

STATE OF NEW MEXICO

EXECUTIVE BUDGET
Fiscal Year 2010
(July 1, 2009 - June 30, 2010)

Governor Bill Richardson

January 2009

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Printed by
State Printing Bureau
General Services Department
Santa Fe, New Mexico

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FY10 Executive Budget Recommendation Introduction

January 2009 marks the beginning of the Richardson Administration's seventh year in office and the opportunity to build on the successes of the last six years. Policy decisions made by Governor Richardson and the Legislature over the last six years have made New Mexico a better place to live, work and do business. The FY10 Executive budget recommendation reflects a state economy that is weathering a national and world-wide recession, while supporting strategic state initiatives.

Governor Richardson has continued to focus on improving the state's public education system and there are clear signs of progress. New Mexico's long-term trends are up in three of the four most important measures of student achievement and ranks well in other areas:

- New Mexico's NAEP scores in 4th grade math, 4th grade reading and 8th grade math have increased significantly (National Center for Educational Statistics, 2007).
- The Quality Counts 2009 Report ranked New Mexico 2nd in the nation for transitions and alignment between early childhood education, college readiness, the economy and the workforce. New Mexico retains its rankings of 16th in the nation for standards, assessment, and accountability; and 17th in the nation for the teaching profession. The Quality Counts 2009 Report did not survey states on policies related to the teaching profession or standards, assessments, and accountability. These topics will reappear in the 2010 edition of Quality Counts.
- New Mexico ranked 3rd in the nation for investing in teacher salaries over the decade and has improved in the national salary rankings from 46th to 39th (NEA, 2008).
- Nineteen New Mexico high schools were named among "America's Best High Schools" (U.S News and World Report, 2008).
- New Mexico ranked among ten other top-scoring states in "The State of Preschool: 2007 State Preschool Yearbook," (National Institute for Early Education Research, 2007).
- New Mexico met nine of ten quality criteria for early childhood education and was recognized for its comprehensive early learning standards, class size, teacher degree requirements, staff-child ratios, health screenings, and individual programs monitoring.
- New Mexico ranked 1st in the nation for school breakfast programs (Food Action and Research Center, 2007).
- New Mexico ranked 2nd in the nation for education reform (Fordham Foundation, 2006).

Impaired driving continues to be a problem in New Mexico; however, the state has experienced significant improvements in this area. Agencies throughout state government have worked together to ensure every available resource is utilized to combat this problem. Under the leadership of Governor Richardson, efforts to reduce DWI have continued. The year 2005 marked the onset of a flurry of new policies and programs in the areas of public awareness, enforcement, education and treatment. "You Drink, You Drive, You Lose". Our public awareness campaign has become a statewide slogan. The Mobile Strike Unit developed by the Department of Public Safety has cracked down on establishments that are serving minors and persons who are intoxicated. Based on recommendations of a statewide task force, the Regulation and Licensing Department increased the penalties for establishments that consistently violate the law. The Department of Public Safety has a new toll free number for drivers to report suspected intoxicated drivers on New Mexico roads and highways. The Department of Transportation has doubled the number of grants to local law

enforcement agencies in the counties with the highest DWI crash fatality rate. The most recent report from the Traffic Safety Bureau indicates that in 2008, total fatalities were down by 14.9% and alcohol involved fatalities were down by an incredible 26.4 %. These reductions are on top of the 15% reduction in overall fatalities and 11.5% reduction in alcohol involved fatalities seen in 2007. These declines can be attributed to enhanced DWI legislation, progressive DWI policies/programs implemented the Richardson Administration, aggressive enforcement by law enforcement agencies throughout the state and finally an aggressive anti-DWI public information campaign. The latest “Storm is Coming” campaign will continue the administrations efforts in protecting citizens against DWI drivers. During the 2008 “100 Days and Nights of Summer” traffic enforcement campaign police agencies statewide issued more than 128,675 citations and arrests for a host of offenses, including 2,227 DWI arrests and 40,400 speeding violations.

The *Path to Progress* has been forged by the hard work and focus of its greatest resource, its people. Together, we are *Making a Difference* in the ability to make our state the premier destination to live, work and play and we are *Expanding Opportunities* for every New Mexico community to thrive; but there is more to be done. In FY10, the Executive Recommendation reflects priorities that continue moving New Mexico in the right direction by building on our successes and continuing to find *Solutions for New Mexico* and leave *A Legacy for Results* while responding to the global financial crisis.

Just a few of the significant Administration priorities are highlighted below.

Fiscal Responsibility Achieves Results

During the 2008-2009 interim, the Executive continued to enhance its Performance and Accountability contracts to ensure the Cabinet stays focused on key Administration priorities. The policy agreements help ensure taxpayer dollars are spent wisely; they require accountability within the administration and identify necessary steps to achieve results. The policy goals focus on what is important to the citizens of New Mexico and help frame the Executive Budget Recommendation. The result is Performance and Accountability policies that are organized around the following seven strategic areas that set forth the basis for cross-agency collaboration and direction:

- Making Schools Work
- A Healthy New Mexico
- A Safer New Mexico
- Promoting and Growing New Mexico
- Protecting and Promoting New Mexico’s Environment
- Efficient Services for New Mexicans

Each set of goals identifies significant target outcomes, specific tasks required to achieve these outcomes, measures of the benefits to the citizens of New Mexico and action steps for producing results. Throughout the interim, cabinet secretaries and senior policy-makers actively participated in the development and refinement of the goals. The process requires much collaboration across and within state agencies. The policies provide a framework for making budget decisions and they help identify how agency budget requests align with the goals of the Richardson Administration. Cabinet secretaries provide the Governor and Governor’s Office staff regular progress reports on attaining results towards these administration goals.

The FY10 Executive Budget Recommendation supports the priorities emphasized by the administration and is based on reductions in state revenue due to lower world oil prices and national natural gas prices, as well as the national financial crisis. It is a recommendation built on fiscal responsibility, a balanced budget and maintenance of prudent state reserves. While the FY10 recurring general fund appropriation recommendation is roughly \$140 million less than the FY09 recurring general fund operating budget, the Executive recommendation is designed to minimize impacts to direct services.

As in the first term, the focus for the remainder of the Richardson Administration's second term continues to be on securing significant gains on our core policy agenda and holding down the cost of state government while driving up agency efficiency and effectiveness. All departments have been held fully accountable for compliance with both objectives and the Administration will continue to deliver these results. Agencies are aligning their strategic plans and their performance measures with the Governor's Performance and Accountability policies. This will ensure that in New Mexico budget and policy continue to be aligned.

Finally the Executive recommendation reflects the Administration's commitment to ensure every New Mexico child has a world-class education and more New Mexicans have access to health care

Making Schools Work

Every New Mexico child deserves a world-class education. Thus, the Administration priorities include expanding the PreK-20 education system focused on raising the level of excellence for all students by closing the student achievement gap that exists among the diverse student populations within New Mexico, and between New Mexico students and those students in other states and countries. One Administration goal for *Making Schools Work* is to prepare all New Mexico students to succeed in a complex world by providing a world-class PreK-20 education system.

The Governor's *Making Schools Work* agenda outlines the FY10 strategic policy initiatives for Pre-K and K-12 public schools:

- Ensuring that all young children are ready for school;
- Keeping students healthy and ready to learn by providing access to health care, healthy food and physical fitness activities;
- Increasing parents' involvement in their children's education;
- Increasing the level of educational excellence for all students;
- Closing the student achievement gap by supporting the children and schools who need the most help;
- Ensuring that all students are taught by qualified teachers; and
- Ensuring that students graduate from high school better prepared to succeed in higher education and the workplace.

The Executive recommendation continues its expansion of pre-kindergarten, increasing the program by \$3,000.0 (\$2,000.0 to the Public Education Department and \$1,000.0 to the Children, Youth and Families Department), and increasing the number of pre-kindergarten students by 1,034 to 5,605.

The Administration is also focused on ensuring students have a healthy and safe school experience. To accomplish this, the Executive proposes to:

- Continue to expand the Elementary Physical Education initiative to increase access to quality physical education at elementary schools;
- Continue to expand breakfast to eligible students who attend schools that have at least 50 percent of students determined as eligible for free and reduced lunch;
- Continue to expand the school improvement framework to strengthen New Mexico's capacity to meet No Child Left Behind requirements, and engage in using school data and multi-year strategic planning; and
- Continue before- and after-school programs to decrease childhood obesity, increase daily physical activity, provide students with healthy food choices, provide nutrition education and parent and community involvement in schools, to improve student achievement and reduce the economic burden of chronic disease associated with obesity.

Higher Education: Key for the Future

The Higher Education Department continues to promote four overarching strategic priorities for New Mexico's system of public postsecondary education in collaboration with higher education leaders, the public education and business communities, and several task forces addressing higher education issues. These priorities are closely coordinated with work being done regarding public school curricula and workforce requirements. The strategic priorities are as follows:

- Increase student access and success;
- Innovate to meet current and future educational needs efficiently and effectively;
- Provide programs and services integral to state and regional economic needs; and
- Position New Mexico higher education to be ranked in the upper echelon by improving national rankings.

The ultimate goal driving the priorities is to ensure that the state system of higher education provides all New Mexicans the opportunity to succeed in a competitive environment.

A Healthy New Mexico

For the past five years, this administration has worked hard to cover more uninsured citizens. Small employers in New Mexico now have more affordable options for offering health coverage and New Mexicans have more opportunities for obtaining affordable coverage.

Governor Richardson continues initiatives to provide opportunities for affordable health insurance and lowering the state's current rate of persons without health insurance, particularly children covered under the Medicaid program. In addition, the budget recommendation supports the continued development of New Mexico's healthcare workforce to enable the state to provide services based on an increasing population demand.

Other Health and Human Services Initiatives

Other health and human services initiatives include dollars for the Los Lunas Substance Abuse Treatment Center operations; to continue implementing the “Missouri Model” in New Mexico and better care for and rehabilitate youth committed to the juvenile justice system; and to provide child care to families whose income is up to 200% of the federal poverty level through the Children, Youth and Families Department.

The Executive Budget Recommendation: A Guide to the Budget

Essential enhancements for Public Education, Medicaid and a myriad of other issues specific to State government services is addressed in the Executive Budget Recommendation document. Budget recommendations are included for all state departments, agencies and public school and higher education institutions. Reports on each entity include an Executive Summary, Strategic Directions, Key Elements of the Recommendation and Performance Report.

The Executive Budget Recommendation for FY10 is arranged numerically according to agency code numbers as listed in the Table of Contents. An alphabetical reference can be found in the Index. Throughout the document, except where specifically noted, all dollar amounts are expressed in thousands of dollars.

**Legislative Branch
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10 <u>Budget to Recommendation</u>	
				<u>Dollar Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	18,808.6	20,138.5	19,127.9	(1,010.6)	(5.0)
Fund Balances	0.0	0.0	0.0	0.0	0.0
TOTAL SOURCES	18,808.6	20,138.5	19,127.9	(1,010.6)	(5.0)
USES					
Legislative Council Service	5,044.1	6,044.2	5,742.0	(302.2)	(5.0)
Legislative Finance Committee	4,007.2	4,429.7	4,207.1	(222.6)	(5.0)
Senate Chief Clerk	871.6	1,223.4	1,162.2	(61.2)	(5.0)
House Chief Clerk	891.8	1,168.4	1,110.0	(58.4)	(5.0)
Legislative Education Study Committee	1,206.4	1,287.0	1,220.0	(67.0)	(5.2)
Legislative Building Services	3,667.6	4,298.9	4,084.0	(214.9)	(5.0)
Pre-Session Expenses	552.3	552.3	524.7	(27.6)	(5.0)
Interim Committee Expenses	1,036.0	1,036.0	984.2	(51.8)	(5.0)
Senate Rules Interim Committee	21.6	21.6	20.5	(1.1)	(5.0)
Energy Council Dues	32.0	32.0	30.4	(1.6)	(5.0)
Legislative Internship Program	45.0	45.0	42.8	(2.2)	(5.0)
TOTAL USES	17,375.6	20,138.5	19,127.9	(1,010.6)	(5.0)
FTE					
Permanent	178.5	183.5	183.5	0.0	0.0
Term	0.0	0.0	0.0	0.0	0.0
Temporary	6.0	6.0	6.0	0.0	0.0
TOTAL FTE POSITIONS	184.5	189.5	189.5	0.0	0.0

Executive Summary

The State Courts and other judicial agencies are comprised of the following agencies: Supreme Court Law Library; New Mexico Compilation Commission; Judicial Standards Commission; Court of Appeals; Supreme Court; and Supreme Court Building Commission. All policy issues regarding the judicial branch of government are addressed under the state courts as the Supreme Court has superintending authority over all judicial agencies in New Mexico.

	FY09	FY10	
	Operating	Recommendation	% Change
	<u>Budget</u>	<u>Recommendation</u>	
General Fund	12,593.0	12,680.2	0.7
Total Sources	14,024.3	14,555.8	3.8
Program			
Supreme Court Law Library	1,830.3	1,784.7	-2.5
New Mexico Compilation Commission	1,600.8	2,040.7	27.5
Judicial Standards Commission	851.6	854.6	0.4
Court of Appeals	5,805.5	5,849.1	0.8
Supreme Court	3,143.8	3,115.2	-0.9
Supreme Court Building Commission	792.3	911.5	15.0
Total Uses	14,024.3	14,555.8	3.8
FTE	132.80	134.80	1.5

- The Executive recommends expansion funding for the new Court of Appeals annex located in Albuquerque.
- The Executive recommendation increases the Supreme Court Building Commission's contractual category to accommodate increases to maintenance agreements.

Agency Mission and Program Purpose

Statutory Authority: Supreme Court Law Library: Sections 18-1-1 through 18-1-12 NMSA 1978.

New Mexico Compilation Commission: Sections 12-1-1 through 12-1-14 NMSA 1978.

Judicial Standards Commission: Amendment to Article VI, Chapter 32, New Mexico Constitution; Laws 1968, Chapter 38.

Court of Appeals: Sections 34-5-1 through 34-5-14 NMSA 1978.

Supreme Court: Article VI, New Mexico Constitution, Sections 34-2-1 through 34-2-9 NMSA 1978.

Supreme Court Building Commission: Sections 34-3-1 through 34-3-3 NMSA 1978.

Supreme Court Law Library

The Supreme Court Law Library provides legal materials and research services, as well as statewide oversight over district court law libraries and instructions for public and academic librarians providing access to legal material. The main library is located in the Supreme Court building in Santa Fe.

New Mexico Compilation Commission

The New Mexico Compilation Commission is required to publish the official compilation of New Mexico laws. Publication of the NMSA 1978 includes proofreading, printing and distribution of all new laws, joint resolutions and court rules. The commission publishes and sells all opinions of the New Mexico Supreme Court, Court of Appeals and Attorney General. The commission assists state agencies with special publications of the NMSA 1978 and state regulations and assists the Secretary of State with the publication of the session laws.

Judicial Standards Commission

The Judicial Standards Commission is responsible for the investigation of complaints made against justices and judges of the state judiciary for violations of the code of judicial conduct. The commission strives to protect the public from improper behavior by judges, preserve the integrity of the judicial process, maintain public confidence in the judiciary and provide for the expeditious disposition of complaints of judicial misconduct.

Court of Appeals

The New Mexico Court of Appeals is the intermediate appellate court between the district courts, certain administrative agencies and the New Mexico Supreme Court. The court's goal is to decide cases fairly and expeditiously, maintaining archived copies of case materials accessible to the public.

Supreme Court

The Supreme Court hears appeals from the Public Regulation Commission, from district court judgments imposing a sentence of death or life imprisonment and cases from the Court of Appeals. The New Mexico Constitution, Article IV, Section 25, mandates that the Chief Justice preside at impeachment trials. The Supreme Court provides oversight and superintending control over all the courts in the State. The Supreme Court also has authority to set rules for the conduct of lawyers and judges, admission to the practice of law and continuing legal education requirements.

Supreme Court Building Commission

The Supreme Court Building Commission has care, custody and control of the Supreme Court building and its grounds, along with all equipment, furniture and fixtures used by agencies of the judiciary housed, therein, although such equipment may also be maintained in part by the individual agencies.

Executive Recommendation*Agency Strategic Directions*

The courts and other judicial agencies play an important role in the safety of all New Mexicans. In addition to providing access to justice and the opportunity to resolve disputes in a just and timely manner, the courts look for alternative ways to support the public. The courts continue to develop and expand programs such as: DWI Programs; Adult and Juvenile Drug Court; Family Court;

Domestic Violence Programs; and Mental Health Court. These initiatives support not only public safety but the goal of making families better by providing alternative sentencing, counseling, parenting classes, education, and parenting skills. By implementing and supporting such programs, the courts address the goals of keeping families together and reducing recidivism.

Key Elements of Recommendation

Supreme Court Law Library. The Executive recommendation for the Supreme Court Law Library decreases General Fund by 2.5% from the FY09 operating level. A reclassification of law librarians and an increase to two of the library's major research contracts required a reduction to library and museum acquisitions.

New Mexico Compilation Commission. The Compilation Commission receives funding from the General Fund and through the sale of legal documents, requiring expertise in managing a fluid budget. The Executive recommendation decreases General fund by 2.5% from the FY09 operating level, but increases contractual services for the XML data base funded by a transfer from the Legislative Council Service.

Judicial Standards Commission. The Executive recommendation supports an increase of 0.4% in General Fund due to costs related to employee benefits.

Court of Appeals. The Executive recommendation for the Court of Appeals is a 0.8% increase over the FY09 operating budget, allowing the court to support the scheduled occupancy of the new Court of Appeals annex building in Albuquerque.

Supreme Court. The Executive recommendation for the Supreme Court is for a 0.9% decrease in General Fund. To offset increases to personal services and employee benefits, reductions were made to contractual services and other operating expenses.

Supreme Court Building Commission. The Executive recommendation for the Supreme Court Building Commission reflects an increase of \$119.2 in General Fund over the FY09 operating level. The increase includes funding for maintenance agreements for the historic Supreme Court Building, including the cost of maintaining and repairing the building's elevators. Other operating costs were reduced in order to partially accommodate the increased contractual costs.

Performance Report

For FY08, the Supreme Court Law Library percent of updated titles was 78.4%, just short of its goal of 80%. The agency exceeded its goal of 6,600 research requests by 2,100. The agency exceeded its goal of 50,000 website hits by 27,748 hits. The agency did not meet its goal for the percent of staff time spent on shelving and updating library materials.

For FY08, the New Mexico Compilation Commission reported \$1,433.9 for the amount of revenue collected, exceeding its goal by \$142.6, or 10%.

The Judicial Standards Commission met or exceeded its performance measures for FY08. Time for release of the annual report to the public was on target. Average time for formal hearings to be held and the time for the commission to file petitions for temporary suspension exceeded the targets. The agency reported 144 docketed complaints were recorded.

The Court of Appeals exceeded its target for cases disposed as a percent of cases filed. The court also reported that the number of legal opinions written for FY08 was 738, a decrease of 21 opinions written from FY07.

The Supreme Court exceeded its target for number of cases disposed as a percent of cases filed. The Supreme Court reported that 103 opinions, decisions and dispositional orders were written in FY08.

The Supreme Court Building Commission did not report a result for the accuracy of fixed-assets inventory records. The Supreme Court Building Commission will report the FY08 data upon conclusion of the FY08 audit.

Budget Summary Tables

**Agency Budget Summary
(Dollars in Thousands)**

	<u>FY08 Actuals</u>	<u>FY09 Operating Budget</u>	<u>Recom- mendation</u>	<u>FY10 Budget to Recommendation</u>	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	11,780.1	12,593.0	12,680.2	87.2	0.7
Other Transfers	100.0	0.0	400.0	400.0	***
Other Revenues	1,201.8	1,431.3	1,475.6	44.3	3.1
TOTAL SOURCES	13,081.9	14,024.3	14,555.8	531.5	3.8
USES					
Personal Services and Employee Benefits	9,192.5	10,522.4	10,806.1	283.7	2.7
Contractual Services	1,679.4	1,684.3	2,005.3	321.0	19.1
Other	1,788.5	1,817.6	1,744.4	-73.2	-4.0
TOTAL USES	12,660.4	14,024.3	14,555.8	531.5	3.8
FTE					
Permanent	73.50	130.80	132.80	2.00	1.5
Term	1.00	1.00	1.00	0.00	0.0
Temporary	0.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	74.50	132.80	134.80	2.00	1.5

**Supreme Court Law Library
(Dollars in Thousands)**

	<u>FY08 Actuals</u>	<u>FY09 Operating Budget</u>	<u>Recom- mendation</u>	<u>FY10 Budget to Recommendation</u>	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	1,784.5	1,828.9	1,783.2	-45.7	-2.5
Other Revenues	1.4	1.4	1.5	0.1	7.1
TOTAL SOURCES	1,785.9	1,830.3	1,784.7	-45.6	-2.5
USES					
Personal Services and Employee Benefits	674.2	738.3	755.8	17.5	2.4
Contractual Services	428.0	376.5	384.5	8.0	2.1
Other	645.6	715.5	644.4	-71.1	-9.9
TOTAL USES	1,747.8	1,830.3	1,784.7	-45.6	-2.5
FTE					
Permanent	9.00	9.00	9.00	0.00	0.0
TOTAL FTE POSITIONS	9.00	9.00	9.00	0.00	0.0

New Mexico Compilation Commission
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	0.0	171.9	167.6	-4.3	-2.5
Other Transfers	100.0	0.0	400.0	400.0	***
Other Revenues	1,198.3	1,428.9	1,473.1	44.2	3.1
TOTAL SOURCES	1,298.3	1,600.8	2,040.7	439.9	27.5
USES					
Personal Services and Employee Benefits	271.7	362.1	522.2	160.1	44.2
Contractual Services	1,093.9	1,059.9	1,348.0	288.1	27.2
Other	147.1	178.8	170.5	-8.3	-4.6
TOTAL USES	1,512.7	1,600.8	2,040.7	439.9	27.5
FTE					
Permanent	5.00	5.00	5.00	0.00	0.0
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	6.00	6.00	6.00	0.00	0.0

Judicial Standards Commission
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	802.2	851.6	854.6	3.0	0.4
TOTAL SOURCES	802.2	851.6	854.6	3.0	0.4
USES					
Personal Services and Employee Benefits	0.0	657.2	674.5	17.3	2.6
Contractual Services	30.7	55.0	44.5	-10.5	-19.1
Other	198.6	139.4	135.6	-3.8	-2.7
TOTAL USES	229.3	851.6	854.6	3.0	0.4
FTE					
Permanent	0.00	7.00	7.00	0.00	0.0
Temporary	0.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	0.00	8.00	8.00	0.00	0.0

State Courts and Other Judicial Agencies

20000

Court of Appeals
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	5,511.4	5,804.5	5,848.1	43.6	0.8
Other Revenues	2.1	1.0	1.0	0.0	0.0
TOTAL SOURCES	5,513.5	5,805.5	5,849.1	43.6	0.8
USES					
Personal Services and Employee Benefits	5,006.4	5,247.3	5,311.9	64.6	1.2
Contractual Services	87.8	135.0	69.0	-66.0	-48.9
Other	402.6	423.2	468.2	45.0	10.6
TOTAL USES	5,496.8	5,805.5	5,849.1	43.6	0.8
FTE					
Permanent	59.50	60.50	62.50	2.00	3.3
TOTAL FTE POSITIONS	59.50	60.50	62.50	2.00	3.3

Supreme Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	2,920.4	3,143.8	3,115.2	-28.6	-0.9
TOTAL SOURCES	2,920.4	3,143.8	3,115.2	-28.6	-0.9
USES					
Personal Services and Employee Benefits	2,608.6	2,868.0	2,882.2	14.2	0.5
Contractual Services	31.8	51.0	40.1	-10.9	-21.4
Other	280.0	224.8	192.9	-31.9	-14.2
TOTAL USES	2,920.4	3,143.8	3,115.2	-28.6	-0.9
FTE					
Permanent	0.00	34.00	34.00	0.00	0.0
TOTAL FTE POSITIONS	0.00	34.00	34.00	0.00	0.0

Supreme Court Building Commission
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	761.6	792.3	911.5	119.2	15.0
TOTAL SOURCES	761.6	792.3	911.5	119.2	15.0
USES					
Personal Services and Employee Benefits	631.6	649.5	659.5	10.0	1.5
Contractual Services	7.2	6.9	119.2	112.3	1,627.5
Other	114.6	135.9	132.8	-3.1	-2.3
TOTAL USES	753.4	792.3	911.5	119.2	15.0
FTE					
Permanent	0.00	15.30	15.30	0.00	0.0
TOTAL FTE POSITIONS	0.00	15.30	15.30	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Supreme Court Law Library					
The mission of the Supreme Court Law Library is to provide and produce legal information for the judicial, legislative, and executive branches of state government, the legal community; and the public at large so they may have equal access to the law, effectively address the courts, make laws and write regulations, better understand the legal system, and conduct their affairs in accordance with the principles of law.					
Output	Percent of updated titles	80%	78.4%	80%	80%
Quality	Percent of staff time spent on shelving and updating library materials	<20%	24.25%		
Output	Number of website hits	50,000	77,748		
Output	Number of research requests	6,600	8,700	6,700	6700
New Mexico Compilation Commission					
The mission is to publish in print and electronic format, distribute, and sell: (1) laws enacted by the New Mexico Legislature, (2) opinions of the New Mexico Supreme Court and New Mexico Court of Appeals, (3) rules approved by the New Mexico Supreme Court, (4) Attorney General opinions, and (5) other state and federal rules and opinions. The Commission ensures the accuracy and reliability of the laws, rules and opinions it publishes and makes publications available to the public in a variety of special publications.					
Output	Amount of revenue collected, in thousands	\$1,291.3	\$1,433.9	\$1,291.3	\$1,291.3
Judicial Standards Commission					
Is responsible for the investigation of complaints made against justices and judges of the state judiciary for violations of the code of judicial conduct.					
Efficiency	Upon knowledge of cause for emergency interim suspension, time for commission to file petition for temporary suspension, in days	2	1.5	2	2
Output	Time for release of annual report to the public, from the end of the fiscal year, in months	2	2	2	2
Efficiency	For cases in which formal charges are filed, average time for formal hearings to be held, in meeting cycles	3	2.8	3	3
Explanatory	Number or inquiries regarding judicial disciplinary matters	2,500	1852		
Explanatory	Number of docketed complaints	110	144		
Court of Appeals					
The mission of the New Mexico Court of Appeals is to provide access to justice; resolve disputes justly and timely; and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.					
Explanatory	Cases disposed as a percent of cases filed	95%	103.86%	97%	98%
Explanatory	Number of legal opinions written		738		
Supreme Court					
The mission is to provide access to justice; resolve disputes justly and timely; and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.					
Explanatory	Cases disposed as a percent of cases filed	95%	101.1%	95%	95%
Explanatory	Number of opinions, decisions and dispositional orders written		103		
Supreme Court Building Commission					
The mission is to retain custody and control of the Supreme Court Building and its grounds and to provide care, preservation, repair, cleaning, heating, lighting, and to hire necessary employees for these purposes					
Quality	Accuracy of fixed-assets inventory records	100%	TBD	100%	100%

Executive Summary

The Administrative Office of the Courts serves as the central staff for the state's unified court system and provides policy development and administrative support to all courts.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	43,906.1	43,758.4	-0.3
Total Sources	54,700.1	56,030.5	2.4
Program			
Administrative Support	10,489.6	10,430.5	-0.6
Statewide Judiciary Automation	8,313.3	8,139.7	-2.1
Magistrate Court	27,702.9	29,277.5	5.7
Special Court Services	8,194.3	8,182.8	-0.1
Total Uses	54,700.1	56,030.5	2.4
FTE	433.25	433.75	0.1

- The Executive supports the move of a children’s court attorney from a contractual position to a 0.5 FTE. The position will allow for central coordination of children's court initiatives and serve as a statewide legal resource for children’s court judges.

Agency Mission and Program Purpose

The Administrative Office of the Courts (AOC) administers the Magistrate Court program and the statewide automation program. It also provides guidance and technical assistance to all judicial agencies. AOC provides funding and oversight for many of the special court services.

Statutory Authority: Sections 34-9-1 through 34-9-16 NMSA 1978.

Administrative Support

Administrative Support provides support services to the chief justice of the Supreme Court, all judicial branch units and the Administrative Office of the Courts (AOC) so that it may effectively administer New Mexico’s court system. The program receives most of its operating revenue from the General Fund. Approximately one-quarter of its revenue comes from federal grants and jury demand fees.

Statewide Judiciary Automation

This program is commonly referred to as the Judicial Information Division (JID), which provides automation support services for the judicial branch of government. JID’s goal is to provide services that effectively and efficiently support court functions and produce results for users of judicial services.

The revenue collected from the Supreme Court Automation and Municipal Court Automation funds supports approximately three-quarters of the operating budget for the Statewide Judiciary Automation Program; the remaining funding is derived from the General Fund. The Supreme Court

Automation Fund receives its revenue from docket fees and civil filing fees from various courts as well as fees from traffic violation convictions. The Municipal Court Automation Fund receives its revenue from fees imposed on individuals found guilty of a criminal charge by a municipal judge.

Magistrate Court

The Magistrate Court Program is a court of limited original jurisdiction within the judicial branch. The purpose of the Magistrate Court Program is to provide access to justice, resolve disputes justly and timely and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States. The employees of the magistrate courts are subject to all laws and regulations applicable to other state offices and agencies and to other state officers and employees except where otherwise provided by law. The magistrate court is not a court of record.

The Magistrate Court Program primarily receives its revenue from the General Fund. The program receives additional revenue from fees applied to bench warrants issued by magistrate judges, which fully fund warrant enforcement activities. Another source of revenue is the Metropolitan Magistrate Facility Fee Fund. The majority of the fee revenue is designated to repaying the bonds for Bernalillo County Metropolitan Court's new building.

Special Court Services

Special Court Services was established in FY04. The program currently has 2 FTE, and is comprised primarily of contractual services and transfers to other judicial agencies. The services provided by this program include water rights litigation, supervised visitation, children's court mediation, court-appointed special advocates (CASA), court-appointed attorneys, and judges pro tempore.

Executive Recommendation

Agency Strategic Directions

In addition to providing access to justice and the opportunity to resolve disputes in a just and timely manner, the courts look for alternative ways to support positive public outcomes. The courts continue to expand adult and juvenile drug court programs and continue to develop DWI programs; domestic violence programs; and mental health court. These initiatives support not only public safety, but the goal of making families better by providing alternative sentencing, counseling, parenting classes, education and parenting skills. These programs aim to reduce recidivism and to keep families together.

Key Elements of Recommendation

Administrative Support Program. The Executive recommendation decreases General Fund by 1.9% or \$160.9. An overall decrease is primarily related to a reduction in federal funding. Total funding for the Administrative Support Program is decreased by \$59.1 below the FY09 budget.

Statewide Judiciary Automation Program. The Executive recommendation decreases General Fund by \$178.5 or 5.7% from the FY09 operating level. Personal services and employee benefits are maintained at the FY09 level. The recommendation includes decreases of \$10.8 or 1.4% in contractual services and \$162.8 or 5.1% in other operating costs primarily for information technology equipment and maintenance, and other equipment.

Magistrate Court Program. The Executive recommendation increases General Fund by 0.8% or \$203.2 over the FY09 operating level to provide for increased Magistrate Court leases. An increase of \$1,055.0 in other state transfers, primarily magistrate mediation fees and the New Mexico Finance Authority (NMFA) Court Facility Fund, and other revenue derived from bench warrant fees were major factors in the program's overall increase of \$1,574.6 or 5.7%. Personal services increased 3.0%, most of which was employee benefits. Contractual services increased 4.7% due primarily to magistrate pro temp contracts, mediation training, treatment providers for the magistrate drug courts and local law enforcement warrant service. Other operating cost increases of 12.8% or \$950.0 were primarily attributed to increases to the magistrate court leases.

Special Court Services. The Executive recommendation decreases the General Fund by 0.1% or \$11.5. Adjustments to contractual services were necessary to support the program's request to increase personal services and employee benefits, and other costs. The Special Court program receives its entire funding from the General Fund.

Performance Report

The Executive appreciates the judicial participation in the performance based budgeting process. The judiciary continues to make progress in adopting the National Center for State Courts 10 Core Measures as the judiciary's primary performance measures. The AOC has made positive strides in assisting the Administrative Support, Judiciary Automation, Magistrate Court and Special Courts programs in meeting targets and reporting data for the FY08 measures.

The Administrative Support Program's target for percent of jury summons successfully executed was 92.0%. The FY08 result was 73.4%. The program did not provide a reason for not reaching its target. The FY09 target and FY10 recommendation will remain at 92.0%. The target for the average cost per juror was \$42.0 for FY08. The FY08 result was not reported as the program experienced difficulty in gathering accurate data from the SHARE accounting system. The target for FY09 and FY10 will remain at \$42.0

The Statewide Judicial Automation Program did not meet its target for percent of accurate driving-while-intoxicated court reports. The program exceeded its targets for reduced number of calls for assistance with the case management database and number of help desk calls for assistance. The performance measure, average time to respond to automation calls for assistance, in minutes has been replaced by average time to respond to automation calls for assistance, in hours. The FY08 target was 8, the FY08 year end result was 16.

The Magistrate Court Program exceeded its FY08 targets for bench warrant revenue collected and the percent of cases disposed as a percent of cases filed. The program met its target for percent of magistrate court financial reports submitted to the Fiscal Services Division.

The Special Court Services Program exceeded its FY08 targets for number of required events attended by attorneys in abuse and neglect cases and number of cases to which court appointed special advocate volunteers are assigned. The program fell short of its target of 500 monthly child visitations conducted. The number of child visitations conducted was reported as 458.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Budget to Recommendation Percent Change</u>
SOURCES					
General Fund Transfers	42,797.3	43,906.1	43,758.4	-147.7	-0.3
Other Transfers	2,189.2	1,279.7	2,425.0	1,145.3	89.5
Federal Revenues	476.1	951.4	862.9	-88.5	-9.3
Other Revenues	7,519.2	7,621.1	7,759.7	138.6	1.8
Fund Balance	1,469.7	941.8	1,224.5	282.7	30.0
TOTAL SOURCES	54,451.5	54,700.1	56,030.5	1,330.4	2.4
USES					
Personal Services and Employee Benefits	26,505.6	27,463.5	28,250.9	787.4	2.9
Contractual Services	7,933.4	9,322.5	9,265.1	-57.4	-0.6
Other	16,296.7	16,325.8	16,981.6	655.8	4.0
Other Financing Uses	2,357.4	1,588.3	1,532.9	-55.4	-3.5
TOTAL USES	53,093.1	54,700.1	56,030.5	1,330.4	2.4
FTE					
Permanent	356.80	363.75	364.25	0.50	0.1
Term	68.30	69.50	69.50	0.00	0.0
TOTAL FTE POSITIONS	425.10	433.25	433.75	0.50	0.1

Administrative Support (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Budget to Recommendation Percent Change</u>
SOURCES					
General Fund Transfers	9,672.8	8,433.5	8,272.6	-160.9	-1.9
Other Transfers	723.4	579.7	670.0	90.3	15.6
Federal Revenues	476.1	951.4	862.9	-88.5	-9.3
Other Revenues	523.6	525.0	525.0	0.0	0.0
Fund Balance	0.0	0.0	100.0	100.0	***
TOTAL SOURCES	11,395.9	10,489.6	10,430.5	-59.1	-0.6
USES					
Personal Services and Employee Benefits	2,824.4	3,247.5	3,412.2	164.7	5.1
Contractual Services	898.0	1,470.8	1,502.0	31.2	2.1
Other	6,442.1	5,671.3	5,516.3	-155.0	-2.7
Other Financing Uses	950.0	100.0	0.0	-100.0	-100.0
TOTAL USES	11,114.5	10,489.6	10,430.5	-59.1	-0.6
FTE					
Permanent	35.80	37.75	38.25	0.50	1.3
Term	2.80	4.00	4.00	0.00	0.0
TOTAL FTE POSITIONS	38.60	41.75	42.25	0.50	1.2

Statewide Judiciary Automation
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	<u>Percent</u> Change
SOURCES					
General Fund Transfers	2,940.6	3,152.6	2,974.1	-178.5	-5.7
Other Revenues	4,486.5	4,491.1	4,496.0	4.9	0.1
Fund Balance	786.9	669.6	669.6	0.0	0.0
TOTAL SOURCES	8,214.0	8,313.3	8,139.7	-173.6	-2.1
USES					
Personal Services and Employee Benefits	4,353.3	4,301.4	4,301.4	0.0	0.0
Contractual Services	502.1	796.8	786.0	-10.8	-1.4
Other	2,669.3	3,215.1	3,052.3	-162.8	-5.1
TOTAL USES	7,524.7	8,313.3	8,139.7	-173.6	-2.1
FTE					
Permanent	39.50	39.50	39.50	0.00	0.0
Term	9.00	9.00	9.00	0.00	0.0
TOTAL FTE POSITIONS	48.50	48.50	48.50	0.00	0.0

Magistrate Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	<u>Percent</u> Change
SOURCES					
General Fund Transfers	22,658.3	24,475.7	24,678.9	203.2	0.8
Other Transfers	1,115.8	350.0	1,405.0	1,055.0	301.4
Other Revenues	2,509.1	2,605.0	2,738.7	133.7	5.1
Fund Balance	682.8	272.2	454.9	182.7	67.1
TOTAL SOURCES	26,966.0	27,702.9	29,277.5	1,574.6	5.7
USES					
Personal Services and Employee Benefits	19,226.3	19,751.4	20,350.2	598.8	3.0
Contractual Services	523.0	549.5	575.3	25.8	4.7
Other	7,129.6	7,402.0	8,352.0	950.0	12.8
TOTAL USES	26,878.9	27,702.9	29,277.5	1,574.6	5.7
FTE					
Permanent	280.50	284.50	284.50	0.00	0.0
Term	56.50	56.50	56.50	0.00	0.0
TOTAL FTE POSITIONS	337.00	341.00	341.00	0.00	0.0

		Special Court Services (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	Budget to Recommendation	
		Actuals	Budget	mendation	Dollar	Percent
					Change	Change
SOURCES						
	General Fund Transfers	7,525.6	7,844.3	7,832.8	-11.5	-0.1
	Other Transfers	350.0	350.0	350.0	0.0	0.0
	TOTAL SOURCES	7,875.6	8,194.3	8,182.8	-11.5	-0.1
USES						
	Personal Services and					
	Employee Benefits	101.6	163.2	187.1	23.9	14.6
	Contractual Services	6,010.3	6,505.4	6,401.8	-103.6	-1.6
	Other	55.7	37.4	61.0	23.6	63.1
	Other Financing Uses	1,407.4	1,488.3	1,532.9	44.6	3.0
	TOTAL USES	7,575.0	8,194.3	8,182.8	-11.5	-0.1
FTE						
	Permanent	1.00	2.00	2.00	0.00	0.0
	TOTAL FTE POSITIONS	1.00	2.00	2.00	0.00	0.0

Performance Measures

		FY08	FY08	FY09	FY10
		Target	Result	Target	Recomm
Administrative Support					
To provide administrative support to the chief justice, all judicial branch units and the Administrative Office of the Courts so that they can effectively administer the New Mexico court system.					
Outcome	Percent of jury summons successfully executed	92%	73.4%	92%	92%
Output	Average cost per juror	\$42	*	\$42	\$42
Statewide Judiciary Automation					
To provide development, enhancement, maintenance, and support for core court automation and usage skills for appellate, district, magistrate and municipal courts, and ancillary judicial agencies.					
Quality	Percent of accurate driving-while-intoxicated court reports	98%	95.1%	98%	98%
Quality	Percent reduction in number of calls for assistance from judicial agencies regarding the case management database and network	10%	-15.6%	10%	10%
Quality	Average time to respond to automation calls for assistance, in minutes	25	*	25	
Output	Number of help desk calls for assistance	6,000	8,004	6,000	6,000
Quality	Average time to resolve automation calls for assistance, in hours	8	16	8	12
Magistrate Court					
The mission of the Magistrate Court/Warrant Enforcement Program is to provide access to justice; resolve disputes justly and timely; and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.					
Outcome	Bench warrant revenue collected annually, in millions	\$2.4	2.49	\$2.4	\$2.4
Explanatory	Percent of cases disposed as a percent of cases filed	95%	100.7%	95%	95%
Efficiency	Percent of magistrate courts financial reports submitted to fiscal services division and reconciled on a monthly basis	100%	100%	100%	100%
Special Court Services					
To provide court advocates, legal counsel, and safe exchanges for children and families and to provide judges pro tempores and adjudicate water rights disputes so that the constitutional rights and safety of citizens (especially children and families) are protected.					
Output	Number of required events attended by attorneys in abuse and neglect cases	8,000	9,063	8,000	8,000
Output	Number of monthly supervised child visitations conducted	500	458	500	500
Output	Number of cases to which court appointed special advocates volunteers are assigned	1,600	3,085	1,600	1,600

Executive Summary

District courts are state courts of general jurisdiction, authorized to hear and determine all civil and criminal cases that are not specifically exempted from its jurisdiction.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	73,860.5	72,959.0	-1.2
Total Sources	81,505.8	80,756.9	-0.9
Program			
First Judicial District Court	7,736.4	7,614.3	-1.6
Second Judicial District Court	25,061.9	24,804.0	-1.0
Third Judicial District Court	7,571.4	7,472.4	-1.3
Fourth Judicial District Court	2,326.9	2,308.0	-0.8
Fifth Judicial District Court	7,010.3	6,847.1	-2.3
Sixth Judicial District Court	3,259.5	3,339.3	2.4
Seventh Judicial District Court	2,863.8	2,804.1	-2.1
Eighth Judicial District Court	2,820.1	2,907.3	3.1
Ninth Judicial District Court	4,195.9	3,998.4	-4.7
Tenth Judicial District Court	800.8	824.8	3.0
Eleventh Judicial District Court	6,830.6	6,953.8	1.8
Twelfth Judicial District Court	3,419.1	3,390.1	-0.8
Thirteenth Judicial District Court	7,609.1	7,493.3	-1.5
Total Uses	81,505.8	80,756.9	-0.9
FTE	1,027.80	1,028.80	0.1

- The Executive recommendation includes \$446.8 from the General Fund to support the replacement of lapsing funds for juvenile and adult drug court programs in the First, Fourth, Sixth, Eighth, Eleventh and Twelfth judicial districts.

Agency Mission and Program Purpose

The District Courts have jurisdiction over all matters not specifically excepted in the New Mexico Constitution, including common law disputes, felony criminal actions and statutorily-directed matters involving children. The District Courts have appellate jurisdiction over most decisions rendered by lower courts and administrative agencies. They may appoint or remove conservators, guardians and specified public officials. They may commit persons to the care of the state, issue writs of aid of jurisdiction and promulgate court rules consistent with rules established by the Supreme Court.

Statutory Authority: Article VI, Sections 13-17, New Mexico Constitution; Sections 34-6-1 through 34-6-46 NMSA 1978.

First Judicial District Court

Santa Fe, Rio Arriba and Los Alamos Counties

Second Judicial District Court

Bernalillo County

Third Judicial District Court

Dona Ana County

Fourth Judicial District Court

Mora, San Miguel and Guadalupe Counties

Fifth Judicial District Court

Chaves, Eddy and Lea Counties

Sixth Judicial District Court

Grant, Luna and Hidalgo Counties

Seventh Judicial District Court

Catron, Sierra, Socorro and Torrance Counties

Eighth Judicial District Court

Taos, Colfax and Union Counties

Ninth Judicial District Court

Curry and Roosevelt Counties

Tenth Judicial District Court

Harding, Quay and De Baca Counties

Eleventh Judicial District Court

San Juan and McKinley Counties

Twelfth Judicial District Court

Lincoln and Otero Counties

Thirteenth Judicial District Court

Cibola, Sandoval and Valencia Counties

Executive Recommendation*Agency Strategic Directions*

The District Courts play an important role in the safety of all New Mexicans by providing access to justice and the opportunity to resolve disputes in a just and timely manner. District courts look for alternative ways to support the public and continue to develop and expand programs such as: DWI programs; adult and juvenile drug court; family court; domestic violence programs; and mental

health court. These initiatives support not only public safety, but the goal of making families better by providing alternative sentencing, counseling, parenting classes, education, and parenting skills. These programs aim to reduce recidivism and keep families together.

Key Elements of Recommendation

The Executive recommends an overall decrease of \$901.5 in General Fund for FY10. The recommendation supports the districts efforts in securing federal and other state funding grants with the understanding that the General Fund may not always be available to support those programs created through the use of grant funding.

The recommendation for the First Judicial District Court is a General Fund decrease of 2.1% from the FY09 operating budget. The reduction to General Fund was partially offset by increases in other transfers and other revenues. The General Fund recommendation includes \$28.6 to replace lapsing drug court funds. The overall recommendation for the court is a 1.6% or \$122.1 decrease from FY09.

The recommendation for the Second Judicial District Court includes a decrease of 1.8% or \$409.3 in General Fund from FY09. The recommendation also includes increases in transfers from Bernalillo County and the Human Services Department. The Second District Court also benefited from minor increases in the collection of various fees. The overall budget recommendation for the court is a decrease of \$257.9 or 1.0% from the FY09 operating budget.

The recommendation for the Third Judicial District Court includes a 2.1% decrease in General Fund primarily in contractual services and other costs. The Third District Court benefited from increases in transfers from the Administrative Office of the Courts (AOC) for court appointed special advocates (CASA) and from the Human Services Department for child support hearing officers. The overall budget recommendation is a \$99.0 or 1.3% decrease from the FY09 operating budget.

The recommendation for the Fourth Judicial District Court includes a General Fund decrease of 2.0% or \$44.7. The court received \$12.0 in General Fund to replace lapsing funds for the adult drug court. The court also benefited from a \$25.8 increase in transfers from the AOC for CASA volunteers. The overall budget recommendation is an \$18.9 or 0.8% decrease from the FY09 operating budget.

The recommendation for the Fifth Judicial District Court includes a 2.5% decrease in General Fund. The court realized a \$0.7 increase in transfers from the AOC. The overall budget for the Fifth Judicial District Court reflects a \$163.2 decrease from the FY09 operating budget.

The recommendation for the Sixth Judicial District Court includes a General Fund increase of \$66.2 primarily to replace lapsing funds for the district's adult drug court program in Hidalgo County. The court also benefited from a \$12.9 increase in transfers from the AOC for CASA volunteers. The overall budget recommendation is a 2.4% increase or \$79.8 over the FY09 operating budget.

The recommendation for the Seventh Judicial District Court reflects a General Fund decrease of \$60.5 or 2.5% from FY09. The court realized a 0.2% increase in transfers from the Human Services Department for a child support hearing officer. The overall budget recommendation is a 2.1% or \$59.7 decrease from the FY09 operating budget.

The recommendation for the Eighth Judicial District Court includes an increase of \$87.2 in General Fund. The court benefits from the recommendation for \$153.9 to replace lapsing funds in the district's juvenile drug court program in Colfax County. The overall budget recommendation is a 3.1% increase over the FY09 operating budget.

The recommendation for the Ninth Judicial District Court includes a General Fund decrease of 2.5%. The agency saw a significant 11.2% decrease in transfers from the Human Services Department and a loss \$35.0 in other revenue for the processing of passports. The overall budget recommendation is a decrease of 4.7% or \$197.5 from the FY09 operating budget.

The recommendation for the Tenth Judicial District Court includes a General Fund increase of \$20.5 or 2.6%, primarily for increased operating costs including fuel, telecommunications and rent of equipment. The overall budget recommendation is \$24.0 over the FY09 operating budget.

The recommendation for the Eleventh Judicial District Court includes a General Fund increase of 2.0% or \$123.5 primarily for personal services and employee benefits. The recommendation includes \$57.1 to replace lapsing funds for the district's juvenile drug court program in McKinley County. Personal services and employee benefit cost increases were offset by decreases to professional and other contractual services and in the other costs category including reductions in maintenance of furniture and equipment and the purchase of library/museum acquisitions. The overall recommendation is a \$123.2 increase over the FY09 operating budget.

The recommendation for the Twelfth Judicial District Court includes a General Fund decrease of \$32.0. The increase to personal services and employee benefits is partly offset by a reduction to contractual services that involves establishing 5.0 additional positions previously funded from the contractual services category. The recommendation also includes the replacement of lapsing funds for its adult drug court program in Otero County. Reductions to maintenance of furniture and equipment, subscriptions and dues, and office supplies results in an overall recommended decrease of 0.8% or \$29.0 from the FY09 operating budget.

The recommendation for the Thirteenth Judicial District Court includes a \$122.5 decrease in General Fund. The district realized a \$3.6 transfer increase from the Human Services Department. The agency also increased the use of its fund balance by \$3.1. The overall budget recommendation is a decrease of \$115.8 or 1.5% from the FY09 operating budget.

Performance Report

The Executive is encouraged to see that the Administrative Office of the Courts (AOC) provided FY08 year end reports on behalf of the state's district courts. The Executive continues to support the court's exploration of the possibility of using the National Center for State Courts' Trial Court performance measures model to expand or replace current measures where the courts find accurate reporting data difficult to gather.

It is promising to see that the district courts have proposed FY10 targets. The Executive encourages the judiciary to examine those measures that do not lend themselves to timely reporting by taking full advantage of providing written narratives for such measures. The Executive also encourages the judiciary to provide narratives on measures where targets have been exceeded or in those instances where targets were not met.

The First Judicial District Court shows solid progress in meeting or exceeding targets in their Drug Court programs. The court almost doubled the national average for juvenile drug court graduates, and has almost half the recidivism rate for juvenile and adult drug court programs. The court still has some work to do to bring the adult drug court graduation rate up to the national average. The court has increased their target for the adult drug court program from sixteen to twenty eight.

The Second Judicial District Court exceeded its target for adult drug court recidivism which is considerably less than the national average. Performance reports for FY08 indicate the Second Judicial District Court is doing an admirable job with the juvenile drug court program. Both graduation rates and rates of recidivism exceeded targets. The court continues to concentrate on juror payments and cases disposed in order to meet the targets set for these performance measures.

The Third Judicial District Court met or exceeded all FY08 targets with the exception of the number of juvenile drug court graduates. The court is encouraged to identify the cause in drop of juvenile drug court graduates.

The Fourth Judicial District Court exceeded its targets for juror payments and number of days to process juror payments. The court is encouraged to assess its target to determine if the targets need to be adjusted. The performance reports submitted indicate that the court is doing a good job with its juvenile drug court program.

The Fifth Judicial District Court has made good progress related to juror payments. The court appeared to struggle with the FY08 family dependency drug court program. While the court did not meet its target for recidivism of program participants, the year end result was much better than the national average. The court is encouraged to closely monitor the family dependency program in order to identifying the causes for not meeting targets related to graduation rate and number of graduates.

The Sixth Judicial District Court is encouraged to examine its process for vendor payments in order to reduce the time for vendors to be paid and to achieve the target set by the court. The court has done well in graduating juvenile drug court program participants, but is encouraged to determine the reason behind the relatively high recidivism rate which did not allow the court to meet its recidivism target. As the actual number of participants is low, recidivism would be best examined in this light. Recidivism targets may need to be adjusted accordingly.

The Seventh Judicial District Court exceeded all of its performance measure targets. The court is encouraged to determine if targets for several measures need to be adjusted to set a more accurate level.

The Eighth Judicial District Court consistently achieved results that exceeded national averages in its juvenile and adult drug court programs. However, the court is encouraged to closely monitor its performance measures to determine if current targets are set to high. The court has made great efforts in getting vendor payments processed in a timely manner that allowed the court to exceed its FY08 target.

The Ninth Judicial District Court exceeded its target for the number of days to process juror payments, but did not meet the target for the median number of days to process vendor payments. Notwithstanding the court's explanation that preparation of vendor payments is a ten-day mean with a two-day variance, the court is encouraged to determine if the current target is inappropriately set and to work with its budget analysts to correct this target if need be.

The Tenth Judicial District Court met or exceeded its targets for three out of four performance measures. Cases disposed as a percent of cases filed, median number of days to process vendor payments and number of days to process juror payment were all exceeded. The performance measure for the percent change in case filings by case type is an explanatory measure and does not have a pre-set target.

The Eleventh Judicial District Court continues to make positive progress in its juvenile and adult drug court programs. Targets appear to be appropriate as the court provided target results indicating it is exceeding national averages for the programs. The court has exceeded its targets for days to process juror payments and vendor payments.

The Twelfth Judicial District Court did not report a target for the graduation rate of its juvenile drug court program, but did report the FY08 actual results which indicate the court graduates in excess of the national average. The court achieved its target for recidivism of juvenile drug court participants. The court is encouraged to determine the reason for the decline in the number of actual juvenile drug court clients. The court also exceeded its target for processing of juror payments and vendor payments.

The Thirteenth Judicial District Court's FY08 year end report indicates success with its juvenile drug court program by achieving the target for recidivism. The court exceeded national averages, even if it was slightly lower than the target set. The court is encouraged to see the declining number of juvenile drug court participants reported in FY08 which reflects a trend and to examine its targets accordingly. The court is also encouraged to monitor its juror and vendor payments to determine if future targets need to be adjusted.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	70,591.3	73,860.5	72,959.0	-901.5	-1.2
Other Transfers	4,512.6	5,441.9	5,541.4	99.5	1.8
Federal Revenues	163.3	0.0	0.0	0.0	***
Other Revenues	1,617.2	1,704.4	1,742.5	38.1	2.2
Fund Balance	276.5	499.0	514.0	15.0	3.0
TOTAL SOURCES	77,160.9	81,505.8	80,756.9	-748.9	-0.9
USES					
Personal Services and Employee Benefits	63,475.3	67,812.5	68,481.5	669.0	1.0
Contractual Services	6,808.1	8,784.9	7,845.5	-939.4	-10.7
Other	6,135.0	4,908.4	4,429.9	-478.5	-9.7
TOTAL USES	76,418.4	81,505.8	80,756.9	-748.9	-0.9

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
FTE					
Permanent	930.75	958.50	968.50	10.00	1.0
Term	66.75	69.30	60.30	-9.00	-13.0
Temporary	1.00	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	998.50	1,027.80	1,028.80	1.00	0.1

First Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	6,474.0	6,826.7	6,684.6	-142.1	-2.1
Other Transfers	411.4	426.8	435.5	8.7	2.0
Federal Revenues	0.0	0.0	0.0	0.0	***
Other Revenues	342.4	482.9	494.2	11.3	2.3
TOTAL SOURCES	7,227.8	7,736.4	7,614.3	-122.1	-1.6
USES					
Personal Services and Employee Benefits	6,072.5	6,403.3	6,359.7	-43.6	-0.7
Contractual Services	701.8	912.2	912.9	0.7	0.1
Other	420.8	420.9	341.7	-79.2	-18.8
TOTAL USES	7,195.1	7,736.4	7,614.3	-122.1	-1.6
FTE					
Permanent	85.00	86.00	86.00	0.00	0.0
Term	8.75	8.80	7.80	-1.00	-11.4
TOTAL FTE POSITIONS	93.75	94.80	93.80	-1.00	-1.1

Second Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	21,793.9	22,611.4	22,202.1	-409.3	-1.8
Other Transfers	1,427.7	1,525.6	1,630.6	105.0	6.9
Other Revenues	722.1	641.1	687.5	46.4	7.2
Fund Balance	178.2	283.8	283.8	0.0	0.0
TOTAL SOURCES	24,121.9	25,061.9	24,804.0	-257.9	-1.0
USES					
Personal Services and Employee Benefits	22,095.5	23,438.6	23,302.0	-136.6	-0.6
Contractual Services	359.5	476.5	412.0	-64.5	-13.5
Other	1,417.3	1,146.8	1,090.0	-56.8	-5.0
TOTAL USES	23,872.3	25,061.9	24,804.0	-257.9	-1.0
FTE					
Permanent	329.50	331.50	331.50	0.00	0.0
Term	28.50	28.50	28.50	0.00	0.0
TOTAL FTE POSITIONS	358.00	360.00	360.00	0.00	0.0

Third Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	6,471.5	6,721.5	6,583.5	-138.0	-2.1
Other Transfers	616.6	708.9	727.8	18.9	2.7
Other Revenues	136.1	111.0	121.1	10.1	9.1
Fund Balance	30.0	30.0	40.0	10.0	33.3
TOTAL SOURCES	7,254.2	7,571.4	7,472.4	-99.0	-1.3
USES					
Personal Services and Employee Benefits	5,665.7	6,077.1	6,159.7	82.6	1.4
Contractual Services	895.2	1,044.5	947.5	-97.0	-9.3
Other	622.8	449.8	365.2	-84.6	-18.8
TOTAL USES	7,183.7	7,571.4	7,472.4	-99.0	-1.3
FTE					
Permanent	82.25	84.25	84.25	0.00	0.0
Term	5.00	6.50	6.50	0.00	0.0
TOTAL FTE POSITIONS	87.25	90.75	90.75	0.00	0.0

Fourth Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	2,128.1	2,266.9	2,222.2	-44.7	-2.0
Other Transfers	26.7	30.0	55.8	25.8	86.0
Other Revenues	24.3	25.0	25.0	0.0	0.0
Fund Balance	0.7	5.0	5.0	0.0	0.0
TOTAL SOURCES	2,179.8	2,326.9	2,308.0	-18.9	-0.8
USES					
Personal Services and Employee Benefits	1,715.7	1,873.4	1,906.8	33.4	1.8
Contractual Services	178.1	271.4	223.2	-48.2	-17.8
Other	274.2	182.1	178.0	-4.1	-2.3
TOTAL USES	2,168.0	2,326.9	2,308.0	-18.9	-0.8
FTE					
Permanent	28.50	29.50	29.50	0.00	0.0
TOTAL FTE POSITIONS	28.50	29.50	29.50	0.00	0.0

Fifth Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	6,146.6	6,556.2	6,392.3	-163.9	-2.5
Other Transfers	333.2	339.1	339.8	0.7	0.2
Other Revenues	91.7	95.0	95.0	0.0	0.0
Fund Balance	14.7	20.0	20.0	0.0	0.0
TOTAL SOURCES	6,586.2	7,010.3	6,847.1	-163.2	-2.3

Fifth Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
USES					
Personal Services and Employee Benefits	5,285.3	5,705.9	5,750.0	44.1	0.8
Contractual Services	845.1	897.9	741.9	-156.0	-17.4
Other	385.7	406.5	355.2	-51.3	-12.6
TOTAL USES	6,516.1	7,010.3	6,847.1	-163.2	-2.3
FTE					
Permanent	80.00	82.00	82.00	0.00	0.0
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	81.00	83.00	83.00	0.00	0.0

Sixth Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	3,037.6	3,160.2	3,226.4	66.2	2.1
Other Transfers	91.5	75.0	87.9	12.9	17.2
Other Revenues	10.5	10.5	10.8	0.3	2.9
Fund Balance	25.4	13.8	14.2	0.4	2.9
TOTAL SOURCES	3,165.0	3,259.5	3,339.3	79.8	2.4
USES					
Personal Services and Employee Benefits	2,186.0	2,327.2	2,460.2	133.0	5.7
Contractual Services	708.4	720.8	634.1	-86.7	-12.0
Other	237.2	211.5	245.0	33.5	15.8
TOTAL USES	3,131.6	3,259.5	3,339.3	79.8	2.4
FTE					
Permanent	33.50	34.50	35.50	1.00	2.9
Term	0.50	0.50	0.50	0.00	0.0
TOTAL FTE POSITIONS	34.00	35.00	36.00	1.00	2.9

Seventh Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	2,304.9	2,420.3	2,359.8	-60.5	-2.5
Other Transfers	350.8	414.5	415.3	0.8	0.2
Other Revenues	16.4	22.0	24.0	2.0	9.1
Fund Balance	0.0	7.0	5.0	-2.0	-28.6
TOTAL SOURCES	2,672.1	2,863.8	2,804.1	-59.7	-2.1
USES					
Personal Services and Employee Benefits	1,995.6	2,229.8	2,219.5	-10.3	-0.5
Contractual Services	279.8	409.9	380.0	-29.9	-7.3
Other	322.2	224.1	204.6	-19.5	-8.7
TOTAL USES	2,597.6	2,863.8	2,804.1	-59.7	-2.1

Seventh Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
FTE					
Permanent	28.00	32.00	32.00	0.00	0.0
Term	8.00	4.00	4.00	0.00	0.0
TOTAL FTE POSITIONS	36.00	36.00	36.00	0.00	0.0

Eighth Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	2,531.3	2,669.1	2,756.3	87.2	3.3
Other Transfers	109.2	80.0	80.0	0.0	0.0
Other Revenues	44.9	71.0	71.0	0.0	0.0
TOTAL SOURCES	2,685.4	2,820.1	2,907.3	87.2	3.1
USES					
Personal Services and Employee Benefits	1,667.3	1,759.2	1,830.1	70.9	4.0
Contractual Services	788.6	909.3	883.3	-26.0	-2.9
Other	187.1	151.6	193.9	42.3	27.9
TOTAL USES	2,643.0	2,820.1	2,907.3	87.2	3.1
FTE					
Permanent	26.25	27.50	27.50	0.00	0.0
TOTAL FTE POSITIONS	26.25	27.50	27.50	0.00	0.0

Ninth Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	3,334.3	3,435.4	3,349.5	-85.9	-2.5
Other Transfers	547.7	682.5	605.9	-76.6	-11.2
Other Revenues	72.6	78.0	43.0	-35.0	-44.9
TOTAL SOURCES	3,954.6	4,195.9	3,998.4	-197.5	-4.7
USES					
Personal Services and Employee Benefits	3,359.5	3,638.3	3,579.1	-59.2	-1.6
Contractual Services	202.6	211.9	155.2	-56.7	-26.8
Other	389.9	345.7	264.1	-81.6	-23.6
TOTAL USES	3,952.0	4,195.9	3,998.4	-197.5	-4.7
FTE					
Permanent	43.75	43.75	43.75	0.00	0.0
Term	5.00	5.50	5.50	0.00	0.0
Temporary	1.00	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	49.75	49.25	49.25	0.00	0.0

Tenth Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	745.1	779.3	799.8	20.5	2.6
Other Revenues	7.9	7.0	7.0	0.0	0.0
Fund Balance	15.4	14.5	18.0	3.5	24.1
TOTAL SOURCES	768.4	800.8	824.8	24.0	3.0
USES					
Personal Services and Employee Benefits	568.5	690.7	700.3	9.6	1.4
Contractual Services	19.4	32.6	33.5	0.9	2.8
Other	159.5	77.5	91.0	13.5	17.4
TOTAL USES	747.4	800.8	824.8	24.0	3.0
FTE					
Permanent	10.00	10.00	10.00	0.00	0.0
TOTAL FTE POSITIONS	10.00	10.00	10.00	0.00	0.0

Eleventh Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	5,614.3	6,145.6	6,269.1	123.5	2.0
Other Transfers	508.5	552.0	551.7	-0.3	-0.1
Other Revenues	110.0	120.9	120.9	0.0	0.0
Fund Balance	12.1	12.1	12.1	0.0	0.0
TOTAL SOURCES	6,244.9	6,830.6	6,953.8	123.2	1.8
USES					
Personal Services and Employee Benefits	5,280.7	5,507.9	5,744.6	236.7	4.3
Contractual Services	428.3	767.9	741.7	-26.2	-3.4
Other	530.0	554.8	467.5	-87.3	-15.7
TOTAL USES	6,239.0	6,830.6	6,953.8	123.2	1.8
FTE					
Permanent	79.50	80.50	80.50	0.00	0.0
Term	6.00	6.50	6.50	0.00	0.0
TOTAL FTE POSITIONS	85.50	87.00	87.00	0.00	0.0

Twelfth Judicial District Court
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	3,153.1	3,279.1	3,247.1	-32.0	-1.0
Other Transfers	89.3	90.0	90.0	0.0	0.0
Federal Revenues	163.3	0.0	0.0	0.0	***
Other Revenues	38.3	40.0	43.0	3.0	7.5
Fund Balance	0.0	10.0	10.0	0.0	0.0
TOTAL SOURCES	3,444.0	3,419.1	3,390.1	-29.0	-0.8

**Twelfth Judicial District Court
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
USES					
Personal Services and Employee Benefits	2,511.3	2,523.7	2,835.1	311.4	12.3
Contractual Services	452.6	708.3	400.8	-307.5	-43.4
Other	381.2	187.1	154.2	-32.9	-17.6
TOTAL USES	3,345.1	3,419.1	3,390.1	-29.0	-0.8
FTE					
Permanent	39.00	40.50	45.50	5.00	12.3
TOTAL FTE POSITIONS	39.00	40.50	45.50	5.00	12.3

**Thirteenth Judicial District Court
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	6,856.6	6,988.8	6,866.3	-122.5	-1.8
Other Transfers	0.0	517.5	521.1	3.6	0.7
Fund Balance	0.0	102.8	105.9	3.1	3.0
TOTAL SOURCES	6,856.6	7,609.1	7,493.3	-115.8	-1.5
USES					
Personal Services and Employee Benefits	5,071.7	5,637.4	5,634.4	-3.0	-0.1
Contractual Services	948.7	1,421.7	1,379.4	-42.3	-3.0
Other	807.1	550.0	479.5	-70.5	-12.8
TOTAL USES	6,827.5	7,609.1	7,493.3	-115.8	-1.5
FTE					
Permanent	65.50	76.50	80.50	4.00	5.2
Term	4.00	8.00	0.00	-8.00	-100.0
TOTAL FTE POSITIONS	69.50	84.50	80.50	-4.00	-4.7

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
First Judicial District Court					
The mission of the First Judicial District Court is to provide access to justice; resolve disputes justly and timely; and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.					
Explanatory	Cases disposed as a percent of cases filed	95%	104.6%	95%	95%
Explanatory	Percent change in case filings by case type		2.2%		
Quality	Recidivism of adult drug-court graduates	9.3%	10.26%	9.0%	9.0%
Quality	Recidivism of juvenile drug-court graduates	20%	14.29%	15.0%	
Output	Number of adult drug-court graduates	16	28	18	18
Output	Number of juvenile drug-court graduates	17	19	17	17
Output	Median number of days to process vendor payment vouchers	18	8.7	18	18
Output	Number of days to process juror payment vouchers	14	4.5	12	12
Explanatory	Graduation rate, juvenile drug court	50%	73.08%	50%	60%
Explanatory	Graduation rate, adult drug court	45%	42.42%	45%	

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>

Second Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	95%	93.3%	95%	95%
Quality	Recidivism of adult drug-court graduates	10%	5.43%	10%	10%
Quality	Recidivism of juvenile drug-court graduates	10%	23.08%	10%	10%
Output	Number of adult drug-court graduates	185	126	185	130
Output	Number of juvenile drug-court graduates	17	26	20	20
Output	Median number of days to process vendor payment vouchers	5	1.25	5	5
Output	Number of days to process juror payment vouchers	14	15	14	14
Explanatory	Graduation rate, adult drug court	55%	53.62%	55%	55%
Explanatory	Graduation rate, juvenile drug court	60%	68.42%	60%	60%

Third Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	90%	92.3%	90%	90%
Quality	Recidivism of adult drug-court graduates	15%	4.71%	15%	15%
Quality	Recidivism of juvenile drug-court graduates	24%	13.46%		15%
Output	Number of adult drug-court graduates	25	25	30	30
Output	Number of juvenile drug-court graduates	20	11	20	20
Output	Median number of days to process vendor payment vouchers	5	5	5	5
Output	Number of days to process juror payment vouchers	14	20	14	14
Explanatory	Graduation rate, adult drug court	65%	69.44%	70%	65%
Explanatory	Graduation rate, juvenile drug court	70%	78.57%	70%	75%

Fourth Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	90%	107.2%	90%	90%
Output	Median number of days to process vendor payment vouchers	5	2.0	5	5
Output	Number of days to process juror payment vouchers	12	3	12	10
Explanatory	Graduation rate, juvenile drug court	60%	78.57%	60%	70%
Quality	Recidivism of juvenile drug-court graduates	20%	5.00%	20%	15%
Output	Number of juvenile drug-court graduates	9	11	9	

Fifth Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	90%	100.8%	90%	90%
Output	Number of days to process juror payment vouchers	10	4.0	10	10
Explanatory	Graduation rate, family drug court	80%	25.00%	80%	50%
Quality	Recidivism of family drug-court graduates	15%	33.33%	15%	15%
Output	Number of family drug-court graduates	6	3	9	9

Sixth Judicial District Court

The mission of the Sixth Judicial District Court is to provide access to justice; resolve disputes justly and in a timely manner; and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.

Explanatory	Cases disposed as a percent of cases filed	90%	95.0%	90%	90%
Quality	Recidivism of juvenile drug-court graduates	13%	35.00%	13%	18%
Output	Median number of days to process vendor payment vouchers	5	12.5	5	5
Output	Number of days to process juror payment vouchers	14	13	14	14
Explanatory	Graduation rate, juvenile drug court	40%	100.00%	40%	75%

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Seventh Judicial District Court					
The mission of the Seventh Judicial District Court is to provide access to justice; resolve disputes justly and timely; and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.					
Explanatory	Cases disposed as a percent of cases filed	90%	96.8%	90%	90%
Output	Median number of days to process vendor payment vouchers	5	2.25	5	5
Output	Number of days to process juror payment vouchers	14	5	14	14

Eighth Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	90%	83.7%	90%	90%
Quality	Recidivism of adult drug-court graduates	10%	16.22%	10%	10%
Quality	Recidivism of juvenile drug-court graduates	10%	3.33%	10%	10%
Output	Number of adult drug-court graduates	18	11	18	18
Output	Number of juvenile drug-court graduates	8	8	15	15
Output	Median number of days to process vendor payment vouchers	5	2.85	5	5
Output	Number of days to process juror payment vouchers	14	3.45	12	14
Explanatory	Graduation rate, juvenile drug court	70%	57.14%	70%	70%
Explanatory	Graduation rate, adult drug court	75%	47.83%	75%	75%

Ninth Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	90%	95.8%	90%	90%
Output	Median number of days to process vendor payment vouchers	5	13.25	10	10
Output	Number of days to process juror payment vouchers	14	6.75	14	14

Tenth Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	90%	102.9%	90%	90%
Output	Median number of days to process vendor payment vouchers	5	2.5	5	5
Output	Number of days to process juror payment vouchers	14	.5	12	12

Eleventh Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	90%	96.8%	90%	90%
Quality	Recidivism of adult drug-court graduates	10%	5.93%	10%	10%
Quality	Recidivism of juvenile drug-court graduates	15%	8.89%	10%	10%
Output	Number of adult drug-court graduates	30	53	40	40
Output	Number of juvenile drug-court graduates	16	14	16	16
Output	Median number of days to process vendor payment vouchers	5	4.0	5	5
Output	Number of days to process juror payment vouchers	10	4.0	14	14
Explanatory	Graduation rate, juvenile drug court	70%	66.67%	75%	75%
Explanatory	Graduation rate, adult drug court	70%	64.63%	70%	&0%

Twelfth Judicial District Court

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

Explanatory	Cases disposed as a percent of cases filed	90%	102.8%	90%	90%
Quality	Recidivism of juvenile drug-court participants	20%	19.05%	20%	20%
Output	Number of juvenile drug-court graduates	14	2	14	14
Output	Median number of days to process vendor payment vouchers	5	2.0	5	5
Output	Number of days to process juror payment vouchers	14	7	14	14

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Thirteenth Judicial District Court					
The mission of the Thirteenth Judicial District Court is to provide access to justice; resolve disputes justly and timely; and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.					
Explanatory	Cases disposed as a percent of cases filed	90%	91.8%	90%	90%
Quality	Recidivism of juvenile drug-court graduates	15%	10.38%	20%	20%
Output	Number of juvenile drug-court graduates	44	38	14	14
Output	Median number of days to process vendor payment vouchers	5	6.5	5	5
Output	Number of days to process juror payment vouchers	10	10.5	14	14
Explanatory	Graduation rate, juvenile drug court	70%	66.67%	65%	65%

Executive Summary

Bernalillo County Metropolitan Court provides lower court judicial services to the citizens of Bernalillo County.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	24,271.8	23,825.0	-1.8
Total Sources	27,643.5	27,088.9	-2.0
Program			
Bernalillo County Metropolitan Court	27,643.5	27,088.9	-2.0
Total Uses	27,643.5	27,088.9	-2.0
FTE	344.60	345.60	0.3

- The Executive recommendation reflects a \$446.8 decrease in General Fund from FY09 operating levels.
- The recommendation provides a base increase of \$207.7 in total funds for personnel services and employee benefits.

Agency Mission and Program Purpose

The Bernalillo County Metropolitan Court was established to provide a metropolitan court in a county with over 200,000 inhabitants. The Metro Court has jurisdiction throughout Bernalillo County and is defined as a state magistrate court. Metro Court has jurisdiction over civil complaints involving less than \$10,000 and all misdemeanors filed in Bernalillo County.

Metro Court currently has 19 judges whose terms are consistent with magistrate court law. Judges are required to be members of the New Mexico State Bar and have practiced in the state for three years. Metro Court judges select and appoint a court administrator who supervises all matters relating to the administration of the court. The court administrator works under the direction of the presiding judge.

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

Statutory Authority: Article VI, Section 1 of the New Mexico Constitution; Section 34-8A-1 through 34-8A-14, NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The Bernalillo County Metropolitan Court plays an important role in the safety of all New Mexicans by providing access to justice and the opportunity to resolve disputes in a just and timely manner. Metro Court looks for alternative ways to support the public and continues to develop and expand programs such as: DWI programs; adult drug court; domestic violence programs; and mental health court. These initiatives support not only public safety, but the goal of making families better by providing alternative sentencing, counseling, parenting classes, education and parenting skills. By implementing and supporting such programs, the court addresses the goal of keeping families together and reducing recidivism.

Key Elements of Recommendation

The Executive recommends a General Fund decrease of 1.8% or \$446.8 from the FY09 operating level. The court saw significant increases in transfers from Bernalillo County, the New Mexico Traffic Safety Board and University of New Mexico as well as increases in other revenue from the Metropolitan Department of Corrections, court costs and retail rental space in the parking structure. The General Fund decrease of \$446.8, combined with the loss of \$211.0 in Department of Justice federal funds for the Mental Health grant, reduced the overall operating budget by \$554.6. Because of the necessity to reduce budgets due to declining revenues, the court saw reductions to contractual services and operating expenses. The court received a 1.0%, or \$207.7 increase in the personal services and employee benefits category, mainly in employee benefits.

Performance Report

The Bernalillo County Metropolitan Court met or exceeded all performance measure targets for FY08 with the exception of the graduation rate for drug court participants. The court reports that the target rate was not achieved primarily due to a larger than anticipated number of early terminations. Early terminations were approximately 40% higher than the previous year and are attributed primarily to non-compliance by the program's participants. The court is encouraged to closely monitor the program's participants in order to discover the triggers leading to non-compliance and early termination.

Budget Summary Tables

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE</u> <u>Change</u>	<u>Budget to Recommendation</u> <u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	22,652.2	24,271.8	23,825.0	-446.8	-1.8
Other Transfers	433.4	65.6	126.4	60.8	92.7
Federal Revenues	193.8	211.0	0.0	-211.0	-100.0
Other Revenues	2,835.7	3,095.1	3,137.5	42.4	1.4
Fund Balance	30.0	0.0	0.0	0.0	***
TOTAL SOURCES	26,145.1	27,643.5	27,088.9	-554.6	-2.0

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar/FTE</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
USES					
Personal Services and					
Employee Benefits	19,483.3	20,742.7	20,950.4	207.7	1.0
Contractual Services	3,318.9	3,625.6	3,411.2	-214.4	-5.9
Other	3,120.1	3,209.9	2,630.0	-579.9	-18.1
Other Financing Uses	52.7	65.3	97.3	32.0	49.0
TOTAL USES	25,975.0	27,643.5	27,088.9	-554.6	-2.0
FTE					
Permanent	288.00	299.00	301.00	2.00	0.7
Term	53.50	45.60	44.60	-1.00	-2.2
TOTAL FTE POSITIONS	341.50	344.60	345.60	1.00	0.3

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Bernalillo County Metropolitan Court					
The mission of the Bernalillo County Metropolitan Court is to provide access to justice, resolve disputes justly and timely and to maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitutions of New Mexico and the United States.					
Outcome	Amount of bench warrant revenue collected annually	TBD	1,299,286	TBD	TBD
Explanatory	Cases disposed as a percent of cases filed	95%	101.3%	98%	98%
Output	Amount of criminal case fees and fines collected, in millions	TBD	\$6.41	TBD	TBD
Efficiency	Cost per client per day for adult drug-court participants	\$12.30	\$11.68	\$15.00	TBD
Quality	Recidivism of driving-while-intoxicated/drug-court graduates	6%	4.4%	4%	6.5%
Outcome	Number of active cases pending	TBD	22,070	TBD	TBD
Output	Number of driving-while-intoxicated/drug-court graduates	240	242	250	240
Explanatory	Graduation rate of drug-court participants	70%	65%	71%	67%
Outcome	Fees and fines collected as a percent of fees and fines assessed	90%	92%	92%	92%

Executive Summary

The District Attorneys prosecute offenders and defend the state in all district courts in criminal and civil cases where the state or county is a party to the case or may have an interest.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	61,128.4	59,869.3	-2.1
Total Sources	66,301.7	64,047.2	-3.4
Program			
First Judicial District Attorney	5,315.8	5,134.3	-3.4
Second Judicial District Attorney	18,964.6	18,717.2	-1.3
Third Judicial District Attorney	5,673.4	5,941.6	4.7
Fourth Judicial District Attorney	3,426.4	3,342.2	-2.5
Fifth Judicial District Attorney	4,671.0	4,560.4	-2.4
Sixth Judicial District Attorney	3,018.0	2,970.6	-1.6
Seventh Judicial District Attorney	2,531.5	2,469.0	-2.5
Eighth Judicial District Attorney	2,776.5	2,707.6	-2.5
Ninth Judicial District Attorney	2,836.9	2,769.5	-2.4
Tenth Judicial District Attorney	1,045.2	1,039.2	-0.6
Eleventh Judicial District Attorney, Div I	5,324.0	4,053.9	-23.9
Twelfth Judicial District Attorney	3,269.5	2,907.9	-11.1
Thirteenth Judicial District Attorney	5,225.6	5,273.7	0.9
Eleventh Judicial District Attorney, Division II	2,223.3	2,160.1	-2.8
Total Uses	66,301.7	64,047.2	-3.4
FTE	952.50	948.00	-0.5

- The recommendation includes an expansion of \$96.0 for a senior trial attorney in the Crimes against Children Division of the Second District Attorney.

Agency Mission and Program Purpose

The New Mexico Constitution provides for the election of a District Attorney in each judicial district. A District Attorney’s function is to prosecute offenders and defend the state in all district courts. This includes both criminal and civil cases in which the state or a county is or may be party or may have an interest. District Attorneys represent counties in matters coming before the County Board of Commissioners or when the board is sitting as a board of equalization (County Valuation Protest Board). The District Attorneys also represent counties in civil cases at the Supreme Court and Court of Appeals, except in suits brought in the name of the state. District Attorneys also provide legal advice to all county and state officers when requested. One District Attorney represents each of the 13 districts, except for the 11th district, which has two District Attorneys.

District Attorneys administer a wide array of programs including: prosecutions; counseling services for victims and perpetrators; victim assistance and advocacy; domestic violence intervention; juvenile justice; public safety and training; pre-prosecution diversion; drug control and prevention; and gang violence reduction. The General Fund provides the major funding for the offices of the

District Attorneys although some federal funds are available. Currently, several offices have direct contracts with the federal government and receive transfers from the Department of Public Safety (DPS) and the New Mexico Crime Victims Reparation Commission. District Attorneys also receive funds from local entities and tribes.

Statutory Authority: New Mexico Constitution, Article VI, Section 24; Sections 36-1-1 through 36-1-28 NMSA 1978.

First Judicial District Attorney

Santa Fe, Rio Arriba and Los Alamos Counties

Second Judicial District Attorney

Bernalillo County

Third Judicial District Attorney

Dona Ana County

Fourth Judicial District Attorney

Mora, San Miguel and Guadalupe Counties

Fifth Judicial District Attorney

Chaves, Eddy and Lea Counties

Sixth Judicial District Attorney

Grant, Hidalgo and Luna Counties

Seventh Judicial District Attorney

Torrance, Socorro, Sierra and Catron Counties

Eighth Judicial District Attorney

Taos, Colfax and Union Counties

Ninth Judicial District Attorney

Curry and Roosevelt Counties

Tenth Judicial District Attorney

Harding, Quay and De Baca Counties

Eleventh Judicial District Attorney, Division I

San Juan County

Twelfth Judicial District Attorney

Lincoln and Otero Counties

Thirteenth Judicial District Attorney

Cibola, Valencia and Sandoval Counties

Eleventh Judicial District Attorney, Division II
McKinley County

Executive Recommendation*Agency Strategic Directions*

The prosecution of DWI, domestic violence, crimes against children, drug related crimes and gang activity are an integral part of the District Attorney's role in ensuring the safety of all New Mexicans. The Executive would like to see aggressive prosecution of these crimes with maximum sentences being sought for repeat offenders.

Key Elements of Recommendation

In consideration of the General Fund revenue forecast for the state, the Executive recommends a \$1,259.1 decrease in General Fund for the fourteen District Attorney offices. The decrease will allow the District Attorneys to continue to offer the same level of service as in FY09.

The recommendation for the First District Attorney includes a 1.7% or \$87.1 decrease in General Fund from the FY09 operating level. The First District Attorney also reported losses of other transfers and federal funds. The total recommended FY10 appropriation level reflects a decrease of 3.4% or \$181.5.

The recommendation for the Second District Attorney reflects a \$369.7 decrease in General Fund and \$247.4 or 1.3% in total funds. The recommendation reflects increases in federal funds and other revenue and is partially offset by a decrease in other transfers, primarily due to loss of funding for the agency's participation in drug courts and the loss of funding from the Crime Victims Reparation Committee (CVRC) for services related to the Violence Against Women Act (VAWA). The recommendation includes a General Fund expansion of \$96.0 for a senior trial attorney in the Crimes against Children Division, which has seen an increase of 47% in indicted cases and a similar increase in jury trials due to new harsher penalties.

The recommendation for the Third District Attorney is \$117.7 or 2.5% decrease in General Fund with increases in other transfers, federal revenue and other revenue. The Third District Attorney saw an increase of \$10.9 from CVRC for services related to the Victims of Crime Act (VOCA); \$152.1 from the federal High Intensity Drug Trafficking Act (HIDTA), Southwest Border Prosecution Initiative (SWBI) and the Rural Domestic Violence Grant (RDVG); and \$194.5 from two additional grants, one from the City of Las Cruces the other from Dona Ana County. Total funds for FY10 is a 4.7% or \$268.2 increase over FY09 primarily in personal services and employee benefits.

The recommendation for the Fourth District Attorney includes a decrease of \$84.2 in General Fund. A decrease to personal services was caused primarily by over-calculations of projected salaries for vacant attorney positions. An increase to contractual services for attorney fees is caused by increased caseloads requiring contract attorneys. The other costs category is reduced primarily for capital outlay purchases, out of state travel, supplies, maintenance of furniture and equipment, and subscriptions and dues.

The recommendation for the Fifth District Attorney is a 2.1% or \$95.6 decrease in General Fund. For FY10, the office lost \$15.0 in other revenue from discovery copying. The total budget

recommendation for the Fifth District Attorney is a \$110.6 or 2.4% decrease from FY09. Decreases occurred in contractual services and in the other operating costs categories. The recommendation for the Fifth District Attorney reflects a 0.1% increase in personnel services and employee benefits.

The recommendation for the Sixth District Attorney is a total budget decrease of \$47.4 or 1.6%. The General Fund reflects a \$67.0 decrease, however the agency benefited from an \$18.3 increase in other transfers from CVRC and the Southwest New Mexico Task Force (narcotics prosecutions) and a \$1.3 increase from the federal HIDTA grant.

The recommendation for the Seventh District Attorney reflects a \$62.5 or 2.5% decrease from FY09. The Seventh District Attorney receives all of its revenue from the General Fund. The recommendation reflects a 0.9% increase in personal services and employee benefits which is offset by decreases in contractual attorney fees and transportation costs, maintenance of furniture and equipment, supplies, advertising and out-of-state travel in the other costs category.

The recommendation for the Eighth District Attorney is a \$68.9 or 2.5% decrease in General Fund. The Eighth District Attorney is totally funded through the General Fund. All categories were reduced with the major reductions occurring in the other operating costs category for travel, supplies, maintenance of furniture and equipment and out-of-state travel.

The recommendation for the Ninth District Attorney includes a \$67.4 or 2.4% decrease in General Fund over FY09. The Ninth District Attorney is fully funded through the General Fund. Decreases occurred in the personal services and employee benefits and other operating costs categories.

The recommendation for the Tenth District Attorney includes a \$6.0 decrease in General Fund. The Tenth District Attorney is fully funded through the General Fund. The major decreases occur in the other category for transportation and telecommunication costs.

The recommendation for the Eleventh District Attorney, Division I is an \$88.9 or 2.4% decrease in General Fund. The total recommendation is a 23.9% decrease in overall funding primarily caused by the reduction of SWBI fund balance. In FY09, the agency's budget utilized fund balance of \$1,568.0. The FY10 recommendation for fund balance, based on the agency request, reflects \$386.4, a reduction of \$1,181.6.

The recommendation for the Twelfth District Attorney includes a 0.3% or \$6.7 decrease in General Fund. Total funding recommended for the agency is an 11.1% or \$361.6 decrease. The decrease occurred due to the requested reeducation in fund balance from SWBI. In FY09, the agency budget reflected \$354.2 in fund balance from SWBI. For FY10, the fund balance is no longer available.

The recommendation for the Thirteenth District includes a 2.0% or \$101.5 decrease in General Fund. The agency saw reductions in other transfers and other revenue stemming from a decrease in memorandums of understanding (MOUs) with various Native American pueblos. The agency included \$298.8 in fund balance from residual contracts and other MOUs for a total budget increase of \$48.1 for FY10.

The recommendation for the Eleventh District Attorney, Division II includes a \$35.9 or 1.7% decrease in General Fund. The total funding recommendation is a 2.8% or \$63.2 decrease primarily caused by a \$27.3 loss from a McKinley County grant for a DWI subpoena clerk.

The District Attorneys' personnel and compensation plan allows for District Attorney offices and the AODA to grant out-of-cycle increases to employees who have been employed for more than six months without Department of Finance and Administration approval of budget sufficiency. Out-of-cycle increases are either one-time lump sum payment or a compensation increase to an individual not to exceed 15% per fiscal year. District Attorneys may not award increases to more than 20% of their employees per fiscal year. The Executive strongly encourages the District Attorneys to use caution when requesting out-of cycle increases where it is apparent that the increases will affect future funding requests. The Executive also strongly encourages the District Attorney Association's Personnel Review Board to assure that all restrictions to out-of-cycle increases are fully reviewed prior to approving out-of-cycle increases.

Performance Report

The Executive commends those districts that met or exceeded their performance targets in FY08. The Executive encourages the District Attorneys to continue to evaluate current targets and set higher standards for targets that have been continually achieved in past fiscal years.

The First District Attorney met or exceeded all target measures except for number of cases screened. The first DA acknowledges that the target is for explanatory purposes and cannot be accurately predicted. The office stated it has no real control over the actual number of crimes committed, which can lead to large fluctuations in the year end result, particularly regarding performance measures for the number of cases referred for screening and the number of cases prosecuted.

The Second District Attorney met or exceeded five out of seven performance measure targets in FY08. The number of cases referred for screening and the number of cases prosecuted were not met. The office acknowledges that the target for screened cases is an estimate and the agency has no real control over the actual number screened by year end. The second DA is encouraged to closely monitor the number of cases prosecuted in order to determine if the target is appropriate or should be considered for adjustment.

The Third District Attorney met or exceeded five out of six performance measure targets. The target for average attorney caseload (160) was exceeded by 97.6. The third DA is encouraged to closely monitor the number of cases each attorney is assigned and determine if this target is inappropriately set. If the target is appropriate, the third DA is strongly encouraged to describe any mitigating factors involved in exceeding a target.

The Fourth District Attorney has developed a well thought out system of performance measures. The fourth DA has set targets and gathers year end data on measures that mirror measures and targets in other DA offices as well as measures and targets that are of a more internal or district level. The fourth DA met or exceeded five of the six core measures (those measures that are common with all other DA offices). The fourth DA is encouraged to closely monitor the number of cases screened to determine if the current target is appropriate for this measure or if this target should be adjusted. The office provided FY08 year end reports on eleven other targets and is encouraged to continue to review these measures for accurate data reporting and appropriate target levels.

The Fifth District Attorney met or exceeded the targets for the percent of cases dismissed under the six-month rule and the average time from filing of petition to final disposition in months. The fifth

DA had three performance measures where the year end results did not indicate the targets were met. Although the fifth DA has reported these measures as 'not met', the DA explained the differences. For the average attorney caseload, the target was 200 and the year end report was 257. The fifth DA believes that inadequate attorney staffing is the reason why its prosecutors handled more cases than the target. The fifth DA is encouraged to determine if there could be some relief regarding staffing or if this is a case where the target needs to be adjusted to more closely fit the reality of the current situation. The fifth DA exceeded the number of cases prosecuted, but once again believes the year end report indicates it did not meet its target. Reevaluation of target levels for this measure may be in order. The same situation exists for the number of cases referred for screening, which is reported as not met.

The Sixth District Attorney reports it met or exceeded six out of seven performance measure targets. The average time for filing of petitions was not met primarily due to the unusually high number of major crimes. These types of crimes require longer assessment than other crimes. The sixth DA is encouraged to monitor the type of crimes being committed to determine if this is a trend that could result in an adjustment to the target number.

