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ISSUES FOR HEARING

Overview of FY15 Performance Report Cards and FY17 Performance Measures

- This annual report represents the culmination of the quarterly performance reporting process for FY15. Each quarter, LFC analysts review key agency quarterly performance reports and develop report cards for select agency performance measures.
- Overall, cooperation between the LFC and DFA analysts on the accountability in government performance reporting process is fair to good.
- LFC continues to work with DFA and agencies on identifying a core set of outcome measures instead of changing measures every few years. Rallying agencies to develop meaningful action plans to address measures with poor results continues to be a challenge. LFC is increasing efforts to provide benchmark data comparing New Mexico results to those of neighboring states or national averages.
- As part of the annual review of programs and performance measures, several agencies proposed program changes and new, revised, or deletion of performance measures. Agencies such as the Department of Health and the General Services Department proposed new measures that improve accountability and transparency.
- Additionally, the Regulation and Licensing Department requested to roll up 28 individual boards and commissions into the newly named Boards and Commissions Program; and the New Mexico Environment Department will implement a reorganization of the agency's divisions in FY16, including the creation of a new Water Protection Division to oversee all bureaus concerned with water quality.
- However, there are opportunities to increase accountability in the following agencies:

- The Human Services Department (HSD) added new measures tracking jail-involved persons enrolled in Medicaid, the Centennial Rewards participation rate, and outcomes for members with diabetes. However, HSD should adopt more measures capturing progress with implementation of Centennial Care and promised cost saving measures, such as completion of health risk assessments, improved care coordination, and efficiencies gained.
 - Given ongoing concerns about behavioral health, HSD should also add or improve measures tracking behavioral health outcomes such as health homes, which the department hopes to roll out in FY16.
- The majority of changes to the Department of Health’s key measures are positive, but the Facilities Management Program proposed reducing the number of quarterly performance measures to just one. Given the program’s \$138.3 million budget, recent budget shortfalls due to overspending, and that the program makes up more than a quarter of the department’s budget, one measure provides an inadequate overview of the program’s performance.
- The Public Education Department did not add performance measures for “below the line” initiatives. Such measures would ensure accountability for the growing appropriations to the department.
- The Economic Development Department proposed reducing the number of measures for the Job Training Incentive Program (JTIP) by half despite receiving a near-record appropriation of \$7.5 million for JTIP during the 2015 regular legislative session. However, DFA agreed with LFC staff to retain all existing JTIP measures.
- Pursuant to the Accountability in Government Act (AGA), these and other concerns and suggestions were reported to DFA by letter on August 3. DFA was required to issue final action on performance measures by August 15; LFC has not yet received a complete list of actions but expects it soon.



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PERFORMANCE REPORT CARD
FISCAL YEAR 2015

AGENCY or DEPARTMENT	PROGRAM RATING	CHANGE FROM FY14	OVERVIEW
HUMAN SERVICES DEPARTMENT (HSD)			<p>TANF caseloads fell to a record low of 12,754 for FY15, although HSD increased TANF cash payments by 7.5 percent (effective July 1, 2015), partially reversing a 15 percent reduction in 2011, which could improve client participation in FY16; however, TANF workforce participation rates remained very low for the year.</p>
Medical Assistance Program	Y	—	
Income Support	Y	—	<p>To date, about 220 thousand newly eligible adults are covered by Medicaid, with a total of over 800 thousand, or nearly 40 percent of New Mexicans, participating in the program; yet, expanded coverage continues to increase financial and performance pressures. Year-end measures for well-child visits, prenatal care and dental visits were well below targets. More encouraging, hospital readmissions and emergency department visits decreased from previous-year levels.</p>
Child Support Enforcement	G	—	<p>The Behavioral Health Collaborative has yet to provide a year-end performance report for FY15. Given ongoing concerns about behavioral health, HSD should add or improve measures tracking behavioral health outcomes such as tracking progress and outcomes related to health homes which the department hopes to roll out in FY16.</p>
Program Support	G	—	<p>Total Child Support Enforcement collections reached a record \$140 million in FY15.</p>
HEALTH (DOH)			<p>Approximately 4,610 individuals received services through the developmental disabilities (DD) waiver program in FY15, although the department did not meet its target for percent of new participants who had service plans in place in a timely manner. Despite a nearly 70 percent increase in general fund appropriations, the DD waiver waiting list continues to grow, reaching approximately 6,365 people at the end of FY15.</p>
Public Health Program	G	▲	
Laboratory Services Program	G	—	<p>The agency's Facilities Management Program continues to face challenges. The department reported measures indicating New Mexico's three state-run nursing homes are performing well. However, the Centers for Medicare and Medicaid Services (CMS) rated all three facilities poorly for health inspection and quality measures, including rates of long-term care patients experiencing one or more falls with injury that are significantly higher than the national average. Additionally, the department may not be adapting to changes in the Affordable Care Act and continues to experience a high level of uncompensated care in the facilities.</p>
Facilities Management Program	Y	▲	

Developmental Disabilities Support Program	Y	—	DOH maintains a number of effective child and teen public health interventions, such as reducing teen births through low or no-cost birth control and education, reducing adolescent health issues by providing comprehensive well exams at school-based health centers, and increasing the percentage of children immunized through partnerships with local school districts. However, the state still ranks above national averages for key measures such as low-birth-weight babies.
Epidemiology and Response Program	G	▲	Historically, DOH quarterly performance measures lacked meaningful data to track performance on lessening the effects of diabetes, obesity, substance misuse, and other health maladies important to New Mexico. Addressing this, the department, in cooperation with LFC staff, will expand performance reporting in FY16 and more than double the number of key measures tracked. However, measures for the Facilities Management Program continue to be inadequate.
AGING AND LONG-TERM SERVICES (ALTS)			<p>The Aging and Long-Term Services Department reports New Mexico improved its national ranking for seniors who are over 60 and experiencing food insecurity from second worst in the nation in 2010 to 34th in the country in 2015. This is a significant improvement, but there are still an estimated 64 thousand seniors, or 13 percent, who are food insecure.</p> <p>The Adult Protective Services Program (APS) is on track to meet the department's year-end target for number of adult protective services investigations. However, the investigation volume measure does not illustrate need and does not measure the incidence of substantiated maltreatment cases. APS does not report on repeat maltreatment, hampering the state's ability to determine the effectiveness of interventions.</p> <p>Current performance measures reported by the department reflect the volume of services provided but not strategic planning and capacity. Tracking service outcomes and reporting them as performance measures would give a better idea of the Aging Network Program's capacity and its adequacy in meeting the needs of New Mexico's senior population.</p>
Consumer and Elder Rights Program	G	—	
Aging Network Program	G	▲	
Adult Protective Services Program	G	—	
CHILDREN, YOUTH AND FAMILIES (CYFD)			<p>The continued increase in incidents of both use of force by staff and youth-on-youth violence at Juvenile Justice Facilities is concerning. CYFD reported an action plan to implement performance-based-standards to improve accountability by collecting and analyzing data to develop reforms.</p> <p>Also of concern is the continued trend in the number of substantiated maltreatment cases. Repeat maltreatment is a key performance indicator for the child welfare system, and New Mexico is twice the national average. The repeat maltreatment rate missed the FY15 target and increased from 8.7 percent in FY13 to 10.9 percent in FY15. The national average is 5.4 percent.</p> <p>Turnover rates rose significantly for both the Juvenile Justice Services program and the Protective Services program in FY15. Child welfare frontline worker turnover has significant financial costs, and previous research has linked negative outcomes for children in care to high turnover rates.</p>
Juvenile Justice Facilities	Y	—	
Protective Services	Y	—	
Early Childhood Services	G	—	

Behavioral Health Services	Not Reported	—	For FY17, the agency and LFC are proposing additional performance measures for the Early Childhood Services program. The department will report on the percent of children in FOCUS levels three thru five, the number of meals served through CYFD administered food programs, and the percent of children receiving early childhood subsidy services that have one or more protective services substantiated abuse and/or neglect referrals.
Program Support	R	—	
PUBLIC SAFETY (DPS)			DPS performed well in traffic safety and drug crime measures and is continuing to enhance drunken driving enforcement. The agency is working to reduce the number, frequency, and impact of violent crimes. Rates of violent crime dropped in New Mexico, but rates of property crime are rising. Among neighboring states, New Mexico has the highest rate of violent crime, 162 percent of the national average, and led the nation in rates of aggravated assault. DPS exceeded target levels for drug-related investigations and was slightly under target for criminal cases investigated per FTE. The Motor Transportation Program is working to increase highway safety through commercial motor vehicle inspections and citations, recruiting transportation inspectors, and using technological tools such as the Smart Roadside Inspection System (SRIS). DPS fell short on commercial vehicle inspections and citations but exceeded targets for non-commercial vehicle citations by almost 10 percent.
Law Enforcement Program	G	—	
Motor Transportation Program	Y	—	
Statewide Law Enforcement Support	R	—	
Program Support	G	—	
CORRECTIONS (NMCD)			
Inmate Management Control	Y	—	In FY15, NMCD successfully released 87 percent of eligible females and 90 percent of eligible males in accordance with their scheduled release dates. However, 17 percent recidivated due to technical parole violations, and 23 percent recidivated due to new charges. Thirty-five percent of sex offenders were re-incarcerated, well above the 25 percent target, but an improvement from 41 percent in FY14. NMCD reported overall recidivism rates are high and stable at 47 percent. If the recidivism rate is correct, current programming may not be achieving desired results. Focus should shift to recovery and reform with solid plans in place for prisoners post-release. While NMCD plans to add post-release treatment facilities for men and women with savings realized from moving behavioral health costs in-house, there is a real danger that prison capacity may be reached before these beds come on-line. New Mexico must also strengthen prison programs, especially education programs. The New Mexico Sentencing Commission projects that the total state prison population will exceed 7,400 inmates in 2016 and breach maximum facility capacity in 2020. Although NMCD prison populations are projected to continue growing, New Mexico incarcerates the second lowest rate of prisoners in the region, 328 inmates per every 100 thousand New Mexicans.
Community Offender Management	Y	—	
Program Support	G	—	
Corrections Industries	G	—	
PUBLIC EDUCATION (PED)			
Budget Adjustment Requests	G	—	Use of the new standards-based assessment developed by PARCC during the 2014-2015 school year resulted in a delay in reported proficiency data and school grades until fall 2015. However, it is expected student proficiency scores will decrease.

Data Validation Audits	Y	—	Schools continue to make little progress on other key student performance targets. While PED met many FY15 performance targets, performance in many areas lags FY14, and data quality continues to be a concern.
ECONOMIC DEVELOPMENT (EDD)			<p>EDD created fewer jobs with more money. The agency reported fewer jobs created through department efforts for FY15 than in FY14 despite much greater overall job growth in FY15 and receiving an increase in Local Economic Development Act (LEDA) funds from \$3.3 million in FY14 to \$15 million in FY15.</p> <p>The Economic Development Partnership reported the lowest number of jobs created in a decade. Many of the business recruitment projects the Partnership handles take many months or more than a year from inception to announcement, but the results are again at odds with the level of LEDA funding the Legislature provided in FY15 given that LEDA is often cited as a key business recruitment tool.</p> <p>The film industry picked up significant momentum during FY15, and all measures hit record or near-record highs.</p>
Economic Development Program	Y	—	
Film Program	G	—	
TOURISM			<p>The leisure and hospitality industry no longer leads job growth in New Mexico but continues to add jobs at nearly double the state average, reaching 3.1 percent growth for FY15 compared with the state's overall 1.6 percent job growth. Additionally, visitation revenues increased substantially compared with the prior year.</p> <p>New Mexico improved its national ranking for overnight visitation from 36th in 2012 to 32nd in 2014. Tourism advertising and promotion spending increased from \$3.5 million in FY12 to \$6.2 million by FY14 and will reach \$9.2 million for FY16.</p> <p><i>New Mexico Magazine</i> suffered from poor advertising revenues early in FY15, but the agency hired new regional ad sales representatives and a new publisher, and the year ended with better results than during the prior two years.</p>
Marketing and Promotion Program	G	—	
New Mexico Magazine Program	Y	—	
ENERGY, MINERALS AND NATURAL RESOURCES (EMNRD)			<p>While oil production rose by 20 percent in FY15, increases in the volume (and percent) and number (43 percent) of spills were disproportionate to growth in production.</p> <p>Although the agency's forest thinning and watershed restoration efforts improved in FY15, the number of acres treated fell well short of the performance target.</p> <p>State park revenue per visitor fell by 9 percent, but overall revenue increased by \$860 thousand due to the highest level of visitation in the past decade.</p>
Renewable Energy and Energy Efficiency	Y	—	
Healthy Forests Program	Y	—	
State Parks Program	Y	—	
Mine Reclamation Program	G	▲	
Oil and Gas Conservation Program	Y	—	
ENVIRONMENT (NMED)			<p>NMED is meeting inspection and permitting targets; however, most of the department's measures for FY15 were process-oriented rather than providing indicators of environmental protection and health. Improved measures were negotiated and will be reported on beginning in FY17.</p> <p>The percent of New Mexicans served by water systems meeting health-based standards increased to 99 percent at the end of FY15, falling just short of the performance target.</p>
Resource Management Program	G	—	
Resource Protection Program	Y	▼	

Environmental Health Program	G	—	New Mexico continues to have higher than average occupational fatality and injury rates, with the rate for workplace deaths in 2013 (the most recent data available) doubling the national average.
Environmental Protection Program	Y	▼	
OFFICE OF THE STATE ENGINEER (OSE)			During FY15, the agency made progress on the state engineer's goal of cutting the application backlog in half by the end of 2015. However – with adjudications incomplete and the agency's ability to implement Active Water Resource Management (AWRM) under existing rules unclear – there is uncertainty whether OSE is prepared or has the authority to enforce priority administration as required by the New Mexico Constitution if a senior water rights holder requests a call on junior users.
Water Resource Allocation Program	Y	—	
Interstate Stream Commission	G	▲	
Litigation and Adjudication Program	Y	—	
GENERAL SERVICES DEPARTMENT (GSD)			GSD fell short on meeting several targets for FY15, including cash balances in the public liability fund from the upward trend in tort claims, change in health care premium compared with industry trend despite adequate projected cash balances, and success implementing a lower space standard for agencies occupying state-owned and leased space to reduce maintenance and lease costs. GSD is working on closing these gaps with more accurate risk rate setting, benefit changes that include more control over provider rates, and by obtaining governor support to work with agencies to reduce the state's footprint to reflect a smaller workforce.
Risk Management Program	Y	—	
Employee Group Health Benefits	Y	—	
Facilities Management	Y	—	
Transportation Services Program	Y	—	
State Purchasing Program	G	▲	
State Printing Program	Y	—	
TAXATION AND REVENUE (TRD)			TRD's audit assessment collections in FY15 were below target and lower than in previous years in percentage terms, although the dollar amounts collected increased over the prior fiscal year. In FY15, the agency collected \$234 million of a balance of \$687 million, as compared to a collected \$214 million of \$667 million in FY14. In late FY15, the Motor Vehicle Division successfully launched the driver component of the division's new IT system, Tapestry. During this time, the division managed to keep field office and call center wait times below target.
Tax Administration	Y	▼	
Motor Vehicle	G	—	
Property Tax	G	▲	
Compliance Enforcement	G	—	
Program Support	G	—	
TRANSPORTATION (NMDOT)			NMDOT reports total traffic and alcohol-related fatalities increased relative to FY13 but are well below the FY12 figures. This increase in fatalities seems to follow a national trend with the National Safety Council reporting motor vehicle deaths were up 14 percent in the first half of 2015. Ridership on the railrunner is down to its lowest since ridership tracking began in FY10. NMDOT exceeded the target for pavement preservation for the second consecutive year and reported the percent of non-interstate lane miles in good condition increased from 70 percent to 73 percent between FY13 and FY14; however, the components on non-interstate miles, National Highway System (NHS) and non-NHS roads, both show deteriorating condition. LFC staff is working with NMDOT to resolve this apparent discrepancy.
Programs and Infrastructure	Y	—	
Transportation and Highway Operations	Y	—	
Program Support	G	▲	
STATE PERSONNEL BOARD			The State Personnel Office missed the deadline for submission of performance reports and did not submit the report in time for the FY15 report card hearing.
ADMINISTRATIVE OFFICE OF THE COURTS (AOC)			The Administrative Office of the Courts missed the deadline for submission of performance reports and did not submit the report in time for the FY15 report card hearing.

PERFORMANCE: Human Services Department

KEY ISSUES

The Human Services Department reports performance measures are difficult to track on a quarterly basis because information is based on encounter data and providers have up to 120 days to submit the data to HSD. In many instances, a reconciliation of FY16 data will be available in the first quarter of 2017, often allowing for an upward revision of the performance result.

AGENCY IMPROVEMENT PLANS

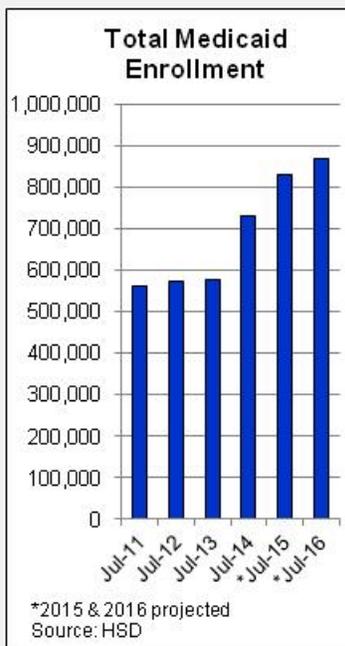
Submitted by agency?	No
Timeline assigned by agency?	No
Responsibility assigned by agency?	No

New Outcome-Oriented Performance Measures for Medicaid

Proposed new measures for FY17 include:

A measure to assess implementation of Senate Bill 42, a bill from last legislative session intended to ensure Medicaid enrollment for eligible jail-involved persons.

A new measure to assess the extent to which Centennial Care and care coordination are helping to reduce incidence of chronic disease such as diabetes.



