position of the public property fund*	581%	736%	N/A	517%	513%		G
Projected financial position of the workers' compensation fund*	52%	60%	N/A	59%	59%		G
Projected financial position of the public liability fund*	89%	103%	N/A	113%	114%		G
Program Rating	G	G					G

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

Group Health Benefits

Following a decline in per member per month (PMPM) costs in FY20, the department reports that, relative to the second quarter of FY20, PMPM costs are up 8 percent and the number of claims paid is up by 14 percent. The PMPM cost increases are related to more consumers seeking health care as lockdowns ease. While it is likely health care spending will increase in the coming quarters as care that was delayed is rescheduled, there is a potential for savings if consumers continue utilizing less-costly delivery methods such as virtual doctor visits.

Budget: $385,187.7 **FTE: 0.0**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
State group prescriptions filled with generic drugs	88%	87.2%	80%	87%	85.5%		G
Change in average per member per month total healthcare cost	0.4%	-2.5%	<5%	10%	15.1%		R
Percent of available appointments filled at the stay well health center*	NEW	NEW	N/A	54%	50%		
Percent of eligible state employees purchasing state medical insurance*	NEW	NEW	N/A		Annual		
Percent of hospital readmissions for patients within 30 days of discharge*	NEW	NEW	N/A		Annual		
Program Rating	R	G					Y

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

Facilities Management

Appropriations to GSD for Building Repair and Maintenance

FY20	$5,000,000
FY19	$1,500,000
FY18	$0
FY17	$4,000,000
FY16	$3,500,000
FY15	$0
FY14	$4,500,000
FY13	$500,000

Source: LFC Files

The Facilities Management Division (FMD) is responsible for maintaining 2.4 million square feet of state-owned space and 2.1 million square feet of leased space. Additionally, FMD is responsible for master planning functions to ensure agencies have the space required to fulfil their missions while maximizing the efficient use of state facilities. FMD is attempting to reduce the state's facility footprint, reflecting a smaller workforce. Additionally, GSD is working to move employees from leased space to state-owned facilities and reduce occupied square footage to account for telework. While the efforts to consolidate state agencies and reduce leased space is commendable, FMD should work within long-standing planning principals to do so.

FMD reports only 44 percent of scheduled preventive maintenance activities were completed on time as Covid-19 restrictions reduced staff ability to complete work. There were three new leases entered into in the second quarter, one of which was exempted from the space standard. The other two met the 215 square foot per FTE space standard.

Budget: $15,036.3 FTE: 141	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Capital projects completed on schedule	98%	96%	97%	92%	100%		G
Preventive maintenance completed on time	57%	75%	95%	78%	44%		R
New office leases meeting space standards	86%	93%	80%	100%	100%		G
Program Rating	G	G					Y

FY21 Leased and State-Owned Office Space by Square Foot and FTE
Top 10 Agencies by Space Utilization

Department	Leased Space	Rent	State-Owned Space	State-owned Space Per FTE (Target 215)	Total Space
Human Services Department	716,989	$17,045,290	61,456	415	778,445
Children, Youth & Families Department	419,432	$8,593,213	301,488	493	720,920
Department of Health	274,835	$4,315,346	245,776	362	520,611
Corrections Department*	73,273	$1,386,037	299,424		372,697
Taxation and Revenue Department	184,566	$4,239,764	149,838	288	334,404
Department of Environment	120,490	$2,273,294	71,669	462	192,159
Workforce Solutions Department	25,163	$475,187	162,160	374	187,323
Department of Public Safety	63,007	$516,839	64,858		127,865
State Engineer	63,251	$924,009	37,885	209	101,136
Regulation and Licensing Department	24,188	$392,655	65,687	373	89,875
Total	**1,965,193**	**$40,161,634**	**1,460,241**	**386**	**3,425,434**

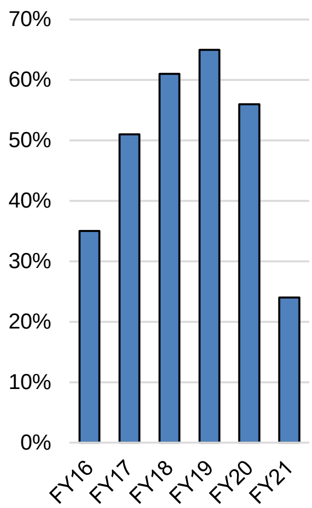
State Purchasing

The program reports the contract review took 6 days on average, down from 20 days in the first quarter and just shy of the target of 5 days. Of the 75 executive agencies, 73 had a procurement officer in the second quarter.

Budget: $2,461.1 FTE: 28	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Procurement code violators receiving procurement code training, as compared to previous fiscal year	99%	113%	90%	33%	100%		G
Agencies with certified procurement officers	91%	92%	95%	93%	96%		G
Average number of days for completion of contract review*	NEW	NEW	<5	20	6		G
Program Rating	G	Y					G

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

Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

Transportation Services

Of the 1,991 vehicles in the GSD fleet, 373 were used over 750 miles per month and 104 were used daily. The second quarter result for vehicle use is yellow because it was well below target but significantly impacted by factors outside of the agency's control.

Budget: $9,590.6 FTE: 33	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Vehicle operational cost per mile	$0.49	$0.48	<$0.59		Annual		
Vehicles used 750 miles per month	65%	56%	70%	26%	24%		Y
Program Rating	G	Y					Y

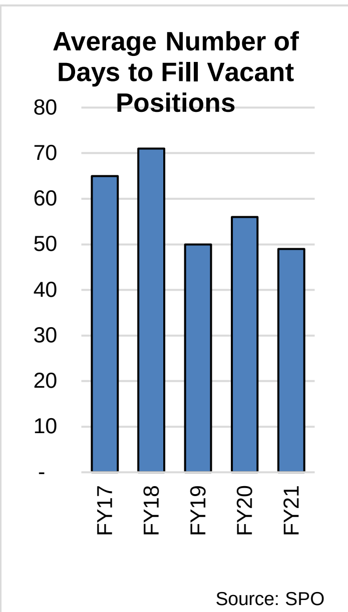
State Printing

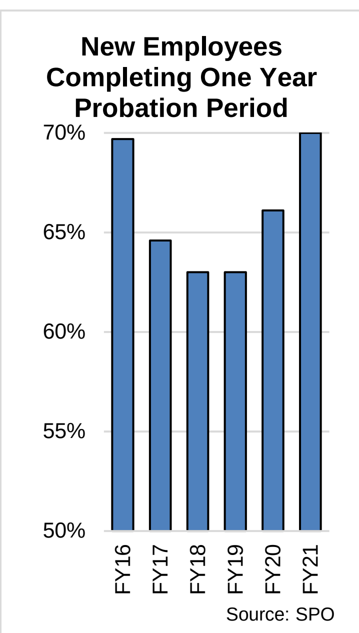
The State Printing Program continues to be adversely affected by the Covid-19 pandemic. For the second quarter, the program reports a 31 percent reduction in revenue. The program generally orders materials in the first two quarters of the fiscal year and then invoices for printing in quarters three and four. However, orders have fallen as employees work remotely and it is likely that printing for the legislative session will be diminished.

Budget: $2,030.3 FTE: 9	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Revenue exceeding expenditures	NEW	5%	5%	-15%	-31%		R
Sales growth in revenue	31%	8.6%	20%	76%	-31%		R
Program Rating	G	Y					R

ACTION PLAN

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





State Personnel Office

The State Personnel Office (SPO) reports mixed results for the second quarter. Although the time to fill positions fell from 59 days to 49 days, the classified service vacancy rate increased from 19.4 percent to 19.6 percent. While the reduction in the time to fill positions is encouraging, the new quarterly report format removed all information necessary to interpret the results, including the number of positions filled and the time to fill by agency and personnel action.

For years, SPO provided high-quality quarterly reports on the state workforce. However, for FY21, the agency significantly reduced the amount of information contained in the reports including time to fill positions by agency, turnover by agency, and number of salary increases awarded, among others. The removal of this information makes it more difficult to assess the challenges confronting agencies statewide. While still fulfilling the requirements of the Accountability in Government Act, the scaled down quarterly reporting seems to fit into a larger trend of reducing the scope of agency responsibility; in 2019, SPO began reversing human resource (HR) consolidation and stated it would no longer enter into agreements to provide HR services to small agencies and recommended these agencies partner with large agencies for these services instead.

SPO advocated for a number of measures to be classified as explanatory, meaning they do not have a performance target. However, ratings were given, based in part, on prior year performance. Overall, SPO is rated red. Performance report card criteria laid out in LFC Volume 1 state red ratings may be given when there is no action plan in place for improvement. No action plan was submitted with the quarterly report and the significantly diminished quality of reporting makes it difficult to determine how SPO is working to improve the functioning of the state's HR system.

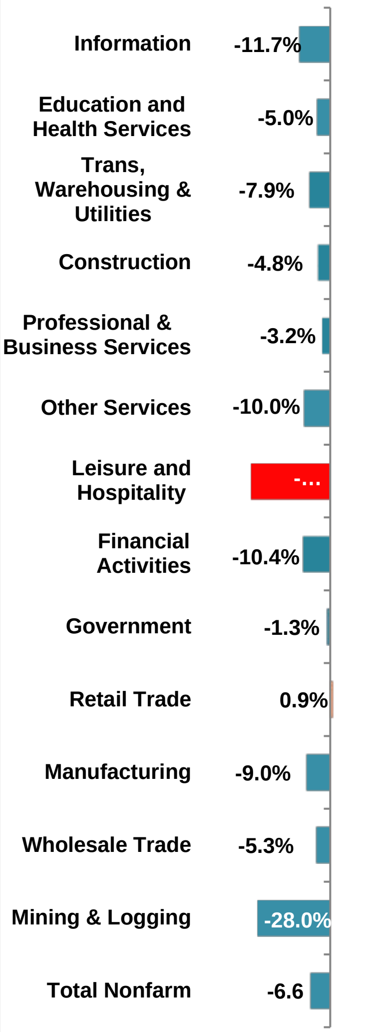
Budget: $4,147.5 FTE: 46	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Classified service vacancy rate	19%	21%	N/A*	19.4%	19.6%		Y
Average days to fill a position from the date of posting	50	56	N/A*	59	49		Y
Average state classified employee compa-ratio	103%	103%	100%	104%	104%		R
Average state classified employee new-hire compa-ratio	99%	100%	N/A*	98%	99%		Y
New employees who complete their first year of state service	63%	66%	N/A*	66%	70%		Y
Classified employees voluntarily leaving state service	14%	12%	N/A*	3.0%	2.8%		
Classified employees involuntarily leaving state service	1.2%	2%	N/A*	0.4%	0.4%		
Number of hires external to state government	NEW	NEW	N/A*	369	508		
Program Rating	Y	Y					R

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

ACTION PLAN

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

December 2020 Year-Over-Year Job Growth by Industry



Source: Workforce Solutions Department

Tourism Department

Workforce Solutions Department (WSD) job growth numbers show the leisure and hospitality industry had a decrease of 30.4 percent in December 2020, compared to December 2019. The Tourism Department met or exceeded the target for all performance measures, with the exception of one measure in the Marketing and Promotion Program. *New Mexico Magazine* exceeded its performance measure for advertising revenue in the first and second quarters of FY21.

Covid-19 has had a substantial negative impact on the tourism industry in New Mexico. Jobs in the leisure and hospitality sector continued to show year-over-year declines in the second quarter of FY21, with an overall average decline of 24 percent. This is an improvement over previous quarters and a slight improvement over the first quarter of FY21, but still represents substantial losses. As of January 20, 2021, employment rates in leisure and hospitality had decreased by 43.4 percent compared to January 2020, higher than any surrounding state during the same period.

Marketing and Promotion

According to the Tourism Department, the change in employment in the leisure and hospitality industry missed the target, with a 24 percent decrease. The percentages differ from WSD job figures because WSD calculates a year over year change by month, while the Tourism Department averages the three months of the quarter and then compares that to the same quarter last year.

Digital engagement grew year-over-year during the second quarter of FY21, increasing by 34 percent. This growth is primarily due to Twitter engagement, which more than doubled, and Instagram engagement, which saw a 44 percent increase. As the Covid-19 pandemic has changed marketing priorities, the Tourism Department has worked to increase digital engagement through virtual experiences and motivational posting to encourage delayed visitation. The department focused on earned media in the first quarter of FY21, with the addition of a dedicated public relations firm to assist with developing and implementing an earned media strategy. This strategy continued to show positive results in the second quarter, resulting in over $835 thousand in earned media value generated.

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

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Change in New Mexico leisure and hospitality employment	5%	-27.5%	3%	-26%	-24%		R
Change in total digital engagement	New	New	3%	24.7%	34%		G
Amount of earned media value generated in millions	New	New	$1	$0.657	$0.835		G
Program Rating							Y

New Mexico Magazine

New Mexico Magazine exceeded its target for advertising revenue per issue, reaching an average of $131.5 thousand in the second quarter. Due to the Covid-19 pandemic, the department re-evaluated its sales strategy. This, combined with a fully staffed sales team, accounted for the increase in advertising revenue. *New Mexico Magazine* has a circulation of approximately 68 thousand customers. The magazine's digital engagement reaches more than 200 thousand visitors per month across various platforms.

Budget: $3,231.9 **FTE:** 10

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Advertising revenue per issue, in thousands	$67.8	$75	$80	$123.5	$131.5		G
Program Rating							G

Tourism Development Program

The Tourism Development Program provides tourism support for communities, regions, and other entities around the state by providing training, litter prevention, cultural heritage outreach, and financial support in the form of competitive grants. The tourism development division has made collaboration with Native American partners a priority in recent years, hiring a full-time cultural heritage coordinator in late FY20. The New Mexico True Certified program continued to grow in the second quarter. The department anticipates the number of participants to grow through the remainder of FY21 as businesses realize the potential of branding for growing small businesses, especially during the pandemic.

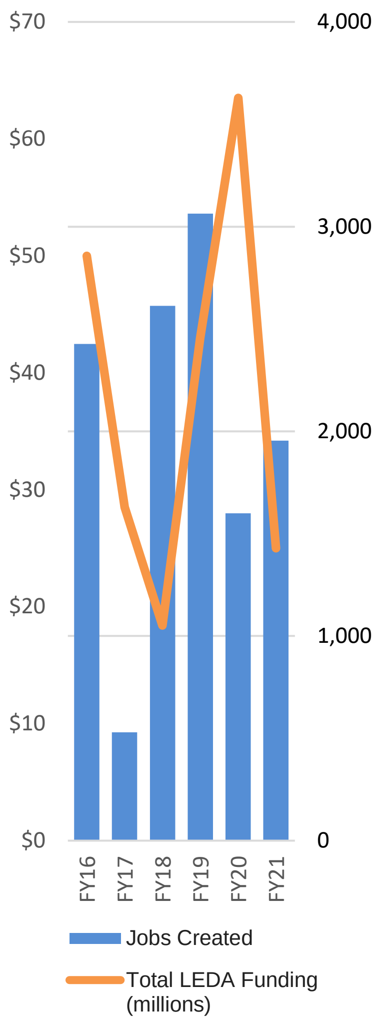
Budget: $2,305.8 **FTE:** 18

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Number of meetings or events conducted with Native American entities	NEW	NEW	16	31	44		G
Number of participants in New Mexico True Certified Program	NEW	NEW	250	400	415		G
Program Rating							G

ACTION PLAN

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

LEDA Approriations and Jobs Created (as of FY21 2nd Quarter)



Source: EDD and LFC

Economic Development Department

In the beginning of the second quarter, EDD continued to offer webinars for local businesses on topics including how to qualify for state and federal funding, Local Economic Development Act (LEDA) and Job Training Incentive Program (JTIP) resources, while also continuing to have multiple programs in place to assist businesses throughout the pandemic.

Economic Development

The Economic Development Division awarded six companies $27.4 million in LEDA funds in the second quarter of FY21 and created 1,338 jobs. Netflix received $17 million to expand in Albuquerque, with 994 new jobs. NTxBio received $5 million for 116 jobs over the next ten years at its new facility in Rio Rancho. Prent Thermoforming will locate a new manufacturing facility in Santa Teresa and was awarded $500 thousand for 85 jobs. New Mexico Fresh Foods is opening a high-pressure processing food manufacturing plant in Albuquerque was awarded $750 thousand for 74 manufacturing jobs. Cymmetrik, a Taiwanese company, will locate operations in New Mexico. The company is a world leader in applied printing, processing and manufacturing. Cymmetrik was awarded $160 thousand for 10 jobs. Lastly, SpinLaunch, located at Spaceport America, was awarded $4 million for an expansion of 59 additional jobs.

The funds matched for these LEDA projects totaled $585 million, contributing to a 21-to-three ratio of private sector dollars invested per dollar of LEDA funds awarded. EDD created 199 rural jobs in the first quarter. As of January 2021, EDD reported $14 million in general fund, other state funds, and severance tax bonds as unencumbered.

Overall, $6 million in private sector reinvestment in MainStreet was reported for the first quarter. Los Alamos MainStreet received a new grocery store, Natural Grocers, which has completed construction on a brand-new building valued at $1.9 million. Los Alamos MainStreet additionally added 17 new jobs to their district from four new businesses that opened, 12 of which were due to the new grocery store opening, and 3 businesses began rehabilitations, including Boese Bro’s Brew Pub, a $40 thousand investment. Belen MainStreet had two cafés remodel old restaurant spaces to fit their needs, representing $60 thousand in improvements and adding 10 new jobs. Albuquerque Downtown MainStreet also continues to see investment in its private buildings with $1.1 million in alterations and repairs in the district. Artesia MainStreet had $173 thousand in private investment for remodeling, and improvements to buildings.

Budget: $10,277 **FTE:** 25

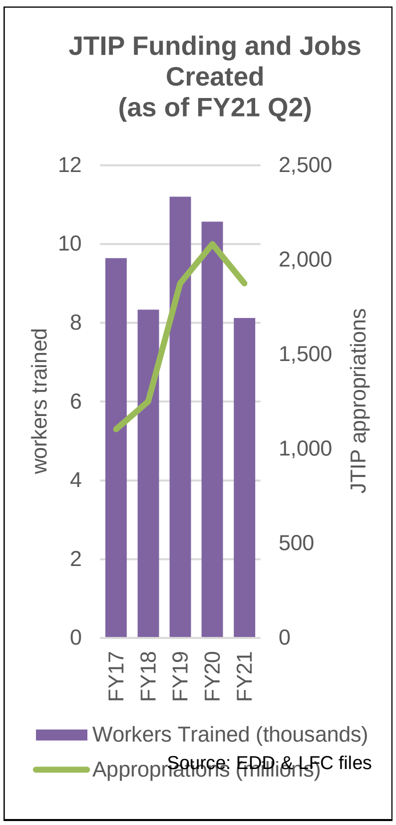
Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Jobs created due to economic development department efforts	3,840	2,670	4,000	1,219	1,602		G
Rural jobs created	1,376	460	1,320	551	199		G
Jobs created through business relocations facilitated by the New Mexico partnership	617	812	2,250	0	95		R

Cost Per Job		
	JTIP	LEDA
FY15	$ 5,300	$ 5,000
FY16	$ 6,000	$ 10,400
FY17	$ 12,563	$ 29,200
FY18	$ 8,839	$ 4,025
FY19	$ 8,144	$ 13,272
FY20	$ 4,541	$ 39,688
FY21*	$ 6,643	$ 19,384

*As of Q2

Source: EDD & LFC Files

Potential recruitment opportunities submitted by the New Mexico Partnership	53	33	60	10	9		Y
Private sector investment in mainstreet districts, in millions	$30.7	$24.57	$30	$30.95	$6.1		G
Number of company visits to New Mexico for projects managed by the New Mexico Partnership	New	New	2	0	2		G
Private sector dollars leveraged by each dollar through Local Economic Development Act	32:1	27:1	20:1	10:1	21:3		G
Jobs created through the use of Local Economic Development Act funds	3,586	1,600	3,000	617	1,338		G
Workers trained by Job Training Incentive Program	2,333	2,202	1,900	1,260	432		G
Program Rating							Y



The Legislature increased recurring appropriations for the Job Training Incentive Program (JTIP) for FY21 by $1 million for a total recurring operating budget of $5 million. As of March 2021, EDD reported $6.4 million in JTIP funds were available.

The JTIP board approved 29 businesses in the second quarter, eight of which were new to the program. JTIP awards reached a total of $6.6 million. During the second quarter, 432 new jobs were approved. The average annual wage associated with the jobs approved is $63.1 thousand. The cost per job was $15.4 thousand. Thirty of the approved jobs were in rural communities such as Deming, Las Vegas, Moriarty, and Roswell. One company in Taos was approved for Step-Up funds to provide upskill training to 15 existing employees. The average wage for jobs approved in rural areas was $16.70. Nineteen internships were approved at an average wage of $19.98 per hour.

New Mexico Film Office

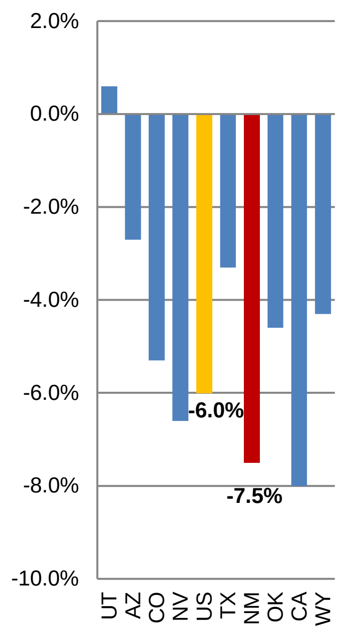
The COVID-19 pandemic brought film and television production to a standstill in March 2020, and production re-started in September 2020. Productions have since been working at a steady pace, resulting in an increase in worker days. Total film and media worker days in the first and second quarters reached 307.8 thousand, surpassing the annual target. Direct spending by the film industry reached $129.7 million in the second quarter.

Budget: $747.1 **FTE:** 8

Measure	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Direct spending by film industry productions, in millions	$525.5	$257.3	$530	$151.6	$129.7		G

Film and media worker days	319,814	266,604	300,000	126,922	180,953		G
Direct spending by film industry productions eligible for the additional 5 percent credit in rural areas in millions	New	New	$20	$0.2	$4.55		Y
Program Rating							G

December FY21 Year-over-Year Job Growth by State



Source: Workforce Solutions Department

Outdoor Recreation

The Outdoor Recreation Division's (ORD) goal is to ensure all New Mexicans share in the public health, environmental, and economic benefits of sustainable outdoor recreation. The two-person ORD team focuses on a few key impact areas: economic development, promotion of outdoor-recreation assets, conservation, and education and public health programs.

During the second quarter, the outdoor recreation incubator developed by Creative Startups and funded in part by ORD began its fall/winter online curriculum for outdoor recreation business entrepreneurs. The division worked with the nonprofit on new marketing materials and helped re-open this program to entrepreneurs in late October. This new cohort generated nine new outdoor recreation startups in the second quarter. The program will continue virtually throughout the winter and spring.

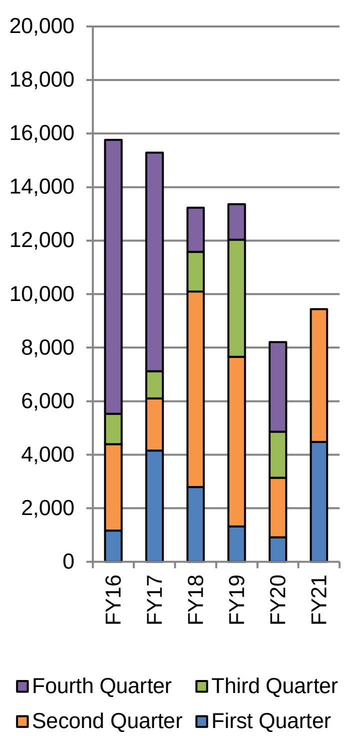
Budget: $451.4 **FTE:** 2

Measure	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Number of new outdoor recreation jobs created by the outdoor recreation division	New	40	Explanatory	0	9		N/A
Number of outdoor recreation projects funded or lead by the outdoor recreation division	New	11	Explanatory	0	6		N/A

ACTION PLAN

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

Forest and Watershed Acres Treated



Source: EMNRD

Energy, Minerals and Natural Resources Department

The Energy, Minerals and Natural Resources Department (EMNRD) pursued initiatives in FY20 that will continue in FY21 to improve performance in key areas, such as a modernization and marketing plan to increase State Parks visitation and a reorganization of the Oil and Gas Conservation Division to address the agency's need to pay competitive salaries. However, EMNRD's operations and revenues, primarily in those programs, were and will likely continue to be significantly affected by the Covid-19 pandemic. State parks were closed during part of the busiest season of the year and visitation is still limited to New Mexico residents. Treatment of the state's forests and watersheds was far below average, and the revenue that funds orphan well-plugging is expected to decline by about 9 percent in FY21.

Healthy Forests

The Covid-19 pandemic continues to have a significant impact on the operations and performance of the Healthy Forests Program, also known as the State Forestry Division (SFD). SFD has amended contracts to increase opportunities for online trainings that cover the classroom portion of training and in-person field trainings that comply with public health orders. These adjustments are expected to increase online training opportunities for local government cooperators in FY21 Q3.