The Seventh District Attorney reports it has met or exceeded five out of eight performance measure targets for FY08. The number of cases prosecuted and the number of cases referred for screening can be difficult to accurately forecast targets as the DA has little or no control over the number of crimes committed in any given year. However, the actual numbers for these performance measures have value as they are an indicator of the office's activity. The seventh DA is encouraged to closely monitor these measures and explain the year end numbers reported.

The Eighth District Attorney reports it met or achieved three out of six FY08 performance measure targets. Targets for the number of cases referred for screening, average number of cases prosecuted per attorney and total number of cases prosecuted can be difficult to accurately forecast as the DA has little or no control over the number of crimes committed in any given year. However, the actual outcomes for these performance measures are valuable as an indicator of the office's activity. The eighth DA is encouraged to closely monitor these measures and explain the year end numbers reported. The eighth DA did not meet the target for the number of cases dismissed under the six month rule due to turn over by the assigned DUI attorney and related support staff.

The Ninth District Attorney reports it met or exceeded five out of six FY08 performance measure targets. The ninth DA indicated it exceeded the target for the number of cases prosecuted and the number of cases referred for screening due to being fully staffed. The target for the average time from filing petitions to disposition was not met. The ninth DA indicates this was due to several high profile cases that require much longer preparation time than the four month target set.

The Tenth District Attorney reports it met or exceeded three out of six FY08 performance measure targets. The average time for the filing of petitions, average attorney caseload and number of cases prosecuted were not met primarily due to a high rate of turn over for prosecuting attorneys. The tenth DA believes the inability to offer higher salaries is a factor in attracting and maintaining prosecutors in this district.

The Eleventh District Attorney, Division I reports it met or exceeded two out six FY08 performance measure targets. The average time for the filing of petitions, average attorney caseload

and average number of cases prosecuted per attorney were not met primarily due to a high number of prosecutor vacancies that went unfilled during FY08. The eleventh DA - division I indicated that the target for the number of cases prosecuted was not met due to a change in the formula used to acquire the number of cases prosecuted, in addition to the number of vacancies it had.

The Twelfth District Attorney reports it met or exceeded four out of six FY08 performance measure targets. The twelfth DA did not meet targets for the number of cases prosecuted or number of cases referred for screening. Although the reasons for not meeting these targets are most likely similar to the other DA offices, the twelfth DA did not explain the circumstances. The twelfth DA is encouraged to monitor these performance measures and determine if the targets are appropriate or whether the targets for these performance measures should be adjusted.

The Thirteenth District Attorney reports it met two out of six FY08 performance measure targets. The average time from filing of petitions, average attorney caseload, number of cases prosecuted, and number of cases referred for screening were not met. The thirteenth DA has indicated that because of the high rate of growth within the district and corresponding increase in the number of cases filed, the number of prosecutors available has not kept up with the demand caused by growth in its district.

The Eleventh District Attorney, Division II reports it exceeded its FY08 performance measure target for the number of cases prosecuted. The eleventh DA – division II indicated a number of reasons for not meeting the remaining performance measure targets including filling and retaining prosecutors, increased number of DWI cases, increased number of domestic violence cases including misdemeanor domestic violence cases, a greater number of continuances and delays in lab analysis and securing expert witnesses. The eleventh DA - division II is encouraged to closely monitor its performance measure targets to determine if the targets set are appropriate or if they should be considered for adjustment.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE Change	<u>Percent Change</u>
SOURCES					
General Fund Transfers	57,396.4	61,128.4	59,869.3	-1,259.1	-2.1
Other Transfers	720.3	1,378.9	1,181.0	-197.9	-14.4
Federal Revenues	2,931.9	1,236.7	1,364.2	127.5	10.3
Other Revenues	217.5	297.2	580.7	283.5	95.4
Fund Balance	745.9	2,260.5	1,052.0	-1,208.5	-53.5
TOTAL SOURCES	62,012.1	66,301.7	64,047.2	-2,254.5	-3.4
USES					
Personal Services and Employee Benefits	53,777.6	59,378.8	59,252.7	-126.1	-0.2
Contractual Services	990.2	1,156.6	938.1	-218.5	-18.9
Other	5,752.7	5,766.3	3,856.4	-1,909.9	-33.1
TOTAL USES	60,520.5	66,301.7	64,047.2	-2,254.5	-3.4

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
FTE					
Permanent	507.00	879.00	883.00	4.00	0.5
Term	52.80	70.50	65.00	-5.50	-7.8
Temporary	3.00	3.00	0.00	-3.00	-100.0
TOTAL FTE POSITIONS	562.80	952.50	948.00	-4.50	-0.5

First Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	4,771.0	5,142.6	5,055.5	-87.1	-1.7
Other Transfers	25.0	38.4	0.0	-38.4	-100.0
Federal Revenues	82.8	134.8	78.8	-56.0	-41.5
TOTAL SOURCES	4,878.8	5,315.8	5,134.3	-181.5	-3.4
USES					
Personal Services and Employee Benefits	4,261.5	4,786.1	4,699.2	-86.9	-1.8
Contractual Services	18.9	32.4	32.8	0.4	1.2
Other	444.7	497.3	402.3	-95.0	-19.1
TOTAL USES	4,725.1	5,315.8	5,134.3	-181.5	-3.4
FTE					
Permanent	68.00	70.00	70.00	0.00	0.0
Term	5.00	3.00	2.00	-1.00	-33.3
TOTAL FTE POSITIONS	73.00	73.00	72.00	-1.00	-1.4

Second Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	17,012.7	17,859.8	17,490.1	-369.7	-2.1
Other Transfers	293.2	908.8	758.6	-150.2	-16.5
Federal Revenues	161.0	150.0	180.0	30.0	20.0
Other Revenues	52.8	46.0	288.5	242.5	527.2
TOTAL SOURCES	17,519.8	18,964.6	18,717.2	-247.4	-1.3
USES					
Personal Services and Employee Benefits	16,638.6	17,792.6	17,732.4	-60.2	-0.3
Contractual Services	163.8	275.5	170.5	-105.0	-38.1
Other	913.9	896.5	814.3	-82.2	-9.2
TOTAL USES	17,716.3	18,964.6	18,717.2	-247.4	-1.3
FTE					
Permanent	0.00	283.00	284.00	1.00	0.4
Term	0.00	15.50	15.50	0.00	0.0
TOTAL FTE POSITIONS	0.00	298.50	299.50	1.00	0.3

Third Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	4,185.8	4,728.8	4,611.1	-117.7	-2.5
Other Transfers	42.7	42.7	53.6	10.9	25.5
Federal Revenues	2,295.3	563.6	715.7	152.1	27.0
Other Revenues	42.0	0.0	194.5	194.5	***
Fund Balance	0.0	338.3	366.7	28.4	8.4
TOTAL SOURCES	6,565.8	5,673.4	5,941.6	268.2	4.7
USES					
Personal Services and Employee Benefits	5,071.5	5,311.9	5,625.4	313.5	5.9
Contractual Services	122.3	65.2	75.5	10.3	15.8
Other	577.6	296.3	240.7	-55.6	-18.8
TOTAL USES	5,771.4	5,673.4	5,941.6	268.2	4.7
FTE					
Permanent	60.00	62.00	62.00	0.00	0.0
Term	19.00	18.00	21.00	3.00	16.7
TOTAL FTE POSITIONS	79.00	80.00	83.00	3.00	3.8

Fourth Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	3,320.7	3,426.4	3,342.2	-84.2	-2.5
TOTAL SOURCES	3,320.7	3,426.4	3,342.2	-84.2	-2.5
USES					
Personal Services and Employee Benefits	2,541.3	3,121.9	3,064.9	-57.0	-1.8
Contractual Services	91.0	78.8	81.5	2.7	3.4
Other	679.0	225.7	195.8	-29.9	-13.2
TOTAL USES	3,311.3	3,426.4	3,342.2	-84.2	-2.5
FTE					
Permanent	42.00	42.00	42.00	0.00	0.0
TOTAL FTE POSITIONS	42.00	42.00	42.00	0.00	0.0

Fifth Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	4,395.8	4,656.0	4,560.4	-95.6	-2.1
Other Revenues	0.0	15.0	0.0	-15.0	-100.0
TOTAL SOURCES	4,395.8	4,671.0	4,560.4	-110.6	-2.4
USES					
Personal Services and Employee Benefits	3,573.5	4,104.1	4,107.4	3.3	0.1
Contractual Services	199.3	206.9	172.3	-34.6	-16.7
Other	508.0	360.0	280.7	-79.3	-22.0
TOTAL USES	4,280.8	4,671.0	4,560.4	-110.6	-2.4

Fifth Judicial District Attorney
(Dollars in Thousands)

		FY10				
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	mendation	Dollar	Percent
					<u>Change</u>	<u>Change</u>
FTE	Permanent	58.00	60.00	60.00	0.00	0.0
	TOTAL FTE POSITIONS	58.00	60.00	60.00	0.00	0.0

Sixth Judicial District Attorney
(Dollars in Thousands)

		FY10				
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	mendation	Dollar	Percent
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	2,487.4	2,687.8	2,620.8	-67.0	-2.5
	Other Transfers	247.9	229.5	247.8	18.3	8.0
	Federal Revenues	105.1	100.7	102.0	1.3	1.3
	TOTAL SOURCES	2,840.4	3,018.0	2,970.6	-47.4	-1.6
USES						
	Personal Services and Employee Benefits	2,469.6	2,748.9	2,722.7	-26.2	-1.0
	Contractual Services	33.6	19.5	19.5	0.0	0.0
	Other	332.5	249.6	228.4	-21.2	-8.5
	TOTAL USES	2,835.7	3,018.0	2,970.6	-47.4	-1.6
FTE						
	Permanent	34.00	34.00	34.00	0.00	0.0
	Term	6.00	7.00	7.00	0.00	0.0
	TOTAL FTE POSITIONS	40.00	41.00	41.00	0.00	0.0

Seventh Judicial District Attorney
(Dollars in Thousands)

		FY10				
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	mendation	Dollar	Percent
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	2,380.3	2,531.5	2,469.0	-62.5	-2.5
	TOTAL SOURCES	2,380.3	2,531.5	2,469.0	-62.5	-2.5
USES						
	Personal Services and Employee Benefits	2,081.7	2,230.1	2,249.8	19.7	0.9
	Contractual Services	52.8	56.1	44.8	-11.3	-20.1
	Other	226.2	245.3	174.4	-70.9	-28.9
	TOTAL USES	2,360.7	2,531.5	2,469.0	-62.5	-2.5
FTE						
	Permanent	36.00	36.00	36.00	0.00	0.0
	Term	1.00	1.00	1.00	0.00	0.0
	TOTAL FTE POSITIONS	37.00	37.00	37.00	0.00	0.0

Eighth Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	2,567.6	2,776.5	2,707.6	-68.9	-2.5
TOTAL SOURCES	2,567.6	2,776.5	2,707.6	-68.9	-2.5
USES					
Personal Services and Employee Benefits	2,177.5	2,442.3	2,426.3	-16.0	-0.7
Contractual Services	72.9	68.5	62.0	-6.5	-9.5
Other	317.2	265.7	219.3	-46.4	-17.5
TOTAL USES	2,567.6	2,776.5	2,707.6	-68.9	-2.5
FTE					
Permanent	32.00	33.00	36.00	3.00	9.1
Term	1.00	1.00	0.00	-1.00	-100.0
Temporary	3.00	3.00	0.00	-3.00	-100.0
TOTAL FTE POSITIONS	36.00	37.00	36.00	-1.00	-2.7

Ninth Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	2,714.7	2,836.9	2,769.5	-67.4	-2.4
TOTAL SOURCES	2,714.7	2,836.9	2,769.5	-67.4	-2.4
USES					
Personal Services and Employee Benefits	2,553.0	2,688.6	2,648.1	-40.5	-1.5
Contractual Services	20.0	11.0	11.0	0.0	0.0
Other	132.5	137.3	110.4	-26.9	-19.6
TOTAL USES	2,705.5	2,836.9	2,769.5	-67.4	-2.4
FTE					
Permanent	38.00	39.00	39.00	0.00	0.0
Term	1.00	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	39.00	39.00	39.00	0.00	0.0

Tenth Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	980.0	1,045.2	1,039.2	-6.0	-0.6
TOTAL SOURCES	980.0	1,045.2	1,039.2	-6.0	-0.6
USES					
Personal Services and Employee Benefits	818.4	919.1	917.8	-1.3	-0.1
Contractual Services	9.6	7.9	7.9	0.0	0.0
Other	175.9	118.2	113.5	-4.7	-4.0
TOTAL USES	1,003.9	1,045.2	1,039.2	-6.0	-0.6
FTE					
Permanent	12.00	13.00	13.00	0.00	0.0
TOTAL FTE POSITIONS	12.00	13.00	13.00	0.00	0.0

Eleventh Judicial District Attorney, Division I
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	3,427.6	3,647.7	3,558.8	-88.9	-2.4
Other Transfers	46.6	46.3	46.6	0.3	0.6
Federal Revenues	62.1	62.0	62.1	0.1	0.2
Fund Balance	237.7	1,568.0	386.4	-1,181.6	-75.4
TOTAL SOURCES	3,774.0	5,324.0	4,053.9	-1,270.1	-23.9
USES					
Personal Services and Employee Benefits	3,203.9	3,793.7	3,746.4	-47.3	-1.2
Contractual Services	16.2	119.8	114.3	-5.5	-4.6
Other	381.2	1,410.5	193.2	-1,217.3	-86.3
TOTAL USES	3,601.3	5,324.0	4,053.9	-1,270.1	-23.9
FTE					
Permanent	55.00	55.00	55.00	0.00	0.0
Term	10.30	10.50	10.50	0.00	0.0
TOTAL FTE POSITIONS	65.30	65.50	65.50	0.00	0.0

Twelfth Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	2,551.4	2,640.7	2,634.0	-6.7	-0.3
Other Transfers	48.3	49.0	48.3	-0.7	-1.4
Federal Revenues	225.6	225.6	225.6	0.0	0.0
Fund Balance	188.5	354.2	0.0	-354.2	-100.0
TOTAL SOURCES	3,013.8	3,269.5	2,907.9	-361.6	-11.1
USES					
Personal Services and Employee Benefits	2,533.2	2,736.6	2,565.7	-170.9	-6.2
Contractual Services	117.6	128.3	64.9	-63.4	-49.4
Other	323.5	404.6	277.3	-127.3	-31.5
TOTAL USES	2,974.3	3,269.5	2,907.9	-361.6	-11.1
FTE					
Permanent	39.00	39.00	39.00	0.00	0.0
Term	8.50	8.50	3.00	-5.50	-64.7
TOTAL FTE POSITIONS	47.50	47.50	42.00	-5.50	-11.6

Thirteenth Judicial District Attorney
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	4,397.3	4,978.6	4,877.1	-101.5	-2.0
Other Transfers	0.0	10.8	0.0	-10.8	-100.0
Other Revenues	122.7	236.2	97.7	-138.5	-58.6
Fund Balance	319.7	0.0	298.9	298.9	***
TOTAL SOURCES	4,839.7	5,225.6	5,273.7	48.1	0.9
USES					
Personal Services and Employee Benefits	4,003.3	4,712.2	4,764.6	52.4	1.1
Contractual Services	48.6	75.0	69.4	-5.6	-7.5
Other	516.3	438.4	439.7	1.3	0.3
TOTAL USES	4,568.2	5,225.6	5,273.7	48.1	0.9
FTE					
Permanent	0.00	80.00	80.00	0.00	0.0
Term	0.00	4.00	4.00	0.00	0.0
TOTAL FTE POSITIONS	0.00	84.00	84.00	0.00	0.0

Eleventh Judicial District Attorney, Division II
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	2,204.1	2,169.9	2,134.0	-35.9	-1.7
Other Transfers	16.6	53.4	26.1	-27.3	-51.1
TOTAL SOURCES	2,220.7	2,223.3	2,160.1	-63.2	-2.8
USES					
Personal Services and Employee Benefits	1,850.6	1,990.7	1,982.0	-8.7	-0.4
Contractual Services	23.6	11.7	11.7	0.0	0.0
Other	224.2	220.9	166.4	-54.5	-24.7
TOTAL USES	2,098.4	2,223.3	2,160.1	-63.2	-2.8
FTE					
Permanent	33.00	33.00	33.00	0.00	0.0
Term	1.00	2.00	1.00	-1.00	-50.0
TOTAL FTE POSITIONS	34.00	35.00	34.00	-1.00	-2.9

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
First Judicial District Attorney					
The purpose of the prosecution program is to enforce state laws as they pertain to the district attorney and to improve and ensure the protection, safety, welfare and health of the citizens within Santa Fe, Rio Arriba and Los Alamos counties.					
Outcome	Percent of cases dismissed under the six-month rule	<1%	<1%	<1%	<1%
Output	Number of cases dismissed under the six-month rule	<50	18	<25	<25
Efficiency	Average time from filing of petition to final disposition, in months	2	2	2	2
Efficiency	Average attorney caseload	150	96	110	110
Output	Number of cases prosecuted	2,800	2,223	2,350	2,500
Output	Number of cases referred for screening	4,400	2,459	3,000	3,000

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Second Judicial District Attorney					
The purpose of the prosecution program is to enforce, improve and ensure the protection, safety, welfare and health of the citizens within Bernalillo county by providing administrative, special programs and litigant support.					
Outcome	Percent of cases dismissed under the six-month rule	<3%	0.12%	<2.8%	<2.5%
Output	Number of cases dismissed under the six-month rule	<1,192	55	<500	<250
Efficiency	Average time from filing of petition to final disposition, in months	11.5	10	10.5	10.5
Efficiency	Average attorney caseload	550	422	550	500
Output	Number of cases prosecuted	25,000	28500	26000	27,000
Output	Number of cases referred for screening	43,000	30843	43,500	43,500
Efficiency	Average number of cases prosecuted per attorney	250	259	245	245
Third Judicial District Attorney					
The purpose of the prosecution program is to enforce state laws as they pertain to the District Attorney and to improve and ensure the protection, safety, welfare and health of the citizens within the Dona Ana County.					
Efficiency	Average time from filing of petition to final disposition, in months	7	6	6	6
Output	Number of cases referred for screening	5,400	6,697	5,600	5,800
Output	Number of cases dismissed under the six-month rule	<6	3	<3	3
Output	Number of cases prosecuted	4,100	5,152	4,500	4,600
Outcome	Percent of cases dismissed under the six-month rule	<.3%	.00055	<.3%	<.3%
Efficiency	Average attorney caseload	160	257.60		160
Fourth Judicial District Attorney					
The purpose of the prosecution program is to provide litigation, special programs and administrative support for the Fourth Judicial District Attorney to enforce, improve and ensure protection, safety, welfare and health for the citizens of Mora, San Miguel and Guadalupe Counties.					
Output	Number of cases referred for screening	5,700	2,236	5,750	2,400
Output	Number of cases referred for follow-up investigation	1,275	1,118	1,280	1,120
Outcome	Percent of cases dismissed under the six-month rule	<1%	<1%	<1%	<1%
Efficiency	Average time from filing of petition to final disposition, in months	6	5	6	6
Efficiency	Average attorney caseload	250	279.5	250	240
Output	Number of cases prosecuted, per attorney	1,750	1,954	1,755	1750
Output	Number of cases prosecuted	1,750	1,954	1,800	1900
Output	Number of offenders accepted into pre-prosecution diversion program	40	73	45	50
Outcome	Total revenue collected from participants in the pre-prosecution diversion program, in thousands	\$6.0	\$14.85	\$6.2	\$14.0
Output	Number of worthless check cases processed	345	402	350	400
Outcome	Total revenue collected from participants in the worthless check program, in thousands	\$80.0	\$106.5	\$80.0	\$100
Output	Number of drug cases prosecuted	135	75	140	100
Output	Number of domestic violence cases prosecuted	380	248	375	250
Output	Number of victims assisted by the district attorney office	450	478	455	475
Output	Number of probation violations filed	245	189	240	190
Output	Number of county civil matters handled	450	50	450	50
Output	Average investigator caseload	685	559	685	550
Fifth Judicial District Attorney					
The purpose of the prosecution program is to provide litigation, special programs and administrative support for the Fifth Judicial District Attorney to enforce, improve and ensure protection, safety, welfare and health for the citizens in Eddy, Lea and Chaves Counties.					
Outcome	Percent of cases dismissed under the six-month rule	0%	0%	<1%	<1%
Efficiency	Average time from filing of petition to final disposition, in months	4	2.5	5	4
Efficiency	Average attorney caseload	200	257	200	200
Output	Number of cases prosecuted	3,300	4869	4,000	3,900
Output	Number of cases referred for screening	3,800	5151	3,200	4,500
Output	Number of cases dismissed under the six-month rule.	1%	0	3	1%

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Sixth Judicial District Attorney					
The purpose of the prosecution program is to enforce state laws as they pertain to the District Attorney and to improve and ensure the protection, safety, welfare and health of the citizens within the Grant, Hidalgo, and Luna counties.					
Outcome	Percent of cases dismissed under the six-month rule	<1%	<1%	<1%	<1%
Output	Number of cases dismissed under the six-month rule	<5	6	<2	<5
Efficiency	Average time from filing of petition to final disposition, in months	5	6.5	5	6
Efficiency	Average attorney caseload	150	230	150	150
Output	Number of cases prosecuted	1,900	2169	1,900	1900
Output	Number of cases referred for screening	2,200	2425	2,200	2200
Output	Average number of cases prosecuted per attorney	180	230	180	200

Seventh Judicial District Attorney					
The purpose of the prosecution program is to provide litigation, special programs and administrative support for the Seventh Judicial District Attorney to enforce, improve and ensure protection, safety, welfare and health for the citizens in the Seventh Judicial District.					
Outcome	Percent of cases dismissed under the six-month rule	<2%	0.6%	<2%	<2%
Output	Number of cases dismissed under the six-month rule	<80	12	<25	<25
Efficiency	Average time from filing of petition to final disposition, in months	5.5	5.1	5.5	5.5
Efficiency	Average attorney caseload	140	134	140	140
Output	Number of cases prosecuted	2,280	1941	2,100	2000
Output	Number of cases referred for screening	2,450	1909	2,200	2100
Efficiency	Average time from filing of petition to final disposition for felony cases, in months	10	8.8	10	10
Efficiency	Average time from filing of petition to final disposition for misdemeanor cases, in months	4	5.5	4.25	4.5

Eighth Judicial District Attorney					
The purpose of the prosecution program is to provide litigation, special programs and administrative support for the Eighth Judicial District Attorney to enforce, improve and ensure protection, safety, welfare and health for the citizens in Taos, Colfax, and Union Counties.					
Output	Number of cases referred for screening	3,500	2193	3,600	3000
Output	Number of cases prosecuted	1,500	1343	1,600	1400
Efficiency	Average time from filing of petition to final disposition, in months	7 mths	6 mths	7	7
Outcome	Percent of cases dismissed under the six-month rule	<3%	2%	<3%	<3%
Efficiency	Average attorney caseload	200	224	200	200
Output	Number of cases dismissed under the six-month rule	13	22	13	10
Output	Average number of cases prosecuted per attorney	200	192	200	200

Ninth Judicial District Attorney					
The mission of the prosecution program is to provide litigation, special programs and administrative support for the Ninth Judicial District Attorney to enforce, improve and ensure protection, safety, welfare and health for the citizens in Curry and Roosevelt counties.					
Output	Number of cases prosecuted	3000	3231	3,000	3000
Output	Number of cases dismissed under the six-month rule	<15	12	<10	<10
Efficiency	Average time from filing of petition to final disposition, in months	4	7.2	4	6
Efficiency	Average attorney caseload	180	159	250	180
Outcome	Percent of cases dismissed under the six-month rule	<1%	.0036	<1%	<1%
Output	Number of cases referred for screening	2,000	3231	3,000	3000

Tenth Judicial District Attorney					
The purpose of the prosecution program is to provide litigation, special programs and administrative support for the Tenth Judicial District Attorney to enforce, improve and ensure protection, safety, welfare and health for the citizens in Quay, Harding and De Baca Counties.					
Outcome	Percent of cases dismissed under the six-month rule	<1%	0%	<1%	<1%
Efficiency	Average time from filing of petition to final disposition, in months	3	18	5	10
Efficiency	Average attorney caseload	300	387	300	300
Output	Number of cases prosecuted	1,200	661	1,200	1200
Output	Number of cases referred for screening	300	968	900	900
Output	Number of cases dismissed under the six-month rule	0	0	0	0

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
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Eleventh Judicial District Attorney, Division I

The purpose of the prosecution program is to provide litigation, special programs and administrative support for the 11th Judicial District Attorney, Div. I to enforce, improve and ensure protection, safety, welfare and health for the citizens of San Juan County.

Output	Number of cases referred for screening	4,500	4691	4,500	4500
Output	Number of cases prosecuted	4,100	2887	4,300	3000
Outcome	Percent of cases dismissed under the six-month rule	<.5%	.31%	<.5%	<.5%
Efficiency	Average time from filing of petition to final disposition, in months	6	7	<6	6
Efficiency	Average attorney caseload	209	313	200	250
Output	Average number of cases prosecuted per attorney	0	192	<.5%	170

Twelfth Judicial District Attorney

The purpose of the prosecution program is to provide litigation, special programs and administrative support to the 12th Judicial District Attorney to enforce, improve and ensure protection, safety, welfare and health for the citizens of Lincoln and Otero Counties.

Outcome	Percent of cases dismissed under the six-month rule	<.5%	<.5%	<.5%	<.4%
Efficiency	Average time from filing of petition to final disposition, in months	8	8	8	8
Efficiency	Average attorney caseload	160	325	160	180
Output	Number of cases prosecuted	4,300	3,235	5,500	3300
Output	Number of cases referred for screening	6,000	4,381	7,000	4800
Output	Number of cases dismissed under the six-month rule	3	N/A	3	Disc.
Output	Average investigator caseload	60	N/A	60	Disc
Output	Average number of cases prosecuted per attorney	300	240	300	150
Outcome	Percent of felony cases resulting in a reduction of original formally filed charges	<3%	N/A	<3%	Disc.

Thirteenth Judicial District Attorney

The purpose of the prosecution program is to provide litigation, special programs, and administrative support for the Thirteenth Judicial District Attorney to enforce, improve and ensure protection, safety, welfare and health for the citizens within in Cibola, Sandoval, and Valencia counties.

Outcome	Percent of cases dismissed under the six-month rule	<.2%	<.2%	<.2%	<.2%
Output	Number of cases dismissed under the six-month rule	<17	<16	<17	<17
Efficiency	Average time from filing of petition to final disposition, in months	8	9	6	6
Efficiency	Average attorney caseload	190	190	190	190
Output	Number of cases prosecuted	7,677	7288	8,200	8000
Output	Number of cases referred for screening	8,705	7833	8,966	8700

Eleventh Judicial District Attorney, Division II

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

Outcome	Percent of cases dismissed under the six-month rule	<1.5%	<3%	<1.0%	<1.5%
Output	Number of cases dismissed under the six-month rule	<34	<75	<30	<50
Efficiency	Average time from filing of petition to final disposition, in months	8	11	8	9
Efficiency	Average attorney caseload	466	490	466	500
Output	Number of cases prosecuted	2,563	2209	2,563	2600
Output	Number of cases referred for screening	3,726	3918	3,951	3900

Executive Summary

The Administrative Office of the District Attorneys (AODA) provides administrative support to all District Attorney Offices.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	2,168.1	2,115.8	-2.4
Total Sources	2,318.1	2,295.8	-1.0
Program			
Administrative Office of the District Attorneys	2,318.1	2,295.8	-1.0
Total Uses	2,318.1	2,295.8	-1.0
FTE	13.00	13.00	0.0

- The Executive recommendation reflects a \$52.3 decrease in General Fund from the FY09 operating level.
- The Executive recommends increases for personal services and employee benefits and contractual services.

Agency Mission and Program Purpose

The Administrative Office of the District Attorneys (AODA) provides administrative support to all District Attorney offices. Its mission is to improve the criminal justice system by promoting professionalism among New Mexico’s District Attorneys through education, administrative and technical support and through the standardization of fiscal processes, personnel functions, staff development and victim notification.

Statutory Authority: Sections 36-1-25 through 36-1-26 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

District Attorneys' prosecution of DWI, domestic violence, crimes against children, drug related crimes and gang activity are an integral part in ensuring the safety of all New Mexicans. Efficient and effective support from the Administrative Office of the District Attorneys (AODA) in the areas of fiscal issues, human resources administration and information technology issues aid the District Attorneys' efforts in achieving their goals.

Key Elements of Recommendation

Due to state General Fund revenue estimates, the Executive recommendation reflects a decrease of \$52.3 or 2.4% in General Fund, with an overall decrease of \$22.3 for FY10. The funding level will allow the AODA to maintain the current level of service it provides. The increase to personal

services and employee benefits and contractual services is offset by a decrease in other operational costs. The recommendation does not include funding from an FY07 supplemental appropriation that AODA would have liked to see reauthorized as a part of its base budget.

Performance Report

The AODA exceeded both of its FY08 performance measures. The Executive encourages the AODA to review its FY10 targets to determine if they should be adjusted to more accurately reflect the activities of the agency. The Executive also encourages AODA to collaborate with DFA and LFC to determine if additional performance measures are appropriate in order to provide a more accurate picture of the AODA's total responsibilities and how the agency performs in meeting them.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar/FTE</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	6,285.1	2,168.1	2,115.8	-52.3	-2.4
Other Transfers	0.0	50.0	0.0	-50.0	-100.0
Federal Revenues	86.4	0.0	0.0	0.0	***
Other Revenues	343.1	80.0	180.0	100.0	125.0
Fund Balance	20.0	20.0	0.0	-20.0	-100.0
TOTAL SOURCES	6,734.6	2,318.1	2,295.8	-22.3	-1.0
USES					
Personal Services and Employee Benefits	1,019.1	938.3	1,009.5	71.2	7.6
Contractual Services	76.3	38.2	39.6	1.4	3.7
Other	1,473.4	1,341.6	1,246.7	-94.9	-7.1
Other Financing Uses	1,604.0	0.0	0.0	0.0	***
TOTAL USES	4,172.8	2,318.1	2,295.8	-22.3	-1.0
FTE					
Permanent	0.00	13.00	13.00	0.00	0.0
TOTAL FTE POSITIONS	0.00	13.00	13.00	0.00	0.0

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Administrative Office of the District Attorneys					
The purpose of the administrative support program is to provide fiscal, human resource, staff development, automation, victim program services and support to all District Attorneys' offices in New Mexico and to members of the NM Children's Safehouse Network so that they may obtain and access the necessary resources in order to effectively and efficiently carry out their prosecutorial, investigative and programmatic functions.					
Output	Number of district attorney employees receiving training	850	906	1,000	975
Output	Number of victim notification events and escapes reported, monthly	6,000	6,780	6,500	7,000

Executive Summary

The Attorney General functions as the state’s chief legal officer; legal counsel to state government; consumer advocate; and guardian of the public interest.

	FY09 Operating Budget	FY10 Recommendation	% Change
General Fund	16,586.0	15,746.1	-5.1
Total Sources	18,387.7	17,550.3	-4.6
Program			
Legal Services	16,155.9	15,318.5	-5.2
Medicaid Fraud	2,231.8	2,231.8	0.0
Total Uses	18,387.7	17,550.3	-4.6
FTE	181.00	181.00	0.0

- The Executive recommendation reduces expenditures from FY09 operating levels by \$837.4.

Agency Mission and Program Purpose

The Attorney General (AG) provides legal opinions to various governmental entities and state officials as requested. The Attorney General’s duties include prosecuting and defending all cases in which the state is an interested party in the Supreme Court, Court of Appeals or any other court or tribunal. The AG also provides programs and publications to educate New Mexico residents about their rights concerning governmental access and consumer protection.

Statutory Authority: Article V, Section 1, New Mexico Constitution; Sections 8-5-1 through 8-5-15 NMSA 1978.

Legal Services

Duties within the Legal Services Program include mediating consumer complaints and providing written legal opinions on any questions of law submitted by the Legislature, any member of the Legislature, the governor, state officials or any district attorney. The AG investigates: violence against women; environmental crimes; antitrust violations; economic crimes; public corruption; violations of the Open Meetings Act, Governmental Conduct Act and Inspection of Public Records Act; and election violations. The AG will also act in criminal cases if the district attorney fails or refuses to act, and if the AG determines it to be advisable.

Medicaid Fraud

The Medicaid Fraud and Elder Abuse Division investigates and prosecutes individuals for violations of criminal laws with respect to provider fraud and recipient abuse, neglect or exploitation in the provision or administration of New Mexico’s Medicaid Program. Allegations are received from individuals and the Human Services Department. The mission of this specialized unit is to reduce incidents of fraud and abuse within the New Mexico Medicaid Program.

Executive Recommendation*Agency Strategic Directions*

The Attorney General's Office is dedicated to providing independent legal advice and representation on behalf of the public, in accordance with state laws. The Attorney General has put together a well-trained, highly motivated and innovative team that is committed to the protection of consumer rights and the provision of equitable access to governmental resources. The AG is also committed to providing leadership in legal matters in state government and delivering superior legal services to its state clients.

An example of the Attorney General's commitment to the protection of consumers is illustrated by recent actions taken against an Illinois debt collection company for violating New Mexico's Unfair Practices Act. The company was attempting to collect debts that are legally unenforceable because the statute of limitations has run out, without disclosing material information to debtors. In an effort to mitigate the impact of recently developed scams, the office seeks to inform the public of fraudulent activity involving identity theft, counterfeit checks, lottery scams and other harmful schemes targeted toward New Mexico residents.

Recently, the AG was instrumental in developing an historic international inter-agency agreement involving the AG's Border Violence Division and the State of Chihuahua, Mexico. This collaborative agreement will help combat human trafficking and illegal smuggling of firearms, drugs, stolen vehicles and other contraband along the U.S./Mexico border. This unique cooperation between cross-border law enforcement agencies is now serving as a model for other U.S.-Mexico border states and has been noted internationally by the United Nations.

Additionally, Attorney General King has personally been involved in efforts statewide to increase public awareness of potential violence and develop threat assessment safety protocols at public schools and university campuses.

Lastly, the AG continues to maintain cooperative agreements with the State Engineer, Interstate Stream Commission, and the Environment Department in preparation for pending litigation with regard to water issues involving the state of Texas.

Key Elements of Recommendation

The Executive recommendation for the Attorney General decreases expenditures from FY09 operating levels. Revenues are adjusted to reflect an \$839.9 reduction in General Fund and a reduction of \$74.0 in penalty fees. The recommendation for the personal services and employee benefits category reflects an assessed vacancy rate of 6.2%.

Performance Report

The Attorney General's Office achieved three of ten performance measure targets. The agency significantly increased the number of crime victims receiving information and advocacy from 648 in FY07 to 945 in FY08. Based on the increase, the Executive recommends increasing the target for FY10 to 800. The office did not meet its measure for the percent of initial responses to requests for attorney general opinions made within three days of request. The agency responded to 45 of 56 requests within three days of receipt. Due to the nature of the requests, eleven required extensive

review prior to response and were therefore not able to be completed within three days. In the Medicaid Fraud Program, the agency was significantly below the target level for the percent of case investigations completed within one hundred twenty days of receipt. Due to the complexity of some investigations, actual results have not met target levels for a number of years. The Executive recommends reducing the target level for FY10 to more accurately reflect historical levels for this measure.

Recommended Language for the General Appropriation Act

All revenue generated from antitrust cases and consumer protection settlements through the attorney general on behalf of the state, political subdivisions or private citizens shall revert to the general fund.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	15,550.0	16,586.0	15,746.1	-839.9	-5.1
Other Transfers	300.0	0.0	0.0	0.0	***
Federal Revenues	511.3	1,727.7	1,804.2	76.5	4.4
Other Revenues	0.0	74.0	0.0	-74.0	-100.0
TOTAL SOURCES	16,361.3	18,387.7	17,550.3	-837.4	-4.6
USES					
Personal Services and Employee Benefits	12,730.0	14,805.7	14,350.9	-454.8	-3.1
Contractual Services	460.0	754.9	630.0	-124.9	-16.5
Other	2,339.4	2,723.1	2,465.4	-257.7	-9.5
Other Financing Uses	0.0	104.0	104.0	0.0	0.0
TOTAL USES	15,529.4	18,387.7	17,550.3	-837.4	-4.6
FTE					
Permanent	180.00	180.00	180.00	0.00	0.0
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	181.00	181.00	181.00	0.00	0.0

		Legal Services (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar/FTE</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	15,038.7	16,024.4	15,214.5	-809.9	-5.1
	Other Transfers	300.0	0.0	0.0	0.0	***
	Federal Revenues	0.0	131.5	104.0	-27.5	-20.9
	TOTAL SOURCES	15,338.7	16,155.9	15,318.5	-837.4	-5.2
USES						
	Personal Services and					
	Employee Benefits	11,653.3	13,114.1	12,659.3	-454.8	-3.5
	Contractual Services	446.3	726.0	601.1	-124.9	-17.2
	Other	2,139.6	2,315.8	2,058.1	-257.7	-11.1
	TOTAL USES	14,239.2	16,155.9	15,318.5	-837.4	-5.2
FTE						
	Permanent	159.00	159.00	159.00	0.00	0.0
	Term	1.00	1.00	1.00	0.00	0.0
	TOTAL FTE POSITIONS	160.00	160.00	160.00	0.00	0.0

		Medicaid Fraud (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	511.3	561.6	531.6	-30.0	-5.3
	Federal Revenues	511.3	1,596.2	1,700.2	104.0	6.5
	Other Revenues	0.0	74.0	0.0	-74.0	-100.0
	TOTAL SOURCES	1,022.6	2,231.8	2,231.8	0.0	0.0
USES						
	Personal Services and					
	Employee Benefits	1,076.7	1,691.6	1,691.6	0.0	0.0
	Contractual Services	13.7	28.9	28.9	0.0	0.0
	Other	199.8	407.3	407.3	0.0	0.0
	Other Financing Uses	0.0	104.0	104.0	0.0	0.0
	TOTAL USES	1,290.2	2,231.8	2,231.8	0.0	0.0
FTE						
	Permanent	21.00	21.00	21.00	0.00	0.0
	TOTAL FTE POSITIONS	21.00	21.00	21.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Legal Services					
To deliver quality legal services (opinions, counsel, and representation) to state government entities and to enforce state law on behalf of the public so that New Mexicans have an open, honest, efficient government and enjoy the protection of state law.					
Output	Number of crime victims receiving information and advocacy	640	945	650	800
Outcome	Percent of mediation processes initiated within seventy-two hours of receipt of completed complaint	90%	Not Rept.	90%	90%
Outcome	Percent of investigations of Open Meetings Act, Inspection of Public Records Act, Governmental Conduct Act and Campaign Reporting Act, with complaints or referrals initiated within thirty days of referral	100%	100%	100%	100%
Outcome	Percent of inquiries resolved within sixty days of complaint or referral receipt	90%	90%	90%	90%
Outcome	Percent of initial responses to requests for attorney general opinions made within three days of request	95%	80.36%	95%	95%
Efficiency	Number of outreach presentations conducted throughout the state	19	18	16	18
Medicaid Fraud					
To investigate and prosecute Medicaid provider fraud, recipient abuse and neglect in the Medicaid program.					
Outcome	Three-year projected savings resulting from fraud investigations, in millions	\$12.0	\$7.9	\$12.2	\$12.2
Output	Number of program improvement recommendations forwarded to the United States department of health and human services department	5	4	5	5
Efficiency	Percent of case investigations completed within one hundred twenty days of receipt	80%	25%	75%	30%
Explanatory	Total medicaid recoveries, in thousands	\$1,900.0	\$1,094.0	\$2,000.0	\$2,000.0

Executive Summary

The State Auditor is responsible for assuring that financial affairs of governmental entities in New Mexico are audited annually.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	2,918.3	2,782.0	-4.7
Total Sources	3,536.7	3,400.1	-3.9
Program			
State Auditor	3,536.7	3,400.1	-3.9
Total Uses	3,536.7	3,400.1	-3.9
FTE	33.00	33.00	0.0

- The Executive recommends a decrease of \$136.3 in General Fund from FY09 operating levels.

Agency Mission and Program Purpose

The Office of the State Auditor (OSA) is responsible for examining and auditing the financial accounts of governmental entities in New Mexico as required in the Audit Act. Government agencies subject to the Audit Act include state and local governmental entities, school districts, colleges and universities. The State Auditor conducts financial, compliance and information technology audits in accordance with governmental auditing, accounting and financial reporting standards; federal, state and local laws; applicable rules, regulations and policies; the Audit Act; and the State Auditor Rules. The office performs selected audits, while independent public accountants conduct most of the audits as approved by the State Auditor.

Statutory Authority: Section 8-1-1 NMSA 1978 and Sections 12-6-1 through 12-6-14 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The Office of the State Auditor will meet its constitutional responsibilities to audit the financial affairs of every agency annually. The agency will work to help improve the accountability and performance of state and local governments for the benefit of the citizens of New Mexico.

The office will publish the requirements for contracting and conducting audits of government agencies. The office will also maintain a formal quality control review process to ensure the audit and accounting standards are adhered to. In addition, the office will perform special audits of agencies considered to have poor accounting and management practices or potential violations of laws and regulations.

The State Auditor implemented a 24 hour hotline. The office will inform the public of the hotline through an advertising campaign. The hotline will help the office meet its goal of improving accountability in state and local government.

Key Elements of Recommendation

The Executive recommends a decrease of \$136.3 in General Fund from FY09 operating levels. The recommendation includes a decrease of \$102.9 for personal services and employee benefits and imposes a two percent vacancy rate while maintaining vacant positions at minimum of the range. The recommendation also provides for decreases in contractual services and operating costs to implement a cost reduction plan.

Performance Report

The Office of the State Auditor (OSA) met three of its performance measures. It generated \$403,000 in audit fees, conducted one additional training session over the FY08 target, and conducted the requisite number of working paper reviews of audits performed by independent public accountants.

The percent of statutory reviews of audit reports completed within ten days fell from 61% in FY07 to 16% in FY08 due to staff vacancies within the Financial Audit Division. These vacancies also affected the performance measure requirement to generate \$400,000 in audit fees. OSA audit staff was in the field performing audits at the same time audit reports were being delivered to the OSA by independent public accountants, which caused a delay in the review process.

The percent of audits completed by regulatory due date by the Office of the State Auditor fell from 50% in FY07 to 39% in FY08. OSA has no control over this performance measure because the office has no authority to force submission of the reports by the due dates other than requiring that the audit report include a finding for late submission.

Agency auditor selection requests processed within five days of receipt in FY08 was not met due to heavy workloads in the administrative section. The responsibility of managing the audit recommendations is divided between two employees. OSA does not have an employee solely dedicated to the contract process. Numerous factors contribute to increased workloads, including the heavy volume of requests from governmental entities, legislators, and the general public for information and an increase in professional services contracts for non-audit services provided by independent public accountants that require State Auditor approval.

Budget Summary Tables**Agency Budget Summary
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				<u>Budget to Recommendation</u>	
				Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	2,691.1	2,918.3	2,782.0	-136.3	-4.7
Other Revenues	403.0	401.0	400.0	-1.0	-0.2
Fund Balance	233.9	217.4	218.1	0.7	0.3
TOTAL SOURCES	3,328.0	3,536.7	3,400.1	-136.6	-3.9
USES					
Personal Services and Employee Benefits	2,272.0	2,717.1	2,614.2	-102.9	-3.8
Contractual Services	257.8	255.0	244.8	-10.2	-4.0
Other	415.1	564.6	541.1	-23.5	-4.2
TOTAL USES	2,944.9	3,536.7	3,400.1	-136.6	-3.9
FTE					
Permanent	32.00	32.00	32.00	0.00	0.0
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	33.00	33.00	33.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
State Auditor					
To audit the financial affairs of every agency annually so they can improve accountability and performance, and to assure New Mexico citizens that funds are expended properly.					
Output	Total audit fees generated	\$400,000	\$403,000	\$400,000	\$400,000
Explanatory	Percent of audits completed by regulatory due date	74%	39%	80%	66%
Output	Number of training sessions performed	16	17	16	17%
Outcome	Percent of statutory reviews of audit reports completed within ten days	75%	16%	75%	66%
Outcome	Percent of agency auditor selection requests processed within five days of receipt	100%	90%	100%	100%
Output	Number of working paper reviews of independent public accountants	42	42	45	45

Executive Summary

The Taxation and Revenue Department (TRD) is responsible for the collection and distribution of taxes and motor vehicle fees administered by the department with a focus on quality service.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	70,438.4	73,342.7	4.1
Total Sources	86,768.6	91,485.3	5.4
Program			
Program Support	22,758.9	23,763.2	4.4
Tax Administration	31,943.2	35,004.4	9.6
Motor Vehicle	26,037.7	26,536.9	1.9
Property Tax	3,185.0	3,606.1	13.2
Compliance Enforcement	2,843.8	2,574.7	-9.5
Total Uses	86,768.6	91,485.3	5.4
FTE	1,241.70	1,315.70	6.0

- The Executive recommends an overall General Fund increase of \$2,904.3 to provide for increases in personal services and benefits and expansions.
- The Executive recommendation reflects expansions of \$1,131.2 in the Information Technology Division and \$3,590.5 in the Audit and Compliance Division for the governor's Fair Share New Mexico Initiative. These expansions are contingent on the department receiving appropriations for two information technology projects, Data Warehouse External Data Loads and Collections and Bankruptcy.
- The Executive recommendation transfers two positions from Compliance Enforcement to the Information Technology Division and to the Motor Vehicle Program. The transfer requires no additional funding.
- The Executive recommends an expansion of \$558.1 in other revenues for the New Mexico Taxation and Revenue Road Fund Enhancement Initiative.

Agency Mission and Program Purpose

The mission of the Taxation and Revenue Department (TRD) is to administer and enforce New Mexico's taxation and revenue laws and the Motor Vehicle Code in a manner warranting the highest degree of fairness and public confidence through a system that meets statutory requirements and delivers quality customer services, efficiency and security.

For FY08, TRD collected approximately \$7.95 billion in revenues from the general public: \$370 million was collected in Motor Vehicle Division (MVD) fees; \$6.3 billion was processed through the GenTax tax management system; and \$1.28 billion was processed by TRD through Oil, Natural Gas Administration and Revenue Database (ONGARD). Payments received are deposited with the State Treasurer and distributed to the state General Fund and other recipients (e.g. the State Road Fund and local governments) as designated by law.

Statutory Authority: Sections 9-11-1 through 9-11-13 NMSA 1978.

Program Support

Program Support provides management and administration for the Taxation and Revenue Department through the Office of the Secretary, Administrative Services Division, Information Technology Division and the ONGARD Service Center (OSC). The Administrative Services Division provides human resources, finance and accounting services to the department. The Information Technology Division, statutorily established as a division in 2005, provides system support to all tax and motor vehicle systems. The (OSC) serves the Commissioner of Public Lands, Taxation and Revenue Department and Energy, Minerals and Natural Resources Department. The OSC provides a centralized database and software support, with decentralized operations management, within the three user agencies to ensure the agencies are receiving the oil and gas tax and royalty revenues to which they are entitled. The mission of Program Support is to assure the department meets its vision, mission and objectives by providing: management and guidance sound tax policy and accurate information; administrative and fiscal management support; and taxpayer customer service. The program's major goals are to: deliver superior service; respond to the public; foster collaboration within the department and with other agencies; ensure accountability and value staff.

Tax Administration

The Tax Administration Program (TAP) includes the Audit and Compliance Division (ACD) and Revenue Processing Division (RPD). The TAP is responsible for return processing, auditing, collections, fraud investigations and taxpayer assistance functions. The mission of TAP is to protect the revenue of the state of New Mexico through the fair and impartial enforcement of New Mexico tax laws and by enforcing statutes as they relate to the New Mexico Tax Administration Act, and to encourage voluntary tax compliance. The major goals for the Tax Administration Program are to administer all tax programs in order to achieve maximum compliance and to improve the accuracy, efficiency and timeliness of processing returns and revenues.

Motor Vehicle

The Motor Vehicle Division Program (MVD) administers and enforces the Motor Vehicle Code. MVD operates 33 state-run field offices. MVD oversees: 39 municipal/county MVD field offices; eight full-service private agents, with 18 locations 36 title service companies, with 40 locations; 1,288 auto dealers; 78 recyclers; and 20 driver education companies, operating in a total of 43 locations. These facilities provide MVD customers with products and services designed to enhance safe and efficient motor vehicle operations. MVD's major goals and initiatives are to improve customer service, transaction efficiency, system security and driving safety, while creating a better workplace for MVD employees.

Property Tax

The Property Tax Division Program (PTD) administers the Property Tax Code in a professional and efficient manner to ensure fair and equitable valuation of all property classes in the state. The program's major initiatives are to: implement a statewide geographic information system (GIS); automate the state Assessed Properties Bureau reporting and certification process; convert delinquent property tax records to electronic storage; institute an electronic certified mailing system; identify and cure property tax under-reporting and non-compliance; and replenish delinquent property tax collection teams.

Compliance Enforcement

The Compliance Enforcement Program supports TRD's overall mission by enforcing criminal statutes relative to the New Mexico Tax Administration Act and other related financial crimes, as they impact New Mexico state taxes, in order to encourage and achieve voluntary compliance with state of New Mexico tax laws. The Tax Fraud Investigations Division (TFID) is comprised of four bureaus: internal audit, forensic audit, internal investigations and tax fraud investigations.

The Tax Fraud Investigations Bureau conducts investigations of persons suspected of criminal tax violations to determine if prosecution is warranted. In the investigative process, the bureau will obtain sufficient evidence from financial records, witnesses and other sources in order to sustain convictions through the New Mexico judicial system.

The Internal Audit Bureau promotes efficiency, effectiveness, equity, honesty and accountability within the Taxation and Revenue Department. The Internal Audit Bureau will affect change when needed and support existing practices with technical assistance, advocacy, management advisory services and audits. The Internal Audit Bureau provides audit services for the department to promote the efficient use of and prevent fraud and abuse of department assets as well as to ensure compliance with applicable federal, state and local rules and regulations.

The Forensic Audit Bureau identifies high quality criminal cases in order to enforce the criminal statutes relative to the New Mexico Tax Administration Act. It strives to identify sufficient evidence from financial records, witnesses and other sources to make case recommendations to the Tax Fraud Investigations Bureau and is responsible for providing a steady flow of cases for criminal investigations to the Tax Fraud Investigations Bureau. The Forensic Audit Bureau provides audit support to Special Agents and also acts as the primary technical advisor to the designated prosecuting attorney and the Tax Fraud Investigations Bureau Special Agents regarding criminal prosecutions.

The Internal Investigations Bureau conducts independent administrative and criminal investigations, both internal and external. The bureau also provides inspections to prevent, deter and detect fraud, waste and abuse in agency programs and operations. The bureau conducts criminal and administrative investigations involving employee misconduct, fraud involving driver's license issuance, motor vehicle title fraud, embezzlement, theft and other related crimes.

Executive Recommendation*Agency Strategic Directions*

The Taxation and Revenue Department directly supports the Executive's performance and accountability policy, *Efficient Services for New Mexicans*. Three of four goals relate directly to TRD: enhance revenue collection and regulatory compliance; increase convenience and security of motor vehicle services; and reduce the percentage of uninsured motorists in New Mexico. During FY08, TRD processed approximately eight billion in revenues from the general public. In FY08, TRD exceeded its delinquent tax collection baseline and performed above baseline targets. The delinquent tax collection initiative was started in 2003. Prior to this initiative, TRD tracked collections of about \$62 million in total delinquent taxes collected per year. By the end of FY08, this delinquent tax collection rate had grown to about \$179 million per year. Of this amount, about \$131 million was distributed to the General Fund.

During FY08, the Tax Fraud Investigations Division (TFID) successfully prosecuted 100% of its tax fraud cases. TFID audited MVD partner management practices, which resulted in collections of over \$19.2 million in delinquent MVD fees due from the MVD partners.

During FY08, the Property Tax Division increased delinquent property tax collections by 38%, up from \$7.3 million to \$10.1 million.

MVD implemented several programs that enhanced revenue collection, compliance, security, and fraud prevention performance in FY08. These programs are highlighted, as follows:

- MVD implemented a high-tech centralized issuance of New Mexico drivers' licenses, permits and identification cards in all MVD field offices, municipalities and county field offices and private retail offices to prevent opportunities for fraud and identification theft activities while emphasizing public safety, homeland security and confidentiality
- MVD implemented an electronic permit and registration system by way of the E-Permit system to assist with weight distance tax (WDT) compliance through the registration process and increased WDT auditing in cooperation with the Department of Public Safety;
- MVD created the Partner Management Unit to oversee MVD reporting and MVD remittance of revenue to the state by state-run field offices, municipalities and county field offices, private retail agents, title service companies, dealers and MVD data vendors. The Unit has collected \$19,216,200 in delinquent partner payments since its inception in December 2007;
- MVD implemented digital image exchange to share driver's license information and images with other states to prevent driver's license and identification fraud;
- MVD cleared its suspensions, commercial citations and error resolution backlog;
- MVD implemented mandatory stolen vehicle checks on all New Mexico vehicle titles, using an automated check linked to the national crime information data base; and
- MVD created the Compliance Unit to oversee out-of-state DWI checks on out-of-state applicants seeking New Mexico driver's licenses.

During FY09, TRD continues its focus on collection of delinquent taxes, including delinquent property taxes; minimizing tax fraud; encouraging more electronic filing of taxes to increase efficiency; continuing to improve motor vehicle services; increasing the net taxable value of state assessed property; assuring residential property sold is adjusted on the tax rolls to current and correct value; and addressing human resources and information technology issues.

Key Elements of Recommendation

The Executive recommendation reflects an overall \$2,904.3 increase in General Fund to provide for personal services and benefits and for increases in Department of Information Technology Information Systems (DoIT-ISD) services. The majority of the increase in personal services reflects an increase in group insurance rates.

The Executive recommendation includes two expansions for \$4,721.7 in General Fund for the governor's Fair Share New Mexico Initiative. These expansions will be used for increasing delinquent tax collection activity, increasing audits and adding information technology by adding staff for increasing various tax collection activities. One expansion is for the Information Technology Division, for an increase of 15 positions and related costs of \$1,131.2 for resources to

support delinquent collections. The second expansion is for the Audit and Compliance Division for 49 positions and related costs for \$3,590.5 for tax collection activities. The increase in collection activity should yield approximately \$21.3 million in additional revenues to the General Fund. These two expansions are contingent on TRD receiving appropriations for two information technology projects, data warehouse external data loads and collections and bankruptcy.

The Executive recommendation reflects an expansion that transfers two positions from the Compliance Enforcement Program; one to the Information Technology Division and one to the Motor Vehicle program. The transfers will not require any additional funding.

In Program Support, the base increase in personal services is attributed to the above-mentioned increase in group insurance rates. The base increase in the other category is attributed to increases in DoIT-ISD costs.

Within the Tax Administration Program, the base increase in personal services and employee benefits is attributed to an increase in group insurance rates. The base decrease in the other category is attributed to decreases in travel, rent of buildings, leases and postage. The Executive recommends an expansion of \$558.1 in other revenues for the New Mexico Taxation and Revenue Road Fund Enhancement Initiative. The expansion will support the Taxation and Revenue Department's initiative to increase compliance with weight distance taxes and to generate additional revenue for the Road Fund.

Performance Report

TRD met or exceeded the majority of its measures. TRD did not meet two measures in the Property Tax Program; percent of delinquent accounts that are resolved and number of appraisals or valuations for companies conducting business within the state subject to state assessment.

Program Support met all targeted performance levels for FY08. The Executive recommendation for FY10 includes one new outcome measure, percent of matched combined reporting systems (CRS: e.g. gross receipts taxes) taxes distributed timely.

The TAP met all targeted performance measures. Since the Audit and Compliance Division started its delinquent tax collection initiative in 2003, TRD has collected \$598 million above historical baseline collections and has exceeded its annual collection target every fiscal year. The performance measure for percent of electronically filed returns (personal income tax (PIT) and CRS) had an FY08 target of 45% and the actual performance level was 48.74%. The Revenue Processing Division implemented 2-D bar coded returns to enhance the electronic filing process. This is in line with the new legislation requiring preparers of 25 or more returns to file electronically. Returns submitted using the 2-D bar code can be processed electronically and are counted as electronically filed. While this measure is outside of TRD's control and is at the discretion of taxpayers who choose to file electronically, TRD has focused on IT solutions and outreach efforts designed to achieve this efficiency target. The Executive recommendation for TAP also includes the following FY09 and FY10 new measures: percent of baseline and funded delinquent tax collection targets above baseline met, with a target of 100%; percent of taxpayer correspondence requests answered in an average of 10 working days, with a target of 95%; and average return on investment (all funds) for investments in the Audit and Compliance Division, with a target of 8:1.

The Motor Vehicle Program met its targeted performance levels in four of five measures. The average call center wait-time to reach an agent was 4.52 minutes, not meeting the target of 3.75 minutes. A major improvement effort was launched to address this issue and the current wait-time is now well below the target and should be reflected in the FY09 actual report. The call center integrated voice response system handled 787,693 calls, averaging 65,641 per month. In a sample month, a total of 59,000 calls were offered to call center callers of which 25,000 callers selected to reach an agent. Clerks providing detailed MVD information to callers and the handling of citations attribute to the wait-time call.

During FY07 and FY08, MVD exceeded its performance target for average wait-time in field offices of 15 minutes by maintaining an average wait-time statewide of 14 minutes. MVD also reduced the uninsured rate in New Mexico from 33.03% in FY03 to an average of 10% in FY08, equating to a 70% decrease.

The Property Tax Program did not meet targeted FY08 performance levels in one of two measures. The percent of delinquent accounts that are resolved was 38% compared with the target of 88%. TRD believes this is an invalid measure and notes that delinquent tax collections increased 38% from \$7.3 million to \$10.1 million in this time period. The FY08 resolution equates to approximately 10% of New Mexico's 78,580 total delinquent property tax accounts. Because this measure depends on a moving annual target and numerous small accounts that may not be cost effective to collect, the Measure was replaced with the amount of delinquent property tax collected and distributed to counties, in millions, with a baseline target of \$6.5 million. A second new measure was approved for FY10, percent of counties in compliance with sales ratio standards of 85% assessed value to market value, with a targeted performance level of 90%. The new measure will provide a mechanism for measuring New Mexico county compliance with sales ratio standards.

The Compliance Enforcement Program met all targeted performance levels. For FY09 and FY10 the Executive added an additional measure, percent of internal audit recommendations implemented by department.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	67,520.5	70,438.4	73,342.7	2,904.3	4.1
Other Transfers	561.8	510.7	588.9	78.2	15.3
Federal Revenues	1,742.6	1,565.8	1,497.9	-67.9	-4.3
Other Revenues	19,548.4	14,122.1	15,261.1	1,139.0	8.1
Fund Balance	200.0	131.6	794.7	663.1	503.9
TOTAL SOURCES	89,573.4	86,768.6	91,485.3	4,716.7	5.4
USES					
Personal Services and Employee Benefits	55,891.0	61,044.7	65,607.8	4,563.1	7.5
Contractual Services	7,042.2	6,359.9	5,693.3	-666.6	-10.5
Other	20,230.4	19,364.0	20,184.2	820.2	4.2
TOTAL USES	83,163.6	86,768.6	91,485.3	4,716.7	5.4

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
FTE					
Permanent	1,148.00	1,176.00	1,250.00	74.00	6.3
Term	40.00	30.00	30.00	0.00	0.0
Temporary	35.70	35.70	35.70	0.00	0.0
TOTAL FTE POSITIONS	1,223.70	1,241.70	1,315.70	74.00	6.0

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	20,260.0	21,806.7	22,791.6	984.9	4.5
Other Transfers	561.8	510.7	588.9	78.2	15.3
Other Revenues	360.5	311.5	382.7	71.2	22.9
Fund Balance	200.0	130.0	0.0	-130.0	-100.0
TOTAL SOURCES	21,382.3	22,758.9	23,763.2	1,004.3	4.4
USES					
Personal Services and Employee Benefits	13,256.7	14,888.4	16,164.8	1,276.4	8.6
Contractual Services	2,443.7	2,999.1	2,403.2	-595.9	-19.9
Other	5,329.1	4,871.4	5,195.2	323.8	6.6
TOTAL USES	21,029.5	22,758.9	23,763.2	1,004.3	4.4
FTE					
Permanent	210.00	213.00	229.00	16.00	7.5
TOTAL FTE POSITIONS	210.00	213.00	229.00	16.00	7.5

Tax Administration
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	28,659.8	29,382.0	31,996.0	2,614.0	8.9
Federal Revenues	1,256.6	1,565.8	1,466.3	-99.5	-6.4
Other Revenues	1,138.5	995.4	1,542.1	546.7	54.9
TOTAL SOURCES	31,054.9	31,943.2	35,004.4	3,061.2	9.6
USES					
Personal Services and Employee Benefits	23,491.3	25,028.8	27,314.7	2,285.9	9.1
Contractual Services	565.5	105.6	104.3	-1.3	-1.2
Other	6,781.5	6,808.8	7,585.4	776.6	11.4
TOTAL USES	30,838.3	31,943.2	35,004.4	3,061.2	9.6
FTE					
Permanent	493.00	501.00	560.00	59.00	11.8
Term	26.00	26.00	26.00	0.00	0.0
Temporary	31.70	31.70	31.70	0.00	0.0
TOTAL FTE POSITIONS	550.70	558.70	617.70	59.00	10.6

		Motor Vehicle (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	men-	Dollar	Percent
				ta-	Change	Change
				tion		
SOURCES						
	General Fund Transfers	15,243.7	15,734.6	15,360.6	-374.0	-2.4
	Federal Revenues	486.0	0.0	31.6	31.6	***
	Other Revenues	15,453.7	10,303.1	10,594.0	290.9	2.8
	Fund Balance	0.0	0.0	550.7	550.7	***
	TOTAL SOURCES	31,183.4	26,037.7	26,536.9	499.2	1.9
USES						
	Personal Services and					
	Employee Benefits	15,063.6	16,362.6	17,120.0	757.4	4.6
	Contractual Services	3,782.8	3,119.1	3,026.8	-92.3	-3.0
	Other	6,814.8	6,556.0	6,390.1	-165.9	-2.5
	TOTAL USES	25,661.2	26,037.7	26,536.9	499.2	1.9
FTE						
	Permanent	363.00	375.00	376.00	1.00	0.3
	Term	8.00	4.00	4.00	0.00	0.0
	Temporary	4.00	4.00	4.00	0.00	0.0
	TOTAL FTE POSITIONS	375.00	383.00	384.00	1.00	0.3

		Property Tax (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	men-	Dollar	Percent
				ta-	Change	Change
				tion		
SOURCES						
	General Fund Transfers	764.1	671.3	619.8	-51.5	-7.7
	Other Revenues	2,595.8	2,512.1	2,742.3	230.2	9.2
	Fund Balance	0.0	1.6	244.0	242.4	15,150.0
	TOTAL SOURCES	3,359.9	3,185.0	3,606.1	421.1	13.2
USES						
	Personal Services and					
	Employee Benefits	2,312.2	2,481.2	2,832.1	350.9	14.1
	Contractual Services	142.8	126.6	151.8	25.2	19.9
	Other	694.8	577.2	622.2	45.0	7.8
	TOTAL USES	3,149.8	3,185.0	3,606.1	421.1	13.2
FTE						
	Permanent	44.00	49.00	49.00	0.00	0.0
	Term	6.00	0.00	0.00	0.00	***
	TOTAL FTE POSITIONS	50.00	49.00	49.00	0.00	0.0

Compliance Enforcement
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	Percent Change
SOURCES					
General Fund Transfers	2,592.9	2,843.8	2,574.7	-269.1	-9.5
TOTAL SOURCES	2,592.9	2,843.8	2,574.7	-269.1	-9.5
USES					
Personal Services and Employee Benefits	1,767.2	2,283.7	2,176.2	-107.5	-4.7
Contractual Services	107.4	9.5	7.2	-2.3	-24.2
Other	610.2	550.6	391.3	-159.3	-28.9
TOTAL USES	2,484.8	2,843.8	2,574.7	-269.1	-9.5
FTE					
Permanent	38.00	38.00	36.00	-2.00	-5.3
TOTAL FTE POSITIONS	38.00	38.00	36.00	-2.00	-5.3

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Program Support					
The purpose of program support is to provide information system resources, human resource services, finance and accounting services, revenue forecasting, and legal services in order to give agency personnel the resources needed to meet departmental objectives. For the general public, the program conducts hearings for resolving taxpayer protests and provides stakeholders with reliable information regarding the state's tax programs.					
Outcome	Percent of driving-while-intoxicated drivers license revocations rescinded due to failure to hold hearings within ninety days	1%	1%	1%	1%
Outcome	Percent of projects certified by the department of information technology completed within budget			100%	100%
Outcome	Number of tax protest cases resolved	735	798	750	750
Outcome	Percent of matched CRS taxes distributed timely				99%
Tax Administration					
The purpose of the tax administration program is to provide registration and licensure requirements for tax programs and to ensure the administration, collection, and compliance of state taxes and fees that provide funding for support services for the general public through appropriations.					
Outcome	Collections as a percent of collectable audit assessments generated in the current fiscal year	40%	50%	40%	50%
Output	Average return on investment (all funds) for every dollar invested in the Audit and Compliance Division				8:1
Output	Percent of electronically filed returns (personal income tax, combined reporting system)	45%	48.74%	50%	65%
Outcome	Percent of baseline and funded delinquent tax collection targets met			100%	100%
Efficiency	Percent of taxpayer correspondence requests answered in an average of ten working days			100%	100%
Outcome	Collections as a percent of collectable outstanding balances from the end of the prior fiscal year			20%	20%
Outcome	Collections as a percent of collectable outstanding balances from June 30, 2007	20%	20.8%		

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Motor Vehicle					
The purpose of the motor vehicle program is to register, title and license vehicles, boats, and motor vehicle dealers and to enforce operator compliance with the motor vehicle code and federal regulations by conducting tests, investigations, and audits.					
Efficiency	Average call center wait time to reach an agent, in minutes	3.75	4.52	3.75	3.75
Outcome	Percent of registered vehicles with liability insurance	90%	90%	90%	90%
Efficiency	Average wait time in q-matic-equipped offices, in minutes	14	14	14	14
Efficiency	Average number of days to post "court action" driving-while-intoxicated citations to drivers' records upon receipt	1	1	1	1
Explanatory	Average call center customer wait time based on 12,828 calls per week	3.75	3.70	3.75	3.75
Property Tax					
The purpose of property tax program is to administer the property tax code, to ensure the fair appraisal of property and to assess property taxes within the state.					
Outcome	Percent of delinquent accounts that are resolved	88%	37.5%		
Output	Number of appraisals or valuations for companies conducting business within the state subject to state assessment	510	484	510	510
Output	Amount of delinquent property tax collected and distributed to counties, in millions			6.5	6.5
Outcome	Percent of counties in compliance with sales ratio standard of eighty-five percent assessed value to market value			90%	90%
Compliance Enforcement					
The purpose of the Compliance Enforcement Program is to support the overall mission of the Taxation and Revenue Department by enforcing criminal statutes relative to the New Mexico Tax Administration Act and other related financial crimes, as they impact New Mexico state taxes, in order to encourage and achieve voluntary compliance with State of New Mexico tax laws.					
Outcome	Successful tax fraud prosecutions as a percent of total cases prosecuted	90%	100%	90%	90%
Output	Percent of internal audit recommendations implemented by department			80%	80%

Executive Summary

The State Investment Council (SIC) is responsible for the investment activities of the Severance Tax Permanent Fund, the Land Grant Permanent Fund and the Tobacco Settlement Permanent Fund.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	32,892.6	34,164.7	3.9
Program			
State Investment Council	32,892.6	34,164.7	3.9
Total Uses	32,892.6	34,164.7	3.9
FTE	32.00	33.00	3.1

- The Executive recommendation reflects a \$1,272.1 increase over FY09 operating levels.
- An increase of \$935.8 is recommended in the contractual services category to fund anticipated increases in investment related legal fees.
- The Executive recommendation also includes one expansion alternatives group analyst at \$74.5 to support the redistribution of funds into alternative investments.
- The Executive recommendation maintains money management and custody fees in FY10 at the FY09 operating budget level of \$27.2 million due to the decline in value of SIC's assets.

Agency Mission and Program Purpose

The State Investment Council (SIC) establishes investment policies carried out by investment office personnel under the direction of the State Investment Officer (SIO). These policies include authorizing the SIO to make purchases, sales, exchanges, investments and reinvestments. SIC's fiduciary responsibility is to ensure that money invested is handled at all times in the best interest of the state and its citizens. Funds managed are detailed below:

Severance Tax Permanent Fund (STPF)

New Mexico imposes severance taxes on the extraction of oil, gas, minerals and other natural resources because these natural resources will one day be depleted. The Severance Tax Permanent Fund was created in 1976 and consists of all beginning balances and severance tax revenue in excess of annual payments on the debt service of severance tax bonds. The investment proceeds are used to retire state bond debt. On June 30, 2007, the STPF was valued at \$4.7 billion (audited) compared with \$4.29 billion (unaudited) on June 30, 2008.

Land Grant Permanent Fund (LGPF)

The fund was established by the federal Ferguson Act of 1898 and confirmed by the Enabling Act for New Mexico of 1910. The state holds 9.2 million surface acres and 13.1 million subsurface acres in trust for the benefit of 20 state institutions, including public schools, the New Mexico Boy's School and Miner's Colfax Medical Center. The fund consists of proceeds from the sale of state lands, royalties from natural resource production and five percent of the proceeds from the sales of federal public lands in the state. Rental, bonus and other public land income are also distributed to

the trust beneficiaries. On June 30, 2007 the LGPF was valued at \$10.7 billion (audited) compared with \$10.15 billion (unaudited) on June 30, 2008.

For FY05 through FY12, the distributions to public schools will be 5.8% of the most recent five-year average market value of the fund, which receive approximately 83% of the trust income. Other beneficiaries, such as higher education institutions, the Corrections Department and the Children, Youth and Families Department receive the remainder. The distribution rate is reduced to 5.5% in FY13 and 5% in FY17.

Tobacco Settlement Permanent Fund (TSPF)

The fund was established by Laws of 1999, Chapter 207, and contains 50% of proceeds received from the settlement with tobacco product manufacturers. Settlement payments and earned income are deposited to the TSPF and 50% of the payments are transferred to the Tobacco Settlement Program Fund for expenditure on eligible programs. On June 30, 2007, the TSPF was valued at \$116.7 million (audited) compared with \$135.9 million (unaudited) on June 30, 2008.

Water Trust Fund (WTF)

In 2006, the Legislature created the Water Trust Fund with a \$40 million allocation. The Water Fund was valued at \$42.2 million (audited) on June 30, 2007 compared with \$56 million (unaudited) on June 30, 2008. The Water Trust Fund is used to support critically needed projects that preserve and protect New Mexico's water supply. An annual distribution is made from the fund for water projects consistent with a state water plan. Eligible projects from this fund include: large infrastructure water supply projects; restoration and management of watersheds; conservation projects; Endangered Species Act collaborative programs; and flood control projects. The investment return of the growing Water Trust Fund endowment provides a continuing revenue stream to fund needed water projects across the state.

State Unemployment Trust Fund

The House Bill 247 passed by the 48th Legislature in 2007 created the State Unemployment Trust Fund (SUTF) in the state treasury. Receipts to this fund come from a prorata portion of the unemployment insurance taxes collected by the Department of Workforce Solutions from New Mexico employers. House Bill 247 provides that these receipts be invested by the State Investment Officer in a manner similar to the Land Grant Permanent Fund. It also provides that earnings from the fund be available for appropriation to the Workforce Solutions Department for the purpose of administering the unemployment insurance and employment security programs. At June 30, 2008, the SUTF was valued at \$31.9 million (unaudited).

Client Funds

In addition to the specific funds above, SIC also oversees funds for clients. SIC has executed joint-powers agreements with 20 clients since 1992. Under the agreements, SIC invests clients' monies, including New Mexico Military Institute, New Mexico Institute of Mining and Technology, Los Alamos County, City of Albuquerque and City of Las Cruces.

Statutory Authority: Sections 6-8-2 through 6-8-21 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

SIC supports the Executive's performance and accountability policy, *Promoting and Growing New Mexico* by investing in and providing financing for New Mexico companies, both through direct investments and its partnerships with New Mexico private equity funds. As of March 31, 2008 and the latest data available, the New Mexico Private Equity program has invested \$192 million in 52 companies that have attracted \$1.3 billion additional investment dollars to the state. The creation of 2,994 jobs with an average salary of \$58,846 has had an annual economic impact of more than \$279 million.

The SIC is also creating jobs for New Mexicans through its investments in film and television production. SIC offers principle guaranteed interest free loans for film and television production in New Mexico in return for a share of the project's profit and for hiring New Mexico residents as 60% or more of their crews. Since its inception in 2002, the program has invested in 23 film or television projects which have employed 4,140 New Mexicans as crew, and spent more than \$202 million in New Mexico.

SIC has enhanced its overall performance through investments in some of the growing number of alternative investments such as absolute return (hedge funds), structured debt, and real estate or private equity partnerships. These types of investments were made possible through the passage of legislation in the 2005 session and have benefited the performance of the permanent funds' portfolios.

Key Elements of Recommendation

The Executive recommendation reflects a 3.9% increase over FY09 operating levels. The Executive recommends an increase of \$935.8 in the contractual services category to fund anticipated increases in investment related legal fees. The increase is due primarily to redistribution of the portfolio asset allocations into alternative investments. Total assets under management reduced in size from \$16.1 billion (audited) at the end of FY07 to \$15.4 billion (unaudited) at the end of FY08. The difference of \$723.9 million is a reduction of 4.48% from FY07. The Executive recommendation maintains money management and custody fees in FY10 at the FY09 operating budget level of \$27.2 million due to the decline in value of SIC's assets. The recommendation provides an increase of \$129.7 in other costs to support rising operational costs including training, telecommunications and furniture. An increase of \$206.6 is recommended for personal services and employee benefits and applies a 3% vacancy rate is applied. The Executive recommendation also includes one expansion alternatives group analyst at \$74.5 to support the redistribution of funds into alternative investments.

Performance Report

SIC met or exceeded all of its performance measures for FY08. SIC out-performed the one-year annualized investment returns to exceed internal benchmarks in basis points by 275 basis points. The internal benchmark measure was set at 25 basis points. The SIC also substantially exceeded the target for five-year annualized investment returns to exceed internal benchmarks in basis points. The target was set at greater than 25 basis points the SIC achieved 90. The State Investment Council met the target for one-year annualized percentile performance ranking in endowment investment peer universe. SIC achieved the FY08 target of less than the 49th percentile ranking for one-year

annualized percentile performance ranking in endowment investment peer universe by attaining a 40th percentile ranking.

Recommended Language for the General Appropriation Act

The other state funds appropriation to the state investment council in the contractual services category includes twenty-seven million two hundred twenty-eight thousand dollars (\$27,228,000) to be used only for investment manager fees.

The other state funds appropriation to the state investment council in the contractual services category includes one million five hundred fifty thousand dollars (\$1,550,000) to be used only for attorney fees and related legal services.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Transfers	31,119.7	31,942.6	33,214.7	1,272.1	4.0
Other Revenues	823.7	950.0	950.0	0.0	0.0
TOTAL SOURCES	31,943.4	32,892.6	34,164.7	1,272.1	3.9
USES					
Personal Services and Employee Benefits	3,282.3	3,420.6	3,627.2	206.6	6.0
Contractual Services	24,275.1	28,558.5	29,494.3	935.8	3.3
Other	730.2	913.5	1,043.2	129.7	14.2
TOTAL USES	28,287.6	32,892.6	34,164.7	1,272.1	3.9
FTE					
Permanent	32.00	32.00	33.00	1.00	3.1
TOTAL FTE POSITIONS	32.00	32.00	33.00	1.00	3.1

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
State Investment Council					
The purpose of the state investment program is to provide investment management of the state's permanent funds for the citizens of New Mexico in order to maximize distributions to the state's operating budget while preserving the real value of the funds for future generations of New Mexicans.					
Outcome	One-year annualized investment returns to exceed internal benchmarks, in basis points	>25	300	>25	>25
Outcome	Five-year annualized investment returns to exceed internal benchmarks, in basis points	>25	90	>25	>25
Outcome	One-year annualized percentile performance ranking in endowment investment peer universe	<49	49	<49	<49
Outcome	Five-year annualized percentile performance ranking in endowment investment peer universe	<49	40	<49	<49

Executive Summary

The Department of Finance and Administration is a central service agency charged with oversight in matters specified in statute concerning state and local government budget and financial operations.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	30,535.2	29,478.6	-3.5
Total Sources	91,135.0	90,419.2	-0.8
Program			
Policy Development Fiscal Analysis and Budget Oversight	3,782.0	3,652.2	-3.4
Program Support	1,714.1	1,772.1	3.4
Local Government Assistance and Fiscal Oversight	57,355.4	57,467.6	0.2
Fiscal Management and Oversight	6,704.0	7,168.7	6.9
DFA Special Appropriations	21,579.5	20,358.6	-5.7
Total Uses	91,135.0	90,419.2	-0.8
FTE	178.00	180.00	1.1

- The Executive recommendation includes a decrease of \$715.8 in total funds under the FY09 base that includes a 5% reduction in expenditures.
- The Executive recommendation includes \$31.1 for a position in the Financial Control Division imaging unit to handle the increased volume of transactions.
- The Executive recommendation includes \$180.2 for one additional position and operating costs for the Information Technology Support unit.
- The recommendation includes \$80.0 in General Fund to compile the Comprehensive Annual Financial Report.

Agency Mission and Program Purpose

The Department of Finance and Administration (DFA) provides the governor, other agencies and local entities with fiscal and policy analysis and budgetary services to ensure responsive and fiscally responsible governance for the citizens of New Mexico.

Statutory Authority: Sections 9-6-1 through 9-6-6 NMSA 1978; Sections 6-3-1 through 6-3-25 NMSA 1978; Sections 6-3A-1 through 6-3A-8 NMSA 1978; Sections 6-5-1 through 6-5-11 NMSA 1978; 6-1-1 NMSA 1978; 9-6-15 NMSA 1978; 6-4-1 NMSA 1978; 6-6-2 NMSA 1978.

Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability

The Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability Program provides professional, coordinated policy development, analysis and oversight to the governor, the Legislature and state agencies so that they can advance the state's policies and initiatives using appropriate and accurate data to make informed decisions for the prudent use of the public's tax dollars. The program consists of the Office of the Secretary, State Board of Finance Division, State Budget Division, Economic Analysis Unit and the Office of Education Accountability.

The Office of the Secretary is responsible for maximizing the resources that go "out the door" in direct services to the citizens of New Mexico. In addition to providing leadership to each of the department's divisions, the cabinet secretary is a member of the State Board of Finance, Public School Capital Outlay Council, New Mexico Finance Authority Board, Risk Management Advisory Board, and the State Investment Council as well as several other committees and task forces critical to the operation of state government.

The State Board of Finance Division provides administrative and analytical support to the State Board of Finance in accordance with statutory mandates. The board has broad statutory responsibilities for the general supervision of the fiscal affairs of the state, in addition to other regulatory and oversight functions.

The State Budget Division (SBD) provides professional and coordinated policy development, financial analysis and fiscal and programmatic oversight on behalf of the taxpayers for the governor, Legislature and state agencies. These functions advance the governor's initiatives, assist state agencies to operate more effectively and assure that the state's budget policies and legal requirements are followed. SBD accomplishes these tasks by using appropriate and accurate data to make informed decisions for the prudent use of the public's tax dollars.

The Economic Analysis Unit provides the Office of the Secretary with economic analyses, revenue tracking, revenue estimates and bond capacity estimates.

The Office of Education Accountability (OEA) provides independent oversight of educational reform and assistance to the governor, Legislature, agencies and citizens as part of the effort to improve New Mexico's public education system. The office works cooperatively with the Public Education Department, Higher Education Department, state public school districts and other state agencies. The office monitors and facilitates the improvement of education for all students attending public schools in New Mexico.

Program Support

Program Support provides other DFA programs with various services including central direction and oversight of agency management processes to ensure consistency, legal compliance and financial integrity; administration of the Executive's exempt salary plan; and review and approval of professional services contracts.

Local Government Assistance and Fiscal Oversight

The Local Government Assistance and Fiscal Oversight Program works with counties, municipalities and special districts to maintain strong communities. The program provides sound fiscal advice and oversight, technical assistance, monitoring of project and program progress, and timely processing of payments, grant agreements, and contracts.

The Capital Outlay Bureau is responsible for coordinating the funding and administration of capital projects. The bureau prepares the capital budget request for the governor, administers the capital budgeting process and ensures the timely completion of capital projects for the State of New Mexico. The bureau also provides training, assistance and oversight to agencies on the planning and administration of capital project funding. The support includes maintaining the state's Infrastructure Capital Improvement Plan and the Capital Monitoring System to track appropriations and balances for capital projects.

Fiscal Management and Oversight

The Fiscal Management and Oversight program provides for and promotes financial accountability for public funds throughout state government and provides state agencies and the citizens of New Mexico with timely, factual and comprehensive information on the financial status and expenditures of the state. The Fiscal Management and Oversight Program is organized under one division - the Financial Control Division.

Executive Recommendation*Agency Strategic Directions*

DFA continues to fulfill its commitment to ensure sound fiscal management practices and accountability in the use of taxpayer dollars. The agency has successfully implemented the Statewide Human Resource, Accounting, and Management Reporting System (SHARE) to establish sound and reliable financial and human resource practices throughout state government. SHARE firmly established accounting standards consistent with widely accepted accounting principles, improved financial reporting services and standardized workflow processes among state agencies.

DFA continues to enhance financial management practices in an effort to raise New Mexico's bond credit rating from AA+ to AAA. To achieve this goal, DFA continues to support and cooperate with agencies to ensure the timely completion of agency-audited financial statements in order to produce the state's Comprehensive Annual Financial Report within seven months of the end of the fiscal year. In addition, DFA's Executive Budget Recommendation will maintain a minimum reserve balance at 10% of recurring appropriations for FY10, and the agency will monitor revenue performance to ensure that reserves are sustained as forecasted.

In coordination with the Office of the Governor and state agencies, DFA continues to participate in the development of Performance and Accountability Contracts to align agency budget recommendations with Executive initiatives. DFA is working to automate the budget process by upgrading and expanding the utilization of the Budget Preparation System used by agencies to prepare appropriation and operating budget requests. In addition, DFA has implemented a File Transfer Protocol site used for online system updates and data distribution to agencies. DFA is working toward developing a web-based application for its budget system.

DFA strives to provide analytical, operational and administrative support to ensure sound fiscal management of state operations. Furthermore, DFA provides policy development, analysis, and fiscal and programmatic oversight on behalf of constituents. Combined, these functions advance the governor's initiatives by affirming the operational and financial efficiency of state agencies through conformity with State budget policies and legal requirements.

Key Elements of Recommendation

The Executive recommendation supports an overall budget decrease of \$715.8 and includes a General Fund decrease of \$1,056.6. The decrease is due to a major effort by the department to streamline its activities in the face of challenging economic conditions.

The Executive recommends two expansion positions for the Financial Control Division at a total of \$211.3. The first is for an additional position in the imaging unit. The second is for a position in the Information Technology Support unit. Both positions are critical to handling the increasing volume of transactions handled by the Financial Control Division. These expansions are also related to the governor's Performance and Accountability Contract for providing *Efficient Services for New Mexicans*. The expansion of services supports the effective implementation of SHARE and will help to provide the most efficient delivery of financial and reporting services.

The Executive recommendation for the Policy Development, Fiscal Analysis and Budget Oversight Program includes a base decrease of \$129.8 in General Fund. General operating costs have been streamlined to reflect the projected shortage in revenue for FY10.

The Executive recommendation reflects a General Fund increase of \$58.0 to support the base operating activities of Program Support including funding for Department of Information Technology (DoIT) information systems and telecommunication charges. The program continues to be responsible for the administration and dissemination of all DFA non-operating appropriations.

The Executive recommendation supports a General Fund decrease of \$180.6 and a total funds increase of \$112.2 for the Local Government Assistance and Fiscal Oversight Program. The increase is due to greater support for the Driving While Intoxicated (DWI) Grants program in an effort to combat the DWI epidemic that afflicts New Mexico communities.

The Executive recommendation supports a General Fund increase of \$471.7 for the Fiscal Management and Oversight Program. The increase funds the higher costs associated with auditing the state Comprehensive Annual Financial Report (CAFR) which is crucial for obtaining a AAA bond rating – part of the performance and accountability contract, *Efficient Services for New Mexicans*. Additional increases are attributed to software updates and maintenance services, DoIT rates, and salaries and benefits.

The Executive recommendation includes a decrease of \$1,220.9 in General Fund for Non-Operating Special appropriations that multiple legislative initiatives such as Youth Mentoring Program, New Mexico Rodeo Program, Law Enforcement Protection Fund, and Food Banks.

Performance Report

Of the 48 performance measures reported in fiscal year 2008, 31 of them were met by DFA. Six of them have yet to be reported and will be determined and reported on at a later date. In addition, five of the performance measures did not have targets and therefore were reported as not meeting the target. Of the 38 reportable measures, 31 (82%) of them were met by the agency.

Two significant measures were met and exceeded by the agency: budget adjustment requests were processed in average of 4.83 days and the percent of payment requests processed within five days was 97.6%.

Targets for these measures are recommended to remain at fiscal year 2009 levels since they remain a reasonable and reflection of performance.

The CAFR was not processed within the time frame desired but the agency is working toward this reasonable and achievable goal.