The end of fiscal year 2015 marks the first 1 ½ years since implementation of Centennial Care and Medicaid expansion; to date, about 220,000 newly eligible adults are covered, with a total of over 800,000, or nearly 40 percent of New Mexicans, participating in the program. Yet the increased coverage comes at a cost at over a billion in state funds each year; further, with the step-down of federal support beginning in calendar year 2017, the state will pick up an estimated \$40 million in FY17. Consequently, advocates and legislators alike are eager for answers regarding cost and performance outcomes for the program. While reporting lag times and other issues prohibited complete information, a Legislative Finance Committee (LFC) evaluation found among other issues that the state is paying more per person than during pre-Centennial Care and planned cost-saving measures were delayed. Expanded services, improved care coordination and initiatives to pay for performance should, in time, result in better health outcomes.

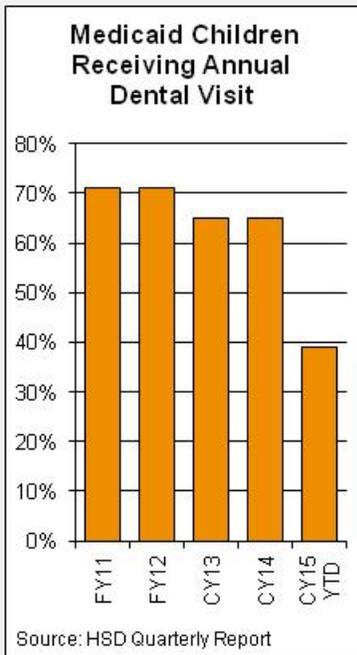
Currently, reporting lag times and other issues in claim data availability result in some measures being up to an entire quarter behind. To address this, the department indicated to LFC and the Department of Finance and Administration that it intends to revisit all of FY15 performance data by gathering information directly from the managed care organizations instead of from its Medicaid management information system (for example, MCO's have up to 120 days to report claims, and multiple services bundled under a single payment can result in skewed data within the MMIS system). Consequently, an updated FY15 report card is likely to be issued later in FY16.

Given over a third of New Mexicans rely on the state's Medicaid program and one in three dollars in state spending is for Medicaid, there are ongoing discussions with the department to provide more information regarding quality of care and cost-effectiveness such as cost-per-client information. In FY13, the department began adding performance measures targeting quality outcomes and focusing less on enrollment; for FY17 the agency has agreed to more such measures (see sidebar to the left).

Consistent with previous years, the department had mixed performance results at the end of fiscal year 2015. The Child Support Enforcement Program reports exceeding most targets, with total collections of a record \$140 million for the year. Hospital readmissions and emergency department visits have also improved (decreased) from FY14; however, at 41, the rate of emergency room visits per one thousand Medicaid member months exceeded the CY15 target of 40 for the year. End-of-year measures for well-child visits are well below FY15 targets and fiscal years 2013 and 2014 (these are measures HSD expects to see improved when it reevaluates performance with data directly from MCO's). Work participation rates for Temporary Assistance for Needy Families (TANF) clients are also below targets even as caseloads near historic lows.

Medical Assistance Program. Year-end measures for well-child visits and dental visits are well below targets and previous years'

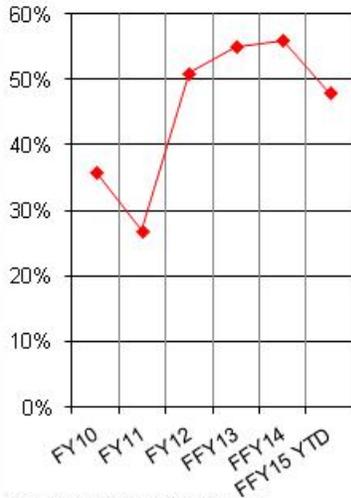
HSD now reports Medicaid performance measures by calendar year because this is how Healthcare Effectiveness Data and Information Set (HEDIS) measures are reported to the National Committee for Quality Assurance.



levels. More encouraging, hospital readmissions and emergency department visits decreased from CY15 levels and continue to meet targets. The percentage of adults with diabetes who had a HbA1c test (measures average blood sugar) during the measurement year was also very low, as was the percent of newborns whose mothers received prenatal care. On the consumer side, as part of HSD's novel Centennial Rewards program, patients earn points for healthy activities such as signing up for prenatal care and renewing prescriptions to control diabetes.

Measure	CY13 Actual	CY14 Actual	CY15 Target	CY15 YTD	Rating
Percent of infants in Medicaid managed care who had six or more well-child visits with a primary care physician during the first fifteen months	63%	52%	70%	44%	Y
Percent of children and youth in Medicaid managed care who had one or more well-child visits with a primary care physician during the year	92%	75%	92%	56%	Y
Percent of children ages two to twenty-one enrolled in Medicaid managed care who had at least one dental visit during the year	65%	65%	70%	39%	Y
Percent of children in Medicaid managed care with persistent asthmas appropriately prescribed medication	92%	65%	94%	52%	Y
Percent of hospital readmissions for children age two to seventeen within thirty days of discharge	8%	7%	10%	6%	G
Percent of hospital readmissions for adults eighteen years and over, within thirty days of discharge	13%	11%	10%	8%	G
Rate of emergency room visits per one thousand Medicaid member months	39	42	40	41	R
Percent of individuals in Medicaid managed care ages eighteen through seventy-five with diabetes (type 1 or type 2) who had a HbA1c test during the measurement year	84%	63%	86%	51%	R
Percent of newborns whose mothers received a prenatal care visit in the first trimester or within 42 days of enrollment in a managed care organization	86%	13%	85%	20%	R

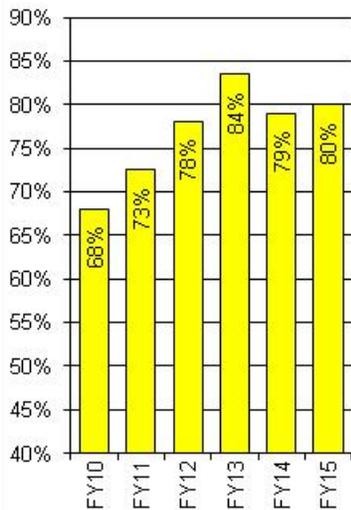
TANF Clients Newly Employed during the Year



Source: HSD Quarterly Report

HSD now reports Income Support Program measures by federal fiscal year because this is how the information is reported to the state's federal partners.

Cases with Child Support Orders



Source: HSD Quarterly Reports

Number of individuals who transition from nursing facilities placement to community-based services

168 187 150 n/a

Program Rating

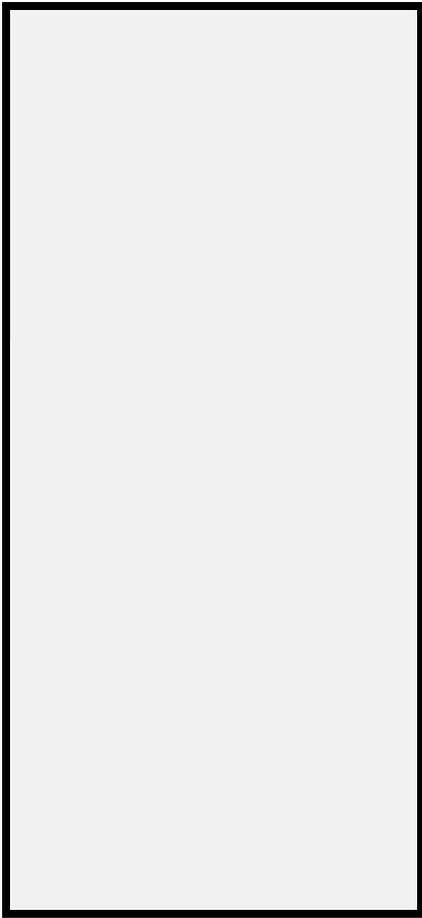
Y

Income Support Program. Clients who obtained and retained employment after receiving services from workforce contractor SL Start, as well as the number of clients meeting federally required work participation rates in the Temporary Assistance for Needy Families (TANF) program, declined over the year. In its June 2015 Monthly Statistical Report (MSR) HSD reported the TANF average monthly caseload was 12,754 in June 2015, a decrease of 7.7 percent from June 2014—and an all-time low based on LFC staff analysis of data to 2007. The program reached a high of about 21,500 cases in October 2011.

HSD reports data on TANF recipient compliance with federally-mandated work requirements on a federal fiscal year (FFY) basis which begins in October. Federal base standards of 50 percent for all families and 90 percent for two-parent families are adjusted for each state by caseload. For New Mexico in FFY 2012, the standard was 33.9 percent for all families, which the state met; however, the 2012 standard of 73.9 percent for two-parent families was not met (20 of 27 applicable states did not meet the standard). TANF workforce participation rates are typically low nationally; for example, all families and two-parent national rates were 34.4 percent and 33.9 percent, respectively for FFY year 2012, the most recent data available.

The department notes typical reasons for noncompliance include the client did not complete or update required work participation agreements and individual responsibility plans or did not complete assigned work hours. Finally, department performance in enrolling children in the Supplemental Nutrition Assistance Program (SNAP) exceeded the target of 88 percent; the SNAP caseload in June 2015 was 232,130, a 16.4 percent increase from one year ago.

Measure	FFY13 Actual	FFY14 Actual	FFY15 Target	FFY15 YTD	Rating
Percent of temporary assistance for needy families clients who obtain a job during the federal fiscal year	55%	56%	50%	48%	Y
Percent of temporary assistance for needy families two-parent recipients meeting federally required work requirements	72%	30%	60%	27%	R
Percent of temporary assistance for needy families recipients (all families) meeting federally required work requirements	48%	32%	50%	34%	R
Percent of children eligible for supplemental nutritional assistance program	85%	84%	88%	90%	G



participating in the program at one hundred thirty percent of poverty level

Program Rating **Y**

Child Support Enforcement Program. Child support enforcement collections, acknowledged paternity, and cases with support orders all exceeded targeted levels. The percent of child support collected, while below the target, improved slightly from the FY14 level actual results to 56.8 percent. The program is continuing the bench warrant amnesty/sweep project, outreach to new obligors, and efforts to obtain modified support orders.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of children with paternity acknowledged or adjudicated	102.7%	101.2%	90%	102%	G
Total child support enforcement collections, in millions	\$132	\$137	\$135	\$140	G
Percent of child support owed that is collected	55.8%	56.3%	60.0%	56.8%	Y
Percent of cases with support orders	83.5%	79%	80%	82.5%	G
				Program Rating	G

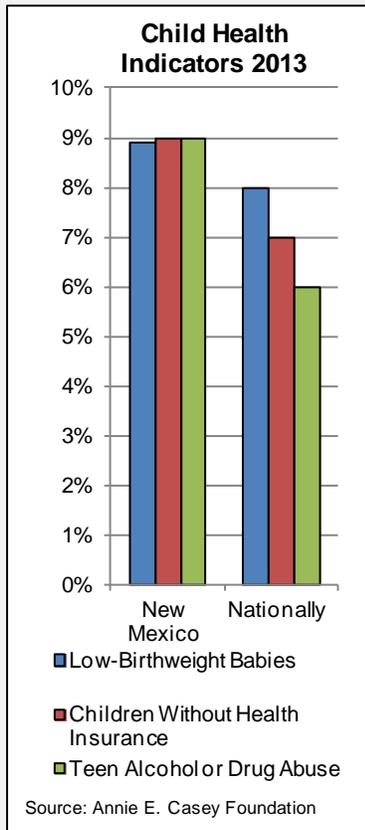
PERFORMANCE: Department of Health

KEY ISSUES

FY15 key measures for the Department of Health were inadequate and key measures will more than double in FY16. While the majority of changes to the department's FY16 key measures are welcome, the Facilities Management Program proposed to reduce the number of quarterly performance measures to just one

AGENCY IMPROVEMENT PLANS

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



With a changing healthcare landscape – the Affordable Care Act, Centennial Care – it is crucial to measure health performance and spending across the state, ensuring federal Medicaid dollars are taken full advantage of, and state resources are invested in a strategic way. Historically, Department of Health (DOH) quarterly performance measures lacked meaningful data to track the department's and the state's performance on lessening the effects of diabetes, obesity, substance misuse, and other health maladies important to New Mexico. Addressing this, the department, in cooperation with LFC staff, will expand performance reporting in FY16 and more than double the number of key measures tracked.

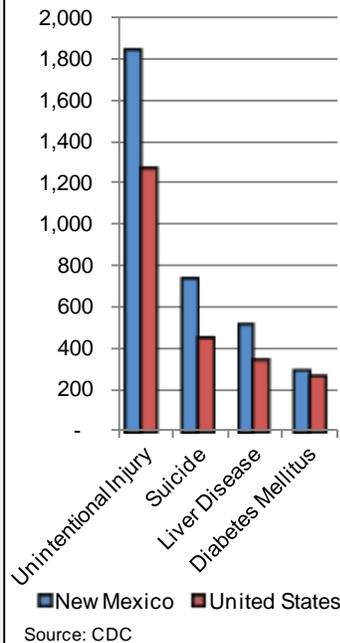
Public Health Program. The Public Health Program is responsible for developing policies to protect the health and welfare of the people of New Mexico and does this through early-intervention programs and increasing access to healthcare services. In FY13, New Mexico ranked 14th in the nation for per capita public health spending and implemented public health interventions such as reducing rates of tobacco usage through the Quit Now initiative and no-cost medications; reducing obesity by encouraging healthy eating; and, preventing and tracking infectious disease outbreaks. Few of these activities are tracked quarterly and proposed measures for the FY16 quarterly report will improve this.

New Mexico continues to rank near the bottom of states for child health, according to the Annie E. Casey Foundation. Key department child and teen public health interventions include reducing teen births through low or no-cost birth control and education; reducing adolescent health issues by providing comprehensive well exams at school-based health centers; and, increasing the percentage of children immunized through partnerships with local school districts. For FY16 the department proposed expanding child health reporting and added two teen pregnancy related measures, one obesity measure, and one breast feeding measure, and will again report the percentage of preschoolers fully immunized.

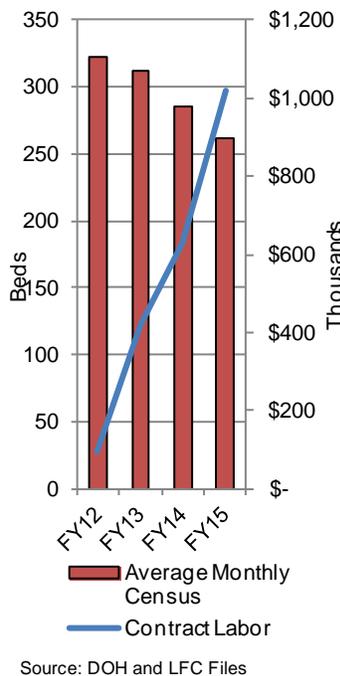
Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of students using school-based health centers who receive a comprehensive well exam	34.5%	34.2%	35.0%	34.2%	G
Percent of QUIT NOW enrollees who successfully quit using tobacco at seven month follow-up	33%	32%	33%	31%	Y
Program Rating					G

Epidemiology and Response Program. In March 2015, the Epidemiology and Response Program launched an upgraded version of its indicator-based information system increasing the program's ability to provide health information in an easily accessible way statewide. Improved measures for this program, such as reporting the number of emergency response exercises and trainings conducted by the program quarterly, would assist policy-makers to understand whether New Mexico is adequately prepared to respond to public health

2013 Years of Potential Life Lost Per 100,000



New Mexico Behavioral Health Institute



emergencies. For FY16, the program proposed adding five key measures to improve reporting on stroke, heart attack occurrence, emergency preparedness, and Nalaxone (opiate overdose reversal drug) distribution.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Rate of infant pertussis cases to total pertussis cases of all ages	1:13	1:16	1:15	1:18	G
Percent of vital records front counter customers who are satisfied with the service they received	new	new	85%	98%	G
Program Rating					G

Laboratory Services Program. The program changed the number of days to complete sampling work from 10 to 15 days for the DWI cases reported to law enforcement, and the target now appears too low. The Legislature has fully funded this program's personnel services and employee benefits as its staff requires time for training or testifying at court proceedings around the state, impacting laboratory testing time and at times impacting performance.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of blood alcohol tests from driving-while-intoxicated cases that are completed and reported to law enforcement within fifteen business days	new	new	90%	92%	G
Percent of office of medical investigator cause of death toxicology cases that are completed and reported to the office of medical investigator within sixty business days	new	67%	90%	99%	G
Program Rating					G

Facilities Management Program. For performance in any hospital system, it is important to monitor not only patient outcomes – reduced substance misuse, lower risk of injury – but also important to monitor how well the system manages resources to provide the highest quality of care. While workloads at the New Mexico Behavioral Health Institute are steadily in decline and FTE counts are stable, the institute's reliance on contract labor skyrocketed between FY12 and FY15. Additionally, the department may not be adapting to changes in the Affordable Care Act and continues to experience a high level of uncompensated care in the facilities.

While the majority of changes to the department's key measures are positive, the Facilities Management Program proposed to reduce the number of quarterly performance measures to just one. Given the program's \$138.3 million budget, more than a quarter of the department's budget, one performance measure is inadequate. The program reported measures indicating that the facilities are doing well; however, CMS rated New Mexico's three state-run nursing homes poorly for health inspection and quality measures.