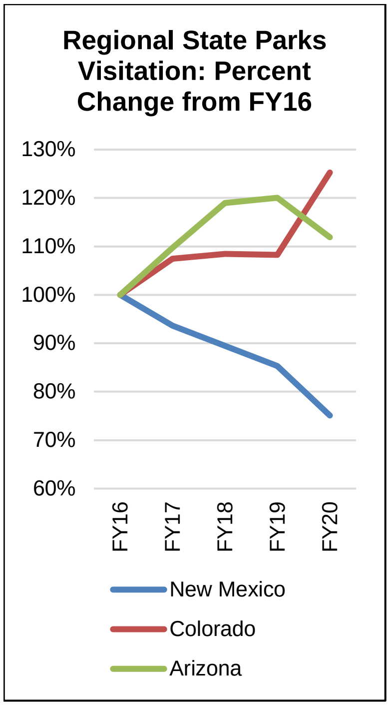
The number of forest and watershed acres treated was also affected by Covid-19 in FY20 and early FY21, as prescribed burns were canceled because the minimum group size to safely conduct a burn would have exceeded the public health order. Some forest thinning operations were also halted until contractors received clarification that natural resource extraction is deemed an essential business and work could resume within the safety guidelines. Improving pandemic conditions, however, have allowed SFD to return to a more typical pace. Furthermore, the court-ordered injunction on treatments in Mexican spotted owl habitat that was responsible for reduced treatment acres in FY20 was lifted, allowing SFD to move forward on high-priority U.S. Forest Service projects. Acres treated in the first two quarter of FY21 have already exceeded the FY20 total.

Budget: $16,032.8 **FTE: 77**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Nonfederal wildland firefighters provided training	1,454	1,229	1,500	20	50		R
Acres treated in New Mexico's forest and watersheds	13,358	8,213	15,500	4,473	4,968		G
Program Rating	Y	Y					Y

State Parks

State park visitation declined for the fifth year in a row in FY20. The Covid-19 pandemic suppressed visitation in the third and fourth quarters, when state parks were first closed to the public and then reopened at limited capacity for day-use only. Self-generated revenue in FY20 was approximately $1.2 million less than it was in FY19, largely due to the loss of camping revenue. Camping for New Mexico residents only was authorized as of October 1, 2020, and the agency expected above-average visitation in the second quarter of FY21 due to mild weather conditions. However, visitation this quarter was actually 29 percent lower than it was in the second quarter of FY20. Self-generated revenue from camping was down 93 percent relative to the same period last year, and day-use revenue was down 22 percent. The State Parks program has developed strategies for enabling expanded access for both residents and non-residents for camping and day-use, and expects third quarter visitation to outperform prior years.

In FY20, the State Parks program began implementing a modernization plan and promotional campaign called "Next Generation of Adventure" to reduce cash management, improve visitor experience through facilities upgrades and new amenities, and increase park visitation. The agency used park closures in FY20 as an opportunity to complete some construction and maintenance work. Along with installing self-pay kiosks and WiFi that would allow for credit card payments, EMNRD has increased the ability for online day-use and camping payments and increased reservation sites throughout the system. EMNRD is also considering changes to the State Parks fee structure based on the results of a fee study to improve revenue collection.



Source: EMNRD, Colorado Parks & Wildlife, Arizona State Parks & Trails, Arizona Office of Tourism

Budget: $28,160.6 FTE: 242.4	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Number of visitors to state parks, in millions*	4.5	3.9	N/A	1.4	0.5		Y
Self-generated revenue per visitor, in dollars*	1.02	1.04	N/A	$0.38	$0.33		
Program Rating	Y	Y					Y

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

Mine Reclamation

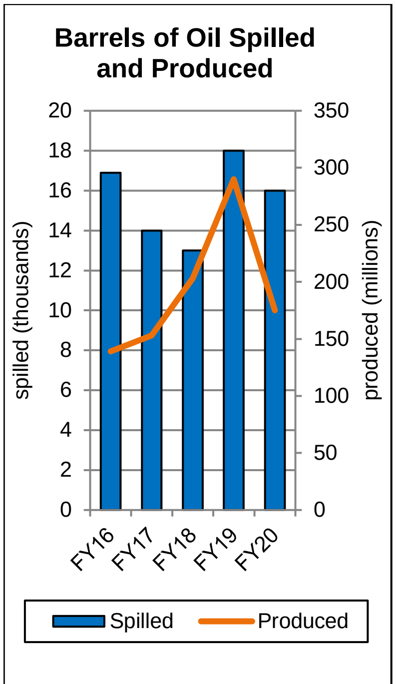
The Mining Act and the Surface Mining Act require that mines obtain a permit including an approved reclamation plan and financial assurance that would allow the state to complete the reclamation if the company owning the mine fails to do so. In the second quarter of FY21, 95 of the 96 mines managed by the program were in compliance with this requirement. The operator of the out-of-compliance mine has had its permit revoked and the agency is pursuing forfeiture of the financial assurance. Once the financial assurance is returned, the mine will be in compliance.

Budget: $8,229.1 FTE: 32	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	100%	100%	97.5%	99%	99%		G
Program Rating	G	G					G

Oil and Gas Conservation

The Oil and Gas Conservation Division (OCD) is engaged in a reorganization effort that will address inconsistencies across district offices and streamline processes to improve compliance and enforcement. Performance data will help determine the effectiveness of the reorganization. Specifically, the agency expects the quality of inspections and compliance to increase as a result of the restructuring and aggressive hiring efforts.

The division approved 90 percent of drilling permits within 10 business days in the second quarter, allowing most operators to conduct business without unnecessary delays. OCD has a new procurement agreement for FY21 that allows for additional approved well-plugging contractors, which staff expect to increase performance on the related



Source: OCD Data

metric. No wells were plugged in the second quarter due to the logistics of finalizing the new procurement agreement, but OCD reports bids to plug 30 wells in Q3 were recently submitted, which would get the program more than halfway to its annual target.

The Environmental Bureau of OCD has the additional responsibility of overseeing the Carlsbad brine well remediation project, which is not captured in the division's performance measures. The southern void has been stabilized, but additional roof collapse was discovered in the northern portion of the cavern and additional filling material and work is needed to prevent potential groundwater contamination. A combination of capital outlay, special appropriations, and local government matching funds to cover the remaining costs were approved by the Legislature, and the agency continues to look for federal funding opportunities.

Budget: $13,148.7 FTE: 75	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Inspections of oil and gas wells and associated facilities showing compliance with permits and regulations	31,043	36,852	31,000	12,556	6,756		Y
Application to drill permits approved within 10 business days	92.9%	94.6%	95%	95%	90%		Y
Abandoned oil and gas wells properly plugged	31	36	50	6	0		R
Violations issued*	1,620	2,176	N/A	618	603		
Program Rating	Y	Y					Y

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

Renewable Energy and Energy Efficiency

The purpose of the Renewable Energy and Energy Efficiency program, also called the Energy Conservation and Management Division (ECMD), is to develop and implement effective clean energy programs, renewable energy, energy efficiency and conservation, alternative transportation and fuels, and safe transportation of radioactive waste. ECMD also provides technical assistance and information to the renewable energy industry for ongoing, potential, and proposed projects.

ECMD administers six clean energy tax credit programs for renewable energy production, solar market development, sustainable buildings, agriculture biomass, biodiesel facilities, and ground-source heat pumps. More than 600 tax credit applications were received and reviewed in the second quarter of FY21. ECMD plans to conduct more outreach this year to inform New Mexicans of the opportunities available for clean energy tax credit programs.

ECMD operates the Energy Savings Performance Contracting program, which implements energy efficient facility improvements without the need for upfront capital funding from state agencies. ECMD reviews and certifies investment grade audits that guarantee the energy savings will provide for the financing of construction costs.

ECMD also monitors project construction to ensure certified measures are implemented and evaluates monitoring and verification reports to assess the performance of the annual energy savings. LFC recommends EMNRD add performance measures to capture the energy and financial savings created by this program and demonstrate compliance with best practices.

Budget: $ 3,460.4 FTE: 21	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Applications for clean energy tax credits reviewed within 30 days	90%	90%	90%	90%	97%		G
Number of clean energy projects to which the division provided information and technical assistance*	N/A	143	N/A	88	63		
Program Rating	G	G					G

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

ACTION PLAN

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

The Dam Safety Bureau of the Office of the State Engineer (OSE) keeps a list of publicly owned dams in need of rehabilitation, ranked in priority order based on several factors. The list consists of 66 dams that are publicly owned, are of sufficient size to be regulated by OSE, are considered high-hazard potential dams, have auxiliary spillway capacity that is less than 70 percent of the regulatory requirement, and are deficient based on safety criteria with a condition rating of unsatisfactory, poor, or fair.

Publicly Owned Dams in Need of Rehabilitation: 10 Highest Priority Dams

Dam Name	Purpose	Estimated Rehab Cost
Cimarroncito Dam	Water Supply	$10M or more
San Mateo Dam	Irrigation	$3M or more
Fenton Lake Dam	Recreation, Wildfife	$8M or more
Eagle Nest Dam	Irrigation and Recreation	$1M or more
Nichols Dam	Water Supply	$3M
McClure Dam	Water Supply	$3M
Lake Maloya Dam	Water Supply	>$20M
Bluewater Dam	Irrigation	$10M or more
Alto Lake Dam	Water Supply	$10M or more
Lower Vallecito Dam	Irrigation	$7M-$8M

Source: OSE

Office of the State Engineer

Short-term extreme drought within New Mexico's decades-long drought has continued to deepen. In 2020, snowmelt runoff was one of the lowest on record and summer monsoons were almost nonexistent, putting a strain on the state's rivers and leading to shortage sharing operations. This year has started out similar to 2020 and the drought has become exceptional, the highest category of drought, in many parts of the state. These conditions combined with use demands resulted in reduced water delivery to Elephant Butte Reservoir for 2021, increasing the state's accrued debit under the Rio Grande Compact. In addition, exceptional drought has led to the need for the Interstate Stream Commission (ISC), under the 2003 Pecos River Settlement, to pump its wellfields to increase supply for the Carlsbad Irrigation District. Those pumping efforts have exceeded delivery goals but aren't enough to make up for the exceptional drought. Consequently, CID has initiated a priority call on junior Pecos River water users. Every reservoir in the state remains far below historical averages. Experts warn the conditions exacerbating the region's long-term drought are likely the new normal. The Office of the State Engineer (OSE) is tasked with measuring and distributing available water efficiently, maximizing use of New Mexico's interstate stream apportionments to promote sustainability, and planning for the future water needs of residents and the environment.

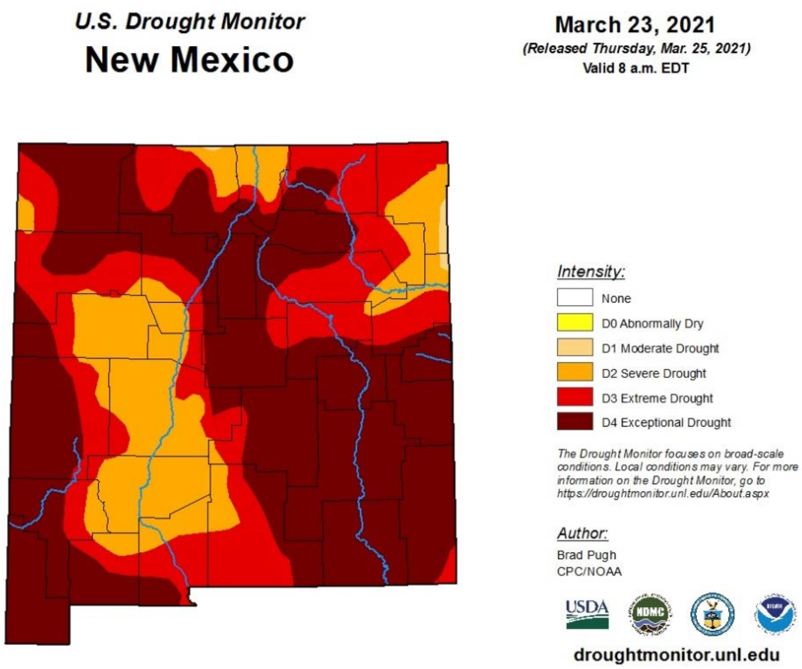
Significant issues for OSE and ISC in FY21 include continuing to address the extreme drought shortages using active water resource management, litigation with Texas over the Rio Grande Compact in the Lower Rio Grande, developing drought contingency plans for Colorado River water, changing direction on Arizona Water Settlement Act projects, and developing and implementing a water conservation and management pilot project for the Lower Rio Grande basin.

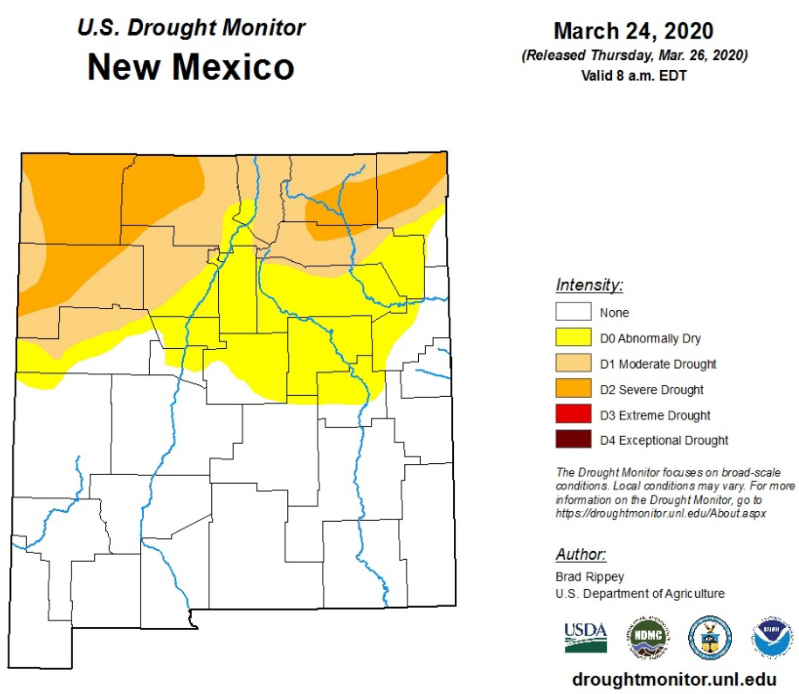
Water Resource Allocation

The purpose of the Water Resource Allocation Program (WRAP) is to provide for administration, distribution, protection, conservation, and development of the state's surface water and groundwater resources, including the implementation of active water resource management. WRAP has an internal goal to keep the number of backlogged water rights permit applications under 500, which it currently is meeting. The program did not meet the target for applications processed per month in the first or second quarter of FY21, reportedly due to 31 vacant positions in the Water Rights Division and the need to investigate illegal water use complaints that are higher due to drought conditions.

Given ongoing concern about statewide dam safety, OSE should consider revising the performance measure related to dam deficiencies. The current measure reports the number of notices for deficient dams issued each quarter, but this does not provide information on the actual number of dams with deficiencies or what proportion of all dams in the state that number represents. The owners of the 10 dams shown on the left are either planning rehabilitation work and assembling funding or they are currently undergoing rehabilitation. State capital outlay funds are being used for four of these dams.

Budget: **FTE:**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Unprotested and unaggrieved water rights applications backlogged*	547	502	N/A	484	488		G
Unprotested water rights applications processed, per month	30	39	50	28	28		R
Transactions abstracted annually into the water administration resource system database	24,946	20,432	20,000	4,679	4,847		Y
Notices issued to owners of publicly-owned dams notifying them of deficiencies or issues	84	58	45	9	15		G
Program Rating	Y	Y					Y





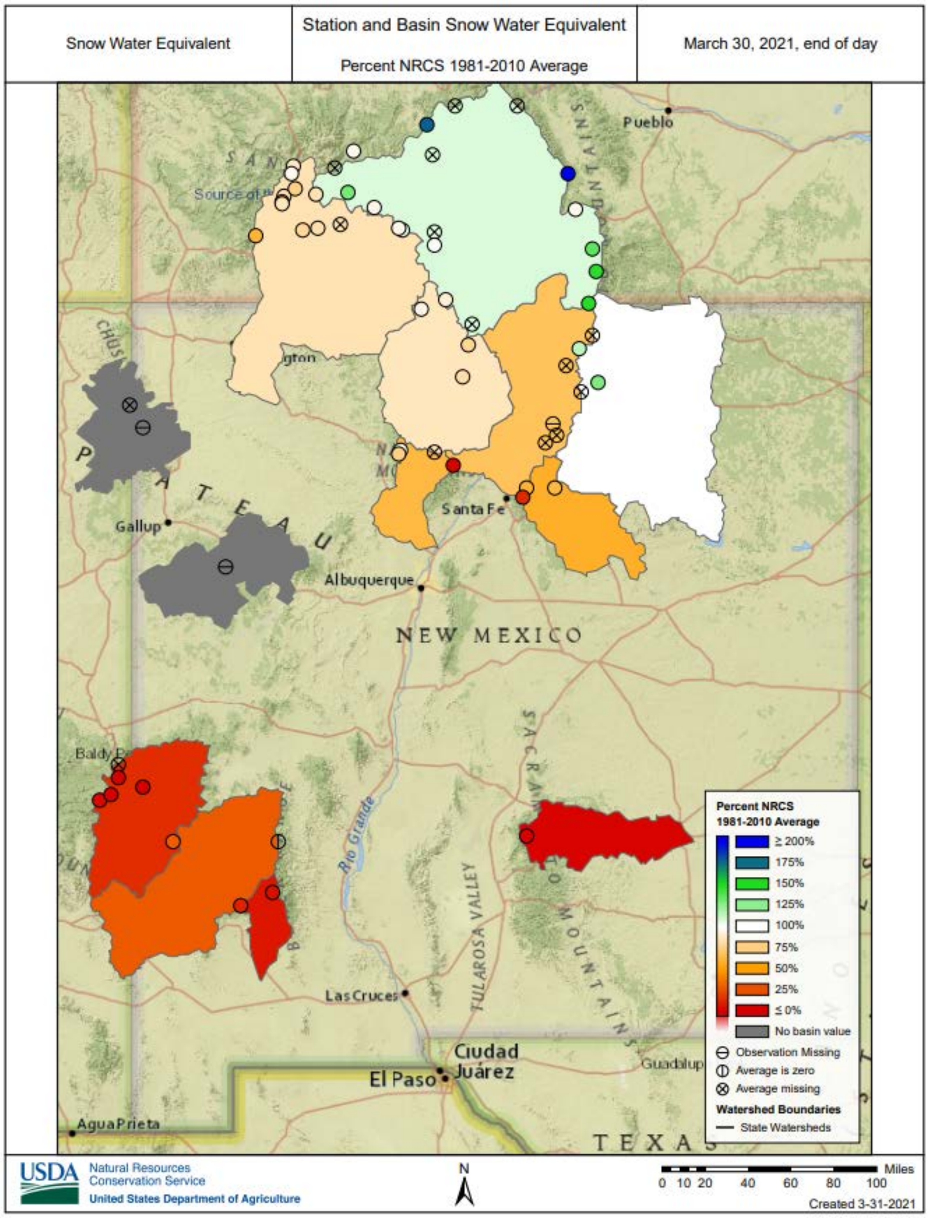
The maps on the left show current statewide drought conditions compared to statewide drought conditions one year ago. In March 2020, less than half of the state was experiencing drought, and the highest drought intensity recorded was D2, severe drought, affecting only 11.4 percent of the state. Currently, 99.7 percent of the state is ranked D2 or higher, with D4, exceptional drought, covering more of the state than any other category.

Interstate Stream Commission

The purpose of the Interstate Stream Compact Compliance and Water Development Program is to ensure New Mexico's continued compliance with its interstate stream compacts, resolve federal and interstate water issues, develop water resources and stream systems in an environmentally sound manner, and plan for the future use of water to ensure maximum sustained beneficial use of available water resources.

The Pecos River Compact report for water year 2019, issued on June 24, 2020, included an annual debit to New Mexico of 9,800 acre-feet, resulting in a cumulative Pecos River compact credit of 166,300 acre-feet. Part of this credit was disputed by Texas in a case heard by the U.S. Supreme Court, which ruled in New Mexico's favor in late 2020.

On the Rio Grande, the New Mexico Engineer Adviser's accounting of New Mexico's Compact status for calendar year 2020 reports an accrued debit of 38,800 acre-feet. The below-average snowmelt runoff for 2020, the lack of stored water available to meet demands on the Rio Chama and middle Rio Grande, and the COVID19 pandemic led to the State Engineer, who is New Mexico's Rio Grande



Compact Commissioner, to provide about 45,000 acre-feet of stored water for use in those areas for farmer and endangered species/environmental needs as well as to continue to provide river recreation opportunities for families as an outlet during the pandemic. The state is required to retain Rio Grande water in storage at all times to the extent of its accrued debit, which was done in El Vado, Nichols, and McClure reservoirs during the 2020 snowmelt runoff.

Article VII storage restrictions went into effect in June 2020 and Interstate Stream Commission (ISC) staff anticipate they will remain in effect through the 2021 snowmelt runoff. New Mexico significantly under-delivered to Elephant Butte Reservoir in 2020 due to extreme drought conditions, and ISC staff expect the state to have an accrued debit of approximately 97,000 acre-feet in 2021.

The Rio Grande Compact Commission came to an agreement that approximately 38,800 acre-feet of accrued debit water being retained in El Vado Reservoir could be released on an emergency basis, by order of the State Engineer, to provide flows in the middle valley to support endangered species and agricultural supply. While a release of 32,000 acre-feet in summer 2020 helped avoid potentially significant economic and environmental issues in the middle valley, it also substantially reduced deliveries to Elephant Butte Reservoir.

ISC and OSE are working with the Middle Rio Grande Conservancy District and other upper and middle Rio Grande water user entities to increase deliveries to Elephant Butte Reservoir and reduce the accrued debit, but a severe impact on the 2021 irrigation season is expected.

Budget: **FTE:**	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Cumulative state-line delivery credit per the Pecos River Compact, in thousand acre-feet	170.8	166.3	>0	166.3	166.3		G
Cumulative delivery credit per the Rio Grande Compact, in thousand acre feet	5.4	-38.8	>0	-38.8	-38.8		R
Cumulative New Mexico unit fund expenditures, in millions*	$14.83	$20.1	N/A	N/A	$22.1		
Program Rating	G	G					Y

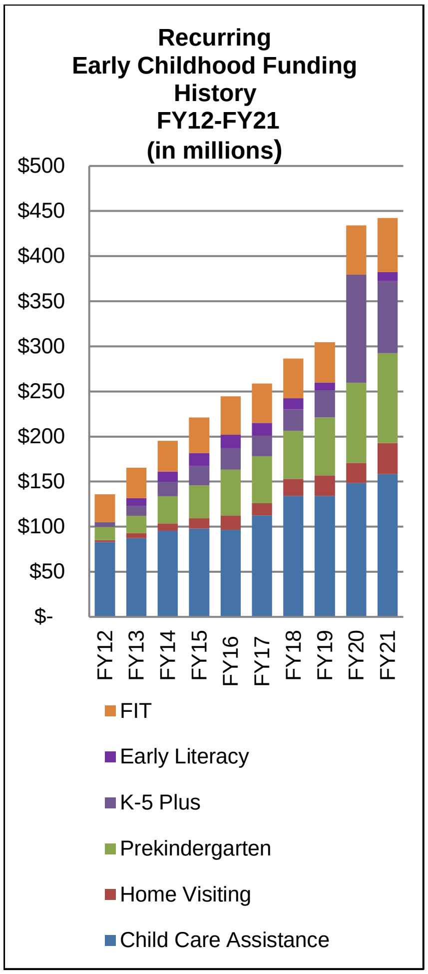
Litigation and Adjudication

These two measures track progress toward the completion of the adjudication of water rights in New Mexico. The percentage of water rights that have judicial determinations represents the percentage of water rights that have been determined by court orders entered in all water rights adjudication suits to date. It is not expressed as a percentage of all water rights that have been and will be adjudicated in the future, as that number cannot be accurately ascertained before adjudication suits are filed in the future for areas yet to be adjudicated. This measure is therefore affected not only by the ongoing entry of new judicial determinations, but also by the opening of new adjudication suits or sections of adjudications. Since FY19, the program has included data for water rights with judicial determinations in all closed and active adjudications to provide more meaningful data on the cumulative effect of adjudications.

Budget: $7,732 **FTE: 59**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Offers to defendants in adjudications	456	444	325	125	94		G
Water rights that have judicial determinations	75%	76%	74%	76%	76%		G
Program Rating	G	G					G

ACTION PLAN

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



Note: Funding for the K-5 Plus Extended School-Year Program and Early Literacy are appropriated the Public Education Department.

Early Childhood Care and Education Department

The newly created Early Childhood Education and Care Department (ECECD) now primarily administers the state's early childhood care and education system. Primary programs include childcare assistance, home visiting, prekindergarten, and the Family, Infant, Toddler (FIT) program. However, some programs still considered part of the early care and education system will remain in other state agencies or are directly federally funded such as K-5 Plus, the Women, Infants and Children (WIC) program, and Head Start.