Recommended Language for the General Appropriation Act

The Executive recommends the following language for the board of finance relative to the distribution of emergency funds:

Upon certification by the state board of finance pursuant to section 6-1-2 NMSA 1978 that a critical emergency exists that cannot be addressed by disaster declaration or other emergency or contingency funds, the secretary of finance and administration is authorized to transfer from the general fund operating reserve to the state board of finance emergency fund the amount necessary to meet the emergency. Such transfers shall not exceed an aggregate amount of two million dollars (\$2,000,000) in fiscal year 2010. Repayments of emergency loans made pursuant to this paragraph shall be deposited in the board of finance emergency fund pursuant to the provisions of section 6-1-5 NMSA 1978.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)			FY10	
	FY08	FY09	Recom- mendation	<u>Budget to Recommendation</u>	
	<u>Actuals</u>	<u>Operating Budget</u>		<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	30,616.5	30,535.2	29,478.6	-1,056.6	-3.5
Other Transfers	648.0	636.8	629.8	-7.0	-1.1
Federal Revenues	4,887.7	14,622.2	14,540.3	-81.9	-0.6
Other Revenues	44,362.9	40,904.7	40,220.2	-684.5	-1.7
Fund Balance	5,546.2	4,436.1	5,550.3	1,114.2	25.1
TOTAL SOURCES	86,061.3	91,135.0	90,419.2	-715.8	-0.8

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
USES					
Personal Services and Employee Benefits	12,185.4	13,443.8	13,694.0	250.2	1.9
Contractual Services	10,129.9	11,719.8	10,449.3	-1,270.5	-10.8
Other	48,742.4	65,598.8	65,975.9	377.1	0.6
Other Financing Uses	860.0	372.6	300.0	-72.6	-19.5
TOTAL USES	71,917.7	91,135.0	90,419.2	-715.8	-0.8
FTE					
Permanent	155.80	157.00	159.00	2.00	1.3
Term	21.00	21.00	21.00	0.00	0.0
TOTAL FTE POSITIONS	176.80	178.00	180.00	2.00	1.1

Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	3,799.4	3,782.0	3,652.2	-129.8	-3.4
TOTAL SOURCES	3,799.4	3,782.0	3,652.2	-129.8	-3.4
USES					
Personal Services and Employee Benefits	2,889.5	3,284.3	3,254.5	-29.8	-0.9
Contractual Services	467.6	202.4	179.1	-23.3	-11.5
Other	266.9	295.3	218.6	-76.7	-26.0
TOTAL USES	3,624.0	3,782.0	3,652.2	-129.8	-3.4
FTE					
Permanent	34.80	35.00	35.00	0.00	0.0
TOTAL FTE POSITIONS	34.80	35.00	35.00	0.00	0.0

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	1,651.1	1,714.1	1,772.1	58.0	3.4
TOTAL SOURCES	1,651.1	1,714.1	1,772.1	58.0	3.4
USES					
Personal Services and Employee Benefits	1,463.3	1,563.6	1,615.0	51.4	3.3
Contractual Services	73.5	92.5	93.5	1.0	1.1
Other	58.7	58.0	63.6	5.6	9.7
TOTAL USES	1,595.5	1,714.1	1,772.1	58.0	3.4
FTE					
Permanent	20.00	20.00	20.00	0.00	0.0
TOTAL FTE POSITIONS	20.00	20.00	20.00	0.00	0.0

Local Government Assistance and Fiscal Oversight
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	Percent Change
SOURCES					
General Fund Transfers	5,026.8	5,201.8	5,021.2	-180.6	-3.5
Federal Revenues	4,887.7	14,622.2	14,540.3	-81.9	-0.6
Other Revenues	32,338.0	33,095.3	32,355.8	-739.5	-2.2
Fund Balance	5,546.2	4,436.1	5,550.3	1,114.2	25.1
TOTAL SOURCES	47,798.7	57,355.4	57,467.6	112.2	0.2
USES					
Personal Services and Employee Benefits	3,455.9	3,871.5	3,820.4	-51.1	-1.3
Contractual Services	4,239.5	4,811.5	4,507.2	-304.3	-6.3
Other	34,189.2	48,372.4	48,840.0	467.6	1.0
Other Financing Uses	300.0	300.0	300.0	0.0	0.0
TOTAL USES	42,184.6	57,355.4	57,467.6	112.2	0.2
FTE					
Permanent	34.00	35.00	35.00	0.00	0.0
Term	21.00	21.00	21.00	0.00	0.0
TOTAL FTE POSITIONS	55.00	56.00	56.00	0.00	0.0

Fiscal Management and Oversight
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	Percent Change
SOURCES					
General Fund Transfers	5,692.9	6,257.2	6,728.9	471.7	7.5
Other Transfers	439.8	446.8	439.8	-7.0	-1.6
TOTAL SOURCES	6,132.7	6,704.0	7,168.7	464.7	6.9
USES					
Personal Services and Employee Benefits	4,376.7	4,724.4	5,004.1	279.7	5.9
Contractual Services	844.3	1,089.8	1,068.9	-20.9	-1.9
Other	625.1	889.8	1,095.7	205.9	23.1
TOTAL USES	5,846.1	6,704.0	7,168.7	464.7	6.9
FTE					
Permanent	67.00	67.00	69.00	2.00	3.0
TOTAL FTE POSITIONS	67.00	67.00	69.00	2.00	3.0

**Department of Finance and Administration Special Appropriations
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10 <u>Budget to Recommendation</u>	
				<u>Dollar Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	14,446.3	13,580.1	12,304.2	-756.2	-5.57%
Other Transfers	208.2	190.0	190.0	0.0	0.00%
General Revenue	12,024.9	7,809.4	7,864.4	0.0	0.00%
TOTAL SOURCES	26,679.4	21,579.5	20,358.6	-756.2	-3.50%
USES					
Membership and Dues	628.8	682.6	684.6	2.0	0.29%
Soil Conservation Districts	500.0	0.0	0.0	0.0	0.00%
Citizens Review Board	600.0	600.0	600.0	0.0	0.00%
Board of Finance Emergency Water Fund	150.0	150.0	150.0	0.0	0.00%
Board of Finance Fiscal Agent Contract	45.0	1,050.0	700.0	-350.0	-33.33%
State Treasurer Audit	0.0	24.0	24.0	0.0	0.00%
Mortgage Loans to Low-Income Homeowners	75.0	0.0	0.0	0.0	0.00%
Youth Mentoring Program	2,392.4	2,802.4	2,662.3	-140.1	-5.00%
New Mexico Rodeo Initiative	229.8	300.0	285.0	-15.0	-5.00%
New Mexico Acequia Commission	282.7	330.0	313.5	-16.5	-5.00%
Job Training for Low-Income Women -Albuquerque	25.0	0.0	0.0	0.0	0.00%
Transitional Housing Program - Albuquerque	25.0	0.0	0.0	0.0	0.00%
Workforce Development Program -Bernalillo	50.0	0.0	0.0	0.0	0.00%
Fetal Alcohol Syndrome Awareness Program	25.0	0.0	0.0	0.0	0.00%
Homeless Veterans Shelter Svcs - Las Cruces	30.0	0.0	0.0	0.0	0.00%
Domestic Violence Shelter - Lincoln County	62.0	33.0	0.0	-33.0	-100.00%
Teen Court Program - Luna County	25.0	25.0	23.7	-1.3	-5.20%
Food Banks	399.6	399.6	379.6	-20.0	-5.01%
Native American Voting Rights Program - Sandoval County	25.0	0.0	0.0	0.0	0.00%
Methamphetamine Treatment - San Juan County	360.0	0.0	0.0	0.0	0.00%
Community Drug & Alcohol Program - Talpa	70.0	0.0	0.0	0.0	0.00%
Agri-Business Task Force of Mid-Region	150.0	0.0	0.0	0.0	0.00%
Fire Suppression at the SF Airport	250.0	0.0	0.0	0.0	0.00%
County Detention of Prisoners	4,944.7	5,100.0	4,900.0	-200.0	-3.92%
Methamphetamine, Other Drug & Alcohol - San Juan County	125.0	0.0	0.0	0.0	0.00%
Weatherization Program	800.0	800.0	800.0	0.0	0.00%
State Planning Districts	873.3	873.3	829.6	-43.7	-5.00%
Teen Court - Santa Fe	74.6	75.0	71.2	-3.8	0.00%
Law Enforcement Enhancement Fund	5,325.8	7,809.4	7,809.4	0.0	0.00%
Leasehold Community Assistance	123.8	150.0	142.5	-7.5	-5.00%
Domestic Violence Shelter - Ops Hobbs	0.0	25.0	0.0	-25.0	-100.00%
Domestic Violence Shelter - Alamogordo	0.0	14.6	0.0	-14.6	-100.00%
Residential Rehabilitation Facility - Bernalillo	0.0	335.6	-16.8	-352.4	-105.01%
TOTAL USES	18,667.5	21,579.5	20,358.6	-1,220.9	-4.77

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability					
The purpose of the Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability program is to provide professional, coordinated policy development and analysis and oversight to the governor, the Legislature and state agencies so they can advance the state's policies and initiatives using appropriate and accurate data to make informed decisions for the prudent use of the public's tax dollars.					
Outcome	Error rate for eighteen-month general fund revenue forecast	3%			
Outcome	Percent of bond proceeds older than five years that are expended, reauthorized or reverted	90%	99.2%	90%	90%
Outcome	Return on state treasurer's office investments exceeding the board of finance approved state investment office internal benchmark, in basis points	5	38 b.p.	N/A	5
Output	Average number of bids received at competitive bond sales	3	6	7	7
Output	Date of bond sale following appropriate authorization and certificate of project readiness	June 30	June 25	June 30	June 30
Efficiency	Percent of state payments processed electronically	50%	51.7% 3rd Q	Min 50%	Min 50%
Quality	Unimpaired capital of fiscal agent	\$20.0	101.5 Billi	\$20 Million	Min. \$1 bil
Outcome	Percent of meetings for which all attending board members are briefed			100%	100%
Outcome	Average number of working days to process budget adjustment requests	5	4.83	5	5
Efficiency	Percent of operating budget requests approved by the state budget division and accepted by the financial control division as correct	100%	99%		
Efficiency	Percent of budget adjustment requests approved by the state budget division within five days and accepted by the financial control division as correct	100%	85%		
Output	Number of state agency budget training sessions	4	12		
Efficiency	Percent of fiscal impact reports completed within forty-eight hours	98%	84%		
Outcome	Percent of policy recommendations ready for presentation to the office of the secretary on schedule	98%	97.3%		
Efficiency	Date to submit reports on the public education department's implementation of reform initiatives	June 30	June 30		
Efficiency	Date to submit reports on implementation of the Assessment and Accountability Act	June 30	June 30		
Output	Percent of school districts reviewed for quality implementation of the annual evaluation component of the three-tiered licensure system	100%	100%	100%	100%
Outcome	Percent of decision-making policies of schools and school districts relating to the recruitment and retention of school employees reviewed	80%	100%		
Output	Number of reports using information about education reform nationally and in other states to benchmark New Mexico's progress	4	4	3	3
Outcome	Percent change in distribution of educational newsletters	50%	15%		
Output	Number of policies, rules or regulations recommended in office of education accountability reports that were adopted	5	5		
Output	Number of principals and other staff aimed at increasing educational leaders ability to gather and use accountability data more effectively	150	250		
Outcome	Error rate for the eighteen-month general fund revenue forecast, gas revenue and corporate income taxes			(+/-) 8%	(+/-) 8%
Output	Percent of state agencies monitored operating within available resources			100%	100%
Outcome	General fund reserves as a percent of recurring appropriations			10%	10%
Outcome	Error rate for the eighteen-month general fund revenue forecast, non-oil and gas revenue and corporate income taxes			(+/-) 4%	(+/-) 4%
Outcome	Percent of agencies that develop and implement performance monitoring plans			100%	100%
Outcome	Percent of policy recommendations completed within forty-eight hours of assignment			100%	100%
Output	Percent of state agency budgets monitored on a quarterly basis			100%	100%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Output	Number of reports on topics such as New Mexico pre-kindergarten, the children's cabinet, high school redesign, and the alignment between p-12 and higher education			2	2
Output	Number of reports on topics such as state testing and annual yearly progress ratings, student teacher accountability reporting system, and the public education department's efforts to support schools in need of improvement			2	2
Output	Number of reports on topics such as the three-tiered licensure professional development dossier system, highly qualified educator requirements, principal evaluation system, and the teacher education accountability reporting system			2	2
Output	Number of principals and other staff receiving professional development tools aimed at increasing their ability to use accountability data more effectively			120	120

Program Support

Program Support promotes consistency, legal compliance and financial integrity for the Department of Finance and Administration and state agencies. This is accomplished by providing fiscal accountability for public funds appropriated to the Department, the Governor's Office, and the Lieutenant Governor's Office, administering consistent policies and procedures for the Executive's exempt salary plan and approving professional services contracts for all state agencies.

Output	Percent of applicable contracts containing at least one performance measure among all newly issued contracts procured through the request for proposals process	100%	100%		
Outcome	Percent of funds "certified in compliance" to the state controller as required, within fifteen days after month end	90%	N/A	90%	90%
Efficiency	Financial statements issued timely to include auditor's unqualified opinion, in days	90	N/A		
Output	Number of exceptions identified through post-audit and assurance procedures performed to include a sample of the transaction population in relation to predefined attributes	TBD	TBD		
Quality	Department of finance administration employee retention rate	TBD	2.4%		
Outcome	Percent of contracts rejected	TBD	18.7%	15%	10%

Local Government Assistance and Fiscal Oversight

The Local Government Assistance and Fiscal Oversight program works with counties, municipalities and special districts to maintain strong communities. This is accomplished through sound fiscal advice and oversight, technical assistance, monitoring of project and program progress, and timely processing of payments, grant agreements, and contracts.

Output	Percent of community development block grant closeout letters issued within forty-five days of review of final report	95%	100%		
Outcome	Percent of capital appropriations older than five years that are closed	90%	99.2%		
Outcome	Percent of water and wastewater infrastructure appropriations that were requested through the uniform application process	25%	Environ		
Output	Number of entities that submit projects through the uniform application process	TBD	Environ		
Output	Number of projects submitted through the uniform application process	TBD	Environ		
Outcome	Percent of eligible grant agreements sent out to local governments forty-five days after the capital outlay bill is signed	95%	95%		
Output	Number of capital project trainings held	4	10		
Quality	Percent of local government officials expressing satisfaction in training received	90%	96.5%		
Outcome	Percent of local government entities provided with training within a period of two fiscal years	100%	92%		
Outcome	Percent of fiscal year financial reports submitted electronically by local governments	50%	45%		
Outcome	Percent of capital appropriations managed by the community development bureau older than three years that are closed	65%	92.0%		
Outcome	Percent of acceptable payment requests processed within five working days of receipt	95%	97.6%	95%	95%
Outcome	Percent of state population served by enhanced landline service	90%	93%		
Outcome	Percent of New Mexico communities served with wireless enhanced E-911 service	90%	93%		
Outcome	Percent of state population served by wireless enhanced E-911 service	70%	93%		

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Output	Number of county site visits by E-911 staff	30	117		
Output	Number of county site visits by driving while intoxicated staff	40	47		
Output	Satisfaction rating for training provided by the special programs bureau	90%	97.5%		
Output	Percent of population served by public safety answering points (PSAPs) equipped to provide enhanced wireless service			90%	90%
Output	Number of capital projects older than five years that are unexpended (not expended or reverted)			180	180
Output	Dollar amount of capital projects older than five years that are unexpended (not expended or reverted)			\$50.0 M	\$50.0 M
Efficiency	Average number of days from availability of funds to grant award			75	75
Quality	Percent of tax rate certifications that are accurate in the initial submission to the local entity			99%	99%
Output	Number of local entities participating in the infrastructure capital improvement planning program			325	325
Output	Percent of local entity budgets submitted to the local government division by established deadline			95%	90%
Outcome	Percent of local capital outlay projects included in the infrastructure capital improvement plan			90%	90%
Output	Percent of state agency capital outlay projects included in the infrastructure capital improvement plan			95%	95%
Output	Number of local entities operating under a continuing resolution for a portion of the fiscal year			14	14

Fiscal Management and Oversight

The Fiscal Management and Oversight program provides for and promotes financial accountability for public funds throughout state government and provides state agencies and the citizens of New Mexico with timely, accurate and comprehensive information on the financial status and expenditures of the state. This is accomplished by clearly communicating required fiscal management practices, providing processes and instruction, training and coaching agencies when needed, and ensuring agencies have the skills and resources to provide necessary financial accountability.

Quality	Percent of business days statewide human resource, accounting and management reporting system is available to end-users	100%	100%		
Efficiency	Average number of business days needed to process payments using the statewide human resource, accounting and management reporting system	2	2		
Efficiency	Length of time to issue the comprehensive annual financial report after the end of the fiscal year, in months	7 months	12 mos.	7 months	7 months
Output	Number of reissued warrants	TBD	30		
Outcome	Costs avoided due to statewide human resource, accounting and management reporting system best practice implementation, in millions	\$7.0	TBD		
Outcome	Savings realized through maintenance of a consolidated accounting, procurement and human resource system, in millions	3%	TBD		
Efficiency	Percent of payments to vendors within the parameters set by the Procurement Code and contractual provisions			95%	95%
Efficiency	Percent of payroll payments to employees made by the scheduled payday			100%	99.5%
Efficiency	Percent of per diem payments to employees made within three business days of receipt at the financial control division			TBD	90%
Output	Number of regularly scheduled training courses for beginning, intermediate and advanced users of the statewide human resource, accounting and management reporting system			36	36
Efficiency	Percent of business days in statewide human resource, accounting and management reporting system is available to end-users during business hours (8:00 a.m. to 5:00 p.m. Monday through Friday)			100%	97%

Executive Summary

The Public School Insurance Authority provides group health, property, liability, and workers compensation insurance to eligible educational entities.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	344,164.0	354,411.2	3.0
Program			
Benefits Program	286,315.0	294,442.3	2.8
Risk Program	56,539.0	58,574.6	3.6
Program Support	1,310.0	1,394.3	6.4
Total Uses	344,164.0	354,411.2	3.0
FTE	11.00	11.00	0.0

- The Executive recommendation reflects an overall increase of \$10,247.2 over FY09.
- The Executive recommends an increase of \$8,127.3 in the Benefits Program for contractual services to fund increases in medical and dental claim costs due to an overall increase in utilization and cost of service.
- The Executive recommendation supports an increase of \$2,035.6 in the Risk Program to fund worker's compensation claims, excess insurance and loss prevention services.
- The Executive recommendation includes \$84.3 for increased operating costs for Program Support.

Agency Mission and Program Purpose

The Public School Insurance Authority (PSIA) provides comprehensive core insurance programs for public school districts (except for the Albuquerque district), charter schools and other educational entities in New Mexico. PSIA currently serves 179 institutions. PSIA provides insurance for over 25,000 employees and insures public school buildings worth over eight billion dollars as well as building contents and all vehicles. The agency is governed by an eleven-member board and is administered by an executive director.

Statutory Authority: Sections 22-29-1 through 22-29-10 NMSA 1978.

Benefits Program

The Benefits Program provides a group health insurance package to educational employees and their eligible family members to protect against personal financial losses due to medical problems, disability, or death. The program focuses on: providing a stable, comprehensive and cost-effective employee benefits plan; reducing the frequency and severity of medical claims; and educating the members on various healthcare and benefit issues. PSIA's benefits package includes health, prescription drugs, dental, vision, life and long-term disability insurance. Member institutions may choose to offer some or all of these types of insurance to their employees.

The Benefits Program is funded by employer contributions and employee premiums from eligible institutions. PSIA's medical, prescription and dental programs are self-insured. In general, members' contributions and premiums must cover expected claim costs and administration fees. Vision, life, and long-term disability coverages are fully insured.

Risk Program

The Risk Program provides property, liability, and workers compensation programs to public educational entities. PSIA promotes the awareness of risk-management techniques to control the frequency and severity of loss. The program focuses on: providing a stable, comprehensive and cost-effective means of funding claims and lawsuits filed against member institutions; promoting a safe environment for students, employees and other users in member institutions; and reducing the frequency of events, which result in accidents and loss of resources for member institutions.

The Risk Program is funded by assessments on member institutions. The program is self-insured for claims up to \$750,000 and has taken out excess insurance coverage for any claims above that amount. Property coverage includes deductibles ranging from \$750 to \$25,000, as determined by the appraised value of the member's buildings.

Program Support

Program Support provides administrative support to the Benefits and Risk Programs, and assists the agency in delivering services to its constituents. Program Support is funded by a transfer from revenues received in the Benefits and Risk Programs.

Executive Recommendation

Agency Strategic Directions

PSIA continues to provide educational entities with comprehensive and cost-effective insurance protection. The Board of Directors' focus has been on implementing cutting edge programs, such as the certified pharmacist immunization program, the \$2 copay for generic drugs, and waiving of copays for formulary diabetic supplies and medications. In FY09, PSIA started a pilot project requiring members with diabetes to meet monthly with a certified pharmacist for HbA1c testing and monitoring of blood sugars. These programs, along with the uniform health management services available to all medical plan participants, are ensuring members have additional resources with their medical care.

The cost-effectiveness of the Risk Program is much more difficult to assess, due to the nature of losses incurred. The Risk Program is very much affected by "acts of God." For example, floods, hail, snow and wind, and the damage sustained, are beyond the control of the PSIA. The events which can be influenced by the PSIA Loss Control Program have shown improvements. Safety audits of buildings, playgrounds and the work environment have reduced the frequency and severity of incidents. Training provided to the membership have shown that liability issues, such as employment-related claims and sexual molestation, are being provided the attention necessary to adequately control the potential losses. The most recent actuarial study for the period ending June 30, 2008 documents the effectiveness of the steps being taken to control losses. The actuarial study also indicates a reduction to claims reserves for FY08.

For the past several years, the Risk Program has incurred substantial losses within the property and liability coverage areas, which have resulted in increased costs for the program. Several factors have affected the increased costs. In the property area, the vast majority of increases can be attributed to water and hail damage claims. FY08 experienced a dramatic decrease in these types of losses, particularly hail damage.

PSIA has taken several steps to address these increases, including revising deductible schedules as well as identifying abandoned school buildings. PSIA then asks school districts to remove these buildings from coverage. PSIA is also working with the Public School Facilities Authority to address maintenance and the condition of older buildings and to ensure new buildings are constructed properly.

The liability area has also experienced large increases relating to sexual molestation, violations of civil rights, and discrimination claims. In an effort to control costs, PSIA is working with the Public Education Department to develop policies designed to keep students safe. These measures include providing training to administrators and staff on the identification and procedures to be followed when inappropriate conduct is suspected.

PSIA continues efforts to promote a safe environment for public education institutions by identifying and eliminating unsafe conditions and by providing training and enforcement of loss control rules. To reduce the frequency of civil-rights and other employment-related claims, PSIA provides training to improve awareness of proper procedures among all employees.

Key Elements of Recommendation

The Executive recommendation provides for an overall increase of \$10,247.2 for PSIA mainly in contractual services. The recommendation includes an increase of \$84.3 to fund increased Program Support costs.

The FY10 recommended increase of \$8,127.3 for the Benefits Program represents a 2.8% increase over the approved budget for FY09. No use of fund balance is included in the budget, reflecting a decrease of \$2,060.2 from FY09. The estimated medical premium increase effective October 1, 2009 is 10% and a 6% dental increase is anticipated. The board has indicated that PSIA may have had to pass on a 20% medical premium increase effective October 1, 2009 to its members. The board has also considered absorbing the 10% medical premium increase by reducing benefits as an option. Benefit changes, if necessary, would be along the lines of putting in a front end deductible of \$300 and putting members responsibility at a 10% coinsurance level on most services, with an out of pocket limit of \$3,000. If claims improve, plan changes won't be necessary. Historically, PSIA claim trends have run better than national claim trends. However, recent claims have been unusually high, causing PSIA to use unrestricted cash balance to offset the need for a mid-year premium increase. As of June 30, 2007, PSIA unrestricted cash balance was \$33,912.4, the unaudited fund balance on June 30, 2008 was \$16,389.1. PSIA estimates the fund balance may be depleted by June 30, 2009.

In FY07, risk premiums were increased substantially in an effort to restore the Risk Program's actuarial soundness. The FY07 audit and actuarial reports have documented that the Risk Program's fund balance is a positive amount, a \$1,245.8 audited fund balance, for the first time in several years. The FY08 premiums were reduced from the FY07 elevated level. However, PSIA must still work to control the factors driving the increases in property and liability payments. FY09 is projected to

result in continued surpluses for property and liability activities of approximately \$1 million. As a result, the FY10 recommendation requires no increase in premiums to be assessed and the deficit of expense over revenues of approximately \$2.1 million will be covered by fund balance.

PSIA continues to try to stabilize workers' compensation costs. While expenses are not increasing as rapidly as in the past, FY09 premiums increased significantly after previous premium decreases resulting in losses of approximately \$700,000 for FY08. One major factor which has contributed to the program's increased costs is the rise in medical costs. FY09 will likely continue to stabilize with modest surpluses of premium revenue over expenditures adding to the fund balance. As a result, worker's compensation will require no increase in premiums to be assessed by the membership. The small deficit anticipated in FY10 of less than \$500,000 will be offset by fund balance.

The Executive recommendation supports an increase of \$84.3 in Program Support to fund the costs associated with several employees retiring in FY10, as well as increased costs for group health insurance. The recommendation also provides for increased operating costs of PSIA's building, supplies and telecommunications.

Performance Report

PSIA met or exceeded all but two of its performance targets for FY08. In the Benefits Program, the target for number of participants covered by health plans was 61,000 and the actual result was 60,372. The Risk Program did not meet the target (less than or equal to 15%) of percent variance of public property premium change between public school insurance authority and industry average. The actual FY08 result for this measure was 17.5%. PSIA substantially exceeded the target for percent variance of public liability premium change between public school insurance authority and industry average. The target was less or equal to 15%, the actual result was 1.7%. The target for percent of employees expressing satisfaction with group health benefits was not available at the date of this writing. The agency also exceeded the target for the number of educational entities enrolled in the risk insurance program. The target was set at 150 and the agency enrolled 163. The Executive recommends increasing the target for FY10 to 160, to more accurately reflect actual results.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- mendation	FY10		
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent</u> <u>Change</u>	
SOURCES						
Other Transfers	1,228.4	1,310.0	1,394.3	84.3	6.4	
Other Revenues	296,367.0	340,793.8	350,922.3	10,128.5	3.0	
Fund Balance	17,523.2	2,060.2	2,094.6	34.4	1.7	
TOTAL SOURCES	315,118.6	344,164.0	354,411.2	10,247.2	3.0	
USES						
Personal Services and Employee Benefits	836.5	853.9	924.2	70.3	8.2	
Contractual Services	308,922.7	341,741.6	351,821.4	10,079.8	2.9	
Other	166.9	258.5	271.3	12.8	5.0	
Other Financing Uses	1,228.4	1,310.0	1,394.3	84.3	6.4	
TOTAL USES	311,154.5	344,164.0	354,411.2	10,247.2	3.0	

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
FTE					
Permanent	11.00	11.00	11.00	0.00	0.0
TOTAL FTE POSITIONS	11.00	11.00	11.00	0.00	0.0

Benefits Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	246,067.1	284,254.8	294,442.3	10,187.5	3.6
Fund Balance	17,523.2	2,060.2	0.0	-2,060.2	-100.0
TOTAL SOURCES	263,590.3	286,315.0	294,442.3	8,127.3	2.8
USES					
Contractual Services	262,976.1	285,660.0	293,745.2	8,085.2	2.8
Other Financing Uses	614.2	655.0	697.1	42.1	6.4
TOTAL USES	263,590.3	286,315.0	294,442.3	8,127.3	2.8
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Risk Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	50,299.9	56,539.0	56,480.0	-59.0	-0.1
Fund Balance	0.0	0.0	2,094.6	2,094.6	***
TOTAL SOURCES	50,299.9	56,539.0	58,574.6	2,035.6	3.6
USES					
Contractual Services	45,764.8	55,884.0	57,877.4	1,993.4	3.6
Other Financing Uses	614.2	655.0	697.2	42.2	6.4
TOTAL USES	46,379.0	56,539.0	58,574.6	2,035.6	3.6
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	Percent Change
SOURCES					
Other Transfers	1,228.4	1,310.0	1,394.3	84.3	6.4
TOTAL SOURCES	1,228.4	1,310.0	1,394.3	84.3	6.4
USES					
Personal Services and Employee Benefits	836.5	853.9	924.2	70.3	8.2
Contractual Services	181.8	197.6	198.8	1.2	0.6
Other	166.9	258.5	271.3	12.8	5.0
TOTAL USES	1,185.2	1,310.0	1,394.3	84.3	6.4
FTE					
Permanent	11.00	11.00	11.00	0.00	0.0
TOTAL FTE POSITIONS	11.00	11.00	11.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Benefits Program					
To provide an effective health insurance package to educational employees and their eligible family members so they can be protected against catastrophic financial losses due to medical problems, disability, or death.					
Outcome	Average number of days to resolve inquiries and appeals related to customer service claims	14	10	14	12
Outcome	Percent of participants receiving recommended preventive care	70%		61,000	
Efficiency	Percent variance of medical premium change between the public school insurance authority and industry average	</=3%	-1.75%	</=3%	
Efficiency	Percent variance of dental premium change between the public school insurance authority and industry average	</=3	+1.25%	</=3%	</=3%
Quality	Percent of employees expressing satisfaction with group health benefits	86%	TBD	87%	88%
Output	Number of participants covered by health plans	61,000	60,372	61,000	61,000
Risk Program					
To provide economical and comprehensive property, liability, and workers' compensation programs to educational entities so they are protected against injury and loss.					
Outcome	Percent variance of public property premium change between public school insurance authority and industry average	</=15%	17.5%	</=15%	</=15%
Outcome	Percent variance of workers' compensation premium change between public school insurance authority and industry average	</=7%	5%	</=7%	</=7%
Outcome	Percent variance of public liability premium change between public school insurance authority and industry average	</=15%	1.7%	</=15%	</=15%
Outcome	Number of workers' compensation claims in the area of ergonomics	176	170	100	185
Quality	Percent of educational entities satisfied with risk insurance claim-processing service	98%	98%	98%	98%
Output	Number of educational entities enrolled in the risk insurance program	150	163	158	160
Output	Number of loss prevention training seminars	87	95	87	90

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Program Support					
To provide administrative support for the Benefits and Risk programs and to assist the agency in delivering services to its constituents.					
Efficiency	Percent of employee files that contain performance appraisal development plans completed by employees' anniversary dates	100%	100%	100%	100%
Efficiency	Satisfaction rating of administrative services provided to all programs	85%	97.25%	90%	90%
Outcome	Number of prior-year audit findings that recur	</=1	0	0	0

Executive Summary

The Retiree Health Care Authority provides comprehensive group health insurance to retirees of certain public service agencies in New Mexico and their dependents.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	10.0	9.5	-5.0
Total Sources	206,615.0	220,350.0	6.6
Program			
Healthcare Benefits Administration	203,743.1	217,455.3	6.7
Program Support	2,861.9	2,885.2	0.8
Discount Prescription Drug	10.0	9.5	-5.0
Total Uses	206,615.0	220,350.0	6.6
FTE	24.00	26.00	8.3

- The Executive recommendation reflects an overall increase of \$13,735.0 over FY09.
- The Executive recommendation includes a 6.7% increase for medical claims and related costs in the Healthcare Benefits Administration Program.
- The Executive recommendation supports a base budget decrease of \$23.3 in Program Support due to reduced attorney fees and other contractual services.
- The Executive recommendation provides \$45.5 for an expansion attorney position.
- The recommendation supports an expansion customer service representative position to resolve some of the agency’s critical staffing needs.

Agency Mission and Program Purpose

The Retiree Health Care Authority (RHCA) provides core group and optional health care benefits and life insurance for persons who have retired from state agencies and certain educational institutions, counties, cities, towns, villages and other public entities in New Mexico. Eligible retirees, their spouses, dependents and surviving spouses receive health insurance consisting of a plan or optional plans of benefits for which they pay premiums and co-payments or out-of-pocket payments as necessary. The agency is governed by a board composed of not more than 12 members and is administered by an executive director selected by the board.

RHCA was created in 1990 and is committed to advocating and sustaining an affordable, high-quality, comprehensive health care program for present and future eligible retirees and their dependents.

RHCA is a non-reverting agency. Funding is derived from employer contributions, employee contributions, retiree and dependent contributions, Taxation and Revenue Department suspense fund disbursements, and investment income.

Other than the \$10.0 the agency receives for the Discount Prescription Drug Program, formerly the Senior Prescription Drug Program, RHCA does not receive direct General Fund appropriations.

Statutory Authority: Sections 10-7C-1 through 10-7C-19 NMSA 1978.

Healthcare Benefits Administration

The Healthcare Benefits Administration Program manages the core group and optional health care benefits and life insurance provided to current and future eligible retirees and their dependents. The benefits plan offers medical, prescription drug, dental, vision, basic life, voluntary life and long-term care coverage. RHCA must generate sufficient revenue to pay for the incurred costs of health-related benefits that it provides to participants and build sufficient reserves to ensure the continued viability of the program. The program continues to increase enrollment. Participating employers in RHCA include all State of New Mexico agencies, all public school districts, 10 higher education institutions, 59 charter schools, 19 counties, 21 cities, 8 towns, 14 villages and 9 other public entities. Enrollment in the program includes over 29,000 retirees and 12,700 dependents.

Program Support

Program Support provides all administrative functions necessary to provide and process insurance benefits for retirees. The program is funded from a transfer from the Healthcare Benefits Administration Program.

Discount Prescription Drug

The program provides a prescription drug discount card to any New Mexico resident. New Mexicans who are already enrolled in a prescription benefits plan also qualify for the card, which can provide discounts for prescriptions not covered by their current plan. The program was started in FY03 as a program targeted towards seniors but was expanded to all New Mexicans through a statutory change enacted in the 2006 session. As of the end of FY08, 6,654 individuals were enrolled in the program.

Executive Recommendation

Agency Strategic Directions

RHCA strives to provide an ongoing high-quality health care and life insurance benefits program to eligible retirees at affordable rates so that they may have access to quality medical care. RHCA also works to provide an efficient and effective Discount Prescription Drug Program. RHCA's objective is to provide a reasonable variety of medical plans and other optional coverage that meet the needs of program participants. The rising cost of health care, pharmaceutical costs and low Medicare reimbursement levels to health care providers pose many challenges. One of the changes implemented to reduce projected cost increases has been the addition of non-Medicare preferred provider organization (PPO) plans.

In addition, RHCA participates in an interagency purchasing coalition with three other New Mexico entities for the procurement of prescription drugs benefits. As additional entities participate, prescription drug costs are projected to decrease. RHCA also implemented the federal Medicare Part D prescription drug benefit, which became effective January 1, 2006. Implementation of the new federal benefit has mitigated RHCA's prescription drug costs for approximately 55% of the program's members through a 28% federal subsidy on claims between \$250 and \$5,000. In the first calendar year of participation, this translated into approximately \$9 million in savings.

To ensure long-term viability of the program, RHCA's goal is to achieve and maintain a long-term actuarial solvency period of at least 15 years. A 15-year solvency period means that RHCA will be able to pay all its expenses for fifteen years and is calculated based on estimated revenues and expenditures for those years. Analysis and review of the affect of the changes adopted by the Board estimates that the solvency of the fund has been extended to January 2020. This means the current solvency period is 12 years, up from an estimate of 8 years. The measures adopted by the RHCA Board that took effect January 1, 2008, combined with the recent determination that RHCA operates as a "substantially equivalent arrangement" to a trust may further reduce the unfunded actuarial accrued liability from an initial estimate of more than \$5 billion to under \$4 billion.

HB 728 established a work group to study of the agency's financial status. The HB 728 work group includes participants from RHCA and the RHCA Board of Directors, the Governor's Office, the Legislative Council Service, Legislative Finance Committee and the Department of Finance and Administration. In response to recommendations from the work group, the board significantly increased the level of contributions by retirees. This increase was in addition to an average 9% increase in premiums which took effect on January 1, 2008.

Key Elements of Recommendation

The Executive recommendation reflects an overall increase of 6.6% over FY09. The recommendation includes a 6.7% increase for medical claims and related costs in the Healthcare Benefits Administration Program. The additional funding is to accommodate a 6% growth in Medicare Part D reimbursement per member, a 4% average annual growth in retirees and an 8% annual health care trend.

The Executive base recommendation supports an increase of \$23.3 for Program Support primarily in the personal services and employee benefits category. The recommendation includes a vacancy factor of 3% for personal services and employee benefits. The Executive recommendation provides \$45.5 for an expansion attorney position to assist with all of the agency's legal issues including contracts and compliance with state rules and regulations. The recommendation also includes \$33.5 for an expansion customer service representative position to resolve some of the agency's critical staffing needs, particularly in the area of customer service.

Performance Report

RHCA met or exceeded most of its performance targets for FY08. Total Healthcare Benefits Program claims paid met the target level. The target for the average monthly per-participant claim cost non-Medicare eligible was not met by a significant amount. The target was \$525 and the result was \$700. The target for average monthly per-participant claim cost, Medicare eligible was exceeded however. RHCA exceeded all of the Program Support and Discount Prescription Drug Program targets. Participation in the retiree healthcare program continues to increase. RHCA did not meet its target for minimum number of years of long-term actuarial solvency, although the solvency period has been extended from eight to twelve years. The target solvency period is twelve years. The agency exceeded the target for total revenue generated in millions and generated \$6.3 million more in income than expenditures. The dental premium increase was 1.2% higher than industry averages although the medical premium change was in line with industry averages. The number of Prescription Drug participants has increased over the target level for FY09.

Recommended Language for the General Appropriation Act

The Executive recommends the following language be included in the General Appropriation Act to clarify the fund to which reversions are due:

Any unexpended balance in the program support program of the retiree health care authority remaining at the end of fiscal year 2010 shall revert to the healthcare benefits administration program.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	8.9	10.0	9.5	-0.5	-5.0
Other Transfers	2,939.8	2,861.9	2,885.2	23.3	0.8
Other Revenues	189,817.9	203,743.1	214,199.4	10,456.3	5.1
Fund Balance	0.0	0.0	3,255.9	3,255.9	***
TOTAL SOURCES	192,766.6	206,615.0	220,350.0	13,735.0	6.6
USES					
Personal Services and Employee Benefits	1,221.7	1,656.3	1,611.3	-45.0	-2.7
Contractual Services	181,346.7	201,436.8	215,149.2	13,712.4	6.8
Other	666.8	660.0	704.3	44.3	6.7
Other Financing Uses	2,839.8	2,861.9	2,885.2	23.3	0.8
TOTAL USES	186,075.0	206,615.0	220,350.0	13,735.0	6.6
FTE					
Permanent	0.00	24.00	26.00	2.00	8.3
TOTAL FTE POSITIONS	0.00	24.00	26.00	2.00	8.3

Healthcare Benefits Administration (Dollars in Thousands)					
	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE Change	Percent Change
SOURCES					
Other Revenues	189,817.9	203,743.1	214,199.4	10,456.3	5.1
Fund Balance	0.0	0.0	3,255.9	3,255.9	***
TOTAL SOURCES	189,817.9	203,743.1	217,455.3	13,712.2	6.7
USES					
Contractual Services	180,705.5	200,881.2	214,570.1	13,688.9	6.8
Other Financing Uses	2,839.8	2,861.9	2,885.2	23.3	0.8
TOTAL USES	183,545.3	203,743.1	217,455.3	13,712.2	6.7
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

		Program Support (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	Budget to Recommendation	
		Actuals	Budget	mendation	Dollar	Percent
					Change	Change
SOURCES						
	Other Transfers	2,939.8	2,861.9	2,885.2	23.3	0.8
	TOTAL SOURCES	2,939.8	2,861.9	2,885.2	23.3	0.8
USES						
	Personal Services and Employee Benefits	1,221.7	1,656.3	1,611.3	-45.0	-2.7
	Contractual Services	641.2	555.6	579.1	23.5	4.2
	Other	661.1	650.0	694.8	44.8	6.9
	TOTAL USES	2,524.0	2,861.9	2,885.2	23.3	0.8
FTE						
	Permanent	0.00	24.00	26.00	2.00	8.3
	TOTAL FTE POSITIONS	0.00	24.00	26.00	2.00	8.3

		Discount Prescription Drug (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	Budget to Recommendation	
		Actuals	Budget	mendation	Dollar	Percent
					Change	Change
SOURCES						
	General Fund Transfers	8.9	10.0	9.5	-0.5	-5.0
	TOTAL SOURCES	8.9	10.0	9.5	-0.5	-5.0
USES						
	Other	5.7	10.0	9.5	-0.5	-5.0
	TOTAL USES	5.7	10.0	9.5	-0.5	-5.0
FTE						
	TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Performance Measures

		FY08	FY08	FY09	FY10
		Target	Result	Target	Recomm
Healthcare Benefits Administration					
To provide core group and optional health care benefits and life insurance to current and future eligible retirees and their dependents so they may access covered and available core group and optional health care benefits and life insurance benefits when they need them.					
Output	Minimum number of years of long-term actuarial solvency	12	15	25	15
Outcome	Total revenue generated, in millions	\$177	\$189.	\$189	\$214.6
Efficiency	Total healthcare benefits program claims paid, in millions	\$181	\$181.	\$219	\$214.5
Efficiency	Average monthly per-participant claim cost, non-medicare eligible	\$525	\$700.0	\$555	\$755.8
Output	Average monthly per-participant claim cost, medicare eligible	\$299	\$213.	\$346	\$250.
Outcome	Percent of participants satisfied with the healthcare benefits program	85%	85%	85%	85%
Efficiency	Percent variance of medical premium change between retiree health care authority and industry average	+/-4%	5.2%	+/-4%	+/-4%
Efficiency	Percent variance of dental premium change between retiree health care authority and industry average	+/-2%	1.6%	+/-2%	+/-2%
Efficiency	Percent change in medical premium to participants	8%	8%	9%	9%
Efficiency	Average number of days to resolve customer service claims related to inquiries and appeals	7	7	7	7
Efficiency	Percent of medical plan premium subsidy	45%	50%	50%	50%
Explanatory	Number of retiree healthcare participants	40,750	42,000	43,800	45,400

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Program Support					
The purpose of Program Support is to provide administrative support for the Health Care Benefits Administration Program to assist the agency in delivering its services to its constituents.					
Outcome	Number of prior-year audit findings that recur	1	0	0	0
Efficiency	Percent of employee files that contain performance appraisal development plans completed by employees anniversary date	100%	100%	100%	100%
Efficiency	Satisfaction rating of administrative services provided to all programs	80%	80%	80%	80%
Discount Prescription Drug					
To administer the Discount Prescription Drug Program aimed at reducing prescription drug expenditures for those covered participants.					
Output	Number of senior prescription drug program participants	5,500	6,600	7,500	8,000

Executive Summary

The General Services Department provides consolidated business functions and services to state and local government agencies.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	16,876.0	16,731.0	-0.9
Total Sources	526,447.5	527,081.1	0.1
Program			
Program Support	4,023.0	4,055.9	0.8
Procurement Services	2,135.0	2,249.6	5.4
Information Technology	2,787.4	2,371.0	-14.9
Risk Management	108,283.3	89,107.5	-17.7
Employee Group Benefits	382,388.0	401,320.0	5.0
Business Office Space Management and Maintenance	15,206.9	14,185.7	-6.7
Transportation Services	11,623.9	13,791.4	18.6
Total Uses	526,447.5	527,081.1	0.1
FTE	368.00	371.00	0.8

- The Executive recommendation provides for a decrease of \$145.0 in General Fund and an increase of \$633.6 in total funds.
- The \$790.3 General Fund increase in the Transportation Services Division is to subsidize aviation costs. This aviation subsidy was funded via a special appropriation in FY09.
- The Executive recommendation for Program Support provides a base increase of \$32.9 over FY09 levels to accommodate increased contractual costs for specialized training, audit and attorney fees.
- Funding for Risk Management insurance funds is recommended at \$83.2 million, a decrease of \$17.2 million from FY09.
- The Executive base budget increase of \$2,167.5 in the Transportation Services Division results primarily from funding vehicle replacements from the State Fleet Authority Fund balance. Of the motor pool's existing fleet, 31% exceed life cycle requirements.
- The Executive recommends an expansion of \$250.0 and five FTE in the Procurement Services Program to support strategic sourcing efforts.
- The Executive recommendation includes a reduction of two FTE to accommodate the transfer of administration of Fort Stanton to the Department of Cultural Affairs. Fort Stanton was designated as a State Historic Monument by the governor in July 2008.

Agency Mission and Program Purpose

The General Services Department (GSD) was created to make state government more efficient and responsive by consolidating government services delivery to achieve economies that would assist state agencies in performing their missions in a cost-effective manner.

Statutory Authority: Section 9-17-3 NMSA 1978.

Program Support

Program Support, consisting of the Office of the Secretary, the Administrative Services Division, the Technology and System Support Bureau and Customer Support Services, is designed to provide strategic planning, policy direction and oversight for the General Services Department, including general administration, legal compliance, human resource management, customer support, information technology systems support, fiscal services and financial management.

Procurement Services

The Purchasing Division and State Purchasing Agent are responsible for the procurement of: services; construction; and items of tangible personal property for all state agencies except as otherwise provided in the Procurement Code (13-1-28 NMSA 1978). The program administers the procurement code for those state agencies not excluded from the requirement of procurement through the state purchasing agent.

State Printing Services

The program provides a wide variety of high-quality, cost-effective printing services for state and local government entities from basic business stationery to reports, banners, manuals and educational publications. The program also provides volume printing during legislative sessions of all proposed legislation, amendments, committee substitutes and reports.

Risk Management

The Risk Management Program protects the state's assets against property losses, public liability and workers' compensation claims, state and local public bodies' unemployment compensation claims and surety bond losses. Major program responsibilities are comprehensive protection of buildings and their contents, fidelity bonds, general and automobile liabilities, physical damage, civil rights liability and medical malpractice. Loss control focuses on evaluating agency programs and recommending implementation of innovative approaches to promote safety and avoid losses.

Employee Group Benefits

The Employee Group Health Benefits Program designs and administers comprehensive group benefit plans for state employees and local public bodies to facilitate the recruitment and retention of qualified employees. GSD is a member of the Interagency Benefits Advisory Committee (IBAC), which is responsible for consolidated purchasing of public employee health benefits. The group benefits plans offered include medical, pharmacy, dental, vision, life, disability, employee assistance and pre-tax flexible accounts. More than 80,000 state and local government employees and their dependents are covered by the Employee Group Health Benefits Program.

Business Office Space Mgmt/Maint Services

The purpose of the Business Office Space Management and Maintenance Services Program, which includes the Building Services and Property Control Divisions, is to construct, equip, maintain and operate public buildings; authorize the leasing of property for and by state agencies; assist state agencies in architectural and engineering needs; and assist other state agencies in the construction and maintenance of public buildings.

Transportation Services

The program provides centralized state motor pool vehicle and aircraft transportation services, including long and short-term leasing of passenger vehicles and state aircraft. The program also makes federal surplus property available to state and local government entities and provides warehousing and distribution services.

Executive Recommendation*Agency Strategic Directions*

Program Support. Program Support will strive to implement paperless billing to GSD customers for internal service operations, publish monthly budget and financial reports with analytical narratives for all divisions and prepare financial statements. The program will also publish an agency financial report on the GSD web site. Program Support will provide accurate and timely financial accounting and budget information to divisions and external customers while efficiently managing 32 funds. The Technology Systems and Support Bureau (TSSB) plans to implement a business continuity plan for all GSD divisions, implement a security plan to protect GSD's information technology and operations, and provide uniform technical implementations that assure all divisions and the department's programs are able to share information and integrate services within a secure environment. The Customer Support Program within Program Support will consolidate the customer service functions across all GSD divisions, automate the accounts receivable process with quarterly billing reminders, identify and implement an accounts receivable database, and reduce delinquent receivable accounts to \$5 million.

Procurement Services. The Procurement Services Program plans to establish "best practices and principles" to maximize government purchasing power, establish a "best value" approach to government procurement and assist New Mexico small businesses in competing for government contracts. The program will implement a full-scale strategic sourcing program and track performance, and will bring local public bodies into a common e-procurement system in accordance with the resolution passed by the Statewide Procurement Council. Procurement Services strives to implement strategic sourcing and performance based contracting by creating baseline determinations of commodity and non-professional service contracts, re-engineering the procurement process and measuring success.

State Printing and Graphic Services. The State Printing and Graphic Services Program will strive to expand quality printing services and grow the digital printing segment of their business. The program will promote printing and graphic services for legislative sessions, develop a plan to market print services to other agencies in an effort to gain business (focus on areas where other agencies are outsourcing) and consolidate state printing services when possible. State Printing will also become environmentally friendly by using green materials, soy-based inks (moving away from petroleum based inks), use 35-55% of recyclable stock and utilize a water wash process.

Risk Management Program. The Risk Management Program will practice prudent stewardship and conservation of government resources; ensure a clear understanding of Risk Management operations, rates and services; create cooperative and productive relationships through outreach and customer input, and cultivate employee development through progressive training and effective communication. The program will perform quality control audits within all Risk Management

Division (RMD) bureaus, increase the number of loss control plans throughout state agencies, track alternative dispute resolution activities for performance and develop and implement internal performance audits of RMD bureaus. The program will research and implement an electronic content management system and a data warehouse, implement the Risk Management Information System (RMIS) and automate the ProLaw reporting and monitoring system with legal contractors. Risk Management will promote alternative dispute prevention and resolution, improve administration and financial effectiveness by establishing on-line filing for workers compensation and property/casualty claims, and initiate direct deposit for workers compensation claimant checks.

Employee Group Health Benefits Program. The Employee Group Health Benefits Program will strive to implement on-line enrollment for employee benefits, elevate wellness program activities into a statewide program and conduct on-site question and answer seminars with agencies statewide. The program will continue to maximize group health benefits available for New Mexico government employees and their families by negotiating best value coverage plans for lowest cost and recruiting local public bodies to participate in state health benefits plans. The program will also improve the physical and mental well being of New Mexicans in public service by promoting the Get Well New Mexico program, encouraging participation in health fairs and increasing outreach and publicity for employee wellness and disease management.

Business Office Space Management and Maintenance Services. The Building Services Division (BSD) will continue the recycling program for Santa Fe buildings to include white paper, glass, aluminum, cardboard and plastic; expand security coverage during normal business hours; and upgrade the FacilityMax automated maintenance management system. BSD will ensure compliance with all Executive Orders, targets and initiatives and ensure that BSD is operating in accordance with New Mexico's energy efficient and water conservation guidelines. The Property Control Division (PCD) will strive to meet future growth needs for state facilities with cost-effective master planning, effectively manage, protect and preserve statewide real estate assets, and achieve maximum energy efficiency and water conservation building standards. PCD will ensure substantial completion of the parking facility expansion at the central campus and federal land acquisition and expansion at the west capitol campus, and will continue with the plan to establish the financial and design criteria for the new health and human services complex.

Transportation Services Program. The Transportation Services Division (TSD) will attempt to change the Alternative Fuel Acquisition Act to encourage the purchase of "fuel efficient," rather than "alternative fuel," vehicles. The program will create an equipment replacement fund to cover the costs associated with major repairs or the replacement of existing equipment for vehicles and aircraft, create a vehicle use marketing and management plan for short-term and long-term vehicle and aviation utilization, and develop a Quick-Ride and Shuttle Transportation plan in an effort to reduce the state's fuel consumption.

Key Elements of Recommendation

The Executive recommendation provides for an overall decrease of 0.9% in General Fund and a 0.1% increase in total funds.

Program Support. The Executive recommendation for FY10 provides a base increase of \$32.9 over FY09 levels to accommodate increased contractual costs for specialized training, audit and attorney fees.

Procurement Services Program. The Executive recommendation provides an overall increase of \$114.6 over FY09 operating levels. This funding level accommodates increased funding for strategic sourcing activities, rent and advertising costs. Funding for personal services and employee benefits incorporates a 1% vacancy rate. The Executive recommendation supports an expansion of \$250.0 and five FTE to enhance strategic sourcing efforts.

State Printing Program. The Executive base budget recommendation for FY10 supports a decrease of \$416.4 from FY09 operating levels. The funding level accommodates an increase in transfers to Program Support to pay a proportionate share of agency administrative costs.

Risk Management Program. The Executive recommendation for Risk Management provides for a General Fund decrease of \$1,930.0 in transfers associated with lower operating costs for Information Services Division services and printing as well as implementing a vacancy factor of 3.7% for personal services and employee benefits. The decrease is mainly attributable to a reduction in transfers to Program Support for the program's proportional share of department administrative costs.

Risk Management Insurance Funds are recommended at \$83.2 million, a decrease of \$17.2 million from FY09. The Executive recommendation provides for an increased use of fund balance of \$5,961.0, primarily in the Public Liability and Public Property funds. Insurance funds included as part of this recommendation are: the Public Liability Fund; the Surety Bond Fund; the Public Property Reserve Fund; the Local Public Body Unemployment Compensation Fund; the Workers' Compensation Fund; and the State Employee Unemployment Compensation Fund. The decrease occurred primarily in the Public Property Fund (-65%) and in the Local Public Body Unemployment Fund (-28%). The soundness (assets divided by actuarial estimated liabilities) of the Workers' Compensation Fund is critically low at approximately four percent. The percentage indicates that the fund has more liabilities than assets needed to pay workers' compensation claims and other obligations. A 100% soundness level is achieved when assets equal liabilities. Because of the inadequate soundness, the fund ran out of money before the end of FY08. The Risk Management Advisory Board recommends that risk funds be at 50% soundness. The Executive recommendation provides a \$6.2 million increase in workers' compensation premiums to achieve 45% soundness. Risk Management is continuing enhanced loss control and prevention training in an effort to reduce the state's liability exposure and mitigate future claims.

Employee Group Health Program. The Executive recommendation of \$401,320.0 supports the Risk Management Division's goal of keeping employee premiums as low as possible, while expanding the group health pool by attracting more local governments and higher educational institutions. The recommendation represents an increase of 5% over FY09.

Business Office Maintenance Services Program. The Executive recommendation provides a decrease of \$1,021.2. The funding level accommodates increases for personal services and employee benefits costs while incorporating a 6.7% vacancy rate.

Transportation Services Program. The Executive base budget increase of \$2,167.5 results primarily from funding for vehicle replacement in the motor pool from the State Fleet Authority Fund balance. Of the motor pool's existing fleet, 31% exceed life cycle requirements. As the fleet ages, maintenance costs increase and fuel economy declines. Newer vehicles will assist in lowering overall fleet

maintenance costs due to warranty coverage. Buying new vehicles also allows the option of purchasing of more energy efficient vehicles. The \$790.3 General Fund increase in the Transportation Services Division supports aviation costs. Additional funding for aviation services was provided through a General Fund special appropriation in FY09. The recommendation will allow the Transportation Division to maintain aviation rates at an affordable level to allow state agencies to continue to use these services. The largest user of the aviation services is the School for the Visually Handicapped. Other primary users include the Department of Transportation and the Children's Medical Services Division of the Department of Health.

Performance Report

Procurement Program. The Small Business Assistance Program administered by the State Purchasing Division (SPD) provides assistance, training and information to help small businesses succeed in providing goods and services to state agencies. GSD had an 18% percent increase in clients assisted in FY08.

Risk Management Program. RMD substantially exceeded the goal for the percent of total liability claims resolved without litigation. The goal was 75% and the division achieved 89%. The division was also able to reduce the percent of total Risk Management Division accounts receivable dollars uncollected one hundred twenty days after invoice due date from a goal of 20% to an actual FY08 result of 13%. The projected financial position of the Worker's Compensation Fund remains low, at 4%. The Executive recommendation maintains premiums at the FY09 level to facilitate increasing the estimated actuarial reserve to 31.1% by the end of FY10.

Employee Group Health Program. The Employee Group Benefits Program continues to work toward the goals of *Insure New Mexico* by reaching out to employees of state and local governments to increase the number of New Mexicans covered under the state's Employee Group Health Program. The result for the performance measure associated with these activities was not met by only 1%; the goal was set at 75% of eligible state employees purchasing state health insurance and the program achieved 74% participation. Increasing the size of the insurance pool lowers the stress of premium increases to program participants.

Business Office Maintenance Program. The Building Services Division (BSD) manages all state-owned buildings in Santa Fe and must provide a clean, safe and well maintained work environment for state employees. The cost of operating state buildings over the last six years has increased due to increases in utilities and maintenance costs. Consequently, the target measure of \$5.14 per square foot was increased to \$7.52 for FY08. The division exceeded this target by achieving a cost per square foot of \$6.54. GSD continues to be one of the largest purchasers of renewable resources in the state with 90% of GSD electricity purchased from the Public Service Company of New Mexico's Blue Sky program. The Property Control Division (PCD) exceeded the target of 90% of property control projects on schedule within approved budget by 1.2%.

Transportation Services Program. The Transportation Services Division (TSD) leases passenger cars, trucks, vans and other vehicles to state agencies, both on a long-term and short-term basis. TSD exceeded its goal of 94.5% for percent of cars and other light duty vehicles purchased by state agencies that exceed existing federal fuel efficiency standards by achieving 100%, thereby not only contributing to a cleaner environment but also reducing fuel expenditures for state vehicles.

Budget Summary Tables

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	17,350.2	16,876.0	16,731.0	-145.0	-0.9
Other Transfers	3,763.4	11,815.9	9,918.8	-1,897.1	-16.1
Other Revenues	403,155.9	497,755.6	490,469.7	-7,285.9	-1.5
Fund Balance	1,536.4	0.0	9,961.6	9,961.6	***
TOTAL SOURCES	425,805.9	526,447.5	527,081.1	633.6	0.1
USES					
Personal Services and Employee Benefits	17,777.4	20,709.0	21,126.3	417.3	2.0
Contractual Services	41,642.4	63,312.9	49,820.3	-13,492.6	-21.3
Other	346,294.4	429,962.2	446,215.7	16,253.5	3.8
Other Financing Uses	6,583.9	12,463.4	9,918.8	-2,544.6	-20.4
TOTAL USES	412,298.1	526,447.5	527,081.1	633.6	0.1
FTE					
Permanent	359.00	368.00	371.00	3.00	0.8
TOTAL FTE POSITIONS	359.00	368.00	371.00	3.00	0.8

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
Other Transfers	0.0	4,023.0	4,055.9	32.9	0.8
Other Revenues	3,085.0	0.0	0.0	0.0	***
Fund Balance	36.4	0.0	0.0	0.0	***
TOTAL SOURCES	3,121.4	4,023.0	4,055.9	32.9	0.8
USES					
Personal Services and Employee Benefits	2,734.4	3,151.6	3,124.6	-27.0	-0.9
Contractual Services	135.0	332.5	419.9	87.4	26.3
Other	252.0	537.9	511.4	-26.5	-4.9
Other Financing Uses	0.0	1.0	0.0	-1.0	-100.0
TOTAL USES	3,121.4	4,023.0	4,055.9	32.9	0.8
FTE					
Permanent	48.00	40.00	41.00	1.00	2.5
TOTAL FTE POSITIONS	48.00	40.00	41.00	1.00	2.5

		Procurement Services (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	Budget to Recommendation	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	Dollar	Percent
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	1,625.2	1,669.1	1,755.0	85.9	5.1
	Other Revenues	219.7	465.9	307.0	-158.9	-34.1
	Fund Balance	0.0	0.0	187.6	187.6	***
	TOTAL SOURCES	1,844.9	2,135.0	2,249.6	114.6	5.4
USES						
	Personal Services and Employee Benefits	1,435.0	1,757.9	1,963.5	205.6	11.7
	Contractual Services	12.4	0.0	12.4	12.4	***
	Other	171.2	290.6	257.5	-33.1	-11.4
	Other Financing Uses	188.5	86.5	16.2	-70.3	-81.3
	TOTAL USES	1,807.1	2,135.0	2,249.6	114.6	5.4
FTE						
	Permanent	26.00	26.00	31.00	5.00	19.2
	TOTAL FTE POSITIONS	26.00	26.00	31.00	5.00	19.2

		State Printing Services (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	Budget to Recommendation	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	Dollar	Percent
					<u>Change</u>	<u>Change</u>
SOURCES						
	Other Revenues	1,315.0	2,787.4	2,371.0	-416.4	-14.9
	Fund Balance	0.0	0.0	0.0	0.0	***
	TOTAL SOURCES	1,315.0	2,787.4	2,371.0	-416.4	-14.9
USES						
	Personal Services and Employee Benefits	976.0	1,386.2	1,228.4	-157.8	-11.4
	Contractual Services	3.4	13.0	13.0	0.0	0.0
	Other	695.6	1,325.7	1,037.3	-288.4	-21.8
	Other Financing Uses	75.5	62.5	92.3	29.8	47.7
	TOTAL USES	1,750.5	2,787.4	2,371.0	-416.4	-14.9
FTE						
	Permanent	26.00	26.00	26.00	0.00	0.0
	TOTAL FTE POSITIONS	26.00	26.00	26.00	0.00	0.0

Risk Management
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
Other Transfers	3,763.4	7,792.9	5,862.9	-1,930.0	-24.8
Other Revenues	78,058.4	100,490.4	77,283.6	-23,206.8	-23.1
Fund Balance	0.0	0.0	5,961.0	5,961.0	***
TOTAL SOURCES	81,821.8	108,283.3	89,107.5	-19,175.8	-17.7
USES					
Personal Services and Employee Benefits	3,817.4	4,384.6	4,521.7	137.1	3.1
Contractual Services	20,412.4	40,022.7	25,232.3	-14,790.4	-37.0
Other	49,741.4	54,255.8	52,662.8	-1,593.0	-2.9
Other Financing Uses	4,772.3	9,620.2	6,690.7	-2,929.5	-30.5
TOTAL USES	78,743.5	108,283.3	89,107.5	-19,175.8	-17.7
FTE					
Permanent	58.00	65.00	65.00	0.00	0.0
TOTAL FTE POSITIONS	58.00	65.00	65.00	0.00	0.0

Employee Group Benefits
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
Other Revenues	309,803.5	382,388.0	401,320.0	18,932.0	5.0
TOTAL SOURCES	309,803.5	382,388.0	401,320.0	18,932.0	5.0
USES					
Contractual Services	20,626.9	22,356.4	23,800.0	1,443.6	6.5
Other	280,379.8	357,843.6	375,000.0	17,156.4	4.8
Other Financing Uses	881.9	2,188.0	2,520.0	332.0	15.2
TOTAL USES	301,888.6	382,388.0	401,320.0	18,932.0	5.0
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Business Office Space Mgmt/Maint Services
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	14,058.5	15,206.9	14,185.7	-1,021.2	-6.7
TOTAL SOURCES	14,058.5	15,206.9	14,185.7	-1,021.2	-6.7
USES					
Personal Services and Employee Benefits	6,605.9	7,859.8	7,726.3	-133.5	-1.7
Contractual Services	418.4	509.3	250.1	-259.2	-50.9
Other	5,509.6	6,675.1	6,046.6	-628.5	-9.4
Other Financing Uses	337.6	162.7	162.7	0.0	0.0
TOTAL USES	12,871.5	15,206.9	14,185.7	-1,021.2	-6.7
FTE					
Permanent	173.00	173.00	170.00	-3.00	-1.7
TOTAL FTE POSITIONS	173.00	173.00	170.00	-3.00	-1.7

		Transportation Services (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	Budget to Recommendation	
		Actuals	Budget	mendation	Dollar	Percent
					Change	Change
SOURCES						
	General Fund Transfers	1,666.5	0.0	790.3	790.3	***
	Other Revenues	10,674.3	11,623.9	9,188.1	-2,435.8	-21.0
	Fund Balance	1,500.0	0.0	3,813.0	3,813.0	***
	TOTAL SOURCES	13,840.8	11,623.9	13,791.4	2,167.5	18.6
USES						
	Personal Services and					
	Employee Benefits	2,208.7	2,168.9	2,561.8	392.9	18.1
	Contractual Services	33.9	79.0	92.6	13.6	17.2
	Other	9,544.8	9,033.5	10,700.1	1,666.6	18.4
	Other Financing Uses	328.1	342.5	436.9	94.4	27.6
	TOTAL USES	12,115.5	11,623.9	13,791.4	2,167.5	18.6
FTE						
	Permanent	28.00	38.00	38.00	0.00	0.0
	TOTAL FTE POSITIONS	28.00	38.00	38.00	0.00	0.0

Performance Measures

		FY08	FY08	FY09	FY10
		Target	Result	Target	Recomm
Program Support					
To manage the program performance process to demonstrate success.					
Output	Percent of accounts receivable dollars collected within sixty days of the invoice due date	95%	54%		
Outcome	Percent of audit corrective action plan commitments completed on schedule	85%			
Quality	Percent of prior-year audit findings resolved	95%		95%	
Quality	Percent of customers satisfied with internal information technology services	85%	80%	85%	85%
Quality	Percent of internal customers satisfied with administrative service's division services	85%	75.8%	90%	85%
Efficiency	Average number of working days to process purchase orders and invoices	baseline	2	PO:4/Inv:8	PO:4/Inv:8
Quality	Percent of external customers satisfied with billing services	85%	80%	85%	85%
Quality	Percent decrease of audit findings compared to the previous fiscal year. Contingent on audits being completed on a timely basis.				
Procurement Services					
The purpose of the Procurement Services Program is to procure and support the procurement of tangible personal property, services and construction for government entities to ensure compliance with the Procurement Code so that agencies can perform their missions in an efficient and responsive manner.					
Output	Percent increase in small business clients	10%	18%		
Outcome	Percent of all price agreement renewals considered for "best value" strategic sourcing option			5%	5%
Output	Total annual audited savings from the Save Smart New Mexico program in thousands	\$42,000.0	N/A		
Quality	Percent of customers satisfied with procurement services	69%	80%	80%	80%
Outcome	Number of small business clients assisted	50	313	75	80
Output	Number of government employees trained on Procurement Code compliance and methods	500	510	500	515

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
State Printing Services					
The purpose of the State Printing and Graphic Art Services Program is to provide cost-effective printing and publishing services for governmental agencies.					
Efficiency	Percent of printing operations that break even, including sixty days of operating reserve	95%	95%	95%	
Output	Revenue generated per employee compared with previous fiscal year	\$101,000	\$77,989	\$128,000	\$80,000
Outcome	Sales growth in state printing revenue compared with previous fiscal year	40%	9%	25%	10%

Risk Management					
The purpose of the risk management program is to protect the state's assets against property losses, public liability and workers' compensation claims, state and local public bodies unemployment compensation claims and surety bond losses so that agencies can perform their missions in an efficient and responsive manner.					
Outcome	Number of state workers' compensation claimants on modified duty (early return to work)	550	503	600	550
Explanatory	Projected financial position of the public property fund	400%	328%	50%	350%
Explanatory	Projected financial position of the workers' compensation fund	35%	4%	50%	50%
Explanatory	Projected financial position of the state and local unemployment funds	25%	25%	50%	50%
Explanatory	Projected financial position of the public liability fund	45%	46%	50%	50%
Outcome	Percent of total liability claims resolved without litigation	75%	89%	85%	90%
Output	Percent of total risk management division accounts receivable dollars uncollected one hundred twenty days after invoice due date	20%	13%	10%	10%
Output	Percent of total risk management division accounts receivable dollars uncollected ninety days after invoice due date				20%

Employee Group Benefits					
The purpose of the employee group health benefits program is to effectively administer comprehensive health-benefit plans to state and local government employees.					
Efficiency	Percent change in state employee medical premium compared with the industry average	3%	4%	</=3%	3%
Efficiency	Percent change in dental premium compared with the national average	</=3%	3%	</=3%	+/- 3%
Outcome	Percentage of state group prescriptions filled with generic drugs	75%	74%	80%	80%
Explanatory	Percent of eligible state employees purchasing state health insurance	89%	82%	90%	85%
Outcome	Number of local public bodies with fewer than 50 employees newly enrolled in state group health plans	5	12	10	10

Business Office Space Mgmt/Maint Services					
The purpose of the Business Office Maintenance Services Program is to provide effective maintenance and protection of Santa Fe area office buildings.					
Quality	Percent of customers satisfied with custodial and maintenance services	90%	90%	92%	92%
Explanatory	Percent of state-controlled office space occupied	90%	90.3%	90%	90%
Efficiency	Operating costs per square foot in Santa Fe for state-owned buildings	\$7.52	\$6.54		
Quality	Percent of customers satisfied with property control services	95%	88%	95%	90%
Efficiency	Percent of property control capital projects on schedule within approved budget	90%	91.2%	90%	90%
Efficiency	Percent of operating costs for Santa Fe state-owned buildings below industry standard	</=5%	-35%	</=5%	</=5%
Output	Percent of fully funded projects under five hundred thousand dollars in construction within 12 months of budget approval	85%	34.7%	85%	50%
Output	Number of funded projects greater than five hundred thousand dollars under construction.			baseline	TBD
Outcome	Annual percent reduction of greenhouse gas emissions for state-owned buildings served by building services division relative to FY2005 baseline. (Annual target: 2.2%)	3%	84.7%	3%	3%
Quality	Percent of building services division employees satisfied with administrative support, management direction and employee training	85%	85.2%	87%	87%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Output	Percent of major facility equipment replaced in Santa Fe buildings that reached expected life	80%	NA	85%	85%
Explanatory	Percent of projects greater than \$1 million dollars in compliance with appropriation guidelines			baseline	100%
Outcome	Percent of electricity purchased by the Building Services Division from renewable energy sources.	90%	90%	90%	90%

Transportation Services

The purpose of the Transportation Services Program is to provide centralized administration of the state's motor pool and aircraft transportation services so that agencies can perform their missions in a cost-efficient and responsive manner.

Outcome	Percent of reduction of greenhouse gas emissions from transportation service division passenger vehicles	baseline	N/A	10%	10%
Explanatory	Percent of short-term vehicle use	80%	82%	80%	80%
Efficiency	Percent of individual vehicle lease services that break even, including sixty days of operating reserve	100%	100%	100%	100%
Output	Percent of cars and other light-duty vehicles purchased by state agencies that exceed existing federal fuel efficiency standards for passenger vehicles	94.5%	100%	94.5%	100%
Output	Percent of total transportation fuels used by state agencies produced from renewable sources	baseline	4%	10%	
Efficiency	Percent of total available aircraft fleet hours used	85%	88%	90%	90%
Efficiency	Percent of passenger vehicle lease revenues to expenses	100%	100%	100%	100%
Output	Percent of total transportation services division accounts receivable dollars uncollected one hundred twenty days after invoice due date	20%	28%	10%	20%
Explanatory	Percent of state vehicle fleet beyond 5-year / 100,000 miles standard.	baseline	34%	50%	40%

Executive Summary

The Educational Retirement Board’s mission is to provide secure retirement benefits for its active and retired members from school districts, higher education and educational agencies.

	FY09 Operating Budget	FY10 Recommendation	% Change
General Fund	0.0	0.0	***
Total Sources	32,423.3	32,678.1	0.8
Program			
Educational Retirement Board	32,423.3	32,678.1	0.8
Total Uses	32,423.3	32,678.1	0.8
FTE	57.00	58.00	1.8

- The Executive recommendation reflects a total increase of \$254.8 in other revenues over the FY09 operating budget.
- An increase of \$161.6 is recommended to fund salaries and benefits; the recommendation incorporates a 3% vacancy rate.
- The Executive recommends an overall increase of \$78.8 in contractual services for increases in attorney fees, other contractual services including annual statements and alarm services, and enhanced information technology contract services.
- Money management fees are recommended at the FY09 level of \$26.2 million.
- The Executive recommendation includes \$53.9 for one expansion attorney to assist with legal issues associated with ERB's operations, investments and services to its members.

Agency Mission and Program Purpose

The Educational Retirement Board (ERB) is the administrator of a multi-employer retirement fund which is governed by the Educational Retirement Act. The plan is a qualified, defined benefit retirement plan for employees of public schools, public institutions of higher learning and selected state agencies.

ERB has the following members: 31,192 retirees and beneficiaries; 63,698 active members; and 29,982 inactive vested members. Of the retirees, 1,172 have returned to work in education or related agencies. ERB provides retirement benefits for its active and retired members from school districts, higher education and educational agencies. This is accomplished by: prudently managing the financial assets of the fund; providing prompt, courteous and accurate responses to members’ inquiries; counseling members on an individual basis about retirement issues; educating members about both the financial and personal aspects of retirement; and soliciting member input for improving services.

The agency is governed by a seven-member board composed of: the secretary of public education and the state treasurer (both ex-officio); one member elected by New Mexico members of the American Association of Educational Retirees; one member elected by the members of the National Educational Association of New Mexico; one member elected by the New Mexico members of the American Association of University Professors; and two members appointed by the governor.

At June 30, 2008, the ERB fund was valued at \$8.770 billion compared with \$9.439 billion at June 30, 2007.

Statutory Authority: Sections 22-11-1 through 22-11-52 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

ERB strives to improve services and communications to active and retired members. ERB continues to optimize the return on the retirement fund to meet future benefit goals through strategic planning and premium research. Through prudent actions, ERB aims to return the fund to actuarial soundness.

Laws 2005, Chapter 273, was a major step towards solvency for the Educational Retirement Plan. The Legislature and governor took bold and decisive action in correcting an underfunded situation. Both employees and employers were asked to gradually provide increased contributions over a period of seven years for employers and four years for employees. When these statutory increases are fully implemented, the combined contribution rate will be 21.8%, which is what ERB's actuaries calculate is the appropriate contribution rate.

Additionally, through legislation ERB has been authorized to enhance its portfolio diversification and investment potential through adoption of the prudent man rule which states: "Those with responsibility to invest money for others should act with prudence, discretion, intelligence, and regard for the safety of capital as well as income." Expanding ERB's investment opportunities provides the ground work for an asset allocation which maximizes opportunities to attain the targeted long-term average 8% rate of return.

The Educational Retirement Board has systematically, but cautiously, moved into investment strategies devised to enhance investment opportunities. Increased employer/employee contributions, expanded investment authority, above average portfolio management, and the bull markets of recent times have enabled ERB to make positive gains on solvency issues. The current expected funding period is now 61.4 years, a significant move from the infinite last year. ERB expects to meet the GASB required 30-year funding period between FY10 and FY11. The unfunded accrued actuarial liability (UAAL) estimated at June 30, 2008 has increased by approximately \$95.5 million since the prior valuation, from \$3,598.7 million to \$3,694.2 million, but is projected to decrease in the future. The funded ratio is projected to reach 80% by the end of FY11. Essential to achieving this goal is maintaining the increased employer/employee contributions required in legislation. Continued commitment to this long range goal is critical to insuring fund stability.

Key Elements of Recommendation

The Executive recommendation reflects a total increase of \$254.8 in other revenues over the FY09 operating budget. An increase of \$161.6 is recommended for salaries and benefits, and applies a 3% vacancy rate is applied. The Executive recommends an overall increase of \$78.8 in contractual services to fund increases in attorney fees, other contractual services including increased costs associated with alarm services, 1099 forms and annual statements as well as enhanced information technology contract services. Money management fees are recommended at the FY09 level. Money

manager fees increased 26% from FY08 to FY09. Actual expenditures for both FY07 and FY08 have remained at the \$20.9 million level. The ERB fund was valued at \$8.770 billion compared with \$9.439 billion at June 30, 2007.

The Executive recommendation also includes one expansion attorney at \$53.9 to assist with the legal issues associated with ERB's operations, investments and services to its members. Continued funding of two term positions is recommended to maintain the data cleansing team, which is currently cleansing all of the incoming and existing data maintained on the IRIS system. This will decrease the response time for retirement processing.

Performance Report

ERB met or exceeded all of its FY08 performance targets. In particular, the average rate of return was 9.5% and the target for this measure was 8%. ERB met the target for the average number of days to process refund requests and exceeded the average number of days to respond to requests for benefit estimates and purchase of service requests. The target for this measure was set at 20 days, while the agency only achieved an average of 18 days. ERB completed implementation of its new retirement system during FY08. Its original goal was to complete the implementation during FY07. ERB did not meet the target for the funding period of unfunded actuarial accrued liability. The funding period of unfunded actuarial accrued liability is 61.4 years, significantly above the target of 30 years.

Recommended Language for the General Appropriation Act

The other state funds appropriation to the educational retirement board in the contractual services category includes twenty-five million three hundred sixty thousand seven hundred dollars (\$25,360,700) to be used only for investment manager fees.

The other state funds appropriation to the educational retirement board in the contractual services category includes seven hundred thousand dollars (\$700,000) for payment of custody services associated with the fiscal agent contract.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)			FY10	
	FY08	FY09	Recom- mendation	<u>Budget to Recommendation</u>	
	<u>Actuals</u>	<u>Operating Budget</u>		<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	26,227.2	32,423.3	32,678.1	254.8	0.8
TOTAL SOURCES	26,227.2	32,423.3	32,678.1	254.8	0.8
USES					
Personal Services and Employee Benefits	3,612.4	4,021.5	4,183.1	161.6	4.0
Contractual Services	21,879.8	27,581.8	27,660.6	78.8	0.3
Other	735.0	820.0	834.4	14.4	1.8
TOTAL USES	26,227.2	32,423.3	32,678.1	254.8	0.8

**Agency Budget Summary
(Dollars in Thousands)**

FTE	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
Permanent	53.00	55.00	56.00	1.00	1.8
Term	0.00	2.00	2.00	0.00	0.0
TOTAL FTE POSITIONS	53.00	57.00	58.00	1.00	1.8

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Educational Retirement					
To provide secure retirement benefits to active and retired members so they can have a secure monthly benefit when their career is finished.					
Outcome	Average rate of return over a cumulative five-year period	8%	9.5%	8%	8%
Outcome	Average number of days to process refund requests	15	15	15	15
Outcome	Funding period of unfunded actuarial accrued liability, in years	<=30	61.4	<=30	<=30
Outcome	Percent of member satisfaction with seminars and trainings	95%	95%	95%	96%
Output	Average number of days to respond to request for benefit estimates and purchase of service request	20	18	20	20
Output	Percent of retirement applications processed within sixty days	95%	98%	95%	98%
Output	Number of benefit estimates and purchase of service requests computed annually	6,250	6,250	6,000	6,250
Output	Number of member workshops conducted	27	27	35	35
Output	Percent completion of the new pension systems	100%	100%		
Quality	Percent of accurately computed retirements	99.5%	99.50%	99.50%	99.50%

Executive Summary

The New Mexico Sentencing Commission makes recommendations on policy matters relating to criminal justice by focusing on evaluating which offenders need incarceration and which can safely be managed in the community. New legislation has increased the focus on managing sex offenders.

	FY09	FY10	
	<u>Operating</u>	<u>Recommendation</u>	<u>% Change</u>
	<u>Budget</u>		
General Fund	819.9	803.3	-2.0
Total Sources	849.9	833.3	-2.0
Program			
New Mexico Sentencing Commission	849.9	833.3	-2.0
Total Uses	849.9	833.3	-2.0
FTE	0.00	0.00	***

- The Executive recommendation reflects a decrease of \$16.6 from FY09 operating levels.

Agency Mission and Program Purpose

The purpose of the New Mexico Sentencing Commission (NMSC) is to provide information, analysis, recommendations and assistance from a coordinated cross-agency perspective. The commission has no staff and services are provided by contract with the University of New Mexico.

NMSC is statutorily mandated to: (1) advise all branches of government on policy matters relating to criminal and juvenile justice; (2) annually assess, monitor and report to the Legislature on the impact of enacted sentencing standards and guidelines on correctional resources and the need for further sentencing reform; (3) conduct research on the use and effectiveness of guidelines, prosecution standards, offense charges, plea bargains, sentences, probation and parole and any other matters related to the justice system; and (4) serve as a clearinghouse for collection, analysis and dissemination of information relating to felony charges, plea agreements, convictions, sentences, time served and actual and projected inmate population.

The commission has five committees: Sex Offender Management Board Treatment Group; Data Committee; Sentencing Reform; Juvenile Justice; and Legislative Committee.

NMSC activities include: determining the number of inmates subject to reduced time for meritorious behavior and post-release average reduction in sentencing under the earned meritorious deduction policy; conducting research projects for the Sex Offender Management Board (SOMB); and performing programming to receive, sort and analyze data from the courts, Corrections Department, Children, Youth and Families Department (CYFD) Department of Public Safety, Public Defender Department and the Administrative Office of the District Attorneys.

Statutory Authority: Sections 9-3-10 through 9-3-10.2 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

NMSC directly supports the Governor's Performance and Accountability policy for *A Safer New Mexico*. The consolidated offender-query system, a secure web-based tool, will continue to enable law enforcement as well as probation and parole offices access to an offender's status and previous criminal records. The uniform charge code ensures consistent entry and tracking of criminal offenses. The Executive encourages NMSC to evaluate and, if needed, recommend changes in the truth-in-sentencing and habitual-offender laws. The evaluation should include mandatory sentences, reform of drug laws and parole options.

NMSC will also study the cost of incarceration with available alternatives such as drug courts and electronic monitoring and make recommendations based upon the severity of the offense.

Key Elements of Recommendation

The Executive recommendation provides funding for this department at 2.0% below the FY09 operating level. It incorporates a transfer from Department of Finance and Administration (DFA) in the amount of \$30.0 in FY10. The department will use this transfer to fund a cost allocation study to determine how an appropriation to DFA for local detention costs will be distributed to the state's county facilities.

Performance Report

The Sentencing Commission continues to meet or exceed its performance measures. Several new measures were added in FY09 to the agency's performance report, which will be reported on in the following fiscal year. The agency exceeded its measure for number of reports written by 18% in FY08.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)			FY10	
	FY08	FY09	Recom- mendation	<u>Budget to Recommendation</u>	
	<u>Actuals</u>	<u>Operating Budget</u>		<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	819.9	819.9	803.3	-16.6	-2.0
Other Transfers	0.0	30.0	30.0	0.0	0.0
TOTAL SOURCES	819.9	849.9	833.3	-16.6	-2.0
USES					
Contractual Services	813.9	841.4	824.8	-16.6	-2.0
Other	6.0	8.5	8.5	0.0	0.0
TOTAL USES	819.9	849.9	833.3	-16.6	-2.0
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
New Mexico Sentencing Commission					
To provide information, analysis, recommendations, and assistance from a coordinated cross-agency perspective to the three branches of government and interested citizens so they have the resources they need to make policy decisions that benefit the criminal and juvenile justice systems.					
Output	Percent of criminal and juvenile justice bills analyzed for a legislative session	100%	100%	100%	100%
Output	Number of research projects completed	11	13	11	11
Output	Number of website hits per month	50,000	400,000	300,000	300,000
Outcome	Number of uses of offender query by justice personnel per month			100,000	100,000
Efficiency	Percent of total state justice personnel with access to offender query			60%	75%
Outcome	Percent of total possible victims who receive automated victim notification			25%	25%

Executive Summary

The Public Defender Department provides legal representation to indigent persons charged with crimes where the sentence may include imprisonment or the death penalty.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	43,219.5	43,396.0	0.4
Total Sources	43,403.5	43,557.3	0.4
Program			
Public Defender Department	43,403.5	43,557.3	0.4
Total Uses	43,403.5	43,557.3	0.4
FTE	394.00	403.00	2.3

- The Executive recommendation includes a General Fund base decrease of \$93.5 under FY09 operating levels.
- The recommendation includes a 7.8% vacancy factor for personal services and employee benefits.
- The Executive recommends \$270.0 in General Fund to establish a full service office to serve McKinley County.

Agency Mission and Program Purpose

The Public Defender Department's (PDD) mission is to provide effective, high-quality legal representation to every person who is financially unable to obtain legal counsel. Persons served must be charged with a crime that carries a possible sentence of imprisonment or death. In addition, the PDD represents any person who is financially unable to obtain counsel in any state post-conviction proceeding. The department also sets standards of indigence that the courts use to determine which defendants are eligible for state-funded defense attorneys.

Statutory Authority: Sections 31-15-1 through 31-15-12 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

As the State of New Mexico's public criminal defense advocate, the New Mexico Public Defender Department's continuing and overriding mission is to provide all its clients with high-quality legal representation that meets or exceeds federal and state constitutionally-mandated standards.

As one of the three New Mexico state criminal justice system institutional players, together with the judiciary and the district attorneys, the Public Defender Department's goals include improving the effectiveness and fairness of the criminal justice system, increasing public safety through reduction of recidivism (particularly in the areas of DWI and domestic violence) and ensuring that the system itself is perceived as responsive and fair. To accomplish this part of its strategic plan, the department

works collaboratively with the Office of the Governor and other Executive agencies, the Legislature, the Judiciary, members of the New Mexico Bar Association and others, in efforts designed to reach these goals. Examples of such collaborative efforts include the New Mexico Criminal Justice Task Force and the New Mexico Sentencing Commission.

As New Mexico's largest law firm and the only State of New Mexico governmental agency devoted to indigent criminal defense, the department's goals include informing the public of the workings of the New Mexico criminal justice system, providing legal training and educational opportunities to members of the private bar, and providing legal and non-legal employment and career opportunities for New Mexicans and others. To this end, the department works collaboratively with the University of New Mexico Law School, other law schools, the private bar and other community and local governmental organizations.

Many of the department's clients are poor, mentally ill, developmentally disabled, addicted, non-English speakers, under-educated, and violent juveniles and youth who come from our most dysfunctional and poor families. The department's social workers, alternative sentencing advocates, and other staff, play an important role as "problem solvers" for many of these clients, who do not require incarceration and who may well benefit from treatment, counseling, and therapeutic intervention outside of a prison, jail, or detention setting. It is the responsibility of these department staff members, not the judge or the probation officer, to provide the case management services that present the court with a treatment plan outside of an incarceration setting.

The department's Case Defendant Management System (CDMS) continues to enhance its data collection capacity in order to improve the management and tracking of expert witness services and contract legal counsel operations, and facilitate the agency's responsiveness to policy and data questions and issues presented by the Executive, the Legislature, and other concerned, interested parties. CDMS has proven to be a critical element in the department's operational capabilities, and with continued hardware and software technology upgrades, it establishes the department as a technology leader among public defender departments. In FY08, the department in conjunction with the Department of Information Technology successfully completed needed upgrades to the CDMS system. Additional enhancements planned for FY09 include a hardware upgrade to the CDMS Internet Information Server (IIS) and minor software modifications required for continued efficient operability of the system.

The department continues to update and enhance its website using in-house web development resources. As a recruitment tool, the department's site has a strong appeal to prospective lawyer-employees, using New Mexico as the lure while at the same time providing important information to prospective employees through a number of appropriate links. In the near future, the department's website will include discussions pertaining to significant department initiatives which will evidence the agency's commitment to the delivery of quality criminal defense legal services.

In FY09, the department will create a district office level, new attorney training program geared towards educating new lawyers on the "nuts and bolts" of practicing criminal defense in their district and providing them valuable information about department policies and procedures. Beginning in calendar year 2009, the department plans to offer additional formal training for contract and conflict counsel through district office training and through support of and participation in selected regional trainings. In addition, the department will begin a new project aimed at providing "hands on"

mentoring for department clients on probation. The goal with the probation mentoring project is to increase the number of clients successfully completing probation, thereby reducing the probation violation caseload.

The department's ability to deliver quality legal services through its statewide units and district office operations improved with the addition of 15 FTE throughout the state during FY09. The department has concluded that two of the reasons for its high turnover and vacancy rates among department attorneys are non-competitive salaries for its attorneys and high caseloads. Therefore, the department has set goals to achieve staffing levels that would result in more reasonable caseloads and appropriations that would make attorney salaries more competitive with other classified State of New Mexico attorneys. The Workload Assessment Study, Final Report June 2007, reported the need for an additional 40.7 FTE attorneys and 45.4 FTE staff to provide effective assistance of counsel in department offices across the state. It is the department's goal to continue use of the workload data to develop a persuasive strategy to determine and obtain funding for reasonable levels of personnel resources.

PDD's current strategic plan includes objectives and action steps to achieve the following six goals: provide quality legal representation to clients; develop and support a well-trained staff; utilize technology to support staff operations and provide quality legal representation; advocate for a fair and efficient criminal justice system; provide statewide indigent criminal defense representation consistent with New Mexico's constitutional mandate; and actively support the Executive's *A Safer New Mexico* initiative.

Key Elements of Recommendation

The Executive recommendation reflects a 0.2% decrease in General Fund for FY10. The recommendation includes \$270.0 in General Fund to complete the funding for the development of a full service office in Gallup. The personal services and employee benefits category incorporates a 7.8% vacancy factor.

In order to provide additional district office legal services in key population and caseload centers, the Executive recommends opening a district office in Gallup. The expansion will allow the department to service the caseload in McKinley County. The McKinley County caseload is the fourth largest in the state behind Bernalillo, San Juan and Dona Ana counties and is currently serviced completely by contract attorneys. The Gallup expansion builds upon the department's previous effort to open a Gallup office and the Legislative Finance Committee's FY09 budget recommendation to transfer \$300,000 from the department's contractual services budget to salaries and benefits for a Gallup office in FY09. The department is taking active steps to open an office in the current fiscal year, but requires additional funding to establish a full service district office. The Gallup office will result in quality controlled legal representation, increased participation in the McKinley County Domestic Violence Court and provide western New Mexico with a Public Defender office. Finally, a Gallup office will evidence a commitment to serve New Mexico's Native American population since 85% of the McKinley County clientele is Native American

Performance Report

The Executive recognizes the agency's achievement in exceeding its FY08 target for the number of alternative sentencing treatment placements for felony and juvenile clients by 60%. This achievement benefited 5,761 clients in FY08. The agency also exceeded its target for the number of approved expert witness services provided by the department: the defense of 3,604 clients was enhanced by the use expert witness testimony. Although the agency's vacancy rate for attorneys is down to 10.5%, the agency did not meet its target of 9% vacancy rate for this measure. The desire for lower caseloads and higher pay appears to be the driving force behind attorney turnover rates. PDD did not meet its performance targets for the percent of cases in which application fees were collected and the percent of felony cases resulting in a reduction of the original felony charge. The agency believes that the performance targets for these two measures are not realistic goals to achieve within a one year period and that the annual targets need to demonstrate a lower rate of incremental progress that continue over the next several years.

Given the agency's improved attorney retention rate, the Executive recommends a target of 7% for the attorney vacancy rate in FY10. Based on data collected in FY07 and FY08, the Executive also recommends that the targets for the percent of cases in which application fees are collected, and the percent of felony cases resulting in a reduction of charges, be decreased to 30% and 35% respectively. These targets set more realistic expectations for demonstration of improved performance for a single year.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	<u>FY10</u>	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	41,058.6	43,219.5	43,396.0	176.5	0.4
Other Revenues	283.6	184.0	161.3	-22.7	-12.3
TOTAL SOURCES	41,342.2	43,403.5	43,557.3	153.8	0.4
USES					
Personal Services and Employee Benefits	24,408.6	25,828.7	25,967.7	139.0	0.5
Contractual Services	10,773.2	11,410.2	11,318.1	-92.1	-0.8
Other	5,914.8	6,164.6	6,271.5	106.9	1.7
TOTAL USES	41,096.6	43,403.5	43,557.3	153.8	0.4
FTE					
Permanent	379.00	394.00	403.00	9.00	2.3
TOTAL FTE POSITIONS	379.00	394.00	403.00	9.00	2.3

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Public Defender Department					
The purpose of the Public Defender Department is to provide effective legal representation and advocacy for eligible clients so that their liberty and constitutional rights are protected, and to serve the community as a partner in assuring a fair and efficient criminal justice system that also sustains New Mexico's statutory and constitutional mandate to adequately fund a statewide indigent defense system.					
Output	Number of alternative sentencing treatment placements for felony and juvenile clients	3,500	5,761	4,800	5,800
Output	Number of expert witness services approved by the department	3,500	3,604	3,500	
Efficiency	Percent of cases in which application fees were collected	40%	25.6	35%	30%
Quality	Percent of felony cases resulting in a reduction of original formally filed charges	60%	24%	40%	35%
Explanatory	Annual attorney full-time-equivalent vacancy rate	9%	10.5	9%	7%
Efficiency	Percent of cases in which expert witness services were utilized				10%

Executive Summary

The Governor's Office provides leadership and management of state departments and agencies on behalf of the citizens of the State of New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	4,747.0	4,559.4	-4.0
Total Sources	4,747.0	4,559.4	-4.0
Program			
Governor - Operations	4,747.0	4,559.4	-4.0
Total Uses	4,747.0	4,559.4	-4.0
FTE	42.30	40.30	-4.7

- The Executive recommendation reflects a decrease of \$187.6 in General Fund from the FY09 operating level.
- The recommendation includes the transfer of the Office of Victims Advocacy and two FTE to the Crime Victims Reparation Commission.

Agency Mission and Program Purpose

The Governor is elected to a four-year term and is vested with ultimate administrative authority and responsibility for the Executive branch of government.

The Governor's powers include appointment and removal of board and commission members; pardon and reprieve; veto of legislation, including line-item veto over appropriations legislation; and proclaiming special sessions of the Legislature.

Statutory Authority: Article V, Section 1, New Mexico Constitution.

Executive Recommendation*Agency Strategic Directions*

Through the leadership of Governor Richardson and the Governor's Office, the Executive branch departments and agencies coordinate the provision of essential services and programs in the most efficient and effective manner. To carry out the coordination of agency effort and state-provided services, the Governor's Office has several functional areas, including: constituent services; state and federal legislative coordination; policy analysis and formulation; performance and accountability; Boards and Commissions; internal operations; legal counsel; paroles and pardons; and public information and communications.

Governor Richardson's policy priority for the coming year will focus on his most important priority, public education. In addition, other initiatives such as those recommended by the prison reform and poverty task forces may merit consideration.

Budget priorities to continue the public education agenda include continued funding of the pre-kindergarten initiative; healthy kids, including, but not limited to, elementary physical education, the school breakfast program and reducing child obesity; school improvement; after school enrichment; teacher performance incentives; E-learning; and high school redesign.