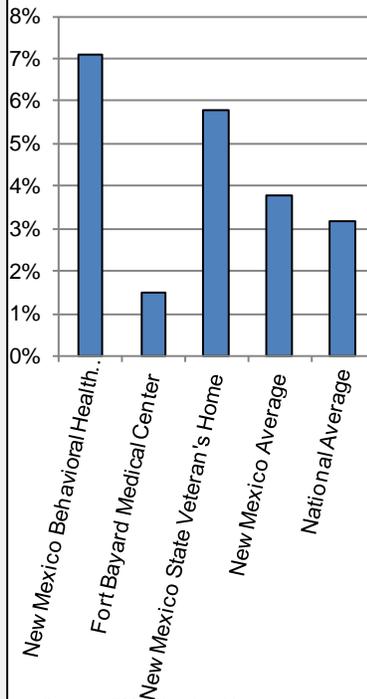
**Nursing Home Compare
Star Ratings for State-Run
Nursing Homes***

	New Mexico Behavioral Health Institute	Fort Bayard Medical Center	New Mexico State Veteran's Home
Overall Rating	3	4	3
Health Inspection	2	3	2
Staffing	5	5	4
Quality	2	2	2

* Rating out of five stars

Source: CMS Nursing Home Compare

**Percent of Long-Stay
Residents
Experiencing One or
More Falls With Major
Injury**



Source: CMS Nursing Home Compare

Furthermore, the department reports an average of 0.2 percent of long-term care patients experiencing one or more falls with injury; however, CMS reports an injury fall rate at the New Mexico Behavioral Health Institute of 7.1 percent, at Fort Bayard Medical Center 1.5 percent, and at New Mexico State Veteran's Home 5.8 percent with a state average of 3.8 percent. The national average is 3.2 percent.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of staffed beds filled at all agency facilities	86%	81%	90%	93%	G
Percent of uncompensated care at all agency facilities	new	new	25%	37%	R
Percent of long-term care patients experiencing one or more falls with injury	new	new	3.3%	0.2%	G
Program Rating					Y

Developmental Disabilities Support Program. The program recently reached a settlement in the lawsuit where the department was accused of unjustifiably denying services to Developmental Disability (DD) Waiver patients by using a new evaluation method known as the Supports Intensity Scale. The settlement will add a second level of review to the evaluation process already in place and require a clinical review. The clinical review will require additional contracting and more interventions on planning teams.

Despite a nearly 70 percent increase in general fund appropriations the DD Waiver waiting list grew nearly 18 percent since FY11. The state and the program received a yellow rating due to the growing number of individuals on the waiting list.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of developmental disabilities waiver applicants who have a service plan in place within ninety days of income and clinical eligibility determination	83%	75%	95%	91%	Y
Percent of adults receiving developmental disabilities day services who are engaged in community-integrated employment	30%	27%	35%	28%	R
Number of individuals on the developmental disabilities waiver receiving services	3,829	4,403	4,500	4,610	G
Number of individuals on the developmental disabilities waiver waiting list	6,248	6,133	6,100	6,365	R
Program Rating					Y

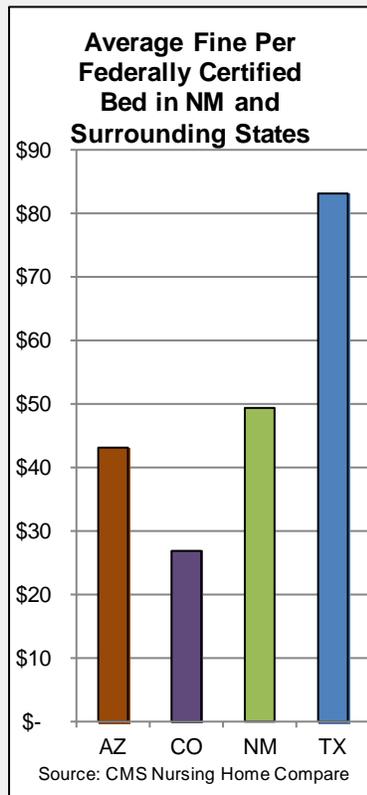
PERFORMANCE: Aging and Long-Term Services Department

KEY ISSUES

While the Aging and Long-Term Services Department met most performance targets, the department could improve performance monitoring to align with strategic planning and to better monitor outcomes for New Mexico's aging population.

AGENCY IMPROVEMENT PLANS

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



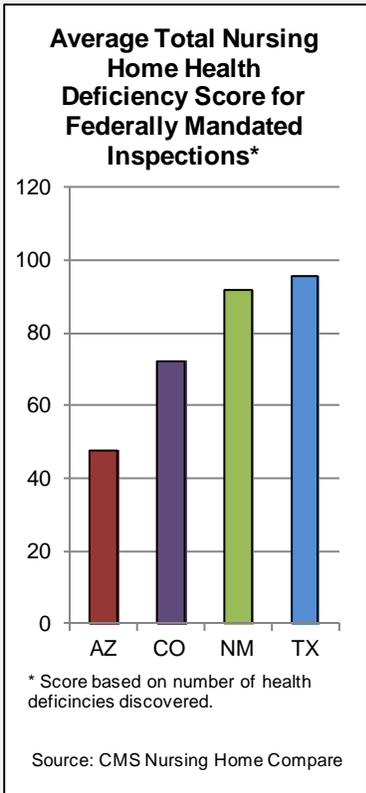
Two recent LFC program evaluations recommended the department improve performance measures to reflect the prevalence of adult abuse and capacity to meet the needs of an aging population. One of the evaluations stated that performance outcomes are not tracked and data is not used for strategic planning purposes. Without data-driven strategic planning, the ability to design a system capable of meeting the needs of baby boomers, and the rapidly increasing number of seniors over 80 years of age who are frail and mobility-impaired, is lost. The other evaluation suggested that, while incidents of elder abuse and neglect are increasing, it is difficult to assess the effectiveness of New Mexico's Adult Protective Services in preventing future abuse and neglect due to a lack of data and performance monitoring.

To get a better understanding of the state of nursing homes in New Mexico, LFC identified relevant statewide nursing home performance data collected by the state and the federal Centers for Medicare and Medicaid Services (CMS). New Mexico ranks thirty-second nationally in the average fine paid per federally certified bed. Fines are imposed on nursing homes when a serious deficiency is cited or if nursing homes fail to correct deficiencies for a long period of time. Additionally, the state ranked forty-fifth nationally for the average total nursing home health deficiency score based on federally mandated inspections. The score for individual nursing homes is based on the number of health deficiencies discovered.

Consumer and Elder Rights Program. Ninety-eight percent of ombudsmen complaints were resolved within 60 days. Volunteer ombudsmen contributed 2,313 hours of service in the fourth quarter. For the third measure, there was a 13.3 percent increase in calls compared to the same quarter in FY14, which contributed to fewer calls answered by a live operator. Of the 10 thousand calls received, 3,150 callers left a voice message and their calls were returned within the same day.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of ombudsman complaints resolved within 60 days	98%	99%	90%	98%	G
Percent of people accessing aging and disability resource centers who indicated changes in their health and/or in social service programs have affected their quality of life	new	new	40%	45%	G
Percent of calls to the aging and disability resource center that are answered by a live operator	78%	87%	85%	70%	R
Program Rating					G

Aging Network Program. Current performance measures reported by the program reflect the volume of services provided, but strategic planning and capacity are not clearly tied to these measures. Tracking service outcomes and reporting them as performance measures would give a better idea of the Aging Network's capacity and its adequacy in meeting the needs of New Mexico's senior population.



For the fourth measure, ALTSD reports New Mexico ranks 34th worst in the nation with 13.1 percent, or 63,780 seniors, estimated to be food insecure. This represents a significant improvement from a 2010 study ranking New Mexico second worst in the nation, with 21.1 percent of seniors age 60 and over experiencing food insecurity, but there remains much to be done. In the fourth quarter, 28 thousand people were served 950 thousand meals, which include the Indian Area Agency on Aging and the Navajo Area Agency on Aging. The Legislature increased funding for Aging Network services by \$1.6 million in FY13, \$1.3 million in FY14, and \$1.6 million for FY15.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of older New Mexicans whose food insecurity is alleviated by meals received through the aging network	60%	61%	62%	80%	G
Number of hours of respite care provided	379,838	379,097	375,000	392,872	G
Program Rating					G

Adult Protective Services Program. As noted in an LFC evaluation of the Adult Protective Services (APS), the program’s performance measures do not necessarily reflect the actual prevalence of adult maltreatment. The investigation volume measure does not illustrate need and does not measure the incidence of substantiated maltreatment cases. Additionally, New Mexico APS does not report on repeat maltreatment, hampering the state’s ability to determine the effectiveness of interventions. APS’s data system allows for limited analysis of repeat maltreatment, but current reports do not capture this information on an aggregate basis.

The number of APS investigations is on track to meet the year-end target, with higher numbers of investigations related to public outreach and greater public awareness of the need to report suspected cases of adult and elder abuse. ALTSD reports there are no national benchmark measures comparable with the last measure.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of adult protective services investigations of abuse, neglect or exploitation	6,092	6,665	6,000	5,931	G
Percent of emergency or priority one investigations in which a caseworker makes initial face-to-face contact with the alleged victim within prescribed time frames	97.5%	98.3%	98.0%	98.5%	G
Program Rating					G

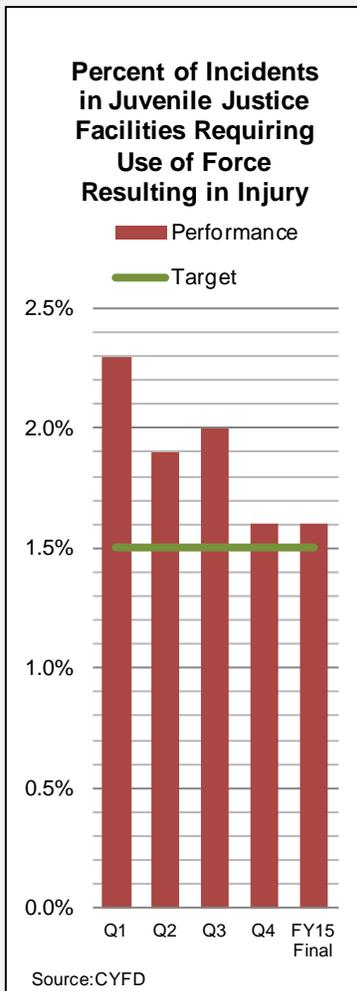
PERFORMANCE: Children, Youth and Families Department

KEY ISSUES

The Children, Youth and Families Department fell short in achieving targeted levels, including an increase in incidents requiring use of force that results in injury and increase in the percent of children subjected to substantiated repeat maltreatment. A downward performance trend in the Juvenile Justice Services (JJS) program and high turnover rates are concerning. JJS is implementing performance-based-standards (PbS) to improve accountability by collecting and analyzing data to develop reforms. Additionally, employee retention opportunities are under evaluation.

AGENCY IMPROVEMENT PLANS

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

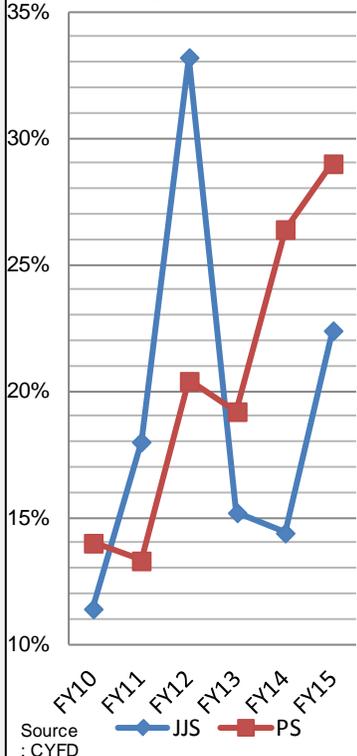


Performance in FY15 for key intervention programs like Protective Services (PS) and Juvenile Justice Services (JJS) remains a great concern. It is the mission of these programs to intervene when a family is in or on the verge of crisis. However, early prevention services provided by the Early Childhood Services (ECS) program met most performance targets for child care assistance and prekindergarten (PreK).

Juvenile Justice. LFC staff identified performance concerns early in FY15. The program continued on a downward performance trend. Juveniles who are committed to a secure facility experienced increased incidents of both use of force by staff and youth-on-youth violence. Additionally in FY14, 7 percent of youth transitioned into an adult correctional facility; however, in FY15 this rate rose to almost 12 percent. The increase of violence and percent of youth entering adult facilities is highly concerning. These performance measures are considered key indicators of the secure juvenile service system effectiveness. Despite implementing an action plan of best-practice policies to de-escalate incidents and avoid injuries in FY14, high turnover rates for youth care specialists may be contributing to the performance decline. In FY15, turnover increased to 22 percent, an increase of 8 percent. The agency reported it is currently evaluating several recruitment and retention strategies to stabilize the workforce.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of clients recommitted to a children, youth and families department facility within two years of discharge from facilities	9.0%	9.7%	9.0%	7.6%	G
Percent of incidents in juvenile justice services facilities requiring use of force resulting in injury	1.8%	2.2%	1.5%	1.6%	Y
Percent of juvenile justice division facility clients age eighteen and older who enter adult correction within two years after discharge from a juvenile justice facility	n/a	7.1%	6.0%	11.9%	R
Percent of clients re-adjudicated within two years of previous adjudication	5.8%	6.0%	5.8%	6.4%	R
Number of client-on-client physical assaults in juvenile justice facilities	n/a	270	<260	286	R
Percent of clients who successfully complete formal probation	92.1%	81.8%	70%	83.2%	G

Turnover Rate for Juvenile Justice Services Youth Care Specialists and Protective Service Workers



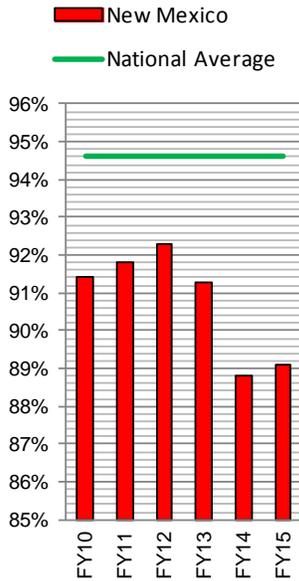
Child welfare frontline worker turnover has significant financial costs, and previous research has linked negative outcomes for children in care to high turnover rates. Additionally, research indicates high turnover rates may be linked to organizational factors, such as climate, culture, and direct supervisor satisfaction.

Turnover rate for youth care specialists 15.2% 14.4% 15.0% 22.4% **R**
Y
Program Rating

Protective Services. One of the most worrisome performance results is the percent of children subjected to substantiated repeat maltreatment. Continued encounters of adverse childhood experiences affect a child’s emotional, physiological, behavioral health, and socioeconomic disparities. In an effort to improve the outcomes for children and families who come into contact with the Protective Services program, the Legislature increased funding including an additional \$2.2 million for the care support of children in custody, \$2.2 million to pilot prevention and intervention services at family support and child advocacy centers statewide, and additional \$700 thousand for supportive housing to stabilize families, and \$2.2 million and an additional 45 FTE to reduce caseloads. In New Mexico, average caseloads were significantly higher than the national average resulting in high staff burnout and turnover. The national caseload average for child protective services investigators is 69 annually; however, CYFD investigators average 89 investigations per worker annually. It will take significant effort to fill new and currently vacant FTE in order to reduce caseloads, and the agency recently reported over 30 individuals have been hired as a result of the Rapid Hire program.

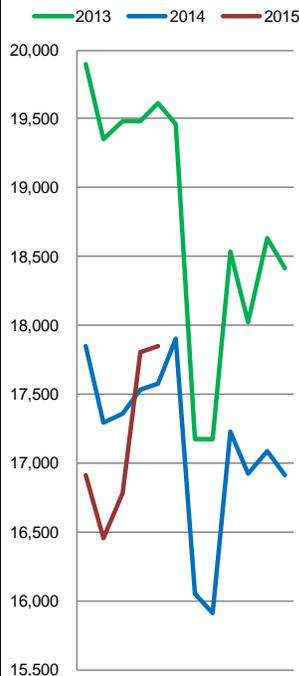
Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of children who are not the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment	91.3%	88.8%	93.0%	89.1%	R
Percent of children who are not the subject of substantiated maltreatment while in foster care	99.7%	99.9%	99.7%	99.8%	G
Percent of children reunified with their natural families in less than twelve months of entry into care	62.4%	59.4%	65.0%	64.1%	Y
Percent of children in foster care for twelve months with no more than two placements	76.6%	76.8%	80.0%	73.8%	R
Percent of children adopted within twenty-four months from entry into foster care	31.3%	31.8%	32.0%	32.1%	G
Percent of adult victims or survivors receiving domestic violence services who have an individualized safety plan	92.3%	92.0%	93.0%	95.0%	G
Percent of adult victims or	87.7%	87.0%	90.0%	90.8%	G

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



Source: CYFD/ NCANDS
*National Average 94.6%

Childcare Assistance Enrollment (as of May 2015)



Source: CYFD

survivors receiving domestic violence services who are made aware of other available community services

Turnover rate for protective service workers	19.2%	26.4%	25.5%	29.0%	R
					Y
					Program Rating

Early Childhood Services. The goal of increasing childcare quality is to improve the health and well-being of children, including school success. Research indicates evidence-based quality early care and development improves outcomes for children and highlights the need for continued investment. To achieve this, the state's early childhood development system is transitioning from a workforce support system to a care-oriented system focused on early development and education. The Early Childhood Services program (ECS) exceeded targets for performance measures focused on quality early learning programs. In particular the percent of children showing measurable progress on the readiness for kindergarten tool is very promising. Additional performance measures regarding the third generation tiered quality rating and improvement system (TQRIS) Focus will begin FY16. However, performance reporting is insufficient given the continued policy focus and growing appropriations. The agency has agreed to additional measures in FY17 and will continue focusing on incrementally adding outcome-based performance measures to ensure continued quality improvement and transparency.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of children receiving state subsidy in Stars/Aim High programs level three through five or with national accreditation	39.5%	41.4%	35.0%	48.1%	G
Percent of licensed child care providers participating in Stars/Aim High programs levels three through five or with national accreditation	32.3%	31.6%	30.0%	33.3%	G
Percent of children in state-funded pre-kindergarten showing measurable progress on the preschool readiness for kindergarten tool	n/a	90.2%	92.0%	94.2%	G
Percent of mothers participating in home visiting identified as having symptoms of postpartum depression and referred to services and receiving services	36.7%	30.2%	35.0%	31.0%	Y
					Program Rating
					G

PERFORMANCE: Department of Public Safety

KEY ISSUES

The Department of Public Safety struggled to meet targets for laboratory case backlogs and the number of commercial motor vehicle inspections and citations issued. However, New Mexico leads the nation as the first state to deploy the Smart Roadside Inspection System (SRIS) which will increase commercial vehicle safety and generate more in revenues for the state.