Family Support and Intervention

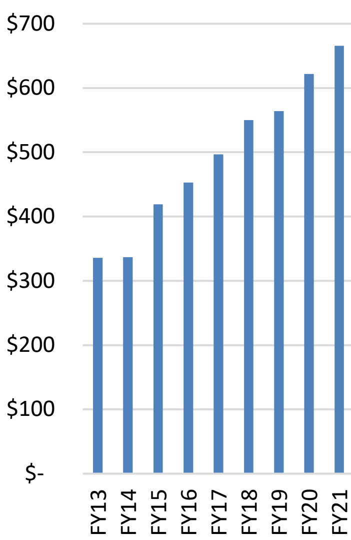
The Family Support and Intervention Program is primarily comprised of the home visiting, Families First, and Family Infant Toddler (FIT) programs. The programs are considered the state's early childhood early intervention services. The program only has two performance measures for home visiting. Given the significant state investments in these early intervention programs additional performance measures are needed for policy makers to monitor performance.

Budget: $35,098.5 **FTE: 46**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Percent of parents participating in home visiting who demonstrate progress in practicing positive parent-child interactions	45.5%	43.7%	50%	42.8%	42.6%		R
Percent of families receiving home visiting services for at least six months that have one or more protective services-substantiated abuse or neglect referrals during the participating period	1.1%	0.9%	3%	0.3%	0.4%		G
Program Rating	Y	G					Y

Early Education, Care and Nutrition

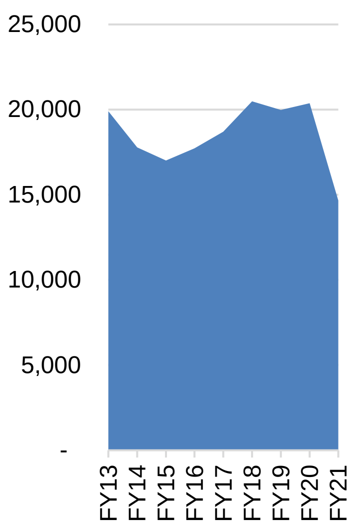
The Early Education, Care and Nutrition Program is primarily comprised of the private provider prekindergarten, childcare assistance, and the family nutrition bureau. The program did not report on some performance measures. Again, given the significant state investments in these early care and education programs additional performance measures are needed for policy makers to monitor performance. Despite increased eligibility and 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 the fall of 2020, enrollment began to decline significantly, to 15 thousand and continued to decline to 13 thousand in February. Over FY21, average monthly enrollment was 14.6 thousand as of February 2020. The average monthly cost per child, however, increased to $666, or $7,992 annually. The average annual cost per child has risen 7 percent in FY21 above the previous fiscal year despite the significant decline in enrollment. The increased cost has been primarily driven by the department covering parent co-payments and a $200 per child differential payment to providers. Despite the increased cost per child, low enrollment will result in general fund reversions or significant federal revenue carry-forward. The department is unlikely to spend more than

Childcare Assistance Average Monthly Cost per Child



Source: ECECD

Childcare Assistance Enrollment by Fiscal Year



Source: ECECD

$140 million of the $158 million annual child care assistance budget in FY21. This estimate also does not include the most recent federal child care relief funding in the American Rescue Plan, which New Mexico is estimated to receive $320.3 million.

Budget: $329,628.9 **FTE: 156**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Percent of children in community-based pre-kindergarten funded by the Early Childhood and Education Department showing measurable progress	95%	93%	95%	Reported Annually			
Percent of licensed childcare providers participating in high-quality programs	43%	47%	46.8%	46.7%	47.2%		G
Percent of children receiving subsidy in high quality programs	73%	71%	70%	69.2%	69.8%		Y
Percent of children receiving childcare assistance with substantiated abuse or neglect referrals during the childcare assistance participating period	1.3%	1.3%	1.3%	0.7%	0.9%		G
Percent of children in New Mexico childcare assistance who have attended four- or five- star programs for eight months or longer showing measurable progress on the school readiness fall preschool assessment	New	Not Reported	85%	Reported Annually			
Program Rating	Y	G					Y

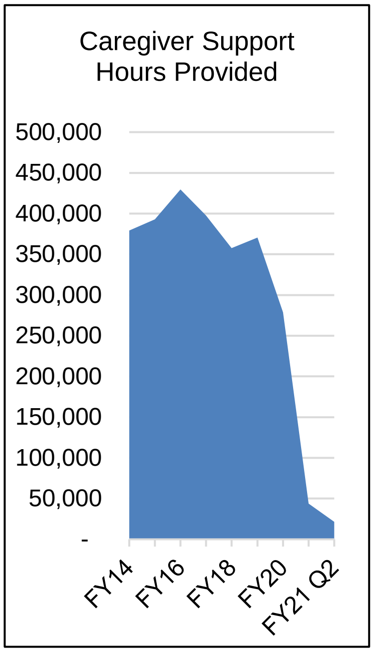
Public Prekindergarten

Funding for prekindergarten services delivered by public schools is transferred to the Public Education Department from ECECD and the performance measure is reported annually.

Budget: $48,856.5 **FTE: 0**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Percent of children in community-based pre-kindergarten funded by the Early Childhood and Education Department showing measurable progress	95%	93%	95%	Reported Annually			
Program Rating							

ACTION PLAN

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



Source: ALTSD

Aging and Long Term Services Department

The Aging and Long-Term Services Department (ALTSD) continued to miss a significant portion of its targets for the second quarter of FY21, but did show some improvement. Its mission is to serve older adults and adults with disabilities so that they can remain active, age with dignity, be protected from abuse, neglect, and exploitation, and have equal access to healthcare.

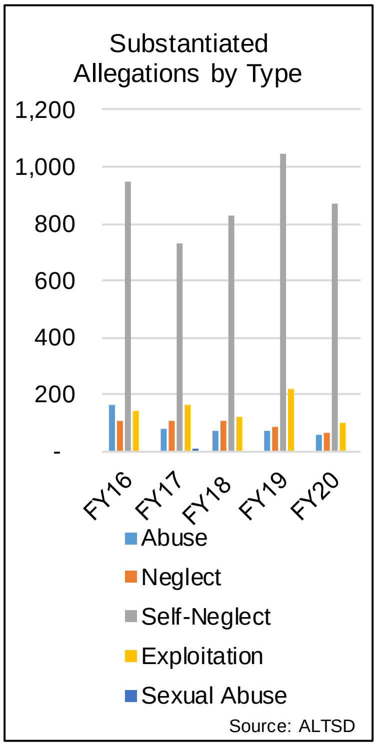
Consumer and Elder Rights

During the second quarter the Aging and Disability Resource Center (ADRC) staff began answering by a live operator again. The ADRC staff continued to work remotely but began taking live calls starting the middle of October, 2020. During the second quarter, the ADRC received 14,484 calls, an average of 239 per day. ALTSD reported ADRC staff will continue to take live calls during the 3rd Quarter of FY21. The agency reported the top topics of concern for callers continued to be related to Medicaid or Medicare benefits, senior center services, prescription assistance, and Covid-19.

Budget: $4,940.7 **FTE: 48**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Calls to the aging and disability resource center that are answered by a live operator	79%	55%	90%	0%	63%		Y
Residents who remained in the community six-months following a nursing home care transition	84%	82%	90%	86%	85%		R
Individuals provided short-term assistance that accessed service within 30 days of a referral from options counseling	New	New	89%	100%	100%		G
Facilities Visited Monthly	New	New	40%	0%	3%		R
Ombudsman complaints resolved within sixty days	97%	100%	97%	92%	92%		Y
Program Rating	Y	Y					Y

Adult Protective Services

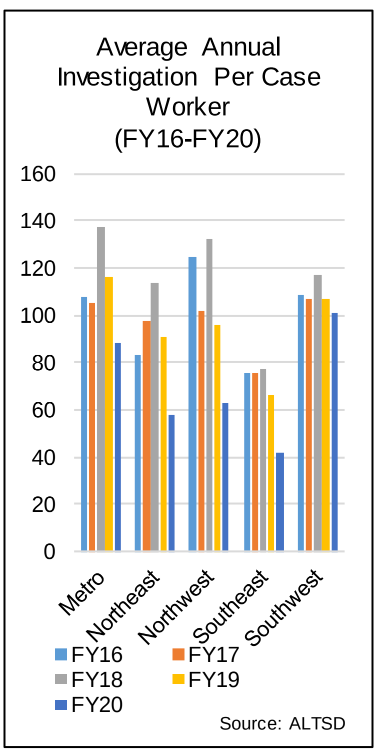
The program began reporting repeat maltreatment substantiations within six months of a previous substantiation of abuse or neglect in FY21. This performance measure assists the state in assessing the effectiveness of the program in preventing maltreatment. In the second quarter, repeat maltreatment rose significantly. The department reported is believed seniors who were particularly vulnerable during the global pandemic but is still attempting the validate why the rate has increased so significantly. The program met the performance target for priority investigations, making face-to-face contact quickly. The department previously reported the decline in the measure due to the restrictions on in-person interactions resulting from the pandemic. However, the investigative caseworkers are conducting in-person investigations on time, while ensuring the use of PPE when entering homes to safeguard the clients and employees. Caseworkers are equipped with appropriate PPE, cleaning supplies, and screening methodology when making face-to-face contact. Additionally, the investigative caseworkers are required to submit monthly COVID-19 testing to ensure client safety.



Budget: $13,553.6 **FTE: 127**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Adult Protective Services investigations of abuse, neglect, or exploitation	6,671	5,494	6,150	1,204	980		R
Emergency or priority one investigations a caseworker makes initial face-to-face contact with the alleged victim within prescribed timeframes	99%	99%	99%	97%	99%		G
Repeat abuse, neglect, or exploitation cases within six months of a substantiation of an investigation	New	New	5%	5.6%	8.3%		R
Outreach Presentations conducted in the community within Adult Protective Services' jurisdiction	New	205	141	6	31		R
Referrals made to and enrollments in home care and adult day care services as a result of an investigation of abuse, neglect, or exploitation	New	New	600	153	15		R
Priority two investigations in which a case worker makes initial face to face contact with the alleged victim within prescribed time frame	New	95%	95%	99%	98%		G
Program Rating	Y	Y					Y

Aging Network

The Aging Network did not meet targeted performance for the hours of caregiver support for the second quarter of FY21 and continues fall below previous fiscal years. Services included in this measure are home care, adult daycare, respite care, and counseling and support groups. These services are provided by area agencies on aging (AAA) contract providers and the New Mexico chapter of the Alzheimer's Association. The agency reported the Covid-19 pandemic and executive emergency declarations closed adult daycare centers, and the remaining services were affected by the stay-at-home and social-distancing orders. This continues to result in the decline of services during the second quarter of FY21. The department reported the number of hours of caregiver support were 9,333 hours of respite care, 551 of adult day care, 7,328 hours of homemakers, and 4,194 hours of other support services.



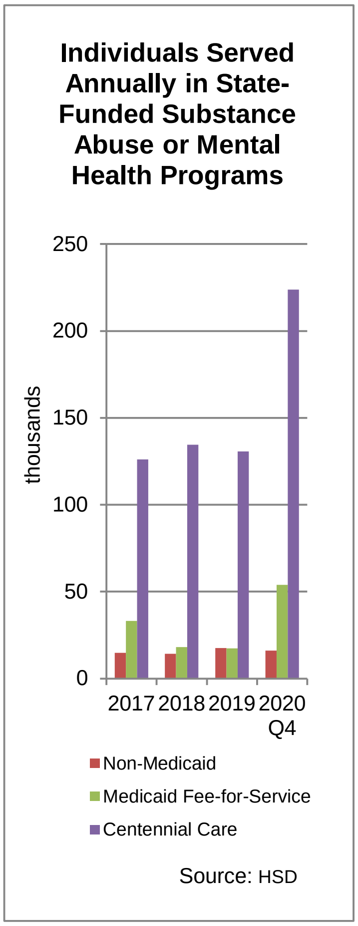
Budget: $42,264,2 **FT: 14**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY 21 Q3**	**Rating**
Older New Mexicans receiving congregate and home delivered meals through aging network programs that are assessed with "high" nutritional risk	New	New	15%	19%	20%		G
Outreach events and activities to identify, contact and provide information about aging network services to potential aging network consumers who may be eligible to access senior	New	New	50	69	158		G

services but are not currently accessing those services						
Meals served in congregate and home delivered meal settings	New	New	4,410,000	1,307,763	1,277,363	G
Transportation Units Provided	New	New	637,000	16,975	15,554	R
Hours of caregiver support	370,538	278,513	444,000	43,743	21,406	R
Program Rating	Y	Y				Y

PERFORMANCE REPORT CARD
Behavioral Health Collaborative
Second Quarter, Fiscal Year 2021

ACTION PLAN

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



New Mexico has among the poorest substance use and behavioral health outcomes in the country. The Covid-19 pandemic further resulted in increased anxiety, depression, insomnia, and psychological distress as well as increased prevalence and severity of substance use. Forty-five percent of adults in the United States reported their mental health was negatively impacted due to worry and stress over the Covid virus. Children also experienced high rates of anxiety, depression, and post-traumatic symptoms. Closure of in-person schooling exacerbated the problem.

In New Mexico, 19 percent of adults experience mental illness, and as of 2018, New Mexico had the highest suicide rate in the nation, a rate of 25 per 100,000 people. The Behavioral Health Services Division of the Human Services Department (HSD) reports over 60 percent of adults with moderate mental illness and over 30 percent of adults with serious mental illness in the past year did not receive treatment.

HSD reported on a retrospective case-controlled national study of electronic health records of 73 million unique patient encounters that 7,510,380 patients had a substance use disorder (SUD) diagnosis and 12,030 had a diagnosis of Covid-19. Patients with a diagnosis of SUD were at significantly increased risk for Covid-19, an effect strongest for individuals with opioid use disorder, followed by individuals with tobacco use disorder. Patients with SUD had a significantly higher prevalence of chronic kidney, liver, and lung diseases, cardiovascular diseases, type 2 diabetes, obesity, and cancer. Black Americans with SUD had a significantly higher risk of Covid-19 than white Americans, and also had worse outcomes in terms of death and hospitalization rates.

HSD has taken measures to ensure and improve behavioral health access during the Covid-19 pandemic. Medicaid managed care organization (MCOs) have been directed to allow behavioral health providers to bill for telephonic visits using the same codes and rates that are currently established for in-person visits. BHSD non-Medicaid providers are similarly allowed to bill using established codes for telephonic visits through the duration of the pandemic. For the 12-month period, July 1, 2019 through June 30, 2020, 22,575 unduplicated members were served through telehealth services.

HSD also implemented strategies to increase the behavioral health providers network including: (1) expanded the substance use disorder (SUD) waiver to add Medicaid funding for Screening, Brief Intervention, and Referral to Treatment (SBIRT), CareLink health homes, adult substance use residential treatment, medication assisted treatment, and use of peer supports; (2) implemented $78 million in FY20 Medicaid provider rate increases in October 2019 including behavioral health providers; (3) began implementation of a graduate medical expansion (GME) program for primary care, behavioral health physicians, and psychiatry; (4) reached settlement agreements in December 2019 with the remaining five behavioral health organizations that filed lawsuits against HSD when their Medicaid payments were frozen in 2013 due to largely unsubstantiated allegations of fraud; and (5) received a $2.4 million federal planning grant in September 2019 to increase the treatment capacity of Medicaid providers to deliver SUD treatment and recovery services. Finally, the CY2020 Medicaid MCO contracts include a delivery system improvement performance measure to increase the number of unduplicated Medicaid members receiving behavioral health services from a behavioral health provider.

Status of FY21 Behavioral Health Performance Measures

Beginning in FY21, three behavioral health performance measures were discontinued:

▪Individuals discharged from inpatient facilities who receive follow-up services at seven days;

▪Individuals discharged from inpatient facilities who receive follow-up services at 30 days; and

▪Suicides among fifteen to nineteen year olds served by the behavioral health collaborative and Medicaid programs.

The FY21 PB-2 form included an additional performance measure not reported on by HSD:

▪Percent of emergency department visits, for Medicaid managed care members 13 years of age and older, with a principal diagnosis of alcohol or other drug dependence (AOD), who had a follow-up visit for AOD within seven days and 30 days of emergency department visit.

The General Appropriation Act of 2020 mandated reporting on the following measures not reported on by HSD:

▪Percent of adults with mental illness or substance use disorders receiving Medicaid behavioral health services who have housing needs who receive assistance with their housing needs;

▪Percent of individuals discharged from inpatient facilities who receive follow-up services at 30 days;

▪Percent of people with a diagnosis of alcohol or drug dependency who initiated treatment and receive two or more additional services within 30 days of the initial visit; and

▪Percent reduction in number of incidents from the first to last day of the school year in classrooms participating in the pax good behavioral games, as measured by the spleem instrument.

In the last two federal stimulus packages, BHSD received over $20 million in federal funds to support treatment services for individuals with mental health and substance use disorders. Priorities are to train and provide ongoing coaching to providers on evidence-based practices that can rapidly be delivered via telehealth; enhance the New Mexico Crisis and Access Line (NMCAL) to screen, assess, and serve the health workforce and others impacted by Covid; implement peer recovery supports; and support the network of crisis response, including telepsychiatry, crisis triage, and mobile outreach. NMCAL created a dedicated crisis line open 24/7 for healthcare workers and first responders to provide professional counseling and support for those on the front lines of the state's pandemic response, and launched NMConnect, a downloadable app that connects New Mexicans to crisis counseling.

Additionally, as part of an effort by the Emergency Operations Center, HSD is partnering with the Department of Health and the Tourism Department to provide temporary housing and peer supports for displaced individuals who are at risk for Covid-19, are awaiting Covid-19 testing, or have tested positive for Covid-19. BHSD's Office of Peer Recovery and Engagement trains and identifies peers to provide daily engagement and support for displaced individuals, to monitor health and overall well-being, encourage participation in behavioral health services, and assist with any additional needs (e.g. food, clothing, medications, cell phone service, laundry and cleaning supplies) related to the social determinants of health.

Budget: $73,387.7 **FTE:** 55	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Adult Medicaid members diagnosed with major depression who received continuous treatment with an antidepressant medication	37%	40%	35%	39.7%	40.6%		G
Medicaid members discharged from inpatient psychiatric hospitalization stays of four or more days who receive follow-up community-based services at seven days	No Report	No Report	51%	60.8%	47.4%		R
Percent increase in the number of persons served through telehealth in rural and frontier counties*	5.2%	308%	N/A	2.5%	-4.2%		Y
Readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	8.6%	8.9%	5%	11%	6%		R
Individuals served annually in substance use or mental health programs administered by the Behavioral Health Collaborative and Medicaid	165,641	293,754	165,000	No Report	No Report		R
Program Rating	R	R					Y

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

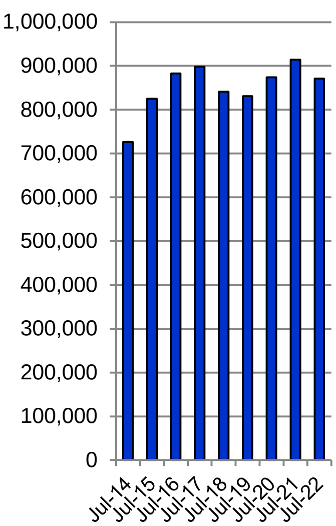
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Human Services Department
Second Quarter, Fiscal Year 2021

ACTION PLAN

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

Total Medicaid Enrollment



January 2021 Projection
Source: HSD

The Covid-19 pandemic, the resulting declining economic outlook, and federal stimulus policy are all important factors in the Medicaid program's enrollment, utilization, costs, and health outcomes. On March 18, 2020, Congress enacted and the President signed into law the Families First Coronavirus Response Act (FFCRA). FFCRA included a 6.2 percent increase in the regular Medicaid matching rate in response to the Covid-19 pandemic. States that received the 6.2 percentage point increase were required to continue Medicaid eligibility for any individuals who were enrolled as of March 18, 2020, or became enrolled during the public health emergency, unless the individual voluntarily terminates eligibility or is no longer a resident of the state. Between June 2020 and September 2020, Medicaid enrolled 22,913 new members. A total of 911,572 New Mexicans were enrolled in Medicaid as of January 2021. Also in January, the U.S. Department of Health and Human Services declared the national public health emergency would be extended through December 2021. The Human Services Department (HSD) joined the Department of Health and other agencies in managing the state's response to the COVID-19 public health emergency.

In October, HSD's website added a performance "scorecard." The scorecard provides comparative annual data on a few contract management performance measures for the three managed care organizations (MCOs), and provides some high level data on the performance of other HSD programs and services. Examples include how MCOs compare with ensuring follow-up appointments, child support payment collected, and percent of follow-up appointments with mental health practitioners. Some of the dashboard's performance measures are included in the LFC quarterly performance report cards; however, the LFC report cards endeavor to report more extensive quarterly performance data on health outcomes.

Medical Assistance Division

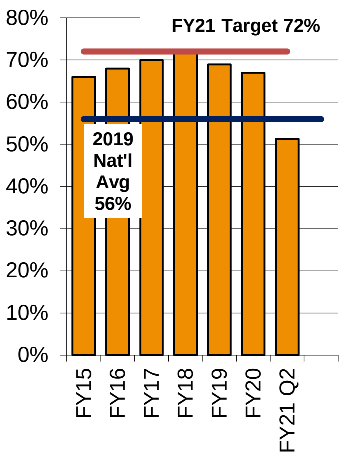
The Medical Assistance Division (MAD) reported on three performance measures on health outcomes in the first and second quarters of FY21. In FY20, HSD elected to continue reporting on the full list of Medicaid performance measures reported on in previous fiscal years. And in FY22, HSD is required to report on 18 performance measures for the Medicaid program; however, it is problematic to have a gap year with only three performance measures reported on for Medicaid. The Medicaid program is too important to proceed with quarterly performance reporting on just a few measures. LFC recommends the third quarter performance report submitted by HSD include reporting on the regular full slate of Medicaid performance measures.

Furthermore, HSD is not reporting quarterly data on all the performance measures identified in the General Appropriations Act. The General Appropriation Act of 2020 mandates the Medical Assistance Division at a minimum report on the following performance measures: 1) Percent of children ages two to 20 years enrolled in Medicaid managed care who had at least one dental visit during the measurement year (included in report); 2) Percent of infants in Medicaid managed care who had six or more well child visits with a primary care physician before the age of 15 months (excluded from report), 3) Average percent of children and youth ages 12 months to 19 years in Medicaid managed care who received one or more well-child visits with a primary care physician during the measurement year (included in report); 4) Percent of hospital readmissions for adults in Medicaid managed care, ages 18 and over, within 30 days of discharge (included in report); and 5) Rate per one thousand members of emergency room use categorized as nonemergent care (excluded from report).

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Human Services Department
Second Quarter, Fiscal Year 2021

Children in Medicaid Receiving Annual Dental Visit



Source: HSD Quarterly Report

The Medicaid caseload in January 2021 was 911,572 individuals, a 9.9 percent increase over a year ago. The count of Medicaid recipients increased by 5,794, an increase of 0.6 percent over December 2020.

In January 2021, children on Medicaid increased by 20,340, or 5.7 percent, over January 2020. In January 2020, Medicaid served 357,278 children, and in January 2021, Medicaid served 377,618 children. Children on Medicaid in January 2021 increased by 1,293 over December 2020, or 0.3 percent.

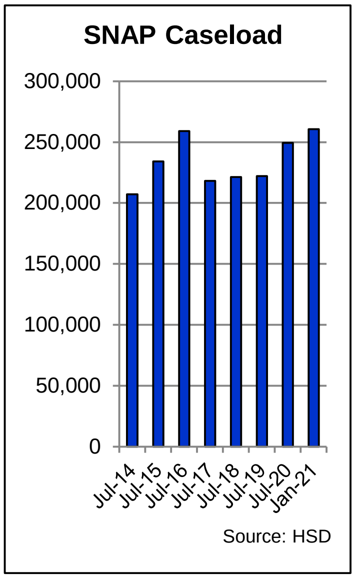
The Supplemental Nutrition Assistance Program (SNAP) caseload in January 2021 was 260,561, a 16.7 percent increase over a year ago, and an increase of 5,078 cases above December, a 2 percent increase. The Temporary Assistance for Needy Families (TANF) caseload was 12,692 in January, an increase of 22.9 percent over January 2020, and an increase of 81 cases or 0.6 percent above December 2020.

Two of the three Medicaid performance measures reported on by MAD indicated declines are attributable to Medicaid members' hesitancy to seek services during the Covid-19 pandemic.

Budget: $5,919,667.4 **FTE:** 220.5	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 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*	44.5%	46.1%	N/A	No Report	No Report		R
Children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the measurement year*	86%	85%	88%	72%	70.4%		R
Children ages 2 to 21 enrolled in Medicaid managed care who had at least one dental visit during the measurement year	72%	69%	70%	55.2%	51.3%		R
Individuals in managed care with persistent asthma appropriately prescribed medication	60%	66%	N/A	No Report	No Report		R
Hospital readmissions for children ages 2 to 17 within 30 days of discharge	5.6%	4.5%	N/A	No Report	No Report		R
Hospital readmissions for adults 18 and over within 30 days of discharge	7%	7.5%	<8%	7.6%	7.8%		G
Emergency room use categorized as non-emergent per one thousand Medicaid member months[2]	60%	60%	N/A	No Report	No Report		R
Individuals with diabetes in Medicaid managed care ages 18 through 75 whose hospital admissions had short-term complications	16.7	24.6	N/A	No Report	No Report		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*	77%	82%	N/A	No Report	No Report		R
Medicaid managed care members with a nursing facility level of care being served in the community	87%	86%	N/A	No Report	No Report		R
Program Rating	Y	Y					R

[1] HSD uses a rolling average; the most recent unaudited data available includes the last quarters of FY20 and the first quarters of FY21. The data for HEDIS measures is preliminary.
[2] The target was a per capita target whereas the data is per 1,000 members. HSD previously reported it would use a consistent methodology in the future.
*Measures are Healthcare Effectiveness Data and Information Set (HEDIS) measures which represent a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service.