In addition, the FY10 budget will also continue to focus on priorities encompassed within the Governor's Performance and Accountability Program in six policy areas:

- *Making Schools Work*
- *A Healthy New Mexico*
- *A Safer New Mexico*
- *Promoting and Growing New Mexico*
- *Protecting and Promoting New Mexico's Environment*
- *Efficient Services for New Mexicans*

Key Elements of Recommendation

The Executive recommends a 4.0% decrease from the FY09 operating level to implement an agency cost reduction plan. The recommendation provides for increased Department of Information Technology rates for information systems services and for increased travel costs. The recommendation reflects the transfer of \$197.2 in General Fund and two FTE representing the Office of Victims Advocacy to the Crime Victims Reparation Commission to better coordinate services for victims of crime in New Mexico.

Performance Report

The Governor's Office met five of six performance measures for FY08. The results for the number of days to process extraditions, the number of days to respond to requests for pardons, the number of days to appoint individuals and reappoint individuals to board and commission positions, and the number of days to answer or refer to the proper entity constituent requests for information, were all below established targets. In addition, the Office of Victims Advocacy (OVA) exceeded its target for the percent increase in victims receiving direct advocacy. The OVA did not meet the target for the number of victims receiving direct advocacy, but only missed the target by one person.

The recommendation did not include proposed target levels for FY10 for the two measures relating to the Office of Victims Advocacy due to the recommended transfer of the office to the Crime Victims Reparation Commission.

Budget Summary Tables

		Agency Budget Summary (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES						
	General Fund Transfers	4,613.2	4,747.0	4,559.4	-187.6	-4.0
	TOTAL SOURCES	4,613.2	4,747.0	4,559.4	-187.6	-4.0
USES						
	Personal Services and Employee Benefits	3,613.7	4,171.7	3,844.2	-327.5	-7.9
	Contractual Services	54.0	110.2	110.2	0.0	0.0
	Other	438.3	465.1	605.0	139.9	30.1
	TOTAL USES	4,106.0	4,747.0	4,559.4	-187.6	-4.0
FTE						
	Permanent	42.30	42.30	40.30	-2.00	-4.7
	TOTAL FTE POSITIONS	42.30	42.30	40.30	-2.00	-4.7

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Governor					
To provide appropriate management and leadership to the Executive branch of government to allow for a more efficient and effective operation of the agencies within that branch of government, on behalf of the citizens of the State.					
Output	Number of days to appoint individuals and reappoint individuals to board and commission positions	25	20	25	25
Output	Number of days to answer or refer to the proper entity constituent requests for information	7	2	4	4
Output	Number of days to respond to requests for pardons	14	4	14	14
Output	Number of days to process extraditions	13	9	13	13

Executive Summary

The Lieutenant Governor serves as president of the Senate, votes only when the Senate is equally divided, and serves as acting governor when the governor is unable to perform his duties.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	857.6	868.4	1.3
Total Sources	857.6	868.4	1.3
Program			
Lieutenant Governor	857.6	868.4	1.3
Total Uses	857.6	868.4	1.3
FTE	8.00	8.00	0.0

- The Executive recommendation reflects an increase of \$10.8 in General Fund over the FY09 operating budget.

Agency Mission and Program Purpose

The Lieutenant Governor's Office is created under Article V, Section 1, of the New Mexico Constitution. The Constitution establishes the lieutenant governor as president of the Senate, voting only when the Senate is equally divided. The lieutenant governor is elected to a four-year term jointly with the governor and serves as acting governor when the governor is out-of-state or unable to perform his duties.

Section 8-3-1 NMSA 1978 establishes the lieutenant governor as an ombudsman for the State of New Mexico. In this role, the lieutenant governor facilitates and promotes cooperation and understanding between the citizens of the State and the agencies of state government through an information and referral system. The lieutenant governor serves on the State Board of Finance, the Mortgage Finance Authority, the Small Business Advocacy Council, various commissions and councils, and as chair of the Children's Cabinet.

Statutory Authority: Section 8-3-1 through 8-3-3 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

Lieutenant Governor Denish continues to fill a dynamic policy and leadership role. The Lieutenant Governor chairs the Children's Cabinet, which has at least six meetings yearly. The Children's Cabinet was specifically created through her leadership to oversee and coordinate cross-departmental efforts that include, but are not limited to, health, education, and economic growth issues relating to New Mexico's children and youth. The Cabinet has developed a coordinated policy agenda and collaborative recommendations for Legislative and Executive action. The lieutenant governor and the State of New Mexico have been recognized nationally for providing the model

other states now use to begin coordinating children's services and funding activities. The lieutenant governor also works very closely with the Youth Alliance initiative to encourage civic engagement to build our next generation of leaders in New Mexico. The Lieutenant Governor's Constituent Services Program provides assistance to citizens with individual problems or requests that relate to state government. The office facilitates and promotes cooperation and understanding between the people of New Mexico and the various state agencies as an ombudsman – directing citizen's complaints to the proper agency. The lieutenant governor also serves as the chair of the Military Base Planning Commission, which meets quarterly in various regions of the state. It will continue to monitor the new mission and activities of Cannon Air Force base. The lieutenant governor serves as chair of the Mortgage Finance Authority Board. Other duties given to the office by statute include membership of the New Mexico Border Authority and the New Mexico Community Development Council.

The lieutenant governor continues to emphasize children and youth as the state's most important priority. As chair of the Children's Cabinet, she coordinates the activities of all state departments and agency directors dealing with children's issues. New Mexico now ranks 8th nationally, earning a B- for early childhood, college and career readiness in 2008, according to *Education Week*. The lieutenant governor is the champion of New Mexico's pre-kindergarten program for early childhood education and school readiness, and helped to successfully double the number of classrooms and increase statewide enrollment by nearly 1,800 students in the last year alone. The Children's Cabinet has encouraged the establishment of the Early Childhood Network Investment Group. This group will be setting the standard for 10-year strategic planning to establish funding streams ensuring early childhood access for all children who are born in our state. The lieutenant governor's work with the Behavioral Health Purchasing Collaborative, Pediatric Council, Pre-K Now, Early Childhood Action Network, Teen Pregnancy, Youth Alliance, America's Promise, Forum for Youth Investment, Next Generation Fund, and Forum for Youth in Community contributes to healthy and educated youth better prepared for success.

The Children's Cabinet also works toward improving college and career readiness and graduation rates, leading the charge for New Mexico's career clusters initiative. Two workbooks, a facilitator's guide, and a DVD moderated by the lieutenant governor were created to help ramp-up career cluster programs in all 89 school districts. Three town halls were conducted, two in Farmington and one in Las Cruces, to seek out the youth perspective for these initiatives.

The lieutenant governor also continues to work with state agencies and other enforcement agencies through the governor's Workgroup on Meth and More to reduce the spread and use of methamphetamines and other dangerous drugs.

A champion of small business, the lieutenant governor encourages expansion of loan programs particularly in rural areas. Due to the lieutenant governor's leadership in advocacy, 1% of the Severance Tax Permanent Fund (roughly \$23 million) has been made available to the Small Business Investment Corporation (SBIC) to promote small business growth and equity investment throughout the state, and over 1,500 businesses have benefited to date. Over the last 4 years, the lieutenant governor has held small business tours in 28 communities statewide. The lieutenant governor has worked with the SBIC and its equity and lending partners, and the Small Business Development Center to create and promote a business education campaign in FY08. These organizations have joined together under the name of "Finance New Mexico" are publishing a

weekly series of articles about accessing capital, developing business plans, and many other subjects in local newspapers throughout the state.

The lieutenant governor is also chair of the New Mexico Mortgage Finance Authority (MFA). In just the last year, MFA created HOME rental grants for people below 30 percent average monthly income, developed a land banking program for non-profit developers, developed programs for supportive housing development, and established a 501-c-3 charitable trust. In 2007, 6,888 families received loans and MFA will serve another 5,428 families by the end of 2008.

The lieutenant governor serves as the co-chair of the New Mexico Commission on Community Volunteerism, which requires the Office of the Lieutenant Governor to interface with various non-profit agencies throughout the state. The Blueprint for Civic Engagement was published in late 2006 and is the first such model for community engagement in the nation. Over the last three years, 400,000 volunteers gave more than 150 million hours of service to their communities estimated at nearly \$1 billion in service.

Key Elements of Recommendation

The Executive recommendation reflects an increase of \$10.8 in General Fund over the FY09 operating level. The recommendation provides funding for existing positions, and applies a 1.5% vacancy factor. In addition, the recommendation provides for increased Department of Information Technology information systems charges. The recommendation also includes \$20.0 for additional compensation to the lieutenant governor when she is in the role of acting governor.

Performance Report

The Lieutenant Governor's Office achieved the performance target level for two of three performance measures for FY08. The measure for the number of children's cabinet meetings was not achieved as it is difficult to get members together more frequently than bi-monthly for meetings. The performance target levels for FY09 and FY10 have been adjusted to reflect actual meetings. For FY09 and FY10, the office will have two additional performance measures, the number of small business forums and the percent of constituent service cases closed within thirty days of initial receipt.

Budget Summary Tables

**Agency Budget Summary
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	828.2	857.6	868.4	10.8	1.3
TOTAL SOURCES	828.2	857.6	868.4	10.8	1.3
USES					
Personal Services and Employee Benefits	642.3	738.5	752.4	13.9	1.9
Contractual Services	31.1	68.1	43.1	-25.0	-36.7
Other	126.2	51.0	72.9	21.9	42.9
TOTAL USES	799.6	857.6	868.4	10.8	1.3
FTE					
Permanent	8.00	8.00	8.00	0.00	0.0
TOTAL FTE POSITIONS	8.00	8.00	8.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Lieutenant Governor					
The purpose of the state ombudsman program is to facilitate and promote cooperation and understanding between the citizens of New Mexico and the agencies of state government, refer any complaints or special problems citizens may have to the proper entities, and keep records of activities and make an annual report to the governor.					
Output	Number of children's cabinet meetings	8	6	6	6
Output	Number of youth advisory council meetings	4	4	4	4
Output	Quarterly tracking reports on constituent services activities.	4	4	4	4
Output	Number of small business forums			4	4
Outcome	Percent of constituent service cases closed within thirty days of initial receipt			80%	80%

Executive Summary

The Department of Information Technology provides a single, unified department to consolidate enterprise information technology services and functionality to improve and streamline state information technology systems.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	1,379.1	957.1	-30.6
Total Sources	51,802.4	53,404.9	3.1
Program			
Program Support	3,559.4	3,773.9	6.0
Enterprise Applications	11,107.8	12,893.1	16.1
Enterprise Operations	37,135.2	36,737.9	-1.1
Total Uses	51,802.4	53,404.9	3.1
FTE	219.00	219.00	0.0

- The Executive recommendation includes a \$422.0 decrease in General Fund and overall increase of \$1,602.5 over FY09 operating levels.
- Included in the recommendation is \$300.0 to fund ongoing operating costs of the supercomputer.

Agency Mission and Program Purpose

The Department of Information Technology (DoIT) provides cost-effective and efficient enterprise products, services and solutions within a secure and reliable environment for our customers through leadership, strategic planning, standards and policy, architecture and oversight.

Statutory Authority: 9-27-1 NMSA 1978.

Program Support

Program Support provides management, direction and control; administrative services and cost recovery; and allocation services through leadership, policies and procedures and administrative support to the department.

Program Support is comprised of the Office of the Secretary, Administrative Services Division and the Office of Cost Recovery and Allocation.

Enterprise Applications

Enterprise Applications provides information technology and enterprise customer support services and training; and improves and streamlines agency systems by promoting consolidation of services duplicated within agencies to promote cost savings and efficiencies. Additionally, Enterprise Applications provides oversight and compliance through project certification and compliance monitoring to ensure prudent allocation of information technology resources, reduction of data, hardware and software redundancy, and the improvement of system interoperability and data accessibility among agencies.

Enterprise Applications is comprised of the Project Oversight and Compliance and the Enterprise Services Divisions. Enterprise Applications also includes the Office of Strategic Planning.

Enterprise Operations

Enterprise Operations provides reliable and secure infrastructure for voice, radio, video and data communications through the state's enterprise data center and telecommunications network.

Enterprise Operations is comprised of two divisions, Enterprise Infrastructure, Voice and Radio Services and Enterprise Operations and Support Services and includes the Office of Business Continuity and the Office of Information Technology Security.

Executive Recommendation

Agency Strategic Directions

The Department of Information Technology began operations on July 1, 2007 and established an organizational structure to support the department's mission. The department has offices across the state. The department's central office and the state's data center are located in the Simms Building in Santa Fe. Other administrative and technical support offices are located in Santa Fe, Albuquerque, Las Vegas, Las Cruces and Roswell.

Within the first quarter of FY08, the newly formed Department of Information Technology has:

- Secured data center access by tightening and controlling access procedures;
- Assessed critical enterprise projects and implemented project management;
- Completed data center infrastructure upgrade;
- Completed mainframe upgrade;
- Deployed the Customer Information Management System on-line billing system to create invoices for agencies;
- Updated critical oversight and compliance processes and disseminated to agencies;
- Provided project certification;
- Developed an annual agency information technology plan and funding request guide;
- Performed contract and procurement review and approval;
- Utilized a purchase exception process; and
- Developed and implemented a quarterly review process to assess service rates to determine under/over-charging.

In addition, the Department of Information Technology has accomplished the following:

- Approval of FY09 rates for DoIT services by the IT Rate Committee;
- Development of an FY09 DoIT Strategic Plan. In accordance with the Accountability in Government Act, the department submitted the strategic plan as part of the FY09 appropriation request. The plan outlines the goals for the agency and includes planned objectives and activities in support of the established goals;
- Revision of FY08 performance measures.
- Development of an FY09 Annual Information Technology Plan. The department completed an annual information technology plan for FY09. The plan includes a description of the agency, status on projects in process, the current technical environment, tactical plans for the coming fiscal year and information technology funding requests.

- Preparation of an Information Technology Service Management Plan. In fulfillment of a requirement within the Department of Information Technology Act, the department completed the Information Technology Service Management Plan. The plan addresses how DoIT will improve the management of defining, delivering and supporting information technology services through the use of industry best practices. The plan includes a three-year, multi-phased approach and is based upon a recently completed information technology service management assessment of the department.

Key Elements of Recommendation

The Executive recommends a decrease of \$422.0 in General Fund from FY09 operating levels and a \$1,810.0 increase in other revenue to provide for cost-effective and efficient enterprise products, services and solutions.

Program Support. The Executive recommends an overall increase of 6.0% in Program Support. The recommendation includes an increase of \$248.4 in personal services and employee benefits and applies a 5% vacancy factor. The recommendation also incorporates a decrease in audit fees and an increase in contractual services for software assessments and legal services. Decreases in the other category are due to anticipated decreases in travel, inventory exempt supplies, maintenance, telecommunications rates, property insurance and general office supplies.

Program Support is fully funded by assessing the two other programs within the Department of Information Technology for its services; therefore, the funds to support Program Support are internally transferred from the Enterprise Applications and Enterprise Operations Program.

Enterprise Applications. The Executive recommendation includes a decrease of \$122.0 in General Fund. The Executive recommends increases in information technology maintenance and capital outlay. An increase of \$33.3 is recommended for personnel services and employee benefits, including a 5% vacancy rate applied and vacancies budgeted at minimum of the range. The recommendation includes funding for overtime and terminal leave. The program will see a decrease in General Services Department risk insurance rates, information systems fees, equipment rental and the purchase of equipment. The Executive recommendation includes the transfer of \$439.8 from the Enterprise Applications Program, Human Capital Management Fund to the Fiscal Management and Oversight Program of the Department of Finance and Administration for operation of the SHARE financial system and the transfer of \$977.4 to Program Support in the Department of Information Technology for its proportional share of administrative services it receives.

Enterprise Operations. The Executive recommends a \$97.3 decrease in other revenue to provide a cost-effective rate structure. The recommendation reflects a \$529.7 increase in personnel services and employee benefits and includes a 4% vacancy rate applied and vacancies budgeted at the minimum of the range. The program will also see a decrease in information technology services and capital outlay as well as maintenance and general office supplies. The Executive recommendation includes the transfer of \$2,796.5 to Program Support in the Department of Information Technology for a proportional share of the administrative services it receives.

Performance Report

FY09 is the second year of operations for the Department of Information Technology. In FY08, the department had 11 performance measures in three program areas, Program Support, Enterprise Services and Enterprise Operations.

In Program Support, mainframe services and voice, data and radio services met federal standards for cost recovery, achieving the target of 100%. The percent of accounts receivable dollars collected within sixty days of the invoice due date was below target by 21.7%, as well as the amount of accounts receivable over sixty days increased by 10.23 million. The agency reports that although it issues invoices for services rendered, and there was marked improvement over the fiscal year to improve collections, the measure is dependent upon agencies issuing actual payments. The department will continue to improve collections through communication with agencies. Based on actual FY08 results, the target level for FY10 has been reduced to more accurately reflect collections.

For Enterprise Services, the target of 100% was met for Executive agency certified projects being reviewed monthly for compliance and oversight requirements. DoIT accomplished this by using an effective project certification process whereby agencies must certify projects by phase and report on the status monthly to the department. Also, the target of five million dollars was met for the amount of information technology savings/cost avoidance realized through services and promotion of multi-agency initiatives. Queue-time to reach a customer service representative at the DoIT help desk was above target by three seconds. The Enterprise Support Desk continuously monitors and implements processes to improve customer service.

Enterprise Operations met its target of 99.9% for in-service of the state voice communication network. Also, the percent of unscheduled downtime of the mainframe was 0%, exceeding the FY08 target of .01%. This was accomplished regardless of one instance where an emergency scheduled maintenance window was necessary to address a related hardware issue and had no effect on user access.

The agency did not report actual results for a number of performance measures initially established before the department was created. New performance measures have been developed for FY09 and FY10.

Budget Summary TablesAgency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	1,138.8	1,379.1	957.1	-422.0	-30.6
Other Transfers	3,788.4	3,559.4	3,773.9	214.5	6.0
Other Revenues	41,575.8	46,863.9	48,673.9	1,810.0	3.9
TOTAL SOURCES	46,503.0	51,802.4	53,404.9	1,602.5	3.1
USES					
Personal Services and Employee Benefits	16,872.0	16,344.7	17,156.1	811.4	5.0
Contractual Services	8,030.8	9,636.4	10,709.5	1,073.1	11.1
Other	19,244.1	21,522.1	21,325.6	-196.5	-0.9
Other Financing Uses	2,029.7	4,299.2	4,213.7	-85.5	-2.0
TOTAL USES	46,176.6	51,802.4	53,404.9	1,602.5	3.1
FTE					
Permanent	216.00	219.00	219.00	0.00	0.0
TOTAL FTE POSITIONS	216.00	219.00	219.00	0.00	0.0

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Transfers	3,788.4	3,559.4	3,773.9	214.5	6.0
TOTAL SOURCES	3,788.4	3,559.4	3,773.9	214.5	6.0
USES					
Personal Services and Employee Benefits	3,412.8	3,136.4	3,384.8	248.4	7.9
Contractual Services	123.8	170.0	170.0	0.0	0.0
Other	251.8	253.0	219.1	-33.9	-13.4
TOTAL USES	3,788.4	3,559.4	3,773.9	214.5	6.0
FTE					
Permanent	52.00	43.00	43.00	0.00	0.0
TOTAL FTE POSITIONS	52.00	43.00	43.00	0.00	0.0

Enterprise Applications
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	1,138.8	1,079.1	957.1	-122.0	-11.3
Other Revenues	8,804.4	10,028.7	11,936.0	1,907.3	19.0
TOTAL SOURCES	9,943.2	11,107.8	12,893.1	1,785.3	16.1
USES					
Personal Services and Employee Benefits	5,545.2	6,093.5	6,126.8	33.3	0.5
Contractual Services	1,810.4	1,273.7	3,614.3	2,340.6	183.8
Other	1,368.1	1,713.9	1,734.8	20.9	1.2
Other Financing Uses	893.2	2,026.7	1,417.2	-609.5	-30.1
TOTAL USES	9,616.9	11,107.8	12,893.1	1,785.3	16.1
FTE					
Permanent	79.00	77.00	77.00	0.00	0.0
TOTAL FTE POSITIONS	79.00	77.00	77.00	0.00	0.0

Enterprise Operations
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	0.0	300.0	0.0	-300.0	-100.0
Other Revenues	32,771.4	36,835.2	36,737.9	-97.3	-0.3
TOTAL SOURCES	32,771.4	37,135.2	36,737.9	-397.3	-1.1
USES					
Personal Services and Employee Benefits	7,914.0	7,114.8	7,644.5	529.7	7.4
Contractual Services	6,096.6	8,192.7	6,925.2	-1,267.5	-15.5
Other	17,624.2	19,555.2	19,371.7	-183.5	-0.9
Other Financing Uses	1,136.5	2,272.5	2,796.5	524.0	23.1
TOTAL USES	32,771.3	37,135.2	36,737.9	-397.3	-1.1
FTE					
Permanent	85.00	99.00	99.00	0.00	0.0
TOTAL FTE POSITIONS	85.00	99.00	99.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Program Support					
Program Support provides management, direction and control; administrative services and cost recovery; and allocation services through leadership, policies and procedures and administrative support to the department.					
Outcome	Percent of audit corrective action plan commitments completed on schedule			95%	95%
Output	Percent of accounts receivable dollars collected within sixty days of the invoice due date	75%	53%	95%	60%
Outcome	Dollar amount of account receivables over sixty days	\$1,000,000	\$11,300,000	\$500,000	\$7,500,000
Outcome	Percent of mainframe services meeting federal standards for cost recovery	90%	100%	95%	100%
Outcome	Percent of voice, data, and radio services meeting federal standards for cost recovery	90%	100%	95%	100%
Efficiency	Percent of individual communication services that break even, including sixty days of operational reserve	91%	Not Rept		
Enterprise Applications					
To provide information technology strategic planning, oversight and consulting services to New Mexico government agencies so they can improve services provided to New Mexico citizens.					
Outcome	Percent of executive agency certified projects reviewed monthly for compliance and oversight requirements	100%	100%	100%	100%
Output	Amount of information technology savings, cost avoidance or both realized through enterprise services and promotion of multi-agency initiatives, in millions	\$5.0	\$5.0	\$5.0	\$5.0
Output	Queue-time to reach a customer service representative at the help desk, in seconds	0:20	0:17	0:20	0:20
Output	Percent of information technology projects that require and receive a formal architecture review prior to project implementation.				100%
Outcome	Number of key information technology project reviews completed	36	Not Rpt		
Outcome	Percent of information technology plans with formal feedback	100%	Not Rpt		
Outcome	Amount of savings in information technology, in millions	\$5.0	Not Rept		
Output	Percent of single and multi-agency information technology projects that get formal architectural review	50%	Not Rept		
Outcome	Percent of information technology projects reviewed by staff	100%	Not Rept		
Enterprise Operations					
Enterprise Operations provides reliable and secure infrastructure for voice, radio, video and data communications, through the state's enterprise data center and telecommunications network.					
Outcome	In-service percentage of the state voice communication network	99.9%	99.9%	99.9%	99.9%
Output	Percent of servers successfully backed up as scheduled	100%	91%	100%	100%
Outcome	Percent of unscheduled downtime of the mainframe	.01%	0.00%	.01%	
Outcome	Number of population centers connected to the state network through fiber optic cable	14	Not Rept		
Output	Percent of mission-critical data and applications residing in the enterprise data center not compromised upon security breach.				0%
Output	Percent of information technology assets inventoried and managed through an automated asset management system.				75%
Outcome	Percent of unscheduled downtime of the mainframe affecting user access and/or batch scheduling.				0.01%
Outcome	Terabytes of data stored at enterprise data center compared with terabytes of data stored at agency locations (disk, tape and optical storage).	790/000	Not Rept		TBD
Outcome	Cumulative number of agency applications residing on enterprise servers.	230	Not Rept		TBD
Outcome	Cumulative number of co-located servers replaced by enterprise servers.	68	Not Rept		TBD

Executive Summary

The Public Employees Retirement Association administers the retirement system for state and municipal employees, including the judicial branch, along with specified other groups, such as volunteer firefighters.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	39,696.2	40,703.4	2.5
Program			
Public Employees Retirement Association	39,696.2	40,703.4	2.5
Total Uses	39,696.2	40,703.4	2.5
FTE	88.00	88.00	0.0

- The Executive recommendation provides an overall increase of \$1,007.2 for the Public Employees Retirement Association.
- The recommendation includes an increase of \$700.0 in the professional services category for increased fiscal agent custody services.
- An increase of \$162.0 is recommended in the contractual services category for increased audit costs, maintenance costs associated with the new building and employee mediation.
- The Executive recommendation also includes an increase of \$142.0 in the personal services and employee benefits category to accommodate continued costs associated with temporary data cleaning positions and increased group health insurance costs. A vacancy factor of 4% was applied.

Agency Mission and Program Purpose

The Public Employees Retirement Association (PERA) administers the retirement system (consisting of 31 different retirement plans) for affiliated public employers in the State of New Mexico. PERA is governed by the PERA Board, which consists of two ex-officio members, the Secretary of State and the State Treasurer, and ten members elected by the association's membership. The board serves as trustee of the funds controlled by PERA and is authorized to invest the funds on behalf of the association. The board appoints an executive director to oversee day-to-day operations.

The mission of the PERA Board is to preserve, protect and administer the trust in order to meet its current and future obligations and provide quality services to association members. As of June 30, 2008, the PERA retirement plan membership consisted of 24,763 retirees and beneficiaries, 52,401 active members and 3,138 terminated vested members.

The Pension Administration Program provides information, retirement benefits and an actuarially-sound fund to association members. The main purpose of the program is to manage the fund, so the members can receive the defined benefits to which they are entitled (based on age and service)

when they retire from public service. The pension administrative functions include: customer service; benefit estimates; service credit verification; retirement processing; quality control; annuitant payroll; service/military credit purchases; retirement seminars; records management; document imaging; and member contribution refunds.

PERA administers all funds to maximize financial returns with an acceptable level of risk so that the association can provide an actuarially-sound pension system now and into the future. The investment functions include asset diversification and allocation, investment manager selection, contracts oversight and compliance, agency compliance and due diligence. As of June 30, 2008, the PERA fund was valued at \$12.2 billion compared with \$13.2 billion as of June 30, 2007.

Statutory Authority: Sections 10-11-1 through 10-11-141 NMSA 1978 (Public Employees Retirement Act); Sections 10-11A-1 through 10-11A-7 NMSA 1978 (Volunteer Firefighters Retirement Act); Sections 10-12B-1 through 10-12B-19 NMSA 1978 (Judicial Retirement Act); Sections 10-12C-1 through 10-12C-18 NMSA 1978 (Magistrate Retirement Act); Sections 10-13A-1 through 10-13A-4 NMSA 1978 (Retirement Reciprocity Act); Sections 10-7A-1 through 10-7A-12 NMSA 1978 (Deferred Compensation Act); and the U.S. Internal Revenue Code 457 regarding deferred compensation.

Executive Recommendation

Agency Strategic Directions

PERA provides fiscal accountability by maximizing investment returns for New Mexico retirement funds. PERA strives each year to increase New Mexico retirement assets while also providing sound retirement benefits for state employees. Effective January 1, 2007, a PERA retiree who returns to work with an affiliated employer no longer pays the employee portion of PERA retirement contributions pursuant to Section 10-11-8 C (2) and (3) NMSA 1978; affiliated employers who hire PERA members that are receiving retirement benefits are required to pay both the employer and the employee PERA contribution. Retirees who return to work have not had a major impact on the actuarial funding status of PERA. As of June 30, 2008, PERA had 24,763 PERA retirees. Of that amount, 2,008 retirees had gone back to work for a PERA-affiliated employer; equivalent to 8.1 percent of the total number retired. Of the 2,008 retirees who returned to work, 1,018 were employed by the state and 990 are employed by county and local governments.

The actuarial status of the total PERA fund (all plans, except the judges, firefighters and magistrates) was 93% in FY07 and was maintained at a 93% actuarial status in FY08.

Key Elements of Recommendation

The Executive recommendation provides for an overall increase of 2.5% for the Public Employees Retirement Association. The recommendation includes an increase of \$700.0 in the contractual services category for increased fiscal agent custody services. An increase of \$162.0 is recommended in the contractual services category for increased audit costs, maintenance costs associated with the new building and employee mediation. The Executive recommendation maintains money management fees in FY10 at the FY09 operating budget level of \$29.3 million because the value of PERA's assets decreased by 7.4% and such fees are based on the asset value of the portfolio. The

recommendation provides for an increase of \$3.2 in the other costs category due to lower rent costs which were offset by increased utility and insurance costs for the new building. The Executive recommendation also includes an increase of \$142.0 in the personal services and employee benefits category to accommodate continued costs associated with temporary data cleaning positions and increased group health insurance costs. A vacancy factor of 4% was applied.

Performance Report

PERA met or exceeded four of its five performance measures for FY08. PERA did not meet the target for average number of days to respond to requests for benefit estimates, military buy-backs, and service credit verifications. PERA reports it could not achieve this target because it experienced difficulties in recruiting and retaining customer service personnel needed to perform data cleansing functions. PERA anticipates meeting this target in FY10 with the full staffing of the data cleansing team created in FY08.

PERA substantially exceeded the target for the five-year annualized performance ranking in a national survey of 50 to 60 similar large public pension plans in the United States, as a percentile. The target for this measure was a ranking of greater than 49th, PERA achieved 75th. PERA exceeded the target of greater than 50 basis points for five-year average annualized investment returns, to exceed internal benchmark in basis points, with a result of 128 basis points for FY08.

PERA also exceeded the target of 30 or less for the number of years needed to finance the unfunded actuarial liability (UAL) for the Public Employees Retirement Fund, with current statutory contribution rates. The FY08 actuarial valuation received by PERA in October 2008 indicates the UAL funding period to be 13 years.

Recommended Language for the General Appropriation Act

The other state funds appropriation to the public employees retirement association in the contractual services category includes twenty-nine million three hundred eighty-five thousand (\$29,385,000) to be used only for investment manager fees.

The other state funds appropriation to the public employees retirement association in the contractual services category includes two million one hundred thousand dollars (\$2,100,000) to be used only for fiscal agent custody services.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	34,367.6	39,696.2	40,703.4	1,007.2	2.5
TOTAL SOURCES	34,367.6	39,696.2	40,703.4	1,007.2	2.5
USES					
Personal Services and Employee Benefits	5,449.9	5,753.8	5,895.8	142.0	2.5
Contractual Services	27,268.4	32,653.7	33,515.7	862.0	2.6
Other	1,596.0	1,288.7	1,291.9	3.2	0.2
TOTAL USES	34,314.3	39,696.2	40,703.4	1,007.2	2.5
FTE					
Permanent	72.00	76.00	76.00	0.00	0.0
Term	12.00	12.00	12.00	0.00	0.0
TOTAL FTE POSITIONS	84.00	88.00	88.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Pension Administration					
To provide information, retirement benefits, and an actuarially sound fund to Association members so they can receive the defined benefit they are entitled to when they retire from public service.					
Quality	Percent of accurately computed retirements	98.5%	98.5%	98.5%	98.5%
Efficiency	Average number of days to respond to requests for benefit estimates, military buy-backs, and service credit verifications	15-30	30-35	30-45	30-45
Outcome	Five-year average annualized investment returns to exceed internal benchmark, in basis points	>50 b.p.	128 b.p.	>50 b.p.	>50 b.p.
Explanatory	Number of years needed to finance the unfunded actuarial accrued liability for the public employees retirement fund with current statutory contribution rates	30 or less	13	30 or less	30 or less
Outcome	Five-year annualized performance ranking in a national survey of fifty to sixty similar large public pension plans in the United States, as a percentile	>49th	75th	>49th	>49th

Executive Summary

The State Commission of Public Records is charged with providing access to and preserving the public records of the State of New Mexico that detail the history of New Mexico, its citizens and its government.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	3,013.1	2,931.0	-2.7
Total Sources	3,243.7	3,163.6	-2.5
Program			
Commission of Public Records	3,243.7	3,163.6	-2.5
Total Uses	3,243.7	3,163.6	-2.5
FTE	42.00	42.00	0.0

- The Executive recommendation reflects a General Fund decrease of \$82.1 from FY09 operating levels to support the agency reduction plan for General Fund.

Agency Mission and Program Purpose

The State Commission of Public Records, also known as the State Records Center and Archives, is responsible for administering the Public Records Act and the State Rules Act, as well as portions of other acts. Its mission is to: (1) preserve, protect and facilitate access to public records that are held in trust for the people of New Mexico; (2) ensure rules promulgated by state agencies are published as prescribed in law and are accessible; (3) advocate an understanding and appreciation of New Mexico history and develop records management programs for state agencies.

The commission is created in Section 14-3-3 NMSA 1978 and all but one of the seven members serve ex officio. The members are the Attorney General, the State Auditor, the Secretary of State, the State Law Librarian, Secretary of the General Services Department, Director of the Museum of New Mexico and a recognized, professionally trained historian in the field of New Mexico history, who must be a resident of New Mexico and is appointed by the governor for a term of six years.

The New Mexico Historical Records Advisory Board is an adjunct to the commission. Created pursuant to federal law, it serves as the local advisory board for reviewing all preservation and access, or documentary-edition grant proposals submitted to the National Historical Publication and Records Commission. It also awards grants and scholarships to eligible historical records repositories and staff, and advocates for access to and preservation of New Mexico’s historical records. The State Records Administrator is chair of the board and the governor appoints the other members.

Statutory Authority: Sections 14-1-7 through 14-3-25; 14-4-1 through 14-4-11; 18-6-5; 18-6-4A; and 47-6-10(K-L) NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

In 1996, the Commission of Public Records developed and implemented its first five-year (1996 - 2000) strategic plan. It is currently in the process of completing a new five-year plan for fiscal years 2010 - 2014. The plans have served as maps to guide the agency as it works toward achieving its mission. Each five-year plan incorporates strategic initiatives, strategies, actions steps and performance measures and associated targets and is further updated annually to reflect experience and resource availability. Although the plan contains many more measurements for which progress is tracked internally, for purposes of the Accountability in Government Act, the agency reports on six key measures.

The agency's FY09 strategic plan update and its FY10 - FY11 action plan spell out in detail the agency's business and strategic goals and the related action steps, performance measures and associated targets that will guide the agency in its efforts to achieve its goals. With its statutory mandate to provide an effective and efficient records management program for state government, much of the work of the agency is directed toward meeting that responsibility. Today, as over the past number of years, perhaps the most pressing challenge the agency - and the state and its political subdivisions - face is the management of electronic records. The proliferation of electronic information in the day-to-day operations of state agencies, along with the new US Federal Rules of Civil Procedure for e-discovery, Inspection of Public Records Act (IPRA) requests and e-mail management issues, has created a critical business challenge for state agencies. Multiple forms and sources of records and data have profoundly increased the complexity of procedures required to manage information and records. This presents a new area of risk for state government when agencies are confronted with litigation that requires the production of electronic documents and information. The courts have uniformly concluded that electronic data are subject to disclosure in litigation. When electronic information cannot be located and retrieved, the costs can be high; productivity is compromised as staff search for the information, which, if not located or located timely, can cost the taxpayer as monetary sanctions are imposed against state agencies.

One of the agency's primary strategic goals is to work with agencies to address these challenges and mitigate the risks they entail. After a decade of attempting to gain recognition of the seriousness of the problem and the significant risks associated with failure to gain management control over the ever-increasing numbers of electronic records, the agency has realized some success. A number of key agencies are working with the commission in developing a long-term enterprise content management (ECM) solution for the management of electronic records and governing standards for development and implementation of the various components. The commission has developed standard file formats and metadata schemata to allow the movement of electronic records from the electronic document management systems in individual agencies to a centralized electronic records repository. A special appropriation for phases II and III of this project has been submitted. Phase I, a needs assessment, is currently underway. The Department of Information Technology has recognized the problem by including ECM and an electronic records repository as a strategic initiative. The solution, however, is neither quick nor easy and will require an integrated, cross-agency approach over a number of years.

As the agency approaches its 50th anniversary, its priorities remain much as they have over the years, although the methods of service delivery have changed. It continues, and will continue, to work with agencies to provide the tools needed to manage their records and ensure the capture, proper retention and, as applicable, long-term preservation of those records, regardless of format. It will continue to preserve and protect those permanent and historical records that constitute the state's historical patrimony and to expand access to those records. It will continue to ensure that agencies, the regulated and legal communities, and the public have access to information about rule-making and to the rules (administrative laws) that can directly affect their lives and their businesses. Under the current State Records Administrator, the agency has placed increased emphasis on promoting an appreciation and understanding of New Mexico history. The agency expects to continue development and refinement of the New Mexico history website (digital history project) and support of the scholars and interns programs initiated over the last several years.

As mentioned, what has changed is the agency's reliance on information technology as a means of service delivery and public access and as a preservation tool. The on-going digital archives project that provides on-line access to digital images of historical photographs and information on collections has greatly expanded access to archival records and information about them, while minimizing the need to touch the often fragile historical records. With the recent implementation of a new archival management system, Heritage, interest in the holdings has increased as requests for information and access increase. The New Mexico digital history project now provides an important educational tool for New Mexicans interested in their history. The on-line publication of both the New Mexico Register and a regularly updated New Mexico Administrative Code have enabled free and ready access to notices of rulemaking and to administrative laws. Another application permits the agency to manage the storage and disposition of, at the close of FY08, over 143,000 microforms and over 94,000 cubic feet of inactive records. The agency, through a special appropriation, is digitizing selected land grant records.

Although the agency does not see information technology as a cost-cutting tool, it does look to it now and in the future as an increasingly important means of delivering services, expanding access to public records and managing and preserving those records. The biggest barrier to continuing the progress the agency has made through the application of information technology is staffing.

Key Elements of Recommendation

The Executive recommendation supports a \$82.1 General Fund decrease from FY09 operating levels, consistent with the agency reduction plan for General Fund. Vacancies are being held at minimum and a 2% vacancy factor was imposed. The recommendation includes an increase for the purchase of information technology equipment used in the production of items for resale funded from revenues generated by the Revolving Fund.

Performance Report

The State Commission of Public Records met its FY08 targets for five of six performance measures. It did not meet the target of 75% for the total records items scheduled, reviewed, amended or replaced within a five-year period. The actual percentage for FY08 was 26.4%, up from 19% for FY07 (the first year this revised measure was in place), considerably under the 75% target. The agency established the target percentage without baseline data. The recommendation reflects lowering the target to 50% for FY09 to reflect actual results.

The recommendation also reflects the replacement of one measure - the number of consultations, research reports and educational activities provided by the State Historian - with another output measure to track unique visitors to the New Mexico history website. The agency wanted to evaluate use of the history website, given the attention it has received.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	2,923.9	3,013.1	2,931.0	-82.1	-2.7
Federal Revenues	25.5	48.1	51.4	3.3	6.9
Other Revenues	139.3	120.9	124.0	3.1	2.6
Fund Balance	0.0	61.6	57.2	-4.4	-7.1
TOTAL SOURCES	3,088.7	3,243.7	3,163.6	-80.1	-2.5
USES					
Personal Services and Employee Benefits	2,310.5	2,542.7	2,533.9	-8.8	-0.3
Contractual Services	138.4	182.1	167.1	-15.0	-8.2
Other	482.1	518.9	462.6	-56.3	-10.8
TOTAL USES	2,931.0	3,243.7	3,163.6	-80.1	-2.5
FTE					
Permanent	39.50	40.00	40.00	0.00	0.0
Term	2.00	2.00	2.00	0.00	0.0
TOTAL FTE POSITIONS	41.50	42.00	42.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
State Commission of Public Records					
To develop, implement, and provide tools, methodologies, and services for the benefit of government agencies, historical repositories, and the public. To effectively create, preserve, protect, and properly dispose of records; facilitate their use and understanding; and protect the interests of the citizens of New Mexico.					
Outcome	Maximum number of days between rule effective date and online availability	34	30	34	30
Outcome	Percent of requests for access to public records in its custody that the commission is able to satisfy	98%	100%	98%	100%
Outcome	Percent of all projects for the New Mexico historical records grant program that are achieving stated objectives	98%	100%	98%	100%
Outcome	Percent of annual strategic action plan achieved or on schedule	75%	75%	75%	75%
Output	Number of consultations, research reports and educational activities provided by the state historian	300	860	450	
Outcome	Percent of total records items scheduled, reviewed, amended or replaced within a five-year period	75%	26.4%	50%	50%
Output	Number of research documents and educational activities provided by the state historian.				10
Output	Number of times during a fiscal year visitors accessed information the NM history web site. (NM digital history project).				84,000

Executive Summary

The Secretary of State is the chief election officer for the State of New Mexico and is also responsible for the distribution of session laws and the registration of incorporated entities in the state.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	4,272.2	4,052.1	-5.2
Total Sources	4,722.2	5,552.1	17.6
Program			
Administration & Operations	4,722.2	5,394.8	14.2
Elections	0.0	157.3	***
Total Uses	4,722.2	5,552.1	17.6
FTE	43.00	43.00	0.0

- The Executive recommends a General Fund decrease for the Secretary of State in FY10 in accordance with its proposed spending reduction plan.
- The recommendation includes an increase of \$1,050.0 in other state funds to ensure that all qualified candidates requesting public financing for their campaigns receive proper entitlements.
- The Secretary of State's budget has been split into two programs for FY10 in order to account for the funds dedicated to elections in a more clear and transparent fashion.

Agency Mission and Program Purpose

The Secretary of State is an elected state official, second in line of succession behind the lieutenant governor to assume the responsibilities of the governor. The secretary is the keeper of the Great Seal of the State of New Mexico and affixes the seal to all commissions issued in the name of the governor. By statute, the Secretary of State is the chief election officer for the State of New Mexico. The Secretary of State also maintains records relevant to commerce and industry in the state.

Statutory Authority: Sections 1-2-1 through 1-2-30 NMSA 1978.

Administration and Operations

The mission of the Administration and Operations Program is to collect and make accessible information on liability partnerships, trademarks and government ethics, to administer the state's confidential address program and to provide administrative support for elections.

Elections

The mission of the Elections Program is to carry out statutory responsibilities related to the Secretary of State being the chief election officer for the State of New Mexico, the Financial Disclosure Act, the Campaign Finance Act and the Voter Action Act.

Executive Recommendation*Agency Strategic Directions*

The Office of the Secretary of State is organized into four areas: (1) Elections and Ethics Administration; (2) Commercial Recordings; (3) Administrative Support Services; and (4) Address Confidentiality.

The Elections and Ethics Administration program area aims to: increase public confidence in the conduct of elections and the electoral process by successfully implementing the provisions of the "Help America Vote Act"; provide education and training to local election officials; educate voters about their rights and responsibilities; ensure compliance with governmental ethics laws; successfully implement electronic filings of campaign reports; and adopt any administrative rules necessary to ensure that the purpose of the Election Code is achieved.

Commercial recordings will increase accessibility to public records through records management systems and electronic availability and provide an easier means to register trademarks and service marks, partnership registrations and agricultural liens.

Administrative Support Services continues to be responsible for management and support services to the entire agency. Information systems staff provides for all of the Secretary of State's data processing needs and the development of in-house long-term projects.

Address Confidentiality is the newest program area within the Secretary of State's Office and is charged with administering a substitute address program for victims of domestic violence as described in the Family Violence Protection Act. A primary goal in this area is to increase awareness of the availability of the program through statewide advertising.

Key Elements of Recommendation

The Secretary of State's budget has been split into two programs for FY10: (1) Administration and Operations; and (2) Elections. The intention is to account for the funds dedicated to elections in a more clear and transparent fashion by separating them from the funds needed for the daily functions of the agency.

The Executive recommends a 5.2% decrease in General Fund for the Secretary of State in FY10. Decreases are recommended for contracts set to expire before the beginning of the fiscal year, General Services Department and Department of Information Technology rates and other operational expenses such as travel, furniture and office supplies. A modest increase in salaries and benefits will enable the agency to maintain a 6.5% vacancy factor in accordance with historical rates. The Executive also recommends higher funding for a maintenance agreement for campaign finance reporting software.

With the exception of ballot costs, the Executive recommendation fully funds all base elections expenses in the Elections Program for FY10. This includes funding for an audit of the election canvass, election-related postage and advertising, hosting an election school for county clerks and other expenses such as required travel and phone use. Funding for ballots is not recommended in the base budget of the program because these costs vary by type of election (General or Primary) and because the Executive would like for the Secretary of State to establish a more detailed and reliable methodology for determining the number of ballots to order for a given election.

The recommendation includes an increase of \$1,050.0 in other state funds to ensure that all qualified candidates requesting public financing for their campaigns receive proper entitlements. The amount budgeted from the Public Election Fund fluctuates greatly from year to year because unless non-major party candidates become certified to run in a General Election or unforeseen circumstances arise, public financing for both General and Primary Election campaigns will occur in even-numbered fiscal years only.

Performance Report

The Secretary of State's Office met or exceeded five of its seven performance measures in FY08, which were largely indicators of the agency's efficiency and outreach efforts. The target for the number of newly registered voters was not met because the agency purged its voter rolls and reported on this measure based on the cumulative change in the number of registered voters between FY07 and FY08. This measure has been replaced for FY10 with the "percent of eligible voters who are eligible to vote".

The other target not met in FY08 was for the number of constitutional voter guides in Spanish and English distributed to county clerks and voters. The target was not met because the publications had been made available on the internet, thereby reducing the need for expenses associated with hard copy distribution. This measure has also been discontinued for FY10.

Other changes to the performance measures for the Secretary of State for FY10 include the addition of two measures for the Administration and Operations Program concerning liability partnership processing efficiency and the resolution of prior-year audit findings. For the Elections Program, an important measure has been added to highlight the satisfaction of County Clerks with the election training provided by the Secretary of State's Office.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)			FY10	
	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- mendation	<u>Budget to Recommendation</u>	
				Dollar/FTE <u>Change</u>	Percent <u>Change</u>
SOURCES					
General Fund Transfers	4,289.7	4,272.2	4,052.1	-220.1	-5.2
Other Revenues	450.0	450.0	1,500.0	1,050.0	233.3
TOTAL SOURCES	4,739.7	4,722.2	5,552.1	829.9	17.6
USES					
Personal Services and Employee Benefits	2,443.1	2,689.3	2,777.0	87.7	3.3
Contractual Services	787.5	693.7	835.6	141.9	20.5
Other	1,066.5	1,339.2	1,939.5	600.3	44.8
TOTAL USES	4,297.1	4,722.2	5,552.1	829.9	17.6
FTE					
Permanent	41.00	42.00	42.00	0.00	0.0
Term	1.00	0.00	0.00	0.00	***
Temporary	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	43.00	43.00	43.00	0.00	0.0

Administration and Operations (Dollars in Thousands)					
	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	4,289.7	4,272.2	3,894.8	-377.4	-8.8
Other Revenues	450.0	450.0	1,500.0	1,050.0	233.3
TOTAL SOURCES	4,739.7	4,722.2	5,394.8	672.6	14.2
USES					
Personal Services and Employee Benefits	2,443.1	2,689.3	2,777.0	87.7	3.3
Contractual Services	787.5	693.7	791.4	97.7	14.1
Other	1,066.5	1,339.2	1,826.4	487.2	36.4
TOTAL USES	4,297.1	4,722.2	5,394.8	672.6	14.2
FTE					
Permanent	41.00	42.00	42.00	0.00	0.0
Term	1.00	0.00	0.00	0.00	***
Temporary	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	43.00	43.00	43.00	0.00	0.0

Elections (Dollars in Thousands)					
	FY08 Actuals	FY09 Budget	Recom- mendation	FY10	
				Dollar Change	Percent Change
SOURCES					
General Fund Transfers	0.0	0.0	157.3	157.3	***
TOTAL SOURCES	0.0	0.0	157.3	157.3	***
USES					
Contractual Services	0.0	0.0	44.2	44.2	***
Other	0.0	0.0	113.1	113.1	***
TOTAL USES	0.0	0.0	157.3	157.3	***
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Performance Measures

	FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Administration and Operations				
To provide operational services to commercial and business entities and citizens - including administration of notary public commissions, uniform commercial code filings, trademark registrations and partnerships - and to provide administrative services needed to carry out elections.				
Outcome	Percent of prior-year audit findings resolved			100%
Output	Percent of partnership registration requests processed within the three day statutory deadline			100%

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Elections					
To provide voter education and information on election law and government ethics to citizens, public officials, and candidates so they can comply with state law.					
Outcome	Percent of administrative errors	0.3%	0.3%	0.3%	
Output	Number of constitutional voter guides in Spanish and English distributed to county clerks and voters	500,000	150,000	60,000	
Outcome	Percent of county clerks satisfied with the election training provided by the secretary of state's office				97%
Output	Number of newly registered voters	50,000	4,323	50,000	
Output	Number of training sessions provided to all county clerks on changes to the Election Code			2	2
Outcome	Percent of eligible registered voters who are registered to vote				80%
Output	Number of users electronically filing legal documents or receiving educational materials	3,000	16,362	30,000	
Outcome	Percent of campaign reports filed electronically by the due date				100%
Output	Number of meetings sponsored by the secretary of state to promote Native American voting			10	
Outcome	Response time for user requests or complaints relating to registered voters, voting rights, financial disclosures, campaign finance, financial institution loans and general code of conduct issues, in days	48	2	2	
Output	Percent of laws in the Election Code that require rules for which rules have been promulgated			100%	100%
Outcome	Percent of voting machines tested				100%
Output	Number of users educated or advised on issues such as voting rights, electronic filing, ethics law, general code of conduct, campaign finance, financial disclosures and lobbying	20,000	24,150	20,000	
Efficiency	Percent of public requests and complaints responded to within the three day statutory deadline				100%
Outcome	Percent of eligible Native American voters who are registered to vote				80%
Outcome	Percent of new voting machines tested	98%	100%	100%	
Outcome	Percent of counties visited by the Secretary of State's Office to obtain input regarding the Election Code and its application			100%	

Executive Summary

The State Personnel Office provides a flexible and responsive system for human resource management for the State of New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	4,694.8	4,512.7	-3.9
Total Sources	4,754.8	4,572.7	-3.8
Program			
Personnel Board	4,754.8	4,572.7	-3.8
Total Uses	4,754.8	4,572.7	-3.8
FTE	65.00	65.00	0.0

- The Executive recommendation reflects a \$182.1 decrease in General Fund under FY09 operating levels.
- The recommendation incorporates an 11.6% vacancy savings factor for personal services and employee benefits.
- The Executive recommends an increase of \$7.0 for increases in GSD and DoIT rates.
- The recommendation includes an increase of \$19.2 in the other category for increases in postage, printing and supplies.

Agency Mission and Program Purpose

The Personnel Board (PB) was created by the Personnel Act to establish a system of personnel administration based solely on qualification and ability, in order to provide greater economy and efficiency in the management of state affairs. The board is composed of five members appointed by the governor and confirmed by the Senate who serve staggered terms of five years each. The State Personnel Office (SPO) manages daily operations and administrative functions for the board. Both the board and SPO are administratively attached to the General Services Department. The Personnel Act was enacted pursuant to the provisions of Article 7, Section 2, of the Constitution of New Mexico.

The Personnel Act requires the board to promulgate rules to provide a classification plan; a pay plan for state employees; competitive entrance and promotion tests to determine qualifications; exemption from testing for professional persons applying for classified positions who possess recognized registration or certification by another state agency; a probationary period of one year; employment lists of ranked job candidates; hours of work; holiday and leave; disciplinary procedures and right of appeal to the board; and emergency employment, when no qualified applicants are available. The board selects, with the approval of the governor, a director for SPO who shall supervise all administrative and technical personnel activities; act as secretary to the board; establish, maintain and publish a roster of all state employees annually; make annual reports to the board; recommend board rules to effect the Act; and supervise all tests and prepare lists of persons passing them.

SPO has five major program functions: agency services; quality assurance; classification and compensation; training; and adjudication. SPO is also responsible for facilitating and negotiating the collective bargaining agreements with organized labor due to the reinstatement of the Collective Bargaining Act, and administers the Governor's Career Development Conference.

Statutory Authority: Sections 10-9-1 through 10-9-25 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

As has been the case for the last few years, SPO continues to align its strategic plan to focus more directly on providing the supports and services that increase a state agency's internal capacity to perform its human resource functions more efficiently and effectively. This approach is designed to increase accountability and oversight by assisting agencies through all the steps of human resource management, from concept to result. In addition, the agency has begun to place more emphasis on quality assurance and quality improvement throughout the human resource functions in state government. The number of individual agency human resource audits conducted by SPO is increasing as are the number of statewide personnel system reviews and rule compliance audits.

The State Personnel Office is engaged in seven major initiatives: (1) through FY09 and into FY10, SPO will partner with 15 key state agencies to develop an agency-specific Strategic Human Resources Plan that will identify each agency's staffing needs consistent with the agency's program and service goals; (2) complete statewide contract negotiations for state collective bargaining agreements; (3) through training and data analysis, establish a consistent approach to labor relations management in union represented agencies; (4) develop and implement a work plan to address needed improvements in state employee selection and the hiring process; (5) invest in professional development of SPO staff in critical human resource and administrative support areas; (6) expand the role and function of the Application and Recruitment Bureau to include more local contacts and job marketing strategy; and (7) expand and improve the quality of the Statewide Internship Program.

Key Elements of Recommendation

The Executive recommendation reflects a 3.8% decrease under FY09 operating levels. The recommendation includes an increase of \$7.0 to provide additional funds to cover increases in General Services Department and Department of Information Technology rates. In addition, the recommendation supports increases for operating costs in the other category consistent with FY08 actual expenditures. The recommendation for personal services and employee benefits incorporates an 11.6% vacancy factor for salaries and employee benefits. The Executive recommendation includes \$60.0 in fund balance revenues for sponsorship of the Governor's Career Development Conference.

Performance Report

SPO met seven of its ten performance targets for FY08. The agency met or exceeded its targets for the average number of days to fill a vacant position (46 days); the average employee pay as a percent of comparative market (103%); the percent of eligible employees with a completed performance appraisal at the end of the fiscal year (99%); the percent of union grievances resolved prior to formal arbitration (99.8%) and the percent of managers in medium to small agencies who successfully

completed SPO's management and supervision training program (83%). Two of the agency's performance targets were achieved at the 100% criteria level. All large agencies incorporated SPO's core management training objectives into their management training courses and all rule compliance audit exceptions were corrected within six months of discovery. When compared to FY07 results, exceptional progress is noted in the reduced average number of days required to fill a position (down from 75 days to 46 days), and the increase in the percentage of managers completing supervisory training (up from 38% to 83%). Also of significance is the increased percentage of average employee pay as a percentage of comparative market which, for the first time, has exceeded the goal of 100%. This is an important measure of pay equity across state pay grades.

Two performance targets were not met and one measure was determined to be an obsolete indicator of performance. Staff vacancies in key positions resulted in a lower than targeted percentage of agencies receiving two audit reviews in FY08. Nearly 80% of new employees successfully completed their probationary period, an improvement over prior years, but a number still less than the target of 85%. The agency is currently collecting data in order to analyze human factors associated with staff retention. The performance measure targeting the number of agencies with line authority was judged to no longer be appropriate since SPO has shifted its strategic direction toward the centralization of most key human resource functions through the single point of contact human resource model.

The Executive recommendation continues several new performance measures first initiated in FY09. These new measures are designed to support SPO's current strategic goals and program initiatives. Rather than measure the percent of agencies receiving two audit reviews in the course of the fiscal year, two new measures have been adopted. The first new measure would track the number of rule compliance audit reviews while the second would track the number of personnel system audit reviews performed during the fiscal year. Both measures reflect the agency's renewed emphasis on establishing quality assurance standards and on implementing quality improvement programs across all state agencies.

Recommended Language for the General Appropriation Act

The Executive recommends the following language to allow SPO to use balances available in the Career Development Conference Fund for start-up costs of the FY11 State Employees' Career Development Conference:

Any unexpended balance remaining in the state employees' career development conference fund at the end of fiscal year 2010 shall not revert to the general fund.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	4,541.7	4,694.8	4,512.7	-182.1	-3.9
Fund Balance	60.0	60.0	60.0	0.0	0.0
TOTAL SOURCES	4,601.7	4,754.8	4,572.7	-182.1	-3.8
USES					
Personal Services and Employee Benefits	4,007.4	4,342.8	4,141.8	-201.0	-4.6
Contractual Services	30.8	36.5	26.1	-10.4	-28.5
Other	480.1	375.5	404.8	29.3	7.8
TOTAL USES	4,518.3	4,754.8	4,572.7	-182.1	-3.8
FTE					
Permanent	65.00	65.00	65.00	65.00	0.0
TOTAL FTE POSITIONS	65.00	65.00	65.00	65.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Personnel Board					
To provide a flexible system of merit based opportunity, appropriate compensation, human resource accountability and employee development that meets the evolving needs of the agencies, employees, applicants and the public, so economy and efficiency in the management of state affairs may be provided while protecting the interest of the public.					
Outcome	Average number of days to fill a vacant position	90	46	90	40
Quality	Number of agencies with line authority	25	N/A		
Output	Percent of large agencies that incorporate the state personnel office core management training objectives into their agency-specific management training	90%	100%	100%	100%
Outcome	Percent of managers in medium to small agencies who successfully complete the management and supervision training sponsored by the state personnel office	80%	83%	80%	85%
Outcome	Percent of union grievances resolved prior to formal arbitration	90%	99.8%	95%	95%
Outcome	Percent of new employees who successfully complete their probationary period	85%	79%	85%	85%
Outcome	Number of rule compliance audit reviews performed during the fiscal year			5	4
Output	Percent of eligible employees with a completed performance appraisal on record at the close of the fiscal year	99%	99%	99%	99%
Output	Percent of key agencies receiving at least two audit reviews during the fiscal year	95%	37.5%		
Outcome	Number of personnel system review audits performed during the fiscal year			4	3
Output	Percent of rule compliance review audit exceptions corrected within six months of discovery			100%	100%
Outcome	Average employee pay as a percent of Board approved comparator market based on legislative authorization	95%	103%	95%	101%

Executive Summary

The Public Employee Labor Relations Board guarantees public employees the right to organize and bargain collectively with their employers.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	347.8	330.3	-5.0
Total Sources	347.8	330.3	-5.0
Program			
Public Employee Labor Relations Board	347.8	330.3	-5.0
Total Uses	347.8	330.3	-5.0
FTE	3.00	3.00	0.0

- The Executive recommends a decrease of \$17.5 in the FY10 operating budget under FY09 operating levels.

Agency Mission and Program Purpose

The Public Employee Labor Relations Board (PELRB) guarantees public employees the right to organize and bargain collectively with their employers and promotes harmonious and cooperative relationships between public employers and employees.

The Public Employee Labor Relations Board was created in 2003 by the Public Employee Bargaining Act, and is composed of three members appointed to three-year terms by the governor. The board includes one member recommended by organized labor representatives actively involved in representing public employees, one member recommended by public employers actively involved in collective bargaining and one member jointly recommended by the other two appointees.

The board is charged with: the responsibility of establishing procedures for the designation of appropriate bargaining units; the selection, certification and decertification of exclusive representatives; and the filing, hearing and determination of complaints of prohibited practices.

PELRB is also charged with implementing the Public Employee Bargaining Act through the imposition of appropriate administrative remedies.

Duties of the board include: holding hearings and making inquiries necessary to carry out its functions and duties; conducting studies on problems pertaining to employee-employer relations; and requesting from public employers and labor organizations the information and data necessary to carry out the board's functions and responsibilities.

Statutory Authority: Sections 10-7E-1 through 10-7E-26 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The Public Employee Labor Relations Board holds hearings and makes determinations regarding prohibited practices, petitions for representation and approval of local labor relations boards. The board serves as a resource for labor and management to access public information and provide education to public employees and employers regarding their rights under established regulations. To date the board has certified unions representing over fifteen thousand public employees. The board conducts about 80 hearings each year in response to alleged violations of the Collective Bargaining Act. The board also provides training for staff and local labor boards regarding rules and requirements of the Public Employee Bargaining Act and board functions. In September 2008, the board sponsored a seminar for over 200 union stewards and state human resource professionals covering the rules governing the state's collective bargaining process.

The board has worked in collaboration with the Federal Mediation and Conciliation Service to train agencies in mediation services and impasse procedures. Mediation services represent a new strategic direction for the agency. Board members have been trained in mediation services by the National Judicial College and last year began to offer voluntary mediation services as an alternative to formal hearings. Now that most of the jurisdictional challenges to the authority of the board have been resolved, the board will shift its focus to improving the quality and scope of services offered by the PELRB.

Key Elements of Recommendation

The Executive recommendation reflects a \$17.5 (5%) decrease in the operating budget for the Public Employee Labor Relations Board. Although the costs of some goods and services have increased, the agency has realized some reductions in insurance costs.

Performance Report

The Public Employee Labor Relations board met the targets for all of its approved performance measures for FY08. Performance targets were met or exceeded for the percent of determinations of approval of local labor relations boards within 100 days of request; the percent of prohibited practice complaints decided within 180 days of filing; and the percent of petitions processed within 180 days of filing. Performance targets were also met for the percent of decisions overturned on appeal (only one reversal) and for 100% compliance with statutes governing the actions of the board and the Public Employee Bargaining Act. With a 60% success rate, the agency, for the first time, exceeded its target for the percent of cases resolved through agreement, mediation or arbitration.

The Executive recommendation maintains performance targets at the FY09 level for three out of six measures. The Executive recommends that performance targets for the percent of prohibited practice complaints decided within 180 days and the percent of petitions processed within 180 days of filing be raised from 92% to 94% based on the board's FY08 actual performance. The Executive recommends raising the target for the percent of cases resolved through agreement, mediation or arbitration from 60% to 65%. The agency will maintain current targets for compliance with statutes, percent of cases overturned on appeal and the percent of determination of approval of labor relations boards within 100 days of request for approval.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	339.9	347.8	330.3	-17.5	-5.0
TOTAL SOURCES	339.9	347.8	330.3	-17.5	-5.0
USES					
Personal Services and Employee Benefits	252.1	258.6	252.8	-5.8	-2.2
Contractual Services	4.0	4.5	4.1	-0.4	-8.9
Other	62.8	84.7	73.4	-11.3	-13.3
TOTAL USES	318.9	347.8	330.3	-17.5	-5.0
FTE					
Permanent	3.00	3.00	3.00	0.00	0.0
TOTAL FTE POSITIONS	3.00	3.00	3.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Public Employee Labor Relations Board					
To assure all state and local public body employees have the right to organize and bargain collectively with their employers or to refrain from such activities.					
Outcome	Percent compliance with statutes, with particular attention to due process, equal protection, the Public Employee Bargaining Act and board rules	100%	100%	100%	100%
Outcome	Percent of decisions overturned on appeal	1%	1%	1%	1%
Output	Percent of determinations of approval of local labor relations boards within 100 days of request for approval	99%	100%	99%	100%
Output	Percent of prohibited practice complaints decided within 180 days of filing	90%	92%	92%	94%
Output	Percent of petitions processed within 180 days of filing	90%	92%	92%	94%
Efficiency	Percent of cases resolved through agreement, mediation or arbitration	50%	60%	50%	65%

Executive Summary

The State Treasurer is entrusted with receiving, keeping and disbursing all state monies, unless otherwise provided by law.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	4,580.1	4,294.1	-6.2
Total Sources	4,600.1	4,339.1	-5.7
Program			
State Treasurer	4,600.1	4,339.1	-5.7
Total Uses	4,600.1	4,339.1	-5.7
FTE	42.00	42.00	0.0

- The Executive recommendation reflects a General Fund decrease of \$286.0 from FY09 operating levels.
- The recommendation provides an increase in the personal services and benefits category of \$53.1 to provide for the current level of staffing with a 2% vacancy factor and for increases in General Services Department premiums.
- A decrease of \$262.5 is recommended in the other costs category for savings associated with the migration from the Treasury Reconciliation Accounting and Cashiering System (TRACS) system to the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) while providing for increased QED and Bloomberg subscription rates.
- The Executive recommendation provides for an expansion of \$41.0 in fee revenue for a Bloomberg station and analytical tools to support the local government investment pool.

Agency Mission and Program Purpose

The mission of the State Treasurer's Office (STO) is to provide the most proficient, efficient, effective, and productive banking services with full transparency to all internal and external customers.

The State Treasurer is an elected, constitutional officer of the Executive branch of government, per Article V, Section 1, of the New Mexico Constitution. The State Treasurer is entrusted with receiving, keeping and disbursing all state monies, unless otherwise provided by law, essentially acting as the state's banker.

The State Treasurer processes warrants and accounts for cash receipts and disbursements by state agencies. As authorized by law, the State Treasurer invests funds not immediately required for the operation of state government in income-earning securities and contracts to enhance General Fund investment revenue, while ensuring safety of the funds. The agency also manages the State Bond Pool and the Local Government Investment Pool, a short-term investment fund that provides an investment alternative for local government entities and Indian tribes and pueblos.

By statute, the State Treasurer serves as a member of the State Board of Finance, State Investment Council, Small Business Investment Corporation, Public Employees Retirement Board, Educational Retirement Board, New Mexico Retiree Health Care Authority, New Mexico Educational Assistance Foundation, New Mexico Mortgage Finance Authority, Capital Building Planning Commission, and Martin Luther King, Jr. Commission.

Statutory Authority: Article V of the New Mexico Constitution; and Sections 6-1-13, 6-6-8-6, 6-8-11, 6-10-10, 6-10-25 through 6-10-29, 6-10-37, 7-27-24 and 7-27-25, 8-6-1 through 8-6-7, 29-4-5, and 58-18-4 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The State Treasurer aims to improve fiscal responsibility and restore confidence in the office by working to improve investment practices and banking operations. The State Treasurer will continue to focus attention on oversight, transparency, and improved internal controls over investment activities through technology and staff enhancements.

Key Elements of Recommendation

The Executive recommends a decrease of \$286.0 from the General Fund for FY10. The recommendation provides an increase in the personal services and benefits category of \$53.1 to fund STO's current level of staffing with a 2% vacancy factor and for increases in General Services Department risk premiums. Contractual services reflect a decrease of \$51.6 from the current FY09 operating level associated with reductions in attorney fees, audit and information technology services. A decrease of \$262.5 is recommended in the other costs category from savings associated with the migration from the Treasury Reconciliation Accounting and Cashiering System (TRACS) to the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) system while providing for increases in QED and Bloomberg subscription rates. The Executive recommendation also supports increases in operating costs including fuel, postage and rent. The Executive recommendation provides for an expansion of \$41.0 in fee revenue from local government investment pool fees, which were increased during the last legislative session and are effective January 1, 2009. The fees will be used for a Bloomberg station and analytical tools to support the local government investment pool.

Performance Report

The State Treasurer's Office met or exceeded all but two of its performance measure targets. The target for the percent increase of local government investment pool average balance over the prior fiscal year end was substantially exceeded. The State Treasurer's Office also substantially exceeded targets for the two measures relating to performance of the local government investment pool and the General Fund core portfolio. STO did not meet the goal for maximum number of audit findings at three with a result of 16. This was due to problems encountered by STO as part of the transition to the SHARE system. Specific issues included: lack of training in SHARE; errors in posting investment activity; and turnover in staff in the Finance and Investment Divisions. In an effort to minimize audit findings in the future, STO has implemented a new investment transaction matrix which includes new transaction guidance and establishes reconciliation procedures for all divisions. These new processes are in addition to a better understanding of, and more training in SHARE, and

better communication between all divisions. STO anticipates that the annual audit will be completed in a timely manner for fiscal year 2008. The transaction matrix, developed in conjunction with DFA, incorporates the needs of both agencies for reporting and auditing purposes. New business practices will continue to be established, and policies and procedures will be developed and revised to improve the accounting, reporting, and auditing processes. STO also failed to meet the target for percent of employees rating their employment experience satisfactory or better in annual survey. The result can be attributed to ongoing transition issues associated with a change in leadership and administration.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	4,285.8	4,580.1	4,294.1	-286.0	-6.2
Other Transfers	0.0	0.0	41.0	41.0	***
Federal Revenues	4.2	20.0	4.0	-16.0	-80.0
TOTAL SOURCES	4,290.0	4,600.1	4,339.1	-261.0	-5.7
USES					
Personal Services and Employee Benefits	3,163.4	3,240.4	3,293.5	53.1	1.6
Contractual Services	380.1	421.0	369.4	-51.6	-12.3
Other	730.9	938.7	676.2	-262.5	-28.0
TOTAL USES	4,274.4	4,600.1	4,339.1	-261.0	-5.7
FTE					
Permanent	42.00	42.00	42.00	0.00	0.0
TOTAL FTE POSITIONS	42.00	42.00	42.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
State Treasurer's Office					
To provide a financial environment that maintains maximum accountability for receipt, investment, and disbursement of public funds to protect the financial interests of New Mexico citizens.					
Outcome	Percent of employee development and appraisal assessments closed out by the deadline	80%	100%	80%	100%
Outcome	One-year annualized investment return on local government investment pool to exceed internal benchmark, in basis points	5	17	5	5
Outcome	Percent of agencies rating overall satisfaction with state investment office services as good or better in annual survey	80%	90%	80%	90%
Outcome	One-year annualized investment return on general fund core portfolio to exceed internal benchmarks, in basis points	5	12	5	5
Outcome	Percent of employees rating their employment experience satisfactory or better in annual survey	80%	66%	80%	80%
Outcome	Number of outstanding agency bank transactions unreconciled after seven days, at month end	0	N/A	0	0
Outcome	Percent increase of local government investment pool average balance over the prior fiscal year end	10%	29%	10%	10%
Outcome	Maximum number of audit findings	3	16	3	3

Executive Summary

The Board of Examiners for Architects regulates architectural services and the architectural profession in the interest of public health, safety and the protection of property.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	353.9	368.6	4.2
Program			
Board of Examiners for Architects	353.9	368.6	4.2
Total Uses	353.9	368.6	4.2
FTE	4.00	4.00	0.0

- The Executive recommendation provides for an overall increase of \$14.7 to support personal services.

Agency Mission and Program Purpose

The Board of Examiners for Architects prescribes regulations regarding the professional and technical qualifications necessary for the practice of architecture in New Mexico. The board has the power to subpoena witnesses, administer oaths and take testimony concerning matters within its jurisdiction.

In regulating the architectural profession, the board administers licenses and provides updated information to the general public on how to hire an architect. There are over 2,000 registered architects in New Mexico. The board also works with collateral organizations, such as the Regulation and Licensing Department Construction Industries Division, to develop standards related to the practice of architecture.

Statutory Authority: Section 61-15-1 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The board's strategic direction continues to be ensuring that practicing architects comply with New Mexico standards and statutes through licensure and investigation of complaints.

Key Elements of Recommendation

The Executive recommendation provides an increase of \$14.7 to support personal services, related benefits and increased costs to maintain current level of services. The increase would fall within the board's annual recurring revenues. The board has maintained a flat budget for the last five years and now an increase is necessary to continue current levels of service.

Performance Report

The board met all of its FY08 targets. Registration numbers for the year were 2,087, which exceeded the target of 2,020. Board staff also reduced the average number of days for preliminary investigations to 10.4. Whenever possible, the board continues to facilitate settlement agreements with respondents in order to reach an equitable resolution while avoiding the costs of administrative hearings.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
Other Revenues	675.2	80.0	368.6	288.6	360.8
Fund Balance	122.0	273.9	0.0	-273.9	-100.0
TOTAL SOURCES	797.2	353.9	368.6	14.7	4.2
USES					
Personal Services and Employee Benefits	254.0	255.2	259.4	4.2	1.6
Contractual Services	11.1	14.4	14.4	0.0	0.0
Other	81.2	84.3	94.8	10.5	12.5
TOTAL USES	346.3	353.9	368.6	14.7	4.2
FTE					
Permanent	4.00	4.00	4.00	0.00	0.0
TOTAL FTE POSITIONS	4.00	4.00	4.00	0.00	0.0

Performance Measures

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Board of Examiners for Architects					
To provide architectural registration to approved applicants so they can practice architecture.					
Output	Number of registration applications processed	2,020	2,087	2,020	2,100
Outcome	Percent of registrants audited to ensure compliance with continuing education requirements	2%	2%	2%	2%
Output	Number of days after the receipt of a complaint to process and deliver the complaint to the enforcement subcommittee	60	10.4	10	10

Executive Summary

The Border Authority provides leadership in development of infrastructure on both sides of the New Mexico-Mexico border that will foster an increase in trade activity at federal ports of entry.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	575.1	546.3	-5.0
Total Sources	575.1	546.3	-5.0
Program			
Border Authority	575.1	546.3	-5.0
Total Uses	575.1	546.3	-5.0
FTE	5.00	5.00	0.0

- The Executive recommendation reflects a decrease of \$28.8 from the FY09 operating level.

Agency Mission and Program Purpose

The Border Authority provides leadership in development of infrastructure on both sides of the New Mexico-Mexico border. This will foster an increase in trade activity at federal ports of entry by serving as a point of contact for those interested in opportunities related to shipping or crossing international trade goods through the ports. The authority will continue to do this by working closely with the trade community, local government jurisdictions and the federal border enforcement agencies, not only in the United States (U.S.), but also in the State of Chihuahua and in Mexico City.

Statutory Authority: Sections 58-27-1 through 58-27-26 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The New Mexico Border Authority's strategic plan for FY10 continues to develop and expand trade relations with Mexico. The agency's strategic plan incorporates the development of all three border corridors – Antelope Wells, Columbus, and Santa Teresa. Plan implementation will be accomplished in partnership with public and private stakeholders in each of the corridors and neighboring Mexico. The agency will continue its ongoing efforts to develop the ports and their infrastructure; maintain and expand its relationships with the Chihuahua state government and Mexican federal government; and continue as ombudsman for the trade community and border travelers. As part of the agency's expanded mandate, the Border Authority will also aggressively promote and market the border corridors to increase trade and port traffic. The Border Authority is the lead state agency for the Santa Teresa Rail Bypass Project – a bi-national effort to relocate the regional rail interchange with Mexico from downtown El Paso/Cuidad Juarez to Santa Teresa.

Key Elements of Recommendation

The Executive recommends a \$28.8 decrease in FY10 in contractual services. The personal services and employee benefits category fell by \$2.4 due to a decrease in the unemployment compensation and employee liability rates. The difference was budgeted for travel costs for port advisory committee meetings.

Performance Report

The Border Authority met target levels for three of four performance measures. Annual trade share of New Mexico ports is based on data provided by the federal government which showed that trade processed at New Mexico ports in FY08 was valued at approximately \$1.551 billion, a 14% increase from the previous year. New Mexico's portion of the regional trade share, 2.9%, increased slightly, exceeding the target of 2.8%, as robust growth continued throughout the Paseo del Norte region. Even so, the Border Authority believes the data to be incomplete and unreliable because it understates several of the large volume products known to cross at the Santa Teresa port. The authority has contracted a private company to survey the count of commercial and non-commercial traffic, both north and south bound, in order to get more accurate data.

The percent of program objectives obtained met the 90% target level. The coordination level between the agency and the trade community, federal, state, local, and Mexican officials remains high, with continuing positive results. Contact with stakeholders continues to increase. The number of coordination meetings easily surpassed the target level of 175 and the target for FY10 has been increased accordingly. The agency met with local, state, and federal agencies on both sides of the border, with three stakeholder railroads and with the congressional delegation to develop an international consensus and a plan for an international rail crossing at Santa Teresa. In addition, the Border Authority continued its very successful ports advisory committee meetings, bringing together the trade community from both sides of the border with representatives of the Mexican and U.S. consulates, Mexican and U.S. agencies operating at the border at the local, state, and federal levels, as well as developers.

Cooperation from state and federal agencies on both sides of the border is excellent, but ever increasing security requirements on the U.S. side places strain on quick and efficient border crossings. Northbound port crossings in FY08 totaled 748,656, a 7.5% decrease from the previous year. While commercial crossings increased to historic highs at both Columbus and Santa Teresa, non-commercial crossings decreased sharply at Columbus and remained steady at Santa Teresa. The decline in non-commercial traffic was directly attributable to the surge in cartel related violence.

Budget Summary Tables**Agency Budget Summary
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar/FTE</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	521.3	575.1	546.3	-28.8	-5.0
TOTAL SOURCES	521.3	575.1	546.3	-28.8	-5.0
USES					
Personal Services and Employee Benefits	367.1	385.9	383.5	-2.4	-0.6
Contractual Services	20.0	76.0	47.2	-28.8	-37.9
Other	113.7	113.2	115.6	2.4	2.1
TOTAL USES	500.8	575.1	546.3	-28.8	-5.0
FTE					
Permanent	5.00	5.00	5.00	0.00	0.0
TOTAL FTE POSITIONS	5.00	5.00	5.00	0.00	0.0

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Border Authority					
To encourage and foster trade development between New Mexico and Mexico by developing port facilities and infrastructure at international ports-of-entry; attracting new industries and business to the New Mexico border; and assisting industries, businesses, and the traveling public in their efficient and effective use of ports and related facilities.					
Outcome	Annual trade share of New Mexico ports within the west Texas and New Mexico region	2.8%	2.9%	3.0%	3.1%
Outcome	Percent of program objectives obtained as a result of direct agency interaction with the border trade community, both public and private sector	90%	90%	92%	92%
Output	Number of coordination meetings with border community leaders, congressional offices, Mexican federal agencies, federal and state agencies or international funding resources to maintain integrity of the international border in New Mexico	175	240	250	260
Explanatory	Commercial and non-commercial vehicular port traffic at New Mexico ports	750,000	748,656	860,000	800,000

Executive Summary

The mission of the Tourism Department is to market New Mexico as an enchanting visitor destination to the world and increase the number of tourists visiting New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	11,790.0	11,575.5	-1.8
Total Sources	17,604.3	18,054.9	2.6
Program			
New Mexico Magazine	4,438.5	4,538.2	2.2
Program Support	2,350.6	2,584.4	9.9
Tourism Development	2,816.2	2,853.3	1.3
Marketing and Promotion	7,425.8	7,534.5	1.5
Sports Authority	573.2	544.5	-5.0
Total Uses	17,604.3	18,054.9	2.6
FTE	86.50	86.50	0.0

- The Executive recommendation reflects a decrease of \$214.5 in General Fund from the FY09 operating level.
- The recommendation includes an expansion of \$500.0 from the New Mexico Magazine fund balance for advertising.

Agency Mission and Program Purpose

The Tourism Department: develops a coordinated, statewide approach to tourism activities; serves as a comprehensive source of information and assistance to tourism-related businesses wishing to locate, expand or do business in New Mexico; provides a database for local and regional tourism groups through information available in-house and on its website; monitors the progress of state-supported tourism activities; and prepares annual reports on tourism activities, including the status and impact of such activities.

Statutory Authority: Sections 9-15A-1 through 9-15A-9 NMSA 1978.

New Mexico Magazine

The New Mexico Magazine produces and publishes a monthly magazine that highlights New Mexico's natural assets and diverse culture. It is also used as a tool for marketing and promoting New Mexico's products. The program partners in the publication of *Hello New Mexico* (a new publication targeting a younger audience), the *New Mexico Vacation Guide*, international vacation guides and the *Outdoor Recreation Guide*. The Magazine sells products including books and calendars through its on-line catalog, print catalog and other retail outlets. The New Mexico Magazine is funded entirely with enterprise program revenue.

Program Support

Program Support includes the cabinet secretary, deputy secretary for Finance and Administration, deputy secretary for International Tourism, the information systems manager and the

Administrative Services Division. The program provides timely processing of documentation pertaining to the operations of the department and ensures compliance with state and federal rules governing business practices. Program Support is responsible for the annual audit and all accounting and personnel functions.

Tourism Development

The Tourism Development Program promotes the development and growth of tourism efforts and activities around the state. The program's cooperative advertising component conducts outreach activities to enhance community, local and regional marketing efforts. It also provides matched funds to tourism-related non-profit organizations and local and tribal governments to promote New Mexico as a tourist destination. The program complements the other local marketing plans and helps pay for direct advertising, which includes print, broadcast and billboard advertising, printing of promotional brochures, website development and trade show participation.

The Indian tourism component of the Outreach Program assists in promoting Indian tourism to the degree and in the manner desired by individual tribal governments and Native American organizations. It coordinates its activities through consultation with New Mexico's 22 tribes and Native American Indian organizations throughout the state. It conducts regular outreach activities, assists in data collection and analysis and aims to secure equitable Native American representation.

The New Mexico Scenic Byways, recently transferred to the Tourism Department from the Department of Transportation, is designed to encourage visitors and residents to explore the state's scenic byways so that they can discover the spirit and history of the state New Mexicans call the Land of Enchantment. Various roads throughout New Mexico are nominated for designation as scenic byways by communities interested in recognizing stretches of road notable for their archaeological, recreational, natural, scenic, historic and cultural qualities. Many of these byways are designed as loop tours. This provides ease of travel and a ready-made itinerary based on New Mexico's outstanding attractions.

Marketing and Promotion

The Promotion Program includes the media relations and tour trade components of the Department. The media relations component directs and manages all internal and external communications and distributes press kits, news releases and travel information to domestic and international travel media. The tour trade development component coordinates all North American and international travel agent and tour operator tourism and participates in domestic and international trade conventions, trade shows and sales missions.

Sports Authority

The New Mexico Sports Authority seeks to increase the number of athletic venues that utilize the facilities and climate available in the State of New Mexico.

Executive Recommendation

Agency Strategic Directions

The Tourism Department supports the Executive's performance and accountability policy initiative *Promoting and Growing New Mexico* by promoting increased tourism to the state. The number of

tourists visiting New Mexico and the duration of their visit is directly linked to the success of the state's economy, particularly in retail trade and services industry.

New Mexico Magazine. The magazine will continue to publish monthly features on topics from around the state including New Mexico's multicultural heritage, arts, climate, food, environment and the uniqueness of New Mexico and its people. Ancillary product revenue grew by 22% due to the increase in the number and variety of the products offered.

Program Support. The program continues to support the department's strategic initiatives and is working closely with the tourism industry in its effort to gain a permanent source of funding for advertising dollars to compete in the highly competitive tourism market. The division provides administrative support to the department's programs and personnel so that they may be successful in implementing and achieving their strategic initiatives.

Tourism Development. The Tourism Development Program promotes the development and growth of tourism products and activities around the state of New Mexico. The program will continue to work with communities to develop new products and travel experiences and administer grant funds in cooperation with communities, local governments, tribal governments, American Indian organizations and industry professionals. It will focus on offering visitors new reasons to come to New Mexico to attract new and repeat visitors.

Marketing and Promotion. The Marketing and Promotion Program will continue to create and maintain a brand for the state and increase in-state, national, and international awareness of New Mexico. The program is designed to influence in-state, domestic, and international markets to directly affect the positive growth and development of New Mexico as a top tourism destination with the goal of increasing its visitation by five percent over the next five years.

New Mexico Sports Authority. The New Mexico Sports Authority will continue to recruit and retain all forms of professional and amateur sporting events. New events brought to the state over the past year included the American Junior Golf Association New Mexico Open, Don Mattingly World Series, and numerous BMX events that took place in Albuquerque. The Indigenous Soccer Cup in Las Cruces brought in Native American teams from all over the country including Canada. The Sky City Classic brought in small colleges from around the state to play in a basketball tournament at Grants High School. An exhibition tennis match between legend Pete Sampras and current American star Sam Querrey was one of the Sports Authority's premier events this year.

Key Elements of Recommendation

The Executive recommendation includes an expansion of \$500.0 for advertising in the Marketing and Promotion program funded from the New Mexico Magazine fund balance. The Executive recommendation also includes a 2% vacancy factor in Marketing and Promotion which results in an overall General Fund decrease of 1.8%.

The Executive supports a 9.4% increase in other transfers in the Tourism Development Program that relates directly to the permitting and registration of off-highway vehicles and "clean and beautiful" fees collected by the Taxation and Revenue Department. This source of revenue is expanding due to increased off-highway vehicle registrations and the associated fees.

The Executive supports a 1.0% increase in other revenues as a direct result of escalating New Mexico Magazine sales. Subscriptions are on the rise and the Executive supports increased revenues based on these increased sales figures.

Performance Report

The New Mexico Magazine program met two of six performance measures. Website sales are low due to the newness of the site. The target for FY10 has been lowered to a more realistic level. The relative circulation rate continues to hold steady in an increasingly competitive market. Net acquisition cost per subscriber has risen and costs are up 3% per package. Advertising revenue per issue fell in FY08 as advertisers have cut back due to the downturn of the economy.

The Tourism Development Program met three of its seven performance measures in FY08 and added two new measures in FY10. The new federal application process made it more difficult to apply for federal grants and the schedule was released late which made the application deadline more difficult to meet. The number of cooperative advertising applications received failed to reach the target. The measure was not met because the option of submitting a partnered application has been over-shadowed by an assumption in the grant community that individual entities will receive less funding when collaborating with other entities. In FY10 the partnered application option will be revised and an assertive effort will be made to promote the option to potential applicants. The number of off-highway vehicle trails developed did not meet the FY08 target level. The division is working towards meeting this measure by focusing on addressing fundamental issues such as safety, rule implementation, permit sales and strategic planning. The number of distribution channels for purchase of out-of-state off-highway vehicle permits did not reach the FY08 intended target level because not all visitor information centers are selling permits as previously reported. The program is working to add those centers currently not selling permits, as well as adding pilot sales centers such as the Red River Chamber of Commerce and online sales.

The Marketing and Promotion program met 11 out of 16 performance measures in FY08. The number of visits to visitor information centers and the percent change in attendance at these centers fell short of their intended FY08 targets due to construction at two of the largest centers. The number of domestic and international qualified leads generated fell short of the target level due to a change in the definition of a qualified lead. A qualified lead is now counted when it is determined that there is actual business and the intention to bring business to New Mexico. The print conversion study was not conducted in FY08 because it is reflected in the broadcast conversion rate.

Recommended Language for the General Appropriation Act

The other state funds appropriation to the marketing and promotion program of the tourism department in the other category includes five hundred thousand dollars (\$500,000) for advertising from the new mexico magazine fund.