AGENCY IMPROVEMENT PLANS

Submitted by agency?

Yes

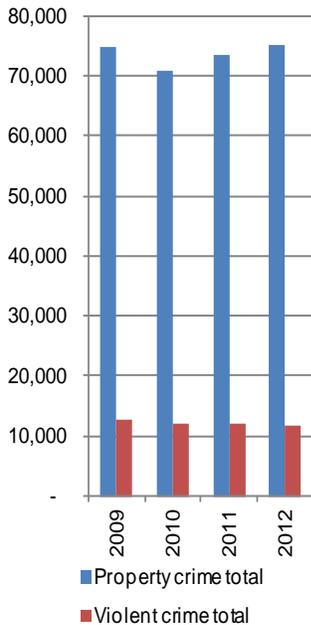
Timeline assigned by agency?

Yes

Responsibility assigned by agency?

Yes

**Historical New Mexico
Crime Rates**



Source: Federal Bureau of Investigations

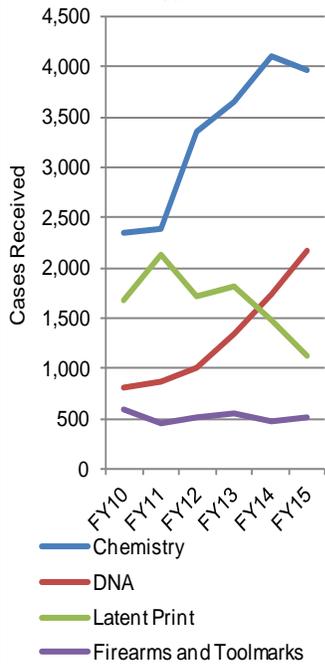
Among neighboring states in 2013, the most recent year of crime statistics available, New Mexico had the highest rate of violent crime, 162 percent of the national average and led the nation in rates of aggravated assault.

The Department of Public Safety's (DPS) focus is on drunken driving, drug crime, violent crime, and traffic safety. The recruitment of forensic scientists and law enforcement officers continues to be a concern for DPS when addressing their focus areas. Motor transportation measures should improve with the police consolidation and implementation of new roadside technology.

Law Enforcement Program. DPS struggles to recruit and retain officers, with vacancy rates reaching 17 percent in recent years. Manpower should strengthen over the next two years as a result of consolidation and a new pay plan. The Legislature appropriated \$3 million in FY15 and \$3.2 million in FY16 to implement the first two phases of the officer salary plan. Increased strength should improve measures in the program, especially the number of driving-while-intoxicated arrests. As of July 1, 2015, there were 70 alcohol-involved fatalities in the state, the same number as the first half of 2014 when there were 165 alcohol-involved fatalities overall.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of driving-while-intoxicated arrests per patrol officer	8	8	12	9	Y
Number of driving-while-intoxicated checkpoints and saturation patrols conducted	1,117	915	1,175	1,051	Y
Number of traffic related enforcement projects held	1,209	1,692	1,250	2,542	G
Number of criminal cases investigated per full time equivalent assigned to patrol and investigations	55	58	60	57	Y
Number of drug-related investigations conducted by commissioned personnel per FTE assigned to investigations	4.6	6.3	8.0	25.7	G
Number of data-driven crime and traffic initiatives conducted	New	1,868	500	1,499	G
Number of licensed alcohol premises inspections conducted per agent assigned to alcohol enforcement duties	95	360	150	270	G
Program Rating					G

Laboratory Cases Received per Fiscal Year



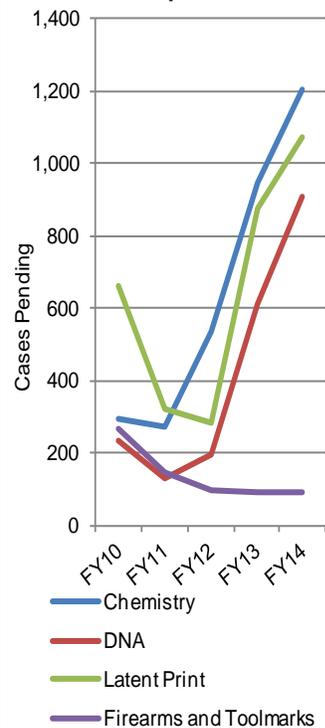
Source: DPS

Motor Transportation Program. DPS merged the Motor Transportation Division, Special Investigations Division, and the New Mexico State Police Division into one program effective July 1, 2015. The consolidation was intended to eliminate fragmented operations, difficulties in sharing information and communications, function redundancy, silos in officer skills, limited career opportunities, and lack of equitable pay. The consolidation and the recruitment of qualified transportation inspectors should help increase commercial carrier citations issued and inspections.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of commercial motor vehicle inspections	86,013	73,988	90,000	63,769	R
Number of commercial motor vehicle citations issued	27,617	25,188	30,000	25,366	R
Number of non-commercial motor vehicle citations issued	14,294	13,159	14,000	15,316	G
Program Rating					Y

Statewide Law Enforcement Support. The department faces a critical backlog in forensic science cases. For FY16, the department received a \$170 thousand increase in the base operating budget to clear the backlog of cases. The laboratories currently have 11 vacancies, an increase from 6 at the end of FY14, according to the department's performance reports.

Laboratory Backlog per Discipline



Source: DPS

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of all forensic cases completed per filled FTE within thirty working days	61%	39%	56%	15%	R
Percent of DNA cases completed per filled FTE within thirty working days	38%	35%	40%	21%	R
Percent of forensic latent fingerprint cases completed per filled FTE within thirty working days	74%	13%	60%	9%	R
Percent of forensic firearm and tool-mark cases completed per filled FTE within thirty working days	42%	46%	40%	49%	G
Percent of forensic chemistry cases completed per filled FTE within thirty working days	67%	49%	85%	10%	R
Program Rating					R

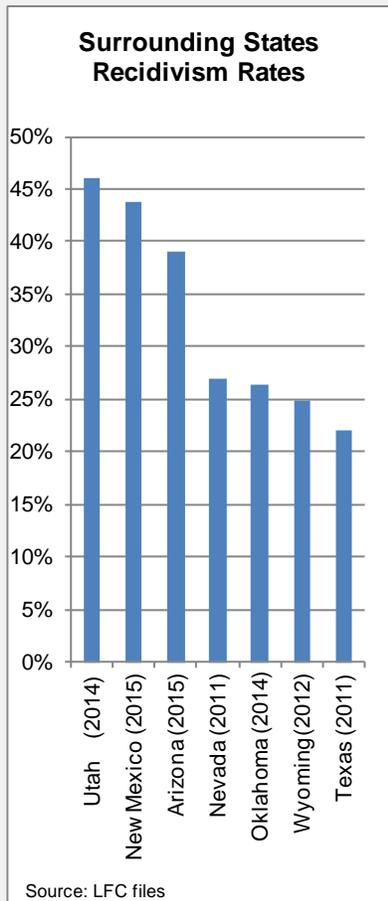
PERFORMANCE: New Mexico Corrections Department

KEY ISSUES

The New Mexico Corrections Department fell short on some performance targets including overall recidivism, timely releases, sex offender recidivism, and parole officer caseloads, but does have a plan to close these gaps such as providing evidence-based recidivism reduction programming. However, inmate and staff safety as well as absconder apprehension target levels were all achieved.

AGENCY IMPROVEMENT PLANS

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



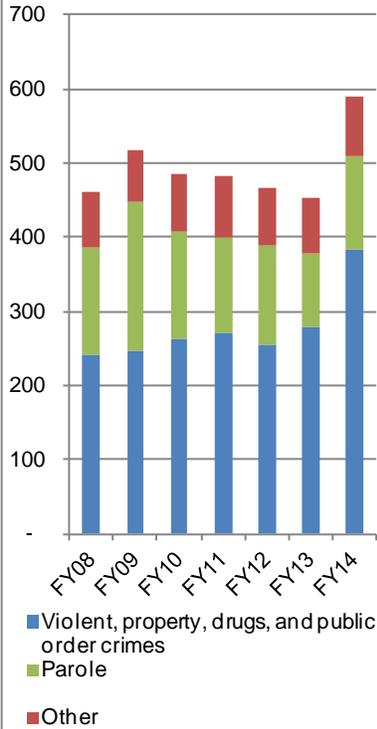
The New Mexico Department of Corrections (NMCD) reported relatively high recidivism rates amid growing prison populations and crime rates in New Mexico. New Mexico has the second highest recidivism rate, the highest rate of violent crime among surrounding states, but has the second lowest incarceration rate per 100 thousand residents. New Mexico leads the nation in rates of aggravated assault. The department received a \$7 million special appropriation during the 2015 legislative session to cover costs associated with growing populations in FY15 as well as a 7 percent FY16 base budget increase.

A recent study by the New Mexico Sentencing Commission suggests female prison population growth is driven by the length of stay more than new admissions. However, female rates of violent crime have grown over time as well as admissions for new crimes, leading to a growing female recidivism rate. In a study by the New Mexico Statistical Analysis Center, 67 percent of New Mexican females recidivated within four years of release. The department should enhance educational programming to reduce recidivism and continue efforts to expand transitional living facilities statewide.

Inmate Management and Control. The leading causes of inmates serving time in prison rather than on parole are a lack of community resources for parolees, administrative issues causing parole hearings to be canceled, and inmates not participating in the parole process. NMCD is working to reduce inmate refusal to participate in the parole process by implementing disciplinary measures including a loss of accrued good time. Additionally, some inmates serving parole sentences in prison, once their sentences have run out, are released without community supervision – posing a public safety risk. The 2015 legislative session added \$500 thousand for a transitional living pilot program and \$400 thousand to expand transitional living services for women. The funding should reduce the number of inmates and improve recidivism rates in future years.

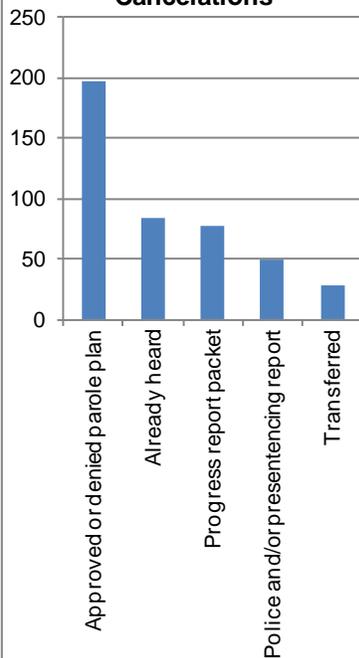
Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Thirty-six month recidivism rate	47%	47%	44%	47%	R
Number of inmate-on-inmate assaults with serious injury	21	9	15	12	G
Number of inmate-on-staff assaults with serious injury	5	5	4	2	G
Percent of inmates testing positive for drug use or refusing to be tested in random monthly drug tests	2.2%	2.0%	≤2.0%	2.6%	R
Percent of female offenders successfully released in accordance with their scheduled release dates	77%	78%	90%	87%	Y
Percent of male offenders successfully released in accordance with their scheduled release dates	81%	78%	90%	90%	G

FY08-FY14 Female Admissions by Type



Source: New Mexico Sentencing Commission

Top Causes of FY15 Parole Hearing Cancelations



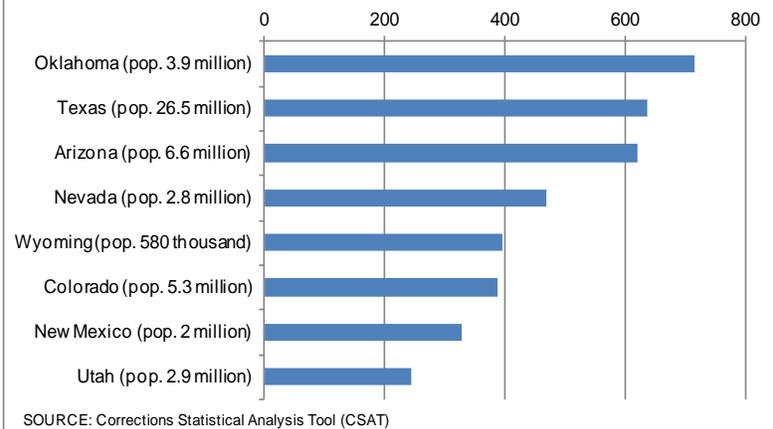
Source: Adult Parole Board

Percent of sex offenders re-incarcerated within thirty-six months	28%	41%	25%	35%	R
Recidivism rate of offenders due to new charges or pending charges	24%	26%	20%	23%	Y
Recidivism rate of offenders due to technical parole violations	new	22%	20%	17%	G
Program Rating					Y

Community Offender Management. The department maintained turnover rates well below targeted levels for probation and parole officers as well as correctional officers in public facilities. A 6 percent salary increase as well as a focus on the timely promotion of officers contributed to the decrease. The percent of inmates testing positive for drug use, or refusing the tests, increased over the year. The department noticed an increase in the use of suboxone, a drug prohibited in the prison system. The department increased use of intelligence information and is studying visiting policies to prevent illicit substances from entering the facilities.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Average standard caseload per probation and parole officer	108	105	90	99	R
Percent of absconders apprehended	13%	12%	26%	28%	G
Program Rating					Y

2013 Incarceration Rate per 100,000 residents



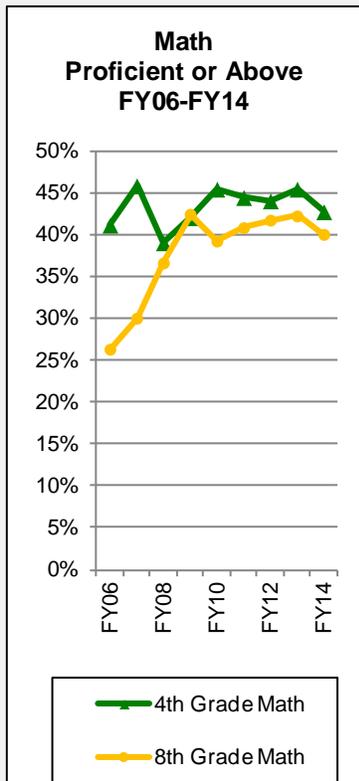
PERFORMANCE: Public Education

KEY ISSUES

Use of the new standards-based assessment developed by PARCC during the 2014-2015 school year resulted in a delay in reported proficiency data and school grades until fall 2015. However, it is expected that student proficiency scores will decrease. Schools continue to fall short on other student performance targets. While the Public Education Department met many FY15 performance targets, performance in many areas lags FY14 and data quality continues to be a concern. Incremental progress is being made; however, neither the department nor school districts and charter schools appear to have a plan to significantly improve student outcomes.

AGENCY IMPROVEMENT PLANS

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



Source: PED

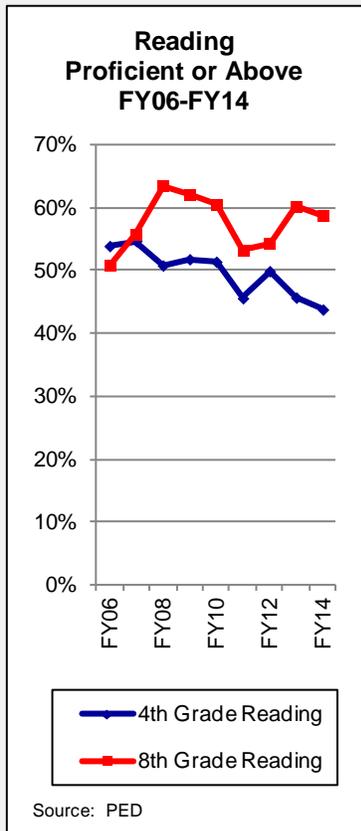
The strategic elements considered to evaluate the effectiveness of public schools are student achievement, student persistence, and teacher quality. Between FY06 and FY14, student performance as measured by the percent of students scoring proficient or above on the New Mexico Standards-Based Assessment (NMSBA) increased 8.1 percentage points in math and decreased 1.6 percentage points in reading. While specific groups of students showed gains in proficiency over time, data from the FY14 assessment shows modest decreases in proficiency statewide for all subgroups. Based on FY14 assessment data, 51.0 percent of students scored below proficient in reading and 59.3 percent of students scored below proficient in math. Statewide data for third-grade reading proficiency, a major focus of the Public Education Department (PED), showed a 3.4 percentage point drop from FY13.

PED indicates FY15 student proficiency rates will likely decline because of administration of new standards-based assessments developed by the Partnership for Assessment of Readiness for College and Careers (PARCC). PARCC is working to establish cut scores for the assessments by the fall of 2015, so student and school performance data is not yet available. New Mexico student performance will be benchmarked against 10 other states – Arkansas, Colorado, Illinois, Louisiana, Maryland, Massachusetts, Mississippi, New Jersey, Ohio, and Rhode Island – and the District of Columbia. Given that underperforming low-income students, disabled students, and English language learners show sharper declines on common core standards, it is likely New Mexico students will rank at the bottom of performance when rated against peer states.

The statewide four-year cohort graduation rate declined 1 percentage point in FY14 to 69.3 percent, continuing to fall shy of the 75.0 percent target. The FY14 graduation rate for African Americans, Native Americans, economically disadvantaged students, and students with disabilities decreased more than the statewide average; however, the graduation rate for Hispanic students declined 0.3 percentage points, less than a third of the statewide decrease. The number of students needing remedial courses in New Mexico institutions of higher education continues to remain higher than desired, indicating high schools are graduating students that are not ready for college level courses. School districts and charter schools should continue to work to identify students at risk of dropping out earlier and create high school programs that keep students engaged and effectively prepare students for college or the workforce.

School performance is based largely on student performance on the state standards-based assessment – for FY15 this means the PARCC assessment. It is unclear at this time how school grades will be affected by projected declines in performance on the PARCC assessment.