Income Support Division



Due to the declaration of a public health emergency due to Covid-19, ISD lifted all New Mexico Works (NMW) sanctions related to work participation and restored participants' benefits to their full benefits.

In addition to ensuring all newly approved TANF recipients received the proper orientation and assessments to identify and locate additional resources to support vulnerable families during this time, the NMW service provider, Creative Work Solutions, is actively re-engaging all previously sanctioned participants via phone, text, and email.

This re-engagement effort ensures participants have access to the supports they need in their communities and remain engaged with NMW to avoid sanctions in the future.

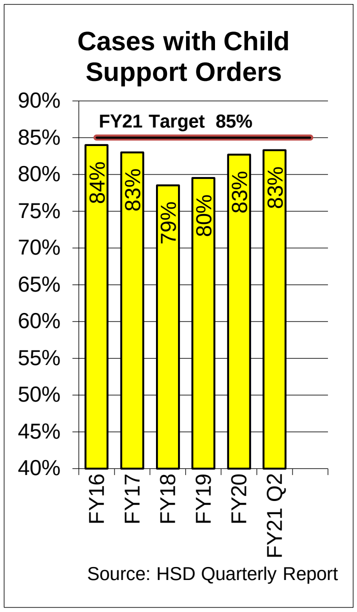
The Income Support Division (ISD) removed two performance measures which had been reported on for years – Temporary Assistance for Needy Families (TANF) federal two-parent recipients and families meeting federally required work requirements. These measures are required by the federal Administration for Children and Families (ACF) and will not be reported on by HSD in FY21, but will be restored in FY22 but only annually instead of the previous quarterly reporting.

The new performance measure, TANF recipients ineligible for cash assistance due to work related income, reflects adults whose new employment income exceeded TANF guidelines. However, during the first quarter the average unemployment rate in New Mexico was 10.8 percent and negatively impacted employment opportunities for TANF recipients.

ISD added a performance measure for TANF recipients in the University of New Mexico's (UNM) Accelerated College and Career Education program and who graduated and obtained their certificate of completion. During FY21, an average of 189 TANF recipients were active in the UNM program, but because of challenges due to the pandemic, of those who were active in the program, two people successfully obtained their high school equivalency. This represents a success rate of less than one percent.

Budget: $945,325.0 **FTE:** 1,149	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Regular supplemental nutrition assistance program cases meeting the federally required measure of timeliness of 30 days	99.1%	98.8%	96%	99%	98.4%		G
Expedited supplemental nutrition assistance program cases meeting federally required measure of timeliness of 7 days	99.1%	98.8%	98%	98.5%	98.4%		G
Temporary assistance for needy families recipients ineligible for cash assistance due to work related income	No Report	14.1%	37%	2%	1.2%		Y
Temporary assistance for needy families recipients who obtain a high school equivalency certificate	No Report	No Report	N/A	0.01%	0.01%		Y
Two-parent recipients of temporary assistance for needy families meeting federally required work requirements	59.5%	39.5%	N/A	Annual	Annual		R
All families recipients receiving temporary assistance for needy families meeting federally required work requirements	48.9%	31.1%	N/A	Annual	Annual		R
Program Rating	Y	R					R

Child Support Enforcement Division



The Child Support Enforcement Division (CSED) reported it is engaged in modernizing the program in an effort to set accurate child support obligations based on the non-custodial parents ability to pay; increase consistent, on-time payments to families; move non-paying cases to paying status; improve child support collections rates; reduce the accumulation of unpaid and uncollectable child support arrearages; and incorporate technological advances and evidence-based standards that support good customer-service and cost-effective management practices.

Due to COVID-19, CSED escalated implementation of its child support prioritization tool to assist with managing for performance. CSED also worked on having parties agree to an establishment order, when possible, to avoid reliance on court hearings which could delay establishing court orders during the COVID-19 public health emergency.

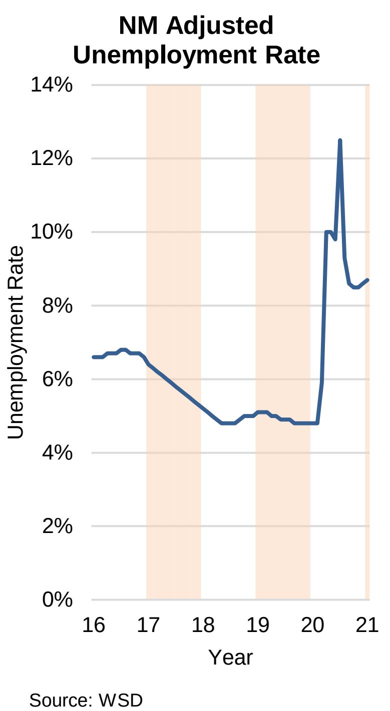
CSED reported its child support collections for calendar year 2020 were up from about $138 million to $156 million due to intercepting federal CARES Act stimulus funds checks that went out to non-custodial parents (NCPs). CSED encouraged NCPs to use electronic means to make payments, including mailing payments, rather than dropping off payments at the local offices due to the social distancing order. However, CSED kept daily limited office hours to allow NCP payments to continue to flow to the custodial parents during the pandemic. In addition, NCPs who apply for unemployment insurance will be automatically linked with the child support system, and a portion of their unemployment benefit will pay for their child support obligation.

Budget: $32,508.6 **FTE:** 378	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Non-custodial parents paying support per total cases with support orders	No Report	51.7%	58%	56%	55.4%		R
Total child support enforcement collections, in millions	$137.5	$156.1	$145	$36.9	$33.7		G
Child support owed that is collected	57.7%	58.7%	60%	60.8%	60.5%		G
Cases with support orders	79.5%	83.2%	85%	83.6%	83.3%		R
Total dollars collected per dollars expended	$3.55	$4.67	$4.00	Annual	Annual		Y
Program Rating	R	Y					Y

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

ACTION PLAN

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



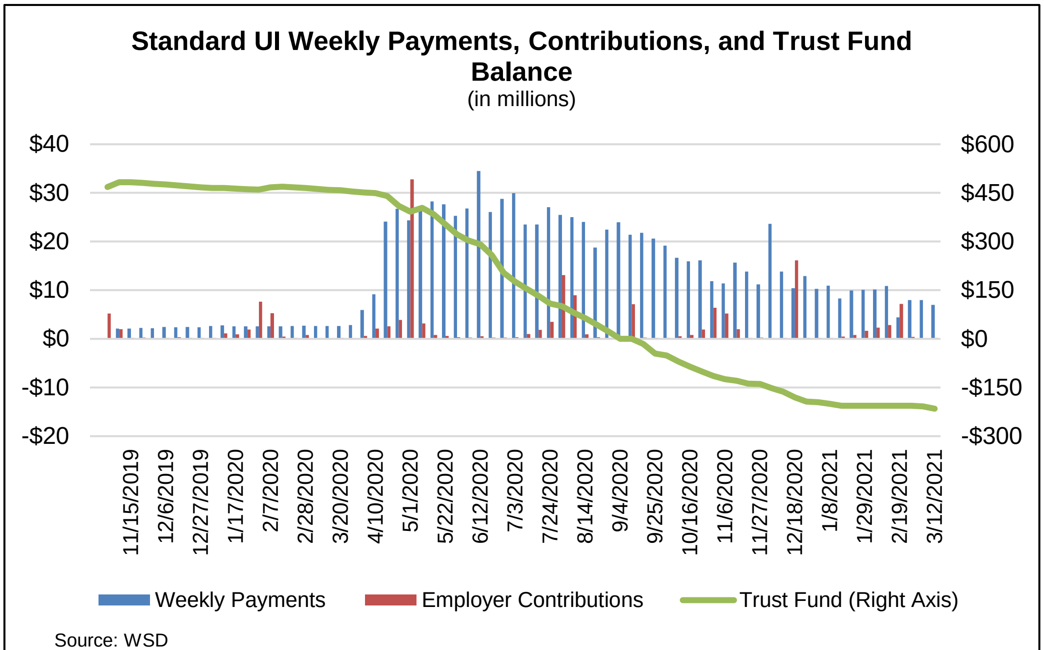
During the 2021 Legislative Session, the Legislature set aside $600 million of funding through the American Rescue Plan Act (ARP) to pay off federal loans and replenish the unemployment trust fund. However, the state is waiting on guidance from the U.S. Treasury Department regarding how ARP funds can be used.

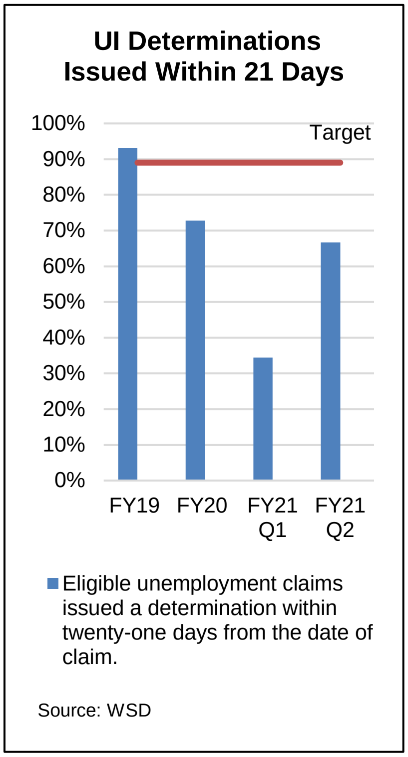
Workforce Solutions

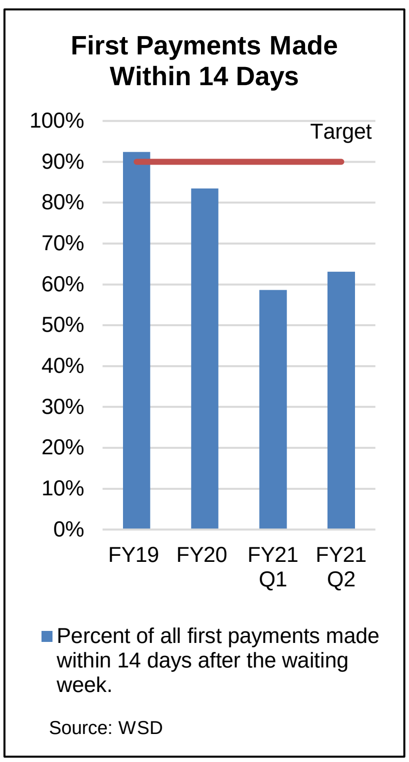
During the second quarter of FY21, WSD continued to process an unprecedented amount of unemployment claims resulting from the Covid-19 public health crisis. By December 2020 there were over 116 thousand continuing claims, including over 47 thousand standard unemployment claims as well as 69 thousand pandemic unemployment and extended benefits claims. The state's unemployment rate in January 2021 was 8.7 percent, down from a high of 13.4 percent in July of 2020, the highest rate since measurement began in 1976.

Since March 2020, WSD has paid out more than $3.5 billion in unemployment benefits and will continue to implement and process claims across various state and federal unemployment programs through September 2021. The federal Coronavirus Aid, Relief and Economic Security (CARES) Act created three major unemployment insurance programs, Pandemic Emergency Unemployment Compensation, Pandemic Unemployment Assistance, and Federal Pandemic Unemployment Compensation (FPUC), which originally ended in December 2020 but were continued through March under the Consolidated Appropriation Act of 2021, which also created a fourth program, Mixed Earner Unemployment Compensation. On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law making changes to each of the programs and continuing benefits through September 5, 2021, including the additional $300 per week on top of standard benefit levels initially provided under the FPUC program.

In March 2020, the state's unemployment trust fund had a healthy balance of $458 million, but with record unemployment claims, the fund was depleted and reached insolvency on September 8, 2020. New Mexico, like many other states, is now borrowing from the federal government to stand up the fund until it can be replenished through employer contributions or some other funding source. As of March 12, 2021, New Mexico had an outstanding loan balance of $215 million.







Unemployment Insurance

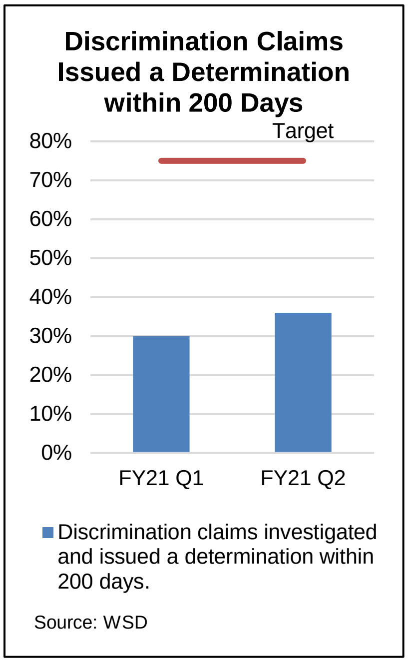
During the second quarter of FY21, WSD's unemployment division continued to process a record number of unemployment claims. The significant increase in claims brought a number of challenges to the department, including a rise in issues that required adjudication to determine eligibility and benefits. To reduce fraudulent claims, a 10-day hold on payments and request for identity verification were added to suspicious claims. This hold, coupled with delays in claimants submitting their verification documents, has made an impact on the timeliness of first payments. WSD continues to hire and train additional staff to assist with the workload and clear the backlog. WSD was unable to report on the accuracy rate of claimant separation determinations this quarter due to technical issues. The department plans to report both second quarter and third quarter data in the next quarter. Despite the unprecedented workload, the division continues to exceed its targets related to customer service wait times.

Budget: $10,367.1 **FTE: 164**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Eligible unemployment claims issued a determination within 21 days from the date of claim.	93.1%	72.8%	89%	34.4%	66.7%	-	R
Percent of all first payments made within 14 days after the waiting week.	92.4%	83.5%	90%	58.6%	63.1%	-	R
Accuracy rate of claimant separation determinations.	70.4%	N/A*	91%	43.3%	No Report	-	R
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a new unemployment insurance claim, in minutes.	17:05	24:48	18:00	9:54	13:51	-	G
Average wait time to speak with a customer service agent in the unemployment insurance operation center to file a weekly certification, in minutes.	15:00	18.48	15:00	11:57	14:32	-	G
Program Rating							Y

*Measure is explanatory and has no performance target.

Labor Relations

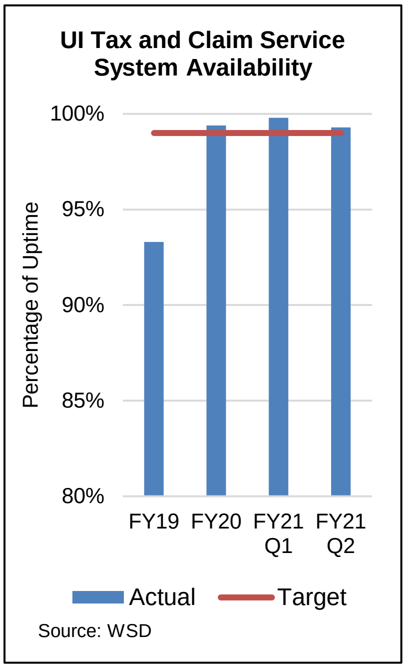
The Labor Relations Division continues to report a backlog of cases and staff turnover. WSD was unable to report on the timeliness of administrative determinations because certain wage claim administrative decisions are not currently tracked and require a significant amount of staffing to do so. The division's wage and hour department has initiated several new processes to better identify and report case determinations and plans to report on this measure in the third quarter. Current in-person public works inspection projects are on hold due to the public health pandemic. In the interim, the department's management analyst team is continuing to process payroll audits and in the second quarter collected a total of $9.7 thousand in wage claims. The division again fell well below targets on the resolution of legacy and discrimination claims. The division anticipates the on-boarding of a new mediator this quarter will help resolve some cases in the early stages and the implementation of a new case triage process will improve timely case determinations and generate more accurate data.



Budget: $4,993.7 FTE: 41	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Investigated claims that are issued an administrative determination within 90 days.	43.8%	17%	85%	No Report	No Report	-	R
Total public works projects inspected.	NEW	NEW	80%	12%	0%	-	R
Legacy claims that are issued an administrative determination.	NEW	NEW	90%	38%	38%	-	R
Discrimination claims investigated and issued a determination within two-hundred days.	NEW	NEW	75%	30%	36%	-	R
Program Rating							R

Workforce Technology

Despite the surge in claims due to the health emergency and a series of system modifications required to manage new eligibility and certification requirements, the Workforce Technology division achieved a system "up-time" of 99.3 percent. The division did not fare as well on timely restoration of the system from outages. The systems database archive reached capacity due to the large volume of claims and slowed performance of the UI system. The division is reviewing all logs to ensure archiving services are run more frequently and reworking the system architecture so system failures will not impact access to the UI system.



Budget: $17936.1 FTE: 48	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Time the unemployment framework for automated claims and tax services are available during scheduled uptime.	93.3%	99.4%	99%	99.8%	99.3%	-	G
Response time from system outage to restoration of service on unemployment framework for automated claims and tax services in minutes.	NEW	147	20	64.5	486	-	R
Program Rating							G

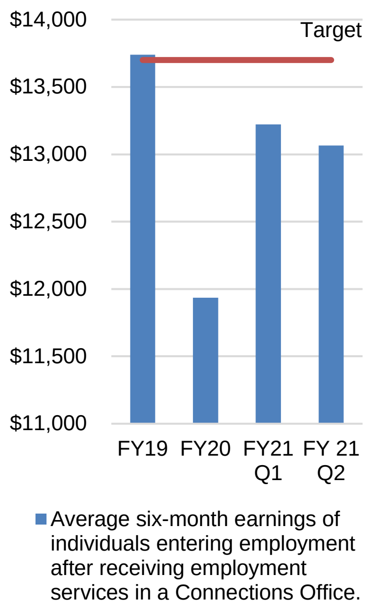
Employment Services

WSD reports individuals are accepting employment at a lower rate of pay due to the uncertainty of the economy and individuals who were employed pre-Covid-19 are accepting employment that is outside their previous profession and at a lower rate of pay. WSD and the Economic Development Department (EDD) have hired two full time staff to determine labor market trends and help workers access in demand jobs with higher starting salaries. WSD is also working in collaboration with EDD to enhance the state's layoff aversion program and work with businesses statewide to address workforce issues and other company challenges.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

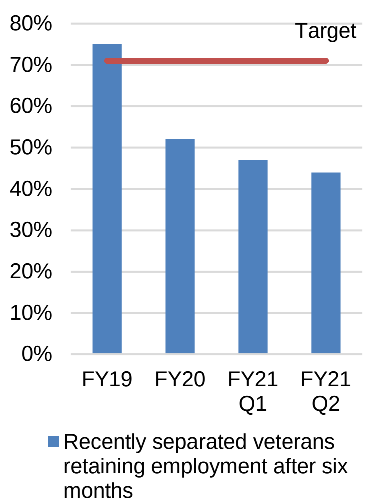
PERFORMANCE REPORT CARD
Workforce Solutions Department
Second Quarter, Fiscal Year 2021

Earnings After Receiving Employment Services



Source: WSD

Recently Separated Veterans Retaining Employment



Source: WSD

Due to the Covid-19 public health restrictions, job seekers have been unable to use workforce connection walk-in services, including access to computers and the Internet. The UI division is encouraging UI claimants to register on the Workforce Connection Online System and WSD has created a virtual training on how to navigate the support options on the systems. Yet, access to technology resources and poor connectivity continue to be an issue statewide.

Recently separated veterans continue to struggle with the transition from active duty service to civilian life. WSD is developing a military transition workshops in collaboration with active duty installations, National Guard, and Armed Forces Reserve sites and has achieved near full staffing of veteran's employment representatives in all workforce centers. For disabled veterans, WSD is expanding its Disabled Veterans' Outreach Program to improve case management, conduct routine follow-up and increase the use of online outreach tools.

Evidence shows apprenticeship programs are an effective tool to improve access to work-based training as a career pathway option for job seekers. For FY21, WSD received an $815 thousand federal apprenticeship state expansion grant and efforts are underway to expand the number and type of apprenticeship programs statewide and provide support services to new apprentices to increase retention and success rates.

Budget: $17,471.3 FTE: 145	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Average six-month earnings of individuals entering employment after receiving employment services in a Connections Office.	$13,740	$11,936	$13,700	$13,223	$13,065	-	Y
Recently separated veterans entering employment.	50%	49%	50%	46%	46%	-	Y
Unemployed disabled veterans entering employment after receiving workforce development services in a Connections Office.	45%	43.9%	50%	47.3%	47.9%	-	Y
Individuals receiving employment services in a Connections Office.	113.347	91,743	100,000/ 25,000 (Annual/ Qtr.)	28,710	26,167	-	G
Unemployed individuals employed after receiving employment services in a Connections Office.	56.3%	67.2%	55%	61.3%	60.5%	-	G
Individuals that have received employment services in a Connection Office, retaining employment services after six months.	79%	68.8%	79%	60.2%	57.8%	-	R
Recently separated veterans retaining employment after six months	75%	52%	71%	47.5%	44.2%	-	R
Average six-month earnings of unemployed veterans entering employment after receiving veterans' services in a Connections Office.	$16,886	$9,478	$17,000	$13,030	$15,202	-	Y

Average change in six-month earnings of working individuals after receiving employment services in a Connections Office.	NEW	NEW	$1,000	$980	$1,026	-	G
Audited apprenticeship programs deemed compliant.	NEW	NEW	35%	0%	100%	-	G
Total number of individuals accessing the agency's online Job Seeker portal.	NEW	NEW	125,000	88,452	51,688	-	R
Apprenticeships registered and in training	NEW	NEW	1,500	1,839	1,818	-	G
Program Rating							Y

NEW MEXICO APPRENTICESHIP PROGRAMS

Earn While You Learn

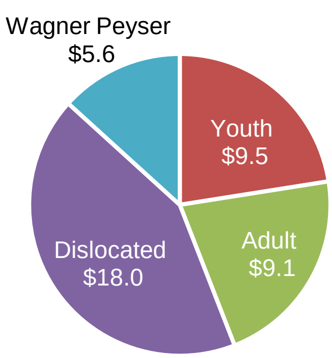
Apprenticeship programs combine paid on-the-job training with related classroom instruction. The goal is to prepare individuals for skilled occupations while equipping them with the practical experience that employers seek in applicants. As a result, employers often ensure that program completers retain employment at an increased wage.

Program Support

New Mexico operates a decentralized local workforce development system, as required by the federal Workforce Innovation and Opportunity Act (WIOA), with one statewide workforce board and four regional Local Area Workforce Development Boards (LWDBs). A recent LFC program evaluation found New Mexico is likely not getting the expected return on investment from its workforce programs, such as job search and placement, and ranks in the bottom third of states for employment and earning outcomes for dislocated workers. To address LWDB's poor performance and lack of accountability, WSD is currently conducting a comprehensive review of the state's workforce system to identify and propose opportunities for better alignment, efficiency, and effectiveness of workforce development activities and funding. WSD has federal reporting and performance measures related to WIOA, and is shifting its state performance measures to align with the federal measures starting in FY22.

WSD indicated an increase in usage of the Career Solutions tool in July, but as the school fall semester resumed there was a decline in the numbers. WSD notes the Career Solutions tool does not require users to register, making it difficult to provide detailed data on this measure. There were 21.1 thousand visits to the Career Solutions tool between July 2020 and September 2020.

Workforce Innovation and Opportunity Act Allotments FY20 (in millions)



To improve outcomes for youth, WSD shares resources with educators and youth supports to increase awareness of tools like Career Solutions and held a youth summit to bring together youth services providers, educators, and partners to discuss issues surrounding youth and best practices to assist this population.

Budget: $39,486.6 **FTE: 101**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Youth receiving services and registered in the online career solutions tool.	NEW	NEW	3,000	1,364	2,302	-	Y
Youth that are employed in the state.	NEW	NEW	59%	66.7%	53.1%	-	Y
Program Rating							Y

ACTION PLAN

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

"Access to and availability of effective contraceptive methods contribute to the steady decrease in New Mexico's teen birth rate. The broad range of contraceptive methods including IUDs and implants (most-effective) and pills, injectable, and rings (moderately-effective) is available at 41 of the 43 public health offices that offer family planning services. In December 2020, 34 Public Health Offices provided family planning services, due to COVID response. Since 2014, the teen birth rate among 15-to-19-year-olds in New Mexico has declined by 34.8% to 24.4 per 1,000 in 2019 (NM IBIS) and is tied in 2018 for the seventh highest in the nation (at 25.2 per 1,000, with Tennessee and Texas) (National Center for Health Statistics)."

Source: Department of Health

Department of Health

The Department of Health's (DOH) mission is to promote health and wellness, improve health outcomes, and assure safety net services for all people in New Mexico. DOH reported some increases in performance targets across the agency during the second quarter of FY21.