Budget Summary Tables

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Budget to Recommendation Percent Change</u>
SOURCES					
General Fund Transfers	11,286.8	11,790.0	11,575.5	-214.5	-1.8
Other Transfers	1,170.2	1,290.8	1,412.5	121.7	9.4
Other Revenues	4,396.3	4,523.5	4,566.9	43.4	1.0
Fund Balance	0.0	0.0	500.0	500.0	***
TOTAL SOURCES	16,853.3	17,604.3	18,054.9	450.6	2.6
USES					
Personal Services and Employee Benefits	4,429.0	5,146.5	5,275.7	129.2	2.5
Contractual Services	1,516.0	1,648.4	2,190.2	541.8	32.9
Other	10,908.3	10,809.4	10,589.0	-220.4	-2.0
TOTAL USES	16,853.3	17,604.3	18,054.9	450.6	2.6
FTE					
Permanent	80.50	85.50	85.50	0.00	0.0
Term	0.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	80.50	86.50	86.50	0.00	0.0

New Mexico Magazine
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Budget to Recommendation Percent Change</u>
SOURCES					
Other Revenues	4,311.3	4,438.5	4,538.2	99.7	2.2
TOTAL SOURCES	4,311.3	4,438.5	4,538.2	99.7	2.2
USES					
Personal Services and Employee Benefits	1,143.9	1,163.8	1,196.3	32.5	2.8
Contractual Services	972.9	952.9	971.1	18.2	1.9
Other	2,194.5	2,321.8	2,370.8	49.0	2.1
TOTAL USES	4,311.3	4,438.5	4,538.2	99.7	2.2
FTE					
Permanent	17.00	17.00	17.00	0.00	0.0
TOTAL FTE POSITIONS	17.00	17.00	17.00	0.00	0.0

		Program Support (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	2,015.9	2,350.6	2,584.4	233.8	9.9
	TOTAL SOURCES	2,015.9	2,350.6	2,584.4	233.8	9.9
USES						
	Personal Services and Employee Benefits	941.6	1,417.3	1,459.7	42.4	3.0
	Contractual Services	91.9	76.8	34.4	-42.4	-55.2
	Other	982.4	856.5	1,090.3	233.8	27.3
	TOTAL USES	2,015.9	2,350.6	2,584.4	233.8	9.9
FTE						
	Permanent	14.00	19.00	19.00	0.00	0.0
	TOTAL FTE POSITIONS	14.00	19.00	19.00	0.00	0.0

		Tourism Development (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	1,522.4	1,525.4	1,440.8	-84.6	-5.5
	Other Transfers	1,170.2	1,290.8	1,412.5	121.7	9.4
	TOTAL SOURCES	2,692.6	2,816.2	2,853.3	37.1	1.3
USES						
	Personal Services and Employee Benefits	422.6	482.6	500.0	17.4	3.6
	Contractual Services	175.0	175.0	276.0	101.0	57.7
	Other	2,095.0	2,158.6	2,077.3	-81.3	-3.8
	TOTAL USES	2,692.6	2,816.2	2,853.3	37.1	1.3
FTE						
	Permanent	7.00	7.00	7.00	0.00	0.0
	TOTAL FTE POSITIONS	7.00	7.00	7.00	0.00	0.0

		Marketing and Promotion (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	7,245.3	7,340.8	7,005.8	-335.0	-4.6
	Other Revenues	85.0	85.0	28.7	-56.3	-66.2
	Fund Balance	0.0	0.0	500.0	500.0	***
	TOTAL SOURCES	7,330.3	7,425.8	7,534.5	108.7	1.5
USES						
	Personal Services and Employee Benefits	1,700.8	1,841.7	1,910.9	69.2	3.8
	Contractual Services	274.7	367.2	842.2	475.0	129.4
	Other	5,354.8	5,216.9	4,781.4	-435.5	-8.3
	TOTAL USES	7,330.3	7,425.8	7,534.5	108.7	1.5
FTE						
	Permanent	39.50	39.50	39.50	0.00	0.0
	Term	0.00	1.00	1.00	0.00	0.0
	TOTAL FTE POSITIONS	39.50	40.50	40.50	0.00	0.0

Sports Authority
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	503.2	573.2	544.5	-28.7	-5.0
TOTAL SOURCES	503.2	573.2	544.5	-28.7	-5.0
USES					
Personal Services and Employee Benefits	220.1	241.1	208.8	-32.3	-13.4
Contractual Services	1.5	76.5	66.5	-10.0	-13.1
Other	281.6	255.6	269.2	13.6	5.3
TOTAL USES	503.2	573.2	544.5	-28.7	-5.0
FTE					
Permanent	3.00	3.00	3.00	0.00	0.0
TOTAL FTE POSITIONS	3.00	3.00	3.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
New Mexico Magazine					
To produce a monthly magazine and ancillary products for a state and global audience so that the audience can learn about New Mexico from a cultural, historical, and educational perspective.					
Outcome	Relative qualified circulation	+/-1%	-1%	+/-1%	+/-1%
Output	Advertising revenue per issue, in thousands	\$120.6	\$112.3	\$125.0	\$113.0
Efficiency	Net acquisition cost per subscriber	\$1.84	\$7.96	\$1.5	\$1.84
Outcome	Circulation rate	118,000	105,665	109,000	106,000
Output	Collection rate	98.5%	99.1%	98.5%	98.5%

Program Support

To provide administrative assistance to support the department's programs and personnel so they may be successful in implementing and reaching their strategic initiatives and maintaining full compliance with state rules and regulations.					
Efficiency	Number of repeat audit findings	0	0	0	0
Efficiency	Number of audit findings	0	0	0	0
Outcome	Acceptance rate of payment vouchers		95%	95%	95%
Explanatory	Percent of administrative costs of overall agency operating budget	12%	12%	12%	12%
Output	Number of payment vouchers processed weekly		100	100	100

Tourism Development

To provide constituent services for communities, regions, and other entities, so that they may identify their needs and assistance can be provided to locate resources to fill those needs whether internal or external to the organization.					
Outcome	Number of active New Mexico community scenic byway organizations	22	16	23	16
Efficiency	Number of off-highway vehicle trails developed	3	0	3	3
Outcome	Number of anti-litter educational outreach events				
Outcome	Number of distribution channels for purchase of out-of-state off-highway vehicle permits	23	15	20	20
Output	Number of out of state off-highway vehicle permits sold	1,500	2,852	1,500	2,852
Outcome	Number of partnered cooperative advertising applications received	35	15	35	35
Output	Number of New Mexico communities and volunteers involved with New Mexico clean and beautiful clean-up events	63/30,000	63/23,406	63/30,000	63/30,000
Outcome	Value of matching dollars and in-kind contributed by tribes to promote joint Indian tourism activities	\$130.0	\$131.0	\$135.0	\$130.0

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Marketing and Promotion					
To produce/provide collateral, editorial, and special events for the consumer and trade so that they may increase their awareness of New Mexico as a premier tourist destination.					
Outcome	New Mexico's domestic tourism market share	1.2%	1.2%	1.25%	\$1.25
Output	Print advertising conversion rate	25%		25%	
Output	Broadcast conversion rate	34%	34%	34%	34%
Explanatory	Number of visits to visitor information centers	1,096,594	682,066	1,100,000	1,100,000
Explanatory	Unique visitors	3,200,000	3,282,447	3,700,000	3,700,000
Outcome	Percent change in visits to New Mexico visitor information centers	1.0%	-38.0%	1.20%	1.20%
Quality	Number of domestic qualified leads generated	9,400	3,933	9,500	1,500
Output	Web site conversion rate		48%		48%
Outcome	Average wait time for vacation guide, in days	11	11	11	11
Quality	Number of stories placed in the media	160	606	170	170
Quality	Number of international qualified leads generated	11,900	4,100	12,000	4,100
Outcome	Percent increase in lodger's tax revenue	0.50%	0.50%	0.50%	0.50%
Outcome	Number of stories featured in the media as a result of external efforts	160	268	580	300
Efficiency	Number of return visitors to New Mexico	17,710,021	17,800,000	17,800,000	17,800,000
Outcome	Economic impact of tourism in the state of New Mexico, in billions	\$5.10	\$5.10	\$5.10	\$5.10
Sports Authority					
The New Mexico Sports Authority seeks to increase the number of athletic venues which utilize the facilities and climate available in the State of New Mexico.					
Output	National television audience share for New Mexico bowl	2.5	2.5	2.5	2.5
Output	Through New Mexico tourism sponsorships; number of New Mexico communities hosting minor/major sporting events	2	2	2	2
Outcome	Number of new minor sporting events attracted to New Mexico	7	10	7	7
Output	Attendance at New Mexico bowl	25,000	30,000	25,000	27,000
Outcome	Number of new major sporting events attracted to New Mexico	1	1	1	1

Executive Summary

The mission of the Economic Development Department is to help create well-paying jobs that expand the economic base throughout New Mexico.

	FY09 Operating Budget	FY10 Recommendation	% Change
General Fund	10,128.5	9,611.0	-5.1
Total Sources	10,228.5	9,611.0	-6.0
Program			
Economic Development	4,079.7	3,697.7	-9.4
Film	1,577.8	1,479.0	-6.3
Trade with Mexico	564.9	523.9	-7.3
Program Support	3,729.6	3,639.9	-2.4
Technology Commercialization	276.5	270.5	-2.2
Total Uses	10,228.5	9,611.0	-6.0
FTE	70.00	70.00	0.0

- The Executive recommendation reflects a decrease of \$517.5 in General Fund from the FY09 operating level.

Agency Mission and Program Purpose

The Economic Development Department (EDD) facilitates business opportunities and growth throughout the state. EDD provides a wide range of services for New Mexico businesses and communities, as well as information for corporations considering a relocation or expansion into the state.

Statutory Authority: Sections 9-15-1 through 9-15-51 NMSA 1978.

Economic Development

The Economic Development Program, EDD's largest program, provides three primary services. Business development manages retention and expansion of existing business and the relationships between communities and prospective relocating businesses. Community development representatives provide: technical assistance in communities or organizations starting an economic development program; strategic planning for community development; and access to state programs and incentives through the Community Development Revolving Loan Fund, cooperative advertising, and the Certified Communities and MainStreet programs. The primary goal of the International Trade Division, created on July 1, 2005, is to increase exports from the state of New Mexico to other countries. Services include business-to-business matchmaking, support in the areas of country and market intelligence and export requirements, and the promotion of reverse trade missions to the state. Within its responsibilities are the management of two overseas offices and the creation of a network throughout the world and with other state agencies on which New Mexico businesses can rely on for assistance.

Film

The Film Program creates jobs and economic opportunities by increasing film activity in New Mexico. The Film Program focuses on the Los Angeles studio system and independent film markets through tradeshows, sales calls and film festivals. Parallel to this marketing effort is a focus on building up New Mexico film crews and filmmakers, primarily through two workforce programs: an on-the-job training program advancing crew skills, and an entry-level program with the International Alliance of Theatrical Stage Employees Local 480 and four educational institutions around the state. Both programs are designed to train individuals to work in the burgeoning New Mexico film and media industry.

Trade with Mexico

The Trade with Mexico Program increases the dollar value of exports from New Mexico to Mexico and creates the infrastructure for economic growth in the southern part of the state. The primary means of accomplishing this goal are the Maquila Supplier Program and the increase of border infrastructure. The Maquila Supplier Program is administered through the Mexican Affairs Office. This program works directly with maquiladoras (Mexican manufacturing plants) in Chihuahua, developing strong relationships with the maquiladora managers so that those managers will encourage their U.S.-based suppliers to develop manufacturing and distribution locations in southern New Mexico. The impact from this program has been \$351 million in New Mexico exports to Mexico according to EDD statistics.

The first step of the border infrastructure plan is to relocate the Ferromex railroad lines running through Ciudad Juarez to a junction with the Union Pacific near the Santa Teresa, New Mexico area. Step two is to relocate Union Pacific rail yards from El Paso, Texas to Santa Teresa, allowing increased intercontinental and inter-modal rail traffic. The last step is to relocate Burlington Northern Santa Fe rail lines from El Paso to Santa Teresa, providing a direct connection for increased international traffic with Ferromex.

Program Support

Program Support provides central direction to the department's management processes and fiscal support to its programs in order to ensure compliance with all legal requirements and fiscal responsibilities. The program is composed of the Office of the Secretary and the Administrative Services Division.

Technology Commercialization

The Technology Commercialization Program positions New Mexico as the place where profitable opportunities exist within niches of biosciences, micro-systems and alternative energy. The niche focus is the key to the achievement of this goal. New and emerging technologies have the potential of transforming industry by creating new products and services, improving production processes and accelerating the pace of innovation. All this can lead to new, high-paying jobs for New Mexicans.

Executive Recommendation*Agency Strategic Directions*

Economic Development Division (EDD). The EDD has two approaches to creating jobs and wealth in New Mexico: growing communities and growing businesses. The following strategies facilitate the creation, retention and expansion of jobs, which will improve the quality of life for New Mexico citizens.

Growing Communities Initiatives:

- The regional representatives coach small communities on how to implement strategies and market their assets to attract new business. Certification by the Economic Development Commission requires that communities go through a rigorous application process to verify that communities have completed certain tasks and are ready for new projects. The regional representatives work closely with the communities to assist them in this process. Upon certification, a community receives \$5,000 a year for two years to be used for economic development efforts. The community also receives a \$3,000 credit towards its cooperative advertising award. Most importantly, the community can market itself as a "certified community." A certified community designates that community as an area that has the capacity for growth resulting from new business relocation.
- The Cooperative Advertising Program helps non-profit organizations in New Mexico maximize their advertising dollars by providing matched funds to communities with qualified marketing plans. The awards, which are based on competitive proposals, are used to assist economic development initiatives throughout New Mexico.
- Native American Programs. EDD works closely with Native American communities to raise the standard of living on tribal land in a manner that respects tradition and culture. The Business Incubator Program recently provided a \$10,000 grant for a feasibility study addressing an incubator in Pojoaque Pueblo.
- New Mexico MainStreet is working with 28 local non-profits to help re-energize the central business districts economic engines. The program provides consulting and support in the areas of urban design, architectural improvements, organizational development, marketing, promotions, fund raising and market analysis.

Growing Business Initiatives:

- SMART Money is the joint initiative between New Mexico Finance Authority and the Economic Development Department to provide financing to private projects in rural New Mexico. Modeled after the federal "504" loan program, SMART money works with local banks to guarantee loans for new and growing businesses.
- New Mexico 9000 enables businesses to obtain ISO 9000 certification at an extremely low cost in only one year. Trained professionals with extensive experience in ISO implementation conduct 17 three-hour workshops. The workshops cover an interpretation of the standard, ISO 9001:2000, procedure writing, and consulting on business-specific ISO compliance issues at a fraction of the cost and time to accomplish the certification without this program's assistance.
- The Job Training Incentive Program (JTIP) is among one of the most aggressive job training programs in the country. JTIP reimburses an expanding or relocating business for up to 70% of the cost of job training for as long as six months. In recent years, the program expanded

to include renewable energy generators, film production companies, and non-retail service companies that receive more than 50% of their revenue from outside the state. Companies in economically-distressed areas may receive an additional 5% reimbursement of their training costs.

- The New Mexico Economic Development Partnership (EDP) markets New Mexico as a prime location for doing business to companies across the country and around the world. The partnership has proven to be extremely important to New Mexico's small communities that do not have the resources to promote themselves outside the state.

New Mexico Film Office (NMFO). The New Mexico Film Office focuses its efforts on recruiting and servicing new film and television projects, and on expanding the workforce in order to keep up with the current industry demand. In an effort to grow and sustain New Mexico's film industry, specialized training is being developed for our indigenous talent in the areas of directing, writing and producing. The Film Office is implementing outreach programs to educate New Mexico's youth in the various careers available in the film industry. Initiatives include the Film Technicians' Training Program; the Film Crew Advancement Program; the New Mexico Filmmakers' Program including the Governor's Cup; New Visions Contract Awards; Hispanic and Native American Filmmakers' Programs; an extensive resource center; a state-of-the-art digital location library; and the Governor's Council on Film and Media Industries.

Office of Mexican Affairs (OMA). The Office of Mexican Affairs works with businesses seeking to do business in Mexico. OMA also plans and staffs the annual Border Governors' Conference, the Chihuahua Commission and the annual "Buyer-Meet-the-Supplier" event, which promotes trade between Mexican and New Mexican businesses.

The Office of International Trade developed a plan that focuses on two key aspects: client consulting and trade promotion. International business is highly competitive and the EDD has committed to developing client-focused programs that produce results for New Mexico business. Trade promotion consists of activities such as trade missions and trade shows that create direct dialogue between New Mexican and foreign companies.

Office of Science and Technology (OST) partners with the state's two national laboratories, Sandia and Los Alamos, and its research universities and other innovation-driven institutions to drive technology-based economic development. The program also administers the Angel Investment Tax Credit, works with the Governor's Office on the Supercomputing Initiative, and assists in the development of technology-driven industries throughout the state.

Key Elements of Recommendation

The Executive recommendation decreases the General Fund budget by \$517.5 in FY10. The Executive recommendation budgets General Services Department (GSD) and Department of Information Technology rates at the published amounts. The Executive recommendation does not include \$100.0 for the Job Training Incentive Program previously funded out of fund balance.

Performance Report

Economic Development Department. In FY08, the Economic Development Department (EDD) met six out of 23 measures. In FY08, 5,582 new jobs were created (1,890 rural and 3,692 urban) as a result

of Economic Development Department efforts. The target in FY08 for this measure was 6,200 (2,200 and 4,000 respectively). The groundbreaking for SCHOTT Solar's new \$500 million solar equipment manufacturing plant at Mesa del Sol occurred on March 2008. SCHOTT's new plant will create as many as 1,500 new jobs at peak production and is expected to open in early 2009.

The number of locates through the economic development partnership had a target of 15 but the actual performance level was nine. Poor economic conditions and industry changes are factors that determine the ability of a business to relocate. EDD had no control over these factors, which in turn made it difficult for EDD to turn prospects into locates. Verety and Fidelity Investments are two companies that relocated to New Mexico in 2008. Verety will establish its "remote order services operation" in Roswell, creating 100 new jobs in the first year and 350 within three years. Fidelity Investments will open a new operations center at Mesa del Sol that is expected to employ 1,250. The combination of a pro-business attitude and the ability to provide a high quality workforce encourages businesses to relocate to New Mexico.

In FY08, the target for the number of communities designated as certified communities was 35. Three new certified communities (McKinley, Hidalgo, and Santa Rosa) were announced in the third quarter, bringing the total number to 38. The Business Incubator Program awarded two research grants for \$10,000 to Pojoaque Pueblo and Arrowhead Center at New Mexico State University to conduct feasibility studies on the potential market for business incubators in those regions.

New Mexico Film Office. The Film Office met all three of its targets in FY08. Three feature films were announced during the quarter. *Legion* was shot in and around Santa Fe from March 31 through early May, and hired approximately 134 New Mexico crew members and 433 actors. *Spoken Word* takes place in Chimayo, New Mexico and was shot from March 24 through April 25. The film hired approximately 100 New Mexico crew members and over 500 actors. *Terminator Salvation: The Future Begins* was in production for most of the spring and is the first film in a new trilogy. It is the largest picture shot in the state to date. This year, New Mexico-made movies received fourteen Oscar nominations, with *No Country for Old Men* taking home the Oscar for Best Picture. The film received eight nominations. The fourth annual White Sands Film Festival was held March 16 through the 22 in Alamogordo.

Office of Mexican Affairs. The Office of Mexican Affairs met one of its three performance targets in FY08. The Office assisted three new maquiladora suppliers in locating near the border and supported one expansion. Trade missions are an essential component in improving the business and political relationship between New Mexico and Mexico. DA Inc. is a plastic injection molding company that will create 50 new jobs. MCS Industries is relocating its distribution warehouse from El Paso, Texas creating 60 new jobs. IFX Apparel, Inc. is the third company to locate near the border. Northwire Inc. was assisted in expanding through JTIP.

On February 4 the expansion of the Santa Teresa Foreign Trade Zone (FTZ) was announced. The FTZ provides manufacturers, suppliers and logistics suppliers in Dona Ana County the opportunity to locate to the U.S.-Mexico border adjacent to the Santa Teresa-San Jeronimo Port of Entry. This location is near Union Pacific Railroad's planned \$150 million fueling and intermodal facility linking Santa Teresa with Juarez, Chihuahua and Interstate 10.

Budget Summary TablesAgency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	9,382.0	10,128.5	9,611.0	-517.5	-5.1
Fund Balance	0.0	100.0	0.0	-100.0	-100.0
TOTAL SOURCES	9,382.0	10,228.5	9,611.0	-617.5	-6.0
USES					
Personal Services and Employee Benefits	4,707.8	5,084.2	5,077.9	-6.3	-0.1
Contractual Services	3,406.3	3,994.5	3,516.4	-478.1	-12.0
Other	1,125.2	1,149.8	1,016.7	-133.1	-11.6
TOTAL USES	9,239.3	10,228.5	9,611.0	-617.5	-6.0
FTE					
Permanent	68.00	70.00	70.00	0.00	0.0
TOTAL FTE POSITIONS	68.00	70.00	70.00	0.00	0.0

Economic Development
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	3,601.6	3,979.7	3,697.7	-282.0	-7.1
Fund Balance	0.0	100.0	0.0	-100.0	-100.0
TOTAL SOURCES	3,601.6	4,079.7	3,697.7	-382.0	-9.4
USES					
Personal Services and Employee Benefits	1,868.0	2,023.4	1,981.4	-42.0	-2.1
Contractual Services	1,395.0	1,831.0	1,521.0	-310.0	-16.9
Other	238.1	225.3	195.3	-30.0	-13.3
TOTAL USES	3,501.1	4,079.7	3,697.7	-382.0	-9.4
FTE					
Permanent	27.00	28.00	28.00	0.00	0.0
TOTAL FTE POSITIONS	27.00	28.00	28.00	0.00	0.0

		Film (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	1,461.9	1,577.8	1,479.0	-98.8	-6.3
	TOTAL SOURCES	1,461.9	1,577.8	1,479.0	-98.8	-6.3
USES						
	Personal Services and					
	Employee Benefits	759.1	784.9	812.8	27.9	3.6
	Contractual Services	248.0	295.0	226.2	-68.8	-23.3
	Other	408.3	497.9	440.0	-57.9	-11.6
	TOTAL USES	1,415.4	1,577.8	1,479.0	-98.8	-6.3
FTE						
	Permanent	12.00	12.00	12.00	0.00	0.0
	TOTAL FTE POSITIONS	12.00	12.00	12.00	0.00	0.0

		Trade with Mexico (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	378.7	564.9	523.9	-41.0	-7.3
	TOTAL SOURCES	378.7	564.9	523.9	-41.0	-7.3
USES						
	Personal Services and					
	Employee Benefits	220.2	278.6	286.8	8.2	2.9
	Contractual Services	60.0	180.5	139.5	-41.0	-22.7
	Other	97.6	105.8	97.6	-8.2	-7.8
	TOTAL USES	377.8	564.9	523.9	-41.0	-7.3
FTE						
	Permanent	3.00	4.00	4.00	0.00	0.0
	TOTAL FTE POSITIONS	3.00	4.00	4.00	0.00	0.0

		Program Support (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	3,673.1	3,729.6	3,639.9	-89.7	-2.4
	TOTAL SOURCES	3,673.1	3,729.6	3,639.9	-89.7	-2.4
USES						
	Personal Services and					
	Employee Benefits	1,609.9	1,754.7	1,762.7	8.0	0.5
	Contractual Services	1,703.3	1,688.0	1,617.3	-70.7	-4.2
	Other	343.8	286.9	259.9	-27.0	-9.4
	TOTAL USES	3,657.0	3,729.6	3,639.9	-89.7	-2.4
FTE						
	Permanent	23.00	23.00	23.00	0.00	0.0
	TOTAL FTE POSITIONS	23.00	23.00	23.00	0.00	0.0

		Technology Commercialization (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	<u>Budget to Recommendation</u> Dollar <u>Change</u>	Percent <u>Change</u>
SOURCES						
	General Fund Transfers	266.7	276.5	270.5	-6.0	-2.2
	TOTAL SOURCES	266.7	276.5	270.5	-6.0	-2.2
USES						
	Personal Services and Employee Benefits	250.6	242.6	234.2	-8.4	-3.5
	Contractual Services	0.0	0.0	12.4	12.4	***
	Other	37.4	33.9	23.9	-10.0	-29.5
	TOTAL USES	288.0	276.5	270.5	-6.0	-2.2
FTE						
	Permanent	3.00	3.00	3.00	0.00	0.0
	TOTAL FTE POSITIONS	3.00	3.00	3.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Economic Development					
The purpose of the economic development program is to assist the communities in preparing their role in the new economy, focusing on high-quality job creation and improved infrastructure so New Mexicans can increase their wealth and improve their quality of life.					
Outcome	Annual net increase in jobs created due to Economic Development Department efforts	6,200	5,582	6,000	
Outcome	Number of communities certified through the certified communities initiative	35	38	40	40
Outcome	Number of business expansions assisted by the economic development program in urban areas of New Mexico	35	24	35	28
Outcome	Total number of rural jobs created	2,200	1,890	1,500	1,200
Outcome	Number of business expansions assisted by the economic development department in rural New Mexico	35	9	40	12
Outcome	Total number of jobs created through business relocations facilitated by the economic development partnership	3,000	3,984	2,200	3,000
Output	Number of urban jobs created	4,000	3,692	4,500	3,300
Outcome	Total number of jobs created due to economic development department efforts				4,500
Output	Number of jobs created by aerospace and aviation companies	200	238	225	200
Outcome	Total number of business expansions assisted by economic development department				40
Output	Number of businesses participating in the job training incentive program				
Output	Number of locates through the economic development partnership	15	9	12	12
Output	Number of rural businesses participating in the job training incentive program				
Outcome	Percent of employees whose wages were subsidized by the job training incentive program still employed by the company after one year				
Output	Average annual cost per job training incentive program trainee				\$2,500
Output	Average annual cost per economic development partnership job created				\$500
Outcome	Number of workers trained by the job training incentive program	4,000	1,978	4,000	2,000
Outcome	Number of international trade transactions	25	25	27	30
Outcome	Number of jobs created through business expansions	1,100	565	1,150	600
Outcome	Number of jobs created by mainstreet	180	569	190	190
Outcome	Number of communities participating in mainstreet	28	28	30	21
Outcome	Number of international consulting sessions with New Mexico companies by office of international trade	450	341	475	475
Outcome	Annual net increase in business expansions statewide	70		70	

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Film					
The purpose of the film program is to maintain the core business for the film location services and stimulate growth in digital film media to maintain the economic vitality of New Mexico film industry.					
Output	Number of media industry worker days	110,000	151,082	175,000	177,000
Outcome	Economic impact of media industry productions in New Mexico, in millions	\$300	\$660.3	\$475	\$500
Outcome	Number of films and media projects principally made in New Mexico	80	93	80	90
Trade with Mexico					
The purpose of the trade with Mexico program is to produce new high-paying employment opportunities for New Mexicans so they can increase their wealth and improve their quality of life.					
Outcome	Dollar value of New Mexico exports to Mexico as a result of the Mexican affairs program, in millions	\$350	\$375.3	\$350	\$350
Output	Number of jobs created by maquiladora suppliers	275	226	200	230
Output	Number of trade missions to Mexico annually				5
Outcome	Number of new facilities opened by maquiladora suppliers	6	4	6	6
Outcome	Number of leads generated for potential maquiladora supplier projects annually				10
Program Support					
To provide central direction to agency management processes and fiscal support to agency programs to ensure consistency, continuity, and legal compliance.					
Output	Number of payment vouchers accurately processed within seventy-two hours of receipt				
Outcome	Percent of performance measure targets in the general appropriation act that were met			85%	85%
Efficiency	Time to fill vacant positions from date position becomes vacant	60 days		60 days	60 days
Technology Commercialization					
To increase the start-up, relocation, and growth of technology-based business in New Mexico to give New Mexico citizens the opportunity for high-paying jobs.					
Output	Number of current and previous New Mexico 9000 customers that become ISO 9000 certified	15		15	15
Output	Number of new jobs created as a result of office of science and technology efforts			200	100
Outcome	Number of company contacts and counseling sessions			200	200
Output	Number of businesses trained by NM9000 quality management standards				15
Outcome	Amount of investment as a result of office of science and technology efforts, in millions			\$10	\$5
Output	Number of new angel investors found as a result of office of science and technology efforts			12	12

Executive Summary

The Regulation and Licensing Department administers the laws, rules and regulations related to construction, manufactured housing, financial institutions, securities dealers, alcohol activities and 34 occupational or professional boards.

	FY09	FY10	
	Operating	Recommendation	% Change
	Budget		
General Fund	17,163.1	16,605.1	-3.3
Total Sources	27,737.0	27,621.4	-0.4
Program			
Boards and Commissions Summary	8,584.6	8,904.3	3.7
Construction Industries and Manufactured Housing	10,636.1	10,197.9	-4.1
Financial Institutions and Securities	3,755.8	3,669.4	-2.3
Alcohol and Gaming	1,077.1	1,045.4	-2.9
Program Support	3,683.4	3,804.4	3.3
Board of Pharmacy	0.0	0.0	***
Total Uses	27,737.0	27,621.4	-0.4
FTE	327.50	333.50	1.8

- The Executive recommends an overall \$558.0 decrease in General Fund.
- The recommendation provides an increase in the use of fund balance to support increases in personal services and benefits, contractual and other services.
- The Executive recommends a General Fund decrease of \$438.2 for Construction Industries and Manufactured Housing. The recommendation provides an expansion of two FTE for the Construction Industries to support the governors' Green Building initiative.
- The Executive recommends an overall decrease of \$86.4 and includes a decrease of \$110.0 in General Fund for the Financial Institutions and Securities program to support personal services and benefits. The recommendation provides an expansion of one FTE for the Financial Institutions to address the problems of predatory lending in the state of New Mexico.
- The Executive recommends a General Fund decrease of \$31.7 for Alcohol and Gaming.
- The recommendation for Program Support provides a General Fund increase of \$28.8 for personal services and benefits. The recommendation provides an expansion of two FTE for the Office of the Superintendent to support the "Three Strikes" liquor license revocation initiatives.
- The Executive recommends an expansion for one FTE for the Pharmacy board to increase oversight.

Agency Mission and Program Purpose

The Superintendent of Regulation and Licensing Department (RLD) is appointed by the governor and serves as the chief executive officer of the agency. By statute, the department has a minimum of six divisions: Administrative Services; Construction Industries; Manufactured Housing; Financial Institutions; Securities; and Alcohol and Gaming. The six division directors are appointed by the superintendent with the approval of the governor.

RLD regulates the construction, manufactured housing, financial institutions, securities dealers and alcohol industries, as well as the activities overseen by 34 occupational or professional boards.

RLD aims to balance the needs of the business community for growth and development with the health and safety of citizens of and visitors to New Mexico. To achieve this, the department undertakes licensing and license renewal activities to ensure that candidates are properly qualified in their profession as well as inspection, examination and permitting activities to ensure that licensed professionals are adhering to applicable codes and safe practice standards. In addition, RLD undertakes industry and public education to enhance knowledgeable practice and informed decision-making; complaint investigation and mediation to ensure that licensed professionals adhere to applicable codes and safe practice standards; and citation and administrative enforcement to bring licensed professionals who may not be adhering to applicable codes and safe practice standards back to compliance.

Statutory Authority: Sections 9-16-1 through 9-16-14, 60-14-20, 60-3A-1 through 60-8A-19, and 60-2B-1 through 60-2B-14 NMSA 1978.

Boards and Commissions

RLD supervises 34 professional and occupational boards and commissions and three programs that cover a wide range of activities affecting citizens' everyday life. Each board and commission is supported by staff responsible for coordinating the regulation and licensing of the respective occupations or professions. The Boards and Commissions division director oversees the boards and commissions, and the department provides centralized administrative and financial support.

Construction Industries and Manufactured Housing

The Construction Industries Division issues residential and commercial building permits and conducts field inspections for general building, electrical, mechanical and liquefied petroleum gas code compliance, as well as safety standards.

The Manufactured Housing Division licenses manufacturers, dealers, brokers, salespersons, installers and repairmen. The Manufacturing Housing Division also serves as the primary inspection agency for all manufactured homes built in New Mexico and is the primary inspection agency for the federal Housing and Urban Development Department (HUD) for all manufactured homes delivered to New Mexico from other states. The Manufactured Housing Division conducts inspections of construction, repairs, modifications, installations, tie-downs, hook-ups and sales of all residential and commercial units in the state.

Financial Institutions and Securities

The Financial Institutions Division regulates over 5,000 institutions in the state. The division issues charters and licenses, conducts financial examinations and investigations and otherwise regulates state-chartered depository and non-depository financial institutions, credit unions and short-term lenders, among other entities. The division's focus is on consumer protection, compliance, safety and soundness.

The Securities Division regulates over 79,000 firms and individuals. The division licenses securities brokers, sales personnel and investment advisors; registers securities offered for sale in the state; and investigates and prosecutes violations of the state's securities laws through civil and criminal

proceedings. The division also provides education and training through public programs designed to promote investor education, financial literacy and the avoidance of fraud and investment scams. These programs are funded by penalties and assessments collected through enforcement actions.

Alcohol and Gaming

The Alcohol and Gaming Division licenses qualified persons, regulates the sale, public service and consumption of alcoholic beverages through enforcement of the Liquor Control Act and is authorized to issue, suspend or revoke liquor licenses. The division administers the Alcohol Server Education Act and issues special dispenser's permits to licensees for public celebrations and catered events.

Program Support

Program Support administers financial management, information management services, property control, office support and human resource services. The centralized support ensures consistency, continuity, compliance and financial integrity in order to successfully achieve department goals and serve the public.

Executive Recommendation

Agency Strategic Directions

RLD supports the Executive's performance and accountability policy *Services for New Mexicans* by protecting public health and safety while promoting economic and business development in the licensed professions. RLD has established and supports information sharing with other state agencies, states, federal government agencies, and New Mexico public and private entities (i.e. the Board of Medical Examiners, the Taxation and Revenue Department, the Children, Youth and Families Department, etc.). RLD continues to work on information sharing with the Workers' Compensation Administration.

To support the Executive's performance and accountability policy *A Safer New Mexico*, the Alcohol and Gaming Division is aggressively prosecuting and penalizing violations of the Liquor Control Act, particularly those involving sales to minors and sales to intoxicated persons. The Alcohol and Gaming Division will focus on developing a standardized curriculum for alcohol server training and establishing a continuing education program for providers of server training courses in order to ensure consistency.

The Financial Institutions and Securities Program supports the governor's initiative to reduce white-collar crime through facilitating the detection, investigation and prosecution of white-collar crime by establishing a shared database and an economic crime council to oversee these investigations.

Key Elements of Recommendation

The Executive recommendation includes a \$558.00 decrease in General Fund under the FY09 operating level.

Boards and Commissions. The recommendation includes an increase of \$405.4 in fund balance and a decrease of \$132.9 in other revenue in total for all boards. The Executive recommendation provides a level of funding for each board and commission that maintains current services and sustainable use of fee-based revenue. The increase includes an expansion of one position for the Pharmacy Board for a prescription monitoring program.

Construction Industries and Manufactured Housing. The Executive recommendation supports an overall decrease of \$438.2 in General Fund. The recommendation provides an expansion of two positions for the Green Building Bureau to support the development, adoption and enforcement of green building standards in New Mexico.

Financial Institutions and Securities. The Executive recommendation provides a General Fund decrease of \$110.0. The recommendation includes a \$23.6 increase in other revenue and fund balance for personal services and benefits. The recommendation also includes an expansion of one position for a mortgage examiner to address the problem of predatory lending in the state of New Mexico.

Alcohol and Gaming. The Executive recommendation includes a decrease of \$31.7 in General Fund. The recommendation includes a decrease of \$29.7 for contractual services for audit costs and supports a decrease of \$16.8 for other services such as travel, maintenance and inventory exempt supplies.

Program Support. The Executive recommendation supports a \$28.8 General Fund increase for personal services and benefits. The recommendation provides an expansion for two positions, an investigator and paralegal in the Office of the Superintendent to support the governor's anti-DWI initiative in addressing the sale of alcohol to minors and intoxicated persons. The recommendation also includes an increase in other transfers for personal services and contractual services. The recommendation reflects a decrease of \$78.2 in other services for travel and inventory exempt. The recommendation includes an increase in transfers of \$92.2 and an increase in contractual services of \$6.7.

Performance Report

The department met or exceeded many of its FY08 performance targets. RLD Program Support met only two of five targets. Program Support did not achieve their target for “prior-year audit findings resolved”, “percent of payment vouchers submitted to and approved by the Department of Finance and Administration (DFA) within seven days of receipt from vendor” and “percent of accurate payroll and personnel information entered into human resource management system.” Program Support was unable to meet these targets “due to the problems associated with turnover and understaffing.” RLD has an internal auditor to address audit findings. The auditor will conduct audits to ensure that policies and procedures are being followed. RLD has also implemented a tracking log to track invoices and to ensure they are delivered to DFA in a timely manner.

The Construction Industries Manufactured Housing divisions met all targets for FY08.

The Financial Institutions Securities divisions met one of three targets. The program did not meet targets for “percent of examination reports mailed to a depository institution within thirty days of exit from the institution” or “exit conference meeting and percent of statutorily complete applications processed within a standard number of days by type of application.” These performance problems were also due to turnover and difficulty finding qualified personnel.

The Alcohol and Gaming did not meet either of its two measures. The division did not meet “number of days to resolve an administrative citation that does not require a hearing” and “number of days to process a dispenser license application that requires a hearing.”

RLD met the majority of all of the targets for the 34 boards. For FY10 several board performance measures have been revised to reflect the board's efforts.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	16,698.1	17,163.1	16,605.1	-558.0	-3.3
Other Transfers	1,463.0	1,763.6	1,909.9	146.3	8.3
Federal Revenues	85.1	109.0	109.0	0.0	0.0
Other Revenues	6,039.4	7,194.9	7,064.6	-130.3	-1.8
Fund Balance	1,326.9	1,506.4	1,932.8	426.4	28.3
TOTAL SOURCES	25,612.5	27,737.0	27,621.4	-115.6	-0.4
USES					
Personal Services and Employee Benefits	17,667.3	20,162.7	20,457.8	295.1	1.5
Contractual Services	1,008.1	1,141.6	1,164.2	22.6	2.0
Other	4,652.0	5,156.9	4,650.4	-506.5	-9.8
Other Financing Uses	1,217.9	1,275.8	1,349.0	73.2	5.7
TOTAL USES	24,545.3	27,737.0	27,621.4	-115.6	-0.4
FTE					
Permanent	311.50	323.50	329.50	6.00	1.9
Term	4.00	4.00	4.00	0.00	0.0
TOTAL FTE POSITIONS	315.50	327.50	333.50	6.00	1.8

Boards and Commissions (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	192.0	148.4	141.5	-6.9	-4.6
Other Transfers	467.1	331.7	385.8	54.1	16.3
Other Revenues	5,941.7	7,013.6	6,880.7	-132.9	-1.9
Fund Balance	1,135.6	1,090.9	1,496.3	405.4	37.2
TOTAL SOURCES	7,736.4	8,584.6	8,904.3	319.7	3.7
USES					
Personal Services and Employee Benefits	4,084.9	5,297.6	5,408.0	110.4	2.1
Contractual Services	418.4	548.9	616.4	67.5	12.3
Other	1,196.7	1,462.3	1,530.9	68.6	4.7
Other Financing Uses	1,217.9	1,275.8	1,349.0	73.2	5.7
TOTAL USES	6,917.9	8,584.6	8,904.3	319.7	3.7
FTE					
Permanent	80.80	90.80	91.80	1.00	1.1
TOTAL FTE POSITIONS	80.80	90.80	91.80	1.00	1.1

Construction Industries and Manufactured Housing
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	9,832.8	10,177.1	9,738.9	-438.2	-4.3
Other Transfers	0.0	250.0	250.0	0.0	0.0
Federal Revenues	85.1	109.0	109.0	0.0	0.0
Other Revenues	13.8	100.0	100.0	0.0	0.0
TOTAL SOURCES	9,931.7	10,636.1	10,197.9	-438.2	-4.1
USES					
Personal Services and Employee Benefits	7,773.7	8,277.7	8,228.3	-49.4	-0.6
Contractual Services	64.9	74.0	50.9	-23.1	-31.2
Other	2,113.5	2,284.4	1,918.7	-365.7	-16.0
TOTAL USES	9,952.1	10,636.1	10,197.9	-438.2	-4.1
FTE					
Permanent	134.00	135.00	137.00	2.00	1.5
Term	3.00	3.00	3.00	0.00	0.0
TOTAL FTE POSITIONS	137.00	138.00	140.00	2.00	1.4

Financial Institutions and Securities
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	3,187.1	3,259.0	3,149.0	-110.0	-3.4
Other Revenues	83.9	81.3	83.9	2.6	3.2
Fund Balance	191.3	415.5	436.5	21.0	5.1
TOTAL SOURCES	3,462.3	3,755.8	3,669.4	-86.4	-2.3
USES					
Personal Services and Employee Benefits	2,430.4	2,939.2	2,966.0	26.8	0.9
Contractual Services	213.0	207.3	208.5	1.2	0.6
Other	576.7	609.3	494.9	-114.4	-18.8
TOTAL USES	3,220.1	3,755.8	3,669.4	-86.4	-2.3
FTE					
Permanent	46.00	46.00	47.00	1.00	2.2
TOTAL FTE POSITIONS	46.00	46.00	47.00	1.00	2.2

		Alcohol and Gaming (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	1,004.4	1,077.1	1,045.4	-31.7	-2.9
	TOTAL SOURCES	1,004.4	1,077.1	1,045.4	-31.7	-2.9
USES						
	Personal Services and Employee Benefits	781.0	940.7	955.5	14.8	1.6
	Contractual Services	75.8	62.4	32.7	-29.7	-47.6
	Other	129.8	74.0	57.2	-16.8	-22.7
	TOTAL USES	986.6	1,077.1	1,045.4	-31.7	-2.9
FTE						
	Permanent	15.00	16.00	16.00	0.00	0.0
	TOTAL FTE POSITIONS	15.00	16.00	16.00	0.00	0.0

		Program Support (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	2,481.8	2,501.5	2,530.3	28.8	1.2
	Other Transfers	995.9	1,181.9	1,274.1	92.2	7.8
	TOTAL SOURCES	3,477.7	3,683.4	3,804.4	121.0	3.3
USES						
	Personal Services and Employee Benefits	2,597.3	2,707.5	2,900.0	192.5	7.1
	Contractual Services	236.0	249.0	255.7	6.7	2.7
	Other	635.3	726.9	648.7	-78.2	-10.8
	TOTAL USES	3,468.6	3,683.4	3,804.4	121.0	3.3
FTE						
	Permanent	35.70	35.70	37.70	2.00	5.6
	Term	1.00	1.00	1.00	0.00	0.0
	TOTAL FTE POSITIONS	36.70	36.70	38.70	2.00	5.4

		Boards and Commissions (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to</u>	
		<u>Actual</u>	<u>Budget</u>	<u>men-</u>	<u>Dollar</u>	<u>Percent</u>
		<u>s</u>		<u>dation</u>	<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	192.0	148.4	148.4	0.0	0.0
	Other Transfers	467.1	331.7	385.8	54.1	16.3
	Other Revenues	5,941.7	7,013.6	6,880.7	-132.9	-1.9
	Fund Balance	1,135.6	1,090.9	1,496.3	405.4	37.2
	TOTAL SOURCES	7,736.4	8,584.6	8,911.2	326.6	3.8
USES						
	New Mexico State Board of Public Accountancy	460.0	502.7	525.4	22.7	4.5
	Board of Acupuncture and Oriental Medicine	112.1	212.7	229.2	16.5	7.8
	New Mexico Athletic Commission	118.7	130.3	159.0	28.7	22.0
	Athletic Trainer Practice Board	17.1	21.5	17.5	-4.0	-18.6
	Board of Barbers and Cosmetology	659.6	902.8	925.8	23.0	2.5
	Chiropractic Board	156.8	170.0	180.9	10.9	6.4
	Counseling and Therapy Practice Board	420.4	473.4	468.6	-4.8	-1.0
	New Mexico Board of Dental Health Care	409.7	438.5	405.3	-33.2	-7.6
	Impaired Dentists	12.0	15.0	15.0	0.0	0.0
	Interior Design Board	20.8	29.3	26.9	-2.4	-8.2
	Board of Landscape Architects	33.3	37.8	34.7	-3.1	-8.2
	Board of Massage Therapy	196.8	293.2	287.2	-6.0	-2.0
	Board of Nursing Home Administrators	34.5	50.7	53.6	2.9	5.7
	Nutrition and Dietetics Practice Board	19.2	36.5	36.6	0.1	.03
	Board of Examiners for Occupational Therapy	42.5	74.3	84.6	10.3	13.9
	Board of Optometry	64.8	79.4	94.5	15.1	19.0
	Board of Osteopathic Medical Examiners	79.9	101.8	99.3	-2.5	-2.5
	Board of Pharmacy	1,636.4	1,687.0	1,859.8	172.8	10.2
	Physical Therapy Board	85.4	140.4	153.3	12.9	9.2
	Board of Podiatry	23.2	34.5	38.9	4.4	12.8
	Private Investigators and Polygraphers	91.9	135.8	146.0	10.2	7.5
	New Mexico Board of Psychologist Examiners	183.9	217.0	221.7	4.7	2.2
	Real Estate Appraisers Board	142.2	172.6	181.8	9.2	5.3
	New Mexico Real Estate Commission	1,079.7	1,135.2	1,225.1	89.9	7.9
	Real Estate Commission Education & Training	219.7	150.0	225.0	75.0	50.0
	Real Estate Recovery	0	50.0	50.0	0.0	0.0
	Advisory Board of Respiratory Care Practitioners	39.5	68.9	67.6	-1.3	-1.9
	Board of Social Work Examiners	290.1	393.2	442.5	49.3	12.5
	Speech Language Pathology, Audiology and					
	Hearing Aid Dispensing Practices Board	125.9	172.1	183.8	11.7	6.8
	Board of Thanatopractice	108.3	140.6	157.0	16.4	11.7
	Naprapathy Board	0.2	5.4	5.4	0.0	0.0
	Animal Sheltering Services Board	13.7	330.3	148.4	-181.9	55.1
	Signed Language Interpreting Practices Board	19.6	181.7	160.8	-20.9	-11.5
	Carnival Ride Insurance Act	0	0	0	0	0
	Employee Leasing	0	0	0	0	0
	Hoisting Operators Safety Act	0	0	0	0	0
	TOTAL USES	6,917.9	8,584.6	8,911.2	326.6	3.8
FTE						
	Permanent	80.8	90.8	91.8	1.0	1.1
	Term					
	Temporary					
	TOTAL FTE POSITIONS	80.8	90.8	91.8	1.0	1.1

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Construction Industries and Manufactured Housing					
To provide code compliance oversight; issue licenses, permits, and citations; perform inspections; administer exams; process complaints; and enforce laws, rules, and regulations relating to general construction and manufactured housing standards to industry professionals.					
Output	Percent of consumer complaint cases resolved out of the total number of complaints filed	85%	90%	87%	96%
Outcome	Percent of permitted manufactured housing projects inspected	100%	100%	100%	100%
Efficiency	Percent of reviews of commercial plans completed within a standard time based on valuation of project	100%	100%	90%	100%
Efficiency	Percent decrease in cycle time for processing plan review permitting for commercial construction	10%	15%	15%	15%
Efficiency	Record inspections request and inspections result in data base within twenty-four hours.	80%	90%	100%	100%
Efficiency	Perform all inspections including installations of manufactured homes in the field within seven days of inspection request				70%
Efficiency	Percent of inspections completed within twenty-four hours of receipt of request	50%	65%	70%	70%
Output	Percent increase in unlicensed contractors identified and brought into compliance	25%	30%	40%	40%
Efficiency	Percent of inspections completed within forty-eight hours of receipt of request	75%	80%	80%	80%
Financial Institutions and Securities					
To issue charters and licenses, perform examinations, investigate complaints, enforce laws, rules and regulations, promote investor protection and confidence so that capital formation is maximized and a secure financial infrastructure is available to support economic development.					
Outcome	Percent of statutorily complete applications processed within a standard number of days by type of application	93%	90.2%	93%	93%
Outcome	Percent of all mutual fund filings processed within ten business days	90%	100%	90%	100%
Outcome	Percent of examination reports mailed to a depository institution within thirty days of exit from the institution or the exit conference meeting	100%	96.4%	100%	95%
Outcome	Percent of all applications for broker-dealer and investment adviser registration processed within thirty days of receipt by the securities division of the completed application				93%
Outcome	Percent of investment adviser registrants examined annually				50%
Alcohol and Gaming					
To regulate the sale, service, and public consumption of alcoholic beverages; and in cooperation with the Department of Public Safety, enforce the Liquor Control Act to protect the health, safety and welfare of the citizens of and visitors to New Mexico.					
Outcome	Number of days to process a dispenser license application that requires a hearing	139	169	120	139
Output	Number of days to resolve an administrative citation that does not require a hearing	46	78	46	30
Outcome	Number of days to issue a restaurant (beer and wine) liquor licenses	180	169	125	120
Program Support					
To provide leadership and centralized direction, financial management, information systems support, and human resources support for all agency organizations in compliance with governing regulations, statutes, and procedures so they can license qualified applicants, verify compliance with statutes, and resolve or mediate consumer complaints.					
Outcome	Percent of prior-year audit findings resolved	70%	50%	90%	90%
Output	Percent of payment vouchers that the administrative services division submitted to the department of finance administration without errors	90%	65%	85%	90%
Output	Percent of information service support tasks completed within the timeframe requested	90%	91%	90%	94%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Quality	Percent of accurate payroll and personnel information entered into human resource management system	90%	60%	90%	90%
Quality	Percent of customers satisfied with information service internal support services	90%	91%	90%	94%

Public Accountancy Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%
Output	Average number of days to process a completed application and issue a license	3-5	3-5	3-5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Output	Average number of days to review and investigate a complaint	30	30	30	

Acupuncture and Oriental Medicine Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process completed application and issue a license	3-5	3-5	3-5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of phone calls returned within twenty-four hours	100%	100%	95%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Process initial applications and renewals within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Athletic Commission

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	3-5	3-5	3-5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Efficiency	Percent of complaints processed and adjudicated annually	100%	100%	100%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint.				75%

Athletic Trainers Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	1-5	1-5	1-5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	95%	

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	90%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Barbers and Cosmetology Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	3-5	3-5	3-5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	90%	
Output	Percent of barber/cosmetology and body art establishments inspected once every eighteen months				80%
Efficiency	Process initial applications and renewals within three days of receipt of completed application				75%
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%

Chiropractic Examiners Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	1-3	1-3	1-3	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Counseling and Therapy Board

To provide efficient licensing, compliance and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	1-4	1-4	1-4	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Dental Health Care Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-3	1-3	1-3	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint.				75%
Interior Design Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-3	1-3	1-3	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%
Landscape Architects Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-3	1-3	5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%
Massage Therapy Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	3-5	3-5	3-5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint.				75%

Nursing Home Administrators Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	2-4	2-4	2-4	
Efficiency	Average number of hours to respond to telephone complaints	24	24	20	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	25	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Nutrition and Dietetics Practice Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	2-4	2-4	2-4	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Occupational Therapy Practice Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	1-5	1-5	5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Optometry Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	3-5	3-5	5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than 4 months from receipt of complaint				75%
Osteopathic Medical Examiners Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-3	1-3	5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Outcome	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%
Pharmacy Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	5-7	5-7	5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%
Physical Therapy Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-3	1-3	5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Podiatry Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	1-3	1-3	5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Private Investigators and Polygraphers Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	3-5	3-5	3-5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within 3 days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Psychologist Examiners Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	1-3	1-3	1-3	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100	100%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Real Estate Appraisers Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-3	1-3	1-3	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	98%	
Output	Percent of complaints reviewed and processed annually	100%	100%	100%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%
Real Estate Commission					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-3	1-3	1-3	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	100%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting no later than four months from receipt of complaint				75%
Respiratory Care Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-3	1-3	1-3	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting no later than four months from receipt of complaint				75%
Social Work Examiners Board					
To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.					
Output	Average number of days to process a completed application and issue a license	1-5	1-5	1-5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	100%	

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Efficiency	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting no later than four months from receipt of complaint				75%

Speech Language Hearing and Audiology Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	1-5	1-5	5	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	100%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting no later than four months from receipt of complaint				75%

Thanatopractice Board

To provide efficient licensing, compliance, and regulatory services, to protect the public by ensuring that licensed professionals are qualified to practice.

Output	Average number of days to process a completed application and issue a license	1-3	1-3	1-3	
Outcome	Percent of complaints processed and adjudicated annually	100%	100%	100%	
Efficiency	Average number of hours to respond to telephone complaints	24	24	24	
Outcome	Percent of telephone calls returned within twenty-four hours	100%	100%	100%	
Output	Average number of days to review and investigate a complaint	30	30	30	
Output	Percent of complaints reviewed and processed annually	100%	100%	95%	
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Percentage of Funeral establishments and crematories inspected once every eighteen months				75%

Naprapathy Board

Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting no later than four months from receipt of complaint				75%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Animal Sheltering Services Board					
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Signed Language Interpreting Practice Board					
Outcome	Percent of phone calls and emails returned within twenty-four hours and respond to written correspondence within three days of receipt				75%
Efficiency	Percent of initial applications and renewals processed within three days of receipt of completed application				80%
Output	Complaints logged and processed within two days of receipt of written complaint, then investigated and presented at next board compliance meeting or no later than four months from receipt of complaint				75%

Executive Summary

The Public Regulation Commission adjudicates rate and service matters and is responsible for enacting and enforcing rules that govern regulated industries in the areas of utility, insurance, telecommunications and transportation.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	11,628.0	10,945.9	-5.9
Total Sources	36,865.6	36,311.1	-1.5
Program			
Patient's Compensation Fund	10,749.6	10,756.0	0.1
Policy and Regulation	8,526.5	8,187.2	-4.0
Public Safety	6,145.5	6,046.9	-1.6
Program Support	3,764.9	3,472.4	-7.8
Insurance Policy	7,679.1	7,848.6	2.2
Total Uses	36,865.6	36,311.1	-1.5
FTE	284.00	287.00	1.1

- The Executive recommendation reflects a decrease of \$682.1 in General Fund and an overall decrease of \$554.5.
- The Executive recommendation supports an expansion of two office clerks in the Policy and Regulation Program supported from fees collected under the Unified Carrier Registration Act.
- The recommendation includes one additional fire inspector/investigator in the Public Safety Program to reduce the response time for investigations and reduce overtime.

Agency Mission and Program Purpose

The Public Regulation Commission (PRC) is comprised of five commissioners elected from single-member districts. PRC is responsible for regulating electric, natural gas, water and wastewater utility rates and services; telecommunications rates and services; insurance agents and companies; and transportation companies. PRC supports regulation to ensure fair and reasonable rates, and to assure reasonable and adequate services to the public as provided by law. PRC also promotes public safety by administration of the State Fire Marshal's Office, the Firefighter's Training Academy, pipeline safety requirements and Waste Isolation Pilot Plant inspections. In addition, PRC is responsible for the registration of all corporations doing business in New Mexico.

PRC has seven divisions by statute: Administrative Services, Consumer Relations, Insurance, Legal, Transportation, Utility and the State Fire Marshal Office. PRC created four programs to account and budget for its activities as required by the Accountability in Government Act and has one budgeted fund -- the Patient's Compensation Fund -- that distributes court ordered awards over the amounts not covered by medical malpractice insurance. All PRC divisions report to the chief of staff who is responsible for the daily operations of the agency under the general direction of the commission.

Statutory Authority: Article XI, Section 1, New Mexico Constitution.

Policy and Regulation Program

The Policy and Regulation Program consists of the Commissioners' Offices, and the Consumer Relations, Legal, Transportation and Utility divisions. The divisions assist the commission in administering constitutional and legislative mandates regarding regulated industries. The program is involved with rulemaking, adjudications and policy initiatives so that the interests of the consumer and regulated industries are balanced to promote and protect the public interest.

Public Safety Program

The Public Safety Program provides resources and services directed toward the protection of the general public from fires, pipeline hazards and other risks. Resources include the State Fire Marshal's Office (SFMO), the Firefighters Training Academy (FFTA) and the Pipeline Safety Bureau (PSB). SFMO is responsible for enforcement of fire prevention activities and life-safety rules and regulations. FFTA is responsible for preparing and training the state's fire departments as well as educating the general public regarding fire safety. The program is responsible for enforcing federal safety standards for intrastate natural gas pipeline facilities and state statutes regarding excavation damage to underground facilities.

Program Support

Program Support is comprised of the Administrative Services Division (ASD) and the Corporations Bureau (CB). ASD is responsible for management of finances, budgets, human resources, records and information systems. CB maintains corporate and directorship records for foreign and domestic corporations, professional corporations and nonprofits.

Insurance Policy Program

The Insurance Policy Program regulates the provision of life, health, property and casualty insurance; and directs agent qualifications and licensure. Additionally, it provides oversight for managed healthcare providers and workers' compensation policies written through insurance companies. The Fraud Bureau investigates allegations of fraud involving insurance companies and agents.

Executive Recommendation

Agency Strategic Directions

PRC is dedicated to serving the citizens of New Mexico and the industries under its statutory jurisdiction through the regulation of utility, telecommunication, motor carrier and insurance industries. In doing so, the agency continues to ensure that safe, proper and reliable services are available to the general public at fair, just and reasonable rates for both consumers and industries, as provided by law.

In addition to its regular review of rates, PRC will continue to provide oversight of the utility industry implementation of the Renewable Portfolio Standard. A further initiative includes the development of rules and regulations pertaining to energy efficiency standards and integrated resource planning to promote energy conservation and the enhancement of renewable energy growth in New Mexico.

PRC is committed to ongoing oversight of the Alternative Form of Regulation (AFOR) orders applicable to Qwest, including resolution of an investment shortfall and development of new AFOR orders going forward to address pricing, quality of service compliance and infrastructure investment.

For increased efficiency, the Insurance Policy Program maintains electronic services related to on-line filing and data archiving. The program operates an inter-divisional Market Analysis, Enforcement and Consumer Protection Program to monitor and analyze consumer complaints, inquiries and industry trends. The analysis is used to develop methods of enforcement through one or more of the following methods: bulletins; rule-making enforcements; criminal fraud prosecutions; investigations; or examinations.

The State Fire Marshal's Office (SFMO), which officially became a division in FY08, is committed to bringing every fire department across the state online with the National Fire Incident Reporting System. SFMO has established a cooperative agreement with the Public School Facilities Authority with regard to fire code enforcement. The SFMO is increasing participation in the statewide Arson Task Force by other state agencies and local governments while the State Firefighters Training Academy continues its outreach efforts to rural fire departments.

Key Elements of Recommendation

The Executive recommendation reflects a decrease of \$682.1 in General Fund from the FY09 operating levels attributable to funding for personal services within Program Support and the incorporation of a 5% reduction due to projected revenue shortages for FY10. Expenditures in the Public Safety Program continue to be supported through the Fire Protection Fund for the Office of the State Fire Marshall and the Firefighter Training Academy, and through the Pipeline Safety Fund, a federal grant from the U.S. Department of Transportation and a joint powers agreement with the Energy, Minerals and Natural Resources Department relating to funding for the Waste Isolation Pilot Plant (WIPP). Expenditures in the Insurance Policy Program continue to be supported from the Insurance Operations Fund, Title Insurance Maintenance Fund, Insurance Fraud Fund and Patient's Compensation Fund.

Policy and Regulation. The Executive recommendation supports a decrease of \$339.3 under FY09 operating levels, which includes a decrease of \$407.8 in General Fund. The recommendation includes a 3% vacancy factor and an expansion of \$68.5 from fees collected under the Unified Carrier Registration Act for two office clerks to enhance fee collections under the act. The other costs category reflects a decrease of \$76.0 in operating costs relating to travel, property insurance, supplies, telecommunication costs and a 5% reduction due to projected revenue shortages for FY10.

Public Safety. The Executive recommendation reflects a decrease of \$98.6 from FY09 from interagency transfers and a reduction in federal funds. The recommendation supports an increase of \$41.2 in the personal services and employee benefits category to provide funding for existing positions, while incorporating a 1% vacancy factor and includes \$52.5 for an additional fire inspector/investigator to reduce response time for investigations and to reduce overtime required of existing staff. The recommendation also supports an increase of \$97.6 in the contractual services category to provide support for additional instructors and courses at the firefighter training academy. The recommendation reflects a decrease in the other costs category relating to operating costs including building maintenance, property insurance and capital outlay costs.

Program Support. The Executive recommendation includes a decrease of \$274.3 in General Fund and a decrease of \$18.2 in interagency transfer from FY09 operating levels. The recommendation includes a decrease of \$347.4 in the personal services and employee benefits category which provides funding for existing staff and includes the application of a 3% vacancy factor and a 5% reduction due to projected revenue shortages for FY10. The recommendation supports an increase of \$67.2 in the other costs category to provide for operating expenses including supplies, postage, equipment rental, telecommunications and Department of Information Technology information systems rates.

Insurance Policy. The Executive recommendation supports an increase of \$169.5 above FY09 operating levels. The recommendation includes an increase of \$102.5 in contractual services to support funding for drafting and revisions of rules, expert witness and industry expert fees, attorney fees relating to pending litigations, audit fees and information technology services. The recommendation also includes an increase of \$62.0 in the other costs category for operating costs including travel, maintenance, supplies, postage, training, telecommunications and Department of Information Technology information systems rates.

Performance Report

The Public Regulation Commission met or exceeded 26 of its 32 performance measure targets for FY08. In the Policy and Regulation Program, the commission exceeded the target for the dollar amount of credits and refunds obtained for New Mexico consumers through complaint resolution and the comparison of average commercial electric rates between major New Mexico utilities and selected utilities in western states. The target for the average number of days for a rate case to reach final order was not met as the measure is reliant on many potential factors that may be outside of the control of the program. Although the target was not met, the performance achieved was still within statutory requirements and reflects a substantial increase over the FY08 average rate.

The commission did not meet three of its eight targets in the Public Safety Program. The number of inspections and audit hours performed by the pipeline safety bureau was 6,060, significantly below the target level of 9,000. The goal of 9,000 appears to be unrealistic based on historical results and current staffing levels. This is reflected in the target level for FY09 being reduced to 7,000. The Executive recommendation for FY10 further lowers the target to 6,500 to be more in line with actual results. In addition, the commission did not meet the target for the number of inspection and audit hours performed by the State Fire Marshals Office, although the number of hours increased by 3,258 over the previous year. The percent of statewide fire districts with insurance office ratings of eight or better was also not met. The largest factor in achieving ratings is the water supply availability for fire suppression. Therefore, the performance for this measure is heavily reliant on funding available to fire districts to acquire water supplies. Distributions from the Fire Protection Grant Fund were made available to address this issue for eight fire departments. With grant fund increases, the commission may be able to consider additional funding for fire suppression water supplies.

Program Support did not meet its targets for the number of prior-year audit findings and the percent of prior-year audit findings eliminated. The agency has continuously received an unqualified opinion for its audit and continues to make progress in resolving prior year audit finding. PRC is committed to continue to resolve audit findings in the future.

PRC met all of its performance targets with in the Insurance Policy Program. FY08 targets were significantly exceed for the percent of employers whose workers' compensation accident frequency is reduced through counseling, advice and training and for the percent of producer applications, appointments and renewals processed within ten business days. Target levels for FY09 and FY10 have been adjusted to reflect historical results.

Recommended Language for the General Appropriation Act

The Executive recommends the following language for all programs in order to specify the source of funds for the proposed appropriations of internal services funds, interagency transfers and other state funds:

The internal service funds/interagency transfers appropriations to the public safety program of the public regulation commission include two million five hundred sixty-eight thousand one hundred dollars (\$2,568,100) for the office of the state fire marshal from the fire protection fund.

The internal service funds/interagency transfers appropriations to the public safety program of the public regulation commission include one million seven hundred ninety thousand one hundred dollars (\$1,790,100) for the firefighter training academy from the fire protection fund.

The internal service funds/interagency transfers appropriations to the public safety program of the public regulation commission include eight hundred seventy-one thousand three hundred dollars (\$871,300) for the pipeline safety bureau from the pipeline safety fund.

The internal service funds/interagency transfers appropriations to program support of the public regulation commission include eighty-three thousand five hundred dollars (\$83,500) from the insurance fraud fund, two hundred eighty-eight thousand five hundred dollars (\$288,500) from the fire protection fund, thirty-nine thousand five hundred dollars (\$39,500) from the title insurance maintenance fund, sixty-one thousand one hundred dollars (\$61,100) from the public regulation commission reproduction fund and seventeen thousand two hundred dollars (17,200) from the patient's compensation fund.

The internal service funds/interagency transfers appropriations to the insurance policy program of the public regulation commission include four hundred forty-four thousand six hundred dollars (\$444,600) from the title insurance maintenance fund, one million three hundred sixty-four thousand seven hundred dollars (\$1,364,700) from the insurance fraud fund and two hundred fifty-three thousand eight hundred dollars (\$253,800) from the patient's compensation fund.

Budget Summary TablesAgency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	11,165.6	11,628.0	10,945.9	-682.1	-5.9
Other Transfers	11,838.0	13,883.0	14,028.3	145.3	1.0
Federal Revenues	509.3	605.0	580.9	-24.1	-4.0
Fund Balance	10,983.3	10,749.6	10,756.0	6.4	0.1
TOTAL SOURCES	34,496.2	36,865.6	36,311.1	-554.5	-1.5
USES					
Personal Services and Employee Benefits	18,181.8	20,412.6	19,913.3	-499.3	-2.4
Contractual Services	995.6	1,597.2	1,772.3	175.1	11.0
Other	10,336.9	14,591.2	14,354.5	-236.7	-1.6
Other Financing Uses	0.0	264.6	271.0	6.4	2.4
TOTAL USES	29,514.3	36,865.6	36,311.1	-554.5	-1.5
FTE					
Permanent	282.00	283.00	286.00	3.00	1.1
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	283.00	284.00	287.00	3.00	1.1

Policy and Regulation Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	8,104.6	8,371.1	7,963.3	-407.8	-4.9
Other Transfers	141.4	155.4	223.9	68.5	44.1
TOTAL SOURCES	8,246.0	8,526.5	8,187.2	-339.3	-4.0
USES					
Personal Services and Employee Benefits	6,822.2	7,460.6	7,210.0	-250.6	-3.4
Contractual Services	174.1	256.1	243.4	-12.7	-5.0
Other	945.6	809.8	733.8	-76.0	-9.4
TOTAL USES	7,941.9	8,526.5	8,187.2	-339.3	-4.0
FTE					
Permanent	89.70	89.70	91.70	2.00	2.2
TOTAL FTE POSITIONS	89.70	89.70	91.70	2.00	2.2

Public Safety Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
Other Transfers	4,886.5	5,540.5	5,466.0	-74.5	-1.3
Federal Revenues	509.3	605.0	580.9	-24.1	-4.0
TOTAL SOURCES	5,395.8	6,145.5	6,046.9	-98.6	-1.6

		Public Safety Program (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
USES						
	Personal Services and					
	Employee Benefits	3,097.4	3,588.1	3,681.8	93.7	2.6
	Contractual Services	262.6	349.5	447.1	97.6	27.9
	Other	1,513.3	2,207.9	1,918.0	-289.9	-13.1
	TOTAL USES	4,873.3	6,145.5	6,046.9	-98.6	-1.6
FTE						
	Permanent	52.30	52.30	53.30	1.00	1.9
	Term	1.00	1.00	1.00	0.00	0.0
	TOTAL FTE POSITIONS	53.30	53.30	54.30	1.00	1.9

		Program Support (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	3,061.0	3,256.9	2,982.6	-274.3	-8.4
	Other Transfers	498.7	508.0	489.8	-18.2	-3.6
	TOTAL SOURCES	3,559.7	3,764.9	3,472.4	-292.5	-7.8
USES						
	Personal Services and					
	Employee Benefits	2,847.0	3,192.7	2,845.3	-347.4	-10.9
	Contractual Services	81.6	110.1	97.8	-12.3	-11.2
	Other	504.4	462.1	529.3	67.2	14.5
	TOTAL USES	3,433.0	3,764.9	3,472.4	-292.5	-7.8
FTE						
	Permanent	53.00	53.00	53.00	0.00	0.0
	TOTAL FTE POSITIONS	53.00	53.00	53.00	0.00	0.0

		Insurance Policy Program (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	Other Transfers	6,311.4	7,679.1	7,848.6	169.5	2.2
	Fund Balance	236.1	0.0	0.0	0.0	***
	TOTAL SOURCES	6,547.5	7,679.1	7,848.6	169.5	2.2
USES						
	Personal Services and					
	Employee Benefits	5,415.2	6,171.2	6,176.2	5.0	0.1
	Contractual Services	313.5	446.5	549.0	102.5	23.0
	Other	623.5	1,061.4	1,123.4	62.0	5.8
	TOTAL USES	6,352.2	7,679.1	7,848.6	169.5	2.2
FTE						
	Permanent	87.00	88.00	88.00	0.00	0.0
	TOTAL FTE POSITIONS	87.00	88.00	88.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Policy and Regulation Program					
To fulfill the constitutional and legislative mandates regarding regulated industries through rulemaking, adjudications and policy initiatives to ensure the provisions of adequate and reliable services at fair, just and reasonable rates so that the interests of the consumers and regulated industries are balanced to promote and protect the public interest.					
Outcome	Percent of docketed cases closed in a fiscal year	75%	91.5%	80%	80%
Output	Number of formal complaints processed by the transportation division	70	75	70	70
Output	Number of docketed cases completed	400	440	400	400
Efficiency	Average number of days for a rate case to reach final order	<230	261	<230	<230
Efficiency	Percent of cases processed in less than the statutory time allowance	100%	100%	100%	100%
Outcome	Comparison of average commercial electric rates between major New Mexico utilities and selected utilities in regional western states	+/-5%	4%	+/-5%	+/-5%
Outcome	Dollar amount of credits and refunds obtained for New Mexico consumers through complaint resolution, in thousands	1,800	1,962.7	1,700	1,800
Explanatory	Number of docketed cases opened in a fiscal year	400	403	500	350
Explanatory	The amount of kilowatt hours of renewable energy provided annually by New Mexico's electric utilities, measured as a percent of total retail kilowatt hours sold by New Mexico's electric utilities to New Mexico's retail electric utility customers			6%	6%
Efficiency	Therms of natural gas saved as a result of utility energy efficiency programs			2,000,000	2,000,000
Explanatory	Comparison of average residential electric rates between major New Mexico utilities and selected utilities in regional western states			+/-5%	+/-5%
Efficiency	Kilowatt hours of electricity saved as a result of utility energy efficiency programs			1,000,000	1,000,000
Public Safety Program					
To provide services and resources to the appropriate entities to enhance their ability to protect the public from fire and pipeline hazards and other risk as assigned to the Public Regulation Commission.					
Output	Number of inspection and audit hours performed by the state fire marshals office	25,000	23,955	25,000	25,000
Output	Number of personnel completing training through the state firefighter training academy	3,700	4,078	4,000	4,000
Quality	Pass rate for state certification exams administered by the state firefighter academy	85%	93%	85%	85%
Output	Percent of counties and municipalities participating in the arson task force or partnerships with the state fire marshal	60%	65%	60%	65%
Outcome	Percent of fire departments' insurance service office ratings of nine or ten that have been reviewed by survey or audit	90%	100%	90%	90%
Outcome	Percent of statewide fire districts with insurance office ratings of eight or better	65%	59%	75%	59%
Explanatory	Number of fire districts statewide	390	392	390	390
Output	Number of inspection and audit hours performed by the pipeline safety bureau	9,000	6,060	7,000	6,500

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Program Support					
To provide administrative support and direction to ensure consistency, compliance, financial integrity and fulfillment of the agency mission.					
Outcome	Percent of information technology projects completed within timeframe and budget referenced in the information technology project plan	100%	100%	100%	100%
Efficiency	Percent of fully functional information technology applications systems	100%	100%	100%	100%
Output	Average number of days to issue charter documents	15 days	3 days	15 days	15 days
Outcome	Opinion of previous fiscal year independent agency audit	Unqual.	Unqual.	Unqual.	Unqual.
Outcome	Number of user sessions on public regulation commission webpages			1,200,000	1,200,000
Outcome	Percent of prior-year audit findings eliminated	100%	75%	100%	100%
Explanatory	Percent increase in public use of info share			5%	5%
Explanatory	Number of prior-year audit findings	0	8	0	0
Insurance Policy Program					
To assure easy public access to reliable insurance products that meet consumers' needs and are underwritten by dependable, reputable, financially sound companies that charge fair rates and are represented by trustworthy, qualified agents, while promoting a positive competitive business climate.					
Output	Percent of internal and external insurance-related grievances closed within one hundred eighty days of filing	90%	99.4%	90%	90%
Outcome	Percent of employers whose workers' compensation accident frequency is reduced through counseling, advice and training	70%	81%	80%	80%
Output	Percent of producer applications, appointments and renewals processed within ten business days	75%	90%	90%	90%
Output	Percent of insurance division interventions conducted with domestic and foreign insurance companies when risk-based capital is less than two hundred percent	100%	100%	100%	100%
Output	Percent of insurance division interventions conducted with domestic and foreign insurance companies when their surplus is less than the minimum	100%	100%	100%	100%
Efficiency	Percent of insurance fraud bureau complaints processed and recommended for either further administrative action or closure within sixty days	85%	86%	85%	85%
Output	Percent of domestic company examination reports adopted within eighteen months of the examination period	95%	100%	95%	95%
Output	Percent of form and rate filings processed within ninety days	95%	98.5%	95%	95%
Output	Number of managed healthcare outreach presentations conducted annually	100	182	100	100
Outcome	Percent of favorable evaluations from managed healthcare outreach presentation attendees	90%	100%	95%	95%

Executive Summary

The Medical Board protects the public by establishing and enforcing professional qualifications and performance standards for practitioners licensed to offer their services in the state and by preventing non-licensed individuals from performing regulated services.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	1,605.2	1,769.9	10.3
Program			
Medical Board	1,605.2	1,769.9	10.3
Total Uses	1,605.2	1,769.9	10.3
FTE	13.00	14.00	7.7

- The Executive recommends one expansion position to assist with the increased workload associated with the issuance of licenses.

Agency Mission and Program Purpose

The Medical Board (board) regulates and licenses physicians, physician assistants and anesthesiologist assistants. The board consists of nine members appointed by the governor to terms of four years. By statute, membership includes six licensed physicians, one licensed physician assistant and two members representing the public. The board appoints an executive secretary to administer the daily activities of the agency.

The board licenses qualified applicants, investigates complaints against license holders, disciplines those found to be in violation of the Medical Practice Act or rules, promotes the rehabilitation of impaired physicians, physician assistants and anesthesiologist assistants, and provides information to interested consumers.

Statutory Authority: Sections 61-6-1 through 61-6-29 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The board effort to improve access to health care by retaining competent doctors in New Mexico is consistent with the Governor's agenda. The board continues to streamline its application and license renewal processes by using the statewide licensing application, which allows doctors to complete one application for licensing, insurance reimbursement and hospital privileges. In addition, the board expects to have its on-line licensing application up and running in FY09, further streamlining the application and licensing process. Currently, 80% of all doctors are renewing their licenses on-line. Board staff are closely tracking processing times and identifying ways to eliminate delays.

Key Elements of Recommendation

The Executive recommendation supports an overall increase of \$164.7 for the expansion of one FTE, a medical director physician to facilitate the issuance of licenses to the medical profession. The board commenced performing background checks on applicants over a year ago, which in turn has increased the board's workload and has necessitated the need for a full time medical director. The position will also work closely with legal counsel pertaining to disciplinary actions with physicians and create a division of duties necessary for a fair and partial determination.

Performance Report

The board met four of its eight FY08 performance measures. The board has been providing more information via its newsletters and website and as a result, the number of consumers provided with information has increased.

The board missed its FY08 targets for: (1) issuing or renewing physician, physician assistant and anesthesiologist assistant licenses; and (2) the number of days to issue a physician license. The board believes the shortfall in tri-annual physician licenses renewed is due to the renewal period starting in April and ending in October, resulting in crossing of fiscal years. As a result, only three months of renewals were reported out of seven months possible for FY08. In addition, the target for physician licenses issued was erroneously overstated.

The Executive recommends that three FY10 performance measure targets remain the same as FY09 targets, except for the following: number of tri-annual physician licenses issued or renewed, biennial anesthesiologist assistant licenses issued or renewed; number of biennial physician assistant licenses issued or renewed; number of complaints resolved within 12 months and number of participants in a monitored treatment program.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	1,704.5	1,306.0	1,769.9	463.9	35.5
Fund Balance	0.0	299.2	0.0	-299.2	-100.0
TOTAL SOURCES	1,704.5	1,605.2	1,769.9	164.7	10.3
USES					
Personal Services and Employee Benefits	908.1	974.3	1,078.2	103.9	10.7
Contractual Services	298.1	325.9	322.7	-3.2	-1.0
Other	279.3	305.0	369.0	64.0	21.0
TOTAL USES	1,485.5	1,605.2	1,769.9	164.7	10.3
FTE					
Permanent	13.00	13.00	14.00	1.00	7.7
TOTAL FTE POSITIONS	13.00	13.00	14.00	1.00	7.7

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Medical Board					
To provide regulation and licensure to medical doctors, physician assistants and anesthesiologist assistants and to ensure competent and ethical medical care to consumers.					
Output	Number of consumers provided with information through written license verification and website access	1,500,000	1,696,475	1,500,000	1,500,000
Output	Number of tri-annual physician licenses issued or renewed	3,623	3,508	3,623	3,500
Output	Number of biennial physician assistant licenses issued or renewed	309	262	294	260
Output	Number of biennial anesthesiologist assistant licenses issued or renewed	5	2	8	5
Output	Number of complaints resolved within 12 months	160	210	160	200
Output	Number of participants in monitored treatment program	55	63	50	55
Outcome	Percent of participants who relapse	10%	4.76%	10%	10%
Outcome	Number of days to issue a physician license	80	85	80	80

Executive Summary

The purpose of the Board of Nursing protects the citizens of the state of New Mexico by licensing and regulating nurses and other nursing care services.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	1,967.4	2,492.4	26.7
Program			
Board of Nursing	1,967.4	2,492.4	26.7
Total Uses	1,967.4	2,492.4	26.7
FTE	19.00	19.00	0.0

- The Executive supports an increase of \$525.0 to fund contractual services and other services to support strategies that enhance recruitment and retention of professional nurses.

Agency Mission and Program Purpose

The Board of Nursing (board) mission is to “protect the public safety through effective regulation of nursing care and services.”

The board consists of seven members appointed by the governor for terms of four years. By statute, membership must include four licensed nurses and three public members. The board appoints an executive director to administer the daily activities of the agency. The board establishes and enforces minimum professional qualifications for nurses by requiring licenses and setting performance standards for practitioners.

The board licenses nurses and certifies hemodialysis technicians and medication aides, evaluates educational programs for licensees and certificate holders, regulates nursing practices, reviews complaints and disciplines licensees and certificate holders who violate the law and rules, provides for ongoing monitoring of the chemically dependent nurse, and provides information to the public.

The board appoints expert advisory committees for practice, education, advanced practice, medication aides and hemodialysis technicians in order to have current practice and workforce information needed to make decisions necessary for regulatory oversight. The board also manages the diversion program for chemically dependent nurses.

Statutory Authority: Sections 61-3-1 through 61-3-31 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The board ensures that educational and training programs meet the board's approved standards. The board regulates approximately 27,942 nurses in New Mexico and processes over 13,000 license renewals each year. The board will continue implementing the online licensing system during FY09 and FY10. In FY08, 13,930 nursing licenses were issued, up from 13,281 from the prior year. The total of all nurses licensed, claiming residence in New Mexico, is 19,379 up from 18,644 the previous year. The board continues its efforts to expand its regulation to nursing assistants. The board has committed to collaborate with stakeholders and provide funding through the statutorily created nurse excellence fund (section 61-3-10.6 NMSA 1978) for the purposes of "providing strategies to enhance recruitment and retention of professional nurses, increase career and educational opportunities and improve interaction with health facilities administrations, the medical profession and institutions of higher education." The board will review and act on information and subsequent recommendations from statewide nursing forums that were conducted in FY08 related to these issues, with funding from the nurse excellence fund.

Key Elements of Recommendation

The Executive recommends a total increase of \$525.0 over the FY09 operating level which includes \$9.4 in contractual services for information technology services for license 2000, web-based network services. The majority of the increase, \$521.3 in the other category, will be used to support strategies that enhance recruitment and retention of professional nurses, increase career and educational opportunities and improve interaction with health facilities administrations, the medical profession and institutions of higher education. This supports goal six of the governor's performance and accountability contract, "improve health and human services workforce and infrastructure". Measures to support this initiative are: (1) number of licensed practical nurses and registered nurses, including advanced nurse practitioners declaring New Mexico as their home state, and (2) total number of nurses licensed to practice in New Mexico. Included in the increase is \$361.8 from the board's fund balance. The budgeted level for the agency may be adjusted each year to reflect available fund balance.

Performance Report

The Board of Nursing met or exceeded all performance targets for FY08. The board exceeded the target of 12,800 licenses issued by 1,130. The board continues to show significant increases in the number of registered nurses in New Mexico. The Executive continues to raise the bar for FY10 and recommends the target for the number of licenses issued to 13,900.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	2,103.4	1,967.4	2,130.6	163.2	8.3
Fund Balance	0.0	0.0	361.8	361.8	***
TOTAL SOURCES	2,103.4	1,967.4	2,492.4	525.0	26.7
USES					
Personal Services and Employee Benefits	1,006.6	1,210.5	1,204.8	-5.7	-0.5
Contractual Services	152.2	213.5	222.9	9.4	4.4
Other	452.8	543.4	1,064.7	521.3	95.9
TOTAL USES	1,611.6	1,967.4	2,492.4	525.0	26.7
FTE					
Permanent	18.00	19.00	19.00	0.00	0.0
TOTAL FTE POSITIONS	18.00	19.00	19.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Board of Nursing					
To provide regulations to nurses, hemodialysis technicians, medications aides and their education and training programs so they provide competent and professional health care services to consumers.					
Output	Number of licenses issued	12,800	13,930	12,800	13,900
Quality	Percent of programs in full compliance	95%	100%	98%	98%
Quality	Number of public information announcements	4	4	2	4
Efficiency	Number of months to resolution of disciplinary matter	6	6	6	6
Output	Number of rule reviews	2	1	4	1
Efficiency	Number of days to issue a nurse license	14	13.8	14	14

Executive Summary

The New Mexico State Fair, also known as Expo New Mexico, exists to promote New Mexico’s economic, agricultural and cultural diversity through the annual New Mexico State Fair and other events during the year.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	488.8	464.4	-5.0
Total Sources	15,544.3	14,456.7	-7.0
Program			
New Mexico State Fair	15,544.3	14,456.7	-7.0
Total Uses	15,544.3	14,456.7	-7.0
FTE	78.00	78.00	0.0

- The Executive recommendation includes \$464.4 in General Fund for the operation of the African American Performing Arts Center.
- The Executive recommendation reflects a 3.0% vacancy rate and adjustments to the FY10 operating costs to reflect FY09 operating budget levels.

Agency Mission and Program Purpose

The New Mexico State Fair Commission is comprised of seven members appointed to five-year terms by the governor. Of the seven members, at least two commissioners must be engaged in the business of raising livestock and at least two commissioners must be engaged in agricultural vocations. Although statutorily created as the New Mexico State Fair, the entity renamed its operation to Expo New Mexico in 2003. The purpose of Expo New Mexico is to organize, operate and maintain year-round professional entertainment facilities in addition to producing the annual New Mexico State Fair.

The primary objective of the commission is to hold the New Mexico State Fair -- the biggest event in the state -- every year. The event includes: the exhibition of livestock, poultry, vegetables, fruits, grains, grasses and other farm products; minerals, ores and other mining exhibits; and mining machinery and farm implements for the purpose of advancing the agricultural, horticultural, stock raising, mining, mechanical and industrial pursuits of the state. In addition, the New Mexico State Fair provides a venue for rodeos, carnival rides, statewide fine art and creative art shows, concerts and other entertainment activities. Although the New Mexico State Fair is the commission’s primary event, the State Fair grounds are used throughout the year for many other events including a flea market, equestrian events (national, international, and local), concerts, musical events, arts and craft shows, car shows, vehicle and equipment sales, sporting events and other types of expositions. Expo New Mexico is a state enterprise and is funded almost exclusively through revenues generated by State Fair receipts, event ticket sales, concession/vendor fees, venue rentals and feed store operations.

Statutory Authority: Sections 16-6-1 through 16-6-31 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

Expo New Mexico is focused on positioning itself for growth and revenue enhancements while increasing attendance at the annual State Fair and bringing more New Mexico families and their children to the event in order to highlight the state's agricultural and cultural diversity. In addition, Expo New Mexico continues to strive to increase the use of State Fair property for a wider-range of events throughout the year. To aid in the accomplishment of its goals, the agency is focused on renovating its facilities, creating a strategic planning program, and improving processes and financial accountability. The key strategic issue for FY10 will be the departure of the horseracing venue to another site in May 2010. Alternate development and revenue-generating strategies are being investigated for the benefit of the state and the general public.

Key Elements of Recommendation

The Executive recommends a base decrease of \$1,063.2 in other revenues with a 3% vacancy rate. The agency is experiencing a period of depressed revenues and increased costs in its current State Fair operation, salaries and benefits, and increased General Services Department premiums. The decrease reflects reductions of \$563.4 in personal services and employee benefits, \$143.9 in contractual services, and \$380.3 in operating costs. The agency identified the operating cost savings primarily in field supplies. The recommendation equates to a 7.0% overall reduction from the FY09 operating budget. The Executive recommendation proposes a spending level based on projected other revenues from State Fair activities. The recommendation also includes \$464.4 in General Fund for the operation of the African-American Performing Arts Center.

Performance Report

Expo New Mexico was affected by the initial impact of the looming downturn in the national economy. The agency achieved two out of five performance measure targets in FY08. All of the measures concern the annual State Fair.

One measure, the number of total attendees at the annual state fair event, exceeded the target by 9%, but dropped 4.5% from last year's result. The number of paid attendees at the fair fell below the target by 1%. The agency cited that the decline in both targets was due to the onset of the downturn in the economy. Due to the continued pessimistic economic outlook through FY09 and FY10, the Executive recommends lowering the FY10 performance targets for this measure to the FY08 level.

Regarding the measure of percent of surveyed attendees at the annual state fair event rating their experience as satisfactory or better, the target of 94% was not met; however, the overall satisfactory rating increased from the prior year by 2.1%.

Recommended Language for the General Appropriation Act

The internal service funds/interagency transfers appropriation to the New Mexico state fair in the other category includes \$695,000 from pari-mutuel revenues for debt service on negotiable bonds issued for capital improvements.

The general fund appropriation to the New Mexico state fair includes \$464,400 for the operation of the african-american performing arts center and exhibit hall at the New Mexico state fair.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	0.0	488.8	464.4	-24.4	-5.0
Other Transfers	1,219.9	695.0	695.0	0.0	0.0
Other Revenues	14,695.9	14,360.5	13,297.3	-1,063.2	-7.4
TOTAL SOURCES	15,915.8	15,544.3	14,456.7	-1,087.6	-7.0
USES					
Personal Services and Employee Benefits	7,647.6	6,926.0	6,362.6	-563.4	-8.1
Contractual Services	3,347.3	3,830.3	3,686.4	-143.9	-3.8
Other	4,920.9	4,788.0	4,407.7	-380.3	-7.9
TOTAL USES	15,915.8	15,544.3	14,456.7	-1,087.6	-7.0
FTE					
Permanent	77.00	78.00	78.00	0.00	0.0
TOTAL FTE POSITIONS	77.00	78.00	78.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
State Fair					
To promote the New Mexico State Fair as a year-round operation with venues, events and facilities that provide for greater use of the assets of the agency.					
Outcome	Percent of surveyed attendees at the annual state fair event rating their experience as satisfactory or better	94%	91.3%	94%	90%
Output	Percent of counties represented through exhibits at the annual state fair	100%	100%	100%	100%
Output	Number of paid attendees at annual state fair event	500,000	497,543	550,000	500,000
Output	Percent of surveyed attendees at the annual state fair event indicating the state fair has improved	48%	36.5%	48%	45%
Output	Number of total attendees at annual state fair event	675,000	730,529	750,000	690,000

Executive Summary

The State Board of Licensure for Professional Engineers and Professional Surveyors regulates licenses and oversees the engineering and surveying professions in the State of New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	656.8	823.3	25.4
Program			
State Board of Licensure for Engineers & Land Surveyors	656.8	823.3	25.4
Total Uses	656.8	823.3	25.4
FTE	7.00	9.00	28.6

- The Executive recommendation supports a base increase of \$9.6 in other revenues for salaries and benefits to maintain the current level of services.
- The Executive recommends two expansion positions to assist with the increased workload associated with the issuance of licenses and demand for web-based applications.

Agency Mission and Program Purpose

The purpose of the State Board of Licensure for Engineers and Land Surveyors board is to regulate practices of engineering and surveying in the state to ensure the welfare of the public in safeguarding life, health and property, and to ensure that only licensed professional engineers and surveyors provide engineering and surveying services to consumers. There are over 7,562 practicing engineers and surveyors currently licensed in New Mexico.

Statutory Authority: Sections 61-23-1 through 61-23-32 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The board regulates the practice of engineers and surveyors through licensure and investigation of complaints to ensure the safety and welfare of New Mexicans in the proper and safe design of infrastructure, such as buildings and bridges.

Key Elements of Recommendation

The Executive recommendation provides an increase of \$166.5 to support an increased level of services. The increase would be covered by the board's annual recurring revenues.

The recommendation includes two expansion FTE, a line manager and an information technology business analyst to support the increased workload associated with the increase in licenses issued and increased level of services being requested. The recommendation also includes reclassification of four FTE that have been performing duties above their current pay range.

Performance Report

The board met all of its targets for FY08. The board issued 639 licenses or certifications during FY08, exceeding its target by 89. The board continues to show progress and improvement in serving the public.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	648.4	649.9	823.3	173.4	26.7
Fund Balance	0.0	6.9	0.0	-6.9	-100.0
TOTAL SOURCES	648.4	656.8	823.3	166.5	25.4
USES					
Personal Services and Employee Benefits	321.9	342.5	536.1	193.6	56.5
Contractual Services	47.3	80.1	64.6	-15.5	-19.4
Other	197.2	234.2	222.6	-11.6	-5.0
TOTAL USES	566.4	656.8	823.3	166.5	25.4
FTE					
Permanent	7.00	7.00	9.00	2.00	28.6
TOTAL FTE POSITIONS	7.00	7.00	9.00	2.00	28.6

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
State Board of Licensure for Engineers and Land Surveyors					
To regulate the practices of engineering and surveying in the state as they relate to the welfare of the public in safeguarding life, health and property, and to provide consumers with licensed professional engineers and licensed professional surveyors.					
Outcome	Percent of consumers requesting and provided with information	100%	100%	100%	100%
Output	Number of examinations administered	500	544	500	545
Output	Number of licenses or certifications issued	550	639	600	639
Output	Number of complaints processed	58	60	50	60
Efficiency	Percent of cases resolved through compliance or legal action within one year	96%	100%	97%	97%

Executive Summary

The Gaming Control Board regulates legalized gaming at New Mexico's licensed racetracks, and at veteran and fraternal organizations, and monitors tribal gaming. In addition, the board has jurisdiction over the Bingo and Raffle Act.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	6,470.5	6,317.6	-2.4
Total Sources	6,470.5	6,317.6	-2.4
Program			
Gaming Control Board	6,470.5	6,317.6	-2.4
Total Uses	6,470.5	6,317.6	-2.4
FTE	63.50	63.50	0.0

- The Executive recommendation provides for an overall decrease of \$152.9 in General Fund.

Agency Mission and Program Purpose

The Gaming Control Board (GCB) consists of five members who are appointed to five-year terms. Four members are appointed by the governor with the advice and consent of the Senate and one ex-officio member is the chairman of the State Racing Commission. All members of the board must be residents of New Mexico and citizens of the United States: one appointed member of the board must have a minimum of five years of supervisory experience in a law enforcement agency; one must be a certified public accountant in New Mexico with at least five years of experience in public accountancy; one must be an attorney who has been admitted to practice before the Supreme Court of New Mexico; and one must be a public member who has knowledge and experience in business management and financing.

GCB's duties include developing and adopting regulations to administer, enforce and make all final decisions on issuance, denial, suspension and revocation of all licenses required under the Gaming Control Act. The board oversees a variety of gaming activities and licenses for manufacturers, distributors of gaming machines, gaming operators and individual machines.

The board is responsible for regulating legalized gaming at New Mexico's licensed racetracks and veteran and fraternal organizations. It also monitors New Mexico's tribal gaming compacts through the appointment of a state gaming representative. GCB conducts all hearings pertaining to civil violations, promulgates such regulations as deemed necessary to fulfill the policies of the Gaming Control Act, collects all license and registration fees, and levies and collects fines and civil penalties. The board also has jurisdiction over the Bingo and Raffle Act.

The board's goals are to protect the public interest and to maximize gaming revenues by ensuring the integrity of gaming in the state of New Mexico. The board concentrates on racetrack and casino gambling.

Statutory Authority: Sections 60-2E-1 through 60-2E-62 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The GCB's mission is to protect the public interest and to maximize gaming tax revenue by ensuring the integrity of gaming in the state of New Mexico. The board recently replaced its central monitoring system with a new system, referred to as the jurisdictional control system, which has the capabilities to remotely disable any gaming machine for non-payment of taxes, guarantee the allowed hours of gaming operations, and remotely verify that the software in a gaming machine is compliant with all applicable statutes and rules. The board is also involved with the New Mexico Council on Compulsive Gambling.