Student achievement continues to progress more slowly than desired and the achievement gap persists. Research shows a number of state-



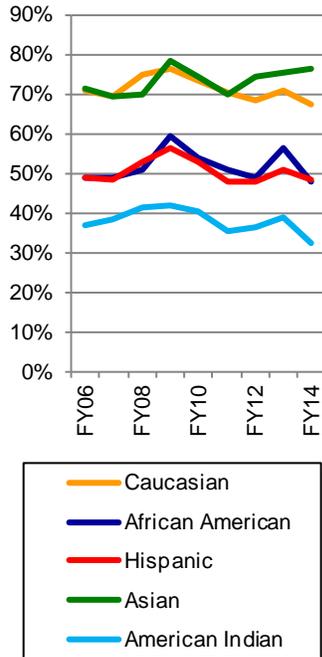
funded programs targeted to the state’s most at-risk students are having positive impacts on student achievement, including prekindergarten and the K-3 Plus extended school year program.

Fiscal year 2015 marks the second year of implementation of the state’s new teacher and school leader evaluation system. The use of student test scores to evaluate teacher performance continues to be controversial and concerns still exist about the accuracy of data used to calculate teacher effectiveness. Results from FY15 show 73.8 percent of teachers are rated effective, highly effective, or exemplary, a decrease of 4.4 percentage points from FY14. Changes to the evaluation system in FY15 include limited use of student achievement data for teachers with less than three years of student achievement data. For the second year in a row, the student achievement measure identified more teachers at both the highest and lowest performance levels, while the observation measure identified more teachers in the middle performance levels. Despite concerns, the evaluation system provides meaningful data that will allow policymakers to address and improve school personnel policies concerning professional development, promotion, compensation, and tenure.

Performance measures for public school support provide a snapshot of student performance when data is available, generally after the end of the school year. Little or no consistent student performance data is available for policymakers through the year, despite widespread use of short-cycle assessments. Statewide data from short-cycle assessments is not being collected or reported, though it is available and used at the school district and charter school level. The department should collect and report short-cycle assessment data at least three times a year, allowing policymakers access to data more than once annually. Additional benefits of intermediate reporting of student academic performance include providing teachers the data necessary to inform instructional practices throughout the year and assisting PED in determining how to better support schools.

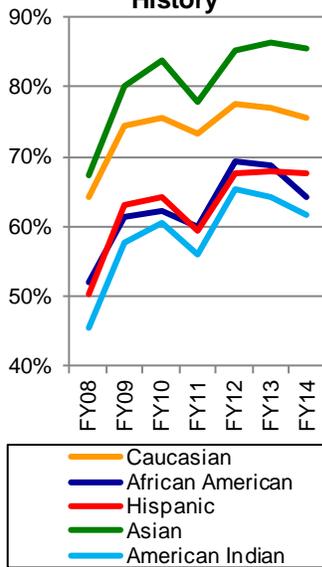
Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of fourth-grade students who achieve proficiency or above on standards-based assessments in reading	45.7%	43.8%	52.0%		N/A
Percent of eighth-grade students who achieve proficiency or above on standards-based assessments in reading	60.2%	58.7%	63.0%		N/A
Percent of fourth-grade students who achieve proficiency or above on standards-based assessments in mathematics	45.4%	42.7%	50.0%		N/A
Percent of eighth-grade students who achieve proficiency or above on standards-based assessments in mathematics	42.2%	40.0%	50.0%		N/A

Third-Grade Reading Proficient or Above FY06-FY14



Source: PED

Four-Year Cohort Graduation Rate History



Source: PED

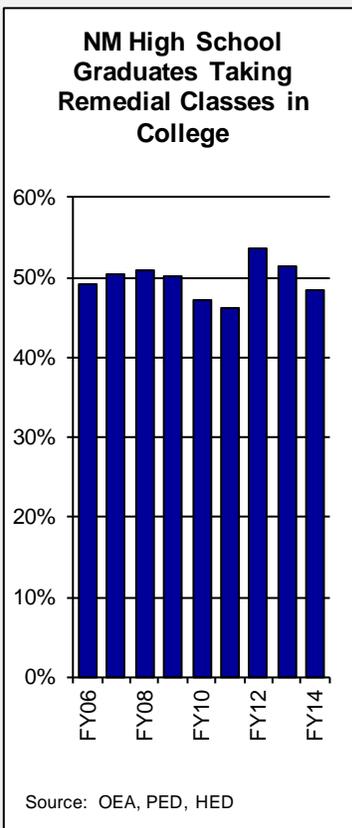
Percent of recent New Mexico high school graduates who take remedial courses in higher education at two-year and four-year schools	51.5%	48.4%	<40.0%	N/A
Current year's cohort graduation rate using four-year cumulative method	70.3%	69.3%	75.0%	n/a
			Program Rating	N/A

Department Operations. The Public Education Department (PED) provides program and fiscal oversight to public schools to ensure accountability for almost half of the state budget. Data reported by PED indicates the department has met many FY15 performance targets, though performance in some areas is lagging FY14 performance. For example, the average processing time for direct grant and federal budget adjustment requests increased in FY15, though both are well below the target number of days. However, the quality of information reported by PED continues to be a concern.

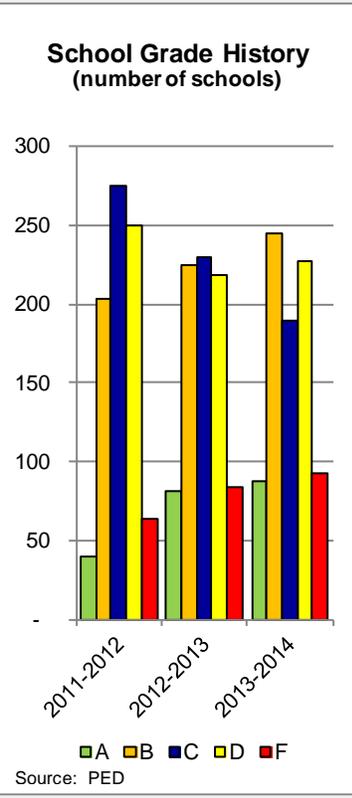
Staffing. PED's vacancy rate decreased from an annual average of 18 percent in FY14 to 8 percent in FY15. The department ended FY15 with a vacancy rate of 5 percent, or approximately 12 vacant positions, the lowest vacancy rate in recent years. The June 2015 organizational listing report (TOOL) reported PED having 228 filled FTE, up 11 FTE from June 2014. For the first in a number of years, reversions from the personal services and employee benefits category will be minimal. Most key leadership positions were filled in FY15, including the Director of the Charter School Division, and key divisions appear to be staffed.

Unit Value. PED set the FY15 initial unit value within 0.5 percent of the final unit value, well within the 2 percent target. However, the department reverted more than \$15 million in state equalization guarantee distribution appropriation funding. Large annual reversions are primarily the result of PED estimating federal Impact Aid revenues more conservatively than the Legislature assumes and are received annually. When the public school support appropriation is made, the Legislature assumes a certain amount of federal Impact Aid will be received by school districts. For the past few years, PED has set the final unit value with conservative Impact Aid assumptions because the department does not know the exact amount of Impact Aid revenue that will be received by school districts – if the department overestimates Impact Aid revenue, SEG allocations will have to be reduced at the end of the year to account for decreased revenue. PED is encouraged to set the preliminary unit value – the unit value used to establish annual budgets – a bit more aggressively so schools do not receive large increases mid-year and large amounts of revenue do not revert annually. This may mean the Legislature needs to address potential funding shortfalls as a result of federal Impact Aid revenues not materializing at the amount assumed in the budget process.

Fiscal Year 2014 Financial Statement Audit. At the close of FY15, financial statement audits for FY14 for PED, 56 state-chartered charter schools and the Division of Vocational Rehabilitation



(administratively attached to PED) were not yet completed. While the audits were initially submitted on time, PED terminated the FY14 audit contract with Moss Adams after substantial completion, calling into question Moss Adams' independence. Moss Adams completed the Southwest Learning Center charter school audits from FY06 to present and failed to note multiple financial issues across multiple fiscal years that are currently being investigated by the FBI. PED was concerned that the threat of potential litigation against Moss Adams tainted the company's independence in completing the FY14 audit, though concerns were limited to the four Southwest Learning Center charter schools and did not extend to the other 52 entities. Because of this, PED was designated by the State Auditor's Office as "at risk". As of February 2015, Moss Adams had collected \$426 thousand of the \$958 thousand contract – the 2015 Legislature appropriated an additional \$430 thousand to PED to ensure sufficient funds were available to enter into a second contract for the FY14 audit of all entities. PED contracted with Axiom Certified Public Accountants and Business Advisors, LLC to complete the FY14 audit at a cost of almost \$100 thousand more than the contract with Moss Adams. As of August 2015, PED indicated the audit is substantially complete, the exit conference has been conducted, and the auditor is preparing the audit report.



Department Initiatives. PED continues to advance initiatives aimed at improving student outcomes, including a school grading system, common core state standards, a new computer-administered standards-based assessment developed by the Partnership for Assessment of Readiness for College and Careers (PARCC), a teacher and school leader evaluation system, targeted interventions for low-performing schools, a new graduation initiative, an early warning system, a alternative compensation pilot, and an early literacy intervention program. Rapid implementation of high-profile initiatives continues to prove challenging.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of teachers passing all strands of professional dossiers on the first submittal	84.0%	79.5%	80.0%	76.0%	G
Number of data validation audits of funding formula components annually	20	0	35	13	Y
Number of elementary schools participating in the state-funded elementary school breakfast after the bell program	159	181	Explanatory	226	G
Number of eligible children served in state-funded prekindergarten	5,068	6,808	Explanatory	8,604	G
Program Rating					Y

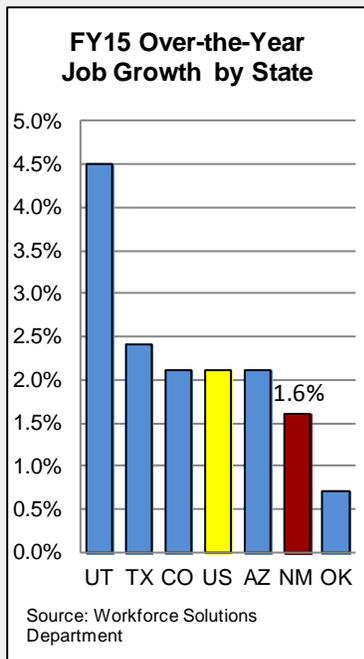
PERFORMANCE: Economic Development Department

KEY ISSUES

The Economic Development Department fell short on achieving several performance targets, including number of jobs created by the Economic Development Partnership and average wages for jobs funded through the Job Training Incentive Program. The agency does not have a plan to close the gap.

AGENCY IMPROVEMENT PLANS

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



New Mexico continues to lag behind neighboring states and the national average for job growth, but the gap narrowed significantly during FY15 compared with prior years. The Economic Development Department (EDD) reported fewer jobs created through department efforts for FY15 than in FY14 despite much greater overall job growth in FY15 and receiving an increase in Local Economic Development Act (LEDA) funds from \$3.3 million in FY14 to \$15 million in FY15. The agency spent all \$3.3 million it received during FY14 but spent a little over \$7 million during FY15. The remainder of the \$15 million reverts at the end of FY16 or later. The FY15 job creation results are only a slight increase from FY13 results, a year in which EDD received no LEDA funds. Approximately half the jobs created in FY15 were call center jobs.

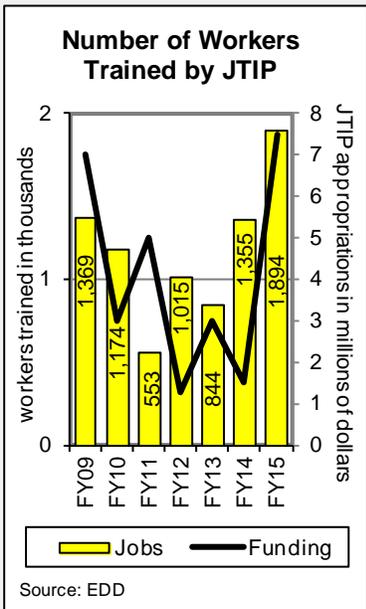
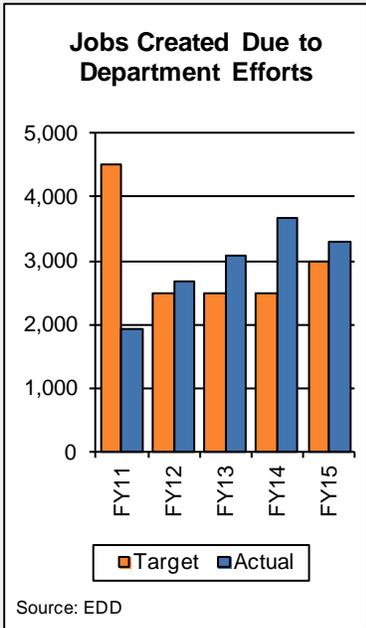
While job creation numbers are lower than expected due to the economic turnaround and increased LEDA funds, EDD significantly improved data quality in FY15, eliminating the prior issue of inadvertently double-counting select jobs. The agency also voluntarily disqualified projects that appear less likely to create jobs in the immediate future than when announced earlier in the year.

Economic Development Program. The Economic Development Partnership reported the lowest number of jobs created in a decade, which was unexpected given the organization’s strong performance in FY14. Many of the business recruitment projects the Partnership handles take many months or more than a year from inception to announcement, but the results are again at odds with the level of LEDA funding the Legislature provided in FY15 given that LEDA is often cited as a key business recruitment tool. However, the Partnership remains a moderately cost effective job creation program on a cost per job basis. The Legislature appropriated an additional \$250 thousand for the Partnership for FY16 to market the state, and LFC encourages the organization to work with the Tourism Department to improve its advertising campaign.

The Job Training Incentive Program (JTIP) trained more workers than in any year since FY08; however, the average wage for trainees fell 12 percent below the annual target. Additionally, statute requires at least one-third of JTIP appropriations to be spent in rural areas, but data supplied by EDD indicates less than one-third of awards in each of the last three years was spent in rural communities, resulting in a yellow rating for the JTIP trainees measure.

The Economic Development Program as a whole struggled with rural job creation, reaching just 52 percent of the annual target and less than half the number of rural jobs created in FY13 and FY14.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Total number of jobs created due to economic development department efforts	3,093	3,686	3,000	3,294	G



Total number of rural jobs created	1,440	1,562	1,400	726	R
Number of jobs created through business relocations and competitive expansions facilitated by the economic development partnership	244	1,624	1,500	222	R
Number of workers trained by the job training incentive program	844	1,355	1,000	1,894	Y
Average hourly wage of jobs funded through the job training incentive program	\$18.46	\$17.32	\$20.00	\$17.67	Y
Percent of employees whose wages were subsidized by the job training incentive program still employed in New Mexico after one year	new	85%	80%	89%	G
Dollars of private sector investment in mainstreet districts (in millions)	new	new	\$15	\$8	Y
Number of building rehabilitations completed in mainstreet districts	new	new	150	196	G
Number of business advocacy cases solved	58	67	50	72	G
Number of businesses provided technical assistance resulting in a funding package and job creation	new	5	5	2	R
Overall Program Rating					Y

Film Program. The film industry picked up significant momentum during FY15, and all measures hit record or near-record highs. The Film Office reports New Mexico is now viewed by the industry as one of the most competitive states for recruiting television series after the Legislature added an additional 5 percent rebate in 2013. Five television series filmed during FY15, and 25 major film productions performed principal photography during the year in addition to numerous smaller film projects.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of film and media worker days	216,461	189,782	200,000	298,398	G
Direct spending by film and media industry productions, in millions	new	\$162	\$225	\$286	G
Number of film and media projects made in New Mexico	53	61	60	79	G
Overall Program Rating					G

PERFORMANCE: Tourism Department

KEY ISSUES

The tourism industry remains a strong performer, and the Tourism Department met or exceeded nearly all performance measures. The agency missed two targets for the New Mexico Magazine Program but hired a new publisher and reported plans to improve performance.

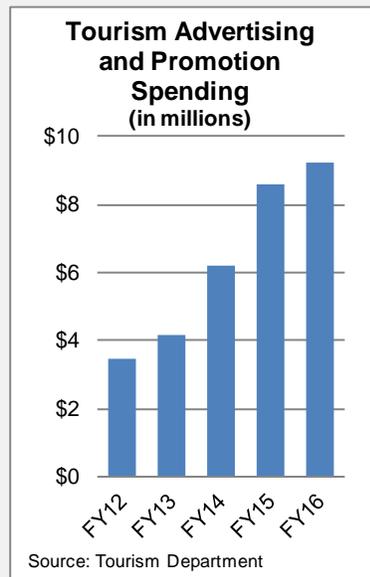
AGENCY IMPROVEMENT PLANS

Submitted by agency? yes
 Timeline assigned by agency? yes
 Responsibility assigned by agency? yes

	FY 16 Budget (in thousands)	FTE
Marketing and Promotion	\$11,027.7	34.5
Tourism Development	\$2,060.5	6
New Mexico Magazine Program	\$3,363.2	14
Support	\$1,548.9	14
Total	\$18,000.3	68.5

Source: Tourism Operating Budget

The proportion of the Tourism Department general fund budget spent on advertising and promotion increased from an average of 28 percent between FY07 and FY11 to 69 percent in FY16.



The leisure and hospitality industry continues to add jobs at nearly double the average rate for the state, reaching 3.1 percent growth for FY15 compared with the state's overall 1.6 percent job growth rate, but is no longer the lead industry in New Mexico for job creation. Visitation revenues also continued to increase substantially compared with the prior year.