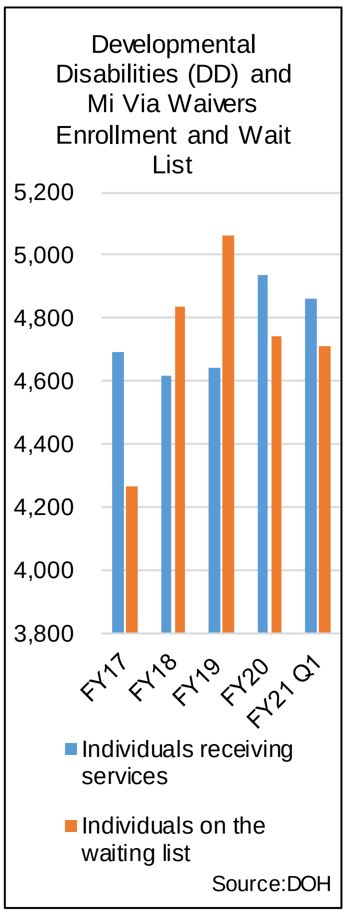
Covid-19

A significant portion of the state's response to Covid-19 is either managed, delivered, or coordinated by the Department of Health. Given the tremendous department resources being dedicated to the pandemic, DOH began reporting temporary performance measures regarding this work. New Mexico has continued to rank highly nationally for vaccine distributions. As of mid-March 2020, DOH reported that 29 percent of New Mexicans have received at least one dose and 18 percent were fully vaccinated, on average the department was administering 100 thousand vaccinations every seven days.

Covid-19	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3
Covid-19 swab tests performed	N/A	104,540	180,511	
Hours between the time a case is identified and when the case is contacted by Epidemiology and Response Division to isolate	24	24	25	
Hours between the time a case contact is identified and when the case contact is contacted by Epidemiology and Response Division to quarantine	36	30	29	
Facility admissions (and hospital readmissions) having two verified Covid-19 negative tests	100%	63%	53%	
Staff tested for Covid-19	20%	100%	100%	
Patients/residents tested for Covid-19	25%	100%	100%	
Number and percent of individuals receiving Home and Community Based Services (HCBS) who have received a Covid-19 test	N/A	2864/ 5,134 16.8%	1,416/ 5,239 27.0%	
Number and percent of individuals receiving Home and Community Based Services (HCBS) who have received a Covid-19 test	N/A	24/5,134 0.7%	373/ 5,239 7.1%	
Number and percent of individuals receiving Home and Community Based Services (HCBS) who are confirmed positive for Covid-19	N/A	518/596 86.9%	1,201/ 1,558 77.1%	
Covid-19 tests resulted within 48 hours of receipt in the laboratory	95%	82%	99%	

Public Health Program

The Public Health Program continues to be a cornerstone of the state's response to Covid-19. Given the significant size the of program's response to the pandemic and statewide closures the program has reported declines in performance on tobacco cessation services and behavioral health in school based health centers. During the second quarter, the program reported meeting performance targets for females receiving the most or moderately effective contraception, increased healthy eating opportunities for children, and participation in diabetes prevention programming. During the first quarter, DOH was unable to refer participants to diabetes prevention services but increased performance during the second quarter. In 2018, an estimated 567 thousand New Mexican adults had prediabetes and only three out of 10 were aware of their condition. The CDC states without weight loss and physical activity, 15 to 30 percent of pre-diabetics will develop diabetes within 5 years, but with access to a services change program the risk can be reduced by nearly half.



Budget: $170,302.6 FTE: 775	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY 21 Q3	Rating
Adolescents who smoke	8.9%	Not Reported	N/A	Reported Annually			
Adult who smoke	16%	Not Reported	N/A	Reported Annually			
Adult cigarette smokers who access cessation services	2.7%	2.6%	2.9%	0.4%	0.5%		Y
Successful overdose reversals per client enrolled in the NMDOH Harm Reduction Program	3,446	3,444	3,000	754	Not Reported		R
Births to teens per 1,000 females aged 15-19	21.7	Not Reported	N/A	Reported Annually			
Female clients ages 15-19 seen in NMDOH public health offices who are provided most or moderately effective contraceptives	68.5%	85.8%	62.5%	90.3%	89.8%		G
Teens that successfully complete teen pregnancy prevention programming	512	502	232	Reported Annually			
School-based health centers that demonstrate improvement in their primary care or behavioral health care focus area	86%	50%	95%	0%	0%		Y
Third grade children who are considered obese	20.8%	22.9%	N/A	Reported Annually			
Children in Healthy Kids, Healthy Communities with increased opportunities for healthy eating in public elementary schools	99%	97%	89%	98%	98%		G
Participants in the National Diabetes Prevention Program that were referred by a health care provider through the agency-sponsored referral system	29%	27%	25%	0%	100%		G
Preschoolers (19-35 months) who are indicated as being fully immunized	69.9%	62.9%	65%	64.6%	64.3%		Y
Older adults who have ever been vaccinated against pneumococcal disease	71.6%	Not Reported	75%	Reported Annually			
Program Rating	Y	Y					Y

Epidemiology and Response

The Epidemiology and Response Program (ERD) also plays a key role in the state's response to the pandemic, including case investigations of individuals who test positive for Covid-19 and contact tracing of individuals with direct exposure to Covid-19. The program did not meet a majority of performance targets.

As of July 1, 2020, a newly created home and community-based waiver was federally approved. The Supports Waiver is an option for individuals who are on the Developmental Disabilities (DD) waiver wait list. Supports Waiver services are intended to complement unpaid supports that are provided to individuals by family and others.

In FY21 Q1, the Developmental Disabilities Supports Division (DDSD) began providing offer letters to individuals on the DD waiver waitlist. Over 200 people have begun receiving services.

Budget: $108,305.7 FTE: 204	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Youth who were sexually assaulted in the last 12 months	11.4%	11.4%	N/A	Reported Annually			
Youth who have completed an evidence-based or evidence-supported sexual assault primary prevention program	5,905	13,051	7,000	0	287		R
Suicide per 100,000 population	24.1	Not Reported	N/A	Reported Annually			
Community members trained in evidence-based suicide prevention program	522	1,030	225	0	143		G
Hospitals with emergency department based self-harm secondary prevention program	New	2.5%	7%	2.5%	2.5%		Y
Alcohol-related deaths per 100,000 population	Not Reported	Reported Fall 2021	N/A	Reported Annually			
Persons receiving alcohol screening and brief intervention (a-SBI) services	20.8	62.7	5%	Reported Annually			
Retail pharmacies that dispense naloxone	83%	95%	85%	90%	90%		G
Opioid patients also prescribed benzodiazepines	12%	11%	5%	11%	11%		R
Heat related illness hospitalizations per 100,000 population	2.1	Reported Fall 2021	N/A	Reported Annually			
Cardiovascular disease (heart disease & stroke) deaths per 100,000 population	203.7	Not Reported	N/A	Reported Annually			
NM hospitals certified for stroke care	16%	14%	24%	14%	14%		R
Rate of fall-related deaths per 100,000 adults, aged 65 years or older	91.6	Reported Fall 2021	N/A	Reported Annually			
Emergency department based secondary prevention of older adult fractures due to falls programs	Data not collected	5%	7%	5%	0%		R
Rate of pneumonia and influenza death per 100,000 population	13.1	Not Reported	N/A	Reported Annually			
Cities and counties with Access and Functional Needs (AFN) plans that help prepare vulnerable populations for a public health emergency	New	5%	65%	15%	20%		R
Rate of avoidable hospitalizations per 100,000 population	751	Reported Fall 2021	N/A	Reported Annually			
Program Rating	Y	Y					R

Scientific Laboratory

The Scientific Laboratory Program provides a wide variety of laboratory services to programs operated by numerous partner agencies across the State of New Mexico. The program provides a significant level of Covid-19 testing in the state. The program met all performance targets for the second quarter.

Budget: $16,963.1 FTE: 136	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Blood alcohol tests from driving-while-intoxicated cases that are completed and reported to law enforcement within 30-calendar days	44%	91%	95%	96%	97%		G
Environmental samples for chemical contamination that are completed and reported to the submitting agency within 60-business days	91%	91%	90%	99%	93%		G
Public health threat samples for communicable diseases and other threatening illnesses that are completed and reported to the submitting agency within published turnaround times	97%	97%	90%	99%	97%		G
Program Rating	Y	Y					G

As of 2016, New Mexico has the twelfth highest drug overdose death rate in the nation. The consequences of substance use are not limited to death, but include many medical and social consequences, including poverty and lack of adequate insurance. Turquoise Lodge Hospital (TLH) is a specialty hospital that provides safety net services for New Mexican adults with substance use disorders.

According to the U.S. Centers of Disease Control and Prevention, for the year 2013, the average specialty hospital occupancy rate in the United States was 63 percent and in New Mexico the average rate was 56 percent.

Facilities Management

The Facilities Management Division (FMD) provides services for mental health, substance abuse, long-term care, and physical rehabilitation in both facility and community-based settings. Intake and capacity of state facilities has also been impacted by the global pandemic. Many of the state facilities have experienced declining occupancy. If facilities are unable to increase their occupancy there will be significant operational funding strains. The Department of Health has projected an estimated operating deficit of $10 million in current fiscal year due to declining occupancy. Priority admittance for clients in Turquoise Lodge Hospital (TLH) continued to decline below FY19 and FY20 performance actuals but was still above annual targeted performance. TLH provides safety net services for consumers in New Mexico who are seeking detoxification from drugs or alcohol. Prioritized admission includes pregnant injecting drug users, pregnant substance users, and other injecting drug users, women with dependent children, parenting women, and men and women seeking to regain custody of children. The program stated the decline was due to operational changes related to the pandemic. In addition, the programs medically assisted treatment for substance use disorder are lower than expected and is unlikely to meet year end targeted performance,

Budget: $151,277.2 FTE: 2,003	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Eligible third-party revenue collected at all agency facilities	83%	81%	93%	95%	87%		Y
Beds occupied	New	New	75%	61%	58%		R
Overtime hours worked	New	New	387,000	182,686	178,853		G
Direct care contracted hours	New	New	N/A	36,015	49,598		
Significant medication errors per 100 patients	2.4	.2	2.0	0.7	.6		G
Long-term care residents experiencing one or more falls with major injury	3.9%	5.3%	4%	4.5%	3%		G

New Mexico has one of the highest suicide rates in the country. The state's Medical Advisory Team estimated that the Covid-19 pandemic will likely exacerbate behavioral health issues and could lead to an increase in suicides. State agencies and the suicide prevention coalition should expand and use proven initiatives, including ensuring care is provided to those in crisis and that care continues after a crisis, increasing access to behavioral healthcare through telehealth, and expanding gatekeeper training. Finally, the Legislature could enact laws to restrict access to lethal means and to strengthen best practices for the coalition and strategic plan.

Long-term Veterans Home residents experiencing facility acquired pressure injuries	.8%	4.4%	2%	4.9%	2.8%		Y
Adolescent residents (SATC & NMBHI Care Unit) who successfully complete program	78%	77%	90%	86%	100%		G
Priority Request for Treatment clients who are provided an admission appointment to Turquoise Lodge's program within 2 days	68%	66%	50%	55%	70%		G
Medical detox occupancy at Turquoise Lodge Hospital	83%	68%	75%	69%	67%		R
Naltrexone initiations on alcohol use disorders	New	New	360	38	46		R
Naltrexone initiations on opioid use disorders	New	New	12	1	0		R
Buprenorphine inductions conducted or conducted after referrals on opioid use disorders	New	New	240	34	29		R
Narcan kits distributed or prescribed	New	New	180	49	48		G
Program Rating	Y	Y					Y

Developmental Disabilities

DOH reported a decline in the number of individuals receiving Developmental Disabilities (DD) and Mi Via Medicaid waivers. The program reported as of late January 2021, there were 4,660 individuals on the waiting list for waivers. Of those individuals, 473 have placed their allocation on hold, meaning these individuals were offered waiver services and chose to remain on the waiting list, for now. During the second quarter, the number of individuals on the waitlist decreased. As of January 2021, over 200 individuals on the wait list had enrolled in the community supports waiver, far less than the 1,000 expected. The slow enrollment of people on wait list for the community supports waiver and increased federal matching dollars have led to a significant projected surplus for the program. The department is expected to pull from the program surplus to cover deficits in the facilities management program in accordance with federal guidelines to maintain state funded supports as well.

Budget: $167,880.4 FTE: 182	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Individuals on the developmental disabilities' waiver waiting list	5,064	4,743	N/A	4,713	4,660		
Individuals receiving developmental disability waiver services	4,641	4,934	N/A	4,859	5,034		
Individuals receiving developmental disability supports waiver services	New	New	N/A	0	4		
People on the waiting list that are formally assessed once allocated to the DD Waivers	New	New	100%	100%	100%		G

Developmental disabilities waiver applicants who have a service and budget in place within 90-days of income and clinical eligibility	87%	96%	95%	93%	97%		G
Adults of working age (22 to 64 years), served on the DD Waiver (traditional or Mi Via) who receive employment supports	29%	29%	34%	27%	27%		Y
DD Waiver providers in compliance with General Events timely reporting requirements (2-day rule)	66%	84%	86%	70%	55%		Y
Program Rating	Y	Y					Y

Health Certification, Licensing, and Oversight

The Health Certification, Licensing, and Oversight Program met performance measures targets during the second quarter of FY21. The program also has many Covid-19 related activities such as routine outreach to all nursing homes and assisted living facilities in the state in order to obtain information on how many staff and residents have been tested for Covid-19, test results, deaths, number of test kits available, and identifying any issues with PPE and staffing.

Budget: $14,371.1 FTE: 183	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Rate of abuse for developmental disability waiver and mi via waiver clients	10.6%	12.8%	NA	7.4%	9%		G
Rate of re-abuse for developmental disability waiver and mi via waiver clients	7%	8.5%	N/A	Reported Annually			
Percent of abuse, neglect and exploitation investigations completed within required timeframes	48.6%	81.7%	86%	99.5%	99%		G
Percent of (IMB) assigned investigations initiated within required timelines	New	90.3%	86%	96.2%	92.7%		G
Percent of Assisted Living Facilities in compliance with caregiver criminal history screenings requirements	New	77%	85%	97%	96%		G
Percent of Nursing Home survey citation(s) upheld as valid when reviewed by the Centers of Medicare and Medicaid Services (CMS) and through Informal Dispute Resolution	85%	83%	90%	100%	100%		G
Program Rating	Y	Y					G

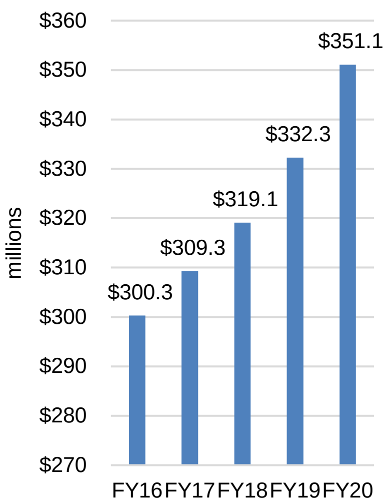
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Environment Department
Second Quarter, Fiscal Year 2021

ACTION PLAN

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

Clean Water State Revolving Fund (CWSRF) Ending Net Position FY16 through FY20



Source: State Auditor's Office

Through the CWSRF, local communities secure affordable financing for a wide range of projects. Communities benefit from CWSRF loans to finance essential wastewater, storm water, and solid waste projects at interest rates between 0 percent and 1 percent. These construction projects add revenue to local economies and improve quality of life through effective environmental infrastructure. The El Valle de Los Ranchos Water and Sanitation District in Taos County recently received national recognition for their successful project that provides sewer service to multiple small communities in place of substandard and failing septic systems and leach fields. The CWSRF program supported the multi-phase project through three loans totaling more than $4.5 million.

Environment Department

In the first half of FY21, the Environment Department (NMED) continued working closely with the Department of Health to ensure all businesses are complying with the public health order and occupational workplace standards to protect employees and the public. NMED provided Covid-19 resources for all employers, drinking water treatment plant operators, food manufacturers, infectious waste management, oil and gas operators, restaurants, and wastewater treatment operators. NMED also ensured the adequate supply of disinfection chemicals for drinking water and wastewater treatment, developed safe practices for food manufacturers, food distribution centers, grocery stores, and restaurants, and provided oversight of companies hauling Covid-19 infectious waste and medical waste incinerators. NMED attributes many performance issues to resource constraints. LFC staff will pay particular attention to the relevant measures in FY22 as budget increases approved by the Legislature take effect.

Water Protection

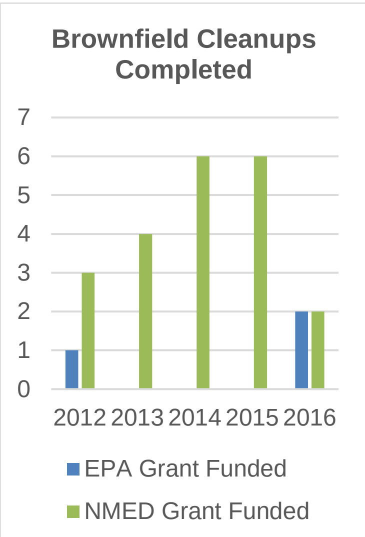
Approximately 1.98 million New Mexicans receive their drinking water from community public water systems, and about 1.93 million, or 97 percent, received water that met all health-based standards in the second quarter of FY21. Of the community water systems that were issued health-based violations during the second quarter, three were issued violations based on a failure to correct deficiencies noted during sanitary survey inspections. In many cases, these deficiencies are easily correctable and only require the water systems to provide compliance documentation showing that the issue has been corrected. Seventeen other community water systems were issued more serious violations that often require major infrastructure improvements to treat contaminants. The Drinking Water Bureau works to help water systems understand and comply with drinking water standards that protect public health rather than merely issuing violations.

In the second quarter, NMED conducted 20 inspections of facilities operating under a groundwater discharge permit, which is about 3 percent of the annual goal of 450 inspections. The agency reports a high vacancy rate and lack of modern tools such as databases in the Ground Water Quality Bureau affect its ability to perform inspections. NMED plans to petition for a permit fee increase in August to generate additional revenue that can be used to fund vacant positions in FY22 or FY23. The staff time invested in the rulemaking process, however, may impact other service levels in the bureau. Current fee revenue covers approximately 10 percent of the program's costs.

Budget: $27,520.1 FTE: 180.25	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Facilities operating under a groundwater discharge permit inspected annually	68%	47%	66%	6%	3%		R
Population served by community water systems that meet health-based drinking water standards	97%	99%	N/A*	95%	97%		
Number of miles of active watershed restoration, including wetlands projects, state-funded projects and federal Clean Water Act Section 319 projects	564	560	N/A*	548	481		
EPA clean water state revolving loan fund capitalization grant and matching state funds committed for wastewater infrastructure	100%	100%	100%	17%	34%		G

Number of outreach efforts to promote available clean water state revolving loan funds to eligible recipients throughout the state	NEW	NEW	30	6	17		G
Dollar amount of new loans made from the clean water state revolving fund, in millions*	NEW	NEW	N/A	$0	$14.1		
Program Rating	G	Y					Y

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



A brownfield is a property whose expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

Source: Environmental Council of the States

Resource Protection

There are 3,042 underground storage tank systems at 1,154 regulated facilities across the state, of which 163 have outstanding violations that can threaten groundwater. New Mexico's compliance rate is above the national average of 70 percent, but a very small number of facilities are actually being inspected. Due to the Covid-19 pandemic, only 10 inspections were conducted in the second quarter of FY21, compared with 121 inspections in the same period of FY20. Outstanding significant violations at 17 facilities were cleared in the second quarter.

Twenty-six solid waste or medical facilities were inspected in the second quarter of FY21, and none had more than one substantial violation. The department has identified 75 large quantity hazardous waste generators (LQGs) in the state, two of which were inspected during the second quarter; one was in compliance with permit requirements, resulting in a compliance rate of 50 percent. Although this is an explanatory measure and does not have a target, a rating was included to flag the extremely low number of inspections. The general fund appropriation to NMED currently under consideration by the Legislature includes an increase of $200 thousand to fill inspector vacancies in this program.

The Petroleum Storage Tank Bureau is increasing outreach and assistance to the regulated community to help improve compliance with regulatory requirements for underground storage tanks. Staff report that tank owners may still be learning about new regulations that were passed in 2018.

There are an estimated 930 leaking petroleum storage tanks throughout New Mexico that require and are in various stages of corrective action and are potentially eligible for reimbursement from the corrective action fund.

Budget: $15,275.9 FTE: 139.25	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Large quantity hazardous waste generators inspected and in compliance, cumulatively	39%	25%	N/A*	0%	50%		R
Underground storage tank facilities compliant with release prevention and release detection requirements	86%	83%	90%	91%	86%		Y
Solid waste facilities and infectious waste generators not in compliance with solid waste rules	5%	5%	5%	8%	0%		G
Percent of obligated corrective action funds expended	14%	10%	N/A*	18%	13%		
Program Rating	Y	Y					Y

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

Environmental Protection

The Environmental Protection Division, through its Food Program and Occupational Health and Safety Bureau (OHSB), has been heavily involved in managing the Covid-19 public health emergency. The Food Program is responsible for protecting employees, consumers, and the public from adverse health and safety conditions in food establishments, and thus enforces statewide restrictions on indoor dining per public health orders and provides guidance to food establishments on safely operating during the pandemic. OHSB is responsible for protecting employees of private industry and state, county, and city governments from workplace hazards. As a result, OHSB leads the majority of the state's rapid responses, which ensure employers are following proper safety precautions to prevent the transmission of Covid-19 within their workplaces, and responded to thousands of Covid-related workplace safety complaints in Q2.

Occupational Health and Safety Bureau Performance

Complaints by employees of unsafe working conditions	600 per year	NMED OHSB response rate: 33%
Occupational fatalities	10-20 per year	NMED OHSB response rate: 50%
Amputation, Burns, Chemical Exposures, Crushing, Traumatic Injuries/Organ Failure, etc.	2,000 + per year	NMED OHSB response rate: 1%
Federal mandated investigation timeframe	40 days	NMED OHSB timeframe: 120 days

Significant issues within OHSB are not captured in the reported performance measures. For example, the agency reports that, due to personnel limitations, investigations into workplace fatalities and serious injuries are taking nearly three times as long as the U.S. Occupational Health and Safety Administration requires, delaying corrective action and putting the program's federal grant funding at risk. The General Appropriations Act of 2021 includes a general fund increase of $1.5 million to expand the capacity of OHSB.

So far in FY21, 100 percent of restaurant and food manufacturer priority violations were corrected within the timeframes specified by the Environmental Health Bureau. Priority violations indicate the highest level of risk for foodborne illness. The bureau has been conducting virtual inspections due to the additional demands created by the pandemic as well as limited resources for field staff. In the second quarter of FY21, 97 percent of days had good or moderate air quality ratings as measured by NMED's statewide network of ambient air quality monitors.

Budget: $26,251.2 **FTE: 276.75**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Percent of serious worker health and safety violations corrected within the designated timeframes	95%	94%	96%	92%	100%		G
Priority food-related violations from inspections corrected within the designated timeframes	100%	95%	100%	95%	100%		G
Days with good or moderate air quality index rating	87%	96%	N/A*	85%	97%		G
Facilities taking corrective action to mitigate air quality violations within six months of violation	NEW	100%	100%	100%	100%		G
Radiation-producing equipment in violation when inspected	NEW	NEW	20%	1%	0%		G
Program Rating	G	G					G

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

Children, Youth and Families

In the second quarter of FY21, the Children, Youth and Families Department (CYFD) achieved improved performance across all of its divisions. The Protective Service (PS) program met, or nearly met, more than half of their targets and continued to make progress in kinship placements, response times, and case worker visits. However, the program's maltreatment measures remain stubbornly higher than the program's targets, as well as the national average.

Juvenile Justice Services (JJS) met or nearly met all of its measures, except for the program's two measures focused on recidivism. As the number of youth committed to secure facilities has continued to decline, there is evidence that intervention and diversion efforts in the field have resulted in lower recidivism rates for some youth. However, for the smaller population adjudicated to a commitment, addressing behavioral health issues and adverse circumstances and events in their environments can be difficult.

For FY21, the Behavioral Health Services (BHS) budget more than doubled, primarily to expand access to behavioral health services. In the second quarter of FY21, the BHS division exceeded all of its targets. BHS, through its community behavioral health clinicians, is now providing services to 77 percent of CYFD-involved children and youth. Key initiatives, focused on expanding services and maintaining children and youth in the least restrictive placements, will continue to be rolled out throughout FY21. New performance measures will be put in place to reflect the division's expanded responsibilities starting in FY22.

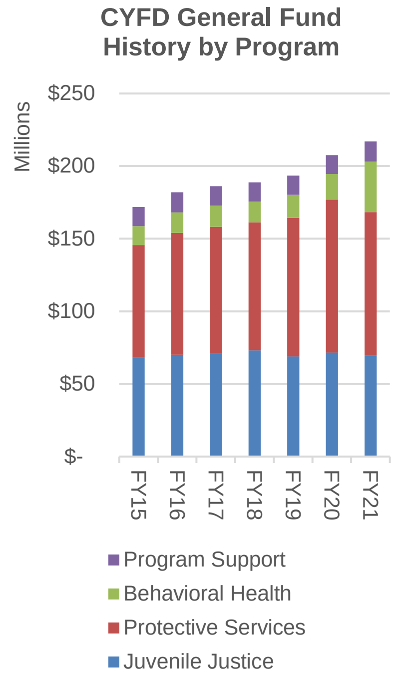
The department's overall performance continues to be impacted by the Covid-19 public health emergency. The Covid-19 pandemic likely had an impact on the department's repeat maltreatment measure for the current quarter, as it reflects maltreatment that occurred in April through June of 2020. Families were less likely to access and engage in community services due to fewer available services and the need to juggle multiple stressors related to employment, remote schooling, and reduced availability of child care and family support. In addition, unemployment, unstable housing, and transient living have put many system-involved youth and youth transitioning from care at higher risk.