Key Elements of Recommendation

The Executive recommendation provides an increase of \$21.1 in personal services and employee benefits, \$51.1 for contractual services to support increased costs in contracting external legal services and a decrease in other costs of \$225.1 associated with decreases in travel, supplies and telecommunication. The recommendation includes the board's cost reduction plan. The board requested an expansion for two additional positions, but the Executive recommends reclassifying one of its vacant positions in order to hire a database administrator to help support estimated increases in casino-related activity.

Performance Report

For FY08, GCB met all five of its performance targets. In the enforcement area, both output measures for violations were met. In FY08, the board did not have repeat violations for all the citations issued and had 5.5% of violations for the licensed gaming operators, which is well below the 20% performance target level. The board also had a 29:1 ratio of gaming revenue generated to general funds expended. The total gaming revenue generated for FY08 was \$183,755.7 which is roughly an 8.5% increase from the prior year. The board also met its performance target for the percent variance identified between actual tribal quarterly payments to the state and audited financial statements received from the tribes. The GCB's central monitoring system continues to remain 100% operational during the fiscal year.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	6,332.6	6,470.5	6,317.6	-152.9	-2.4
TOTAL SOURCES	6,332.6	6,470.5	6,317.6	-152.9	-2.4
USES					
Personal Services and Employee Benefits	4,068.2	4,359.2	4,380.3	21.1	0.5
Contractual Services	818.0	740.7	791.8	51.1	6.9
Other	1,390.5	1,370.6	1,145.5	-225.1	-16.4
TOTAL USES	6,276.7	6,470.5	6,317.6	-152.9	-2.4
FTE					
Permanent	63.00	63.00	63.00	0.00	0.0
Temporary	0.50	0.50	0.50	0.00	0.0
TOTAL FTE POSITIONS	63.50	63.50	63.50	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Gaming Control Board					
To provide strictly regulated gaming activities and to promote responsible gaming to the citizens of New Mexico so they can attain a strong level of confidence in the Board's administration of gambling laws and assurance that the State has competitive gaming that is free from criminal and corruptive elements and influences.					
Output	Percent variance identified between actual tribal quarterly payments to the state and the audited financial statements received from the tribe for 2008 calendar year	10%	-3%	10%	5%
Quality	Percent of time central monitoring system is operational	100%	100%	100%	100%
Output	Percent decrease in repeat violations by licensed gaming operators	90%	100%	90%	100%
Outcome	Ratio of gaming revenue generated to general funds expended	21:1	29:1	22:01	25:1
Output	Percent of bingo and raffle licensees correctly meeting the reporting requirements			75%	75%
Output	Percent of violations by licensed gaming operators	20%	5.5%	20%	10%
Quality	Percent of work permit and work permit renewal licensees processed within seventy-two hours			90%	90%

Executive Summary

The State Racing Commission oversees horse racing within the State of New Mexico by licensing and regulating all race meets and races held in the state.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	2,419.5	2,352.5	-2.8
Total Sources	2,419.5	2,352.5	-2.8
Program			
State Racing Commission	2,419.5	2,352.5	-2.8
Total Uses	2,419.5	2,352.5	-2.8
FTE	19.70	19.70	0.0

- The Executive recommendation supports a base decrease of \$67.0 in General Fund from contractual services.

Agency Mission and Program Purpose

The State Racing Commission (commission) oversees horse racing within the State of New Mexico through licensing and regulation of the holding, conducting and operating of all race meets and races held in the state. There are currently six horse racing tracks regulated by the commission, with a seventh racetrack pending in Raton, New Mexico. The commission sets race dates and supervises the making of and distribution from pari-mutuel pools.

The commission consists of five members appointed by the governor. No more than three may be members of the same political party, and no less than three must be practical breeders of racehorses within the state. No commission member may be an officer, official or director in any association or corporation conducting racing within the state, and each member must be a New Mexico resident of such character and reputation as to promote public confidence in the administration of horse racing.

The commission regulates New Mexico’s pari-mutuel horse racing industry to protect the interests of wagering patrons and the State of New Mexico, and to provide economic opportunities for horsemen, horse owners and racetrack management.

Currently, the racetracks open and operating in the state are: Downs at Albuquerque; Sunland Park; Ruidoso Downs; Expo New Mexico; SunRay Park in Farmington; and Zia Park in Hobbs. In July of 2010, a new racetrack is scheduled to open in Raton. The Downs at Albuquerque will move to Moriarity in 2010, with the casino opening first in FY09. There were 239 race days in FY08 and 307 races scheduled for FY09. This is an increase of 68 race days for FY09. The number of race days in FY10 will be determined in FY10.

Statutory Authority: Sections 60-1-1 through 60-1-26 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The State Racing Commission is committed to maintaining the integrity of the horse racing industry and to promoting public confidence in the administration of horse racing through licensing and regulation of all race meets and races held in the state.

One-half of the pari-mutuel tax and other fees and taxes collected by racetracks are distributed to Expo New Mexico for capital improvements at the fairgrounds, and the remaining revenue collected is distributed to the General Fund.

Key Elements of Recommendation

The Executive recommendation supports a decrease of \$91.0 in contractual services of non-essential contracts and an increase of \$24.0 for personal services and benefits to support increased level of services. The recommendation represents the commissions cost reduction plan. In July 2010, the New Mexico racing industry will introduce a new racetrack facility in Raton, New Mexico, bringing the total racetracks to seven live meets. The recommendation will fund the State Racing Commission administration, while continuing to allow them to operate within a relatively flat budget. The Downs of Albuquerque will move to Moriarty, with the casino opening first in FY09 and the race track opening in 2010. The move has the potential to increase revenues due to the increase in gaming machines in the new casino.

Performance Report

The State Racing Commission met all but two of its performance targets in FY08. The two targets not met are number of audit exceptions noted on the annual financial statement, and percent of prior year audit findings resolved. Audit report/findings have been modified and, although improved upon, auditors think the commission can still go another step further in reconciliations. The commission has been taking appropriate measures to improve this process through reassignment of duties and cross training of employees. The commission has begun to meet individually with staff members to determine what job duties best suit each employee and to try to improve the flow of internal processes.

Budget Summary Tables

		Agency Budget Summary (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES						
	General Fund Transfers	2,363.1	2,419.5	2,352.5	-67.0	-2.8
	TOTAL SOURCES	2,363.1	2,419.5	2,352.5	-67.0	-2.8
USES						
	Personal Services and Employee Benefits	1,094.3	1,202.8	1,226.8	24.0	2.0
	Contractual Services	844.0	925.0	834.0	-91.0	-9.8
	Other	297.2	291.7	291.7	0.0	0.0
	TOTAL USES	2,235.5	2,419.5	2,352.5	-67.0	-2.8
FTE						
	Permanent	17.30	17.30	17.30	0.00	0.0
	Term	0.60	0.60	0.60	0.00	0.0
	Temporary	1.80	1.80	1.80	0.00	0.0
	TOTAL FTE POSITIONS	19.70	19.70	19.70	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
State Racing Commission					
To provide regulation in an equitable manner to New Mexico's pari-mutuel horse racing industry and to protect the interest of wagering patrons and the State of New Mexico in a manner which promotes a climate of economic prosperity for horsemen, horse owners and racetrack management.					
Outcome	Percent of equine samples testing positive for illegal substances	0.8%	.8%	0.8%	.8%
Output	Total amount collected from parimutuel revenues, in millions	\$1.0	\$1.0	\$1.1	\$ 1.1
Efficiency	Average regulatory cost per live race day at each racetrack	\$4,000	\$4,000	\$4,300	\$ 4,500
Efficiency	Average number of days to close investigation cases	30	30	30	30
Output	Number of audit exceptions noted on annual financial statement	0	8	0	0
Outcome	Percent of prior-year audit findings resolved	100%	90%	100%	100%
Outcome	Timely collections of penalty fees by licensee to the general fund	30	30	30	30

Executive Summary

The Board of Veterinary Medicine protects the public by establishing and enforcing minimum professional qualifications and performance standards for veterinary practitioners licensed to offer their services in the state, and by preventing non-licensed individuals from performing regulated services.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	300.8	339.3	12.8
Program			
Board of Veterinary Medicine	300.8	339.3	12.8
Total Uses	300.8	339.3	12.8
FTE	3.00	3.00	0.0

- The Executive recommendation supports an increase of \$38.5 in other state funds for contractual services to maintain current levels of service and to meet regulatory and operational obligations.

Agency Mission and Program Purpose

The Board of Veterinary Medicine performs its regulatory functions in accordance with New Mexico laws, the Veterinary Practice Act and the New Mexico Administrative Code. The board maintains an efficient and effective examination, licensing and renewal system, resolves all formal complaints with corrective action or discipline, and ensures compliance with the Veterinary Practice Act and board rules.

Statutory Authority: Sections 61-14-1 through 61-14-20 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The board's strategic direction is to regulate the veterinary medicine profession in order to promote quality veterinary care and protect the public. The board establishes and enforces qualifications and performance standards for veterinary medicine professionals, establishes and enforces standards for veterinary facilities, examines and responds to complaints, and prevents non-licensed individuals from practicing in the state.

Key Elements of Recommendation

The Executive recommendation provides an increase of \$38.5 to support an increased level of services. The increase will cover contractual services for required regulatory obligations and maintenance of the web-based application process. The recommended increase also supports travel that is mandatory for board members. The board is reducing its fund balance and is in the process of increasing its fees to support its current levels of services.

Performance Report

The board met nine of its 14 performance targets in FY08 which is an improvement from prior years. Of the five targets it missed, three were missed by wide margins--the number of veterinarian licenses issued annually, percent of complaints resolved through adjudication, and percent of formal complaints resolved without disciplinary action.

The Executive recommends keeping the FY10 targets for the majority of these measures at the same level as the FY09 targets. In addition, the board should continue to improve its performance in these areas by continuing to conduct education seminars intended to reduce the number of complaints due to insufficient record-keeping and communication, and emphasizing its expectations to regulated facilities concerning the need to meet minimum standards.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)			FY10	
	FY08	FY09	Recom- mendation	<u>Budget to Recommendation</u>	
	<u>Actuals</u>	<u>Operating Budget</u>		<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	272.1	268.4	268.5	0.1	0.0
Fund Balance	0.0	32.4	70.8	38.4	118.5
TOTAL SOURCES	272.1	300.8	339.3	38.5	12.8
USES					
Personal Services and Employee Benefits	97.1	152.2	151.2	-1.0	-0.7
Contractual Services	96.3	94.5	127.0	32.5	34.4
Other	56.4	54.1	61.1	7.0	12.9
TOTAL USES	249.8	300.8	339.3	38.5	12.8
FTE					
Permanent	3.00	3.00	3.00	0.00	0.0
TOTAL FTE POSITIONS	3.00	3.00	3.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Board of Veterinary Medicine					
To regulate the profession of veterinary medicine in accordance with the Veterinary Practice Act and to promote continuous improvement in veterinary practices and management in order to protect the public.					
Outcome	Percent of New Mexico registered veterinary technicians employed in state	96%	97%	96%	97%
Outcome	Percent of New Mexico-licensed veterinarians employed in the state	60%	60%	60%	60%
Outcome	Percent of formal complaints resolved without disciplinary action	85%	79%	80%	80%
Outcome	Percent of complaints resolved through adjudication	15%	21%	15%	20%
Output	Number of facilities inspected annually	144	148	144	148
Outcome	Percent of inspected facilities requiring a plan of correction	35%	21%		30%
Outcome	Percent of facilities requiring adjudication to meet minimum standards	5%	2%	10%	8%
Output	Number of months to resolution of disciplinary matter	6	6.8	6	6
Outcome	Percent of facilities in full compliance	75%	79%	84%	84%
Output	Number of veterinarian licenses issued annually	60	45	60	60
Output	Number of facility licenses issued annually	10	17	10	10
Output	Number of registered veterinary technicians licenses issued annually	12	20	12	18
Output	Number of artificial insemination and pregnancy diagnosis permits issued annually	5	2	3	3
Outcome	Attrition rate of all licensees annually	5%	4%	5%	5%

Executive Summary

The Cumbres and Toltec Scenic Railroad Commission provides recreational railroad excursions into the San Juan Mountains via the scenic Cumbres Pass.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	100.0	260.0	160.0
Total Sources	3,613.0	4,131.0	14.3
Program			
Cumbres and Toltec Scenic Railroad Commission	3,613.0	4,131.0	14.3
Total Uses	3,613.0	4,131.0	14.3
FTE	2.90	2.88	-0.7

- The Executive recommends \$10.0 in General Fund above FY09 operating levels for a grant writing contract and general operating expenses of the railroad.
- The recommendation also includes \$150.0 in General Fund and \$300.0 in total funds for an expansion to provide for the ongoing maintenance of the railroad's steam locomotives.

Agency Mission and Program Purpose

The Cumbres and Toltec Scenic Railroad Commission (commission) is an interstate agency of New Mexico and Colorado. The commission preserves the railroad as a living museum. By statute, the commission is composed of four members - two from New Mexico and two from Colorado.

The commission provides recreational railroad excursions into the scenic San Juan Mountains for thousands of people annually. The railroad line is 64 miles long and connects the towns of Chama, New Mexico and Antonito, Colorado via the 10,015-foot Cumbres Pass. The railroad is jointly owned by New Mexico and Colorado as ratified by the Cumbres and Toltec Railroad Compact.

Statutory Authority: Sections 16-5-1 through 16-5-13 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

As the communities of Chama, New Mexico and Antonito, Colorado are particularly small and located in very rural areas, stimulating economic activity is a challenge. By sustaining the railroad as a recreational and historic site, numerous tourists continue to visit the communities, ride the train and spend money at local establishments. Operating the railroad stimulates these economies and fosters the growth of both communities.

The railroad ran a deficit in FY08 because the high cost of gas limited visitation from more urban population centers. To increase ridership and revenue in FY10, the railroad has: added a fourth locomotive to its operations; begun to diversify the types of rides it offers; emphasized group tours; upgraded its website to allow for online reservations; and continued an aggressive advertising campaign. The commission is also progressing with the restoration of a fifth locomotive for its eventual return to operations and plans to raise ticket prices for FY10.

Key Elements of Recommendation

The base Executive recommendation provides \$10.0 in General Fund support to the commission above FY09 operating levels. The increase will fund general operating expenses of the railroad as well as a contract for a grant writer to assist the commission in raising money privately.

The Executive recommendation also includes an expansion of \$150.0 in General Fund for the ongoing maintenance of the running gears of the railroad's steam locomotives. These recurring funds will allow the commission to replace the running gear of one steam locomotive each winter, thereby decreasing the chances that a locomotive will be sidelined during the peak operating season. Ongoing maintenance will also ensure compliance with Federal Railroad Administration regulations and reduce the need for large capital investments in the locomotives in the future.

The expansion recommendation from the General Fund is contingent dollar-for-dollar on a match from the State of Colorado for locomotive maintenance.

Performance Report

One of the commission's two performance targets was met in FY08, but both ridership and ticket sale revenue increased significantly over FY07 levels. The target for the total number of passengers was not met because of the high cost of gas and the fact that advertising was not as aggressive as it is at present.

The Executive recommends a target of 44,000 total riders for FY10 - reduced from the FY09 target but still above FY08 actuals. It is recommended that the target for revenue generated from ticket sales be increased to \$3.325 million. This target is based on the recommended number of riders and is greater than the target for FY09 because the railroad plans to raise ticket prices.

Recommended Language for the General Appropriation Act

The general fund appropriation to the Cumbres and Toltec scenic railroad commission includes one hundred fifty thousand dollars (\$150,000) contingent upon a dollar-for-dollar match by the state of Colorado for locomotive maintenance.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	100.0	100.0	260.0	160.0	160.0
Other Transfers	100.0	100.0	265.0	165.0	165.0
Other Revenues	3,075.8	3,413.0	3,606.0	193.0	5.7
TOTAL SOURCES	3,275.8	3,613.0	4,131.0	518.0	14.3
USES					
Personal Services and Employee Benefits	120.2	137.2	132.8	-4.4	-3.2
Contractual Services	3,369.9	3,434.7	3,816.7	382.0	11.1
Other	34.1	41.1	181.5	140.4	341.6
TOTAL USES	3,524.2	3,613.0	4,131.0	518.0	14.3
FTE					
Permanent	2.90	2.90	2.88	-0.02	-0.7
TOTAL FTE POSITIONS	2.90	2.90	2.88	-0.02	-0.7

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Cumbres and Toltec Scenic Railroad Commission					
The purpose of the Cumbres and Toltec Scenic Railroad is to provide railroad excursions into the scenic San Juan Mountains.					
Outcome	Total number of passengers	45,000	42,822	45,000	44,000
Output	Revenue generated from ticket sales, in millions	\$2.636	\$3.002	\$3.218	\$3.325

Executive Summary

The Office of Military Base Planning and Support aids the Military Base Planning Commission. The commission's role is to advise the governor on measures that New Mexico can take to preserve and strengthen our military bases.

	FY09 Operating Budget	FY10 Recommendation	% Change
General Fund	156.9	151.4	-3.5
Total Sources	156.9	151.4	-3.5
Program			
Office of Military Base Planning and Support	156.9	151.4	-3.5
Total Uses	156.9	151.4	-3.5
FTE	1.00	1.00	0.0

- The Executive recommends a decrease of \$5.5 in General Fund from FY09 operating levels.
- The Executive recommendation supports an increase for General Services Department rate increases as well as increases in employee benefits.

Agency Mission and Program Purpose

The purpose of the Office of Military Base Planning and Support is to: employ, under the authorization of the governor's homeland security adviser, the staff necessary to carry out the work of the Office of Military Base Planning and Support and the Military Base Planning Commission; inform the governor and the governor's homeland security adviser about issues impacting the military bases in the state, including infrastructure requirements, environmental needs, military force structure possibilities, tax implications, property considerations and issues requiring coordination and support from other state agencies; serve as a liaison with the community organizations whose purpose is to support the long-term viability of the military bases; communicate with the staff of the state's congressional delegation; and identify issues, prepare information and provide for presentations necessary for the commission to carry out its duties.

Statutory Authority: Section 9-15-48 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The Office of Military Base Planning and Support supports the Executive's goal to increase the number and quality of urban and rural jobs by working closely with community-military partnering organizations and the installations they support. In addition, the agency plays a key role in identifying a new mission for Cannon Air Force Base as part of the organizational infrastructure established by the governor and the Secretary of the Air Force. The agency continues to facilitate

coordination between Fort Bliss and the New Mexico Commissioner of Public Lands regarding the use of state trust lands adjoining Fort Bliss, thereby avoiding encroachment. The agency is developing a plan for a Department of Defense (DOD)-sponsored statewide joint land use study, and it continues to work with the Mid-Region Council of Governments on the Kirtland joint land use study. The agency will continue its work with southern and eastern New Mexico communities on DOD-sponsored growth studies. Overall, the agency will support the New Mexico Military Base Planning Commission in developing a statewide strategy which supports continued growth and improved military value of White Sands Missile Range, Kirtland AFB, Cannon AFB and Holloman AFB.

Key Elements of Recommendation

The Office of Military Base Planning will continue to support New Mexico's military installations including their community support groups. The FY10 base budget request includes resources to continue the work on the land acquisition program to expand Cannon AFB, a Governor's initiative. The recommendation also includes resources to continue to coordinate with the United States Air Force headquarters, Cannon AFB and the New Mexico State Land Office. The Executive's base budget recommendation decreases the overall General Fund budget by \$5.5 primarily in out-of-state travel.

Performance Report

In FY08, the Office of Military Base Planning surpassed its performance measure target in the number of military units impacted by the activities of the commission and the office by nine units. The office will continue to support New Mexico military installations, including their community support groups. The agency is working with the committee in Clovis on the Cannon transition which includes the land acquisition action supported by the governor. The office also drafted the request for proposal for the state funded Holloman assessment as well as assisted the director with the review process. In FY10, the Executive recommendation is to increase the targets for all measures in order to better align them with FY08 results but not to the point where they become unattainable.

Budget Summary Tables

		Agency Budget Summary (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES						
	General Fund Transfers	154.3	156.9	151.4	-5.5	-3.5
	TOTAL SOURCES	154.3	156.9	151.4	-5.5	-3.5
USES						
	Personal Services and Employee Benefits	108.8	111.0	112.9	1.9	1.7
	Contractual Services	20.0	20.0	20.0	0.0	0.0
	Other	25.5	25.9	18.5	-7.4	-28.6
	TOTAL USES	154.3	156.9	151.4	-5.5	-3.5
FTE						
	Term	1.00	1.00	1.00	0.00	0.0
	TOTAL FTE POSITIONS	1.00	1.00	1.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Office of Military Base Planning and Support					
The purpose of the Office of Military Base Planning and Support is to carry out the work of the Office of Military Base Planning and Support and the Military Base Planning Commission.					
Outcome	Number of military units impacted by the activities of the Commission and the Office	5	14	5	10
Outcome	Number of community support organizations that have benefited from the activities of the commission and the office	3	8	3	5
Output	Number of communities assisted by the Office of Military Base Planning and Support	5	6	5	8

Executive Summary

The Spaceport Authority was created to support spaceport development in southern New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	814.6	1,763.9	116.5
Total Sources	814.6	1,763.9	116.5
Program			
Spaceport Authority	814.6	1,763.9	116.5
Total Uses	814.6	1,763.9	116.5
FTE	6.00	9.00	50.0

- The FY10 Executive recommendation includes a \$893.0 expansion in General Fund for three critical positions, attorney's fees and operating costs.
- The Executive recommends an increase of \$56.3 in General Fund for personal services.

Agency Mission and Program Purpose

The Spaceport Authority is responsible for: advising and cooperating with municipalities, counties, state agencies and organizations, federal agencies and organizations and other interested persons and groups; soliciting and accepting grants of funds or property, and financial or other aid, for the purpose of carrying out the provisions of the Spaceport Development Act; adopting rules governing daily operations; operating spaceport facilities, including acquisition of real property necessary for spaceport facilities and the filing of necessary documents with appropriate agencies; constructing, purchasing, accepting donations of or leasing projects located within the state; selling, leasing or otherwise disposing of a project upon terms and conditions acceptable to the authority and in the best interests of the state; issuing revenue bonds and borrowing money for project purchase or construction; entering into contracts with regional spaceport districts and issuing bonds on behalf of the regional spaceport; refinancing a project; and contracting with regional spaceport districts to receive municipal and county regional spaceport gross receipts tax revenues.

Statutory Authority: Section 58-31-4 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The Spaceport Authority is at a critical juncture of transitioning from planning and design to construction and operation. This will require an organization transformation to meet the needs and objectives of economic development, tourism, and education. The state's investment must be leveraged by attracting industry, private investment and educational programs. To achieve the vision, a multiple of five to ten times the state's investment will ultimately be brought into New Mexico from infrastructure that will directly or indirectly support the community development and Spaceport America. Investment has already come to New Mexico in terms of the Turtleback Resort

(\$25-\$30M) and the Motorplex (\$1BD). The Motorplex will be an 8000+ acre, master planned community surrounding the Truth or Consequences airport. This type of investment would not have been contemplated if not for Spaceport America and the expectations for what it will deliver.

Key Elements of Recommendation

The FY10 Executive recommendation increases General Fund by \$56.3 to cover increases in personal services and employee benefits. General Services Department rates increased in FY10 increasing personal services costs by \$97.0. Contractual services decreased by \$1.9 and the other category decreased by \$38.8.

The FY10 Executive recommendation includes \$893.0 in expansion items covering three positions, a technical manager, an infrastructure engineer and a fundraising coordinator, as well as \$400 for attorney's fees and \$200 for operating costs.

Performance Report

The Spaceport Authority is a relatively new agency and is only able to report on one of the four performance measures that have been established. In FY08, the agency exceeded the number of key project milestones completed within established timeframes by two. Sources were determined by goals set to meet legislative recommendations. Upon the successful completion of milestones, data was maintained internally by at least two individuals and provided in reports to the Board of Directors. The performance demonstrated by achieving the milestones reflects the positive progression of the Spaceport Authority in achieving its mandated goals. The target for the number of visitors to the X-prize cup was adjusted down due to a concern that there would be insufficient promotion dollars available to meet the target. Significant progress had been made with the hiring of the executive director. His energy and drive are focused on meeting the goals set for the agency.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	365.2	814.6	1,763.9	949.3	116.5
TOTAL SOURCES	365.2	814.6	1,763.9	949.3	116.5
USES					
Personal Services and Employee Benefits	260.5	601.5	933.0	331.5	55.1
Contractual Services	0.0	25.0	423.1	398.1	1,592.4
Other	59.5	188.1	407.8	219.7	116.8
TOTAL USES	320.0	814.6	1,763.9	949.3	116.5
FTE					
Permanent	3.00	6.00	9.00	3.00	50.0
TOTAL FTE POSITIONS	3.00	6.00	9.00	3.00	50.0

Performance Measures

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Spaceport Authority					
The purpose of the Spaceport Authority is to encourage and foster development of the state, cities, and counties by developing spaceport facilities in New Mexico, and to actively promote and assist public and private sector infrastructure development to attract new business industries creating new job opportunities in the state.					
Efficiency	Number of key project milestones completed within established timeframes	10	12	10	10
Outcome	Annual aerospace jobs created due to spaceport authority efforts			150	150
Output	Number of visitors to the x-prize cup			50,000	25,000

Executive Summary

The Cultural Affairs Department is responsible for the stewardship and promotion of New Mexico's unique cultural heritage and assets.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	35,153.7	34,348.7	-2.3
Total Sources	47,225.7	45,394.6	-3.9
Program			
Museum and Monuments	28,029.4	27,426.5	-2.2
Preservation	5,531.2	5,097.6	-7.8
Library Services	6,398.3	5,800.3	-9.3
Program Support	4,531.1	4,443.6	-1.9
Arts	2,735.7	2,626.6	-4.0
Total Uses	47,225.7	45,394.6	-3.9
FTE	584.00	591.00	1.2

- The Executive recommendation decreases the General Fund by \$655.0 from the FY09 operating level.
- Other transfers are increased by \$30.5 overall.
- Federal revenues decreased by \$837.1 overall occurring mostly in the Preservation and Library Services programs.
- Other revenues reflect a decrease of \$236.9 overall.

Agency Mission and Program Purpose

The Cultural Affairs Department (CAD) is New Mexico's cultural steward, charged with preserving many of the cultural traditions, art, scientific and historic collections, historic buildings and sites in the state. The department's mission is to preserve, foster and interpret New Mexico's diverse cultural, scientific and artistic heritage and expression for present and future generations, enhancing the quality of life and economic well-being of the state.

The department is a public/private funding partnership. The department's revenue is derived from varied sources including federal funds, state funds and earned revenues. Some department programs are also supplemented through the voluntary financial support of private foundations and individuals.

In addition to the many educational programs offered within department facilities, the agency also provides high quality educational and outreach programs and services outside department facilities to reach as many New Mexicans as possible. The department makes a specific effort to reach those outside the Rio Grande corridor and in underserved communities.

The department continues to emphasize programs that foster economic growth in New Mexico, recognizing that its programs and services help support a \$2.8 billion cultural industry in the state.

These efforts include ongoing assessment of the economic impact of cultural activities as well as developing strategies for increasing the contribution that arts, historic preservation and culture make to local economies of New Mexico. In addition, the department continues to address the competing goals of increasing revenues and increasing attendance.

Statutory Authority: Sections 9-6-1 through 9-6-6 NMSA 1978.

Museums and Monuments

The Museums and Monuments Program develops and enhances the quality of the state's museums and monuments. The program provides high-quality exhibits, performances and programs that showcase the arts, history and science of New Mexico and cultural traditions worldwide. They include diverse and changing exhibitions, performing arts events, films and other presentations in visual arts, folk and traditional arts, history, archaeology, architecture, performing arts, natural history, science, farming, ranching, space and literature. The program also develops and retains audiences for the state's museums and monuments among a diverse range of target groups.

Preservation

The Preservation program includes the Historic Preservation Division and the Archaeological Services Division, which preserve New Mexico's history in very different ways. The Historic Preservation Division provides technical support and resources to communities throughout New Mexico to restore historic sites, places and buildings. Programs of the Historic Preservation Division include the Historic Preservation Loan Fund and the Tax Incentive Program, which provide financial incentives for historic preservation projects, archaeological and architectural compliance review, and the State and National Historic Properties Registries. The Archaeological Services Division helps clients preserve New Mexico's historic and prehistoric past. In accordance with state law, the division also conducts field work in advance of highway construction as well as other projects for clients such as the State Land Office and Bureau of Land Management.

Library Services

The State Library maintains a collection of state documents; serves as a reference resource for state agencies and the public; provides services for underserved communities, such as Books-for-the-Blind and the Bookmobile programs that serve rural communities with no access to public libraries; and fosters development of public libraries throughout New Mexico.

Program Support

Program Support delivers administrative support (financial, human resources and information technology) to all the department's programs so that they can accomplish their missions. This program also provides departmental leadership and administrative support necessary to ensure that the department's mission and the Governor's core agenda are achieved.

Arts

The Arts Division strengthens local communities and arts organizations statewide by providing resources to support contemporary and traditional arts, and technical assistance in the development and preservation of cultural resources. The division also runs the Art in Public Places program that displays art in, on or around public buildings by using 1% of construction costs in accordance with State law.

Executive Recommendation*Agency Strategic Directions*

Education is a core focus of the Cultural Affairs Department, running throughout all of its strategic goals, directions and programs. A 2006 Guggenheim study found that students participating in its museum education program performed better in several categories of literacy and critical thinking skills, including extended focus, hypothesizing, and providing multiple interpretations, than students who were not in the program. CAD is committed to improving the education of New Mexicans through cultural programs. CAD educators have designed programs to supplement New Mexico's school curriculum with content specifically geared towards state standards and benchmarks that enable participation of each grade level. CAD educators have also worked directly with teachers to help them to design curriculum rich in science, math, arts and history. In 2005, the Office of Archaeological Services was recognized by the Society for American Archaeology as the best archaeology educational program in the nation.

Cultural programs make a significant impact on New Mexico's economy. One of the department's programs is an innovative effort to develop art trails through rural regions of the state, designed to encourage cultural tourism as well as improve the economic sustainability of the communities. The department also works to improve the economy through literacy campaigns and Bookmobile library services to reach remote communities throughout the state that do not have public libraries. Additionally, efforts to preserve historic buildings help to jump-start economic revitalization in communities throughout the state.

The Cultural Affairs Department is focused on increasing attendance and participation in its programs, activities, museums and monuments. To achieve this, the department is working to improve current investments such as the State History Museum and New Mexico Archaeological Center, as well as prioritizing the safety and preservation of existing facilities rather than new capital outlay expansions.

The department consists of approximately 550 employees throughout New Mexico, with approximately 1,000 volunteers putting in more than 70,000 hours annually. Services reach more than 1.2 million New Mexicans each year. CAD has made efforts to improve the quality of its service delivery several budget initiatives have specifically addressed this.

Key Elements of Recommendation

The Executive recommendation reflects an overall decrease of \$805.0 in General Fund. The Executive recommendation increases other transfers 1.5% overall. Other transfers increased by \$190.0 in the Museums & Monuments Program and decreased in the Preservation Program by \$159.5. Federal revenues fell by 20.3% overall occurring mainly in the Preservation and Library Services programs. Other revenues declined 4% overall with a decrease in the Museum and Monuments Program and increases in the Preservation Program and Program Support. The Preservation Program eliminated 3.0 positions due to decreasing federal and other revenues. The State Library eliminated 5.5 positions due to decreasing federal revenues. The Executive recommendation includes decreases to all programs according to the agency reduction plan.

The Executive recommends partial funding for three expansion requests in FY10. The Executive recommends \$210.7 of funding for the maintenance and restoration of the Los Luceros property. This amount will cover one museum technician and conservator, two maintenance and repair workers and an administrative operations position for a total of four positions. The Executive recommends \$120.4 of funding for the Spencer Theater to cover two maintenance positions and two security guards, and \$129.6 for grounds maintenance for a total of \$250.0 for the property in FY10. The Executive recommendation includes funding for the New Mexico History Museum of \$289.6, which includes \$237.4 for two security guards, two receptionists, a woodworker for exhibit fabrication, an information technology generalist position, and a museum technician and conservator. This amount also includes \$52.2 in contractual services for security, janitorial services, VISTA licenses, landscaping and maintenance, and security system monitoring.

Performance Report

Museums and Monuments. Museums and Monuments met two of their three performance measures in FY08. Innovative programming, creative use of limited marketing resources and major new exhibits opening in Albuquerque and Santa Fe generated a better than expected increase in attendance at museum and monument exhibitions, performances, films and other presenting programs. The unusually high attendance at off-site educational, outreach and special events is a result of the Cultural Affairs Department participating in numerous special events that may not recur in FY09. Although the department increased its on-site activities by 15.2% in FY08, the projected 19% increase was too high. Museums and Monuments was able to expand its education and outreach for combined on-site and off-site activities by 28.7%.

Preservation. Preservation met three out of four performance measures in FY08. Division staff traveled across the state to attend more industry and community programs, and explain the importance of preservation as a development tool and the available incentives. These actions caused the number of participants in educational, outreach and special events to surpass the FY08 target by 433. The number of historic structures preserved using preservation tax credits surpassed the FY08 target by 26. The utilization of tax credits relies heavily upon outreach, community awareness and listing in the state register. Over the last three years, staff has provided more information to property owners. More properties have been registered, therefore, making more properties eligible to use tax credits. The value of construction projects already underway on historic buildings using state and federal tax credits exceeded the FY08 target by \$6 million. The division's involvement is dependent upon the property owners' ability to finance the project. The percent of grant funds from recurring appropriations distributed to communities outside of Santa Fe, Albuquerque and Las Cruces missed the FY08 target by 1%. Grants are measured by the amount spent, not by the amount funded, and since many of these grants cover multiple years, the rate of expenditure may be amended as actual work progresses.

Library Services. The Library Services Division met two of its three performance measures in FY08. The division successfully implemented plans to target grants to rural communities as much as possible. These actions increased the percent of grant funds from recurring appropriations distributed to communities outside of Santa Fe, Albuquerque and Las Cruces by 13% more than the FY08 target amount. The total number of library materials catalogued exceeded the FY08 target by 22.3 units. Bookmobile runs were cancelled during the month of June 2008 in order to map new routes. This caused a slight reduction in the number of participants in the program.

Program Support. Program Support did not meet any of its three performance measures in FY08. The division did not meet the percent reduction in the number of budget adjustment requests (BAR) in FY08 because the current number of BARS was deemed appropriate. This measure will be discontinued in FY10. The Division proposed a new measure in FY10 targeting the percent of department supervisory and managerial staff that completes professional development courses.

Arts. The Arts Division met four out of its eight performance measures in FY08. Rural outreach continues to be a priority for New Mexico arts, which is reflected in the division's focus and programming. This outreach effort increased the number of individuals and businesses that received training in establishing and marketing arts-based cottage industries. These efforts also increased the percent of grant funds from recurring appropriations. The number of participants in educational outreach programs and workshops increased as well. The Music Commission offered a variety of programs to musicians and music organizations and as a result the number of musicians registered on *nmmusic.org* increased substantially. The number of arts organizations that receive funding from New Mexico Arts varies from year to year. In the last two years some small arts organizations have gone out of business due to the challenging economy and high gas prices. The number of new clients that received professional development training in arts did not meet the FY08 target due to a previous reporting error that resulted in a highly inflated target. The fluctuations in actuals over the past years are due to the drop-off in technical assistance inquiries for the online grants application system. Now that the issues with the system have been resolved, the number of clients trained should increase. Two years ago, some of the major cultural institutions that were funded through the arts grants program changed the focus of the numbers that they report. This led to a significant drop in the overall attendance figures. For example, the Santa Fe Opera was reporting total audience numbers rather than the audience statistics from its apprenticeship tour for which the Arts grant was used.

Although the Department missed seven out of eighteen targets, the year was still considered a success. None of the missed targets reflect serious issues that would require special attention.

Recommended Language for the General Appropriation Act

The internal service funds/interagency transfers appropriation to the preservation program of the department of cultural affairs includes one million dollars (\$1,000,000) from the department of transportation for archaeological studies related to highway projects.

Any unexpended or unencumbered balance in the cultural affairs department remaining at the end of fiscal year 2009 from appropriations made from the general fund shall not revert.

Budget Summary TablesAgency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	32,528.5	35,153.7	34,348.7	-805.0	-2.3
Other Transfers	1,166.6	2,036.5	2,067.0	30.5	1.5
Federal Revenues	3,214.8	4,115.8	3,278.7	-837.1	-20.3
Other Revenues	5,712.3	5,919.7	5,682.8	-236.9	-4.0
Fund Balance	6.3	0.0	17.4	17.4	***
TOTAL SOURCES	42,628.5	47,225.7	45,394.6	-1,831.1	-3.9
USES					
Personal Services and Employee Benefits	29,475.1	31,531.0	31,176.0	-355.0	-1.1
Contractual Services	4,648.1	6,277.9	5,150.2	-1,127.7	-18.0
Other	7,775.3	9,416.8	9,068.4	-348.4	-3.7
TOTAL USES	41,898.5	47,225.7	45,394.6	-1,831.1	-3.9
FTE					
Permanent	463.30	463.20	480.20	17.00	3.7
Term	112.80	112.80	102.80	-10.00	-8.9
Temporary	8.00	8.00	8.00	0.00	0.0
TOTAL FTE POSITIONS	584.10	584.00	591.00	7.00	1.2

Museums and Monuments
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	21,401.2	23,273.7	23,062.5	-211.2	-0.9
Other Transfers	82.6	65.0	255.0	190.0	292.3
Federal Revenues	96.3	0.0	0.0	0.0	***
Other Revenues	3,932.9	4,690.7	4,109.0	-581.7	-12.4
TOTAL SOURCES	25,513.0	28,029.4	27,426.5	-602.9	-2.2
USES					
Personal Services and Employee Benefits	18,297.1	19,260.2	19,407.3	147.1	0.8
Contractual Services	1,272.4	2,039.1	1,729.9	-309.2	-15.2
Other	5,309.0	6,730.1	6,289.3	-440.8	-6.5
TOTAL USES	24,878.5	28,029.4	27,426.5	-602.9	-2.2
FTE					
Permanent	329.10	329.00	346.00	17.00	5.2
Term	48.30	48.30	46.80	-1.50	-3.1
TOTAL FTE POSITIONS	377.40	377.30	392.80	15.50	4.1

		Preservation (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	937.6	1,003.9	953.7	-50.2	-5.0
	Other Transfers	1,084.0	1,971.5	1,812.0	-159.5	-8.1
	Federal Revenues	966.4	1,391.8	943.6	-448.2	-32.2
	Other Revenues	1,595.8	1,164.0	1,370.9	206.9	17.8
	Fund Balance	6.3	0.0	17.4	17.4	***
	TOTAL SOURCES	4,590.1	5,531.2	5,097.6	-433.6	-7.8
USES						
	Personal Services and					
	Employee Benefits	3,717.5	4,467.2	4,340.0	-127.2	-2.8
	Contractual Services	346.2	381.3	292.6	-88.7	-23.3
	Other	516.6	682.7	465.0	-217.7	-31.9
	TOTAL USES	4,580.3	5,531.2	5,097.6	-433.6	-7.8
FTE						
	Permanent	35.00	35.00	35.00	0.00	0.0
	Term	40.50	40.50	37.50	-3.00	-7.4
	Temporary	6.00	6.00	6.00	0.00	0.0
	TOTAL FTE POSITIONS	81.50	81.50	78.50	-3.00	-3.7

		Library Services (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	4,140.2	4,192.4	3,983.3	-209.1	-5.0
	Federal Revenues	1,586.2	2,170.9	1,782.0	-388.9	-17.9
	Other Revenues	35.2	35.0	35.0	0.0	0.0
	TOTAL SOURCES	5,761.6	6,398.3	5,800.3	-598.0	-9.3
USES						
	Personal Services and					
	Employee Benefits	3,005.2	3,260.1	2,887.6	-372.5	-11.4
	Contractual Services	1,178.0	1,690.8	1,138.8	-552.0	-32.6
	Other	1,520.5	1,447.4	1,773.9	326.5	22.6
	TOTAL USES	5,703.7	6,398.3	5,800.3	-598.0	-9.3
FTE						
	Permanent	42.00	42.00	42.00	0.00	0.0
	Term	19.50	19.50	14.00	-5.50	-28.2
	TOTAL FTE POSITIONS	61.50	61.50	56.00	-5.50	-8.9

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	3,970.8	4,501.1	4,275.7	-225.4	-5.0
Other Revenues	148.4	30.0	167.9	137.9	459.7
TOTAL SOURCES	4,119.2	4,531.1	4,443.6	-87.5	-1.9
USES					
Personal Services and Employee Benefits	3,542.4	3,541.6	3,583.4	41.8	1.2
Contractual Services	464.0	568.7	486.6	-82.1	-14.4
Other	166.8	420.8	373.6	-47.2	-11.2
TOTAL USES	4,173.2	4,531.1	4,443.6	-87.5	-1.9
FTE					
Permanent	45.70	45.70	45.70	0.00	0.0
Temporary	2.00	2.00	2.00	0.00	0.0
TOTAL FTE POSITIONS	47.70	47.70	47.70	0.00	0.0

Arts
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	2,078.7	2,182.6	2,073.5	-109.1	-5.0
Federal Revenues	565.9	553.1	553.1	0.0	0.0
TOTAL SOURCES	2,644.6	2,735.7	2,626.6	-109.1	-4.0
USES					
Personal Services and Employee Benefits	912.9	1,001.9	957.7	-44.2	-4.4
Contractual Services	1,387.5	1,598.0	1,502.3	-95.7	-6.0
Other	262.4	135.8	166.6	30.8	22.7
TOTAL USES	2,562.8	2,735.7	2,626.6	-109.1	-4.0
FTE					
Permanent	11.50	11.50	11.50	0.00	0.0
Term	4.50	4.50	4.50	0.00	0.0
TOTAL FTE POSITIONS	16.00	16.00	16.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Museums and Monuments					
Develop and enhance the quality of state museums and monuments by providing the highest standards in exhibitions, performances and programs showcasing the arts, history, and science of New Mexico and cultural traditions worldwide.					
Output	Attendance to museum and monument exhibitions, performances, films and other presenting programs	835,000	840,520	805,000	841,000
Output	Number of participants to off-site educational, outreach and special events related to museum missions	66,550	251,578	93,000	160,000
Output	Number of participants at on-site educational, outreach and special events related to museum missions	326,000	316,336	304,000	320,000

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Preservation					
To identify, study and protect New Mexico's unique cultural resources, including its archaeological sites, architectural and engineering achievements, cultural landscapes and diverse heritage.					
Output	Number of participants in educational, outreach and special events related to preservation mission	4,900	5333	5,800	5,800
Outcome	Percent of grant funds from recurring appropriations distributed to communities outside of Santa Fe, Albuquerque and Las Cruces	58%	57%	63%	60%
Output	Annually completed number of historic structures preserved, using preservation tax credits	47	73	47	50
Output	Dollar value of construction underway on historic buildings using state and federal tax credits, in millions	5.0 million	11.0 millio	4.4 million	5.0
Library Services					
To empower libraries to support the educational, economic, and health goals of their communities, and to deliver direct library and information services to those who need them.					
Outcome	Percent of grant funds from recurring appropriations distributed to communities outside of Santa Fe, Albuquerque and Las Cruces	75%	88%	80%	85%
Output	Total number of library materials catalogued in system wide access to libraries in state agencies and keystone library automation system online databases, available through the internet	965,000	987,329	993,000	1,012,000
Output	Number of participants in educational, outreach and special events related to library mission	20,700	19,591	18,000	15,000
Program Support					
Deliver effective, efficient, high-quality services in concert with the core agenda of the governor.					
Outcome	Percent of performance targets in the General Appropriation Act, met (excluding this measure)	80%	61%	80%	80%
Output	Percent of department supervisory and managerial staff that completes targeted professional development training		new	new	5%
Output	Percent reduction in number of budget adjustment requests processed annually, excluding budget adjustment requests for additional revenues	16%	0%	25%	
Arts					
To preserve, enhance, and develop the arts in New Mexico through partnerships, public awareness, and education.					
Output	Number of arts trails brochures marketing cultural tourism loops distributed statewide	new	new	new	100,000
Output	Number of professional organizations supported throughout New Mexico for arts activities	166	165	166	166
Output	Number of clients provided professional development training in arts industry	5,240	3409	3,800	3450
Outcome	Percent of grant funds from recurring appropriations distributed to communities outside of Santa Fe, Albuquerque and Las Cruces	32%	39%	32%	35%
Output	Attendance at programs provided by arts organizations statewide, funded by New Mexico arts from recurring appropriations	1,800,000	1,399,991	1,450,000	1,400,000
Output	Number of musicians, music groups and businesses supporting the music industry who have registered on nmmusic.org website	600	1,236	1,000	1,000
Output	Number of participants in educational and outreach programs and workshops, including participants from rural areas	1,500	8,096	4,300	4,300
Output	Number of individuals or businesses provided training in establishing and marketing arts-based cottage industries	600	2,639	1,000	1,000

Executive Summary

The New Mexico Livestock Board protects the livestock industry from loss of livestock by theft or straying and helps prevent and control the spread of contagious diseases among livestock.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	1,338.1	1,264.7	-5.5
Total Sources	6,055.9	6,089.6	0.6
Program			
Administration	816.4	825.5	1.1
Livestock Inspection	4,864.6	5,264.1	8.2
Meat Inspection	374.9	0.0	-100.0
Total Uses	6,055.9	6,089.6	0.6
FTE	81.00	75.00	-7.4

- The Executive recommends a decrease in General Fund in accordance with the agency's proposed spending reduction plan.
- The recommendation includes an increase in other state funds for FY10 to allow the Livestock Inspection Program to respond adequately to the state's downgraded bovine tuberculosis status.
- The Meat Inspection Program will be discontinued for FY10 due to federal assumption of meat inspection duties.

Agency Mission and Program Purpose

The primary mission of the New Mexico Livestock Board (NMLB) is to help ensure the integrity of the livestock industry through protection from theft and contagious disease in accordance with statute.

Statutory Authority: Sections 77-2-1 through 77-2-29 and Sections 25-3-1 through 25-3-21 NMSA 1978.

Administration

The Administration Program provides administrative support to the Livestock Inspection Program through activities such as database maintenance, planning, financial control, staff assistance and budgeting. In addition, the program maintains the record of registered brands in the state by providing registration, research, transfer and other services to the brand owners.

Livestock Inspection

The Livestock Inspection Program: safeguards the livestock industry from theft; works to prevent and respond to emergency animal health events including disease, cruelty and abuse; and develops and maintains strong working relationships with livestock producers, including Native American producers as well as tribal agencies.

Meat Inspection

The Meat Inspection Program will be discontinued for FY10 due to the assumption of meat inspection duties in the state by the United States Department of Agriculture (USDA).

Executive Recommendation*Agency Strategic Directions*

The most pressing issue facing the NMLB is the aftermath of two recent cases of bovine tuberculosis (TB) found in the state. The state has been downgraded to modified accredited advanced status for bovine TB, which means that cattle growers must expose their herds to three days of disease testing before crossing the state border for any reason but slaughter. The NMLB has made use of federal funds to provide support and technical assistance to New Mexico ranchers and has adjusted its operations to mitigate the impact to the cattle industry.

Specifically, the Livestock Inspection Program will continue to assist the livestock industry in complying with federal and state testing and identification requirements and will fully implement an electronic information system to increase the efficiency of data movement, animal tracking and communication. The program will attempt to attain new federal funding under cooperative agreements for the control, follow-up and surveillance of bovine TB and other diseases. The NMLB has also applied to the USDA for an upgraded TB-free status for the area of the state where the disease was not discovered.

In addition to these activities, the agency is planning to develop standard policies and procedures to prevent and deal with livestock abuse, neglect and cruelty. Working with the Southwest Food Safety Defense Center, the NMLB will update the New Mexico Livestock Emergency Response Team plan. Staff will also work with New Mexico State University and the New Mexico Department of Agriculture to establish the Dairy Best Management Practice Program.

Key Elements of Recommendation

The Executive recommends a 5.5% decrease in General Fund and an overall increase in other state funds for FY10. The Meat Inspection Program is recommended to be discontinued for FY10, although two and a half FTE - one and a half veterinarians and a meat licensing clerk - will be transferred to the Livestock Inspection Program. The veterinarians will continue to address animal health and disease issues with particular emphasis on bovine TB while the meat licensing clerk will continue to issue licenses to meat vendors in the state as required by statute.

The recommendation includes a slight increase for the Administration Program to fund salaries and benefits as well as an increase in the agency's leased office space. Spending decreases are recommended for vehicles and other operational costs in the program.

The Executive recommends an increase of \$399.5 over FY09 operating levels for the Livestock Inspection Program to: cover the salaries and benefits of the new base FTEs; purchase vehicles according to a realistic replacement schedule; enhance information technology capabilities for animal identification and tracking, epidemiological analysis and communications; fund increased fuel costs; and replace laptops used by livestock inspectors in the field. A 0.5% vacancy factor is recommended so that the program can fill historically vacant positions in order to: (1) expand inspection and monitoring activities as part of a bovine TB response plan; and (2) decrease its response time to a rising number of animal cruelty cases being reported throughout the state.

It should also be noted that the agency collects approximately \$2,250.0 in brand re-record fees every three years and that those revenues are budgeted over those three years. While the agency budgeted these fees as "other revenues" in the past, the funds are recommended as "fund balance" for FY10 to reflect a more accurate picture of the process.

Performance Report

Administration. One of two performance targets was met by the Administration Program in FY08. The percent of vouchers processed within 10 business days was not met because of technical difficulties encountered with the state's accounting information system. The target for this measure is recommended at FY09 operating levels because the problems have been resolved.

Livestock Inspection. The Livestock Inspection Program met two of three performance targets in FY08. Inspectors have been completing investigations in reasonable amounts of time and performing more road stops than hoped for. The program did not meet its target for the number of livestock thefts reported per one thousand head inspected but should be able to meet its FY10 target based on the Executive recommendation to fund a historically low vacancy rate for livestock inspector positions in the agency.

Meat Inspection. Only one of three performance targets was met in the Meat Inspection Program in FY08 because the federal assumption of meat inspection responsibilities in the state began in that fiscal year and the program began to lose employees as a result. Performance is not expected to meet targets for FY09 and the program will be discontinued in FY10.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	1,851.5	1,338.1	1,264.7	-73.4	-5.5
Federal Revenues	1,672.4	0.0	0.0	0.0	***
Other Revenues	5,341.5	4,701.6	4,150.2	-551.4	-11.7
Fund Balance	105.9	16.2	674.7	658.5	4,057.1
TOTAL SOURCES	8,971.3	6,055.9	6,089.6	33.7	0.6
USES					
Personal Services and Employee Benefits	4,705.7	4,518.1	4,517.2	-0.9	0.0
Contractual Services	1,136.8	296.2	341.4	45.2	15.3
Other	1,629.8	1,241.6	1,231.0	-10.6	-0.9
TOTAL USES	7,472.3	6,055.9	6,089.6	33.7	0.6
FTE					
Permanent	95.00	81.00	75.00	-6.00	-7.4
TOTAL FTE POSITIONS	95.00	81.00	75.00	-6.00	-7.4

		Administration (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar/FTE</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	125.9	135.9	150.8	14.9	11.0
	Other Revenues	569.4	678.8	0.0	-678.8	-100.0
	Fund Balance	93.3	1.7	674.7	673.0	39,588.2
	TOTAL SOURCES	788.6	816.4	825.5	9.1	1.1
USES						
	Personal Services and Employee Benefits	529.7	598.5	632.3	33.8	5.6
	Contractual Services	29.1	37.4	36.4	-1.0	-2.7
	Other	149.7	180.5	156.8	-23.7	-13.1
	TOTAL USES	708.5	816.4	825.5	9.1	1.1
FTE						
	Permanent	8.00	8.00	8.00	0.00	0.0
	TOTAL FTE POSITIONS	8.00	8.00	8.00	0.00	0.0

		Livestock Inspection (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	1,035.3	946.6	1,113.9	167.3	17.7
	Federal Revenues	1,672.4	0.0	0.0	0.0	***
	Other Revenues	4,657.9	3,905.4	4,150.2	244.8	6.3
	Fund Balance	12.6	12.6	0.0	-12.6	-100.0
	TOTAL SOURCES	7,378.2	4,864.6	5,264.1	399.5	8.2
USES						
	Personal Services and Employee Benefits	3,417.3	3,724.4	3,884.9	160.5	4.3
	Contractual Services	1,096.8	252.1	305.0	52.9	21.0
	Other	1,371.7	888.1	1,074.2	186.1	21.0
	TOTAL USES	5,885.8	4,864.6	5,264.1	399.5	8.2
FTE						
	Permanent	65.20	64.50	67.00	2.50	3.9
	TOTAL FTE POSITIONS	65.20	64.50	67.00	2.50	3.9

**Meat Inspection
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	690.3	255.6	0.0	-255.6	-100.0
Other Revenues	114.2	117.4	0.0	-117.4	-100.0
Fund Balance	0.0	1.9	0.0	-1.9	-100.0
TOTAL SOURCES	804.5	374.9	0.0	-374.9	-100.0
USES					
Personal Services and Employee Benefits	758.7	195.2	0.0	-195.2	-100.0
Contractual Services	10.9	6.7	0.0	-6.7	-100.0
Other	108.4	173.0	0.0	-173.0	-100.0
TOTAL USES	878.0	374.9	0.0	-374.9	-100.0
FTE					
Permanent	21.80	8.50	0.00	-8.50	-100.0
TOTAL FTE POSITIONS	21.80	8.50	0.00	-8.50	-100.0

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Administration					
To provide administrative and logistical services to employees.					
Output	Number of payment vouchers processed	3,000	3,050	3,000	3,000
Outcome	Percent of vouchers processed within 10 business days	90%	80%	90%	90%
Livestock Inspection					
To protect the livestock industry from loss of livestock by theft or straying and to help control the spread of dangerous diseases of livestock.					
Efficiency	Average percentage of investigation findings completed within one month	50%	50%	65%	60%
Output	Number of road stops per month	30	36	90	60
Outcome	Number of livestock thefts reported per one thousand head inspected	1.0	1.2	1.0	1.0
Outcome	Number of disease cases per one thousand head inspected				.05
Outcome	Percent of retail meat dealers holding valid licenses				55%
Output	Number of on-site verifications of animal health, disease control and movement				3,000
Meat Inspection					
The Meat Inspection Program will be discontinued as of FY10 per the United States Department of Agriculture's assumption of meat inspection responsibilities in the state.					
Outcome	Percent of inspections where violations are found	3%	.5%	2%	
Outcome	Number of violations resolved within one day	225	25	300	
Output	Number of compliance visits made to approved establishments	8,000	1,000		
Output	Number of compliance visits made to licensed establishments			300	

Executive Summary

The Department of Game and Fish is charged with overseeing the State's wildlife and providing recreational hunting and fishing opportunities for residents and non-residents.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	336.8	0.0	-100.0
Total Sources	36,671.0	37,010.0	0.9
Program			
Sport Hunting and Fishing	20,335.3	20,763.1	2.1
Conservation Services	7,859.3	7,705.3	-2.0
Wildlife Depredation and Nuisance Abatement	1,205.5	1,199.3	-0.5
Administration	7,270.9	7,342.3	1.0
Total Uses	36,671.0	37,010.0	0.9
FTE	302.50	306.00	1.2

- The Executive recommends that the General Fund for the agency be replaced with agency-generated revenues.
- The recommendation provides for one expansion term FTE for a public outreach coordinator to develop and implement small game and wildfire-related conservation camps and provide hunter education to 2,000 youth statewide.
- The Executive recommends an expansion of one and a half temporary fish hatchery employees to undertake more intensive management efforts related to preserving the Rio Grande cutthroat trout and increase the number of fish stocked by the Rock Lake warm water facility by 300,000.

Agency Mission and Program Purpose

The Department of Game and Fish (department) operates under a seven-member State Game Commission appointed by the governor with the advice and consent of the Senate. The commission employs a director responsible for administration of the department. The department protects wildlife within the state, provides hunting and fishing opportunities and manages commission-owned lands and facilities for wildlife habitat and public use.

To this end, the agency operates fish hatcheries; provides public information on wildlife, recreational opportunities and department programs; conducts research on game and non-game species of wildlife and wildlife habitat in order to perpetuate species; stocks New Mexico waters; acquires, manages and disposes of department-owned property; promulgates and enforces hunting, trapping and fishing rules and regulations; monitors wildlife populations; assists private landowners in improving wildlife habitat; and develops wildlife education programs.

In meeting its mission, the department uses a flexible management system that provides for species protection, propagation and conservation while simultaneously allowing for use of the animals by

the public for recreation purposes and as food supply. The department encourages participation, seeks input and attempts to build consensus among its varied constituencies which include environmentalists, hunters, anglers, business interests, private landowners, advocacy groups and other state and federal resource management agencies.

The department collects revenue from license fees and federal funds, including grants and federal excise fees generated from the sale of goods related to outdoor and wildlife-associated recreation. The department manages six different non-reverting funds in its operations.

The Game Protection Fund is the department's operating fund and is its largest fund. Sources of revenue for the Game Protection Fund include license fees, federal funds, court fines and other penalties and assessments, sales of crops, sales of fixed assets, interest on investments and land rental or lease income. The fund supports all four of the agency's programs.

Statutory Authority: Sections 17-1-1 through 17-7-3 NMSA 1978.

Sport Hunting and Fishing

The Sport Hunting and Fishing Program manages populations of game birds, mammals and fishes, monitors hunting activities within the state and is responsible for all hatchery-related activities. This program strives to maintain a balance between satisfying hunters and anglers by providing quality game animals and allowing an appropriate amount of these activities to provide for economic development, recreation and food while not depleting resources. These services are implemented through a statewide force of professionally trained and educated biologists, conservation officers and support staff.

The Big Game Enhancement Fund falls solely under this program's purview. This fund receives revenues from the auction and lottery of hunting licenses for elk, deer, ibex, oryx, antelope, turkey and bighorn sheep, as well as from federal grants. The revenues are earmarked exclusively for the conservation, restoration and management of those big game species and their habitats.

Conservation Services

The Conservation Services Program provides information based on biological studies, public input and statistical data specifically for the enhancement and conservation of wildlife habitats and works to recover threatened and endangered indigenous wildlife species. The information provided also establishes an important ecological context for State Game Commission decision-making, for other department programs and for anglers, hunters and other agencies that manage public lands or have an interest in wildlife.

The program administers three separate funds:

The Sikes Act Fund receives revenues from hunting and fishing licenses, interest on investments and other financing sources. These funds are dedicated to habitat conservation and enhancement projects on lands administered by the United States Forest Service and the Bureau of Land Management.

The Habitat Management Fund derives revenues from four dollar habitat management stamps that each holder of a hunting or fishing license or wildlife-associated recreation permit must purchase once each license-year. Proceeds from the fund are used to make habitat improvements and to develop and maintain State Game Commission-owned properties.

The Share with Wildlife Fund is a subsidiary account under the Game Protection Fund. This fund receives revenues from federal grants, gifts, hunting and fishing licenses, and various other sources including donations through the state personal income tax form check-off. Funds are used to assist at-risk wildlife, regardless of species.

Wildlife Depredation and Nuisance Abatement

The Wildlife Depredation and Nuisance Abatement Program focuses on reducing and providing relief from the property damage, annoyance or risk to public safety caused by wildlife. The program provides creative intervention processes and complaint administration to leaseholders, private landowners and other citizens within the state.

The program oversees the Big Game Depredation Fund, which receives revenues through the sale of big game depredation damage validations on big game hunting licenses. Three dollars are collected from the sale of each resident big game license and \$10 is collected from the sale of each non-resident big game license. The money is used to correct wildlife-caused damage to private, federal or state land and to prevent such damage in the future.

Administration

Administration provides and coordinates administrative and management support services to allow for the smooth functioning of all other programs.

Executive Recommendation

Agency Strategic Directions

Over the coming years, the Sport Hunting and Fishing Program will continue to develop public outreach initiatives, maintain an equitable system for allocating hunting opportunities, continue to collaborate with landowners, provide hunter education training opportunities, address angler concerns, enhance wildlife law enforcement efforts, pursue increased participation in hunting and fishing and continue efforts to prevent and control wildlife diseases. Specific initiatives include annual wildlife surveys and the continued development of a warm water fish hatchery and associated Watershed Education and Training Center. The program also provides for the Operation Game Thief Project that allows the public to anonymously report wildlife law violations.

The Conservation Services Program will pursue collaboration with other agencies, nongovernmental organizations, advocacy groups and landowners to implement the Comprehensive Wildlife Conservation Strategy for New Mexico, develop management plans for State Wildlife Areas, conduct biennial reviews of state-listed threatened and endangered wildlife and implement species recovery plans. The Habitat Management Stamp program will continue to make habitat improvements on federally-owned properties. Conservation Services will also continue to foster the Gaining Access Into Nature program to promote public awareness of conservation efforts and participation in wildlife-associated recreational opportunities.

The Wildlife Depredation and Nuisance Abatement Program will continue to provide a high level of responsiveness to wildlife complaints, pursue community-based approaches to resolving human-wildlife conflicts and distribute public information about minimizing dangerous interactions with wildlife. Specific initiatives include maintaining a cooperative agreement with the U.S. Department of Agriculture (Wildlife Services) for assistance in the verification, abatement and reporting of wildlife-caused depredation, nuisance or threats to public safety as well as disseminating information through various types of media discouraging people from feeding bears.

The Administration Program will educate staff as to the various stakeholders affected by agency decisions, evaluate the efficiency, quality and effectiveness of administrative processes, maintain financial and procurement integrity, assess revenues in relation to agency goals, maintain staff and officer competencies through continued training, pursue diversity in the workforce and provide relevant public information. Highlights of this program include the continued production of the New Mexico Wildlife newspaper insert and television show and continued collaboration with the State Game Commission, other state agencies and partner federal agencies.

Key Elements of Recommendation

The Executive recommends that the General Fund for the agency be replaced with agency-generated revenues based on the projected stability of these revenues and on spending in FY08 that was significantly less than FY09 operating levels. An anticipated decrease in federal revenues is offset by an anticipated increase in hunting and fishing license revenue for FY10 due largely to a new rule adopted by the State Game Commission that expands the available number of hunting and fishing licenses by 10%. Notably, use of Game Protection Fund cash balance is recommended to decrease by 58.2% from FY09 operating levels in order to prolong the need for fee increases or General Fund support for recurring operations.

The recommendation for the Sport Hunting and Fishing Program includes a base increase over FY09 operating levels for: fuel costs; a replacement of trucks used by fisheries and all-terrain vehicles for officer patrols; salaries and benefits (with a two percent vacancy rate applied); and field supplies primarily for habitat restoration. The Executive recommends an increased drawdown of the Big Game Enhancement Fund for one-time habitat restoration efforts for big game species.

The Executive recommends one expansion term public outreach coordinator to develop and implement small game and wildfire-related conservation camps and provide hunter education to 2,000 youth statewide. The expansion leverages almost three dollars of federal support for every one dollar of agency-generated revenues.

The recommendation provides an expansion for one and a half temporary fish hatchery employees to undertake more intensive management efforts related to preserving the Rio Grande cutthroat trout and increase the number of fish stocked by the Rock Lake warm water facility by 300,000. These employees will be funded by an approximate 70-30 ratio of federal to agency-generated revenues.

The recommendation includes an overall decrease for the Conservation Services Program based largely on FY08 actuals for salaries and benefits. In addition, the Executive recommends a decreased drawdown of the Sikes Act Fund for FY10 while the agency prioritizes the habitat improvement projects it is considering.

The recommendation provides a federally-funded term native aquatic fauna technician as an expansion for the program. The position will conduct research on the distribution and status of various fish species in need of conservation efforts as identified in the state's Comprehensive Wildlife Conservation Strategy.

Also recommended is a decrease of less than half of one percent for the Wildlife Depredation and Nuisance Abatement Program based on FY08 actuals for salaries and benefits. Recommended increases for fuel costs and office space for depredation specialists are offset by a slight recommended decrease in the construction of game-resistant barriers, although funding for such barriers will remain high.

The Executive recommends an increase of less than one percent for the Administration Program to fund higher General Services Department and Department of Information Technology rates, research and information technology-related contracts, fuel costs and credit card merchant fees for license sales. A decrease in spending for vehicles, the agency audit, salaries and benefits (with a two percent vacancy rate applied) and other operational costs mostly offsets these expenses.

The program experienced a deficit in FY08 due to the misallocation of shared Game Protection Fund revenues to other agency programs. Program staff have a plan to correct the formula by which revenues post to each program and do not foresee another program deficit in the future.

Performance Report

Sport Hunting and Fishing. All four performance targets were met in the Sport Hunting and Fishing Program in FY08, meaning that hunting and fishing opportunities - especially for New Mexico residents - are meeting the public's expectations. Because the Executive recommends one and a half additional temporary employees for fish hatcheries, it is also recommended that FY10 targets for both the annual output of fish from the department's hatchery system (in pounds) and angler opportunity and success increase above FY08 actuals. The target for the number of mentored/youth hunting opportunities is increased for FY10 based on the public outreach coordinator position supported by the Executive and the fact that more realistic data has been supplied by the agency as a performance baseline.

Conservation Services. All three performance targets were surpassed in FY08 in the Conservation Services Program, indicating that conservation efforts are generally proceeding above anticipated levels. The FY10 target for the number of acres of wildlife habitat conserved, enhance or positively affected statewide is recommended at FY09 operating levels because success depends largely on the presence of proper weather conditions for conducting controlled burns throughout the state. The number of threatened and endangered species monitored, studied or involved in the recovery plan process has been restricted to state threatened and endangered species only for future reporting.

Wildlife Depredation and Nuisance Abatement. The Wildlife Depredation and Nuisance Abatement Program did not meet its lone performance target in FY08 for the percent of depredation complaints resolved within the mandated one-year timeframe because a rising in the number of complaints outpaced staff resources. The agency believes it will be more efficient in the future, and two new measures should provide a clearer picture of program workload and success.

Administration. The Administration Program met one of its two targets for FY08. The program continues to keep the error rate low when processing special hunt applications but has been challenged to reduce the time it takes to fill vacant positions. The change in status in FY09 of one term and two temporary employees to permanent should assist the agency in filling vacancies at a higher rate in FY10.

Budget Summary Tables

**Agency Budget Summary
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	333.1	336.8	0.0	-336.8	-100.0
Other Transfers	5.0	5.0	0.0	-5.0	-100.0
Federal Revenues	10,925.3	12,417.2	10,942.5	-1,474.7	-11.9
Other Revenues	22,472.8	21,153.2	24,703.9	3,550.7	16.8
Fund Balance	0.0	2,758.8	1,363.6	-1,395.2	-50.6
TOTAL SOURCES	33,736.2	36,671.0	37,010.0	339.0	0.9
USES					
Personal Services and Employee Benefits	18,901.4	20,482.3	20,400.4	-81.9	-0.4
Contractual Services	2,794.6	3,545.5	3,757.2	211.7	6.0
Other	10,988.3	12,145.9	12,355.1	209.2	1.7
Other Financing Uses	392.1	497.3	497.3	0.0	0.0
TOTAL USES	33,076.4	36,671.0	37,010.0	339.0	0.9
FTE					
Permanent	289.00	289.00	289.00	0.00	0.0
Term	11.00	11.00	13.00	2.00	18.2
Temporary	2.50	2.50	4.00	1.50	60.0
TOTAL FTE POSITIONS	302.50	302.50	306.00	3.50	1.2

**Sport Hunting and Fishing
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	95.0	95.0	0.0	-95.0	-100.0
Federal Revenues	7,783.0	8,644.9	7,996.6	-648.3	-7.5
Other Revenues	11,824.3	10,893.9	12,504.3	1,610.4	14.8
Fund Balance	0.0	701.5	262.2	-439.3	-62.6
TOTAL SOURCES	19,702.3	20,335.3	20,763.1	427.8	2.1
USES					
Personal Services and Employee Benefits	12,210.3	13,009.6	13,063.3	53.7	0.4
Contractual Services	1,029.8	1,290.2	1,320.7	30.5	2.4
Other	4,979.1	5,538.2	5,881.8	343.6	6.2
Other Financing Uses	392.1	497.3	497.3	0.0	0.0
TOTAL USES	18,611.3	20,335.3	20,763.1	427.8	2.1
FTE					
Permanent	193.00	193.00	193.00	0.00	0.0
Term	2.00	2.00	3.00	1.00	50.0
Temporary	2.00	2.00	3.50	1.50	75.0
TOTAL FTE POSITIONS	197.00	197.00	199.50	2.50	1.3

Conservation Services (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	238.1	241.8	0.0	-241.8	-100.0
Other Transfers	5.0	5.0	0.0	-5.0	-100.0
Federal Revenues	2,794.5	3,534.0	2,645.9	-888.1	-25.1
Other Revenues	4,413.1	2,758.8	4,449.9	1,691.1	61.3
Fund Balance	0.0	1,319.7	609.5	-710.2	-53.8
TOTAL SOURCES	7,450.7	7,859.3	7,705.3	-154.0	-2.0
USES					
Personal Services and Employee Benefits	2,428.4	2,671.5	2,656.2	-15.3	-0.6
Contractual Services	1,163.1	1,540.4	1,605.4	65.0	4.2
Other	3,380.9	3,647.4	3,443.7	-203.7	-5.6
TOTAL USES	6,972.4	7,859.3	7,705.3	-154.0	-2.0
FTE					
Permanent	32.00	32.00	32.00	0.00	0.0
Term	8.00	8.00	9.00	1.00	12.5
Temporary	0.50	0.50	0.50	0.00	0.0
TOTAL FTE POSITIONS	40.50	40.50	41.50	1.00	2.5

Wildlife Depredation and Nuisance Abatement (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
Other Revenues	1,107.9	967.9	1,054.7	86.8	9.0
Fund Balance	0.0	237.6	144.6	-93.0	-39.1
TOTAL SOURCES	1,107.9	1,205.5	1,199.3	-6.2	-0.5
USES					
Personal Services and Employee Benefits	304.2	349.5	329.7	-19.8	-5.7
Contractual Services	101.7	128.7	130.7	2.0	1.6
Other	651.0	727.3	738.9	11.6	1.6
TOTAL USES	1,056.9	1,205.5	1,199.3	-6.2	-0.5
FTE					
Permanent	5.00	5.00	5.00	0.00	0.0
TOTAL FTE POSITIONS	5.00	5.00	5.00	0.00	0.0

Administration
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	0.0	0.0	0.0	0.0	***
Federal Revenues	347.8	238.3	300.0	61.7	25.9
Other Revenues	5,127.5	6,532.6	6,695.0	162.4	2.5
Fund Balance	0.0	500.0	347.3	-152.7	-30.5
TOTAL SOURCES	5,475.3	7,270.9	7,342.3	71.4	1.0
USES					
Personal Services and Employee Benefits	3,958.5	4,451.7	4,351.2	-100.5	-2.3
Contractual Services	500.0	586.2	700.4	114.2	19.5
Other	1,977.3	2,233.0	2,290.7	57.7	2.6
TOTAL USES	6,435.8	7,270.9	7,342.3	71.4	1.0
FTE					
Permanent	59.00	59.00	59.00	0.00	0.0
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	60.00	60.00	60.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Sport Hunting and Fishing					
To provide a statewide system for hunting activities as well as self-sustaining and hatchery-supported fisheries taking into account hunter safety, quality hunts, high demand areas, guides and outfitters, quotas and assuring that local and financial interests receive consideration.					
Outcome	Angler opportunity and success	80%	82%	80%	
Outcome	Number of days of elk hunting opportunity provided to New Mexico resident hunters on an annual basis	165,000	169,011	165,000	165,000
Outcome	Percent of public hunting licenses drawn by New Mexico resident hunters	80%	83%	80%	80%
Output	Annual output of fish from the department's hatchery system, in pounds	425,000	451,337	425,000	455,000
Output	Number of mentored/youth hunting opportunities			50	2,000
Output	Acres of private land enrolled in access programs, open gate			60,000	
Outcome	Percent of anglers satisfied with opportunity and success				83%
Output	Acres of accessible sportsperson opportunity through the open gate program				60,000
Conservation Services					
To provide information and technical guidance to any person wishing to conserve and enhance wildlife habitat and recover indigenous species of threatened and endangered wildlife.					
Output	Number of threatened and endangered species monitored, studied or involved in the recovery plan process	35	77	35	
Outcome	Number of gaining access into nature opportunities offered	30	45		
Outcome	Number of acres of wildlife habitat conserved, enhanced or positively affected statewide	100,000	132,000	100,000	100,000
Output	Number of recreational days of access provided by the gaining access into nature project			10,000	10,000
Output	Number of state threatened and endangered species studied and conserved through recovery planning and the comprehensive wildlife conservation strategy for New Mexico				35

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Wildlife Depredation and Nuisance Abatement					
To provide complaint administration and intervention processes to private landowners, leaseholders and other New Mexicans so they may be relieved of and precluded from property damage, annoyances, or risks to public safety caused by protected wildlife.					
Outcome	Percent of depredation complaints resolved within the mandated one-year timeframe	95%	91%	95%	95%
Output	Number of educational publications distributed with a message about minimizing potentially dangerous encounters with wildlife				250,000
Output	Number of wildlife complaints responded to			100	100
Administration					
To provide an adequate and flexible system of direction, oversight, accountability and support to all divisions so they may successfully attain planned outcomes for all department programs.					
Output	Percent of vacancies filled within one hundred eighty days of occurrence	90%	81%		
Quality	Percent error rate in processing special hunt applications	<1%	<1%		
Quality	Percent of employee performance appraisals completed by anniversary date and submitted within state personnel guidelines	95%		95%	
Output	Percent of special hunt applications processed without error			99.8%	99.8%
Outcome	Percent of vacancies filled within one hundred twenty days of occurrence			75%	75%

Executive Summary

The Energy, Minerals and Natural Resources Department is charged with oversight and protection of the natural and energy resources in New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	27,388.3	26,351.1	-3.8
Total Sources	71,189.5	69,793.6	-2.0
Program			
Renewable Energy and Energy Efficiency	2,034.0	1,669.6	-17.9
Healthy Forests	12,831.3	8,687.7	-32.3
State Parks	34,975.9	34,823.0	-0.4
Mine Reclamation	6,043.3	6,278.6	3.9
Oil and Gas Conservation	8,556.1	11,893.4	39.0
Leadership and Support Program	6,748.9	6,441.3	-4.6
Total Uses	71,189.5	69,793.6	-2.0
FTE	526.00	534.00	1.5

- The Executive recommends a 3.8% decrease in General Fund as well as an overall decrease in total funds for the agency.
- In support of the Governor's vision of making New Mexico the "clean energy state", \$250.0 is recommended as an expansion from the General Fund to replace lost federal funds in the Renewable Energy and Energy Efficiency Program.
- Five permanent and two temporary FTE are recommended as an expansion for a new Pecos Canyon State Park.
- The Executive also recommends an expansion of \$80.4 for one FTE to review a significant increase in time-consuming mine permit applications and to conduct abandoned uranium mine field assessments.

Agency Mission and Program Purpose

The mission of the Energy, Minerals and Natural Resources Department (EMNRD) is to position New Mexico as a leader in energy and natural resource management. To meet this mandate, the department uses a flexible, team-based management system that is proactive, demands accountability and concentrates on customer service. The system allows the department to provide leadership in the protection, management, conservation and responsible use of the state's natural resources.

EMNRD is charged with: protecting the environment and ensuring the reclamation of land and resources affected by mining activities; growing and sustaining healthy forests; leading the development of reliable energy supplies; and improving the state's parks system while sustaining cultural and natural resources.

Statutory Authority: Sections 9-5A-1 through 9-5A-10 NMSA 1978.

Renewable Energy and Energy Efficiency

The Renewable Energy and Energy Efficiency Program promotes renewable energy, energy efficiency and conservation as well as the use of alternative fuels and transportation. Anticipated benefits of the program are: lower energy consumption and expenditures; generation of new jobs and revenues; greater environmental protection; less consumptive water use for coal-fired power generation; less dependency on foreign oil; and greater energy security.

Healthy Forests

The Healthy Forests Program protects, promotes and restores forest lands in New Mexico for the benefit of both current and future generations. The program protects forest lands and public safety through the efficient implementation of fire management and suppression activities and through the management of insects, pests and diseases that affect trees. The program aids in restoration efforts by developing resource management plans and by promoting tree planting programs. It also promotes safe forests through a strategy of assessing the communities most vulnerable to damage from wild fires and designing appropriate management plans to mitigate problems.

State Parks

The State Parks Program ensures the protection and management of the state's outstanding natural and cultural resources for present and future generations while providing recreational experiences for the public. The program manages diverse State Park resources guided by individual park management plans.

Mine Reclamation

The Mine Reclamation Program ensures the responsible use, conservation, reclamation and safeguarding of resources and land affected by mining. The scope of the program includes: reviewing and administering permits for mining and reclamation operations; maintaining registration of all mining and mill operations in the state; inspecting permitted facilities; identifying, safeguarding and reclaiming abandoned mine areas; and informing and educating members of the public about mining.

Oil and Gas Conservation

The Oil and Gas Conservation Program ensures the protection, conservation, management and responsible development of oil, gas and associated natural resource products. Through its oversight of drilling permits and well inspections, the program: prevents waste of oil and gas; protects the rights of mineral owners; and prevents the loss or contamination of fresh water supplies as a result of exploration activities.

Leadership and Support Program

The Leadership and Support Program provides and coordinates administrative and management support services to allow for the smooth functioning of all other programs.

Executive Recommendation

Agency Strategic Directions

EMNRD is an important component of the Executive's performance and accountability policy, *Protecting and Promoting New Mexico's Environment*.

Renewable Energy and Energy Efficiency. The Energy Conservation and Management Division (ECMD) continues to aggressively implement clean energy-related policies and statutes established by the governor and legislature over the last six years. Priorities include: (1) stimulating clean energy projects and facilities; (2) providing training, outreach and technical assistance to the general public, local and tribal governments, public schools, universities and targeted industries to foster the deployment of clean energy technologies and strategies; and (3) coordinating with the General Services Department and other state agencies to ensure that New Mexico state government is leading by example in all aspects of its daily operations, new building construction and vehicle procurement and utilization. Selected accomplishments include: (1) facilitating the development of over 500 megawatts of new wind power on New Mexico's eastern plains; (2) administering over 90 clean energy projects totaling over \$11,000.0; (3) providing input for implementing the Efficient Use of Energy Act that resulted in the commitment of over \$20,000.0 per year in utility-provided energy efficiency incentives to the residential and commercial sectors; (4) leveraging private investments of \$2,500.0, federal tax credits of \$580.0 and solar market development tax credits for EMNRD-certified solar systems of \$1,406.0; and (5) implementing the sustainable building tax credit passed by the 2007 New Mexico Legislature for building energy efficient and green buildings in the residential and commercial sectors – the first tax credit in the nation of this breadth and depth. Through these tax incentives, the bar is being raised for energy efficiency in statewide building codes.

ECMD plans to build on the clean energy policy and program foundation now firmly in place by: (1) pursuing additional market-based incentives and other cost-effective measures in statute to continue to stimulate clean energy projects and clean energy-related manufacturing enterprises throughout the state; (2) expanding its “lead by example” outreach to school districts, universities and local governments; (3) implementing a zero-energy home program focused on ensuring that new homes incorporate cost-effective state-of-the-art energy efficiency measures with particular attention to the low income home buyer; and (4) in coordination with the Economic Development Department, facilitating the demonstration and deployment of promising economic development activities throughout the state.

Healthy Forests. The Forestry Division's role is to protect New Mexico's forests and watershed health. This mission is largely accomplished in two ways: advocating for forest restoration and watershed health and preventing and suppressing wildland fires. Forest and watershed health efforts require strong partnerships and collaborations between local, state, tribal, federal and private entities. The Forestry Division provides the leadership that drives those partnerships and collaborations. The division's newly established Forest and Watershed Health Office as well as its seven field offices follow the Forest and Watershed Health Plan for establishing and maintaining a collaborative, landscape-scale framework for these efforts.

The division responded to over 1,100 fires during the 2008 season. The fire season started in January with large grass fires in the southeastern portion of the state, spread into the forested areas and produced eight incidents that required a Type 1 or Type 2 Incident Management Team to suppress. In addition, nine large fires required the assistance of Type 3 Incident Management Teams. Previous years' efforts to better equip local government fire departments allowed New Mexico to mobilize resources to assist with many in-state fires as well as out-of-state fires. The fire departments' added capacity is critical and will improve protection to communities and at-risk watersheds long into the future.

Fire hazards in wildland areas continue to threaten people and property as well as forests and watershed health. The division continues to chair and coordinate the New Mexico Fire Planning Task Force that addresses those wildland-urban interface areas most vulnerable to danger from wildland fires in New Mexico. The division funded and the Fire Planning Task Force has approved 19 county/area Community Wildfire Protection Plans (CWPPs) and continues to provide technical assistance to four New Mexico Association of Counties-funded CWPPs.

State Parks. State Parks celebrated its 75th anniversary in 2008. Formed in 1933 as the New Mexico State Parks Commission, the New Mexico State Parks Division has grown into a 34-park system that includes 19 lakes and nearly 183,000 acres of land. State parks are currently located in 25 of New Mexico's 33 counties and generate over \$200 million annually for New Mexico's economy. A 35th state park - Cerrillos Hills/Galisteo Basin in Santa Fe County - is authorized and funded and will open in late 2008. State parks are part of the Executive's plan for sustainable economic development in New Mexico, especially in rural areas.

Over four and a half million people visited state parks in FY08 - a 14% increase over FY07. After eight straight years of visitation declines, State Parks has maintained or increased visitation every year from FY05 to FY08 despite the challenges posed by drought and rising gas prices. Self-generated revenues increased in FY05, FY06, FY07 and FY08, which also reversed revenue declines in the five fiscal years prior to FY05.

Highlights of the State Parks Program during FY08 included: (1) the 14% visitation increase; (2) exceeding all key performance measures; (3) the year-long celebration of State Parks' 75th Anniversary, which included visitor discounts, promotions and special programs and events; (4) the completion of several major park renovation and improvement projects; and (5) significant progress on the Outdoor Classroom Program in conjunction with the Public Education Department, including partnerships with 37 school districts and completion of the new Lower Rio Grande Bosque Education Guide for teachers.

The strategic direction for State Parks includes efforts to: (1) improve park facilities; (2) increase visitation; (3) increase self-generated revenue and diversify revenue sources; (4) protect sites important to New Mexico's natural and cultural heritage; (5) improve recreational and trail opportunities statewide, including the construction of the Rio Grande Trail; (5) expand boater education to make boating in New Mexico safer; (6) grow the role of State Parks in statewide health and wellness efforts; and (7) expand the Outdoor Classroom Program for children.

Mine Reclamation. The Mining and Minerals Division continued to make strides in assuring the reclamation and safeguarding of New Mexico's mines. The division is overseeing several large hard rock and coal mine reclamation projects, including the major reclamation of mine tailings at the Phelps Dodge Tyrone Mine. Under a federal grant, the division safeguarded over 160 abandoned mine openings in the past two years. The division has also received awards for its innovative and high quality reclamation work, including most recently the National Award from the Office of Surface Mining for outstanding performance and exemplary abandoned mine land reclamation for the Real de Dolores Mine Safeguard Project south of Santa Fe.

The division is seeing an increase in uranium exploration projects and is taking steps to prepare for a possible return of uranium mining in northwest New Mexico. Specialized uranium mine reclamation training and coordination with tribal, federal and state agencies, along with citizen groups, has been implemented to educate program staff and to increase public trust. The division has initiated efforts to address the legacy of past uranium mining in New Mexico by conducting field investigations, determining remediation steps and leveraging funding for cleanup with other agencies and tribal governments.

Oil and Gas Conservation. The Oil Conservation Division continues to concentrate on the enforcement of its rules to prevent environmental contamination from oil and gas operations and to enhance those rules in order to ensure that it provides clear guidance on practices to protect human health and the environment. In FY08 the division conducted 18 days of hearings and five days of deliberations which resulted in the unanimous passage by the Oil Conservation Commission of a modified version of the proposed rule to regulate pits. The rule went into effect on June 16, 2008 and the division has provided four industry training sessions since then.

In FY08 the last portion of a new enforcement rule from 2005 went into effect; this rule requires that well operators provide additional financial assurance for wells on state and fee land that have been inactive for more than two years. As a result, the division now has access to 2,943 inactive well financial assurances totaling almost \$31,000.0. These financial assurances will be used if the wells must be plugged to protect the ground water and the well operator does not have sufficient funds to cover the plugging cost.

Already in FY09 the division successfully reorganized its rules so that all information related to an activity is in one section. The division is also working on carbon sequestration initiatives, efforts to divert water produced in oil and gas operations from disposal and the coordination of activities related to requests to drill in the Galisteo Basin and in other areas of the state. There have been several recent instances in which the division's enforcement actions have been upheld in court. In September 2008, the Supreme Court of New Mexico denied a petition which effectively affirmed the division's Surface Waste Management Rule. Also in September, a request to keep a compliance case against a well operator from proceeding was denied by the First Judicial District Court. The division will continue to refine its rules and consistently enforce them.

The division and EMNRD's Information Technology bureau are working to expand the already massive amount of information available on the internet. The first of these new offerings is expected to be delivered in FY09.

Key Elements of Recommendation

The Executive recommends a 3.8% decrease in General Fund as well as an overall decrease in total funds for the agency. The decrease in General Fund affects most agency programs in accordance with the agency's proposed spending reduction plan. The decrease in total funds results largely because EMNRD's FY09 operating budget reflects the full amount of all multi-year federal grants awarded whereas this recommendation is based upon the amount the agency anticipates spending from these awards in FY10.

The Renewable Energy and Energy Efficiency Program is facing a significant reduction in State Energy Program federal funds for FY10. These funds are used for both general operating expenses and for two term FTE responsible for implementing a federally mandated Rideshare program and various energy efficiency and outreach efforts throughout the state. In support of the governor's vision of making New Mexico the "clean energy state" by increasing the use of clean energy and maximizing cost-effective energy efficiency, \$250.0 is recommended as an expansion from the General Fund to replace these lost federal funds.

Federal funding for non-recurring special projects related to the development and utilization of clean energy will be pursued by ECMD but is not anticipated at this time for FY10. The program has \$234.0 budgeted in its FY09 operating budget for special projects including funds for geothermal and wind energy promotion.

For the Healthy Forests Program, the Executive recommendation includes a modest decrease in General Fund. While savings are recommended for travel, office supplies and fuel costs, an increase is recommended for salaries and benefits. The increase will make up for the lack of funding provided to the program for two additional FTE authorized in the 2008 legislative session. These FTE are responsible for: developing guidelines, reviewing applications and maintaining records in implementing the state Land Conservation Incentives Act Tax Credit Program; assisting in forest conservation easement acquisition under the state Natural Lands Protection Act; and providing assistance for the State Endangered Plant Species Program.

The large overall recommended decrease is a result of budgeting the full amounts of multi-year federal grant awards in its current operating budget and does not reflect a decrease in anticipated new federal funding. In fact, an increase in federal funding for the state's resource mobilization plan for efficient firefighting is included in the Executive recommendation. A 5.4% vacancy factor was applied to salaries and benefits for the Healthy Forests Program.

A major component of the Executive recommendation for the State Parks Program is the increased use of fund balance from its non-reverting operating fund. Over two and a half million dollars is recommended from this fund balance in order to pay for park facility improvements, one-time purchases of information technology (IT) equipment, vehicles and heavy equipment such as backhoes and tractors. The increase in fund balance is recommended in part to replace General Fund reduced under the agency's savings plan.

Under the recommendation federal funds will be directed to local entities for statewide trail maintenance. A conservative increase in State Parks' self-generated revenues (from camping and day use fees for example) based on FY08 actuals is recommended to fund higher General Services Department and Department of Information Technology rates, salaries and benefits using an 8.5% vacancy factor, fuel costs and other operational expenses.

The increase in self-generated revenues is also recommended to fund the operating costs associated with the establishment of Pecos Canyon State Park. Five permanent and two temporary FTE are recommended as an expansion for the new State Park based on expected visitation and use patterns in its first year. It should be noted that the level of other state funds recommended for State Parks in FY10 is below FY08 actuals to accommodate potential effects of the recent economic downturn.

A General Fund increase of \$21.0 is recommended for salaries and benefits in the base budget of the Mining and Minerals Program in order to leverage the maximum amount of federal dollars available for coal regulation in the state. Increased federal funding under the Abandoned Mine Land Grant is also included in the Executive recommendation for hazard reduction contracts at abandoned mine sites. The Executive also recommends an expansion of \$80.4 for one FTE to review a significant increase in time-consuming mine permit applications and to conduct abandoned uranium mine field assessments.

The Executive recommends a drawdown of the Oil and Gas Conservation Program's Oil and Gas Reclamation Fund. Not only will this allow the program to plug abandoned well sites according to contractor availability, but it will also enable the fund to receive the full amount it is allotted per statute. Should the balance in the fund equal or exceed \$2,500.0, the allotment gets reduced and the ability of the program to plug abandoned wells in the future becomes limited.

The Executive recommendation also supports an increase in other revenues to offset the need for additional General Fund. These revenues are recommended for salaries and benefits with a 3.5% vacancy factor, the replacement of IT equipment, the repayment of dues to the Interstate Oil and Gas Compact Commission (a vehicle for information-sharing between producing states), court reporters for dispute resolution and enforcement at Oil Conservation Commission hearings and other operational expenses.

The Executive recommends a \$119.0 decrease in General Fund for the Leadership and Support Program. The recommended decrease affects salaries and benefits as well as travel, IT equipment purchases and other expenses. It should also be noted that the Executive recommends a decrease of federal flow-through funding for agencies such as the Department of Public Safety, the Public Regulation Commission, the Department of Environment and other agencies for the administration of the Waste Isolation Pilot Plant (WIPP) Program based on the transfers made in FY08.