Marketing and Promotion Program. The agency's new return on investment (ROI) study shows a return of 7-to-1 based on advertising expenditures in five key markets and local and state taxes generated by visits impacted by the ads. This represents a significant increase from the 2012 ROI study that showed a return of 3-to-1. This is partly due to an increase in overnight visitation, resulting in higher visitor expenditures, and New Mexico improved its national ranking for overnight visitation from 36th in 2012 to 33rd in 2013 and 32nd in 2014. The ROI study also showed the ad campaign had a significant positive impact on the state's economic development image.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent increase in gross receipts tax revenue for accommodations receipts	0.9%	6.4%	2.5%	5.6%	G
Number of new jobs created in the leisure and hospitality industry year-over-year	3,700	1,500	800	2,900	G
Dollars spent per overnight primary visitor per day	\$74.91	\$76.82	\$75.00	\$78.15	G
New Mexico's domestic overnight visitor market share	1.0%	1.1%	1.1%	1.1%	G
Percent of visitors who choose New Mexico as their primary destination	71%	70%	71%	70%	Y
Program Rating					G

New Mexico Magazine Program. *New Mexico Magazine* suffered from poor advertising revenues early in FY15, but the agency hired new regional ad sales representatives and a new publisher, and the year ended with better results in most categories than during the prior two years. The new publisher is gathering more data and proposed new performance measures for FY17 to better gauge the program's success.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Circulation rate	91,197	89,556	95,000	92,148	Y
Advertising revenue per issue, in thousands	\$68	\$57	\$72	\$65	R
Number of visits to nm magazine.com and newmexico.org, in thousands	715	1,040	565	1,189	G
Program Rating					Y

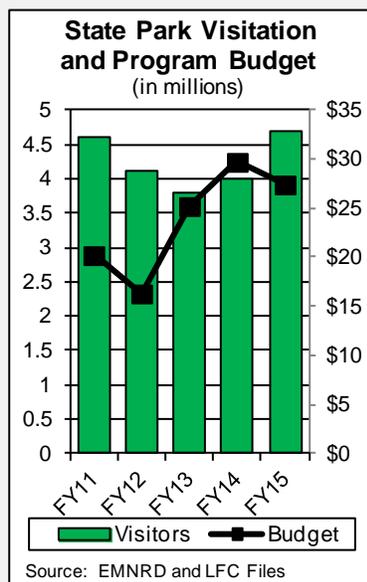
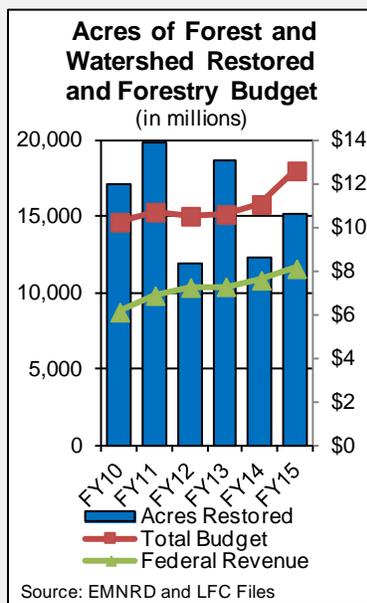
PERFORMANCE: Energy, Minerals and Natural Resources Department

KEY ISSUES

As shown in the charts below, the number and volume of oil spills increased dramatically in FY15. While oil production also rose, the increases were disproportionate. Production grew by 21 percent but the number and volume of spills increased by 43 percent and 61 percent, respectively.

AGENCY IMPROVEMENT PLANS

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



The Energy, Minerals and Natural Resources Department (EMNRD) missed many key performance targets in FY15. Other data sources, like the growing number and volume of oil and gas spills, indicate reduced success in the agency's regulatory efforts.

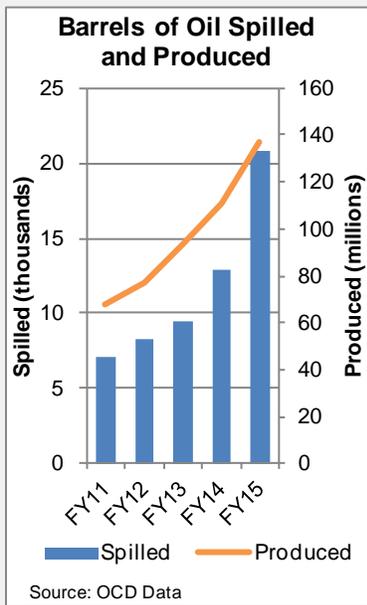
Healthy Forests. Although the program's forest thinning and watershed restoration efforts improved in FY15, the number of acres treated fell well short of the performance target. Although EMNRD's direct federal revenue increased from FY10 to FY15, the agency cites a 29 percent decrease in federal funding for state fire assistance during that period and expiration of American Recovery and Reinvestment Act funding as causes of the decline in acres treated and requested future performance targets consider this reduction in resources. The Legislature appropriated \$9.1 million for wildfire mitigation and watershed restoration in FY14 and FY15, and the program has worked to quickly put this funding to use.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of nonfederal wild land firefighters provided technical fire training appropriate to their incident command system	1,687	2,074	1,700	1,625	Y
Number of at-risk communities or local fire departments provided funding for wildland firefighting equipment or training.	89	133	90	112	G
Number of acres restored in New Mexico's forests and watersheds	18,669	12,277	20,000	15,142	R
Program Rating					Y

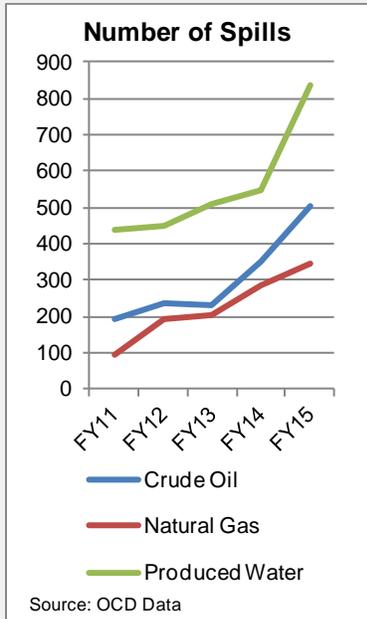
State Parks. Revenue per visitor fell by 9 percent, but overall revenue from visitors increased by \$860 thousand due to the highest level of visitation in the past decade. The agency points to the increased popularity of annual day use and camping passes as a possible cause of both the increased overall visitation and the reduced revenue per visitor.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of visitors to state parks, in millions	3.8	4.0	3.8	4.7	G
Self-generated revenue per visitor	\$0.97	\$0.96	\$0.97	\$0.87	R
Number of interpretive programs available to park visitors	2,566	2,358	2,500	1,780	R
Number of people who complete a certified New Mexico boating safety education course	772	712	775	753	Y
Program Rating					Y

Mine Reclamation. The program continued to meet inspection



EMNRD identified two possible causes of the increase in oil spills. First, new drilling and production technology causes a higher volume of oil and associated waste to be present at the surface than in previous years, leading to a higher number of accidental discharges. Second, much of the aging infrastructure in New Mexico's oil fields, such as pipelines, storage tanks, and production facilities, is more susceptible to leaks and spills.



requirements and only one of 90 permitted mines does not have adequate financial assurance. EMNRD continues to report the mine without financial assurance is under application with a new owner and awaiting the conclusion of bankruptcy proceedings.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	100%	99%	100%	99%	Y
Percent of required inspections conducted per year to ensure mining is being conducted in compliance with approved permits and regulations.	100%	100%	100%	100%	G
Program Rating					G

Oil and Gas Conservation. Oil, natural gas, and produced water spills continued an upward trend in FY15, even with a large increase in the number of inspections performed. This may indicate an ineffectiveness of the inspection efforts or, as the agency suggests, the increase in inspections causing more spills to be reported. The agency failed to meet the target for plugging abandoned oil and gas wells. Although there was a shortage of wells with plugging orders for most of FY15, it is the agency's responsibility to obtain such orders for abandoned wells. Over 200 plugging orders were issued in May 2015.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of inspections of oil and gas wells and associated facilities	37,707	38,920	37,500	47,593	G
Number of abandoned oil and gas wells properly plugged using reclamation fund monies	57	32	50	31	R
Program Rating					Y

Renewable Energy and Energy Efficiency. The program fell short of important targets in FY15, including application review timeliness and energy use reduction which the agency attributes to reduced funding for efficiency improvements. To improve application reviews, the program made changes to the review process and hired temporary staff to help meet future goals.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of applications for clean energy tax credits reviewed within thirty days of receipt	99%	99%	90%	75%	R
Percent reduction in energy use in public facilities upgraded by clean energy projects	16%	11%	16%	14%	Y
Program Rating					Y

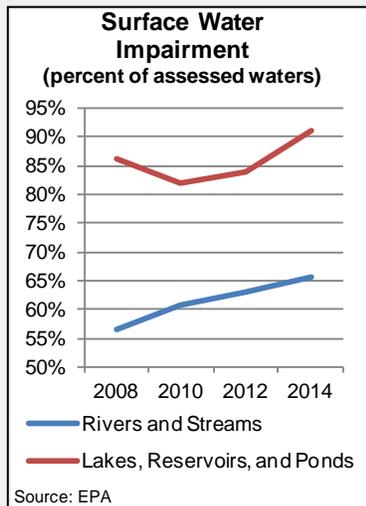
PERFORMANCE: Department of Environment

KEY ISSUES

In 2013, the most recent year for which data is available, New Mexico again ranked worse than average for workplace fatalities with 6.7 per 100 thousand workers; double the national rate of 3.3. Although fatality rates are affected by a state's major industries, New Mexico's occupational fatality rate for mining and oil and gas extraction was more than three times higher than the rate in Texas and nearly five times the rate in Oklahoma. Nearly two-thirds, or 64 percent, of 2013 workplace fatalities in New Mexico were attributed to transportation incidents, compared with 59 percent for Oklahoma and 43 percent for Texas. NMED does not have jurisdiction over road or traffic conditions, but can call on employers to take steps to improve safety. While the agency does not have a written corrective action plan, the Occupational Health and Safety Bureau annually reviews the industries and activities with the highest rates of injury and death to inform policy and operations.

AGENCY IMPROVEMENT PLANS

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



The Department of Environment is meeting inspection and permitting targets; however, most of the department's measures for FY15 were process-oriented rather than providing indicators of environmental protection and health. Executive and legislative staff worked to improve the measures beginning in FY17 by removing many of the output measures and revising others to focus on the effectiveness of the agency's inspection and compliance efforts. The agency may begin reporting on some of the revised measures in FY16.

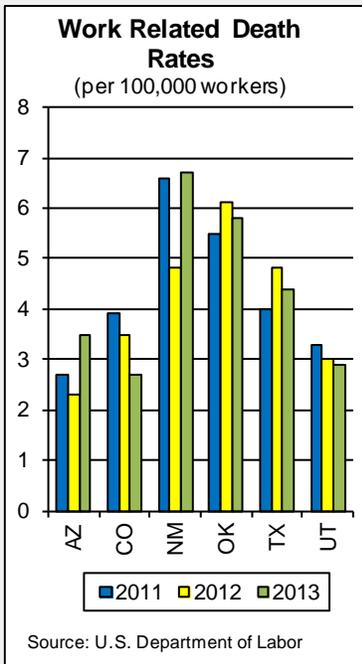
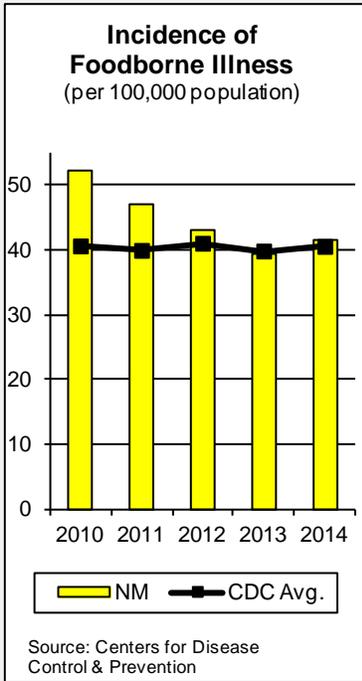
Environmental Health. Inspection results and the number of public water systems not in compliance with standards would be more valuable measures than the percent of systems surveyed or inspected. The percent of New Mexicans served by water systems meeting such standards increased during FY15, but fell slightly short of the performance target. While the agency continued to meet the target for correcting food related violations, in 2014, New Mexico's foodborne illness rate increased for the first time in the past five years.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of public water systems surveyed to ensure compliance with drinking water regulations	95%	93%	96%	97%	G
Percent population served by community water systems that meet all applicable health-based standards	n/a	95%	100%	99%	Y
Percent of high-risk food-related violations corrected within the timeframes noted on the inspection report	92%	99%	100%	100%	G
Program Rating					G

Resource Protection. Although measures track whether permitted facilities are complying with groundwater standards, the program's performance results do little to indicate whether pollution is prevented or water quality is improving. Additional results oriented measures, like the percentage of surface waters impaired, should be adopted.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of permitted facilities where monitoring results demonstrate compliance with groundwater standards	71%	70%	72%	66%	Y
Percent of underground storage tank facilities in significant operational compliance with release prevention and release detection requirements of the petroleum storage tanks regulations	60%	83%	70%	77%	G
Program Rating					Y

Environmental Protection. New Mexico continues to have higher than average workplace fatality and injury rates. In four out of the past



six years for which data is available, New Mexico had higher rates of private sector occupational injuries and illnesses than the national average. The program's measures are among the more meaningful in the department because they provide information concerning improved worker safety and compliance with environmental regulations.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of permitted active solid waste facilities and infectious waste generators inspected that were found to be in compliance with the New Mexico solid waste rules	82%	87%	85%	100%	G
Percent of radiation-producing machine inspections completed within the timeframes identified in the radiation control bureau policies	99%	98%	100%	95%	Y
Percent of landfills compliant with groundwater sampling and reporting requirements	100%	96%	100%	95%	Y
Percent of serious worker health and safety violations corrected within the timeframes designated on issued citations from the consultation and compliance sections	93%	96%	95%	98%	G
Percent of referrals alleging serious hazards responded to via an on-site inspection or investigation	94%	96%	95%	98%	G
Percent of facilities taking corrective action to mitigate air quality violations discovered as a result of inspections	97%	100%	100%	100%	G

Program Rating Y

PERFORMANCE: Office of the State Engineer

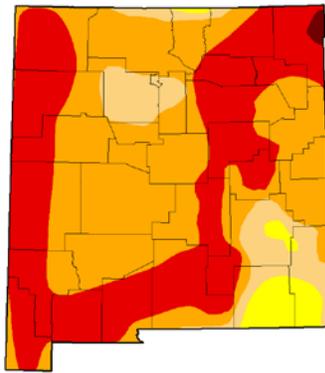
KEY ISSUES

With many basins still unadjudicated and the agency working to finalize basin specific rules to implement Active Water Resource Management (AWRM), it is unclear if OSE is prepared, or has the authority, to enforce priority administration in times of shortage, as required by the New Mexico Constitution. The agency is working with the courts and legislators to identify and evaluate new approaches to accelerate the pace of this process through the interim Water and Natural Resources Committee's adjudication working group.

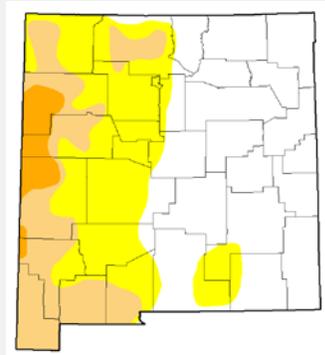
AGENCY IMPROVEMENT PLANS

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

Drought Conditions
July 1, 2014



June 30, 2015



Source: U.S. Drought Monitor

Above average precipitation resulted in 21.5 percent of the state experiencing drought at the end of FY15, down from 96 percent at the end of FY14, and increased reservoir levels statewide. The Legislature increased the Office of the State Engineer's (OSE) operating budget by 17 percent for FY15, including \$1.2 million to address the water rights application backlog and \$600 thousand for hydrographic survey staff to ease bottlenecks in adjudications. During FY15, the agency made progress on the state engineer's goal of cutting the application backlog in half by the end of 2015. However, adjudication progress remains slow and existing measures only consider active adjudications and do not fully capture the status of all water rights claims in the state.

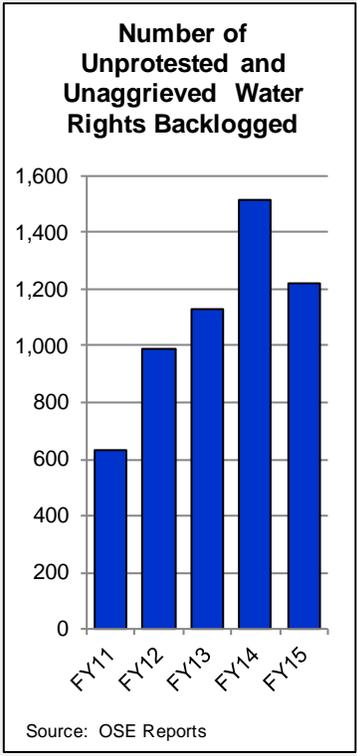
Water Resource Allocation. Continuing a trend from FY14, the program increased the number of water rights applications processed monthly which contributed to a reduction in the application backlog for the first time since FY10. The program again met the annual target for dam inspections, but three out of five New Mexico dams have poor or unsatisfactory safety ratings.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of unprotested and unaggrieved water right applications backlogged	1,332	1,513	650	1,219	Y
Average number of unprotested new and pending applications processed per month	32	76	65	108	G
Number of transactions abstracted annually into the water administration technical engineering resources system database	22,331	18,888	23,000	22,792	Y
Number of dams inspected per year	93	116	100	101	G
Program Rating					Y

Interstate Stream Compact Compliance and Water Development.