Protective Services Division

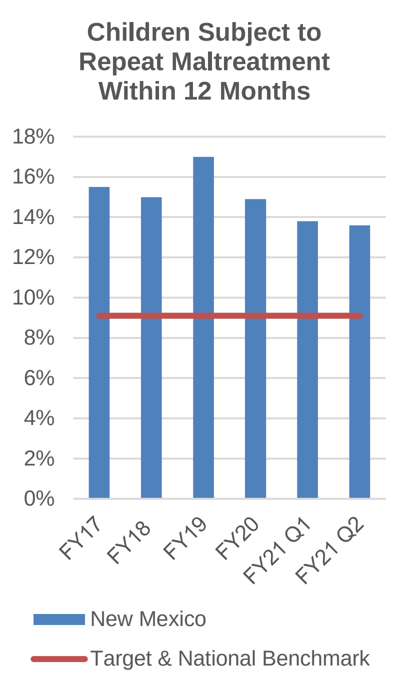
The Protective Services (PS) division met or nearly met over half of its targets but missed targets on several critical safety measures, including the agency's repeat maltreatment measures. PS is developing a new approach to improve this measure. Each county below target will develop a plan to be monitored by the division director and field deputy directors, to ensure staff and supervisory competency, identify ongoing gaps in services, and assess fidelity to safety assessment practices. The maltreatment in foster care measures rose from 12.6 in FY20 to 14.7 this quarter. This measure can vary greatly from county to county, and due to current data collection methods, the measure may also include some historical maltreatment substantiated after children have already entered foster care. The department estimates these incidents may account for around 20 percent of the total. The program is considering changing how incidents of maltreatment for children in substitute care are investigated and documented, and has begun auditing

ACTION PLAN

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

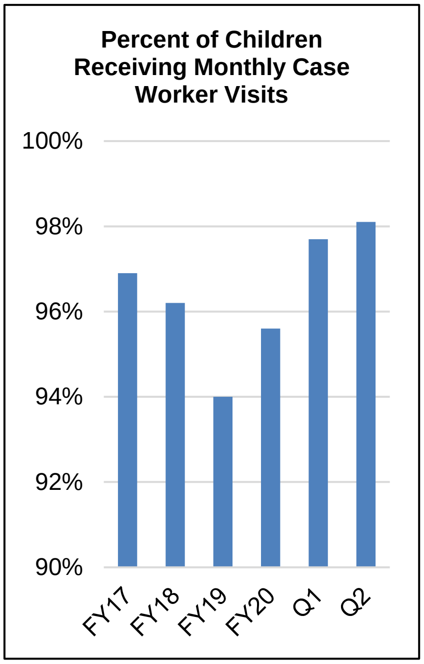


Source: LFC Files



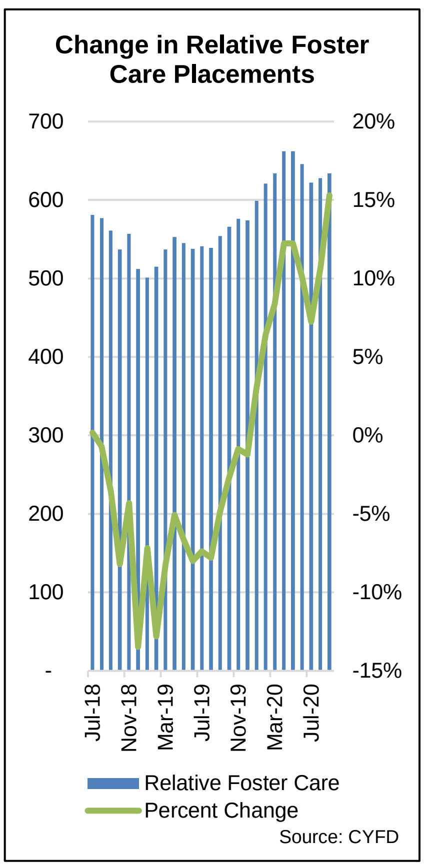
Source: CYFD

home study files of foster families licensed both internally and through Treatment Foster Care agencies.



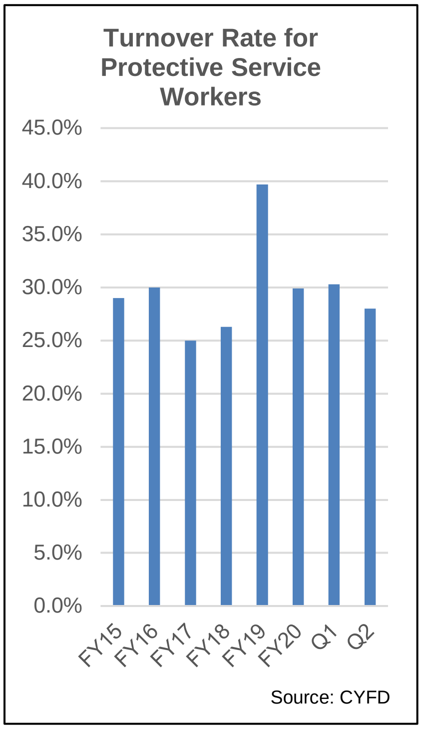
In FY19 and FY20, PS expanded contracts with secondary Home Service practitioners, or contractors providing intensive case management and direct intervention services to families and children at risk of foster care placement or repeat maltreatment. The data from FY20 indicates families who engaged in these services were successful: 87 percent of families did not have a new substantiated report within six months following termination of services, and 98 percent of children served did not re-enter foster care within six months following services. To reach the target, the program will need to continue expanding services. However, because the denominator for this measure includes all families who are investigated for abuse and neglect, families who are assessed as lower risk, or for whom the allegations are found to be unsubstantiated, are not likely to be referred to services and can skew the measure lower. In FY22, PS will report specifically on families referred under in-home service contracts.

In the first and second quarters of FY21 over 98 percent of children in foster care had at least one monthly visit with their caseworker. The rate of placement moves while children are in foster care has dropped by nearly 40 percent since FY19. In the last year, PS has seen an increase in the percentage of children who are placed with relatives. Relative placements are inherently more stable for children and PS has made significant improvement in the number of relative placements that are made immediately following removal by cross-training county staff in conducting initial relative assessments and mandating management approval prior to placing a child with a non-relative.

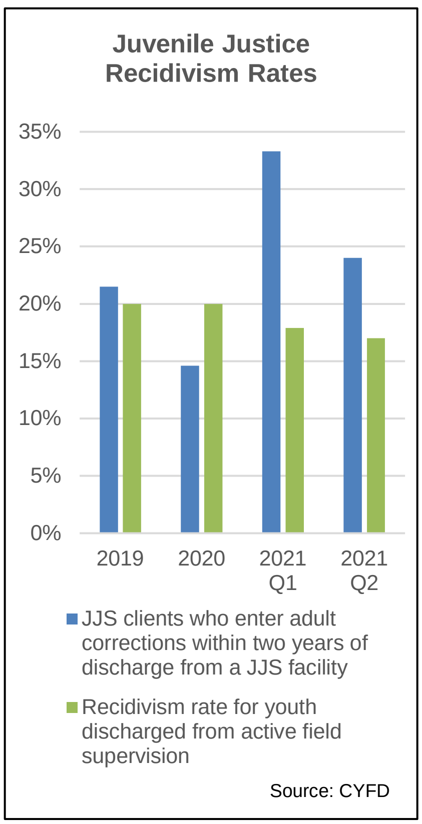


Over the past year, the percent of children in foster care who achieve permanency within twelve months has remained stagnant at around 29 percent. Permanency that occurs within 12 months is typically reunification with the child's primary caretakers, although permanent guardianship is sometimes the outcome for dismissals occurring within this timeframe. To improve timely reunification and permanency plans, PS is piloting a program in several counties to help PS engage parents in a more meaningful and timely manner and reduce barriers to accessing services. The new kinship unit will also work with staff to begin discussions with relative placements related to guardianship as a permanency option.

Budget: $171,038.6 **FTE:** 1,019	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Children who have another substantiated maltreatment report within 6 months of their initial report.	89.6%	90%	93%	91.1%	86.3%	-	R
Children who have another substantiated maltreatment report within 12 months of their initial report.	17%	14.1%	9.1%	13.8%	13.6%	-	R
Maltreatment victimizations per 100,000 days in foster care.	13.4	12.6	8.5	13.5	14.7	-	R
Children in foster care for more than 8 days, who achieve permanency within 12 months of entry into foster care.	32.3%	29.3%	40.5%	29.8%	29.3%	-	R
Children in foster care for 12-23 months at the start of a 12-month period, who achieved permanency within that 12 months.	36.5%	40.2%	44%	43.1%	43.2%	-	Y

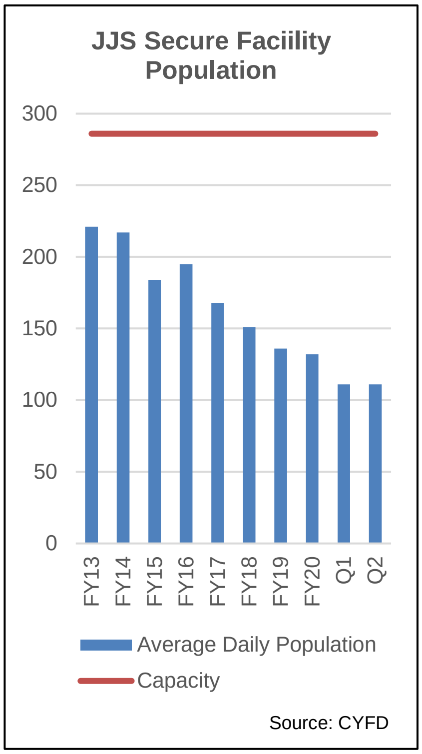


Children in foster care for 24 months (or more) at the start of a 12-month period, who achieved permanency within that 12 months.	36.6%	34%	32%	35.7%	37.5%	-	G
Turnover rate for protective services workers.	39.7%	29.9%	20%	30.3%	28%	-	R
For children in foster care for more than 8 days, placement moves per 1,000 days of foster care.	7.8	5.9	4	5.3	4.9	-	Y
Families with a completed investigation who engaged in prevention services (In-Home Services, Family Support Services) for 30 days or more	4.5%	6.4%	20%	4.7%	3.34%	-	R
Rate of serious injury per 1,000 investigations	2.88	3.1	1	2.1	3.31	-	R
Average statewide central intake call center wait time (in minutes)	n/a	0:15	0:30	0:23	0:16	-	G
Average of the longest statewide central intake call center wait time per month for a rolling 12-month period (in minutes)	n/a	8:18	15:00	8:33	9:58	-	G
Foster care placements currently in kinship care settings.	23.1%	28.8%	35%	29%	39.4%		G
Kinship care placements that transition to permanent placement.	37.5%	40.5%	15%	43.9%	45.6%	-	G
Indian Child Welfare Act foster care children who are in an ICWA-preferred placement.	n/a	n/a	38%	65.4%	66.7%	-	G
Children in foster care who have at least one monthly visit with their caseworker	94%	95.6%	n/a	98.2%	98.1%	-	G
Program Rating							Y



Juvenile Justice Services

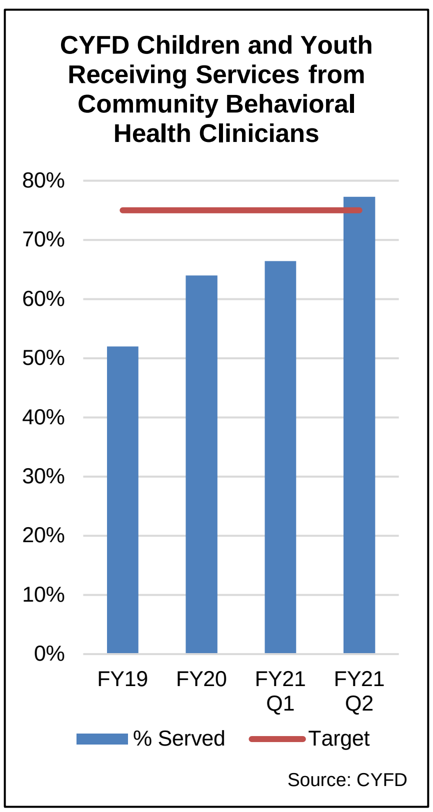
Juvenile Justice Services met or nearly met 70 percent of its targets, but continues to miss targets related to recidivism. Rates for both youth discharge from active field supervision and youth who enter adult corrections within two years of discharge from a JJS facility remain above targets. As the population of youth committed to secure facilities continues to drop, the majority of the youth who come into the secure facilities have on average 19 prior referrals and have had multiple opportunities to receive services in the community. While it is appropriate to reserve the most intensive forms of supervision for serious and repeat offenders, this group of youth has the most complex needs and is at high risk of reoffending. For FY21, JJS has two new performance measures, one addressing kinship placements and one focused on appropriate placements for Indian Child Welfare Act youth. The division did not report on these new measures this quarter because system changes are required to accurately capture the relevant data. CYFD will report on these measures in the next quarter with an effective date beginning July 1, 2020.



Budget: $71,742.4 **FTE:** 821	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Physical assaults in Juvenile Justice Facilities *(target is annual; quarterly numbers are cumulative)*	235	287	<285	116	156	-	G
JJS clients age 18 or older who enter adult corrections within two years of discharge from a JJS facility.	21.5%	14.6%	10%	33.3%	24%	-	R
JJS clients who successfully complete formal probation.	85.8%	93.7%	86%	93.9%	89.4%	-	G
Recidivism rate for youth discharged from active field supervision.	20%	20%	12%	17.9%	17%	-	R
Recidivism rate for youth discharged from commitment.	44.5%	41.1%	40%	35.5%	35.2%		G
Substantiated complaints by clients of abuse and neglect in JJS facilities.	10%	25.9%	13%	20%	14.3%	-	Y
Turnover rate for youth care specialist.	16.9%	18.1%	19%	18.4%	18.6%	-	G
Program Rating							Y

Behavioral Health Services

The Behavioral Health Services program met all of its performance targets and is now serving 77.3 percent of CYFD-involved children and youth. The number of youth receiving services has grown year-over-year since 2019 and the division will continue to expand services during FY21 with the addition of 10 new community behavioral health clinicians (CBHCs). BHS is actively collaborating with community behavioral health providers and key stakeholders to expand the array of community based behavioral health services available to children and their families. Quality of safety planning is one of the fundamental functions of domestic violence programs. Confidentiality protections in federal and state law prohibit funders from reviewing the written contents of client files, including any written safety plans or safety planning notes. This requires the measure to be taken directly from survivors in the form of an anonymous survey. BHS is working to help funded programs move from paper surveys to online surveys and is working with domestic violence coalitions to explore ways to encourage program participants to complete surveys remotely.

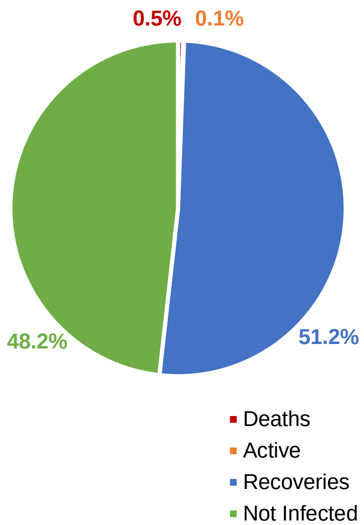


Budget: $42,948.0 **FTE:** 115.5	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Infants served by infant mental health teams with a team recommendation for unification who have not had additional referrals to protective services.	91%	94%	93%	100%	100%		G
CYFD involved children and youth who are receiving services from community behavioral health clinicians.	51.8%	64%	75%	66.4%	77.3%	-	G
Youth receiving services who are maintained in the least restrictive setting.	-	-	70%	89.9%	90.2%	-	G
Domestic violence survivors who create a personalized safety plan with the support of agency staff prior to discharge from services.	-	-	85%	94.1%	96.6%	-	G
Program Rating							G

ACTION PLAN

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

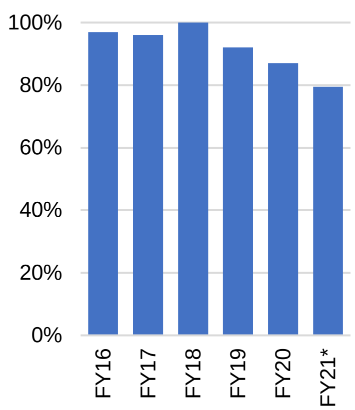
NM Prison Population Covid-19 Infection Status



Data as of 4/5/2021

Source: NMCD

Percent of Standard Healthcare Requirements Met by Medical Contract Vendor



*as of FY21 Q2

Source: LFC files, NMCD

Corrections Department

About half of New Mexico's prison population has been infected with Covid-19, with 0.1 percent of the population actively infected in April. Only one of the state's 11 prisons has seen less than 100 positive cases (Western New Mexico Correctional Facility, a women's prison, has seen 75), and all have had at least 20 percent of their populations infected. Six prisons have seen more than half their populations test positive, and two of these (Otero County Prison Facility and Roswell Correctional Center) saw infections impact at least 90 percent of their populations. Overall, Covid-19 has led to the deaths of 28 inmates in NMCD custody, about 1 percent of total infections.

New Mexico's prisons held an average of 5,929 inmates in February 2021, including 5,401 men and 528 women, a decrease of 1.2 percent compared with January but 13.6 percent lower than February 2020. Since December 2018, total prison population has fallen 18.6 percent.

Inmate Management and Control

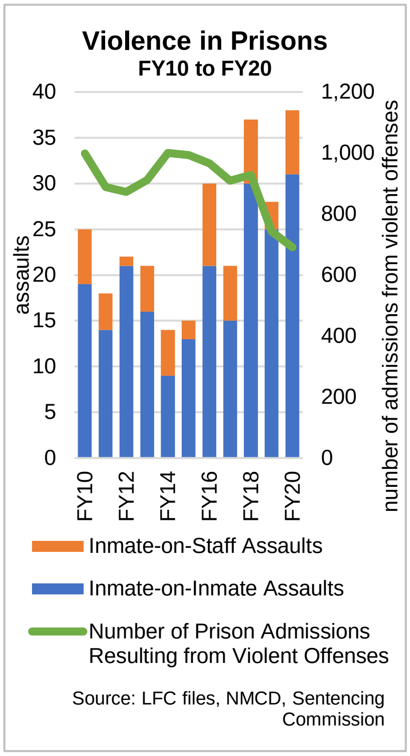
Last quarter, NMCD reported its overall three-year recidivism rate had been reported incorrectly since 2016, due to a database error that erroneously counted all intakes to the parole system as prison admissions for purposes of calculating reincarceration rates. The agency has corrected this issue, and reported a recidivism rate of 45 percent for the second quarter of FY21, an increase of 3 percentage points compared with the first quarter, likely as a result of increased technical parole revocations. Unfortunately, because the department has not provided corrected historical data on this measure, it is not clear if FY21's recidivism results represent an increase or decrease from previous years' recidivism levels.

The department has provided historical recalculations of aggregate rates of release-eligible inmates incarcerated past their scheduled release dates, it has not yet provided separate rates for male and female inmates, so there is no baseline for comparing those performance measures to historical performance. NMCD reports it is working on recalculating annual results for its three-year recidivism rate measure and expects to be able to provide those results by the end of the fiscal year.

In the first quarter, NMCD saw huge improvements in vacancy rates among public correctional officers (which dropped 8 percentage points since the fourth quarter of FY20) and private correctional officers (which dropped 13 percentage points). In the second quarter, these improvements were sustained, with the vacancy rate of public correctional officers dropping an additional 2 percentage points and the vacancy rate of private correctional officers increasing just 1 percentage point. NMCD did not provide an explanation for last quarter's significant quarter-over-quarter improvements, but has been focused on improving vacancies in the long term through changes to recruitment, screening, and training techniques.

In mid-FY20, NMCD entered into a contract for inmate healthcare that increased its costs by about 20 percent (approximately $10 million annually) but appears to have resulted in significantly worse performance. In FY18 and FY19, the department's previous contractor met 100 percent and 92 percent of standard healthcare requirements.

PERFORMANCE REPORT CARD
Corrections Department
Second Quarter, Fiscal Year 2021

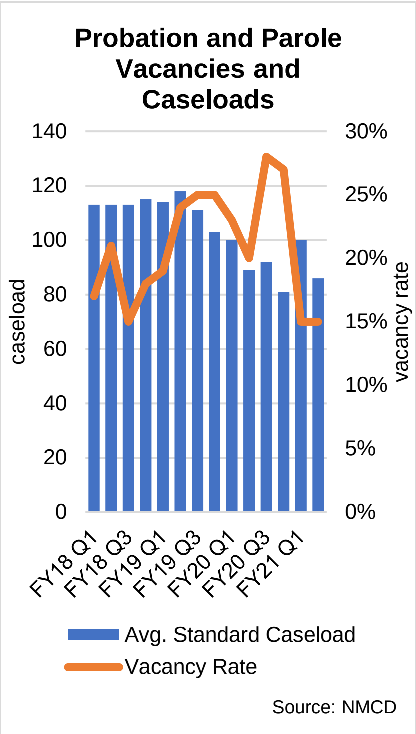


Inmate-on-inmate and inmate-on-staff assaults requiring outside medical treatment (previously referred to as assaults resulting in serious injury) sustained the significant improvements seen last quarter, with just one more inmate-on-inmate assault and no inmate-on-staff assaults. While NMCD cannot definitively identify the cause of this drop, the agency speculates that decreased prevalence of drugs in prison facilities could be responsible for lower rates of violence. Notably, the rate of positive drug tests in the first quarter of this year was significantly lower than previous years, while this quarter's rate returned to previous levels.

In the first quarter of FY21 (the first period for which data covering solely the new vendor is available), only 73 percent of standard healthcare requirements were met, but this was improved slightly in the second quarter, with 86 percent of requirements met. NMCD reports the vendor failed to meet three of its performance measures in the second quarter, including one measure (colorectal cancer screening) that it also failed to meet in the first quarter. NMCD states that if measures are not met after two consecutive performance measure reviews, the agency may impose penalties for nonperformance.

As of December 31, NMCD reports 2,561 inmates were infected with hepatitis c, about 42 percent of the total prison population. Since the initiation of its project to significantly increase hepatitis c treatment among inmates in the fourth quarter of FY20, 146 inmates have been treated with a treatment success rate of 91 percent. Key accomplishments of the project include successfully quantifying the number of infected inmates using laboratory test results, developing and approving clinical guidelines for the elimination of hepatitis c in prisons, and working with the Department of Health to qualify 10 of its 11 prison facilities as covered entities under the 340b drug pricing program.

Budget: $299,283.7 **FTE:** 2,044	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Percent of prisoners reincarcerated within 36 months	54%	54%	45%	42%[1]	45%[1]		Y
Percent of prisoners reincarcerated within 36 months due to new charges or pending charges	15%	12%	17%	14%	14%		G
Percent of sex offenders reincarcerated on a new sex offense conviction within 36 months of release on the previous sex offense conviction	1%	2%	15%	0%	10%		G
Percent of residential drug abuse program graduates reincarcerated within 36 months of release*	28%	21%	N/A	27%	15%		
Number of inmate-on-inmate assaults resulting in injury requiring off-site medical treatment	25	31	15	1	1		G
Number of inmate-on-staff assaults resulting in injury requiring off-site medical treatment.	3	7	0	0	0		G
Percent of release-eligible female inmates still incarcerated past their scheduled release date	9.4%	7.7%	6%	0.1%[2]	0.8%[2]		R
Percent of release-eligible male inmates still incarcerated past their scheduled release date	9.3%	6.4%	6%	1.5%[2]	1.4%[2]		R
Vacancy rate of correctional officers in public facilities	25%	31%	20%	28%	26%		R
Vacancy rate of correctional officers in private facilities	NEW	46%	20%	18%	19%		G
Percent of eligible inmates enrolled in educational, cognitive, vocational and college programs	76%	62%	68%	35%	39%		R
Percent of participating inmates who have completed adult basic education*[3]	78%	77%	N/A	6.3%[3]	5.8%[3]		R
Percent of eligible inmates who earn a high school equivalency credential[3]	78%	77%	80%	6.3%[3]	5.8%[3]		R
Number of inmates who earn a high school equivalency credential	139	134	150	43	34		G
Percent of standard healthcare requirements met by medical contract vendor	92%	87%	100%	73%	86%		R
Percent of random monthly drug tests administered to at least ten percent of the inmate population that test positive for drug use*	2.9%	2.5%	N/A	1.7%	2.8%		



NMCD sustained improved vacancy rates of probation and parole officers of 15 percent, flat with the previous quarter. The agency also improved its average standard caseload per probation and parole officer, from 100 last quarter to 86 this quarter.

	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Program Rating	Y	R					Y

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

1. This quarter, NMCD reported its overall three-year recidivism rate had been reported incorrectly since 2016, due to a database error that erroneously counted all intakes to the parole system as prison, admissions for purposes of calculating reincarceration rates. The agency has corrected this issue but has not provided corrected historical data and this quarter's result cannot be compared to previous years. However, because recidivism is increasing in other measures that were not impacted by this error, it is likely this measure is increasing, and it is therefore rated red.