Performance Report

EMNRD met 16 of its 20 performance targets in FY08, exhibiting especially strong performance in the areas of energy efficiency, wildfire protection, state park visitation, oil and gas regulation and administrative support.

Renewable Energy and Energy Efficiency. The program met or exceeded all four of its performance targets in FY08. Perhaps most notably, public facilities funded for energy efficiency retrofits have demonstrated reductions in their energy use by significant margins. The program should be able to continue its current service levels under the Executive recommendation, which replaces lost federal funds with General Fund.

Healthy Forests. The program exceeded two of its three performance targets in FY08. Both community participation in wildfire planning and non-federal wildland firefighter training have been strong and are important steps in controlling wildfire damage in the state. Targets for these measures are recommended at FY09 levels because much of the demand for community wildfire protection plans and non-federal wildland firefighter training has already been satisfied. Support for woody biomass industries has dropped off because Federal Economic Action Grants are no longer available; this performance measure has been discontinued.

State Parks. The program exceeded three of its four performance targets in FY08. State parks continue to attract more visitors, in part by offering more interpretive programs. Because State Parks has received recurring funding for its Outdoor Classroom Program the target for the number of interpretive programs available to park visitors is recommended to increase for FY10. The number of acres added to state parks is also recommended to increase based on the strong Executive support for the establishment of Pecos Canyon State Park.

Mine Reclamation. The program did not meet either of its performance targets for FY08 but the targets left no room for error. An inspector vacancy early in the fiscal year resulted in 99% of required mine inspections to occur. The program believes it is making progress in ensuring that all permitted mines have approved reclamation plans and adequate financial assurance. Staff are coordinating the outstanding pieces of the permitting process for certain mines with other state agencies and they expect to inch closer to or meet the target set in FY09.

Oil and Gas Conservation. The program met all four of its performance targets in FY08, displaying an enhanced ability to perform large volumes of inspections at oil and gas wells and associated facilities. Staff scheduled inspections strategically according to well location and performed multiple inspections on problematic wells to ensure an efficient and effective use of the program's resources. The FY10 target for the number of inspections is recommended to increase accordingly.

Leadership and Support. The program met all three of its performance measures in FY08, enabling the services provided by the other program areas to be delivered reliably and promptly. The number of emergency responder and shipment trainings and practice exercises conducted related to WIPP is recommended to increase for FY10 based on FY08 actuals but it should be noted that FY08 was considered an anomaly by the agency because trainings had not been provided as needed in prior years.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	25,922.1	27,388.3	26,351.1	-1,037.2	-3.8
Other Transfers	3,223.5	2,918.6	2,962.3	43.7	1.5
Federal Revenues	14,496.5	25,492.2	18,870.6	-6,621.6	-26.0
Other Revenues	15,097.4	13,422.7	15,238.5	1,815.8	13.5
Fund Balance	828.5	1,967.7	6,371.1	4,403.4	223.8
TOTAL SOURCES	59,568.0	71,189.5	69,793.6	-1,395.9	-2.0
USES					
Personal Services and Employee Benefits	29,106.2	31,210.1	31,995.1	785.0	2.5
Contractual Services	7,270.5	12,422.6	14,525.2	2,102.6	16.9
Other	16,795.9	22,993.5	19,074.5	-3,919.0	-17.0
Other Financing Uses	3,123.6	4,563.3	4,198.8	-364.5	-8.0
TOTAL USES	56,296.2	71,189.5	69,793.6	-1,395.9	-2.0
FTE					
Permanent	434.00	436.00	442.00	6.00	1.4
Term	42.00	42.00	42.00	0.00	0.0
Temporary	48.00	48.00	50.00	2.00	4.2
TOTAL FTE POSITIONS	524.00	526.00	534.00	8.00	1.5

Renewable Energy and Energy Efficiency (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	1,186.2	1,233.3	1,484.9	251.6	20.4
Other Transfers	22.7	0.0	0.0	0.0	***
Federal Revenues	887.9	800.7	184.7	-616.0	-76.9
Fund Balance	358.9	0.0	0.0	0.0	***
TOTAL SOURCES	2,455.7	2,034.0	1,669.6	-364.4	-17.9
USES					
Personal Services and Employee Benefits	1,261.3	1,407.7	1,376.6	-31.1	-2.2
Contractual Services	840.0	382.7	75.5	-307.2	-80.3
Other	331.7	243.6	217.5	-26.1	-10.7
Other Financing Uses	22.7	0.0	0.0	0.0	***
TOTAL USES	2,455.7	2,034.0	1,669.6	-364.4	-17.9
FTE					
Permanent	13.00	13.00	13.00	0.00	0.0
Term	2.00	2.00	2.00	0.00	0.0
TOTAL FTE POSITIONS	15.00	15.00	15.00	0.00	0.0

Healthy Forests (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10 <u>Budget to Recommendation</u>	
				<u>Dollar Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	3,534.6	3,863.0	3,797.2	-65.8	-1.7
Other Transfers	151.3	0.0	0.0	0.0	***
Federal Revenues	5,993.8	8,438.0	4,329.4	-4,108.6	-48.7
Other Revenues	624.3	414.2	471.1	56.9	13.7
Fund Balance	0.0	116.1	90.0	-26.1	-22.5
TOTAL SOURCES	10,304.0	12,831.3	8,687.7	-4,143.6	-32.3
USES					
Personal Services and Employee Benefits	4,571.6	4,334.0	4,445.1	111.1	2.6
Contractual Services	1,175.9	2,305.2	1,039.5	-1,265.7	-54.9
Other	4,393.9	6,192.1	3,203.1	-2,989.0	-48.3
TOTAL USES	10,141.4	12,831.3	8,687.7	-4,143.6	-32.3
FTE					
Permanent	57.00	59.00	59.00	0.00	0.0
Term	11.00	11.00	11.00	0.00	0.0
TOTAL FTE POSITIONS	68.00	70.00	70.00	0.00	0.0

State Parks (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10 <u>Budget to Recommendation</u>	
				<u>Dollar Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	12,861.3	13,308.8	12,103.4	-1,205.4	-9.1
Other Transfers	2,914.4	2,620.3	2,620.0	-0.3	0.0
Federal Revenues	3,341.1	8,575.3	6,589.8	-1,985.5	-23.2
Other Revenues	9,848.7	8,619.9	9,728.7	1,108.8	12.9
Fund Balance	272.0	1,851.6	3,781.1	1,929.5	104.2
TOTAL SOURCES	29,237.5	34,975.9	34,823.0	-152.9	-0.4
USES					
Personal Services and Employee Benefits	12,779.6	13,922.8	14,363.9	441.1	3.2
Contractual Services	1,617.5	3,667.8	4,455.0	787.2	21.5
Other	10,371.8	14,726.2	13,535.3	-1,190.9	-8.1
Other Financing Uses	2,460.5	2,659.1	2,468.8	-190.3	-7.2
TOTAL USES	27,229.4	34,975.9	34,823.0	-152.9	-0.4
FTE					
Permanent	239.00	239.00	244.00	5.00	2.1
Term	6.00	6.00	6.00	0.00	0.0
Temporary	48.00	48.00	50.00	2.00	4.2
TOTAL FTE POSITIONS	293.00	293.00	300.00	7.00	2.4

Mine Reclamation
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	460.3	519.9	621.3	101.4	19.5
Federal Revenues	2,535.8	4,602.6	4,842.7	240.1	5.2
Other Revenues	710.9	920.8	814.6	-106.2	-11.5
Fund Balance	197.6	0.0	0.0	0.0	***
TOTAL SOURCES	3,904.6	6,043.3	6,278.6	235.3	3.9
USES					
Personal Services and Employee Benefits	2,486.9	2,702.0	2,806.1	104.1	3.9
Contractual Services	1,088.3	2,876.2	3,043.9	167.7	5.8
Other	329.4	465.1	428.6	-36.5	-7.8
TOTAL USES	3,904.6	6,043.3	6,278.6	235.3	3.9
FTE					
Permanent	16.00	16.00	17.00	1.00	6.3
Term	15.00	15.00	15.00	0.00	0.0
TOTAL FTE POSITIONS	31.00	31.00	32.00	1.00	3.2

Oil and Gas Conservation
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	4,433.0	4,496.2	4,496.2	0.0	0.0
Other Transfers	85.1	80.0	128.5	48.5	60.6
Federal Revenues	544.5	512.1	544.6	32.5	6.3
Other Revenues	3,913.5	3,467.8	4,224.1	756.3	21.8
Fund Balance	0.0	0.0	2,500.0	2,500.0	***
TOTAL SOURCES	8,976.1	8,556.1	11,893.4	3,337.3	39.0
USES					
Personal Services and Employee Benefits	4,296.8	4,658.6	4,819.9	161.3	3.5
Contractual Services	2,517.5	3,167.9	5,893.2	2,725.3	86.0
Other	955.8	625.4	1,061.9	436.5	69.8
Other Financing Uses	104.9	104.2	118.4	14.2	13.6
TOTAL USES	7,875.0	8,556.1	11,893.4	3,337.3	39.0
FTE					
Permanent	63.00	63.00	63.00	0.00	0.0
Term	5.00	5.00	5.00	0.00	0.0
TOTAL FTE POSITIONS	68.00	68.00	68.00	0.00	0.0

Leadership and Support Program (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	3,446.7	3,967.1	3,848.1	-119.0	-3.0
Other Transfers	50.0	218.3	213.8	-4.5	-2.1
Federal Revenues	1,193.4	2,563.5	2,379.4	-184.1	-7.2
TOTAL SOURCES	4,690.1	6,748.9	6,441.3	-307.6	-4.6
USES					
Personal Services and Employee Benefits	3,710.0	4,185.0	4,183.5	-1.5	0.0
Contractual Services	31.3	22.8	18.1	-4.7	-20.6
Other	413.3	741.1	628.1	-113.0	-15.2
Other Financing Uses	535.5	1,800.0	1,611.6	-188.4	-10.5
TOTAL USES	4,690.1	6,748.9	6,441.3	-307.6	-4.6
FTE					
Permanent	46.00	46.00	46.00	0.00	0.0
Term	3.00	3.00	3.00	0.00	0.0
TOTAL FTE POSITIONS	49.00	49.00	49.00	0.00	0.0

Performance Measures

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Renewable Energy and Energy Efficiency					
The purpose of the Renewable Energy and Energy Efficiency Program is to develop and implement clean energy programs in order to decrease per capita energy consumption, utilize New Mexico's substantial renewable energy resources, minimize local, regional and global air emissions, lessen dependence on foreign oil and reduce in-state water demands associated with fossil-fueled electrical generation.					
Explanatory	Annual utility costs for state-owned buildings in dollars	13,023,000	15,450,000		
Outcome	Percent reduction in energy use in public facilities receiving energy efficiency retrofit projects through the Energy Efficiency and Renewable Energy Bonding Act, the Public Facilities Energy Efficiency Act, the Water Conservation Act or the clean energy projects program	10%	10%	15%	15%
Outcome	Percent decrease in gasoline consumption by state and local government fleets through the application of alternative transportation fuel technologies	15%	15%		
Output	Number of inventoried clean energy projects evaluated annually			50	50
Outcome	Percent of total transportation fuels used by state agencies that are produced from renewable sources			10%	
Outcome	Percent of retail electricity sales from investor-owned utilities in New Mexico from renewable energy sources			10%	10%
Outcome	Percent of inventoried alternative energy projects evaluated annually	30%	30%		
Healthy Forests					
The purpose of the Healthy Forests Program is to promote the health of New Mexico's forest lands by managing wildfires, mitigating urban-interface fire threats and providing stewardship of private and state forest lands and associated watersheds.					
Output	Number of nonfederal wildland firefighters provided professional and technical incident command system training	500	760	500	500
Outcome	Percent of at-risk communities participating in collaborative wildfire protection planning	25%	40%	25%	25%
Output	Number of agreements established, workshops and training conducted and plans developed to support and maintain small diameter and woody biomass industries	15	0		
Output	Number of acres restored in New Mexico's forests and watersheds			8,000	8,000

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
State Parks					
To create the best recreational opportunities possible in state parks by preserving cultural and natural resources, continuously improving facilities, and providing quality, fun activities and to do it all efficiently.					
Output	Number of acres added to state parks			40	220
Explanatory	Number of visitors to state parks	4,000,000	4,603,901	4,000,000	4,200,000
Explanatory	Self-generated revenue per visitor, in dollars	\$0.83	\$0.89	\$0.87	\$0.89
Output	Number of interpretive programs available to park visitors	2,500	2,824	2,600	2,900
Outcome	Percent of visitors satisfied with state parks			80%	80%
Output	Miles added to state parks trails and the Rio Grande trail			20	20
Output	Number of persons who complete a certified New Mexico boating safety education course			800	800
Outcome	Percent completion of new parks and park expansion projects receiving appropriations	45%	0%		
Mine Reclamation					
The purpose of this program is to implement the state laws that regulate the operation and reclamation of hard rock and coal mining facilities and to reclaim abandoned mine sites.					
Outcome	Percent of permitted mines with approved reclamation plans and adequate financial assurance posted to cover the cost of reclamation	100%	96%	100%	100%
Outcome	Percent of required inspections conducted per year to ensure mining is being conducted in compliance with approved permits and regulations	100%	99%	100%	100%
Output	Percent of abandoned uranium mines with current site assessments			20%	30%
Oil and Gas Conservation					
To assure the conservation and responsible development of oil and gas resources through professional, dynamic regulation.					
Outcome	Percent of inventoried orphaned wells plugged annually	25%	39%		
Output	Number of inspections of oil and gas wells and associated facilities	21,750	35,169	23,500	27,000
Explanatory	Number of inventoried orphaned wells statewide	90	40		
Explanatory	Number of complaints received from landowners or lessees regarding split-estate or producer-impact activities	12	1		
Output	Percent of inactive wells at the beginning of the fiscal year plugged under a plugging order, properly temporarily abandoned or returned to production by the end of the fiscal year				10%
Output	Number of inactive wells			120	
Outcome	Percent increase in the amount of water diverted from disposal for other uses			10%	10%
Leadership and Support Program					
This program includes the Administrative Services Division and the Office of the Secretary. It sets policy for the Department and provides support for every division in achieving goals.					
Outcome	Percent of prior-year financial audit findings resolved	100%	100%	100%	100%
Output	Number of emergency responder and shipment inspection trainings and practice exercises conducted related to the waste isolation pilot plant	40	54	40	45
Outcome	Percent of time local area computer network is available	95%	97%	95%	

Executive Summary

The Youth Conservation Corps promotes the education, success and well-being of the youth of New Mexico through conservation efforts that provide lasting benefits to the State's communities.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	2,779.6	3,915.8	40.9
Program			
Youth Conservation Corps	2,779.6	3,915.8	40.9
Total Uses	2,779.6	3,915.8	40.9
FTE	2.00	3.00	50.0

- The Executive recommendation includes an increase in the base budget for the YCC due primarily to the use of fund balance for one-time youth conservation projects.
- The Executive recommends one FTE to address the growth in participation, scope and complexity of projects.

Agency Mission and Program Purpose

The Youth Conservation Corps (YCC) has been responsible for implementing the YCC Act since 1992 when it was created by the Legislature. Since that time, over 7,400 youths between the ages of 14 to 25 have been employed in projects that have benefited New Mexico's natural resources and provided community benefits of lasting value.

The main objective of YCC is to benefit the New Mexico youth it employs. Corps members are given an opportunity to: earn a living wage; develop work ethics and employment skills; learn technical skills; and in many cases earn credit hours toward graduation either from high school or an institution of higher education. The YCC is committed to providing a positive work environment so that corps members can develop personal and professional skills that they will be able to use in future endeavors.

In addition to this focus on youth, the YCC program allows individual communities to design projects that meet their specific needs. Community involvement stimulates support for both the agency and project participants.

Statutory Authority: Sections 9-5B-1 through 9-5B-11 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The YCC continues to stress the importance of leveraging funding and services through partnerships with the Public Education Department, Children, Youth and Families Department, State Land Office, non-profit organizations and project sponsors. The YCC program also continues

to improve services to corps members with the implementation of its web-based project reporting site. The site has enabled YCC staff to track corps member service time in order to determine eligibility for cash bonuses or tuition vouchers.

Key Elements of Recommendation

The base recommendation includes a modest increase in other revenues as a result of YCC's statutorily designated percentage of governmental gross receipts collected. The recommendation also includes the use of \$979.3 in non-reverting fund balance. Both the increase in recurring funds and this one-time use of fund balance will be put toward grants for youth conservation projects.

The Executive recommends an expansion of one administrative assistant position to address the growth in participation, scope and complexity of YCC projects. The value of contracts for projects has almost doubled and the number of youth served has increased 75% in the last 10 years, while the staffing level has remained constant at two positions.

The administrative assistant will enable YCC to provide more efficient services to its customers, including quicker processing of reimbursement requests and quicker responses to inquiries. The additional administrative support will also enable the director to focus on outreach, expanding youth employment opportunities and creating partnerships with state agencies and other institutions.

The position is recommended as a term because it depends on revenues materializing as anticipated. The agency plans to reduce the fund balance it uses to encumber contracts at the beginning of each fiscal year to reflect historic actual spending, thus freeing up the revenue needed to fund the position without decreasing the amount of funding available for corps projects.

The recommended use of fund balance for one-time youth conservation projects and the reduction in fund balance used to encumber contracts will result in a healthy but not excessive amount of reserves for the agency.

Performance Report

The YCC met two of its five performance targets in FY08. Although the target for the number of projects funded in a year was not met, the target for the number of youth employed annually was exceeded because the projects that were funded were large and required a greater workforce to accomplish. The number of projects funded in a year is no longer an approved performance measure for the YCC.

The target for the percent of grant awards used toward wages for corps members was not met because a rising portion of grant awards must be provided for workers' compensation. Because this benefit is not considered part of corps member wages, it is recommended that the target for this measure drop to 70% for FY10.

The target for the number of youth employed annually is recommended at 900 to account for the large increase in projects anticipated for FY10 as a result of the use of almost one million dollars in fund balance for this purpose.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	2,885.8	2,778.9	2,936.5	157.6	5.7
Fund Balance	0.0	0.7	979.3	978.6	139,800.0
TOTAL SOURCES	2,885.8	2,779.6	3,915.8	1,136.2	40.9
USES					
Personal Services and Employee Benefits	163.8	150.5	200.0	49.5	32.9
Contractual Services	2,183.8	2,512.4	3,605.4	1,093.0	43.5
Other	44.6	66.7	60.4	-6.3	-9.4
Other Financing Uses	50.0	50.0	50.0	0.0	0.0
TOTAL USES	2,442.2	2,779.6	3,915.8	1,136.2	40.9
FTE					
Permanent	2.00	2.00	2.00	0.00	0.0
Term	0.00	0.00	1.00	1.00	***
TOTAL FTE POSITIONS	2.00	2.00	3.00	1.00	50.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Youth Conversation Corps					
To provide funding for the employment of New Mexicans between the age of 14 and 25 to work on projects that will improve New Mexico's natural, cultural, historical and agricultural resources.					
Output	Number of projects funded in a year that improve New Mexico's natural resources and provide lasting community benefits	45	31		
Outcome	Percent of projects completed during the year	95%	100%		
Output	Number of youth employed annually	625	730	625	900
Outcome	Percent of grant awards used toward wages for corps members	75%	68%	75%	70%
Output	Number of cash bonuses and tuition vouchers awarded	18	8		
Outcome	Percent of projects completed within one year			95%	95%

Executive Summary

The Intertribal Ceremonial Office administers and promotes an annual intertribal ceremonial.

	FY09 Operating Budget	FY10 Recommendation	% Change
General Fund	162.0	173.1	6.9
Total Sources	182.2	173.1	-5.0
Program			
Intertribal Ceremonial Office	182.2	173.1	-5.0
Total Uses	182.2	173.1	-5.0
FTE	2.00	2.00	0.0

- The Executive recommends a \$11.1 base increase to replace nonrecurring fund balances used in prior fiscal years.

Agency Mission and Program Purpose

The Intertribal Ceremonial Office aids in the planning, coordination and development of an intertribal ceremonial event. The office is managed by a director, who is appointed by the governor. The governor serves as an ex-officio member of the seven-member Intertribal Ceremonial Board. The board consists of members appointed by the governor, who will serve five-year terms. Board members must be bona fide residents of the state, and a majority of the members must be Native American.

The office was created in 2005, is administratively attached to the Tourism Department and administers the Intertribal Ceremonial Fund.

Statutory Authority: Sections 9-15C-1 to 9-15C-5 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The office will continue to promote a yearly intertribal ceremonial event.

Key Elements of Recommendation

The Executive recommendation increases the General Fund base budget by \$11.1 to replace the portion of the budget supported by fund balance in prior years. The recommendation fully funds personnel services at the current level. The Intertribal Ceremonial Office is a non-reverting agency.

Performance Report

The Intertribal Ceremonial Office exceeded performance targets for dollar value of sponsorships and met the percent of operating revenue sources other than General Fund. The office was unable to meet the target for the number of intertribal ceremonial tickets sold because the target was representative of the number of attendees, vendors and volunteers rather than actual ticket sales. The FY10 target is representative of actual ticket sales. The office was also unable to meet the target for the number of sponsorships because an executive director was not appointed until February 2007. The FY08 results show that the agency missed its target by a mere five sponsorships. For FY10, the Executive recommendation reflects a decrease in target level for the number of intertribal ceremonial tickets sold measure due to the wording change and actual numbers. The Executive is recommending that the last three measures remain at the FY09 target levels in FY10.

Budget Summary Tables

		Agency Budget Summary (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Operating Budget</u>	<u>mendation</u>	<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES						
	General Fund Transfers	157.9	162.0	173.1	11.1	6.9
	Other Revenues	20.0	0.0	0.0	0.0	***
	Fund Balance	0.0	20.2	0.0	-20.2	-100.0
	TOTAL SOURCES	177.9	182.2	173.1	-9.1	-5.0
USES						
	Personal Services and Employee Benefits	104.9	108.6	115.5	6.9	6.4
	Contractual Services	63.0	63.0	5.0	-58.0	-92.1
	Other	10.0	10.6	52.6	42.0	396.2
	TOTAL USES	177.9	182.2	173.1	-9.1	-5.0
FTE						
	Permanent	2.00	2.00	2.00	0.00	0.0
	TOTAL FTE POSITIONS	2.00	2.00	2.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Intertribal Ceremonial Office					
The Intertribal Ceremonial Office administers and promotes an annual intertribal event, and is administratively attached to the Tourism Department.					
Output	Number of intertribal ceremonial tickets sold	15,000	6,337	16,000	
Output	Dollar value of sponsorships	\$125,000	\$132,700	\$150,000	
Outcome	Percent of operating revenue from sources other than the general fund	10%	10%	10%	
Output	Number of sponsorships	80	75	100	

Executive Summary

The Commissioner of Public Lands is entrusted with generating and maximizing revenue from state trust lands in order to support public schools, education and other beneficiary institutions while protecting and preserving the lands for future generations.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	13,966.2	13,966.2	0.0
Program			
Commissioner of Public Lands	13,966.2	13,966.2	0.0
Total Uses	13,966.2	13,966.2	0.0
FTE	155.00	155.00	0.0

- The Executive recommends a flat budget for FY10 for the Commissioner of Public Lands.
- Recommended increases for higher salaries and benefits, General Services Department and Department of Information Technology service rates and other costs are offset completely by recommended decreases in other areas.

Agency Mission and Program Purpose

The Commissioner of Public Lands is charged with generating and maximizing revenue from state trust lands in order to support public education and other beneficiary institutions, while simultaneously striving to protect, conserve and maintain the lands so they may be used by future generations. State trust lands include nine million land surface acres and over 13 million subsurface or mineral acres. The Commissioner of Public Lands is an elected official pursuant to the New Mexico Constitution.

The purpose of the Land Trust Stewardship Program is to generate the highest possible level of sustainable revenue for the beneficiary institutions. The program consists of the Office of the Commissioner (including the Office of the General Counsel) and three divisions: Surface Resources Management; Oil, Gas and Mineral Resources; and Administrative Services.

The Surface Resources Management Division is responsible for monitoring activities that relate to renewable sources on state trust lands. These activities include the issuance of agricultural leases, easements and rights-of-way. Other activities include mapping, surveying, managing forest and watershed areas and oversight of all commercial development on state trust lands, including business and renewable energy leases and land exchanges.

The Oil, Gas and Mineral Resources Division is responsible for non-renewable mineral resource management. This includes oil and gas lease sales, gas and oil royalty processing, and natural gas, oil, carbon dioxide, potash, minerals, gravel and sand audits. These audit activities help to determine the accuracy of assessments and volume of material extracted.

The Administrative Services Division administers and manages performance reviews, planning, budget, finance and accounting. The division also oversees the print shop, the physical plant, information technology, procurement and human resources.

Statutory Authority: Article V, Section 1 of the New Mexico Constitution; Sections 19-1-1 through 19-1-24 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The Commissioner of Public Lands through the State Land Office continues to maximize revenues for New Mexico public schools, universities and other beneficiaries, while safeguarding and preserving one of the state's most valuable assets – 13 million acres of state trust lands.

The agency is also playing a major role in the growth of clean renewable energy supplies in the state. Four wind farm leases have been completed and seven more are in the application process, 1,500 megawatts of solar power are in the early stages of development and various biofuels projects are under review on state trust lands.

For FY10, the State Land Office will continue to work with organizations like the Western States Land Commissioners Association to develop and implement best practice standards for land management.

Key Elements of Recommendation

The Executive recommends a flat budget for FY10 for the Commissioner of Public Lands. Recommended increases for higher salaries and benefits, General Services Department and Department of Information Technology service rates, fuel costs and other operational expenses as well as the agency's share of maintaining the Oil and Natural Gas Administration and Revenue Database (ONGARD) are offset completely by recommended decreases in other areas.

These decreases include contracts for remediating state trust lands and purchases of information technology equipment. A two percent vacancy factor was assumed for permanent, full-time employees at the agency.

Performance Report

The State Land Office met or exceeded five of its eight performance targets in FY08. The target for total trust revenue generated was surpassed due to expanded oil and gas production in the state and is recommended to increase for FY10. This is significant because the agency continues to dedicate over 97 percent of revenues generated to its beneficiaries via the Land Grant Permanent Fund and the Land Maintenance Fund.

The target for dollars generated through oil, gas and mineral audit activities was not met because a settlement with a major oil and gas company is still pending. The target for this measure is recommended at FY09 operating levels for FY10.

The target for the average income per acre from commercial leasing activities was not met because a growing number of wind energy leases (considered commercial) require vast tracts of land. It should be noted, however, that land used for wind energy leases can also support agricultural leases and game and fish easement rentals. The target for this measure is recommended to increase slightly above FY09 operating levels for FY10 because of the potential for non-wind commercial leases to generate additional revenue.

The target for the number of lease and attachment documents imaged was not met because imaging services that had been performed by a contractor were brought in-house. Although this saved thousands of dollars, the agency performs time-consuming quality checks on the documents that hadn't been performed in the past. The measure has been changed for FY10 to the percent of active lease and attachment documents imaged so that results will be easier to understand and more meaningful.

Finally, a measure has been added for FY10 to capture the number of acres restored to desired conditions for future sustainability. The measure reflects the ongoing stewardship work of the State Land Office.

Recommended Language for the General Appropriation Act

The commissioner of public lands is authorized to hold in suspense amounts received pursuant to agreements entered into for the sale of state royalty interests that, as a result of the sale, became eligible for tax credits under Section 29 of the Internal Revenue Code, above those amounts required by law to be transferred to the land grant permanent fund. The commissioner may expend as much of the money so held in suspense, as well as additional money held in escrow accounts resulting from the sales and money held in fund balance, as is necessary to re-purchase the royalty interests pursuant to the agreements.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	<u>FY10 Budget to Recommendation</u>	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	19,102.5	13,966.2	13,966.2	0.0	0.0
TOTAL SOURCES	19,102.5	13,966.2	13,966.2	0.0	0.0
USES					
Personal Services and Employee Benefits	9,935.9	10,500.9	10,606.9	106.0	1.0
Contractual Services	695.7	858.2	693.2	-165.0	-19.2
Other	2,087.3	2,104.4	2,094.4	-10.0	-0.5
Other Financing Uses	517.1	502.7	571.7	69.0	13.7
TOTAL USES	13,236.0	13,966.2	13,966.2	0.0	0.0
FTE					
Permanent	155.00	155.00	155.00	0.00	0.0
TOTAL FTE POSITIONS	155.00	155.00	155.00	0.00	0.0

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Commissioner of Public Lands					
To generate sustainable revenue from state trust lands to support public education and other beneficiary institutions and to build partnerships with all New Mexicans to conserve, protect and maintain the highest level of stewardship for these lands so that they may be a significant legacy for generations to come.					
Output	Total trust revenue generated, in millions	\$382.4	\$546.3	\$433.8	\$456.4
Outcome	Bonus income per leased acre from oil and gas activities	\$212.15	\$285.59	\$297.43	\$300.00
Outcome	Dollars generated through oil, natural gas and mineral audit activities, in millions	\$4.0	\$2.7	\$3.5	\$3.5
Output	Average income per acre from oil, natural gas and mineral activities	\$136.88	\$177.10	\$141.29	\$200.00
Output	Average income per acre from agriculture leasing activities	\$.82	\$.82	\$.82	\$.86
Output	Average income per acre from commercial leasing activities	\$14.67	\$12.06	\$12.50	\$12.68
Output	Number of lease and attachment documents imaged	500,000	179,096	300,000	
Output	Percent of total trust revenue generated allocated to beneficiaries	84%	98%	97%	97%
Output	Number of acres restored to desired conditions for future sustainability				4,100
Output	Percent of active lease and attachment documents imaged				14.5%

Executive Summary

The Office of the State Engineer and Interstate Stream Commission are the stewards and administrators of New Mexico's water resources on behalf of the public.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	25,842.4	24,550.4	-5.0
Total Sources	47,615.9	47,978.6	0.8
Program			
Irrigation Works Construction Fund	8,087.4	8,238.3	1.9
Debt Service Fund	0.0	0.0	***
Hydrographic Income Fund	0.0	0.0	***
Improvement to the Rio Grande Income Fund	930.2	926.7	-0.4
Water Resource Allocation Program	14,148.7	13,626.4	-3.7
Interstate Stream Compact Compliance	13,072.8	14,108.3	7.9
Litigation and Adjudication Program	7,106.1	6,902.5	-2.9
Program Support	4,270.7	4,176.4	-2.2
Total Uses	47,615.9	47,978.6	0.8
FTE	354.50	354.50	0.0

- The recommendation supports an expansion of \$1,000.0 from the Irrigation Works Construction Fund for the Elephant Butte Pilot Channel project.
- The Executive recommendation supports an overall increase of \$453.8 in other state revenues for contractual and maintenances services.
- The Executive recommendation supports a \$1,292.0 decrease in General Fund.

Agency Mission and Program Purpose

The State Engineer is charged with administering the state's water resources and actively protecting and managing the beneficial use of water by its citizens in accordance with law. The State Engineer has authority over the supervision, measurement, appropriation and distribution of all surface and ground water in New Mexico, including streams that cross state boundaries. The State Engineer also serves as the Secretary of the Interstate Stream Commission (ISC). The ISC is charged by statute to protect, conserve and develop the waters and stream systems of the state. The ISC's staff and budget are functionally aligned under the State Engineer as the Interstate Compact Compliance and Water Development Program, which is described below.

The Ferguson Act of 1898 designated about one-ninth of all land in the state as trust land to benefit certain public institutions. The act designated 500,000 trust land acres to benefit reservoirs and other irrigation works and 100,000 acres to fund improvements to the Rio Grande. The Legislature created two corresponding funds to receive revenues earned from those lands.

Statutory Authority: Sections 72-2-1 through 72-2-18 and 72-14-1 through 72-14-23 NMSA 1978.

Irrigation Works Construction Fund

The Irrigation Works Construction Fund (IWCF) supports the design and improvement of acequias, construction and rehabilitation of on-farm irrigation works, dam rehabilitation, and legal proceedings and projects that improve the efficient use, management and availability of the state's water.

Improvement to the Rio Grande Income Fund

The Improvement of the Rio Grande Income Fund (IRGIF) supports projects that improve understanding, efficient use, management, and availability of water in the Rio Grande including but not limited to: vegetation management in Elephant Butte and Caballo reservoirs; water salvage projects in the Middle Rio Grande, such as the Elephant Butte Pilot Channel project; channel maintenance along the Rio Chama below Abiquiu Dam; levee and flood control projects; and data collection to evaluate reclamation programs.

Water Resource Allocation

This program administers the state's surface and groundwater resources through Active Water Resource Management (AWRM). AWRM is accomplished via the distribution, measurement, protection, conservation and development of the water resources of the state. The program is responsible for the continued development and population of the Water Administration Technical Engineering and Resource System (WATERS) database. The program develops hydrologic models that are used in the evaluation of water right applications, adjudications and in the water right hearing process. The program also inspects all nonfederal dams within the state to ensure safe operations. The program is organized into the Water Rights Division, including WATERS, the Water Use and Conservation Bureau, the Dam Safety Bureau and the Hydrology Bureau.

Interstate Stream Compact Compliance and Water Development

This program investigates, protects, conserves, develops and plans for the use of the waters of the state. The ISC's primary goals are to ensure New Mexico complies with, and obtains its full share of, water under interstate compacts that determine entitlements to water flowing through or from a given river basin. New Mexico is a party to eight interstate river compacts: the Colorado River Compact; the Upper Colorado River Basin Compact; the La Plata River Compact; the Animas-La Plata Project Compact; the Rio Grande Compact; the Costilla Creek Compact; the Pecos River Compact; and the Canadian River Compact.

The purpose of each compact is to govern the sharing of the waters of rivers that flow through the compacting states. Each compact state is responsible for complying with the terms of the compact. Doing so requires accounting for stream depletions and deliveries to downstream states. The ISC is organized into the following bureaus: Pecos; Colorado and Rio Grande; Other Basins; Legal and Planning; and Communications.

Litigation and Adjudication Program

The Litigation and Adjudication Program (LAP) obtains judicial determinations and definitions of water rights within each stream system and underground water basin, and supports the state's legal efforts to administer water rights and meet interstate stream obligations. The LAP is comprised of: the Pecos, Lower Rio Grande and Northern New Mexico Adjudication Bureaus; the Administrative Litigation Unit; Litigation Support; and the Hydrographic Survey Bureau.

Program Support

Program Support provides and coordinates administrative and management support services to the Office of the State Engineer (OSE) and ISC to allow for the smooth functioning of all other programs. The program has four bureaus: Finance; Budget Services; Human Resources; and Information Technology Systems.

Executive Recommendation*Agency Strategic Directions*

There are a number of ways in which OSE and ISC are working to achieve the Governor's performance and accountability contract, *Protecting and Promoting New Mexico's Environment*, including: implementation of the State Water Plan; Active Water Resource Management; management of drought-induced problems through the Drought Management Task Force; prioritization of water system projects through the Water Infrastructure Investment Team; water rights adjudication; establishment of water courts; settlement of Indian water rights; and border water cooperation.

State Water Plan. In December 2003, ISC and OSE completed New Mexico's first State Water Plan as mandated by the State Water Plan Act. The plan represents the first comprehensive water management plan in New Mexico's history. The plan identifies 98 implementation strategies and policies that address the requirements in Section 72-14-3.1 NMSA 1978. The State Water Plan serves as the basis for OSE/ISC strategic planning. A progress report on the New Mexico State Water Plan was published in 2006. The report outlined progress made on all 98 implementation strategies since 2003. The agency is mandated to review the plan every five years and update it as necessary in response to changing conditions. In addition, OSE's Water Use and Conservation/Subdivision Bureau is continuing to work on a regional collaboration water planning template that will be used by regional water planning communities to address conservation, funding and pooling of resources with the possibility of combining systems when appropriate. To assist municipalities, a 40-year water plan template is being developed to standardize the requirements under Section 72-1-9 NMSA 1978, which protects municipal water rights and those of other identified entities from forfeiture for non-use by demonstrating a need for the acquired water rights to meet demand within the next 40 years. The OSE has promulgated new domestic well rules and regulations to better manage ground water use.

The agency also is reviewing the groundwater rules and regulations, which have not been updated in more than ten years.

Active Water Resource Management, OSE and ISC have initiated active water resource management (AWRM) in seven priority basins statewide and plan to expand these efforts to other priority basins when necessary. AWRM refers to a broad range of activities that emphasize permitting transfers of water, monitoring and metering of diversions of water, and administering diversions of water by the amount authorized by existing permits, decrees or partial final decrees under the prior water appropriation doctrine set forth in Article XVI, Section 2 of the New Mexico Constitution. AWRM regulations provide the framework for water rights administration under that doctrine. AWRM has four main components.

The first is to create water master districts and appoint water masters. As stated in the New Mexico Water Code, the State Engineer creates water master districts, appoints water masters to apportion

and regulate the waters, designates basin project teams, creates and implements public communication plans and coordinates funding considerations with counties within each district. To date, initial water master staff have been hired for all seven priority basin areas.

The second is to perform water rights abstracting of the paper files and populate the WATERS database. It is critical that AWRM maintain an accurate accounting of the elements that describe a water right, along with other relevant information such as any restrictive conditions required by an OSE permit, for each water right in an effected basin. The WATERS database is a specially designed geographic information system database that will improve record keeping and ease of retrieval, and also allow the agency to quickly produce water rights transaction analyses and water supply availability projections that are more complex and accurate than currently possible. To date, the files of 16 major river basins have been abstracted into the database including six of the seven critical AWRM basins; fifty-two percent of all currently known water rights files are abstracted.

The third component of AWRM is to develop a plan for measuring and metering of the diversion of water. In order to administer water use, water must be measured when it is diverted from its source, and devices must be installed and maintained so that water use data at a given diversion point can be measured, recorded, compiled and evaluated. It is essential for the State Engineer to be able to monitor and control diversions, especially during times of shortage, because surface water is fully appropriated and groundwater aquifers are being mined.

The fourth and final component is technical and legal preparation, which includes the promulgation and adoption of rules. General framework and water master district-specific rules are being promulgated for adoption along with hydrological models and water master manuals for the administration of water in each district.

Drought Task Force. Executive Order 2003-019 established a Drought Task Force (DTF) with a strike team and six work groups to assist with the planning for and management of drought induced problems. The State Engineer chairs the task force and organizes annual Drought Summits to discuss ways to mitigate drought impacts on agriculture, wildlife, fire risk, drinking water systems, recreation and tourism.

Water Infrastructure Investment Team. In addition to the DTF, the State Engineer chairs a multi-agency Water Infrastructure Investment Team (WIIT) established by Executive Order 2005-024. The purpose of the team is to evaluate, improve and prioritize water system projects and funding to provide quality infrastructure designed to support long-term growth in New Mexico by strategically allocating available resources.

Water Rights Adjudications. The New Mexico State Water Plan, completed in December 2003, identifies the completion of water rights adjudications as one of 11 fundamental statewide common priorities related to water. Currently, New Mexico has 12 active water rights adjudication lawsuits pending in state and federal courts that involve approximately 45% of the state. The State Water Plan calls for accelerating the adjudication of water rights and pursuing adjudication process improvements. OSE has undertaken several initiatives to implement these policies. One initiative is the development and implementation of adjudication plans. The 2003 State Water Plan included a project timeline that outlined the prioritization and scheduling for the phases of all 12 pending water rights adjudications that do not involve Indian tribes. Estimated completion dates are based upon

existing resources. A second initiative is resource prioritization. OSE attorneys and hydrographic survey staff worked with New Mexico staff of the United States District Court to prioritize allocation of available resources in order to facilitate completion of the adjudication of water rights in the Rio Pueblo de Taos/Rio Hondo, Rio Chama, Rio Santa Cruz/Rio Truchas, and Zuni River suits. A third initiative is adjudication procedures reform. OSE attorneys are working with the Administrative Office of the Courts to develop proposed procedural reforms that would both facilitate the participation of water right claimants in the adjudication process and expedite the prosecution of water rights adjudications.

Water Courts. The Executive's pledge to establish water courts in New Mexico became a reality on January 29, 2004 when the New Mexico Supreme Court established a Water Court Division within each judicial district in the state. The Supreme Court has since designated a judge in each district to serve as a water judge to hear water rights and adjudication matters.

Indian Water Rights Settlements. In recent years, OSE and ISC legal and technical staff represented the state in intensive negotiations of the Indian water rights claims in three separate adjudications: the Navajo Nation Settlement in the San Juan River adjudication; the Settlement Agreement with the Pueblos of Nambé, Pojoaque, Tesuque, and San Ildefonso in the Aamodt adjudication; and the Taos Pueblo Settlement in the Rio Pueblo de Taos/Rio Hondo adjudication. The claims of the Jicarilla Apache and Mescalero Apache, with a minor exception, were previously adjudicated.

Each of these settlement agreements must be approved by Congress and executed by the United States Secretary of the Interior. The State of New Mexico continues to work with Department of the Interior, Department of Justice officials and the New Mexico congressional delegation to refine the federal legislation necessary to approve each settlement agreement and authorize necessary federal appropriations.

For each of the three currently pending settlements, a local settlement agreement has been recently executed by the affected tribe or pueblo, the State of New Mexico, and in some cases other local water right owning parties. With regard to the Aamodt Settlement, on May 3, 2006 the State of New Mexico, the Pueblos of Nambé, Tesuque, Pojoaque, and San Ildefonso, the County of Santa Fe and the City of Santa Fe executed a settlement agreement designed to resolve the claims of the four Pueblos to the use of waters in the Nambé-Pojoaque-Tesuque stream system in north central New Mexico.

With regard to the Navajo Nation Settlement, the State of New Mexico and the Navajo Nation signed a water rights settlement on April 19, 2005 that would resolve the claims of the Navajo Nation for the use of waters of the San Juan River Basin in northwestern New Mexico. With regard to the Taos Pueblo settlement, on May 30 2006, the Pueblo, the State of New Mexico, and several Taos-area water right owning parties executed a settlement agreement designed to resolve the claims of Taos Pueblo to the use of waters in the Rio Pueblo de Taos and Rio Hondo stream systems in north central New Mexico.

Border Water Cooperation. The agency has an ongoing dialogue with Texas and Mexico regarding Rio Grande and shared aquifer water quality, water quantity and environmental issues. The agency participates in water work groups for the Ten Border Governors' Conference and the New Mexico/Chihuahua Border Commission. In addition, the ISC routinely confers with the

International Boundary and Water Commission to work with Mexico on water related issues as required by treaty.

The Interstate Stream Commission participates in the water work groups for both the New Mexico/Chihuahua Border Commission and the Ten Border Governor's Conference. These efforts are intended to increase our knowledge of water resources shared with our Mexican neighbors, as well as to provide an opportunity for diplomatic links to resolve water resource issues of mutual concern. To date, New Mexico's relationship with the state of Chihuahua, Mexico on water issues has been collegial and there are no pending disputes. The Interstate Stream Commission also routinely confers with the International Boundaries and Water Commission regarding Mexican treaty issues related to the sharing of surface water on the Rio Grande and the Colorado River.

New Mexico is a member of eight different interstate stream compacts with neighboring states that govern the sharing of surface waters on streams that cross our borders. Previously Texas sued New Mexico over compliance with interstate stream compacts on the Pecos and Canadian Rivers. In both instances, the United States Supreme Court ruled in favor of Texas. New Mexico is currently implementing a Pecos River Settlement that will ensure compliance with the Supreme Court decree.

In recent years, Texas has threatened litigation with respect to New Mexico's compliance with the Rio Grande Compact. New Mexico has been able to keep Texas at bay with an intensive technical study campaign, beginning to implement active water resource management, proactively addressing water quality concerns and developing a comprehensive legal strategy. Nevada and Arizona also have threatened legal action to resolve differences in interpretation regarding the Colorado River Compact. All seven Colorado River Basin states (NM, AZ, CA, CO, NV, UT, and WY) have engaged in intense and protracted negotiations regarding the development of shortage sharing criteria to forestall any litigation. To date, this effort has been successful but the situation remains tenuous.

Key Elements of Recommendation

The Executive recommendation supports an overall increase of 1% in other state revenues for a total of \$453.8; an increase of \$485.8 in other transfers, an increase of \$441.9 in other revenues and a decrease of \$473.9 in the use of fund balance. The funds originate from the Irrigation Works Construction Fund and the Improvement to the Rio Grande Inc. Fund. The increase in contractual service supports the hiring of two abstractor contractors for water rights abstracting. The increase in the other category is for maintenance services for the Lake Arthur and Rivers Well field and pipelines.

The Executive recommendation also provides an increase of \$1,000.0 from the Irrigation Works Construction Fund for an expansion to support the Elephant Butte Pilot Channel project. The project has been funded through capital appropriations for the last six years. The project now has become a recurring yearly maintenance expense that needs to become part of Office of the State Engineer's base budget.

The Executive recommendation supports a decrease of \$1,292.0 in General Fund that represents the agency's reduction plan.

Performance Report

The Executive recommends retaining the majority of the performance targets for the Water Resource Allocation Program based on FY08 actuals. The targets for readiness to perform active water resource management (AWRM) in the lower San Juan river basin, lower Pecos river basin and lower Rio Grande river basin have been raised to 100%, 75% and 77%, respectively, as the agency continues to make solid progress toward AWRM in these key river basins.

In the Interstate Stream Compact Compliance and Water Development Program, the Pecos River Compact and Rio Grande River Compact accumulated delivery credit or deficit are related to compliance with interstate river compacts. In both cases, New Mexico may accumulate water delivery credits by over-delivery of water, but may not go into a deficit relative to these water delivery requirements. Because deficit and excessive surplus are both undesirable, the targets for both measures are set at zero, regardless of previous performance. As shown by the FY07 and FY08 results, the state has been able to slowly build up delivery credits on both rivers. These surpluses demonstrate OSE and ISC's effectiveness at developing water management systems and practices that ensure compliance with interstate compact delivery requirements. The Executive recommends retaining the 12,000 and 15,750 targets for acres purchased and acre-foot capacity for the augmentation well fields for the Pecos Settlement.

In the Litigation and Adjudication Program, the Executive recommends retaining the target of 1,000 for the number of offers to defendants in adjudications. The agency is increasingly pursuing group settlements, which count as one offer but can encompass hundreds or thousands of defendants. The target for all water rights with judicial determinations is 45%.

Recommended Language for the General Appropriation Act

For the Interstate Stream Compact Compliance and Water Development Program:

Emergency Drought Water agreement revenue:

Revenue from the sale of water to United States government agencies by New Mexico for the emergency drought water agreement dated April 2003, which expires February 28, 2013, and from contractual reimbursements associated with state engineer, use of the revenue is appropriated to the state engineer for the conservation and recovery of the listed species in the middle Rio Grande basin, including the optimizing of middle Rio Grande conservancy district operations.

Conservation water agreement revenue:

Revenue from the sale of water to United States government agencies by New Mexico resulting from the litigation settlement between New Mexico and the United States implemented by the conservation water agreement dated June 29, 2001, and from contractual reimbursements associated with state engineer use of the revenue is appropriated to the state engineer for use as required by the conservation water agreement.

The internal services funds/interagency transfers appropriation to the interstate stream compact compliance and water development program of the state engineer includes one hundred thousand dollars (\$100,000) from the game protection fund for Ute dam operations. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 from this appropriation shall revert to the game protection fund.

The internal services funds/interagency transfer's appropriations to the interstate stream compact compliance and water development program of the state engineer include eighty-two thousand three hundred dollars (\$82,300) from the game protection fund for Eagle Nest dam operation.

The appropriations to the interstate stream compact compliance and water development program of the state engineer include (1) one million nine hundred thousand dollars (\$1,900,000) (a) to match seventeen and one-half percent of the cost of work undertaken by the United States army corps of engineers pursuant to the Federal Water Resources Development Act of 1986 provided that no amount of this appropriation shall be expended for any project unless the appropriate acequia system or community ditch has agreed to provide seven and one-half percent of the cost from any source other than the irrigation works construction fund or improvement of the Rio Grande fund, and provided that no more than two hundred fifty thousand dollars (\$250,000) shall be allocated to one acequia per fiscal year; and (b) for the construction, improvement, repair and protection from floods of dams, reservoirs, ditches, flumes and appurtenances of community ditches in the state through the interstate stream commission 80/20 program, provided that not more than one hundred twenty thousand dollars (\$120,000) of this appropriation shall be used for any one community ditch and that the state funds three hundred thousand dollars (\$300,000) for engineering services for approved acequia projects.

The interstate stream commission's authority to make loans for irrigation improvements includes five hundred thousand dollars (\$500,000) for loans to acequia, irrigation and conservancy districts.

The interstate stream commission's authority also includes five hundred thousand dollars (\$500,000) for loans to irrigation districts, conservancy districts and soil and water conservation districts for re-loan to farmers for implementation of water conservation improvements.

The interstate stream commission's authority to make loans from the irrigation works construction fund includes two million dollars (\$2,000,000) for irrigation districts, acequias, conservancy districts and soil and water conservation districts for purchase and installation of meters and measuring equipment. The maximum loan term is five years for the Litigation and Adjudication Program.

The appropriation to the litigation and adjudication program of the state engineer includes two million nine hundred eighty-one thousand two hundred dollars (\$2,981,200) from the water project fund. Additional revenue of four hundred thousand (\$400,000) in general fund is appropriated and transferred from the water trust fund into the water project fund.

Budget Summary TablesAgency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	25,387.5	25,842.4	24,550.4	-1,292.0	-5.0
Other Transfers	20,002.7	11,902.2	13,388.0	1,485.8	12.5
Federal Revenues	310.2	0.0	200.9	200.9	***
Other Revenues	11,022.4	8,792.9	9,234.8	441.9	5.0
Fund Balance	929.1	1,078.4	604.5	-473.9	-43.9
TOTAL SOURCES	57,651.9	47,615.9	47,978.6	362.7	0.8
USES					
Personal Services and Employee Benefits	23,877.9	24,480.1	23,884.7	-595.4	-2.4
Contractual Services	7,698.6	8,794.0	8,851.3	57.3	0.7
Other	5,722.9	5,324.2	6,077.6	753.4	14.2
Other Financing Uses	14,189.4	9,017.6	9,165.0	147.4	1.6
TOTAL USES	51,488.8	47,615.9	47,978.6	362.7	0.8
FTE					
Permanent	354.50	354.50	354.50	0.00	0.0
TOTAL FTE POSITIONS	354.50	354.50	354.50	0.00	0.0

Irrigation Works Construction Fund
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Transfers	5,393.7	0.0	0.0	0.0	***
Other Revenues	642.4	7,009.0	7,633.8	624.8	8.9
Fund Balance	173.1	1,078.4	604.5	-473.9	-43.9
TOTAL SOURCES	6,209.2	8,087.4	8,238.3	150.9	1.9
USES					
Other Financing Uses	6,209.2	8,087.4	8,238.3	150.9	1.9
TOTAL USES	6,209.2	8,087.4	8,238.3	150.9	1.9
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Debt Service Fund
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
Other Transfers	270.0	0.0	0.0	0.0	***
TOTAL SOURCES	270.0	0.0	0.0	0.0	***
USES					
Other	269.9	0.0	0.0	0.0	***
TOTAL USES	269.9	0.0	0.0	0.0	***
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Hydrographic Income Fund
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
Other Revenues	8,851.4	0.0	0.0	0.0	***
TOTAL SOURCES	8,851.4	0.0	0.0	0.0	***
USES					
Other Financing Uses	7,050.0	0.0	0.0	0.0	***
TOTAL USES	7,050.0	0.0	0.0	0.0	***
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Improvement to the Rio Grande Income Fund
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
Other Transfers	1,386.4	0.0	0.0	0.0	***
Other Revenues	57.0	930.2	926.7	-3.5	-0.4
TOTAL SOURCES	1,443.4	930.2	926.7	-3.5	-0.4
USES					
Other Financing Uses	930.2	930.2	926.7	-3.5	-0.4
TOTAL USES	930.2	930.2	926.7	-3.5	-0.4
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Water Resource Allocation
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	12,771.5	13,014.8	12,364.1	-650.7	-5.0
Other Transfers	577.4	577.4	702.9	125.5	21.7
Federal Revenues	25.3	0.0	0.0	0.0	***
Other Revenues	528.0	556.5	559.4	2.9	0.5
TOTAL SOURCES	13,902.2	14,148.7	13,626.4	-522.3	-3.7
USES					
Personal Services and Employee Benefits	11,279.8	11,588.2	11,471.5	-116.7	-1.0
Contractual Services	881.7	1,042.0	855.1	-186.9	-17.9
Other	1,648.5	1,518.5	1,299.8	-218.7	-14.4
TOTAL USES	13,810.0	14,148.7	13,626.4	-522.3	-3.7
FTE					
Permanent	184.50	184.50	184.50	0.00	0.0
TOTAL FTE POSITIONS	184.50	184.50	184.50	0.00	0.0

Interstate Stream Compact Compliance and Water Development
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	6,805.3	6,868.4	6,525.0	-343.4	-5.0
Other Transfers	7,138.3	5,907.2	7,267.5	1,360.3	23.0
Federal Revenues	284.9	0.0	200.9	200.9	***
Other Revenues	943.6	297.2	114.9	-182.3	-61.3
Fund Balance	756.0	0.0	0.0	0.0	***
TOTAL SOURCES	15,928.1	13,072.8	14,108.3	1,035.5	7.9
USES					
Personal Services and Employee Benefits	4,489.4	4,291.6	4,168.0	-123.6	-2.9
Contractual Services	5,299.2	5,863.1	6,042.1	179.0	3.1
Other	2,767.9	2,918.1	3,898.2	980.1	33.6
TOTAL USES	12,556.5	13,072.8	14,108.3	1,035.5	7.9
FTE					
Permanent	54.00	54.00	54.00	0.00	0.0
TOTAL FTE POSITIONS	54.00	54.00	54.00	0.00	0.0

**Litigation and Adjudication Program
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	2,077.0	2,152.4	1,948.8	-203.6	-9.5
Other Transfers	4,773.0	4,953.7	4,953.7	0.0	0.0
TOTAL SOURCES	6,850.0	7,106.1	6,902.5	-203.6	-2.9
USES					
Personal Services and Employee Benefits	4,746.0	4,999.5	4,795.9	-203.6	-4.1
Contractual Services	1,315.1	1,731.0	1,731.0	0.0	0.0
Other	446.0	375.6	375.6	0.0	0.0
TOTAL USES	6,507.1	7,106.1	6,902.5	-203.6	-2.9
FTE					
Permanent	72.00	72.00	71.00	-1.00	-1.4
TOTAL FTE POSITIONS	72.00	72.00	71.00	-1.00	-1.4

**Program Support
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	3,733.7	3,806.8	3,712.5	-94.3	-2.5
Other Transfers	463.9	463.9	463.9	0.0	0.0
TOTAL SOURCES	4,197.6	4,270.7	4,176.4	-94.3	-2.2
USES					
Personal Services and Employee Benefits	3,362.7	3,600.8	3,449.3	-151.5	-4.2
Contractual Services	202.6	157.9	223.1	65.2	41.3
Other	590.6	512.0	504.0	-8.0	-1.6
TOTAL USES	4,155.9	4,270.7	4,176.4	-94.3	-2.2
FTE					
Permanent	44.00	44.00	45.00	1.00	2.3
TOTAL FTE POSITIONS	44.00	44.00	45.00	1.00	2.3

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Water Resource Allocation					
To provide for efficient use of the available surface and underground waters of the state to any person so they can maintain their quality of life. Also, to provide safety inspections of all non-Federal dams within the state, to owners and operators of such dams, so they can operate the dam safely.					
Output	Average number of unprotested new and pending applications processed per month	60	75	80	80
Output	Average number of protested and aggrieved applications processed per month	9	10	9	
Explanatory	Number of unprotested and unaggrieved water right applications backlogged	850	524	630	630
Explanatory	Number of protested and aggrieved water rights backlogged	250	295	300	
Outcome	Percent of applications abstracted into the water administration technical engineering resource system database	58%	65.6%		
Outcome	Number of dams inspected per year to establish baseline				110
Outcome	Number of transactions abstracted annually into the water administration technical engineering resource system database				22,000

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Outcome	Percent readiness to perform active water resource management within lower San Juan river basin	93%	96%	95%	100%
Outcome	Percent readiness to perform active water resource management within lower Pecos river basin	65%	60%	70%	75%
Outcome	Number of transactions abstracted annually into the water administration technical engineering resource system database			22,000	22,000
Outcome	Percent readiness to perform active water resource management within lower Rio Grande river basin	60%	72%	65%	77%

Interstate Stream Compact Compliance and Water Development

To provide resolution of federal and interstate water issues and to develop water resources and stream systems for the people of New Mexico, so they can have maximum sustained beneficial use of available water resources.

Outcome	Cumulative state-line delivery credit per the Pecos river compact and amended decree at the end of calendar year, in acre feet (final accounting will be available at end of fiscal year)	0	92,500	0	0
Outcome	Rio Grande river compact accumulated delivery credit or deficit at end of calendar year, in acre feet	0	59,500	0	0
Outcome	Number of acres purchased to complete implementation phase of Pecos settlement	12,000	11,268	12,000	12,000
Outcome	Acre-foot capacity of augmentation well fields constructed to complete implementation phase of Pecos settlement	15,750	15,750	15,750	15,750

Litigation and Adjudication Program

To obtain a judicial determination and definition of water rights within each stream system and underground basin to effectively perform water rights administration and meet interstate stream obligations.

Outcome	Number of offers to defendants in adjudications	1,000	529	1,000	1,000
Outcome	Percent of all water rights that have judicial determinations	42%	43%	42%	45%

Program Support

To provide necessary administrative support to the agency programs so they may be successful in reaching their goals and objectives.

Output	Percent of department contracts that include performance measures	100%	100%	100%	100%
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Executive Summary

The Organic Commodity Commission certifies organic products and is an advocate for organic food production in New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	307.9	431.1	40.0
Total Sources	396.3	575.1	45.1
Program			
Organic Commodity Commission	396.3	575.1	45.1
Total Uses	396.3	575.1	45.1
FTE	4.00	7.00	75.0

- The Executive recommends an increase in General Fund and in other funds for salaries and benefits, the lease of a vehicle, the cost of international organic accreditations and other operational costs.
- The Executive recommendation provides for three expansion positions for inspections and general administrative support to accommodate the recent growth of the organic industry in the state.

Agency Mission and Program Purpose

The Organic Commodity Commission (OCC) is composed of five members appointed by the governor with the advice and consent of the Senate. The agency provides organic certification to New Mexico businesses, protects consumers in the marketplace and promotes organic agriculture through public education and marketing assistance. The mission of OCC is to: remain an effective advocate for organic production in New Mexico; make the certification process accessible; and thoroughly ensure the truthfulness of organic claims through routine inspections, targeted and random surveillance and spot-checks.

The agency's constituency is not only organic farmers and businesses within the state, but also New Mexico taxpayers who spend millions of dollars on organic products from local, national and international sources. OCC is charged with ensuring compliance with organic standards on all organic products sold or moved within state borders.

Statutory Authority: Sections 76-22-1 through 76-22-28 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

OCC supports consumer health, safety and protection through rigorous organic certification and compliance programs, field workshops and organic inspections across the State of New Mexico. OCC has released the Organic Marketing Guide to promote the safety of, and public confidence in, organic commodities purchased by New Mexico's consumers.

Currently, the agency is focusing on: raising assessment revenues generated by certifications by 10% by increasing its client base; achieving foreign accreditations essential for the export of New Mexico's organic products; achieving a minimum of 20 spot checks annually of organically certified operations; holding an annual conference and four informative workshops for organic producers; establishing a searchable database to help consumers locate the state's organic products and food processors nationwide locate New Mexico's organic ingredients; and processing increasing numbers of requests for assistance.

Key Elements of Recommendation

The Executive recommends increases in General Fund and in assessment and application fee revenue as well as a decrease of \$4.0 in anticipated federal revenue. The overall increase in funding is recommended for: salaries and benefits; the lease of a vehicle to replace the use of personal vehicles; the replacement of both a copier and a postage meter; and the cost of organic accreditations from the European Union and Canada.

The attainment of the additional international accreditations will enable OCC to certify organic producers in the state to large markets outside the country and is expected to directly result in approximately \$5,000.0 in gross sales of New Mexico's organic products in the next few years. It will also allow OCC to compete more effectively with private certifying agents in the state that have these accreditations, thus enabling the agency to collect more assessment and application revenue.

The Executive recommends three expansion positions - one for general administrative support and two for inspections - for the agency. These FTE are recommended to accommodate both the attainment and maintenance of the aforementioned accreditations as well as the tremendous expansion of the organic industry in the state in recent years. Whereas gross sales of organic products in New Mexico were about \$5.0 in 1991, gross sales now total over \$30,000.0. The number of organic operations in the state has almost doubled since 2005 and the number of certified organic acreage has quadrupled in that same time span.

The administrative position will provide support to all positions in the agency, including: administering contracts; assisting with the agency audit; reviewing the agency's fee structure imposed on gross sales of organic products; and performing tasks related to marketing and public outreach. The inspectors will be trained to certify, inspect and perform spot checks of organic businesses.

Performance Report

OCC met or exceeded five of its six performance targets in FY08. The agency was unable to meet its target of performing 25 spot checks because the priority for the chief inspector and contract inspectors was to inspect 100% of a growing number of certified organic operations to ensure compliance with organic standards. It is believed that a target of 20 spot checks for this measure in FY10 is attainable with the additional positions recommended by the Executive.

It should be noted that the percent increase in the New Mexico organic market as measured by clients' gross sales of organic products was 94% in FY08 because a number of large dairies became certified organic; the recommended target for this measure for FY10 remains at 10% to reflect historic actuals and expected growth. It should also be noted that the number of attendees at the annual organic farming conference is recommended to drop for FY10 from both FY08 actuals and the FY09 operating level because the conference will be held at a smaller venue in Las Cruces.

Budget Summary Tables

		Agency Budget Summary (Dollars in Thousands)			FY10	
		<u>FY08 Actuals</u>	<u>FY09 Operating Budget</u>	<u>Recom- mendation</u>	<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES						
	General Fund Transfers	296.9	307.9	431.1	123.2	40.0
	Federal Revenues	3.2	4.0	0.0	-4.0	-100.0
	Other Revenues	118.6	84.4	144.0	59.6	70.6
	TOTAL SOURCES	418.7	396.3	575.1	178.8	45.1
USES						
	Personal Services and Employee Benefits	223.9	230.5	384.4	153.9	66.8
	Contractual Services	67.7	88.4	108.4	20.0	22.6
	Other	73.0	77.4	82.3	4.9	6.3
	TOTAL USES	364.6	396.3	575.1	178.8	45.1
FTE						
	Permanent	4.00	4.00	7.00	3.00	75.0
	TOTAL FTE POSITIONS	4.00	4.00	7.00	3.00	75.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Organic Commodity Commission					
To provide consumers of organic products in New Mexico with credible assurance about the veracity of organic claims made, and to enhance the development of local economies tied to agriculture, through rigorous regulatory oversight of the organic industry in New Mexico and through ongoing educational and market assistance projects.					
Outcome	Percent increase in New Mexico organic market as measured by clients' gross sales of organic products	10%	94%	10%	10%
Output	Percent of organic farms inspected annually	100%	100%	100%	100%
Output	Number of certified organic businesses	140	186	180	200
Output	Number of spot-checks performed	25	6	35	20
Output	Number of attendees at the annual organic farming conference	500	614	575	400
Output	Number of client requests for assistance	500	1,350	800	1,350

Executive Summary

The Commission on the Status of Women addresses women's issues and promotes women's self-sufficiency.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	811.1	770.3	-5.0
Total Sources	2,311.1	2,270.3	-1.8
Program			
Commission on the Status of Women	2,311.1	2,270.3	-1.8
Total Uses	2,311.1	2,270.3	-1.8
FTE	16.00	16.00	0.0

- The Executive recommendation decreases the General Fund and overall budget by \$40.8 below the FY09 operating level.

Agency Mission and Program Purpose

The Commission on the Status of Women (CSW) increases the awareness of the rights, responsibilities and interests of women and girls in New Mexico through preservation and recognition of women’s history and contributions to the state. CSW also administers programs that provide information and career development services to women and girls to increase and improve their employment, economic status and opportunities for self-sufficiency. To achieve their mandate, the commission’s activities are broken out in two major areas: (1) advocacy and awareness; and (2) workforce development.

Advocacy and awareness - CSW clientele includes the approximate 1,000,000 women and girls in New Mexico. Action plans include conducting no-cost statewide seminars, workshops, town halls, publications and conferences on topics and issues that impact women and girls in communities across the state. CSW serves as a clearinghouse/referral service for services provides by the commission or other state agencies, non-profit and social service organizations. CSW conducts statewide women’s recognition awards throughout the state. CSW supports legislation impacting women, children and families and as a way to leverage resources, CSW will collaborate/partner with other state agencies, educational institutions and women’s organizations on issues that affect women and girls. In 2004, the commission added a focus in girls programming. The Girl’s Program responds to the unique needs and issues impacting New Mexico girls.

Workforce development - CSW has a Displaced Homemaker’s Office whose clientele includes displaced homemakers, who after spending years at home caring for families, find themselves suddenly having to go to work and in need of work search skills and other support. Other clients include women in transition who are divorced, widowed, homeless and are also in need of work, housing, or other related areas. Also under workforce development is the TeamWorks Program. TeamWorks, a New Mexico Works program is a federally funded program administered through the Department of Human Services. CSW serves 1,000 single mothers in Albuquerque and Las Cruces who are in need of acquiring the requisite training and other support services in order to become economically self-sufficient.

In July 2008, the Governor's Women's Health Advisory Council became administratively attached to the Commission. Funds for the council were transferred from the Department of Health to the Commission on the Status of Women. The mission of the council fits within the commission's mandate of advocacy and awareness as its goal is to improve the health and well-being of women and girls in New Mexico.

Statutory Authority: Sections 28-3-1 through 28-3-11 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The Girl's Program focus began in FY04 and has successfully expanded and developed in the following fiscal years. In 2008, CSW printed and distributed 5,000 girl's health calendars and 5,000 teen resource directories. CSW conducted an entrepreneurial skill workshop, completed girl's programming and acquired educational and training materials for expansion into a girl's institute. CSW established partnerships with community organizations, schools, and state agencies in preparation for a girl's institute.

In 2009, with support from the legislature and governor, CSW received \$40,000 to begin the work to establish a girl's institute. The institute will be conducting a third girl's statewide health and safety conference, four statewide leadership workshops, publishing and distributing four publications, and developing an interactive website.

The New Mexico Commission on the Status of Women has found an important target audience and an overwhelming demand for information that has gone unaddressed in the area of girl's programming, which will respond to the unique issues impacting New Mexico's girls. In FY10, CSW will continue to move forward with establishing a dedicated program for New Mexico girls to focus on those issues.

Key Elements of Recommendation

The Executive recommendation decreases the General Fund budget by \$40.8 below the FY09 operating level due to projected revenue shortages for FY10. Funding is adjusted between categories to provide funds to support existing staff and fund contractual service obligations.

Performance Report

The commission achieved performance target levels for 13 of 15 performance measures. The measure for the number of teamworks twelve-week classes conducted was not met due to a change in the federal Deficit Reduction Act in FY08, which changed the requirement to seven week classes. A new measure relating to seven-week classes has been implemented for FY09 and FY10 to reflect this change. The agency also did not meet the target of \$7.50 for the average hourly rate for teamworks employments in Albuquerque as a result of the minimum wage rate in Albuquerque, which was only \$6.75 until December 31, 2007 and increased to \$7.15 effective January 1, 2008.

The FY10 performance target levels for the percent of teamworks participants employed at nine months after initial employment placement, the number of temporary assistance for needy families clients served through the teamworks program and the percent of teamworks employment

placements at \$7.00 per hour have been reduced in FY10 to correspond to outcomes in the most recent TANF-New Mexico Works Program, General Services Agreement. The program was restructured as a result of the federal Deficit Reduction Act. CSW will evaluate its current measures and propose changes for FY11 to reflect the new program structure.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)						
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10		
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>	
SOURCES						
General Fund Transfers	629.8	811.1	770.3	-40.8	-5.0	
Other Transfers	1,446.2	1,440.0	1,440.0	0.0	0.0	
Other Revenues	26.8	60.0	60.0	0.0	0.0	
TOTAL SOURCES	2,102.8	2,311.1	2,270.3	-40.8	-1.8	
USES						
Personal Services and Employee Benefits	836.8	931.6	947.0	15.4	1.7	
Contractual Services	740.8	799.4	804.3	4.9	0.6	
Other	533.2	580.1	519.0	-61.1	-10.5	
TOTAL USES	2,110.8	2,311.1	2,270.3	-40.8	-1.8	
FTE						
Permanent	8.00	8.00	8.00	0.00	0.0	
Term	8.00	8.00	8.00	0.00	0.0	
TOTAL FTE POSITIONS	16.00	16.00	16.00	0.00	0.0	

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Commission on Status of Women					
To provide information, public events, leadership, support services and career development to individuals, agencies and women's organizations so they can improve the economic, health and social status of women in New Mexico.					
Outcome	Number of paid employment teamworks placements	300	451	500	500
Outcome	Percent of teamworks participants employed at nine months after initial employment placement	70%	77%	70%	45%
Output	Number of temporary assistance for needy families clients served through the teamworks program	1,000	1,083	1,100	1,000
Outcome	Percent of teamworks employment placements at \$7.00 per hour	35%	49%	35%	35%
Output	Number of teamworks twelve-week classes conducted	18	0		
Outcome	Average hourly rate for teamworks employments in Albuquerque	\$7.50	\$7.23	\$7.50	\$7.50
Outcome	Average hourly rate for teamworks employments in Las Cruces	\$6.50	\$7.25	\$7.00	\$7.50
Output	Number of collaborations and meetings coordinated or conducted with other agencies and organizations	100	200	200	200
Output	Number of major publications distributed annually	1	2	1	1
Output	Number of award programs conducted annually	1	3	2	2
Output	Number of workforce conferences or trainings sponsored	8	11	10	10
Output	Number of informational conferences conducted	2	2	2	2
Outcome	Number of information fairs	1	1	1	1
Outcome	Number of workshops on women, divorce and finances	12	16	12	12
Outcome	Number of follow-up activities for the year of the New Mexico girl	1	3	2	5
Output	Number of teamworks seven-week personal and professional development classes		33	20	20

Executive Summary

The Office of African American Affairs assists in enhancing the quality of life for each generation of African Americans in New Mexico economically, educationally, physically and culturally.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	866.0	833.3	-3.8
Total Sources	866.0	833.3	-3.8
Program			
Office of African American Affairs	866.0	833.3	-3.8
Total Uses	866.0	833.3	-3.8
FTE	5.00	5.00	0.0

- The Executive recommendation reflects a \$32.7 reduction in General Fund which reflects a 3.8% decrease in the base budget.

Agency Mission and Program Purpose

The Office of African American Affairs (OAAA) studies issues important to African Americans, including history and culture; provides education, scholarships and other financial assistance for education and career development; and addresses economic and social problems related to African American citizens of New Mexico. The office also cooperates with and assists public and private entities dealing with issues important to African Americans and advocates for the African American citizens of New Mexico.

Statutory Authority: Sections 28-21-1 through 28-21-4 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The Office of African American Affairs (OAAA) continues its mission of studying, identifying and providing solutions to issues and concerns to African Americans in New Mexico.

The agency acts as an advocate for African American citizens in New Mexico regarding important issues in the areas of education, health and community affairs through its website; advertisements in New Mexico publications such as the *Perspective* magazine; public service announcements on television and radio stations around the state; weekly radio program, and other media focused on the African American community. The Office of African American Affairs maintains representation at various community events to assure that constituents are aware of the services provided by the agency.

The Office of African American Affairs works to ensure that African American veterans and seniors receive proper care and treatment; develop strategies that will increase the number of African Americans who are registered to vote; and improve access to quality and affordable housing for African Americans. The office also continues its efforts to improve workforce diversity and increase the numbers of African Americans who are employable.

Key Elements of Recommendation

The Executive recommendation provides for a base budget of \$833.3 from the General Fund which represents a 3.8% decrease below the FY09 operating level. The recommendation allows for complete funding of all approved positions resulting in an increase of \$10.6 in personnel services and employee benefits. The contractual services category is recommended to decrease by \$43.3 due to savings identified through miscellaneous uncommitted contracts.

Performance Report

The Office of African American Affairs achieved all its performance targets for FY08. The agency provides the state's African American community with quality services and will continue to partner with other state and non-state agencies to continue to meet and exceed performance targets.

The Office of African American Affairs facilitated a statewide Student Leadership Conference, an HIV/AIDS Educational Awareness Conference and the Call of All Drums, which focused on students by providing historical facts related to their cultures. In addition, lectures were presented at the San Juan Community College and Eastern New Mexico University concentrating on the services available and the role of the Office of African American Affairs. Presentations on poetry and writing were conducted at various middle and high schools within the Albuquerque Public School system. During FY08, town hall meetings were held in Albuquerque, Hobbs, Las Cruces, Roswell, Clovis, Carlsbad, Farmington and Belen. The agency continues to expand these types of meetings to discuss issues on poverty, health disparities and incarceration of African Americans, particularly the youth. Twenty-six awards were presented at the 5th Annual Awards Banquet of which five were presented at the Black Heritage celebration. Recipients this year, for the first time, included non-African Americans to set in motion the agency's philosophy of inclusion and respect for all.

The Office of African American Affairs mailed out requested information to churches, organizations and counties. The agency completed several mass mailings and had two weekly radio broadcasts (*Voices* and *Train to Glory*). The broadcasts from the *Voices* radio program are streamed through agency's web page. The Office of African American Affairs also produced two new publications for use by communities in New Mexico: *The Focus* which is a statewide circulated magazine and an educational study guide for Black History Month entitled *The Black History Facts and Information*.

Budget Summary Tables

		Agency Budget Summary (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES						
	General Fund Transfers	1,161.7	866.0	833.3	-32.7	-3.8
	TOTAL SOURCES	1,161.7	866.0	833.3	-32.7	-3.8
USES						
	Personal Services and Employee Benefits	419.3	350.9	361.5	10.6	3.0
	Contractual Services	310.7	291.9	248.6	-43.3	-14.8
	Other	249.2	223.2	223.2	0.0	0.0
	Other Financing Uses	153.5	0.0	0.0	0.0	***
	TOTAL USES	1,132.7	866.0	833.3	-32.7	-3.8
FTE						
	Permanent	5.00	5.00	5.00	0.00	0.0
	TOTAL FTE POSITIONS	5.00	5.00	5.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Office of African American Affairs					
To provide information and advocacy services to all New Mexicans and to empower African Americans of New Mexico to improve their quality of life.					
Output	Number of educational regional conferences	5	5	5	
Output	Number of New Mexican African Americans recognized per year, statewide, for their achievements	25	31	50	50
Output	Number of African American organizations and churches statewide to be included in a database	475	490	500	
Output	Number of town hall meetings conducted per year	7	8	7	
Output	Number of churches, organizations and counties receiving information	375	600	375	450
Output	Number of forums within the state to mobilize citizens to address issues in prior-year town hall meetings	7	7	7	
Output	Number of educational conferences, town hall meetings, workshops and forums to increase awareness pertaining to the New Mexico African American community				10
Output	Number of informative meetings, documents, and publications to increase awareness of health disparities that adversely affect the New Mexico African American community				5
Outcome	Percentage of participants who indicate on the program survey that their awareness of services provided by the Office of African American Affairs has increased				25%

Executive Summary

The Commission for Deaf and Hard-of-Hearing Persons provides advocacy, referral and education services to deaf and hard-of-hearing persons to improve their quality of life.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	4,151.4	3,851.0	-7.2
Program			
Commission for Deaf and Hard-of- Hearing Persons	4,151.4	3,851.0	-7.2
Total Uses	4,151.4	3,851.0	-7.2
FTE	15.00	15.00	0.0

- The Executive recommends a base decrease of \$300.4 from FY09 operating levels.
- The recommendation fully funds the personal services and employee benefits category.
- The recommendation decreases contractual services by \$463.8.

Agency Mission and Program Purpose

The Commission for Deaf and Hard-of-Hearing Persons (CDHH) provides services to deaf and hard-of-hearing persons. The commission is responsible for overseeing the New Mexico telecommunications relay network for deaf and hard-of-hearing citizens in government agencies, institutions and businesses, as well as for hearing individuals affiliated with those who have a hearing loss. The commission operates a single program providing advocacy, outreach, referral and educational services and oversight of the telecommunications relay network for deaf and hard-of-hearing persons.

The commission’s Advocacy Unit works with individual citizens to help them address their individual communication access issues. The Advocacy Unit provides the same support to employers and public accommodations covered by the American Disabilities Act. The Advocacy Unit also delivers formal educational programs to promote compliance with the American Disabilities Act as it relates to hearing loss.

The commission’s Accessible Technology Unit is a statewide program that distributes telecommunications equipment to residents of New Mexico on a permanent loan basis. The telecommunications equipment benefits deaf, hard-of-hearing, speech impaired and deaf blind citizens. The Accessible Technology Unit also provides TTY training for the 911 Emergency Call Centers statewide.

Statutory Authority: Sections 28-11B-1 through 28-11B-4 and Sections 63-9F-1 through 63-9F-13 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The commission assists deaf and hard-of-hearing New Mexicans in accessing educational programs, obtaining telecommunications equipment and in becoming self-sufficient, tax-paying individuals. The commission's strategic plan includes the following objectives: raise public awareness of the commission's mission, programs and services, as well as issues facing deaf and hard-of-hearing persons and their families; influence public policy; improve staff training and development; expand the commission's physical presence; increase the availability of interpreters; expand communication advocacy activities; increase collaboration with other state agencies; provide consumers with up to date technology and equipment; and continue to assess the social issues and needs of the deaf and hard-of-hearing in New Mexico.

The agency's strategic plan for FY10 includes activities to improve the quality of technology equipment offerings to: enhance health insurance coverage for services and equipment that benefit persons who are deaf and hard-of-hearing; develop a registry of deaf and hard-of-hearing persons; and enhance the quality of the evaluation of and the distribution of hearing aid devices by commercial vendors.

Key Elements of Recommendation

The commission's operations are entirely supported by a surcharge on telecommunication services that is deposited in the Telecommunication Access Fund (TAF). The fund was established in 1993 to provide specialized telecommunications equipment and a relay system for hearing-impaired individuals. The equipment and relay system allows deaf and hard-of-hearing persons to communicate using various communications systems. Fund revenue is generated from a surcharge on telephone services and will increase, or decrease, in tandem with telephone usage.

Current expenditure levels exceed recurring TAF revenue. Revenue collection is expected to be \$3,318.1 in FY09 and \$3,360.0 in FY10. Given the FY09 authorized expenditure level of \$4,151.4, the TAF fund balance is projected to be \$7,852.7 on June 30, 2009; a 12% reduction from the end of FY07. In FY10, the TAF fund balance is projected to decline by 6.4% (\$490.9) based on the Executive recommended expenditure level of \$3,851.0.

The Executive recommends the commission closely monitor expenditures to make the greatest impact on the lives of deaf and hard-of-hearing persons possible. The Executive recommendation continues the process of reducing the use of nonrecurring fund balance to fund recurring expenses. The major reduction of expenses in the recommendation is in contractual services, which is recommended to more closely align with actual expenses. The FY10 recommendation provides an overall decrease of \$300.4 over the FY09 operating level.

The personal services and employee benefits category reflects an increase of \$104.6 to fully fund personal services and employee benefits and includes an increase of \$68.0 for mandatory General Service Department rate increases for unemployment and employee liability insurance. These increases are more than offset by reductions in contractual costs of \$463.8. Contractual service costs have been adjusted downward based on FY08 actual and FY09 projected expenditures.

Performance Report

FY08 results for agency performance measures indicate that the agency has had great success in performing its core mission of community outreach, education and information and referral. Over 10,000 individuals received these services in FY08 with over 12,000 staff hours devoted to the removal of communication barriers. These efforts have led, in part, to a 90% reduction in telephonic communication barriers. The agency did not meet its target for the number of accessible technology communication devices distributed to the public but was able to fully support all requests for this equipment.

Where agency performance has exceeded expectations, the Executive recommends raising performance targets in FY10. One new measure pertaining to the number of hours provided by the sign language interpreter referral service has been adopted for FY09 and should be incorporated into the agency's FY10 performance evaluation system.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Budget to Recommendation Percent Change</u>
SOURCES					
Other Transfers	3,217.6	3,318.1	3,360.0	41.9	1.3
Fund Balance	139.0	833.3	491.0	-342.3	-41.1
TOTAL SOURCES	3,356.6	4,151.4	3,851.0	-300.4	-7.2
USES					
Personal Services and Employee Benefits	953.9	866.3	1,038.9	172.6	19.9
Contractual Services	1,502.2	2,475.0	2,011.2	-463.8	-18.7
Other	445.5	355.1	345.9	-9.2	-2.6
Other Financing Uses	455.0	455.0	455.0	0.0	0.0
TOTAL USES	3,356.6	4,151.4	3,851.0	-300.4	-7.2
FTE					
Permanent	15.00	15.00	15.00	0.00	0.0
TOTAL FTE POSITIONS	15.00	15.00	15.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Commission for Deaf and Hard-of-Hearing Persons					
To provide advocacy, outreach, referral, education and oversee the New Mexico telecommunications relay network for the deaf and hard-of-hearing citizens, government agencies, institutions, businesses and hearing individuals affiliated with those who have a hearing loss so they may become more aware of accessibility and services available and have equal access to telecommunications services.					
Output	Number of workshops and training sessions conducted	30	31	35	40
Output	Number of information referrals, outreach and clients served	10,000	10,513	12,500	12,500
Output	Hours provided by the sign language interpreter referral service			40,000	40,000
Output	Number of accessible technology equipment distributions	1,750	1,449	1,750	1,750
Outcome	Percent reduction in telephonic communication barriers	60%	90%		
Output	Staff hours devoted to reducing communication barriers	7,500	12,480		
Outcome	Percent reduction of general communication barriers	50%	85%		

Executive Summary

The Martin Luther King, Jr. Commission promotes nonviolence as a philosophy to all the people of New Mexico to improve interracial cooperation and reduce youth conflicts in communities.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	407.5	385.9	-5.3
Total Sources	407.5	385.9	-5.3
Program			
Martin Luther King, Jr. Commission	407.5	385.9	-5.3
Total Uses	407.5	385.9	-5.3
FTE	3.00	3.00	0.0

- The Executive recommendation reflects a General Fund decrease of \$21.6.

Agency Mission and Program Purpose

The Martin Luther King, Jr. Commission's activities focus on: increasing participation of people of all ethnic backgrounds, races and religions in the annual Martin Luther King, Jr. holiday commemoration projects; providing alternatives to youth violence; rewarding youth achievement; and supporting disadvantaged youth in the spirit of Dr. King's principles of nonviolence.

Dr. King's six principles are: (1) nonviolence is a way of life for courageous people; (2) nonviolence seeks to win friendship and understanding; (3) nonviolence seeks to defeat injustice not people; (4) nonviolence holds that suffering can educate and transform; (5) nonviolence chooses love instead of hate; and (6) nonviolence believes that the universe is on the side of justice.

Statutory Authority: Sections 28-19-1 through 28-19-4 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The Martin Luther King, Jr. Commission continues to promote and support the non-violent principles of Dr. King in New Mexico through remembrance, celebration and action so that more New Mexicans may get involved in making a difference by improving interracial cooperation and helping reduce youth violence in all communities. The commission continues to provide educational support around the state to local at-risk youth programs addressing gang, school and family violence. The commission continues to: sponsor the annual Youth Conference and Leadership Tour to Atlanta, Georgia, attended by 25 youth; print the "I Have A Dream" speech in English and Spanish; maintain a library of numerous materials regarding Martin Luther King, Jr. that is open to the public; and collaborate with state, federal and private agencies to promote Dr. King's principles of nonviolence. The commission, in support of the Martin Luther King Jr. holiday, assists local commissions in developing local community service projects and assists in the improvement of state

and local commissions' activities and programs and disseminates commission guidelines, information and awards.

Key Elements of Recommendation

The Executive recommendation provides for a 5.3% General Fund decrease below the FY09 operating budget level. The recommendation fully funds the commission's three staff positions and reflects a decrease in personal services and employee benefits of \$7.3. The other category is recommended to decrease by \$14.3 due to cost savings within miscellaneous expenses related to the Martin Luther King March.

Performance Report

The Commission achieved all of its performance targets for FY08. The Commission continued to support 17 statewide Martin Luther King holiday commemorations; held ten youth anti-violent workshops at different locations in the state; and produced its Annual Youth Conference in Albuquerque, attended by 300 participants, the most to ever attend the event.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)						
	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	FY10		
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent</u> <u>Change</u>	
SOURCES						
General Fund Transfers	402.1	407.5	385.9	-21.6	-5.3	
TOTAL SOURCES	402.1	407.5	385.9	-21.6	-5.3	
USES						
Personal Services and Employee Benefits	164.8	203.3	196.0	-7.3	-3.6	
Contractual Services	34.1	47.4	47.4	0.0	0.0	
Other	118.3	156.8	142.5	-14.3	-9.1	
TOTAL USES	317.2	407.5	385.9	-21.6	-5.3	
FTE						
Permanent	3.00	3.00	3.00	0.00	0.0	
TOTAL FTE POSITIONS	3.00	3.00	3.00	0.00	0.0	

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Martin Luther King, Jr. Commission					
To promote Martin Luther King, Jr.'s non-violent principles and philosophy to the people of New Mexico through remembrance, celebration, and action, so that more citizens get involved in making a difference toward the improvement of interracial cooperation and help reduce youth violence in our communities.					
Outcome	Percent of program objectives achieved	100%	100%	100%	100%
Output	Number of annual statewide youth conferences using Dr. King's principles of nonviolence	1	1	1	1
Output	Number of statewide holiday commemorative programs supported	15	15	15	17
Output	Number of youth anti-violence workshops conducted	9	9	9	10

Executive Summary

The New Mexico Commission for the Blind assists blind or visually-impaired citizens to achieve economic, vocational and social equality.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	2,141.0	2,098.4	-2.0
Total Sources	8,286.7	8,188.7	-1.2
Program			
Commission for the Blind	8,286.7	8,188.7	-1.2
Total Uses	8,286.7	8,188.7	-1.2
FTE	107.50	107.50	0.0

- The Executive recommends a decrease of \$42.6 in General Fund from FY09 operating levels primarily as the result of vacancy savings.
- The recommendation includes a vacancy factor of 7% applied to personal services and employee benefits.

Agency Mission and Program Purpose

The Commission for the Blind encourages and enables blind or visually-impaired citizens of New Mexico to achieve economic, vocational and social equality so that they can achieve independence based on their personal interests and abilities.

The commission serves three basic population groups: young persons 14-21 years old who are transitioning from school; persons over 14 years of age who have a vocational goal; and persons of any age who have an independent living goal. Services are provided through a number of programs and activities. The Vocational Rehabilitation Services Program assists blind persons to become productive, employed, tax paying citizens. There are an increasing number of adults with multiple disabilities who do not have braille skills and have an increased need to gain computer skills. The Adult Orientation Center provides intensive training in the skills of blindness. The Employment Development Center provides real work experience in the manufacturing and sales of a number of products as well as on-the-job training. The Business Enterprise Program provides employment opportunities for blind individuals who wish to operate food service facilities. The NEWSLINE for the Blind publication enables blind and visually-impaired persons to access a wide range of newspapers and publications.

Statutory Authority: Sections 28-7-15 through 28-7-3 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The commission seeks to provide persons who are blind with meaningful employment, consistent with their strengths, resources, priorities, concerns, abilities, capabilities, interests and informed

choice. As measured by the Rehabilitation Services Administration, the commission continues to be one of the nation's leading rehabilitation agencies in its ability to place blind persons in well-paying positions. The commission ranks first in the nation for the average starting wage of consumers measured against the average state wage, second for the effectiveness of services and second for the percentage of consumers with quality employment outcomes. In FY08, "quality employment outcomes" included the completion of the transition process of all individuals from "sheltered" employment to employment in competitive, integrated and appropriate workplace settings.

As a consequence of an aging population as well as the prevalence of diseases such as diabetes that can include various visual impairments, the commission is facing a dramatic increase in the number of persons who are "older blind," and must be prepared to meet this need. The commission is also confronted with an increasing number of vocational rehabilitation consumers who require intensive and highly specialized services and training; an increase in the number of older persons who have a vocational goal; a dramatic increase in the number of older blind persons requiring independent living services; and an increase in the need for computer proficiency to become and remain employed.

The agency continues to address these trends by adding staff specializing in independent living programs and by increasing the skill levels of current employees.

The commission also helps young persons who are in the process of leaving the school setting, either immediately to work or to college for additional education. Within this population group there are several clearly discernable trends which the agency continues to actively address: (1) a decreasing rate of Braille literacy; (2) an increasing number of persons who have multiple disabilities; and (3) an increasing need for technology training.

Key Elements of Recommendation

The Executive recommendation fully funds the agency's current operations. Although the Executive recommendation reduces the agency's overall budget by 1.2%, or \$98.0, this is almost entirely the result of General Service Department and Department of Information Technology rate reductions and additional vacancy savings. Since a large percentage of the agency's funding is supplied by federal funds and enterprise activity income, the reduction of General Fund is only \$42.6 below FY09 operating levels. A 7% vacancy rate has been applied to personal services and employee benefits based on current and historic vacancy trends within the agency.

Performance Report

The Commission for the Blind met or exceeded all of its performance measure targets for FY08. Important outcomes for agency's consumers include the competitive employment placement of 50 individuals who earn, on average, \$19.73 per hour. Another important outcome consisted of the 32 blind or visually impaired individuals who were supported in establishing and/or maintaining small business enterprises. Finally, consistent with its primary mission and performance target, it is noteworthy that the agency provided adaptive skill and mobility training to over 600 youth and adult. These accomplishments have a direct impact on the ability of agency consumers to live independently in their homes and communities.