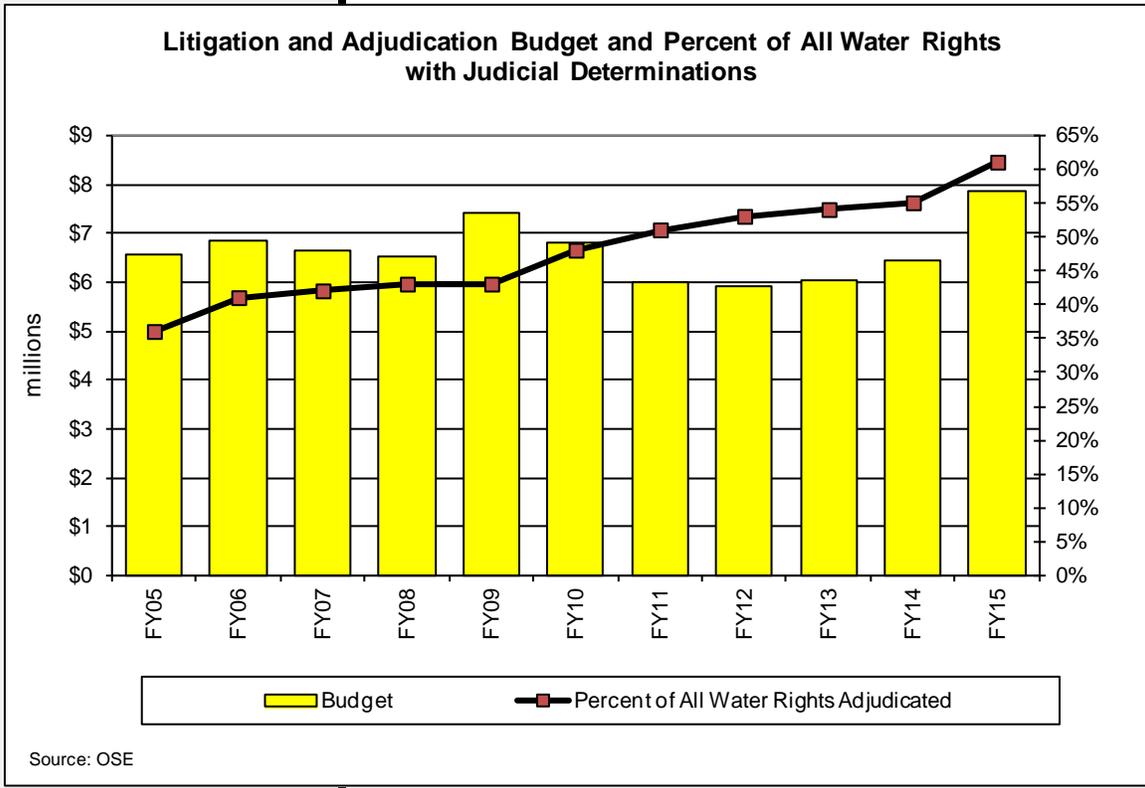
The program is meeting its delivery requirements under the Pecos River compact and litigation with Texas on the Rio Grande compact is ongoing. The Supreme Court's Special Master will hear oral arguments on New Mexico's motion to dismiss in August 2015.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Cumulative state-line delivery credit (Pecos river compact), thousand acre-feet	100.1	102.0	≥0	95.7	G
Rio Grande compact accumulated delivery credit, thousand acre-feet	80.0	62.4	≥0	0	G
Program Rating					G



Litigation and Adjudication. Although the program obtained judicial determinations for a higher percentage of water rights cases in FY15 than in any of the past 10 fiscal years, adjudication continues at a glacial pace and the existing performance measure does not consider adjudications not yet begun. Without full adjudication and the lack of basin specific AWRM rules, there is uncertainty regarding OSE’s legal basis and ability to quickly respond to requests to enforce priority administration during times of shortage. Currently, 12 adjudications are pending in New Mexico. Six are in state court and six are in federal court. Most adjudications started more than 30 years ago and, at the current pace, OSE may be decades away from adjudicating all water rights. The state engineer therefore directed staff to analyze and evaluate alternative approaches to the adjudication process in FY16. Despite the budget increase for FY15, high vacancy rates persist and the program notes difficulty in recruiting and retaining engineers and attorneys at salaries competitive with the private sector. The program relies on contractual services to augment its staff attorneys, primarily to provide specialized expertise in Indian water rights law.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of offers to defendants in adjudications	640	540	600	594	Y
Percent of all water rights that have judicial determinations	53%	55%	54%	61%	G
Program Rating					Y



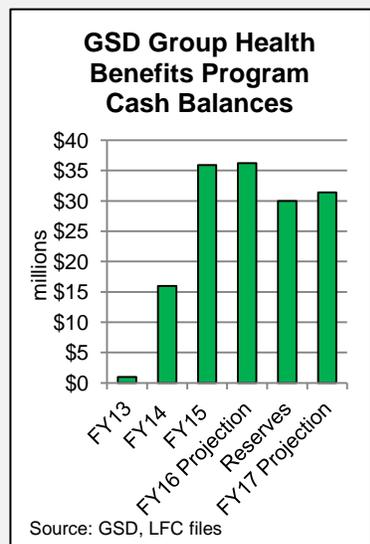
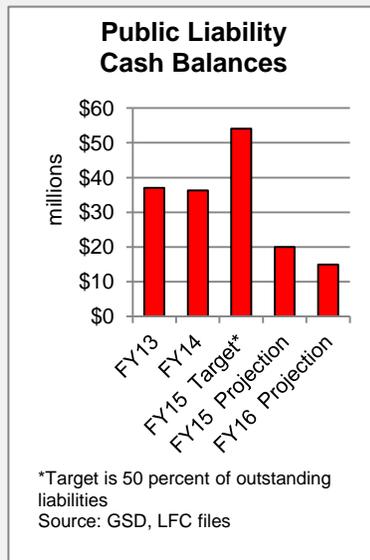
PERFORMANCE: General Services Department

KEY ISSUES

GSD fell short on several measures for FY15 including cash balances in the public liability fund, change in health premium compared with industry trend, and success implementing a lower space standard for agencies occupying state-owned and leased space. GSD is working on closing these gaps with more accurate risk rate setting, benefit changes that include more primary care and behavioral health care options, and by obtaining governor support to work with agencies to reduce the state's footprint to reflect a smaller workforce.

AGENCY IMPROVEMENT PLANS

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



For the General Services Department (GSD), sharply rising risk insurance rates due to claims activity, employee health benefit costs, and less than optimal space utilization continue to pressure the agency.

Risk Management. The upward trend in frequency and severity of tort claims in the areas of medical malpractice, whistleblower, and civil rights continue to diminish cash balances for the public liability program. For the public property program, weather contributed to an overall increase in costs from damages to buildings and vehicles. For the Workers' Compensation Program, the number of claims slightly decreased but overall costs increased due to medical and other cost trends.

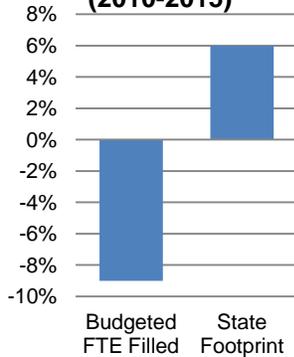
Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Financial position of the public property fund	91%	250%	50%	274%	G
Financial position of the workers' comp fund	25%	18%	30%	28%	Y
Financial position of the public liability fund	38%	22%	50%	22%	R
Payments from the public liability fund, in millions	\$34.5	\$32.8	\$31.2	\$34.8	R
Program Rating					Y

Employee Group Health Benefits. Despite lower trends in per member health costs, premiums increased above industry trend in two out of three years and employee out-of-pocket costs also increased. This is challenging considering limited compensation increases. The program is expanding primary care and behavioral health care options for employees and dependents with an Employee Assistance Program, Worksite Wellness Programs, and a health care clinic to reduce costly sick visits to specialists, emergency rooms, and urgent care centers.

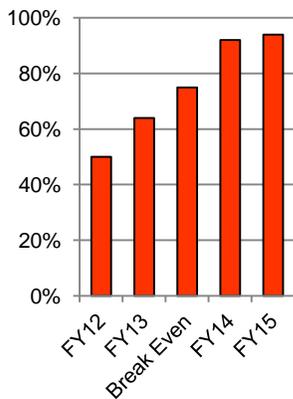
Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Monthly per-member claims costs	\$328	\$292	\$350	\$297	G
Change in premium	0%	15%	≤ 7%	10%	R
Claims costs for the top three diagnoses, in millions	\$68.8	\$54.8	\$53.2	\$57.6	R
Primary care visits	new	21,218	22,279	23,715	G
Program Rating					Y

Facilities Management. Despite a smaller workforce, the size of the state's footprint increased and average space per employee is now far above the new state standard of 215 gross square feet (GSF) per FTE. After early successes in FY13, savings associated with renegotiating expiring leases in exchange for longer terms has slowed. However, the number of active leases grew to 424 from 400, as have lease costs, which now average \$17.06 per SF as compared with \$16.70 in FY14.

Change in Budgeted FTE Filled Positions and State Footprint (2010-2015)



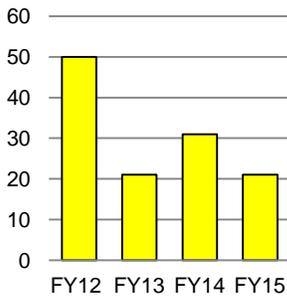
Short Term Vehicle Use



Source: GSD, LFC files

Number of Procurement Code Violations

(by executive agencies)



Source: GSD, LFC files

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
State office space available	new	102,052	96,949	71,471	G
Leased square feet, in millions	2.6	2.8	2.7	2.9	R
Lease costs, in millions	\$44.3	\$47.1	\$44.7	\$49.4	R
Capital projects on schedule within budget	93%	88%	92%	90%	G
Program Rating					Y

Transportation Services. Short-term motor pool use reflects higher usage compared with the prior two fiscal years because of efforts to remove underutilized long-term leased vehicles from agencies, more relaxed in-state travel policies, and less employee personal vehicle use.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Short-term vehicle use	64%	92%	75%	94%	G
Vehicles accumulating 1,000 miles per month	41%	30%	75%	32%	R
State vehicles beyond five years in service	52%	54%	20%	47%	R
Revenue from surplus property, in thousands	\$532.0	\$1,032.0	\$1,083.6	\$682.0	Y
Program Rating					Y

Procurement Services. Procurement violations appear to be decreasing with new training and certification requirements for chief procurement officers. The measure for sole source procurements reflects a GSD online portal that allows data from local public bodies and state agencies to be reported. As a result, the numbers have increased.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Employees trained on Procurement Code compliance and methods	754	689	723	1,005	G
Procurement Code violations	21	31	29	21	G
Sole source procurements	132	236	229	231	Y
Awards to businesses with New Mexico preference	new	11	12	14	G
Program Rating					G

PERFORMANCE: Taxation and Revenue Department

KEY ISSUES

The Taxation and Revenue Department continues to meet most performance targets and outperform targets for MVD wait times. The agency missed the percentage targets for audit assessment collections in FY15. However, TRD has increased total assessments and collected increased dollar amounts.

AGENCY IMPROVEMENT PLANS

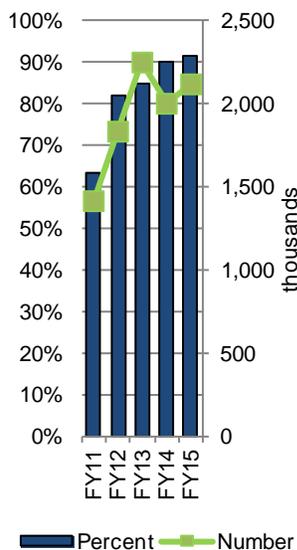
Submitted by agency? yes
 Timeline assigned by agency? no
 Responsibility assigned by agency? no

TRD FY15 Funding by Division (in millions)

Program	Budget	FTE
Tax Administration	\$31.5	504
Motor Vehicle Division	\$27.8	348
Property Tax	\$3.4	39
Compliance Enforcement	\$2.3	28
Program Support	\$22.4	190
Total	\$87.4	1109

Source: TRD FY15 Operating Budget

Electronically Filed Tax Returns



Source: TRD and LFC Files

As the state faces lower than expected revenues resulting from dramatically decreased oil prices, collecting revenue effectively and efficiently to decrease the tax gap (the difference between what is owed to the state and what is collected) is increasingly important. Despite heavy turnover, the Taxation and Revenue Department (TRD) met or exceeded most performance targets. However, the department's audit assessment collections in FY15 were below target and lower than in previous years.

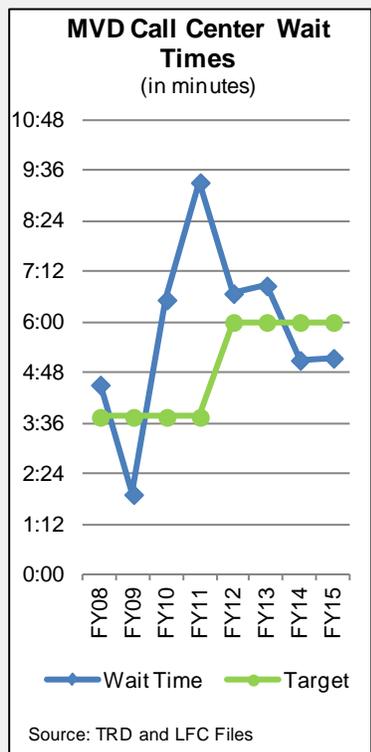
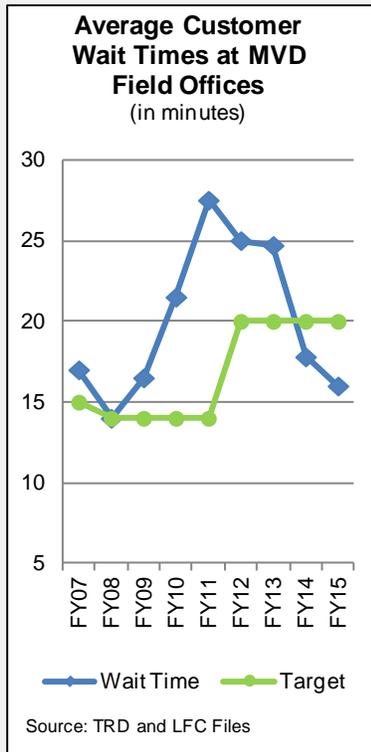
Tax Administration Program. Of the FY15 unpaid tax audit assessments of \$56.1 million, \$13.7 million is less than 90 days old, \$9 million is in protest, and \$6.7 million has been abated or is in bankruptcy, leaving a collectible balance of \$26.5 million, of which \$15.5 million, or 59 percent, was collected. Collections of outstanding balances from FY14 were \$106.7 million, or 15.5 percent of collectible outstanding balances. The percent of electronically filed tax returns continued its upward trend and is now over 90 percent. The option for e-filing exists for both personal income tax and the combined reporting tax system.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Collections as a percent of collectible outstanding balances from the end of the prior fiscal year	17.6%	18.0%	18.0%	15.5%	R
Collections as a percent of collectible audit assessments generated in the current fiscal year	66%	61%	65%	59%	R
Percent of electronically filed personal income tax and combined reporting system returns	85%	90%	90%	92%	G
Program Rating					Y

Compliance Enforcement Program. A total of nine tax compliance cases were assigned to program agents in FY15. Of these, seven investigations were referred for criminal prosecution during the year. This is a marked improvement from FY14, when the program referred four out of 13 investigations for criminal prosecution.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of tax investigations referred to prosecutors as a percent of total investigations	67%	33%	50%	78%	G
Program Rating					G

Motor Vehicle Program. In late FY15, the Motor Vehicle Division successfully launched the driver component of the division's new IT system, Tapestry (the motor vehicle component will be launched in September 2016). Field office and call center wait times increased in the wake of implementation, which was expected. However, overall



during FY15, field office and call center wait times remained significantly below target and below historical waits. The percent of insured vehicles held steady at 91 percent, which, although it misses the target, exceeds national averages.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of registered vehicles with liability insurance	91.0%	91.0%	92.0%	91.0%	Y
Average wait time in q-matic-equipped offices, in minutes	24:42	17:48	20:00	16:00	G
Average call center wait time to reach an agent, in minutes	6:52	5:06	6:00	5:09	G
Program Rating					G

Property Tax Program. Delinquent property tax collections declined in FY15 relative to FY13 and FY14, but remain above the new \$10 million target (previously \$7 million). Lower collections resulted from the Property Tax Division’s focus on the collection of 10 year delinquencies to prevent unrecoverable losses in revenue. This strategy is at odds with maximizing returns and resolving the highest amount of accounts in the immediate term, but should increase collections overall over time.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Amount of delinquent property tax collected and distributed to counties, in millions	\$12.4	\$13.5	\$10.0	\$10.4	G
Program Rating					G

Program Support. In FY15, only seven of 4,300 thousand DWI cases were rescinded due to errors by the Motor Vehicle Division and mistakes by the Hearings Bureau and hearings officers. Performance in this area has consistently improved over the past several years. With the creation of the Administrative Hearings Office, an independent administrative tax hearings bureau, in FY16 this function will no longer be within TRD. It will be administratively attached to the Department of Finance and Administration instead.

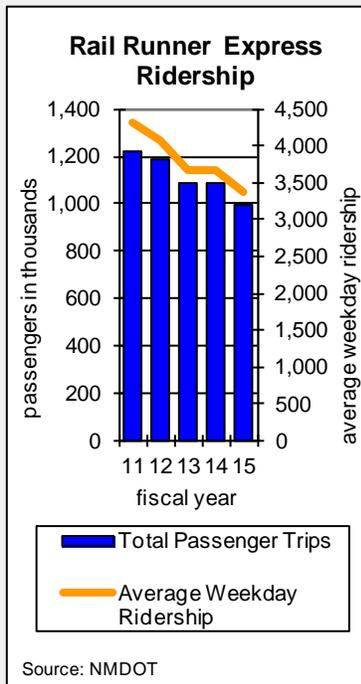
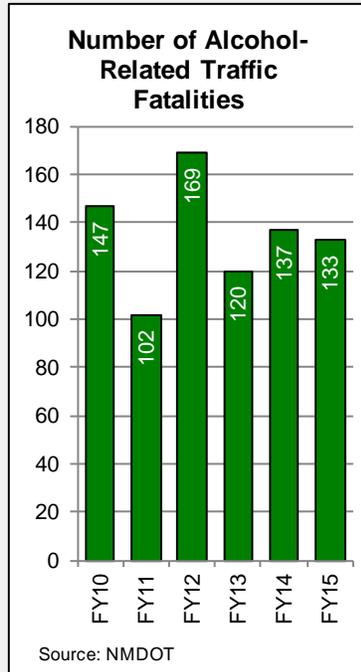
Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of DWI driver’s license revocations rescinded due to failure to hold hearings within ninety days	0.5%	0.3%	<0.5%	0.2%	G
Program Rating					G

Beginning in FY16, TRD agreed to provide quarterly audit data to LFC detailing the number and type of audits conducted, the cost of those audits, and the return on investment on average for each sector of audits (i.e. corporate and personal).