2. NMCD reported this measure had previously been miscalculated, changed the calculation for FY21, but did not provide corrected historic reports. LFC and DFA analysts believe NMCD's altered calculation is incorrect (the original calculation is correct), so these measures are currently rated red pending clarification or recalculation.

3. NMCD reported this measure had previously been miscalculated, changed the calculation for FY21, but did not provide corrected historic reports. Previously, these measures were both calculated as the pass rate of the high school equivalency test; now, they are both reported as the percent of inmates enrolled in adult basic education who pass the high school equivalency test and therefore earn the credential.

Community Offender Management

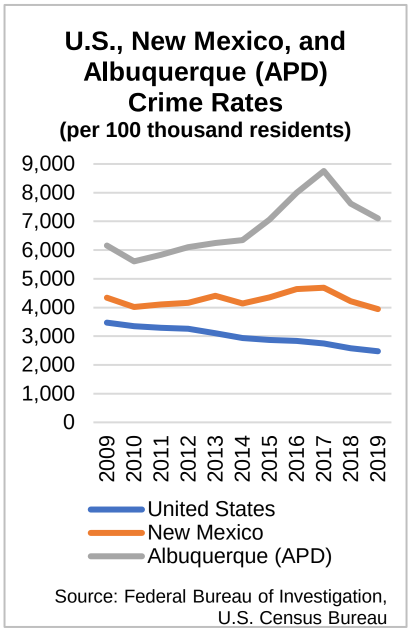
The vast majority of parole revocations can be attributed to substance abuse or technical parole violations. While technical violation revocations decreased in FY20, in the first quarter of FY21, the percent of prisoners reincarcerated within 36 months of release due to technical parole violations more than doubled, from 13 percent to 28 percent, and in the second quarter they increased further, to 31 percent.

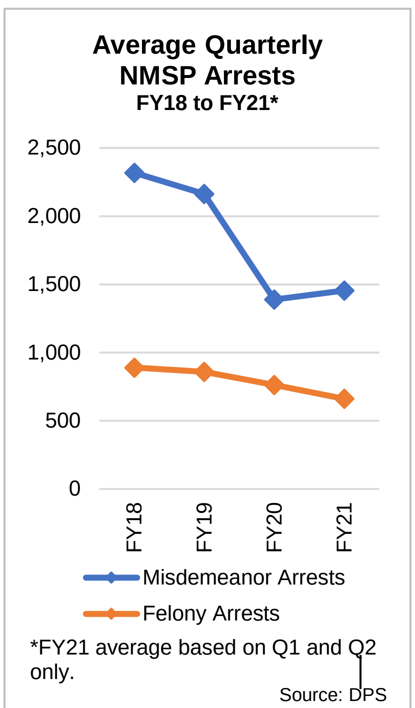
It is difficult to determine the effectiveness of NMCD's substance-abuse treatment services in the community because the department only reports recidivism rates for two programs: the men's and women's recovery centers, which serve only a small fraction of the offenders in need of such treatment. These programs use an inpatient therapeutic community model, which the department's FY19 community corrections program inventory defined as research-based, but has experienced mixed results. Recidivism rates for men and women graduating from these programs increased 5 percentage points and 7 percentage points, respectively, between FY16 and FY20. In the first half of FY21 (based on the average of the first and second quarters' results), male graduates' recidivism rate rose 4 percentage points over the last quarter of FY20, well above its FY21 target, while the recidivism rate of female graduates increased 6 percentage points, also significantly above the department's FY21 target for this measure.

Budget: $40,010.2 **FTE:** 380	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Percent of prisoners reincarcerated within 36 months due to technical parole violations	15%	13%	14%	28%	31%		R
Percent of graduates from the women's recovery center who are reincarcerated within 36 months	19%	25%	19%	27%	34%		R
Percent of graduates from the men's recovery center who are reincarcerated within 36 months	27%	23%	23%	24%	28%		R
Average standard caseload per probation and parole officer	110	91	103	100	86		G
Percent of contacts per month made with high-risk offenders in the community	98%	96%	97%	95%	91%		Y
Vacancy rate of probation and parole officers	24%	25%	20%	15%	15%		G
Program Rating	Y	Y					Y

ACTION PLAN

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





Department of Public Safety

In 2019, New Mexico had the highest overall crime rate of any state in the country and ranked second for its violent and property crime rates behind Alaska and Louisiana, respectively. After three years of increases, the state's overall crime rate began dropping over the past two years, and violent crime decreased slightly in the past year. However, homicide rates rose 18 percent, with 28 more reported in 2019 than 2018. Homicide rates have increased in New Mexico every year since 2014, diverging from national trends. Albuquerque drives these high rates, with the number of homicides reported to the Albuquerque Police Department (APD) almost tripling between 2014 and 2019.

The Covid-19 pandemic depressed New Mexico State Police (NMSP) over FY20, but both calls for service and arrests are beginning to tick up again. In FY20, officers responded to 274.6 thousand calls for service, a 20 percent decrease from the 345.3 thousand responded to in FY19, likely as a result of the Covid-19 pandemic. NMSP also made 3,049 felony arrests, a decrease of 11 percent compared with FY19, and 5,555 misdemeanor arrests, a decrease of 36 percent compared with FY19. In the second quarter of FY21, state police made 704 felony and 1,968 misdemeanor arrests, up 14 percent and 109 percent, respectively, compared with the first quarter, but down 8 percent and up 42 percent, respectively, from FY20's quarterly averages.

Law Enforcement

In the second quarter of FY21, the Department of Public Safety (DPS) saw decreases in all its key measures of law enforcement activity compared with the first quarter. Notably, the agency corrected the number of data-driven traffic enforcement projects reported in the first quarter (in which the measure was rated green) from 1,448 to 663, a significant decrease that would likely have seen the measure rated yellow in the first quarter if reported accurately. Even this measure saw a decrease in the second quarter, with 654 projects reported. Overall, the agency has completed 38 percent of its targeted 3,500 traffic enforcement projects in the first half of FY21.

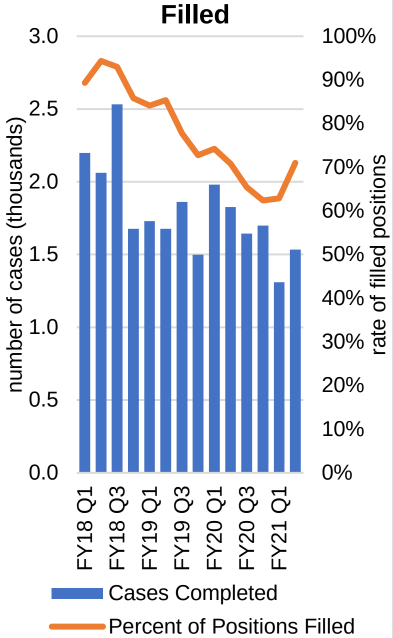
DWI arrests decreased 19 percent this quarter compared with last quarter, and arrests during the first half of FY21 were down 34 percent compared with the first half of FY20. While state police enforcement operations increased significantly in the first quarter compared with last year, both DWI saturation patrols and checkpoints saw significant reductions this quarter. DWI saturation patrols dropped 46 percent compared with the first quarter, but total patrols for the first half of FY21 are up 14 percent over the first half of FY20. The number of DWI checkpoints fell from 110 in the first quarter to 11 in the second quarter, but similarly are up (26 percent) for the first half of the year compared with the first half of FY20. According to data from the Department of Transportation, alcohol-involved traffic fatalities increased about 21 percent between FY18 and FY20, but DWI arrests decreased 36 percent while enforcement operations declined 39 percent.

Of NMSP's 732 officers, 683 positions were filled at the end of the second quarter of FY21, a 7 percent overall vacancy rate and a 5 percent vacancy rate among positions supported by the general fund. DPS's most recent state police force strength projection anticipates an average of 674 commissioned officers will be employed in FY21.

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Department of Public Safety
Second Quarter, Fiscal Year 2021

Forensic Lab Case Completions vs. Percent of Positions Filled



Source: DPS, LFC files

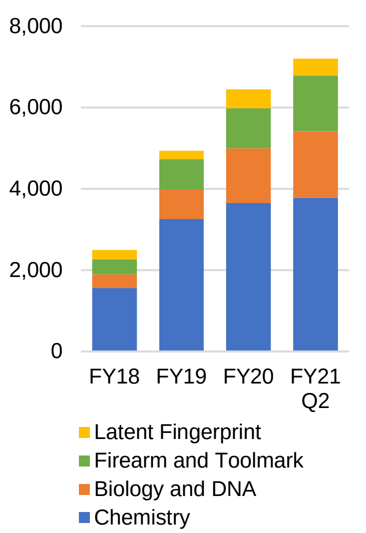
Budget: $128,755.9 **FTE:** 1093.3	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Data-drive traffic-related enforcement projects held	3,308	2,851	3,500	663[1]	654		Y
Driving-while-intoxicated saturation patrols conducted	3,416	1,933	3,350	803[1]	436		Y
Driving-while-intoxicated arrests	2,171	1,647	2,000	356	289		Y
Commercial motor vehicle safety inspections conducted	95,041	68,378	95,000	23,170	15,627		Y
Commissioned state police officer vacancy rate*	N/A	8.9%	N/A	8.7%	6.7%		
Commissioned state police officer turnover rate*	N/A	5.4%	N/A	0.9%	1.0%		
Graduation rate of the New Mexico State Police recruit school*	68%	73.3%	N/A	N/A[2]	71.0%		
Program Rating	G	G					Y

*Measures are classified as explanatory and do not have targets.
1. Measures were reported incorrectly on FY21 Q1 report and corrected on FY21 Q2 report.
2. No recruit school graduation this quarter; generally, there are two recruit schools held each year.

Statewide Law Enforcement Support

After increasing its backlog by 31 percent over the course of FY20, the forensic laboratory added an additional 749 cases to that backlog in the first half of FY21, and only one of the units with measured case types (the latent fingerprint unit) was able to make progress on its backlog. The laboratory has lost over 20 percent of its forensic scientists and technicians since FY18 and averaged a 33 percent vacancy rate among those positions this quarter. In FY21, DPS implemented 3 percent pay increases for forensic scientists and technicians (the first targeted pay increase for these positions in five years), which may help reduce these high vacancies. At the end of the second quarter, the agency filled three of these positions, but between January and the beginning of April, the department filled five more; the agency also reports that two hires are in progress and it is actively recruiting for an additional three positions.

Forensic Laboratory Backlog



Note: Backlog is as of the close of the fiscal year for FY18 - FY20.

Source: DPS, LFC files

Department of Public Safety
FY21 Q2 Forensic Cases Received and Completed

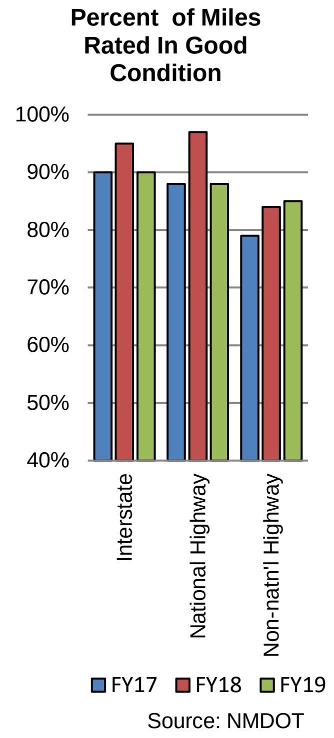
Case Type	Cases Received	Cases Completed	Completion Rate	Pending Cases	Vacancy Rate
Firearm and Toolmark	267	78	29%	1,370	33%
atent Fingerprint	122	151	124%	415	42%
Chemistry	1,088	1,040	96%	3,776	33%
Biology and DNA	399	264	66%	1,637	29%

Source: Department of Public Safety

Budget: $21,488.1 **FTE:** 161	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Forensic firearm and toolmark cases completed	67%	80%	90%	21%	29%		R
Forensic latent fingerprint cases completed	118%	65%	100%	125%	124%		G
Forensic chemistry cases completed	65%	93%	90%	92%	96%		G
Forensic biology and DNA cases completed	87%	73%	95%	64%	66%		R
Program Rating	G	Y					G

ACTION PLAN

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



Department of Transportation

The Department of Transportation (DOT) reports that, despite challenges brought on by the Covid-19 pandemic, projects are being completed on time and maintenance activity has continued at a pace sufficient to meet performance targets.

Project Design and Construction

For the past several years, the department has done well in completing construction on time and within budget, though project preparation has been a concern. In the second quarter of FY21, the department exceeded the target for putting projects out to bid on-time with all 16 projects being put out to bid according to schedule.

Budget: $619,589.9 FTE: 368	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Projects completed according to schedule	97%	92%	>88%	91%	100%		G
Projects put out for bid as scheduled	35%	75%	>67%	56%	100%		G
Final cost-over-bid amount on highway construction projects	0.2%	1%	<3%	7.1%	1.7%		G
Program Rating	Y	G					Y

Highway Operations

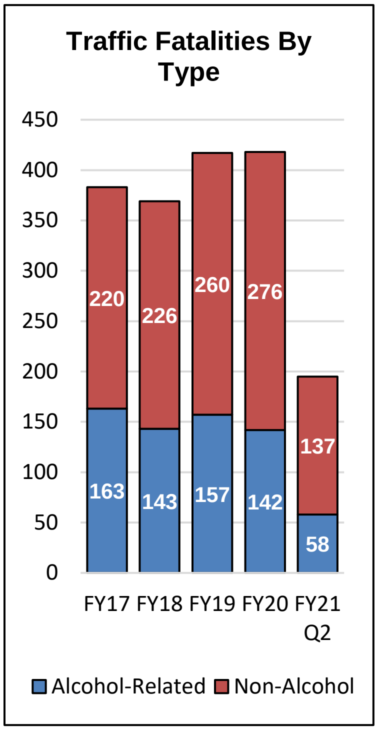
Maintenance crews are on-pace to meet the FY21 target for roadway preservation and have completed 82 percent of the annual maintenance goal in the first two quarters. Maintenance activity typically falls significantly over the winter months as crews transition to cold-weather operations. However, a mild winter and an increase in non-recurring funding provided by the Legislature may allow the department to significantly exceed the target for pavement preservation.

Road condition data suggests New Mexico roadways have deteriorated significantly from the prior year. However, it is likely that FY18 survey data, which showed dramatic year-over-year improvements in road condition, was influenced by the technology as well as the temporary impact of minor road repairs. Recognizing this, DOT partnered with other state DOTs in FY19 to pilot the use of new condition assessment technology to better determine pavement distress.

Budget: FTE:	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Statewide pavement miles preserved	3,143	3,970	>3,000	1,418	1,040		G
Bridges in fair condition or better, based on deck area	96%	96%	>90%	96%	96%		G
Program Rating	G	G					G

FY19 Road Condition Survey	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Target	FY19 Actual	Rating
Interstate miles rated fair or better	95%	93%	95%	>90%	90%	G
National highway system miles rated good	91%	89%	97%	>86%	88%	G
Non-national highway system miles rated good	81%	79%	84%	>75%	85%	G

Lane miles in deficient condition	4,515	4,606	3,783	<5,500	4,420	G
Program Rating	G	G	G			G

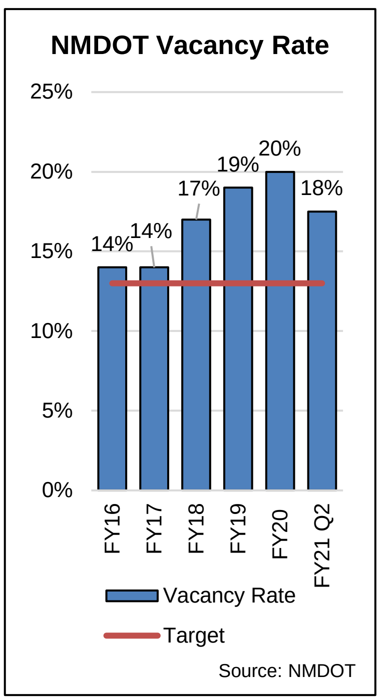


Modal

Total fatalities were down 11.6 percent from the second quarter of FY20 to the second quarter of FY21. The reduction is likely attributable to decreased traffic related to Covid-19 restrictions. Alcohol-related fatalities fell by 26 percent over this period, however alcohol-related fatalities are often revised as medical reports are received. For the first quarter, DOT initially reported 15 alcohol-related deaths but this was revised up to 36 deaths in the second quarter report. Ridership on the park and ride and the rail runner is down significantly due to the curtailment of service triggered by the Covid-19 pandemic.

Budget: 74,251.2 **FTE: 126**	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Traffic fatalities	417	421	<357	104	91		G
Alcohol-related traffic fatalities	157	173	<125	36	22		G
Non-alcohol-related traffic fatalities	260	248	<232	68	69		G
Occupants not wearing seatbelts in traffic fatalities	134	154	<133	44	36		G
Pedestrian fatalities	83	83	<72	12	24		G
Riders on park and ride, in thousands	230	175	235	15	11		
Riders on rail runner, in thousands*	761	516	N/A	0	0		
Program Rating	Y	R					G

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



Program Support

The department has sought and received exemptions from the statewide hiring freeze and was able to lower the vacancy rate from 20 percent at the close of FY20 to 17.5 percent.

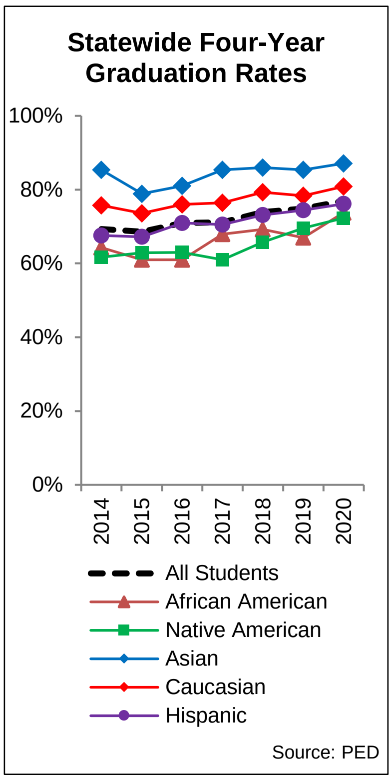
Budget: **FTE:**	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Vacancy rate in all programs	18.3%	20.4%	<13%	17.4%	17.5%		R
Employee injuries	72	54	<90	8	6		G
Percent of invoices paid within 30 days	94%	93%	>90%	92%	91%		G
Employee injuries occurring in work zones	27	13	<35	3	0		G
Program Rating	G	G					G

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
Public Education Department
Second Quarter, Fiscal Year 2021

ACTION PLAN

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



Federal Testing Waiver

For FY21, PED has requested the U.S. Department of Education to waive requirements for testing 95 percent of New Mexico students on standardized assessments.

PED issued guidance to school officials, require spring summative assessments to be administered in-person. The department has also extended spring testing windows to accommodate local needs.

Public Schools

Graduation Rates

The Public Education Department (PED) reported 4-year high school graduation rates for the student cohort of 2020 improved to 76.9 percent, an increase of 2 percentage points from the prior year. Notably, the gap between at-risk student subgroups and their peers continues to narrow, with graduation rates for African American, Native American, English learners, and economically disadvantaged students improving faster than the statewide average.

A 2021 LFC evaluation on implementation of the Indian Education Act found high school graduation rates for Native American students increased 11 percentage points between FY14 and FY19; however, changes to graduation requirements (allowing alternative demonstrations of competency) may have contributed to increased graduation rates given minimal improvements in reading and math proficiency rates for these students. Following school closures in FY20, PED issued guidance for schools to emphasize review rather than teaching new content and target additional support for seniors at risk of not graduating. As such, changes to grading and course failure policies this year may have affected graduation rates.

Enrollment Changes

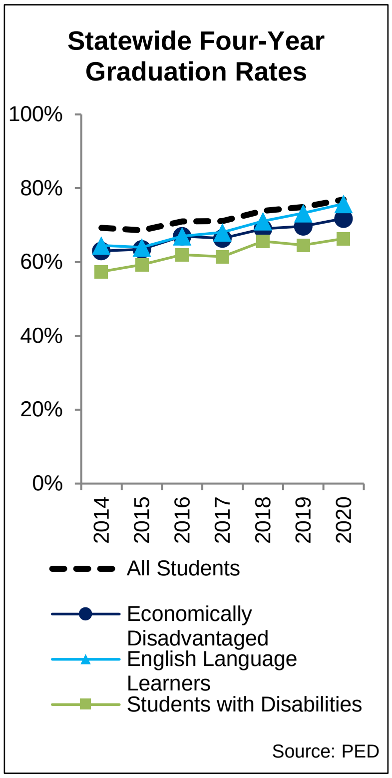
Certified first reporting enrollment data from October 2020 shows statewide student counts fell by 10.1 thousand students, or 3 percent, from the prior year with most districts across the state losing enrollment. Of the 12.2 thousand students initially reported by PED as missing from attendance rosters in the second quarter, only 2,716 students remain unaccounted as of February 19, 2021.

A sample of 5,637 students not attending public schools in the second quarter shows nearly 43 percent have moved out of state. PED notes out of a sample of 1,968 in-state students that left public schools this year 554 students (or 28 percent) plan to return in FY22. As such, schools may need to adjust for expedited enrollment declines ahead.

Survey of Students Not Attending Public School

	Number	Percent
Moved out of state	2,404	42.6%
Dropped due to attendance	983	17.4%
Homeschooled	811	14.4%
Re-enrolled in public or charter school	675	12.0%
Enrolled in private or BIE school	359	6.4%
Enrolled in GED program	235	4.2%
Out-of-country/Online/Detention/Adult Student/Deceased	68	1.2%
Graduated (Attending post-secondary entity or working)	63	1.1%
Did not return/Dropped out	39	0.7%
TOTAL SAMPLE	5,637	100%

Source: PED

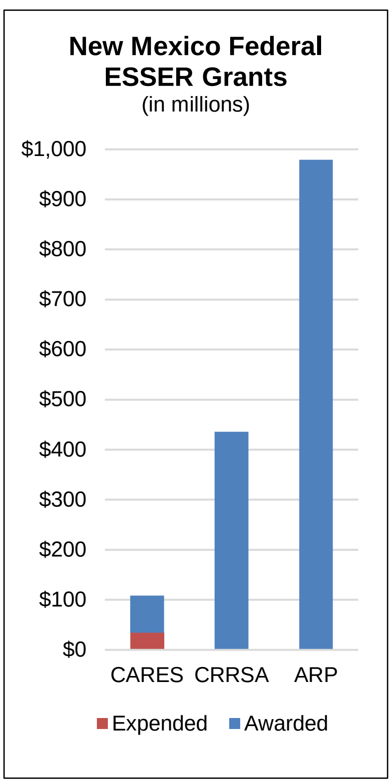


PED's reengagement program, Engage NM, launched a statewide dashboard that reports student engagement on a weekly basis. Engage NM has contacted 17.3 thousand students and is still attempting to contact 16.4 thousand students. The most recent Engage NM weekly statewide dashboard report shows 12.7 thousand students, or 73 percent of contacted students, have committed to coaching, and Engage NM has conducted over 37 thousand academic interventions in the past two weeks.

Federal and State Covid-19 Relief

PED notes personnel vacancies and remote staff work resulted in delays with processing federal reimbursements in the first and second quarters. According to USAspending.gov, New Mexico has only spent $34 million of the $108.6 million provided through the federal CARES Act Elementary and Secondary Schools Emergency Relief (ESSER) fund grant that was first awarded to the state on May 4, 2020. States have until September 30, 2021, to spend the remainder of the first ESSER grant. PED notes schools budgeted $44 million, or 48 percent of CARES dollars, for educational technology, and $30.3 million, or 34 percent, for personal protective equipment.

The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act appropriated $435.9 million in ESSER grants to New Mexico on January 5, 2021. States will have until September 30, 2022, to spend the second ESSER grant. The American Rescue Plan (ARP) Act ESSER fund grant is projected to allocate $979 million to New Mexico for expenditure until September 30, 2023. Unlike previous iterations of the ESSER grant, the ARP Act further requires schools to use at least 20 percent of the funds to address learning loss.



Budget: $14,322.2 FTE: 282.2	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Students served in K-5 Plus Programs	18,227	15,967	N/A*	16,067	15,225		Y
Students served in Extended Learning Time Programs	New	82,816	N/A*	134,042	Not reported		R
Average days to process reimbursements	26.8	31	24	78	39		R
Data validation audits of funding formula	28	12	35	7	7		Y
Program Rating	Y	R					Y

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

Community Schools

PED's March report on the 33 state-funded community schools noted the programs provided expanded learning time and social and health services for 11 thousand students throughout the pandemic. The community schools primarily served economically disadvantaged and Hispanic student populations. Notable accomplishments include the establishment of a school-based health center at Robert F. Kennedy Charter School in Albuquerque; "genius hour" at Los Padillas Elementary in Albuquerque, which provides time for student-driven enrichment activities at the end of the school day; family and community communications through Peñasco Elementary about resources and social services; and creation of a community schools council at Enos Garcia Elementary in Taos that identifies needs and develops strategies to meet them.

Legislative Finance Committee
Information Technology Status Report

Project Status Legend

Green	Project is on track; scope, budget, schedule, and deliverables are being managed appropriately.
Yellow	Project has potential risk to scope, cost, schedule, or deliverables; independent verification and validation (IV&V), or LFC staff has identified one or more areas of concern needing improvement.
Red	Significant issues limit success of the project; high risks to scope, cost, schedule, or deliverables identified; management attention and corrective action needed; project did not meet business objectives.

Agency	361	**Department of Information Technology (DoIT)**					
Project Name	DoIT Statewide Infrastructure Replacement and Enhancement (SWIRE)						
Project Description	Plan, design, purchase, and implement infrastructure for public safety communications statewide for improved communication equipment affecting emergency responders.						
Project Phase	Implementation	Estimated Implementation Date:	6/30/2018; revised 1/28/2021				
		Estimated Total Cost (in thousands):	$14,299.4				

	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$14,300.0	$0.0	$14,300.0	$14,283.2	$16.8	99.9%		

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget	Green	Green			DoIT has spent over 99 percent of the total certified budget. The agency reports a remaining balance of $7 thousand from an appropriation received in 2016 that is set to expire at the end of FY21.
Schedule	Green	Green			The agency reports that all deliverables have been completed and the agency is expected to present to the Project Certification Committee (PCC) in January 2021 to certify for project closeout, ahead of the anticipated schedule of June 2021.
Risk	Green	Green			No additional details have been provided about mitigation of reported resource constraints since last quarter, but the agency reports that the project is moving to closeout next quarter. Therefore, risk status has not impacted project closeout.
Functionality	Yellow	Yellow			The SWIRE project provided infrastructure and equipment upgrades to 89 towers and replacement of over 900 of the 8,000 mobile and portable subscriber units. Not all subscribers have access to the two-way radio system which will be addressed in the P25 project. Upgrades completed during the project have varied lifecycles with a majority of equipment expected to last 10 years or more, depending on the infrastructure category.
Overall	Green	Green			The project remains on track for completion and risk status remains manageable, with all deliverables expected to be completed on time for project closeout in January 2021.

Legislative Finance Committee
Information Technology Status Report

Agency	**361**	**Department of Information Technology (DoIT)**						
Project Name	**P25 Digital Statewide Public Safety Radio System Upgrade**							
Project Description	Upgrade and replace public safety radio equipment and systems with digital mobile communications for public safety organizations.							
Project Phase	Implementation		**Estimated Implementation Date:**		6/30/2022; revised 6/30/2026			
			Estimated Total Cost (in thousands):		$150,000.0; revised $176,711.66			

	State	**Federal**	**Total Available Funding[1]**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$29,300.0	$0.0	$29,300.0	$21,708.6	$7,591.4	74.1%		

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget	Yellow	Yellow			Spending to date includes $18.6 million awarded to Motorola Solutions, but the agency has not reported additional spending for the first or second quarter of fiscal year 2021. In October 2020, an additional $7 million was certified by the PCC for the Sandoval County expansion and the agency is seeking additional funds through the ICIP process during the legislative session to continue implementation.
Schedule	Yellow	Yellow			Schedule status remains yellow due to final implementation date of FY26, but the current phase is on track for completion in FY22. Certification was received for the Sandoval County expansion, indicating progress on deliverables.
Risk	Red	Red			Funding remains the greatest risk to the project, considering the agency's long-term project timeline. As a multi-year project, the agency must rely on continued funding that is not guaranteed and the agency has not reported any additional spending in FY21.
Overall	Red	Red			Risk remains high due to lack of project governance and strategic planning. A completion date of 2026 poses additional risk for the project which relies on continued capital appropriations.

[1]Total available funding includes an additional $7 million appropriated through capital outlay in Laws 2020, with $5 million from the equipment replacement fund.

Legislative Finance Committee
Information Technology Status Report

Agency	**361**	**Department of Information Technology (DoIT)**						
Project Name	**Enterprise Cybersecurity Upgrade (ECU)**							
Project Description	To establish framework and foundation for the state's cybersecurity structure, including identifying tools for compliance monitoring and cybersecurity management, and implement an enterprise cybersecurity operations center system.							
Project Phase	Initiation		**Estimated Implementation Date:**		6/30/2024			
			Estimated Total Cost (in thousands):		$7,000.0			
	State	**Federal**	**Total Available Funding**[1]	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$7,000.0	$0.0	$7,000.0	$3,070.2	$3,929.8	43.9%		

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget	Yellow	Yellow			DoIT planned to present to PCC for a combined certification in December 2020 but will instead present to PCC in January 2021 for combined certification of funds from Laws 2018 and Laws 2019. Funds spent to date have been certified but not yet validated, and the agency is seeking $3 million during the 2021 legislative session for cybersecurity assessments and services.
Schedule	Yellow	Yellow			DoIT reports that vulnerability scans continue to occur among onboarded agencies, but no unified plan has been developed to address the state's cybersecurity posture or disaster management strategy. DoIT reports progress despite schedule delays resulting from the recruitment of the state CISO, but the expanded project scope resulting from realignment of cyber priorities has led to an expanded project timeline.
Risk	Red	Red			DoIT has established an ECU Advisory Committee comprised of representatives from 10 agencies and DoIT. However, it is unclear whether the advisory committee will adequately address project governance concerns, and the expanded project scope results in increased risk related to securing continued funds and managing a longer-term IT project.
Overall	Red	Red			Risk remains high due to schedule delays and expanded project scope. The functionality of the project is yet to be determined given delayed completion date and lack of planning continues to pose high risk to the project timeline and budget.

[1]Total available funding includes an additional $6 million general fund appropriated through capital outlay in Laws 2019.

Legislative Finance Committee
Information Technology Status Report

Agency	**361**	**Department of Information Technology (DoIT)**					
Project Name	**New Mexico Rural Broadband**						
Project Description	Maximize availability of broadband connectivity across the state's rural areas.						
Project Phase	Initiation		**Estimated Implementation Date:**		6/30/2023		
			Estimated Total Cost (in thousands):		$10,000.0		

	State[1]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$10,000.0	$0.0	$10,000.0	$727.6	$9,272.4	7.3%		

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget					Budget risks remain, pending federal reimbursement for Covid-19 related broadband awards made through the project. Encumbered funds include $2.9 million for Cochiti Pueblo, $2.1 million for Sierra county and $1.1 million for Plateau Communications in Lea and Eddy counties. $300 thousand for emergency awards in Chavez and Lea counties is being finalized and agency is seeking certification of the remaining $3.3 million in funds from a $10 million appropriation in 2018.
Schedule					The Pueblo of Cochiti project has started, and DoIT estimates all fiber optics for the project to be installed by January 2021. Progress is also being made on the public private partnership with Plateau and the Sacred Wind's project has been initiatied. However, the agency has not provided LFC with a list of priority projects for future broadband funding awards.
Risk					Continued financial support for the rural broadband program remains the greatest risk to the project, with funds needed to continue implementation of urgent COVID-19 broadband projects. Planning is also needed for further expansion of broadband projects.
Overall					Given Covid-19 impacts on remote work, telehealth services, and online education, the project will focus on addressing urgent connectivity needs and will rely on continued appropriations to support the scope of the project, posing additional risk.

[1]Laws 2018 appropriated $10 million general fund through the capital outlay process.

Second Quarter
Fiscal Year 21

Legislative Finance Committee
Information Technology Status Report

Agency	539	State Land Office (SLO)					
Project Name	**ONGARD Replacement - Royalty Administration and Revenue Processing System (RAPS)**						
Project Description	Replacement of the Oil and Natural Gas Administration and Revenue Database (ONGARD) system. Replacement will be delivered in two separate systems: TRD severance tax and SLO RAPS.						
Project Phase	Implementation		**Estimated Implementation Date:**		6/30/2020; revised 11/30/2020		
			Estimated Total Cost (in thousands):		$10,000; revised $11,850.0		
	State[1]	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$11,850.0	$0.0	$11,850.0	$6,468.1	$5,381.9	54.6%	

FY20 Rating	Q1	Q2	Q3	Q4	Status
Budget	Green	Green			SLO received an appropriation of $1.85 million in FY21 and is requesting IT project funds for FY22 for additional system functionality. The total budget for implementation has been certified. Project funds include an extension of FY19 funding through the General Appropriations Act.
Schedule	Yellow	Yellow			User acceptance testing has been successfully completed as of December 9th, 2020. The go-live date of the application is planned for January 2021, and the timeline is dependent on satisfactorily completing all required testing, which is of high priority for the agency.
Risk	Green	Green			The project faces potential risks, such as resource constraints and system migration, but project management and work with the Executive Steering Committee remains sufficient to manage risks. The project is on track for a January go-live date.
Overall	Yellow	Green			Some risks remain related to resource constraints and potential long-term maintanence, but these risks are manageable and the project is on track for implementation in January 2021. Progress in user acceptance testing resulted in a decreased risk status for the project this quarter.

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

Legislative Finance Committee
Information Technology Status Report

Agency	**630**	**Human Services Department (HSD)**					
Project Name	**Child Support Enforcement System Replacement (CSESR)**						
Project Description	Replace the more than 20-year-old system with a flexible, user-friendly solution to enhance the department's ability to meet federal performance measures.						
Project Phase	Implementation		**Estimated Implementation Date:**		TBD		
			Estimated Total Cost:		$65,581.9		

	State	**Federal**	**Total Available Funding[1]**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$5,143.4	$13,384.30	$18,527.7	$5,066.0	$13,461.7	27.3%		

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget					HSD reports that previous appropriations will fully fund the project through FY22, wiith a budget of $18.5 million and just over $12.2 million certified. Laws 2020 authorized an extension through FY21 for $3.4 million previously extended through FY20 in Laws 2019. HSD awarded a $7 million contract to Deloitte, having paid a total of $4.9 million to date.
Schedule					The project was split into two subprojects - the CSES refactor and the CSES electronic document management project. As a result, the schedule has been re-baselined and changed to include new milestones that align and better leverage HHS2020 initiatives, but a detailed project timeline has not yet been released. Until a final completion date is estimated, the project schedule risk will remain elevated.
Risk					Splitting the project into two subprojects will reduce the liklihood of competing operation duties since the project schedule was re-baselined with no overlap in testing for the two subprojects. However, risks remain given outstanding change requests to cost and schedule.
Overall					Project complexity and schedule delays continue to pose risk. The system replacement should allow for cross-agency data collection and analysis of child support enforcement reporting, but overall functionality is yet to be determined. Establishing a project timeline is essential.

[1]Total available funding includes an additional $5.2 million appropriated in Laws 2019: $1.8 million general fund and $3.4 million federal.

Second Quarter **Legislative Finance Committee**
Fiscal Year 21 **Information Technology Status Report**

Agency	**630**	**Human Services Department (HSD)**					
Project Name	**Medicaid Management Information System Replacement (MMISR)**						
Project Description	Replace current Medicaid management information system and supporting application, including Medicaid information technology architecture, to align with federal Centers for Medicare and Medicaid Services (CMS) requirements.						
Project Phase	Planning and Implementation	**Estimated Implementation Date:**		12/2021; revised 5/2023			
		Estimated Total Cost[1] (in thousands)**:**		$211,805.6; revised $221,167.8			
$							
	State	**Federal**	**Total Available Funding[2]**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$16,677.5	$149,735.6	$166,413.1	$111,480.8	$54,932.3	67.0%	

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget	Yellow	Yellow			The project is supported by a 90 percent federal funding participation match, but federal funding status for multi-agency planning documents is still under review since April 2020. The project is currently within budget, with $151.1 million certified for use, but the agency has requested additional funds to support the project in FY22.
Schedule	Yellow	Yellow			HSD reported initiating contract negotiations with a new system integrator vendor but has not secured a contract as of the second quarter of FY21, impacting project outlook. Progress continues with other module contractors and quality assurance has benefitted the project, according to HSD, but system integrator impacts continue to delay the project.
Risk	Red	Red			Reports by the agency indicate that risks are under active management, but it is unclear whether EPMO reporting has helped with risk management in the first or second quarters, since the agency did not describe active risks in detail. Risks remain, associated with the lack of a system integrator and the large project budget.
Overall	Red	Red			Schedule and budget risks remain due to higher estimated cost and pending federal approvals for multi-agency planning documents.

[1] CMS approved budget including HHS2020 partner agencies.
[2] Total available funding includes an additional $12.6 million appropriated in Laws 2019: $1.3 million from the general fund and $11.3 million federal.

Agency	690	Children, Youth and Families Department (CYFD)					
Project Name	**Comprehensive Child Welfare Information System (CCWIS)**						
Project Description:	Replace the legacy Family Automated Client Tracking System (FACTS) with a modular, integrated system to meet the federal Administration on Children and Families (ACF) requirements.						
Project Phase:	Initiation/Planning	**Estimated Implementation Date:**		Phase I 10/26/21; Overall 8/30/22			
		Estimated Total Cost (in thousands)**:**		$36,000.0; revised $44,905.9			
	State	**Federal**	**Total Available Funding[1]**	**Spent to Date**	**Balance**	**% of Budget Expended**	
In thousands	$6,000.0	$2,095.6	$8,095.6	$5,581.6	$2,514.0	68.9%	
FY20 Rating	Q1	Q2	Q3	Q4	**Status**		
Budget	Yellow	Yellow			The agency reports a total fund amount of $27.7 million in C2 and federal funds for FY19, FY20, and FY21, however federal funding status is still under review, posing risk to the project budget. In December, the PCC certified the project to move into implementation, conditional on submission of an updated project budget and advanced planning documentation.		
Schedule	Red	Red			Another round of requests for information from federal investment partners is ongoing, posing risk to continued progress without federal approval, and results of the request have not yet been determined. Responses from HHS2020 partner agencies is due back to the federal partner by December 30, 2020.		
Risk	Red	Red			Risk remains due to delayed federal partner approval. IV&V and organizational change management for the other modules need federal funding and approval, and are therefore also being impacted by the federal approval delay. However, the licensing expansion is expected to go live in December 2020 and IV&V will be enagaged for that module.		
Overall	Red	Red			Due to the complexity and high risk, the overall status remains red. Federal approval for the implementation phase is critical and continues to delay progress.		

[1]Total available funding includes an additional $7 million appropriated in Laws 2019: $5.5 million from the general fund and $1.5 million in federal funds.

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Agency	**770**	**Corrections Department (NMCD)**						
Project Name	**Offender Management System Replacement (OMS)**							
Project Description:	Replace 15-year-old client server offender management system with a commercial-off-the-shelf (COTS), web-based solution. The COTS solution has 17 modules associated with NMCD requirements.							
Project Phase:	Implementation		**Estimated Implementation Date:**		6/30/2019; revised 3/31/2022			
			Estimated Total Cost (in thousands)**:**		$14,230.2			
	State¹	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$14,230.2		$14,230.2	$9,622.1	$4,608.1	67.6%		
FY20 Rating	Q1	Q2	Q3	Q4	**Status**			
Budget	Green	Green			All funds are certified and the agency has spent just over 60% of certified funds to date. A request has been made to extend funding secured in previous appropriations and reports a total of $900,180 available in the implementation phase of the project.			
Schedule	Red	Red			NMCD reports an estimated go-live date of January 25th, 2022 with project closeout in March 2022. The project is 78 percent completed, with a 3 percent increase in progress in the construction phase of the project. Changes to project end date posed risk, but progress is being made toward meeting the new schedule end date.			
Risk	Yellow	Yellow			The biggest risks reported include the high IT vacancy rate (15 percent), combined with retention and loss of key staff as impacting the project schedule, which is expected to extend into 2022. It is unclear whether the agency has identified mitigation strategies for these risks moving forward.			
Overall	Yellow	Yellow			The overall project is now 78 percent complete, which is a 10 percent increase from the previous quarter. However, schedule delays continue to pose risk with implementation.			

¹Amount includes Laws 2019 appropriation of $4.1 million.

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Agency	**780**	**Department of Public Safety (DPS)**		
Project Name	**Records Management System (RMS)**			
Project Description:	Replace various nonpayer record storage with an integrated records management system to provide law enforcement and other public safety agencies with a single repository of data available to support day-to-day operations, reporting, and records and data analysis. A new RMS will ensure access, preservation, and control of DPS records in all formats.			
Project Phase:	Planning	**Estimated Implementation Date:**	6/30/2021; revised 12/2022	
		Estimated Total Cost (in thousands)**:**	$7,381.3	

	State	**Federal**	**Total Available Funding**	**Spent to Date**	**Balance**	**% of Budget Expended**		
In thousands	$7,381.3		$7,381.3	$756.7	$6,624.6	10.3%		

FY20 Rating	Q1	Q2	Q3	Q4	**Status**
Budget	Green	Green			All funds have been certified by the Project Certification Committee, but the committee is awaiting amendments to IV&V and project management contracts to cover the remainder of the project. The project continues to be within budget.
Schedule	Yellow	Yellow			The project schedule includes accomodations for the agency's other IT project - the computer-aided dispatch (CAD) project -planning for implementation in December 2022 and closeout in June 2023.
Risk	Yellow	Yellow			The agency has received full funding for the project and work continues with the Executive Steering Committee to manage active project risks, including risks associated with accomodating the CAD project simultaneously. The project is fully funded and the schedule intends to accomodate the CAD project, but risks related to managing organizational change and coordinating simultaneous IT projects remain.
Overall	Yellow	Yellow			A COTS integrated records management solution will minimize or eliminate the need for standalone or specialized programs. Budget risks have been reduced but schedule status remains a risk given the need to accommodate CAD project progress alongside the records management system.

Other IT Projects of Concern

Agency	**420**	**Regulation and Licensing Department (RLD)**			
Project Name	**Permitting and Inspection Software Modernization Project**				
Project Description:	Modernize RLD's permitting and inspection software (replacing Accela).				
State Funding (in thousands):	$4,677.4	**Spent to Date:**	$1,425.0	**Project Phase:**	Implementation

► RLD's Construction Industries Division (CID) permitting collects an estimated $4 million in revenue.

► The agency has spent roughly 30 percent of the overall project budget to date, and project remains in budget with currently available appropriations.

► The agency has mitigated risk for the project by establishing contracts for a project manager, IV&V vendor and system integrator. However, billing has occured for RESPEC IV&V services but no other billing for vendors has occured.

► RLD has developed contingency plans and risk mitigation strategies for identified risks.

► Scheduling for the Boards and Commissions addition to the project has not yet been completed, awaiting project manager onboarding.

Investment Performance Quarterly Report, Second Quarter, FY21

In the fourth quarter of 2020, election clarity, vaccine success, and fiscal stimulus resulted in soaring financial markets and strong returns for state investments.

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

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

Investment Performance Highlights

- The aggregate value of New Mexico's combined investment holdings for pensions and permanent funds ended calendar year 2020 at $57.9 billion, $2.8 billion, or 5 percent, higher than the same period in 2019. Over the last five years, the state's combined investment holdings grew $14.1 billion, or 32.2 percent.
- Ending a year of record volatility, one-year returns ranged from 6.76 percent (ERB) to 8.94 percent (LGPF), and average investment returns over the last 10 years ranged from 7.19 percent (PERA) to 7.82 percent (LGPF).
- All funds outperformed their targets for the quarter- and five-year periods.[1] The LGPF was the only fund to outperform its target return for every period included in the report.
- When compared with peer funds greater than $1 billion on a net-of-fee basis, PERA was the only fund to perform in the lowest quartile for all reported periods. The LGPF and ERB performed below the median but above the lowest quartile in the three-year, five-year and ten-year periods, but ranked in the lowest quartile for the quarter- and one-year periods. The STPF performed in the lowest quartile for all periods except the 10-year, where it performed in the third quartile.

Returns as of December 31, 2020 (Net of Fees)[2]

	PERA		ERB		LGPF		STPF	
Returns (%)	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index	Fund	Policy Index
Quarter	**8.28**	9.75	**8.39**	8.03	**8.80**	8.73	**8.13**	8.79
1-Year	7.05	6.87	6.76	9.98	**8.94**	9.96	**7.89**	10.11
3-Year	6.17	6.22	7.02	8.09	**7.04**	7.50	6.32	7.61
5-Year	**7.89**	8.09	**8.64**	9.47	**8.68**	8.72	**8.02**	8.82
10-Year	7.19	7.21	**7.71**	7.74	**7.82**	8.03	**7.43**	8.09

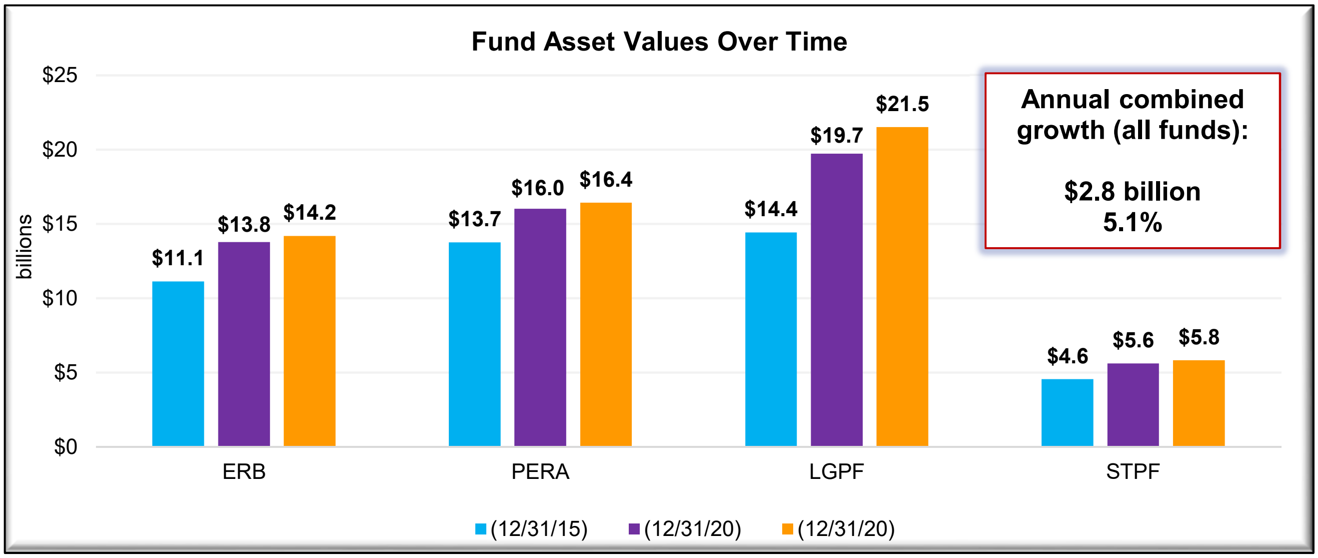
Note: bold indicates returns that exceed the fund's long-term target

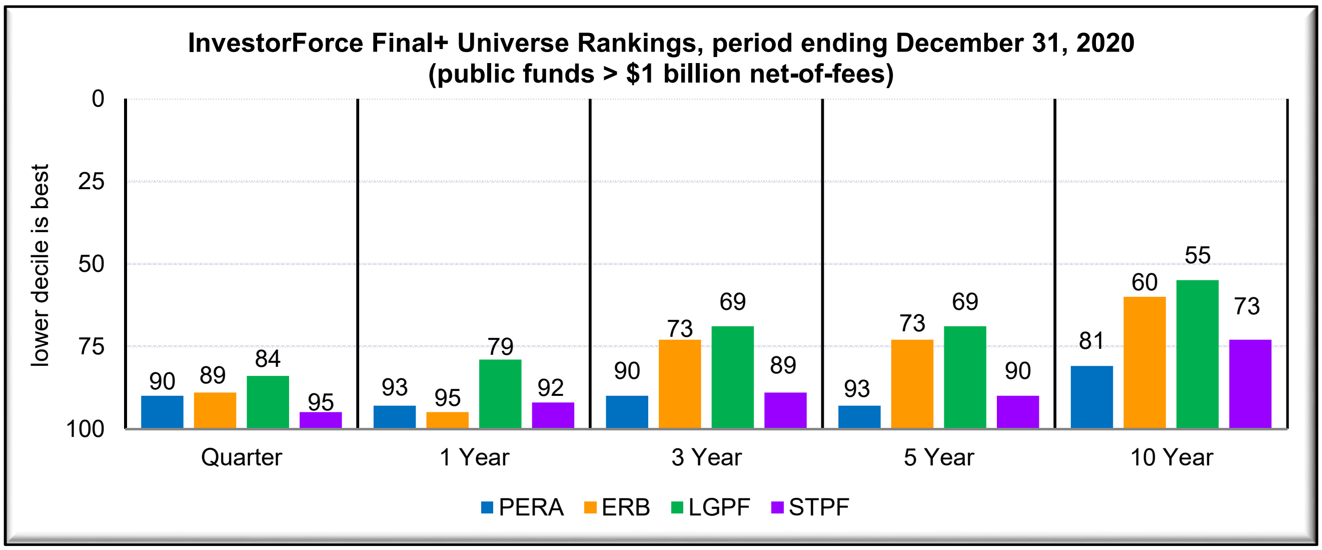
[1] The funds' long-term return targets are 7.25 percent (PERA), 7.25 percent (ERB), 7 percent (LGPF), and 6.75 percent (STPF).
[2] A fund's policy index is a custom benchmark that shows the returns that would have been generated if a passive investor consistently followed the agency's asset allocation targets according to their investment policy.

Investment Agency Performance Dashboard

Quarter Ending December 31, 2020

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





Risk Profiles, Five Years Ending 12/31/20, Net of Fees				
Fund	ERB	PERA	LGPF	STPF
Standard Deviation*	6.0	7.0	7.9	7.8
Sharpe Ratio**	1.2	1.0	0.9	0.9
Beta***	0.4	0.4	0.4	0.5

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

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

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

Aggregate Value of New Mexico Investment Holdings

$57.9 billion

Source: Agency Investment Reports