PERFORMANCE: Department of Transportation

KEY ISSUES

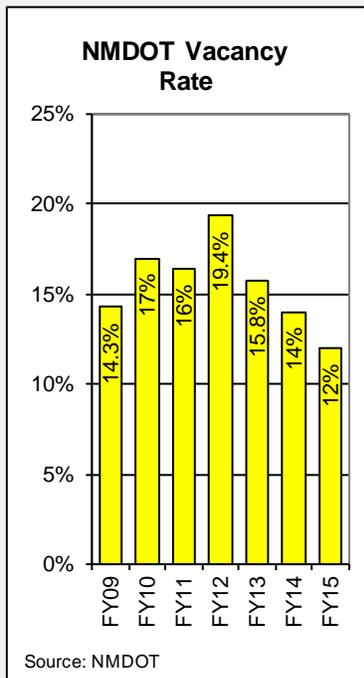
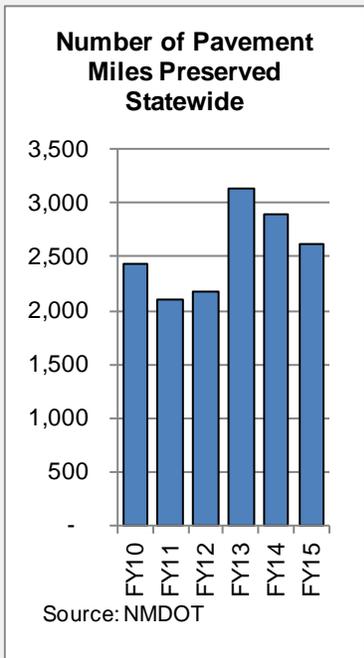
NMDOT continues to struggle to maintain New Mexico's transportation infrastructure given the current budget. The department continues to meet targets for pavement preservation but without additional funding will likely deteriorate.



Performance results for the New Mexico Department of Transportation (NMDOT) are mixed. The total number of traffic fatalities – including alcohol-related– decreased slightly. With the exception of the number of statewide miles preserved, measures for road and highway conditions are not available for FY15. The department placed an emphasis on the final cost-over-bid amounts on contracts and made significant progress in this area, and though there was an increase from FY14 to FY15, NMDOT remained under the target level. The number of riders on Park and Ride and Railrunner declined as the Railrunner continues to under-perform. NMDOT made considerable progress in lowering vacancy rates and has the lowest vacancy rate since FY08.

Programs and Infrastructure. The number of traffic and alcohol-related fatalities decreased slightly from FY14 and remains significantly below the FY12 peak as a result of high-visibility law enforcement operations. The percent of bridges in fair condition or better is far above the FY15 target and NMDOT anticipates conditions to continue to improve given the current level of funding. The percent of projects let as scheduled experienced a significant decrease. The percent of airport runways in satisfactory or better condition remains below FY13 levels, but modest year-over-year progress is reported. The annual number of Railrunner riders continues to decline and is at its lowest level since NMDOT began tracking ridership in FY10.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Number of traffic fatalities	304	343	≤345	331	G
Number of alcohol-related fatalities	120	137	≤130	133	Y
Number of non-alcohol-related fatalities	184	206	≤215	198	G
Percent of bridges in fair condition or better (based on deck area)	93%	94%	≥75%	95%	G
Percent of airport runways in satisfactory or better condition	66%	50%	≥60%	53%	Y
Number of pedestrian fatalities	54	58	≤45	60	R
Ride quality index for new construction	4.2	4.2	≥4.0	4.2	G
Percent of final cost-over-bid amount on highway construction projects	3.5%	1.0%	≤3.0%	2.0%	G
Percent of projects in production let as scheduled	63%	70%	≥70%	50%	R
Annual number of riders on park and ride	312,320	315,738	≥300,000	291,892	Y



Annual number of riders on the rail runner, in millions	1.2	1.1	≥1.2	1.0	R
Overall Program Rating					Y

Transportation and Highway Operations. Performance results are difficult to ascertain given data on critical measures related to road and highway conditions are assessed on an annual basis and FY15 data will not be available until June, 2016. FY14 condition assessments show an improvement in non-interstate road conditions despite a year-over-year deterioration in condition of National Highway System (NHS) and non-NHS roads. LFC staff is working to reconcile the apparent discrepancy.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Percent of non-interstate lane miles rated good	70%	73%	≥85%	n/a	
Percent of interstate lane miles rated good	94%	93%	≥95%	n/a	
Number of combined system-wide miles in deficient condition	8,128	6,652	≤3,500	n/a	
Number of statewide pavement miles preserved	3,139	2,889	≥2,750	2,611	Y
Amount of litter collected from department roads, in tons	6,825	6,201	≥11,000	6,484	R
Customer satisfaction at rest areas	99%	99%	≥98%	99%	G
Overall Program Rating					Y

Business Support. Although NMDOT did not meet the target vacancy rate, the agency has the lowest vacancy rate since the beginning of the recession in FY08.

Measure	FY13 Actual	FY14 Actual	FY15 Target	FY15 Actual	Rating
Vacancy rate in all programs	16%	14%	≤11%	12%	G
Number of employee injuries occurring in work zones	19	28	≤50	27	G
Number of employee injuries	81	106	≤90	95	Y
Overall Program Rating					G

Agency	Project description	Total State Appropriations	Total Federal	Est. Total Cost	Spent to Date	Project Stage	Est. End Date	Milestone(s) achieved last quarter	Milestone goal(s) for next quarter	Project status	Budget	Schedule	Functionality
333 TRD	MVD Driver Reengineering: Replace the MVD Driver and Vehicle Systems with an integrated system.	\$34,150,900	\$131,000	\$45,617,581	\$15,043,641	Implement	5/31/2016	The driver side module went live on time in May as scheduled. TRD received \$5.2 million in general fund and \$3.7 million in other state funds for implementation costs through FY17 for the vehicle module.	High level business process analysis for the inventory management of license plates and dealer management functions; monitor staffing resources and identify backfill opportunities.	The department completed the driver component in May 2015 as scheduled. The vehicle component is scheduled for completion in May 2016. "Spent to date" for the new system is reset from the cancelled HP contract (May 2011). IV&V vendor reports a "green" status for all elements of the project. In July 2015 it was reported that TRD was unable to deliver driver licenses and identification cards to some applicants; however, the department attributed this to a third party responsible for independently mailing driver's licenses. MVD has been working with the vendor to mitigate impacts and avoid them going forward with the vehicle module.			
333 TRD	ONGARD Mainframe Modernization: Full business process analysis and upgrade of oil and natural gas administration and revenue database system to the American Petroleum Institute (API) standard (expand current well number by four digits and add additional processing logic for horizontal drilling).	\$6,100,000	\$0	\$4,205,069	\$1,700,000	Initiation	1/1/2015	All process mapping deliverables were accepted by the tri-agencies; deliverables were largely on time and the overall schedule remains on track; requirements gathering kick-off	Evaluation of RFI responses for incorporation into FY17 IT budget request;	The IV&V vendor noted the request for information (RFI) contained substantial detail on the ONGARD system and the way the tri-agencies interact with it--more detail and substance than most RFIs the vendor reviews. During the past quarter, management reviewed a second round of resumes in the search for a qualified project manager (PM); currently, the vendor PM and oversight committee (OSC) director have been filling the gap (upcoming retirements of subject matter experts continue to pose significant risks as well). Finally, an archiving and retention policy for ONGARD records has been recommended by the IV&V vendor for the past year and is still outstanding.			
361 DoIT	SIRCITS: (Statewide Integrated Radio Communication Internet Transport System) -- Two Part Project: 1) Complete analog to digital microwave (DMW) conversion statewide to provide Middle Mile Broadband service, and; 2) Design and build a public safety 700Mhz Long Term Evolution (LTE) broadband technology platform "last mile" service in Abq and Santa Fe for increased public safety agency broadband data interoperability and be capable of integration into the nation-wide public safety LTE network.	\$17,000,003	\$38,699,997	\$55,700,000	\$50,952,882	Implement	9/30/2015	Construction and transition-to-operations plans are complete.	LTE training is planned (as required) as part of the General Dynamics contract; SIRCITS business and technical objectives will be fully evaluated in the closeout report in October	The DMW subproject is 98 percent complete. The LTE contract was executed in April 2015. The LTE pilot program is limited to 6 sites and 1 transportable site and will provide a fully operational public safety system that can be used for real life emergency situations. A DOIT core group of subject matter experts will provide support and maintenance. DOIT also has a contract with General Dynamics for three years warranty and support. The LTE build-out will complete by September 2015; federal partners (First Net) have not indicated what will transpire past the build-out completion date. Background: The 700 MHz Band is an important segment of spectrum freed up from the digital television transition and has excellent propagation characteristics such as the ability to penetrate buildings. In 2012, Congress enacted the Spectrum Act which formed the First Responder Network Authority (FirstNet, part of U.S. Department of Commerce) deploying and operating the nationwide public safety broadband network and allocated up to \$7 billion dollars to FirstNet to construct this nationwide public			

Agency	Project description	Total State Appropriations	Total Federal	Est. Total Cost	Spent to Date	Project Stage	Est. End Date	Milestone(s) achieved last quarter	Milestone goal(s) for next quarter	Project status	Budget	Schedule	Functionality
361 DoIT	SHARE Software Upgrade:	\$5,000,000	\$0	Unknown	Unknown	Planning	TBA	DoIT solicited vendor applications for software upgrade.	Revised implementation plan and review of vendor bids.	Fourth quarter update will be provided at Aug 19 LFC hearing. DoIT issued an invitation to vendors to submit bids to assist with the upgrade of the state's PeopleSoft system, SHARE, in mid-April. The state is in the process of evaluating submissions at this time and award the contract to a vendor at the end of June. The project is funded by a reauthorized \$5 million appropriation from 2013. Currently, SHARE is comprised of PeopleSoft FSCM 8.8 and HCM 8.9 and the state intends to have the chosen vendor assist with upgrading to FSCM and HCM 9.2. While the software updates are necessary, it is important that business processes are updated simultaneously in order for the upgrades to be successful from both a technical and a functional standpoint. Delay of this upgrade impacts other state IT systems, such as the HSD ASPEN project, which requires the completed upgrade for some necessary program interfaces.			
341 DFA	SHARE Cash Remediation Phase II: Fine-tune business processes related to disbursement activity (accounting approvals, staledating, etc.), automation of banking interfaces, reduced reliance on manual data keying and improved controls of general ledger activity.	\$5,000,000	\$0	\$4,500,000	\$1,054,000	Initiation	6/1/2015	Contract signed March 2015	Planning, requirements and design	Fourth quarter update will be provided at Aug 19 LFC hearing. During Cash Remediation Phase I, DFA identified additional deficiencies in business processes, system configuration and security. DFA set aside \$54 thousand in its FY14 operating budget for the initiation of phase II of this project to integrate third-party payment systems data into SHARE. The FY16 General Appropriations Act contains an additional \$3.9 million with language stating DFA is required to submit a plan to the State Board of Finance, although a due date of May 1, 2015 was vetoed by the governor. An additional \$1 million was spent to research and review bank versus book transactions from the implementation of SHARE (2009) through January 31, 2013 which will help inform this project.			
341 DFA	Comprehensive Annual Financial Report (CAFR) Reporting: Web-based financial consolidation and reporting application to replace the current manual process used to meet the state's regulatory and management financial reporting requirements.	\$1,700,000	\$0	\$7,700,000	\$500,000	Implement	2/28/2016	Purchased software, completed risk assessment, executed implementation contract	Implementation tasks initiated	Fourth quarter update will be provided at Aug 19 LFC hearing. New Mexico's 2013 CAFR was the first to be audited (prior CAFRs had only been "reviewed"). Due to many material findings, the 2013 CAFR has a disclaimed opinion. This project, in conjunction with other cash remediation efforts, will help ensure good financial controls are in place and that state financial data is credible and reliable. In FY14, DFA increased the contingent liability against the state's general fund reserve due to unreconciled historical balances to \$100 million. DFA requested a waiver from the requirement for independent verification and validation quality control services; the DoIT project certification committee voted to approve. Background: Since the implementation of SHARE in 2006, the statewide cash balance in the SHARE general ledger accounts have not been reconciled to the amounts registered at the state's bank. Following the SHARE cash remediation efforts (described above), in February 2013 DFA began reconciling accounts to the bank on a "go-forward" basis.			

Agency	Project description	Total State Appropriations	Total Federal	Est. Total Cost	Spent to Date	Project Stage	Est. End Date	Milestone(s) achieved last quarter	Milestone goal(s) for next quarter	Project status	Budget	Schedule	Functionality
539 SLO	Land Information Management System (LIMS): Replace existing surface and minerals land management, leasing, and associated financial functionality of ONGARD. LIMS will integrate with ONGARD and automate the 100-year old paper Tract Books with a Digital Tract Book component, and include a back file conversion.	\$1,335,000	\$0	\$6,800,000	\$3,373,425	Implement	1/31/2016	Backfile conversions largely completed; training, deployment and closeout for Segment 1: Land Grid (e.g. Public Land Survey System subdivision units); • Beneficiary • Land Ownership (SLO surface, SLO subsurface, Federal, Tribal or Private)	Conduct user acceptance testing for Segment 2 (lessee, land description from paper to GIS digital land tract book); planning phase for Segment 3: (lessees right-of-way permits and billing, commercial leasing and billing, agricultural and grazing leasing and billing, minerals leasing, billing and royalties financial integration).	The project timeline was pushed out by two to three months; backfile conversions of agency paper tract books (official records of land status and transactions) are a few months behind. An extension also allowed more time for testing and data integration back to ONGARD. The project is about 51 percent complete (including rebaselining of the project timeline). The next 7 months are crucial implementation stages of the project. The IV&V vendor notes executive steering committee (ESC) involvement diminished during this past reporting period--there have not been any ESC meetings. The project managers keep the ESC informed of project activities with e-mails of the weekly status report, project schedule, risk log, and any other pertinent information. The project currently only has an acting interim project director; a permanent project sponsor needs to be appointed to ensure there is an escalation path for business project issues.			
630 HSD	ASPEN – State Based Marketplace (SBM): Enhance ASPEN to accommodate the transition from the federally facilitated marketplace (FFM) to a state based marketplace to be implemented by the New Mexico Health Insurance Alliance.	\$0	\$17,967,936	\$15,102,121	\$8,773,044	Implement	10/1/2014	All contract work has been completed and approved for the project.	Project certification close out is planned tentatively planned for Sept 2015.	In December 2014, the NM Health Insurance Alliance (NMHIX) learned the Centers for Medicaid and Medicare Services denied its application for almost \$100 million in grant funding to comply with additional CMS requirements for development of the state-based individual exchange. In March 2015 the NMHIX board voted to halt construction of the exchange and continue discussions with CMS to possibly implement a lease option for 2017 which could include terminating or amending all exchange contracts. The decision to remain on the federal market will require a significant change in the current ASPEN-SBM project approach, plans, and schedule. DoIT will work with HSD to determine the impact and next steps for this project.			
630 HSD	MMIS Replacement Project: Replace the Medicaid Management Information System ("Omnicaid") and supporting application to align with Centers for Medicare and Medicaid Services (CMS) requirements.	\$908,990	\$8,200,910	See project status	\$12,518,684	Planning	12/31/2019	The project managers completed the Medicaid information technology architecture (MITA) state self assessment and submitted the IV&V RFP to the Centers for Medicare and Medicaid review. Managers continue to develop and implement planning structures for the multi-year project.	Execute the IV&V contract.	Total cost (federal and state) is estimated to be \$6.2 million through FY16 alone. While this multi-year project is expected to cost significantly more in ongoing years, the federal match rate is approximately 90 percent. The 2015 General Appropriations Act contains \$620 thousand in state general fund revenue and \$5.6 million in federal funds for the project. Project schedule status is yellow due to risks associated with the feasibility timeline and the federal Department of Health and Human Services 2020 vision.			

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630 HSD	Child Support Enforcement System Replacement (CSES): Enhance or replace the existing system which maintains more than 59 thousand active cases with over \$132 million in annually distributed child support payments.	\$3,400,000	\$0	Unknown	\$223,152	Planning	6/30/2019	National Human Services Interoperability Architecture data and interface plans complete.	Business requirement validation	Per direction of HSD, the project management office is making changes to key staff, team organization, processes, and project tools to improve its support of this initiative. Project schedule status is yellow due to risks associated with the feasibility timeline and federal partners (Dept of Health and Human Services) 2020 vision. CSES is in compliance with federal requirements; however, the system supporting the business process is limited due to aging technologies, outdated code and changes over the years. The 2015 General Appropriations Act contains \$3.4 million in other state funds (incentive funds HSD receives for meeting federal requirements) for the planning phase. HSD expects to complete the planning phase by end of FY16. Federal matching funds will be available at approximately 66 percent federal to 34 percent state. Completion of the planning phase will determine the estimated full implementation costs for this project; despite the federal match, care must be taken during planning to ensure adequate return on investment for this project which will require millions in additional state funds to complete.			
690 CYFD	EPICS is a multi-phase/multi year project to consolidate Children, Youth and Families Department's legacy system (FACTS) and 25+ stand-alone systems into one enterprise-wide web application. The system will support program efforts to build a rapid response to federal, state and local requirements. A comprehensive view of clients and providers will increase productivity, direct client care and safety.	\$7,535,200	\$5,680,067	\$10,506,767	\$8,450,284	Implement	6/30/2018	Phase III service management is nearly complete and scheduled for deployment in FY16-Q2.	Phase 3.1 F Child Care Assistance-Case Mgmt. Child Care Provider-Provider Mgmt. Pre-K	Due to risks associated with the phased funding, grant timing constraints for the Race to the Top phase, and transition in project team members, the overall analysis is yellow pending review of key project criteria. DoIT reports they, along with new partners in leadership, identified "variances" in project they performance indicators which include challenges in project tracking; DoIT and CYFD began project methodology evaluations to identify issues and next steps. LFC initiated a performance evaluation for this project in August 2015.			

Source: DoIT IT project status reports, agency status reports, project certification committee documents, IV&V reports, and LFC analysis.