Given the agency's success in reaching its performance targets, the Executive recommends increasing target criteria for three of the four agency performance measures in FY10.

Recommended Language for the General Appropriation Act

Any unexpended or unencumbered balances in the commission for the blind remaining at the end of fiscal year 2010 from appropriations made from the general fund shall not revert.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	2,005.0	2,141.0	2,098.4	-42.6	-2.0
Federal Revenues	4,910.2	5,724.5	5,600.2	-124.3	-2.2
Other Revenues	597.7	421.2	490.1	68.9	16.4
TOTAL SOURCES	7,512.9	8,286.7	8,188.7	-98.0	-1.2
USES					
Personal Services and Employee Benefits	4,651.7	5,146.6	5,008.8	-137.8	-2.7
Contractual Services	115.6	207.4	207.4	0.0	0.0
Other	2,742.7	2,932.7	2,972.5	39.8	1.4
TOTAL USES	7,510.0	8,286.7	8,188.7	-98.0	-1.2
FTE					
Permanent	106.50	106.50	106.50	0.00	0.0
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	107.50	107.50	107.50	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Commission for the Blind					
To assist blind or visually impaired citizens of New Mexico to achieve economic and social equality, so they can have independence based on their personal interests and abilities.					
Output	Number of quality employment opportunities for blind or visually impaired consumers	45	50	35	50
Output	Number of blind or visually impaired consumers trained in the skills of blindness to enable them to live independently in their homes and communities	600	601	550	600
Outcome	Average employment wage for the blind or visually impaired person	\$14.50	\$19.73	14.00	\$15.00
Output	Number of employment opportunities provided for blind business entrepreneurs in different vending and food facilities through the business enterprise program	32	32	32	32

Executive Summary

The Indian Affairs Department serves to strengthen the government-to-government relationship between the State and tribal governments, as well as improving the well-being of Native Americans in New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	3,631.5	3,361.4	-7.4
Total Sources	4,170.4	4,100.3	-1.7
Program			
Indian Affairs Department	4,170.4	4,100.3	-1.7
Total Uses	4,170.4	4,100.3	-1.7
FTE	15.00	15.00	0.0

- The Executive recommends a decrease of \$270.1 in General Fund below FY09 operating levels.
- The Executive recommendation includes \$500.0 from the Tobacco Settlement Program Fund to continue to tobacco cessation and prevention programs for Native American communities.
- The recommendation includes continuation of \$1,479.1 in grants to tribes and pueblos.
- The recommendation includes \$200.0 in transfers for the Center for Native Health Student Development.

Agency Mission and Program Purpose

The Indian Affairs Department (IAD) serves as the coordinating body between state agencies and tribal governments for New Mexico Indian tribes. The department addresses issues pertaining to health, economic development, education, legislation and social issues in the most efficient and effective way. Laws 2004, Chapter 24 elevated the agency to a cabinet-level department and created a ten-member commission appointed by the governor.

IAD acts as the intermediary between the state and tribal governments to enhance and improve communication and outreach to Native Americans; assists in developing policies that result in positive resolutions to issues impacting Native Americans; provides leadership in intergovernmental and intra-agency coordination and collaboration; and serves as a conduit for implementing policies and procedures agreed upon by the state and tribal governments.

The focus of IAD is to: provide leadership in coordinating tribal, state, federal and international efforts; provide programs and services that address the needs of the Indian population, state government and other state and federal agencies; promote the department’s mission, accomplishments and services to the general public, tribes, Indian organizations and state government; address and advise tribes on policy, legal and legislative issues that impact the Indian population in areas of taxation, water, homeland security, health, social services, economic development and inter- and intra-governmental agreements; and provide internal management, direction and accountability to agency staff and external agencies for projects and issues related to IAD.

Laws 2005, Chapter 146 enacted the Tribal Infrastructure Act to: ensure adequate financial resources for infrastructure development for tribal communities; provide for the planning and development of infrastructure in an efficient and cost-effective manner; and develop infrastructure in tribal communities to improve the quality of life and encourage economic development. The Act created a tribal infrastructure board which is administratively attached to IAD.

Statutory Authority: Section 9-21-1 through 9-21-24 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

During the last year, IAD conducted a major initiative to develop a new strategic plan. Building on decades of concerted efforts to set a strong foundation for state-tribal relations, IAD has seen significant increases in state funding to tribes and Indian programs, passage of important Indian-related legislation, the elevation of the Office of Indian Affairs to the first cabinet level Indian Affairs Department in the United States and a growing number of noteworthy state-tribal agreements and collaborative efforts.

IAD, working with the New Mexico Indian Affairs Commission, is uniquely positioned to be a catalyst for further improvements in state-tribal relations. IAD is the coordinating agency for intergovernmental and interagency programs concerning tribal governments and the state. In the four years since becoming a cabinet-level department, important progress has been made impacting the working relationship between state and tribal governments. A significant Native American infrastructure has grown across state government as many state departments and agencies have adopted tribal consultation plans pursuant to Executive Orders 2005-003 and 2005-004 and employ tribal liaisons to improve how they work with tribal governments and address Native American issues. Tribal governments and Native American people play an increasingly significant role in the economy and culture of New Mexico and have increasing access to and participation in state government at all levels.

The recent agreement between IAD and the Navajo Nation concerning capital outlay projects is an excellent illustration of how the IAD acts as a catalyst to improve state-tribal relations. The agreement serves to streamline the Navajo Nation's process for approval for capital outlay projects funded by the state. From a process that could include up to 43 steps, the process has been refined down to six steps which should reduce both the timeline for completion of projects and the administrative and staff costs of the project.

The agency's strategic plan identifies four areas of primary focus: (1) addressing Native American health care needs; (2) ensuring strong and long-lasting tribal-state government-to-government relations; (3) improving the development of tribal infrastructure; and (4) advancing tribal economic development activities. In June 2008, the agency convened a Tribal Policy Forum to engage a cross-section of decision makers and stakeholders in developing potential goals and strategies in each of the four areas listed above. Out of this collaboration, six major goals were identified which will inform the strategic direction of the IAD in the years ahead:

- Goal 1: Ensure equitable provision of state health services and resources to American Indians consistent with the government-to-government relationship.
- Goal 2: Promote meaningful collaboration and coordination between state and tribal governments.
- Goal 3: Improve tribal governmental capacity to obtain increased funding for infrastructure projects and to complete projects.
- Goal 4: Improve use of comprehensive funding strategies for tribal infrastructure projects.
- Goal 5: Collaborate with appropriate state agencies, tribal governments, corporations and Indian organizations to enhance state government support for Native American economic development ventures.
- Goal 6: Establish clear and aligned departmental procedures that position IAD as the leading organization within state government for building relations with tribes and tribal organizations.

Key Elements of Recommendation

The Executive recommendation reflects a General Fund decrease of \$270.1 (7.4%) from the FY09 operating budget level. Grants to the tribes are recommended at \$1,479.1. The base recommendation includes full funding for all approved positions in the personal services and employee benefits category and provides \$500.0 from the Tobacco Settlement Program Fund for tobacco cessation and prevention programs benefiting Native American communities throughout the state. The recommendation provides for the continuation of new and expanded economic development activities approved in the FY09 operating budget.

The Executive recommendation also includes \$38.9 in transfers from the Children, Youth and Families Department for behavioral health training for Native American tribes and pueblos and \$200.0 in transfers from the Transformation Grant for the Center for Native Health Student Development to address student development needs for Native American college students pursuing careers in the health sciences.

Performance Report

IAD met or exceeded all of its performance targets for FY08. IAD achieved its output target of 100% for two performance measures: the establishment of more than two performance measures in all of its grants and service contracts and the completion of employee development plans before the employee's anniversary date. IAD achieved its goal of receiving no audit findings for FY08. IAD continues to demonstrate significant improvement in the number of capital projects that are completed and closed each year. In FY08, 73 projects under \$50.0 were brought to completion and 60 projects over \$50.0 were completed and closed out. IAD exceeded its target in this area by 55%. Finally, by holding ten training sessions on the capital outlay process, IAD provided more than twice the number of training sessions as targeted in this performance measure.

FY09 performance measures will be maintained in FY10; however, as the probability that additional projects will move to completion as a result of the agreement between IAD and the Navajo Nation to streamline the capital outlay approval process, the Executive recommends a significant increase to the performance targets for completion of projects over and under \$50,000 respectively and increasing the number of capital outlay training sessions from 10 to 12 in FY10.

Recommended Language for the General Appropriation Act

The Executive recommends the following language relating to a distribution from the Tobacco Settlement Program Fund:

The other state funds appropriation to the Indian affairs department includes five hundred thousand dollars (\$500,000) from the tobacco settlement program fund for tobacco cessation and prevention programs for Native American communities throughout the state.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				Budget to Recommendation Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	3,800.3	3,631.5	3,361.4	-270.1	-7.4
Other Transfers	538.9	538.9	738.9	200.0	37.1
TOTAL SOURCES	4,339.2	4,170.4	4,100.3	-70.1	-1.7
USES					
Personal Services and Employee Benefits	1,101.4	1,297.8	1,223.4	-74.4	-5.7
Contractual Services	872.7	367.7	1,159.8	792.1	215.4
Other	2,029.2	2,504.9	1,717.1	-787.8	-31.5
TOTAL USES	4,003.3	4,170.4	4,100.3	-70.1	-1.7
FTE					
Permanent	15.00	15.00	15.00	0.00	0.0
TOTAL FTE POSITIONS	15.00	15.00	15.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Indian Affairs Department					
The Indian Affairs Department is the coordinating agency for intergovernmental and interagency programs concerning tribal governments and the state.					
Output	Percent of employee files that contain performance appraisal development plans completed by the employee's anniversary date	100%	100%	100%	100%
Outcome	Number of audit findings	0	0	0	0
Output	Number of capital projects over fifty thousand dollars (\$50,000) completed and closed	40	60	60	70
Output	Number of capital outlay process training sessions conducted for tribes	6	13	10	12
Output	Percent of grants and service contracts with more than two performance measures	100%	100%	100%	100%
Output	Number of capital outlay projects under fifty thousand dollars (\$50,000) completed and closed	40	73	70	80

Executive Summary

The Aging and Long-Term Services Department provides services to, and advocates on behalf of, elder New Mexicans and adults with disabilities or long-term care service needs.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	51,032.9	48,897.0	-4.2
Total Sources	68,862.3	66,375.1	-3.6
Program			
Program Support	3,423.2	6,051.9	76.8
Consumer and Elder Rights	2,363.8	2,228.9	-5.7
Adult Protective Services	15,975.6	14,073.3	-11.9
Aging Network	36,292.3	34,273.7	-5.6
Long-Term Services	10,807.4	9,747.3	-9.8
Total Uses	68,862.3	66,375.1	-3.6
FTE	292.50	292.50	0.0

- The Executive recommends a General Fund decrease of \$2,135.9 under the FY09 operating levels.
- A 3.9% vacancy factor is applied to personal services and employee benefits.
- The Executive supports a realignment of personnel within the agency across programs with no impact on the agency's budget.

Agency Mission and Program Purpose

The Aging and Long-Term Services Department’s purpose is to achieve the highest quality of life for adults, persons with disabilities and their families by enhancing autonomy, health, economic well-being, community involvement and personal responsibility. The department aims to establish a continuum of social supports and health services to meet the needs of individuals and maximize their independence, enabling them to live successfully on their own terms in their own communities.

Statutory Authority: Sections 9-23-1 through 9-23-12 NMSA 1978.

Program Support

Program Support provides fiscal, human resources, clerical, record keeping and administrative support in the areas of personnel, capital outlay, budget, procurement and contracting. The Office of the Secretary includes the Office of Faith-Based and Community Initiatives, the Office of Indian Elder Affairs, the Office of Policy and Planning, the Office of the General Counsel, the State Long-Term Care Ombudsman Program, the Constituent Services Program, the Public Information Office and the Adult Abuse Prevention and Education Section/Geriatric Behavioral Health Unit.

Consumer and Elder Rights

Consumer and Elder Rights educates, assists and advocates for seniors and people with disabilities. The Aging and Disability Resource Center (ADRC) is the single point of entry for seniors and adults

with disabilities to the long-term services system in New Mexico. The Resource Center provides information, assistance, referrals and advocacy in those areas of daily living that will maximize personal choice and independence for seniors and adults with disabilities throughout New Mexico as well as their caregivers. The Resource Center conducts Adult Protective Services intake and contains prescription drug programs. This division also contains a Community Advocacy Bureau that provides community outreach, HIV/AIDS consumer advocacy services and benefits counseling and money management programs.

Adult Protective Services

Adult Protective Services is responsible for developing a statewide standardized adult protective services system that, as part of a protection continuum, operates to increase awareness of adult abuse, neglect and exploitation and is designed to provide intervention to ensure the safety and protection of some of New Mexico's most vulnerable and at-risk adults with an ultimate reduction of adult abuse, neglect and exploitation.

Aging Network

The Aging Network combines the Senior Services Bureau and the Employment Program to provide training, education, work experience, nutritional and social services for older individuals. The Aging Network providers include senior centers; congregate meal sites; adult day care programs; caregiver respite; home delivered meals; transportation; homemaker services; and physical fitness programs including the Senior Olympics. The Aging Network includes senior employment programs that provide training and employment opportunities to older, low-income individuals; the Golden Opportunity for Lifelong Development (GOLD) Program that uses older workers as mentors to train others to achieve meaningful employment and lead productive lives; senior volunteer programs; an Alzheimer's disease program; nutrition programs; and health and wellness programs.

Long-Term Services

The Long-Term Services program coordinates services for the frail elderly and people with disabilities so they may live in the least restrictive environment possible. Programs provided include: the Coordination of Long-Term Services (COLTS); the Mi Via (self-directed) Waiver that now includes long-term services for individuals with brain injuries; the Disabled and Elderly Waiver; the Personal Care Option, which provides services paid for by Medicaid for in-home care services to low-income seniors and adults with disabilities who require institutional level care; the Program for All-inclusive Care for the Elderly (PACE) which provides comprehensive health and social services for seniors and adults with disabilities; and Traumatic Brain-Injury services to provide case management and life skills training to individuals who have suffered a trauma to the brain resulting in temporary or permanent diminished mental or physical impairment. Also included is a zero-tolerance elder abuse section to ensure that incidents of adult abuse, neglect and exploitation are fully identified, carefully investigated, properly documented and aggressively prosecuted.

Executive Recommendation

Agency Strategic Directions

The Aging and Long-Term Services Department, as a partner in the Executive's performance and accountability policy, *A Healthy New Mexico*, serves as the primary advocate and service provider for the elderly, persons with disabilities, and their families. The agency continues to develop programs and unified public policies which address the delivery of care and services to the elderly, persons

with disabilities and their families while engaging issues regarding autonomy, health, economic well-being, community involvement and personal responsibility. The agency will face many challenges in the future which will require strong fiscal management, innovation and community support to ensure the agency can continue meet its goals.

A significant demographic trend that directly impacts the agency's strategic direction is New Mexico's growing population of older adults, as well as the continuing migration of retirees and others to western states. From 2000 to 2030, New Mexico's population of persons age 65 and older will double. The 80+ population will almost double from 51,000 in 2000 to 97,000 in 2025. This will have a significant impact on scarce financial resources and trained personnel to provide quality healthcare and guidance.

The fastest rate of growth is occurring among the very old – those 85 and older. Increased age increases the probability of frailty. Frail elders have needs that are different from those of younger, more active elders. There is an increasing demand for comprehensive, coordinated services for the elderly, especially for frail elders. These frail individuals will require different, more intensive and more costly services. The projections of levels of impairment indicate that the number of elderly persons needing assistance is increasing much faster than the state's ability to provide services. As the aging population increases, so will frailty, illness, dementia, care-giving related needs, dependence and the demand for services.

Just like the healthcare crisis occurring throughout the nation, the cost of healthcare is growing at a tremendous rate in New Mexico. As the population ages, per capita hospital and nursing home care expenditures will continue to rise. Per capita health care spending is 3.5 times greater for the elderly than for those under 65. New Mexico's Medicaid system is bearing the brunt of the increasing demand for long-term care services, in addition to the support provided by the Long-Term Services Division of the Aging and Long-Term Services Department. The New Mexico Medicaid system spends approximately two-thirds of its long-term care dollars for home and community-based care and it also pays for 80% of the state's nursing home care. As the cost of healthcare rises and the aging population grows, the fiscal reality will translate to fewer services and less care for each dollar administered by the agency.

The strategic initiatives of ALTSD are focused on advancing efforts to develop systems and processes that will meet the increasing demand for comprehensive, coordinated services for the elderly, especially the frail elders. The aging population with its growing number of frail elders, will require different, more intensive and costly services, as well a protection from abuse and neglect. The agency will direct resources to facilitate the work for the New Mexico Collaboration to End Hunger. This collaborative effort of over 40 partners is focused on enhancing participation in senior meal programs, improving transportation to food sources and increasing home food deliveries.

Another major initiative is the continued technical assistance and oversight for Native American elders and tribal providers. The agency is faced with unique barriers and challenges in the tribal areas, such as the lack of infrastructure, language barriers, chronic illness and isolation. Fundamentally, the agency's priority initiatives are interrelated and focus on three general areas: access to and coordination of home and community-based services; continuing to build a health and long-term care safety net for the state's most vulnerable citizens; and strengthening the capacity for employment, volunteer and lifelong learning opportunities for seniors and people living with disabilities in New Mexico.

Key Elements of Recommendation

The Executive recommendation reflects a General Fund decrease of \$2,135.9 (4.2%) under the agency's FY09 operating levels.

The recommendation supports a realignment of personnel within the agency across programs with no impact on the agency's budget.

The Executive recommendation applies a 3.9% vacancy factor.

Performance Report

The Aging and Long-Term Services Department met or exceeded 17 of 28 or 61% of its performance targets for FY08. Several key performance measures were exceeded and indicate a growing demand on the agency's limited resources. Most significantly, the number of persons accessing the Aging and Long-Term Services Department's resource center almost doubled its FY08 target of 7,500 with a year-end result of 14,898. The significant increase over the FY08 target reflects improved access to the department's programs and services through a single call center, the Aging and Disability Resource Center.

An important performance measure, number of individuals on the self-directed Mi Via waiver, reflects a successful first year for this new program by exceeding the target of 300 individuals with a total 222 additional clients. Mi Via is New Mexico's self-directed waiver program that allows participants to choose services they need, hire their own service workers and decide where and how to spend their Mi Via budget.

ALTSO did not meet its target for the number of adult daycare service hours provided in FY08. Several major factors impacted the agency's ability to provide adult daycare service to the widest client population possible. The Alzheimer's Disease Demonstration Grant changed focus and objectives by providing greater emphasis on accessibility to Medicare and other federal programs. Also, because of the greater access to self-directed programs, clients are able to acquire services to replace adult daycare.

Also, the agency did not meet its FY08 target for the percent of individuals age sixty and over receiving aging network community services. This was due to a system problem in how services and clients were counted at each facility. The agency is addressing the problem by standardizing the process and ensuring that double-counting of services given to an individual client does not occur.

Recommended Language for the General Appropriation Act

Any unexpended or unencumbered balances remaining from registration fees from the aging conference at the end of fiscal year 2010 shall not revert to the general fund.

The general fund appropriation to the aging network program in the other category to supplement the federal Older Americans Act shall be contracted to the designated area agencies on aging.

Any unexpected balances remaining from the general fund appropriation made to the long-term services division of the aging and long-term services department in Section 4 of Chapter 3 of Laws 2008 for long-term brain injury waiver services shall not revert to the general fund but shall be deposited into the brain injury services fund and is appropriated to the long-term services division of the aging and long-term services department for the purposes specified in Section 24-1-24 NMSA 1978.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	46,729.0	51,032.9	48,897.0	-2,135.9	-4.2
Other Transfers	6,956.5	7,501.9	7,612.6	110.7	1.5
Federal Revenues	10,242.2	10,237.5	9,775.5	-462.0	-4.5
Other Revenues	349.5	90.0	90.0	0.0	0.0
TOTAL SOURCES	64,277.2	68,862.3	66,375.1	-2,487.2	-3.6
USES					
Personal Services and Employee Benefits	17,172.0	18,551.1	19,070.0	518.9	2.8
Contractual Services	6,473.9	6,671.8	6,387.3	-284.5	-4.3
Other	38,623.2	40,824.3	38,235.2	-2,589.1	-6.3
Other Financing Uses	1,269.5	2,815.1	2,682.6	-132.5	-4.7
TOTAL USES	63,538.6	68,862.3	66,375.1	-2,487.2	-3.6
FTE					
Permanent	243.00	271.50	271.50	0.00	0.0
Term	26.00	21.00	21.00	0.00	0.0
TOTAL FTE POSITIONS	269.00	292.50	292.50	0.00	0.0

		Program Support (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar/FTE</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	2,264.5	2,391.0	4,976.9	2,585.9	108.2
	Other Transfers	359.0	387.7	644.7	257.0	66.3
	Federal Revenues	693.2	644.5	430.3	-214.2	-33.2
	TOTAL SOURCES	3,316.7	3,423.2	6,051.9	2,628.7	76.8
USES						
	Personal Services and Employee Benefits	2,795.3	2,880.9	5,092.6	2,211.7	76.8
	Contractual Services	149.8	164.1	180.8	16.7	10.2
	Other	371.6	378.2	778.5	400.3	105.8
	TOTAL USES	3,316.7	3,423.2	6,051.9	2,628.7	76.8
FTE						
	Permanent	31.00	31.00	59.00	28.00	90.3
	Term	4.00	4.00	4.00	0.00	0.0
	TOTAL FTE POSITIONS	35.00	35.00	63.00	28.00	80.0

		Consumer and Elder Rights (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	806.1	976.6	946.5	-30.1	-3.1
	Other Transfers	0.0	104.6	163.0	58.4	55.8
	Federal Revenues	1,261.5	1,282.6	1,119.4	-163.2	-12.7
	TOTAL SOURCES	2,067.6	2,363.8	2,228.9	-134.9	-5.7
USES						
	Personal Services and Employee Benefits	1,370.9	1,766.2	1,632.3	-133.9	-7.6
	Contractual Services	167.0	103.1	48.1	-55.0	-53.3
	Other	530.3	494.5	548.5	54.0	10.9
	TOTAL USES	2,068.2	2,363.8	2,228.9	-134.9	-5.7
FTE						
	Permanent	11.00	17.50	16.50	-1.00	-5.7
	Term	10.00	9.00	9.00	0.00	0.0
	TOTAL FTE POSITIONS	21.00	26.50	25.50	-1.00	-3.8

Adult Protective Services
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	Percent Change
SOURCES					
General Fund Transfers	12,732.0	13,466.2	11,602.3	-1,863.9	-13.8
Other Transfers	3,018.6	2,509.4	2,471.0	-38.4	-1.5
TOTAL SOURCES	15,750.6	15,975.6	14,073.3	-1,902.3	-11.9
USES					
Personal Services and Employee Benefits	9,170.1	8,972.5	8,222.2	-750.3	-8.4
Contractual Services	3,639.5	3,922.0	3,710.8	-211.2	-5.4
Other	2,854.9	3,081.1	2,140.3	-940.8	-30.5
TOTAL USES	15,664.5	15,975.6	14,073.3	-1,902.3	-11.9
FTE					
Permanent	157.00	157.00	140.00	-17.00	-10.8
Term	0.00	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	157.00	157.00	140.00	-17.00	-10.8

Aging Network
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	Percent Change
SOURCES					
General Fund Transfers	26,676.1	28,443.2	26,467.2	-1,976.0	-6.9
Other Transfers	369.1	362.3	319.7	-42.6	-11.8
Federal Revenues	7,628.8	7,396.8	7,396.8	0.0	0.0
Other Revenues	86.6	90.0	90.0	0.0	0.0
TOTAL SOURCES	34,760.6	36,292.3	34,273.7	-2,018.6	-5.6
USES					
Personal Services and Employee Benefits	347.2	351.5	0.0	-351.5	-100.0
Contractual Services	39.1	15.0	0.0	-15.0	-100.0
Other	34,116.2	35,738.2	34,086.1	-1,652.1	-4.6
Other Financing Uses	269.5	187.6	187.6	0.0	0.0
TOTAL USES	34,772.0	36,292.3	34,273.7	-2,018.6	-5.6
FTE					
Permanent	4.00	5.00	0.00	-5.00	-100.0
Term	1.00	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	5.00	5.00	0.00	-5.00	-100.0

		Long-Term Services (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	Budget to Recommendation	
		Actuals	Budget	mendation	Dollar	Percent
					Change	Change
SOURCES						
	General Fund Transfers	4,250.3	5,755.9	4,904.1	-851.8	-14.8
	Other Transfers	3,209.8	4,137.9	4,014.2	-123.7	-3.0
	Federal Revenues	658.7	913.6	829.0	-84.6	-9.3
	Other Revenues	262.9	0.0	0.0	0.0	***
	TOTAL SOURCES	8,381.7	10,807.4	9,747.3	-1,060.1	-9.8
USES						
	Personal Services and					
	Employee Benefits	3,488.5	4,580.0	4,122.9	-457.1	-10.0
	Contractual Services	2,478.5	2,467.6	2,447.6	-20.0	-0.8
	Other	750.2	1,132.3	681.8	-450.5	-39.8
	Other Financing Uses	1,000.0	2,627.5	2,495.0	-132.5	-5.0
	TOTAL USES	7,717.2	10,807.4	9,747.3	-1,060.1	-9.8
FTE						
	Permanent	40.00	61.00	56.00	-5.00	-8.2
	Term	11.00	8.00	8.00	0.00	0.0
	TOTAL FTE POSITIONS	51.00	69.00	64.00	-5.00	-7.2

Performance Measures

		FY08	FY08	FY09	FY10
		Target	Result	Target	Recomm
Program Support					
To provide clerical, record keeping and administrative support in the areas of personnel, budget, procurement and contracting to agency staff, outside contractors and external control agencies to implement and manage programs.					
Output	Percent of contractors assessed with no significant findings	100%	100%	100%	100%
Consumer and Elder Rights					
To provide current information, assistance, counseling, education and support to older individuals and persons with disabilities, residents of long-term care facilities and their families and caregivers that allow them to protect their rights and make informed choices about quality service.					
Output	Number of ombudsman cases resolved	5,000	5,309	6,100	6,100
Outcome	Number of individuals calling the resource center in need of two or more daily living services who receive information, referral and follow-up services	1,800	12,984	5,000	13,000
Output	Number of granny cams loaned	65	13	65	65
Output	Number of persons accessing the aging and long-term services department's resource center	7,500	14,898	10,000	15,000
Output	Number of individuals receiving free or low-cost prescription drugs through the resource center prescription drug assistance program	1,200	4,808	1,200	5,000
Adult Protective Services					
To investigate allegations of abuse, neglect and exploitation of seniors and adults with disabilities and provide in-home support services to adults at high risk of repeat neglect.					
Outcome	Percent of adults with repeat maltreatment	9%	12.1%	9%	9%
Outcome	Percent of cases closed within ninety days of referral	70%	N/A	70%	*
Output	Number of adults receiving adult protective services intervention	1,000	6,361	6,250	6,250

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Aging Network					
To provide supportive social and nutrition services for older individuals and persons with disabilities so they can remain independent and involved in their communities. And to provide training, education and work experience to older individuals so they can enter or re-enter the work force and receive appropriate income and benefits.					
Outcome	Percent of individuals participating in the federal older worker program obtaining unsubsidized permanent employment	20.5%	18%	20.5%	20.5%
Outcome	Community service hours provided by the state older worker program as a percent of work hours budgeted	90%	91%	85%	85%
Output	Annual number of clients placed in meaningful employment	450	366	400	400
Outcome	Percent of temporary assistance for needy families clients placed in meaningful employment	36%	34%	40%	40%
Output	Number of adult daycare service hours provided	190,000	114,475	160,000	160,000
Output	Number of hours of respite care provided	160,000	141,796	150,000	150,000
Output	Number of one-way trips provided to community services	828,000	875,276	830,000	830,000
Output	Number of homemaker hours provided in the state fiscal year	130,000	131,291	130,000	130,000
Output	Number of children served through the foster grandparent program	2,250	2,110	2,570	2,570
Outcome	Percent of individuals age sixty and over receiving aging network community services	40%	36.7%	42%	40%
Output	Number of congregate meals provided through the aging network	1,650,000	1,657,867	1,700,000	1,700,000
Output	Number of home-delivered meals provided through the aging network	1,950,000	2,061,747	2,000,000	2,000,000
Output	Number of families served through the grandparents-raising-grandchildren initiative	300	549	300	300
Long-Term Services					
To administer home and community-based long-term service programs that support individuals in the least restrictive environment possible.					
Outcome	Percent of total personal care option cases that are consumer-directed	8%	17.2%	12%	12%
Outcome	Percent of disabled and elderly medicaid waiver clients who receive services within ninety days of eligibility determination	100%	97%	100%	100%
Outcome	Average number of months that individuals are on the disabled and elderly waiver registry prior to receiving an allocation for services	24	31	24	24
Output	Number of clients enrolled in coordinated long-term services			20,000	
Outcome	Average annual cost per client in the coordinated long-term services program.			18,360	
Output	Number of brain injury clients served through the self-directed waiver	100	137	125	135
Output	Number of individuals on the self-directed mi via waiver	300	522	400	400
Output	Number of persons reintegrated from nursing homes into home- and community-based medicaid services	121	132	150	150

Executive Summary

The Human Services Department (HSD) administers several large state and federally-funded programs that provide health care, financial assistance, child support and food assistance to New Mexico's most needy citizens. The agency manages over \$4.2 billion of federal and state funding that provide life's most basic services to New Mexico's poorest individuals and families, touching the lives of one in three New Mexicans.

	FY09	FY10	
	Operating	Recommendation	% Change
	Budget		
General Fund	916,731.5	881,756.2	-3.8
Total Sources	4,167,354.5	4,230,331.7	1.5
Program			
Program Support	46,563.6	49,018.0	5.3
Child Support Enforcement	33,970.3	34,025.2	0.2
Medical Assistance	3,167,296.1	3,502,031.0	10.6
Income Support	530,195.0	583,476.2	10.0
Medicaid Behavioral Health	323,375.0	0.0	-100.0
Behavioral Health Services	65,954.5	61,781.3	-6.3
Total Uses	4,167,354.5	4,230,331.7	1.5
FTE	2,021.00	2,046.00	1.2

- The Executive recommendation provides a base increase of \$2,454.4 (\$2,271.0 General Fund) in Program Support to decrease vacancy factor and cover increased Department of Information Technology rates.
- In the Behavioral Health Services, the base funding level of \$61,781.3 reflects reductions of \$2,204.0 in federal project funding and a decrease of \$1,980.6 in General Fund. Both decreases are the result of reducing the number and the size of several agency service contracts.
- The Executive recommendation supports the structural reintegration of the Medicaid Behavioral Health Program with the larger Medicaid program.
- With the federal match, the Executive recommendation reflects an increase of \$17,592.4 in the Medicaid program to support enrollment increases. The need for General Fund, however, is \$34,200.0 less than FY09 primarily as the result of changes in federal match percentages and the use of additional tobacco settlement fund dollars as replacements for General Fund.
- The Executive recommendation maintains base funding of the Child Support Enforcement Division at the FY09 level.
- The Executive recommendation for the Income Support Division increases the base budget by \$53,281.2 while decreasing General Fund by \$806.4 over FY09 levels.
- The recommendation for the Income Support Division includes an additional \$3,000.0 in federal funds for childcare services for eligible recipients of the Temporary Assistance for Needy Families (TANF) program.
- The Executive recommendation supports the transfer of \$25,000.0 in federal TANF Block Grant non-assistance funds to the Tax and Revenue Department for use in the Working Families Tax Credit Program in exchange for \$25,000.00 in General Fund to provide assistance to individuals with severe barriers to employment.

Agency Mission and Program Purpose

The Human Services Department (HSD) administers several large state and federally-funded programs that provide health care, financial assistance, child support and food assistance to New Mexico's most needy citizens. The agency manages nearly \$4.2 billion of federal and state funding that provide life's most basic services to New Mexico's poorest individuals and families, touching the lives of one in three New Mexicans.

Statutory Authority: Sections 9-8-1 through 9-8-12 NMSA 1978.

Program Support

Program Support provides overall fiscal leadership, direction and administrative support to each agency program to ensure accountability and compliance with state and federal mandates. The program manages the agency's human resources, provides information processing services, renders legal advice and representation, performs department fiscal and budgetary functions, conducts internal audits, and provides leadership and policy direction. The program is composed of the following offices and divisions: Administrative Services, Human Resources, Inspector General, General Counsel, Hearings Bureau, Office of Information Processing and Office of the Secretary.

Child Program Enforcement

The Child Support Enforcement Program reduces the need for public assistance and Medicaid expenditures by collecting from non-custodial parents support for their children's dietary, medical and other basic needs. This sustenance carries the goal of improving a child's health and life outcomes that are negatively impacted by the lack of non-custodial support. The Child Support Enforcement Division administers the Child Support Enforcement Program, which is a state-federal partnership to establish and enforce child support obligations, establish paternity, enforce collections and distribute funds from non-custodial parents to their children.

Medical Assistance

The Medical Assistance Program helps ensure access to medically necessary services for New Mexico's most vulnerable adults and children. By providing health insurance to more than 400,000 New Mexicans, the program is a major contributor to the goal of reducing the number of individuals without insurance, thus helping to prevent negative health, developmental and social outcomes that may result from the lack of proper health care. The Medical Assistance Division (MAD) administers the New Mexico Medicaid program, which provides free, or low-cost health care to low-income families, children, women who are pregnant or need family planning, and many elderly, disabled and blind adults. Medicaid covers traditional acute care services as well as psycho-social and long-term care benefits. Over 15,000 providers participate in the Medicaid program in New Mexico. Medicaid eligible recipients can receive medical services on a fee-for-service basis from an individual provider or from a network of providers through one of three managed care organizations (MCOs): Molina, Lovelace, or Presbyterian.

Income Support

The Income Support Program provides food stamps and meals to eligible New Mexico families, children, elderly and disabled to reduce hunger, poor nutrition and food insecurity; and provides cash assistance to families so that children may be cared for by family members or childcare providers while parents pursue job training and education designed to achieve self sufficiency by

finding and retaining employment. Assistance provided by the Income Support Program is also focused on preventing and reducing out-of-wedlock pregnancies and the formation and maintenance of two-parent families.

The Income Support Division (ISD) administers the program by managing several low-income public assistance programs: (1) the Temporary Assistance for Needy Families (TANF) block grant program provides temporary cash assistance, job training, education, linkage to support services such as child care, and transportation to 17,000 low-income families with children; (2) the General Assistance program provides cash assistance to temporarily and permanently disabled adults and children who are low-income and are not living with a relative; (3) the Food Stamps program provides assistance to 90,000 low-income families and individuals to purchase food; (4) the Emergency Food Assistance Program (TEFAP) operates a network of U.S. Department of Agriculture (USDA) food distribution centers to assist people in need; and (5) the Low Income Home Energy Assistance Program (LIHEAP) provides assistance to low-income households for a one-time payment of heating or cooling costs.

Behavioral Health Services

The Behavioral Health Services Program leads and oversees the provision of an integrated and comprehensive behavioral health prevention and treatment system so that the program fosters recovery and supports the health and resilience of all New Mexicans.

Executive Recommendation

Agency Strategic Directions

Insure New Mexico! The Human Services Department (HSD) is providing a variety of innovative solutions designed to create an employer specific, cost effective health benefit package for small businesses and non-profit organizations with 50 or fewer employees. As the number of programs offering health insurance through the *Insure New Mexico!* initiative increases, the need to disseminate timely, accurate information on insurance options also increases. Ongoing efforts to insure New Mexicans through Medicaid, SCI, Health Insurance Alliance (HIA), the New Mexico Insurance Pool (NMIP) and the Premium Assistance Program will require additional resources to keep the public informed on this multitude of insurance options. This remains an important strategy to increase the number of insured New Mexicans.

Maintaining the number of adults enrolled in the State Coverage Insurance (SCI) program continue to be a focus of the department. The SCI program offers coverage to working adults, ages 19 through 64, with incomes below 200% of the federal poverty level (FPL). The program utilizes federal and state funding plus contributions by employers and employees on a sliding scale income basis to purchase comprehensive health insurance. At this point, the program will be unable to expand without additional funding.

In addition to increasing enrollment in programs designed to provide small employers with more options for offering health insurance, HSD is working to enhance the *Insure New Mexico!* Call center to increase employers' access to SCI, while continuing to partner with the Health Insurance Alliance (HIA) and the New Mexico Medical Insurance Pool to provide health insurance solutions to all employers. HSD continues to focus on outreach and marketing efforts that include providing information about all three programs to attempt to ensure health insurance coverage for all employees of any given employer.

Additionally, HSD will continue to engage in activities to provide New Mexicans with solutions for health insurance. For example, the agency will continue program development and implementation of the Premium Assistance for Kids (PAK) and Premium Assistance for Maternity (PAM) programs. PAK provides premium assistance toward the monthly premium for comprehensive, commercial health insurance, approved by the department, for uninsured children up to the age of twelve or up to the age of eighteen if part of a sibling group that includes a child up to the age of twelve. To be eligible, the applicant must be screened and found ineligible for Medicaid and/or SCHIP due to income. Health benefits include preventative, primary and specialty care, inpatient and outpatient hospitalization, pharmacy, lab, x-ray, physical, occupational and speech therapy. The agency anticipates that increasing number of children will obtain health insurance through the PAK program in FY09 and FY10.

PAM covers pregnancy-related services for women who are ineligible for Medicaid maternity services due to income. This program aims to give babies a healthy start in life by providing prenatal care for hundreds of pregnant women. The program covers pregnancy-only services through the Medicaid fee-for-service network. The applicant pays a one-time premium fee per pregnancy, depending on the trimester in which she enrolls. For example, if the client enrolls during the first 20 weeks of pregnancy (months one – five) the premium is \$150. However, if the client enrolls during the second 20 weeks of pregnancy (months six – nine), the premium is \$300. The difference in the premium cost is to encourage pregnant women to start receiving health care services early in the pregnancy, ensuring healthier births.

The agency is increasing the number of medical support orders to increase the number of children receiving insurance through non-custodial parents' employer sponsored insurance. Paternity establishment is the key to getting financial and medical support for children in single parent homes. HSD is increasing paternity establishment through operations of the paternity establishment unit within the Child Support Enforcement Division (CSED) Program.

In FY10, HSD plans to increase the number of Medicaid eligible families with children. The agency is targeting additional children at all eligible income levels and parents under 100% of Federal Poverty Level (FPL) for enrollment in the Medicaid program. By increasing the amount of family income disregarded for Medicaid eligibility, the number of children and adolescents eligible to be enrolled will increase. During FY09, HSD is projected to increase the number of adults enrolled in the State Coverage Insurance (SCI) program. In FY10 the average number of adults provided coverage in any given month is expected to level off at approximately 31,230.

HSD aims to sustain outreach to Medicaid eligible children and adults and Native Americans. By focusing on families with very young children, HSD estimates additional children can be reached by the Medicaid Program. During FY09, the department will continue its outreach efforts to achieve this goal. Native Americans in New Mexico have among the highest rates of uninsured population in the state. Because of their lack of proximity to income support offices, Native Americans often do not receive the information they need to participate in Medicaid and other support programs. To address outreach to Native Americans, HSD has located income support eligibility workers at Indian health facilities in underserved areas. In FY09 and FY10, the department will continue to collaborate with Indian Health Services (IHS) in the Albuquerque area to identify the need for on-site eligibility workers within its service area, including sites in urban areas, and on tribal and pueblo reservations.

Combat Hunger and Improve Nutrition. By simplifying the application processes and increasing outreach to food stamp eligible New Mexicans, HSD is working to reduce food insecurity in New Mexico. In FY09, HSD seeks to increase participation in nutrition education programs for food stamp recipients and explore coordination of existing nutrition education funding and services through common materials, messages and program approaches.

HSD is continuing its efforts to increase participation in the federal Food Stamp program through an outreach and marketing campaign, the theme of which is "Eat Better Tomorrow. Get EBT Today." EBT (electronic benefit transaction) is the electronic benefits transfer card by which food stamps are issued. To encourage greater participation in the federal Food Stamp program, HSD is in the process of implementing a food stamp waiver program allowing auto enrollment through the Social Security Administration offices, concurrent with the approval of Social Security Income (SSI) benefits. With the current economic downturn, HSD is seeing an increase in applications for food stamps. In FY08, approximately 244,000 individuals each month benefited from the food stamp program. As of November, 2008, this number had increased to over 260,000 individuals each month and the numbers are expected to grow throughout FY09 and FY10.

Improve Behavioral Health Services Through an Interagency and Collaborative Model. In FY08, the Behavioral Health Services Division (BHSD) was transferred from the Department of Health (DOH) to HSD. This transfer supports HSD's mission to assist New Mexicans by planning and coordinating an integrated network of public and private support for low-income, elderly and disabled New Mexicans. The incorporation of BHSD into HSD is the first step towards attaining parity between behavioral health and physical health services in the publicly financed system of care. BHSD's new location under HSD ensures that mental health and substance abuse services will be part of a strategy to decrease the number of uninsured New Mexicans and improve health care for some of New Mexico's most needy citizens. In FY08, BHSD funds were distributed to over 40 community based providers, including 25 community mental health centers. These programs provided mental health and substance abuse services to over 24,000 New Mexicans.

Strategic directions for BHSD are undertaken in partnership with the Behavioral Health Collaborative, a consortium of agencies impacting the public behavioral health service delivery system in New Mexico. As the lead agency for both the Behavioral Health Collaborative and the *Insure New Mexico!* initiative, BHSD's roles include: (1) fostering a strong, local voice that will create partnerships among consumers, family members, advocates, local agencies and consumer groups; (2) supporting and enhancing the use of "evidence-based" (validated by clinical research) practices for new and promising treatment options; (3) co-training of peer support specialists to be utilized in the delivery of new services in the community-based system of care; and (4) assisting communities in planning to implement new practices. BHSD utilizes a partnership model in fulfilling these roles for the Collaborative member agencies, Value Options of New Mexico, Local Collaboratives and other stakeholders.

BHSD seeks to enhance New Mexico's behavioral health workforce through the Consortium for Behavioral Health Training and Research (CBHTR). CBHTR is a consortium of academic institutions and the Higher Education Department working with the Behavioral Health Collaborative to identify workforce training needs and programs that need to be evaluated and researched to determine what works best for New Mexico's unique, culturally diverse populations. CBHTR will help assure that the current workforce is exposed to national research and information

about practices that have been shown to have the highest likelihood of success to help improve the quality of behavioral health services. A training center run by CBHTR is an important component in the Los Lunas Substance Abuse Treatment and Training Center.

The Los Lunas Substance Abuse Treatment and Training Center is intended to be a state-of-the-art intensive outpatient and residential treatment center for women. Carlsbad Mental Health Association and Presbyterian Medical Services are serving as consultants on this project. Building construction is scheduled to be completed in FY10.

BHSD and the Collaborative are working towards reducing suicide among youth and high risk populations. Suicide is a leading cause of death and prevention involves addressing mental health in terms of complex social and ecological relationships. Public health efforts to reduce suicide will likely involve a programmatic approach over a significant period of time before suicide rates are reduced. This holds true not just in the case of suicide prevention but for all population-based risk factors.

An important component to addressing mental health and substance abuse problems is improving access, quality, and value of mental health and substance abuse services, another goal of BHSD. Evaluating system performance, implementing standardized service definitions across Collaborative agencies, implementing behavioral health standards and best practices guidelines, providing technical assistance to Local Collaboratives are a few of the technical activities the Collaborative is working on. Furthermore, the collaborative has begun to implement an education and training program to increase provider capacity to deliver evidence-based practices and to effectively implement new changes to the Medicaid state plan.

BHSD is working to provide enhanced services for high-risk and high need individuals by including psychotropic medications in treatment services to help non-Medicaid eligible persons avoid hospitalization or institutionalization. One population in particular which BHSD is working towards providing enhanced services is veterans. For example, BHSD with the Collaborative will be providing specialized training for behavioral health providers who work with veterans. Similarly, specialized training has been provided to over 500 professionals in crisis intervention and mental health issues in the context of jail diversion programs. Jail diversion programs assisted over 300 individuals last year alone.

BHSD has launched a new initiative based on the total community approach (TCA) model. Six communities are serving as the sites of pilot projects for this initiative. TCA engages communities in planning and implementing the services best suited to address the substance abuse and mental health issues in their communities. The initiative is designed to create collaboration among stakeholders who may not normally work together in order to develop services that are responsive to the unique needs of the community.

Protect and Support Vulnerable Populations. HSD is working to increase utility assistance to low income households by advocating for additional federal Low Income Home Energy Assistance Program (LIHEAP) funds, assisting low-income households in reducing utility costs through home weatherization and working with utility and fuel vendors to increase low income energy assistance program availability.

On January 1, 2008, HSD increased the standard of need for cash assistance programs (Temporary Assistance for Needy Families, Education Works, General Assistance, New Mexico Legal Immigrants and Refugee Resettlement grant recipients) by 15% over current benefit standards which are approximately 27.2% of the federal poverty level or \$389 for a benefit group of three persons. The increase provides approximately \$467 for a benefit group of three persons and reflects 32.6% of the federal poverty level. Despite changing economic conditions, this was the first adjustment in the standard of need in over twelve years. HSD projects that the caseload of individuals seeking cash assistance in FY10 is likely to increase by 11% as a result of current economic conditions. The General Assistance Program provided over \$8.4 million in benefits in FY08 in General Fund monies.

Key Elements of Recommendation

Program Support. The Executive recommendation provides an increase of \$2,454.4 (\$2,271.0 General Fund). Increases in federal funding are consistent with the agency net increases in federally funded programs and the associated indirect allocation to support information technology initiatives. A decrease of \$99.5 in other revenue reflects anticipated funding reductions associated with the statewide cost allocation plan.

Recommended base funding for personal services and employee benefits includes a \$534.6 increase in General Fund. This is primarily the result of decreasing the vacancy rate from 10.9% to 7.0% based on recent employment reports. Included in the recommended increase for personal services and employee benefits is an additional \$10.5 in General Fund for GSD rate increases. The Executive recommendation maintains audit costs at the FY09 level. In addition, a decrease of \$236.1 in General Fund for information technology service contracts is supported by the Executive recommendation.

An increase of \$1,400.8 is recommended in the other costs category including \$1,725.9 (\$650.7 General Fund) for Department of Information Technology and General Services Department rates. Other major increases in General Fund include \$23.3 for additional lease space costs, and \$169.3 for information technology equipment purchases and maintenance. These increases are offset by General Fund reductions of \$227.1 in other operating costs. In FY10, HSD will continue to use its Business Operation Center for printing and mailing services rather than contractual agreements. This change has resulted in more efficient and effective use of state resources. The agency estimates that nearly \$851.0 was saved in postage and mailing costs in FY08 as a result of bringing mailings in-house.

The Executive recommendation supports the addition of \$1,031.4 (\$392.0 General Fund) and 12 FTE to provide the infrastructure and staff needed to manage an information technology system that over 60,000 New Mexicans rely upon for their benefits, health services payments, or child support enforcement wage withholdings and distributions. Additional positions will enhance the division's ability to develop and apply software applications that meet or exceed federal requirements while improving system functionality and security. Additional staff will provide support to HSD users and reduce the agency's reliance upon outside contractors.

Behavioral Health Program. Base funding level of \$61,781.3 reflects reductions of \$2,204.0 in federal project funding and \$1,980.6 in General Funds. Federal grants account for approximately one-third of total revenue for BHSD. Grant awards that are anticipated to be significantly reduced in FY10

include the Access to Recovery (ATR) grant, Co-Occurring State Incentive grant (Co-SIG), and Screening, Brief Intervention, Referral and Treatment (SBIRT) grant. ATR funding provides voucher-based, faith-based, clinical and recovery behavioral health support services. Co-SIG supports evidence-based practices training, support and evaluation for practitioner training on co-occurring disorders. SBIRT funds early behavioral health interventions in primary care settings.

Base funding for personal services and employee benefits assumes a 6.0% vacancy rate and an increase of \$197.4 in General Fund to offset the reduction of the vacancy factor from nearly 22.0% in FY09 to the 6.0% rate recommended for FY10. The Executive recommendation also supports the reduction of \$2,102.9 in General Fund for professional service contracts.

In the 2007 legislative session, the legislature appropriated \$5,000.0 in capital outlay funding and \$250.0 from the General Fund to plan, design, construct, renovate and equip a state-of-the-art substance abuse treatment center in Los Lunas. The treatment center is to consist of a Women's Residential Treatment (WRT) facility and an Intensive Outpatient Treatment and Training Center (IOPT). The WRT building is scheduled to be completed in May 2010, and the IOPT facility is slated for completion in January 2010. Given the current financial position of the state, the Executive recommends delaying the opening of these two facilities until July 2010.

Child Support Enforcement Program. The Executive recommendation increases the base budget by \$118.5 in General Fund and \$173.0 in federal funds. These increases are designed to offset a reduction in other revenue of \$236.6 primarily due to anticipated reductions in recovered revenue for overpayment of Temporary Assistance for Needy Families (TANF) benefits.

Policy changes scheduled to be implemented in January 2009 underline anticipated changes in recovered revenue. New Mexico will pass-through child support payments support payments made on behalf of TANF recipients in amounts up to \$100 for a family with one child and \$200 for a family with two or more children. Child support payments will continue to be disregarded when determining eligibility and benefits. As a result of this change, the state will no longer retain a portion of its share of TANF recovered revenue. Moreover, TANF recipients who receive child support payments will receive up to an estimated 25% increase in their income. Lost TANF recovery revenue totaling \$368.7 is replaced with General Fund in the Executive recommendation.

The Executive recommendation increases the personal services and employee benefits by \$48.3 and applies a 7.5% vacancy factor. Base funding for contractual services includes an additional \$262.3 for contractor fee increases but an overall reduction of \$419.7 in the General Fund share of these contracts. Other costs are anticipated to increase by \$244.6. Of this amount, nearly two-thirds of the budget increase is related to increases in occupancy costs. Increases in equipment rental, postage, and transportation costs make up most of the remainder in the other cost category.

Medical Assistance Program. The base recommendation for the Medical Assistance Program supports the governor's goal to insure New Mexico by providing continued opportunities for affordable health insurance and lowering the state's current rate of persons without health insurance.

In the administration of the program, the Executive recommendation supports a decrease of \$6,232.5 in total funds. Of the total, \$5,022.1 represents a reduction in federal funding for school-based health clinic contracts and \$1,276 represents reflects reductions in federal funding for other

financing uses. The Executive recommendation for personal services and employee benefits includes an increase of \$916.2 in General Fund to reduce the vacancy factor from a rate of nearly 9.0% in FY09 to a rate of 6% in FY10. The remaining increase of \$25.6 in the personal services and employee benefits category is related to increases in GSD rates such as employer liability and unemployment insurance. The increase in personal services and employee benefits within Medicaid administration is offset by reductions of \$1,362.8 in General Fund within the contract service category.

With the federal match, the Executive recommendation supports an increase of \$17,592.4 in the Medicaid program over FY09 levels. It should be noted, however, that the recommendation includes a \$34,200.0 reduction in the General Fund dollars required to operate the program. This result is achieved because of the higher federal matching rates that will be in effect for most of FY10 and the use of additional tobacco settlement funds to generate federal matching dollars. The Executive recommends allocating \$25,200.0 from the second half of the annual tobacco settlement payment to the Medicaid program in order to decrease the program's reliance on the General Fund while maintaining the state's ability to obtain federal matching funds.

A major factor affecting the amount of General Fund required to fully fund services is the federal matching rates that are used. The Federal Medical Assistance Percentages (FMAP) is established for each federal fiscal year on the basis of a variety of state economic factors. Although by no means assured, there is speculation that Congress will raise the FMAP for most states as part of an economic stimulus package in early 2009. An increase in the FMAP increases the federal share of Medicaid costs and reduces the state match required to receive the funds. For every 1% increase in the FMAP, the General Fund need is decreased by approximately \$25.0 million; therefore, it will be important to monitor any Congressional action that may reduce the General Fund match required for the Medicaid program in FY09 and FY10.

The base recommendation for the Medical Assistance Program builds on cost containment measures the program achieved in FY09 and accounts for the additional fiscal restraint necessary for FY10. The Medicaid program will achieve additional expenditure reductions in FY10 through a number of avenues but will continue to protect children's access to health care services. These protections benefit all New Mexicans, particularly during difficult economic conditions.

Cost containment in the Medicaid program for FY10 will be achieved, at various levels, through a continued effort to limit the program's administrative costs; through tightening or eliminating certain program benefits; through innovative program development designed to achieve cost efficiencies; and through provider rate reductions. If additional cost containment becomes necessary, costs will be further managed through slowing Medicaid enrollment by limiting outreach and limiting enrollment for some optional programs. The program will continue the enrollment of children, building on the momentum of increased enrollment of children over the past 16 months.

Until FY07, only parents with an annual family income of up to 30% of FPL were eligible for enrollment in the Medicaid Program. The Executive base recommendation continues implementation of an eligibility change to 100% of FPL (\$16,600 for family of three) initiated in 2007. This change has significantly increased the number of families and children who are eligible for Medicaid.

The base recommendation continues the State Coverage Insurance program (SCI), a Medicaid waiver program that provides commercial health insurance coverage on a sliding-scale income basis for adults with annual income of up to 200% of FPL (\$33,200 for family of three). A portion of the total premiums are paid by employers, employees, and the state and federal government. This program has reached full capacity in FY09 given current funding. The Executive anticipates that the new Congress will continue to provide funding for this innovative waiver through FY09 and FY10.

As the number of programs offering health insurance through the *Insure New Mexico!* initiative increases, the need to disseminate timely, accurate information on insurance options also increases. Ongoing efforts to insure New Mexicans through Medicaid, SCI, the Small Employer Insurance Program (SEIP), the Health Insurance Alliance (HIA), the New Mexico Insurance Pool (NMMIP) and the Premium Assistance Program will require maintenance of effort. Keeping the public informed of the multitude of insurance options available remains an important long-term strategy to increase the number of insured New Mexicans.

The Executive recommendation supports the structural reintegration of the Medicaid Behavioral Health program with the Medical Assistance program. Claims for both programs are processed through the same fiscal management system and fiscal agent. The system reports expenditures to meet the needs of the program and federal reporting requirements but expenditures for the Medicaid Behavioral Health program must be manually adjusted which is time-consuming, inefficient and prone to error. Allowing the Medicaid Behavioral Health program to be reintegrated with the Medical Assistance program will afford the department the ability to effectively manage the entire Medicaid budget and efficiently and accurately account for and report federal expenditures.

Income Support Program. The Executive recommendation increases the base budget by \$53,281.2; however, the General Fund is actually \$806.4 lower than FY09 levels. The Executive supports an increase of \$28,487.4 in federal funds (Temporary Assistance for Needy Families Block Grant and United States Department of Agriculture grant funding); an increase of \$25,000.0 in other transfers, and an increase of \$600.2 in other revenue. The Executive recommendation supports base funding for the continuation of current administrative operations within the Income Support Program. Funding for personal services and employee benefits is recommended to increase by \$296.0 primarily as the result of increases in group health insurance. The recommendation includes support for an increase of \$612.7 (\$233.6 General Fund) for General Services Department and Department of Information Technology rates and \$177.0 (\$81.7 General Fund) for professional service contracts providing medical liability insurance for TANF workers. Other significant increases include \$121.3 (\$52.6 General Fund) for exempt inventory supplies; \$313.6 (\$135.8 General Fund) for rent and utilities and \$62.5 (\$39.3 General Fund) for transportation and travel costs. The Executive recommendation for income support includes \$7,125.0 from the General Fund for cash assistance to eligible TANF participants.

Program design and recommended expenditures for FY10 are unchanged from FY09 with the exception of cash assistance in the form of the employment retention bonus and the level of childcare assistance. The Executive recommendation reflects a reduction from \$6,000.0 to \$4,000.0 in the amounts budgeted for the retention bonus and eliminates the use of General Fund for this program. Due to an increasing need for childcare services by TANF recipients, the Executive recommends increasing the amount of the federal TANF appropriation for childcare to \$35,419.3, a three million dollar increase over the FY09 funding levels for this service.

The federal Deficit Reduction Act (DRA) imposes more stringent work requirements for individuals participating in the New Mexico Works program administered through the federal TANF program. Federal TANF work requirement rules have become more inflexible leading to the risk that New Mexico will not be able to meet its TANF federal performance measures and possibly face substantial funding penalties. Specifically, changes to the definition of what counts as a work activity, more restrictive supervision of program participants and the documentation and validation process and changes in the caseload reduction credit calculation has made it difficult to meet the federal target of a 90% work participation rate for two-parent families receiving assistance. Interestingly, no state has successfully attained this level of performance.

Moreover, work participation will be calculated using a combination of families receiving TANF assistance and families receiving assistance in state-funded programs that count toward the TANF Maintenance of Effort (MOE) requirement. Participants in state-funded programs now negatively affect the work participation rate in New Mexico as these families are not meeting work participation requirements because these programs are not designed to have participants meet traditional TANF work requirements, but rather their work activity is college coursework to achieve their Bachelor's degree. Although the federal government has postponed final action on several of the more onerous provisions of the DRA, it is possible for the new rules regarding work participation rates to go into effect at any time.

It is clear that some families would be better served in solely state-funded programs outside the TANF or MOE structure. Under TANF, state spending under any Earned Income Tax Credit (EITC) is not considered to be "assistance" under the TANF rules, so that families that receive a TANF or MOE-funded state EITC are not considered assistance recipients and are not counted in the state's work rate. The Working Families Tax Credit (WFTC), administered by the Tax and Revenue Department (TRD), provides a unique opportunity to establish this solely state funded program. The Executive recommendation proposes using \$25,000.0 of federal TANF Block Grant non-assistance funds in part to fund the New Mexico WFTC program for families with dependent children that meet the definition of low-income according to the WFTC program. The expenditures would have to meet all other TANF expenditure rules for TANF non-assistance. TRD would then transfer back to HSD \$25,000.0 in General Fund that could be used to pay for HSD cash assistance for families with disabilities or severe barriers to work outside TANF with the knowledge that these services would not count toward the federal work rates. Legislation is required to allow for the distribution of funds and the sharing of client specific information between HSD and TRD.

Performance Report

Targets for FY08 were considerably ambitious, and while not all targets were met, the agency made considerable progress towards reaching them. In a few cases, the Executive recommendations for FY10 target levels are lower than FY09 to create a more realistic performance expectation.

Program Support. Measures for Program Support are indicators primarily of how well HSD is performing its accounting, financial reporting and auditing functions. In FY08, HSD will administer in excess of \$3,044,000.0 of federal funds. Filing timely federal financial reports is critical to the process of administering programs of this size. For FY07, none of the agency's federal financial reports were filed on time and accurate. In FY08, 100% of the agency's federal financial reports were filed on time and accurate.

HSD continues to demonstrate a strong commitment to producing an unqualified, timely annual independent audit. No material weaknesses were identified in the FY07 audit report. In addition, HSD set a goal of resolving 100% of all audit findings from FY07 during FY08. During this period, HSD resolved seven of eleven audit findings. Corrective action plans have been developed for all 2007 findings and HSD continues to implement the necessary changes to resolve the audit findings.

The agency has several measures that target internal efficiency. Although the agency was unable to pay all invoices and complete all fund reconciliations within 30 days of submission, HSD continues to demonstrate improvement on these measures. In FY08, more than three out of four invoices were paid and fund reconciliations were completed within 30 days of submission and 77% of reconciling items were resolved within 15 days of completion of the reconciliation. The agency anticipates continued improvement in these areas as staff become fully trained and familiar with the accounts payable and fund reconciliation business processes.

Behavioral Health. Implementation of the New Mexico Behavioral Health Purchasing Collaborative began July 2006. In order to consolidate the oversight of all publicly funded behavioral health services, the Behavioral Health Services Division was transferred in FY08 from the Department of Health to HSD, the lead agency for the Collaborative. HSD has developed some new performance measures and targets for FY08 and FY09. Many of the new measures for both youth and adult populations pertain to performance by the collaborative a consortium of multiple state agencies (e.g. Corrections Department, Department of Public Safety, Children Youth and Families, Department of Health), impacting the entire behavioral health service delivery system in New Mexico. Results for several of these measures were not available at the time of this report since data is collected on a calendar year basis; however, it is known that the collaborative fell just 20 persons short of its goal of serving 73,000 individuals in FY08.

Child Support Enforcement. Child support collections are critical to providing single parent families with income support, healthcare, and other basic needs. HSD tracks the percent of temporary assistance for needy families' (TANF) cases with court-ordered child support that are receiving collections. The agency did not meet the target of 67% collections for FY07 (57.2% collections received) even though the result indicates a 2.5% improvement over the FY07 result. While it is difficult for many non-custodial parents connected with the TANF program to meet their child support payment obligations because they are generally impoverished or at risk of becoming impoverished, it is important to note that child support payments made on behalf of a TANF beneficiary are retained by the state in order to recover benefit payments (which are generally higher than child support payments.) this may serve as a disincentive to pay child support. A recent change to federal law, through the Deficit Reduction Act (DRA), allows a state to pass through \$100/\$200 to the custodial parent. While not yet implemented, this program change is expected to have a positive impact on the future percent of child support collections in the TANF program.

The percent of current child support owed that is collected is an important success indicator for the program. In FY08, HSD collected 58% of support owed and while performance fell short of the target of 65%; this target is greater than the national average. One potential explanation of lower than expected performance is that New Mexico is a poor state when comparing its per capita income to the national per capita income. This equates to fewer dollars collected when individuals are making difficult choices with few resources. While the percent of support owed that is collected may not have been as high as expected, the amount of child support collected was \$103,200.0,

which is higher than the established target of \$97,000.0. HSD continues to strive to increase child support collections to reduce the impact of poverty on the lives of children. With the establishment of a Paternity Establishment Unit and Governor Richardson's Fresh Start program, HSD expects to see a substantial improvement in collections in FY09. Already in FY08, as a result of this initiative, there has been a 20% increase in the number of cases where paternity has been established.

Medical Assistance. Several of the FY08 targets set for performance of the Medical Assistance program were not met, even though the results exceeded the national average. For example, actual results for the number of children enrolled in Medicaid managed care who had a dental exam within the performance year was 50%, which is also lower than the target level of 70% but higher than the national average. The shortage of dentists in New Mexico who accept Medicaid clearly has an influence on this result. The percent of women enrolled in Medicaid managed care receiving cervical cancer screens was 70% (slightly lower than the target of 75%), but compared with the national average of 64.4%, the program's performance was better than the national average. Women receiving breast cancer screens have declined nationally. New Mexico's performance in this area mirrors the national trend: breast cancer screens declined from 56% in FY07 to 52% in FY08. On one measure the agency exceeded both its own internal target and the national average: nearly two in three children in Medicaid managed care received early and periodic screening, diagnosis and treatment services in FY08.

The Medical School-Based Services (MSBS) program was generally successful in FY08 although growth in this program did not meet targeted expectations. The rate of growth in the number of children receiving services has gradually declined over time, lending to the department's concern that the program may have reached a ceiling on the number of children that are available to be served.

State coverage insurance demonstrated significant growth during FY08. While the number of employers participating in the program continues to lag behind targeted expectations, the number of adult participants enrolled in the program has skyrocketed. Over 23,000 individuals received coverage in FY08, more than double the number of individuals targeted in the performance measure. Much of this growth is the result of HSD's aggressive outreach efforts.

Income Support. The Income Support program provides low-income New Mexicans with food, medicine, utilities and other basic needs. The focus of this program is to help as many New Mexicans achieve self-sufficiency as possible. Measuring how long program participants receive and retain jobs and meet federal work requirements helps HSD monitor the success of this program. While the target for the number of program participants who receive a job was not met, it is important to note that the target set in the General Appropriation Act was higher than the number of program participants. When judged on the basis of actual participation, the employment statistics are very positive. For example, of the 6,355 people on TANF in May 2008, 6,049 or fully 95% had a job. Measuring job retention is even more important than measuring the number of jobs received when assessing program performance. For FY08, the program aimed to have at least 75% of all TANF participants retain a job for three months or longer. Actual performance was 76.5% and HSD expects to improve that performance in subsequent fiscal years.

Nationally, the target for the percent of two-parent TANF beneficiaries meeting federally required work participation requirements is 90%. Unfortunately, no state has been able to attain this target, including New Mexico, where only 51.1% of two-parent TANF beneficiaries met work participation requirements. Program performance in New Mexico is in part the result of implementing new

federal rules that restrict activities that count as work participation such as amount of time a person can spend searching for a job. Other federal rule changes require an increased amount of supporting documentation to demonstrate work requirements are met and the HSD is using various employment databases to capture additional work activities.

Combating hunger and improving nutrition in New Mexico is an important goal toward achieving Governor Richardson's vision of *A Healthy New Mexico*. Tracking the number of New Mexico families receiving food stamps is one of the ways HSD is evaluating the success of the Income Support program. In FY07, a significant decline in the number of food stamp caseloads was noted both nationally and in New Mexico. While the cause of this trend is not entirely known, there appears to be a relationship between the decline in caseloads and new citizenship documentation required under the Deficit Reduction Act. Although citizenship requirement changes impact Medicaid recipients directly rather than food stamp recipients, the change may have discouraged initial applications and reapplications for food stamps. Despite this trend, the number of individuals receiving food stamps fell only 4,011 individuals short of its 104,000 target for FY08. Given the current economic downturn, this number is likely to increase significantly in FY09 and FY10.

Recommended Language for the General Appropriation Act

The appropriation to the income support program of the human services department includes thirteen million eight hundred eighty-two thousand one hundred dollars (\$13,882,100) from the federal temporary assistance for needy families block grant for administration of the New Mexico Works Act.

The appropriation to the income support program of the human services department include seven million one hundred twenty-five thousand dollars (\$7,125,000) from the general fund and thirty-two million eight hundred forty-seven thousand four hundred dollars (\$32,847,400) from the federal temporary assistance for needy families block grant to provide cash assistance grants to participants as defined in the New Mexico Works Act, including education grants, clothing allowances, wage subsidies, disregard pass through payments, one-time diversion payments and state-funded aliens payments.

The federal funds appropriations to the income support program of the human services department include one million dollars (\$1,000,000) from the federal temporary assistance for needy families block grant to provide wage subsidies for participants.

The federal funds appropriations to the income support program of the human services department includes fifteen million nine hundred twenty thousand dollars (\$15,920,000) from the federal temporary assistance for needy families block grant for support services, including one million seven hundred twenty thousand dollars (\$1,720,000) for employment related costs, eight hundred thousand dollars (\$800,000) for transportation services, six hundred thousand dollars (\$600,000) for a family-strengthening and fatherhood program, eight hundred thousand dollars (\$800,000) for substance abuse programs and twelve million dollars (\$12,000,000) for job training and placement.

The federal funds appropriation to the income support program of the human services department includes sixty-five million two hundred nine thousand three hundred dollars (\$68,209,300) from the temporary assistance for needy families block grant for transfers to other agencies, including thirty-two million four hundred nineteen thousand three hundred dollars (\$35,419,300) to the children, youth and families department for childcare programs, three million six hundred thousand dollars (\$3,600,000) to the children, youth and families department for domestic violence programs, one million four hundred forty thousand dollars (\$1,440,000) to the commission on the status of women for the job teamworks program, one million dollars (\$1,000,000) to the public education department for the pre-kindergarten program, one million dollars (\$1,000,000) to the children, youth and families department for the pre-kindergarten program, seven hundred fifty thousand dollars (\$750,000) to the aging and long-term care services department for the gold mentor program and twenty-five million dollars (\$25,000,000) to the taxation and revenue department for low income tax rebates.

The general fund appropriation to the income support program of the human services department includes six million two hundred sixty-five thousand five hundred dollars (\$6,265,000) from the general fund and two million two hundred twenty-six thousand dollars (\$2,226,000) from other state funds for general assistance.

The general fund appropriations to the income support division of the human services department include two hundred eighteen thousand dollars (\$218,000) for the Navajo sovereign temporary assistance for needy families program.

The general fund appropriations to the income support division of the human services department include thirty-two thousand dollars (\$32,000) for the Zuni sovereign temporary assistance for needy families program.

Twenty-five million dollars (\$25,000,000) is appropriated to the income support program of the human services department contingent on a bill allowing the use of temporary assistance to needy families funds to pay for the working family's tax credit failing to become law during the 2009 legislative session.

The internal service funds/interagency transfers appropriation to the medicaid program of the human services department in the other category includes twenty-five million two hundred thousand dollars (\$25,200,000) from the tobacco settlement program fund contingent on enactment of a law authorizing the transfer of the entire amount of the annual payment made under the master settlement agreement from the tobacco settlement permanent fund to the tobacco settlement program fund

Budget Summary Tables

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	833,898.2	916,731.5	881,756.2	-34,975.3	-3.8
Other Transfers	120,002.3	119,588.8	171,260.2	51,671.4	43.2
Federal Revenues	2,793,610.7	3,044,210.8	3,088,124.8	43,914.0	1.4
Other Revenues	73,621.1	86,823.4	89,190.5	2,367.1	2.7
Fund Balance	2,069.7	0.0	0.0	0.0	***
TOTAL SOURCES	3,823,202.0	4,167,354.5	4,230,331.7	62,977.2	1.5
USES					
Personal Services and Employee Benefits	100,031.7	108,342.2	111,131.6	2,789.4	2.6
Contractual Services	132,717.6	140,761.9	129,017.6	-11,744.3	-8.3
Other	3,480,145.9	3,817,068.0	3,858,286.0	41,218.0	1.1
Other Financing Uses	95,114.8	101,182.4	131,896.5	30,714.1	30.4
TOTAL USES	3,808,010.0	4,167,354.5	4,230,331.7	62,977.2	1.5
FTE					
Permanent	1,907.00	1,908.00	1,934.00	26.00	1.4
Term	56.00	63.00	62.00	-1.00	-1.6
Temporary	50.00	50.00	50.00	0.00	0.0
TOTAL FTE POSITIONS	2,013.00	2,021.00	2,046.00	25.00	1.2

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	12,255.7	13,340.9	15,611.9	2,271.0	17.0
Federal Revenues	28,235.9	29,651.4	29,934.3	282.9	1.0
Other Revenues	3,721.0	3,571.3	3,471.8	-99.5	-2.8
TOTAL SOURCES	44,212.6	46,563.6	49,018.0	2,454.4	5.3
USES					
Personal Services and Employee Benefits	17,283.4	17,870.3	19,697.5	1,827.2	10.2
Contractual Services	11,553.2	13,310.2	12,536.6	-773.6	-5.8
Other	15,003.5	15,333.1	16,733.9	1,400.8	9.1
Other Financing Uses	24.0	50.0	50.0	0.0	0.0
TOTAL USES	43,864.1	46,563.6	49,018.0	2,454.4	5.3
FTE					
Permanent	253.00	253.00	270.00	17.00	6.7
TOTAL FTE POSITIONS	253.00	253.00	270.00	17.00	6.7

Child Support Enforcement
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	7,645.3	9,013.7	9,132.2	118.5	1.3
Federal Revenues	21,105.6	21,052.4	21,225.4	173.0	0.8
Other Revenues	6,224.5	3,904.2	3,667.6	-236.6	-6.1
TOTAL SOURCES	34,975.4	33,970.3	34,025.2	54.9	0.2
USES					
Personal Services and Employee Benefits	20,401.3	21,266.0	21,314.3	48.3	0.2
Contractual Services	7,095.1	7,840.0	7,602.0	-238.0	-3.0
Other	4,914.5	4,864.3	5,108.9	244.6	5.0
TOTAL USES	32,410.9	33,970.3	34,025.2	54.9	0.2
FTE					
Permanent	399.00	403.00	408.00	5.00	1.2
TOTAL FTE POSITIONS	399.00	403.00	408.00	5.00	1.2

Medical Assistance
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	637,964.9	703,657.5	763,997.7	60,340.2	8.6
Other Transfers	116,214.9	118,170.0	144,809.0	26,639.0	22.5
Federal Revenues	2,089,841.4	2,269,720.6	2,515,352.3	245,631.7	10.8
Other Revenues	59,329.9	75,748.0	77,872.0	2,124.0	2.8
TOTAL SOURCES	2,903,351.1	3,167,296.1	3,502,031.0	334,734.9	10.6
USES					
Personal Services and Employee Benefits	11,483.6	11,014.7	11,326.3	311.6	2.8
Contractual Services	23,152.5	35,145.0	28,622.9	-6,522.1	-18.6
Other	2,806,909.1	3,062,745.3	3,397,966.8	335,221.5	10.9
Other Financing Uses	55,791.1	58,391.1	64,115.0	5,723.9	9.8
TOTAL USES	2,897,336.3	3,167,296.1	3,502,031.0	334,734.9	10.6
FTE					
Permanent	149.00	151.00	153.00	2.00	1.3
Term	4.00	11.00	11.00	0.00	0.0
TOTAL FTE POSITIONS	153.00	162.00	164.00	2.00	1.2

Income Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	46,878.3	49,995.3	49,188.9	-806.4	-1.6
Other Transfers	500.0	0.0	25,000.0	25,000.0	***
Federal Revenues	424,247.1	476,641.8	505,129.2	28,487.4	6.0
Other Revenues	4,303.7	3,557.9	4,158.1	600.2	16.9
Fund Balance	2,069.7	0.0	0.0	0.0	***
TOTAL SOURCES	477,998.8	530,195.0	583,476.2	53,281.2	10.0

Income Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				Dollar <u>Change</u>	Percent <u>Change</u>
USES					
Personal Services and Employee Benefits	48,369.2	55,494.2	55,790.2	296.0	0.5
Contractual Services	21,859.0	24,459.4	24,636.4	177.0	0.7
Other	365,478.0	409,318.1	437,110.3	27,792.2	6.8
Other Financing Uses	37,651.5	40,923.3	65,939.3	25,016.0	61.1
TOTAL USES	473,357.7	530,195.0	583,476.2	53,281.2	10.0
FTE					
Permanent	1,075.00	1,075.00	1,077.00	2.00	0.2
Term	34.00	34.00	34.00	0.00	0.0
Temporary	50.00	50.00	50.00	0.00	0.0
TOTAL FTE POSITIONS	1,159.00	1,159.00	1,161.00	2.00	0.2

Behavioral Health Services
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				Dollar <u>Change</u>	Percent <u>Change</u>
SOURCES					
General Fund Transfers	46,144.0	45,806.1	43,825.5	-1,980.6	-4.3
Other Transfers	3,287.4	1,418.8	1,451.2	32.4	2.3
Federal Revenues	25,576.9	18,687.6	16,483.6	-2,204.0	-11.8
Other Revenues	42.0	42.0	21.0	-21.0	-50.0
TOTAL SOURCES	75,050.3	65,954.5	61,781.3	-4,173.2	-6.3
USES					
Personal Services and Employee Benefits	2,494.2	2,697.0	3,003.3	306.3	11.4
Contractual Services	69,057.8	60,007.3	55,619.7	-4,387.6	-7.3
Other	717.8	1,432.2	1,366.1	-66.1	-4.6
Other Financing Uses	1,648.2	1,818.0	1,792.2	-25.8	-1.4
TOTAL USES	73,918.0	65,954.5	61,781.3	-4,173.2	-6.3
FTE					
Permanent	31.00	26.00	26.00	0.00	0.0
Term	18.00	18.00	17.00	-1.00	-5.6
TOTAL FTE POSITIONS	49.00	44.00	43.00	-1.00	-2.3

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Program Support					
To provide overall leadership, direction, and administrative support to each agency program, and to assist it in achieving its programmatic goals.					
Outcome	Percent of federal grant reimbursements completed that meet the federal standards for timeliness		100%	90%	100%
Outcome	Percent of federal financial reports completed accurately by due date	100%	100%		
Outcome	Percent of invoices paid within thirty days of receipt of the invoice	100%	78.55%	100%	100%
Outcome	Percent of prior-year audit finding resolved in the current fiscal year	100%	64%		
Outcome	Percent of audit findings that are material weaknesses	0%	0%	0%	0%
Outcome	Number of office of inspector general claims over thirty-six months old	0		3,470	3,470

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Outcome	Percent of reconciling items resolved within fifteen days of completion of reconciliation	95%	77%		
Output	Percent of timely final decisions on administrative disqualification hearings			100%	100%
Outcome	Percent of fund reconciliations completed thirty days after receipt of accurate monthly reports from the department of finance administration, human services joint accounting system and the state treasurer's office	100%	77%		
Output	Number of days for the chief financial officer to certify the accuracy of financial transactions after the close of an accounting cycle			45 days	45
Output	Percent of investigations referred to the office of the inspector general completed within ninety days from the date assigned			70%	70%

Child Program Enforcement

To provide location, establishment, and collection services for custodial parents and their children; to ensure that all court orders for support payments are being met to maximize child support collections; and to reduce public assistance rolls.

Outcome	Percent of temporary assistance for needy families cases with court-ordered child support receiving collections	70%	57.2%	60%	
Outcome	Amount of child support collected, in millions	\$97.0	\$103.2	\$100.0	\$105.0
Outcome	Percent of current support owed that is collected	67%	58%	58%	60%
Outcome	Percent of cases with support orders	67%	66.2	67%	68%
Outcome	Percent of children born out of wedlock with paternity establishment in child support cases	80%	101.8%	80%	80%
Outcome	Percent of children with court-ordered medical support covered by private health insurance	38%	36%	38%	

Medical Assistance

To provide the necessary resources and information to enable low-income individuals to obtain either free or low-cost health care.

Output	Number of adults enrolled in state coverage insurance	10,000	23,060		35,000
Outcome	Percent of children enrolled in medicaid managed care who have a dental exam	70%	50%		
Outcome	Number of children receiving services in the medicaid school-based services program	17,000	16,860	17,500	17,000
Output	Number of employers participating in state coverage insurance	1,200	700	375	1,000
Outcome	Percent of children in medicaid managed care receiving early and periodic screening, diagnosis and treatment services as measured by health care effectiveness data and information set			68%	70%
Outcome	Percent of children in medicaid managed care receiving early and periodic screening, diagnosis and treatment services	60%	64%		
Outcome	Percent of adolescents in medicaid managed care receiving well-care visits	55%	43%		
Output	Percent increase of eligible children under age twenty-one who get healthcare coverage through medical assistance programs			2%	5%
Outcome	Percent of age-appropriate women enrolled in medicaid managed care receiving breast cancer screens	60%	52%		
Outcome	Percent of age-appropriate women enrolled in medicaid managed care receiving cervical cancer screens	75%	70%		
Output	Percent increase of eligible adults, with incomes below one hundred percent of federal poverty level, who get healthcare coverage through medical assistance programs			2%	2%
Output	Percent increase of eligible children under age five who get health care coverage through medical assistance programs			2%	2%
Outcome	Percent of children enrolled in medicaid managed care who have a dental exam as measured by healthcare effectiveness data and information set			50%	52%
Outcome	Percent of age-appropriate women enrolled in medicaid managed care receiving breast cancer screenings as measured by healthcare effectiveness data and information set			53%	54%
Outcome	Percent of age-appropriate women enrolled in medicaid managed care receiving cervical cancer screenings as measured by healthcare effectiveness data and information set			69%	70%

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Income Support					
To provide cash assistance and supportive services to eligible low-income families so they can achieve self-sufficiency. Eligibility requirements are established by state law within broad federal statutory guidelines.					
Outcome	Percent of temporary assistance for needy families clients who receive a job			60%	60%
Outcome	Percent of temporary assistance for needy families participants who retain a job three or more months	75%	76.5%	78%	77%
Outcome	Percent of temporary assistance for needy families all parent recipients meeting federally required work participation requirements			50%	52%
Outcome	Percent of temporary assistance for needy families single-parent recipients meeting federally required work participation requirements	60%	42.2		
Outcome	Percent of temporary assistance for needy families two-parent recipients meeting federally required work participation requirements	90%	51.1%	60%	60%
Outcome	Percent of children eligible for food stamps participating in the program	80%	70.2%	68%	72%
Outcome	Percent of expedited food stamp cases meeting federally required measure of timeliness within seven days	98%	98.1%	98%	98%
Output	Number of New Mexico works clients referred to one-stop programs			4,000	4,000
Outcome	Number of New Mexico families receiving food stamps	104,000	97,989	95,150	98,100
Outcome	Number of temporary assistance for needy families clients who receive a job	9,500	6,488		
Outcome	Percent of regular food stamp cases meeting the federally required measure of timeliness within thirty days		98%	95%	98%
Behavioral Health Services					
The purpose of the Behavioral Health Services program is to lead and oversee the provision of an integrated and comprehensive behavioral health prevention and treatment system so that the Program fosters recovery and supports the health and resilience of all New Mexicans.					
Outcome	Percent of children and adolescents receiving Medicaid behavioral health services who are successful in school			Baseline	
Outcome	Percent of readmissions to same level of care or higher for children or youth discharged from residential treatment centers and inpatient care	2%	9.5%	11%	9%
Output	Percent of youth on probation who were served	TBD	43.5%	TBD	45%
Outcome	Youth suicide rate among 15 to 19 year olds served by statewide entity	TBD	TBD	2.0	3.0
Outcome	Percent of people receiving substance abuse treatment who demonstrate improvement on two or more domains on the addiction severity index for alcohol			79%	80%
Outcome	Suicide rate among adults age twenty and older per one hundred thousand (calendar year)			20.5	15.0
Outcome	Percent of people receiving substance abuse treatment who demonstrate improvement on two or more domains on the addiction severity index for drugs			65%	75%
Outcome	Percent of children and adolescents receiving behavioral health services who are successful in school	68%	N/A	Baseline	TBD
Outcome	Suicide rate among children age fifteen to nineteen per one hundred thousand (based on three year averages)	14.0	N/A	14.0	14.0
Outcome	Percent of individuals with mental illness and/or substance abuse disorders receiving services who report satisfaction with staff's support with their housing needs	78%	N/A	79%	80%
Outcome	Number of driving while intoxicated arrests among persons receiving substance abuse treatment or services	TBD	N/A	TBD	12%
Output	Percent of adults on probation who were served.	TBD	N/A	TBD	39%
Outcome	Number of unique individuals in Medicaid served in substance abuse or mental health programs			73,500	
Output	Number of individuals served annually in substance abuse and/or mental health programs	73,000	72,980	73,500	73,000

Executive Summary

The Workforce Solutions Department collaborates with existing and potential employers to increase employment, job retention and earnings of the citizens of New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	8,742.2	9,066.8	3.7
Total Sources	59,723.2	53,632.4	-10.2
Program			
Workforce Transition Services Division	19,558.3	20,049.7	2.5
Labor Relations Division	3,857.6	3,911.6	1.4
Workforce Technology Division	5,117.8	5,233.2	2.3
Business Services Division	3,550.5	3,200.1	-9.9
Program Support Summary	27,639.0	21,237.8	-23.2
Total Uses	59,723.2	53,632.4	-10.2
FTE	583.50	569.50	-2.4

- The Executive recommendation includes a \$324.6 increase in the General Fund from FY09.
- Other Transfers fell by \$771.0 from the FY09 levels.
- Federal Revenues decreased by \$7,706.2 from the FY09 levels.
- Other Revenues increased by \$2,061.8.

Agency Mission and Program Purpose

The Workforce Solutions Department (WSD) administers programs related to employment in New Mexico, including federal unemployment insurance programs and employment security programs.

Statutory Authority: Section 9-18-1 through 9-19-16 NMSA 1978.

Workforce Transition Services

The Workforce Transition Services Program administers an array of demand-driven workforce development services to prepare New Mexicans to meet the needs of business. The program includes workforce center services (Workforce Investment Act, Wagner-Peyser, etc.) and unemployment insurance assistance.

Labor Relations

The Labor Relations Program provides employment rights information and other work-site based assistance to employers and employees. This program is comprised of the Labor and Industrial Bureau and the Human Rights Bureau.

Workforce Technology

The Workforce Technology Program provides innovative and customer-focused information technology services to the Workforce Solutions Department and its service providers to enable the effective management and utilization of the department's operating systems and information technology architecture. Workforce Technology is comprised of the virtual one-stop system, unemployment insurance, tax and information technology support.

Business Services

The Business Services Program provides standardized business solution strategies and labor market information through the New Mexico public workforce system to meet the needs of New Mexico's businesses. The program includes business development and outreach, and labor market information.

Program Support

Program Support helps each agency program achieve its organizational goals and objectives by providing leadership, direction and administrative support. The program includes the Office of the Secretary and the Administrative Services Division.

Executive Recommendation*Agency Strategic Directions*

The Workforce Solutions Department is developing a market-driven workforce delivery system that: prepares New Mexico jobseekers to meet current and emerging needs of businesses and employers; ensures that every New Mexico citizen who needs a job will have one; and ensures that every business that needs an employee will find one with the skills and work readiness necessary to compete in a global economy. These services will be provided by comprehensive local workforce and satellite centers utilizing proven training providers to equip clients with the skills needed for upward mobility in the workforce. The Workforce Solutions Department was created to improve the delivery of services previously provided by two separate agencies: the Labor Department and the Office of Workforce Training and Development.

WSD directly supports the Governor's performance and accountability policy, *Promoting and Growing New Mexico*, by striving to increase the number of workers trained and placed in jobs, and by developing and marketing a high quality workforce. In FY07, 36,989 individuals were placed into jobs and 1,912 received specific job training to improve their job skills. In FY09, WSD field office staff hope to contact 20,000 New Mexico businesses to promote and administer department services. The department continues to partner with the Economic Development Department, Human Services Department, Public Education Department, Division of Vocational Rehabilitation, Children, Youth and Families Department, and Aging and Long-Term Services Department in the area of employment services.

Supporting the Governor's performance and accountability policy, *Efficient Services for New Mexicans*, the department maximized collections of fees, fines, employer taxes and gross receipts taxes owed to the state. The tri-agency portal was established in cooperation with the Taxation and Revenue Department and Workers' Compensation Administration, allowing employers a single-point of entry for initial registration, reporting and payment of quarterly taxes. The tri-agency portal streamlines the reporting requirements for New Mexico businesses.

Key Elements of Recommendation

The Executive recommendation includes \$324.6 in General Fund increases to cover General Services Department and Department of Information Technology (DoIT) rate increases in Workforce Transition Services and Labor Relations. The Executive recommendation also includes \$550.0 in General Fund for the At-Risk Youth program. Overall, General Fund increased by 3.7% from FY09 levels. Other transfers decreased by 14.2% due to the elimination of 14 positions from the Central Board One Stop. Federal revenues decreased by 18% due to cuts in the Trade Adjustment Assistance program. Other revenues increased 74.7% due to increases from the Unemployment Insurance Fund and Southwest Board One Stop.

Performance Report

When the Workforce Solutions Department went through reorganization in 2007, its performance measures were restructured by program. In 2008, the Legislative Finance Committee and the Department of Finance and Administration agreed that the agency needed to incorporate performance measures that monitor state funded programs rather than focusing solely on federally funded programs. The agency is working toward implementing more meaningful measures for all funding sources.

The Workforce Transition Services program met seven out of ten performance measures. Three out of the seven measures attained were key measures. The total number of individuals in the adult, dislocated worker and youth programs receiving services through the federal Workforce Investment Act (WIA) surpassed the FY08 target by 4,540. The agency and local boards jointly developed aggressive goals to increase participant levels. The percent of dislocated workers receiving workforce development services who entered employment within one quarter of leaving the program fell short of the FY08 target by 3%. For this measure, if the Mathematica system detected an error in the participant's information, the data was excluded from the performance measure. There has been continuous improvement over the past two years; however recent results were hampered by the inability to secure a full time position in the dislocated exiting program. The low unemployment rate also impacted the performance level.

Labor Relations met four out of six targets in FY08. Three out of the six measures attained were key measures. The data for two performance measures, the percent of discrimination cases settled through alternative dispute resolution and the percent of wage claims investigated and resolved within 120 days, was updated since last reported. The two measures now reflect actual data and cumulative results, whereas, previous reports included only target data. The average number of days for completion of discrimination investigations and determinations exceeded the FY08 target by 15 due to the hiring of investigators. The annual collections of apprentice contributions for public works projects exceeded the FY08 target by 439,978. This increase was the result of the apprenticeship director's focus on compliance and collection for PWAT.

The outcomes of key measures indicate that the efficiency of program operations increased. The total number of status determinations made for newly established employers was 7,186 with 5,999 processed within the 90-day time frame. The majority of the accounts not meeting the 90-day deadline are employers that DWS notified once the 90-day time frame expired. Although the FY08 target was not met, the agency made a concerted effort to focus on establishing accounts that could

comply with the 90-day criterion. System problems relating to history transfers require a great deal of manual data processing. This contributed to delays in establishing some accounts within 90 days. The number of persons served by the labor market services program surpassed the FY08 target by 46,620 as a result of increased marketing of the online job system.

Recommended Language for the General Appropriation Act

The internal services/interagency transfers appropriation to the labor relations program of the workforce solutions department includes six hundred ninety-one thousand, five hundred dollars (\$691,500) from fund balances in the workers' compensation administration fund.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	7,452.9	8,742.2	9,066.8	324.6	3.7
Other Transfers	3,702.4	5,419.1	4,648.1	-771.0	-14.2
Federal Revenues	39,688.6	42,802.1	35,095.9	-7,706.2	-18.0
Other Revenues	0.0	2,759.8	4,821.6	2,061.8	74.7
TOTAL SOURCES	50,843.9	59,723.2	53,632.4	-6,090.8	-10.2
USES					
Personal Services and Employee Benefits	27,378.7	29,152.8	29,053.4	-99.4	-0.3
Contractual Services	2,022.0	2,421.9	2,910.6	488.7	20.2
Other	21,443.2	25,388.7	17,711.8	-7,676.9	-30.2
Other Financing Uses	0.0	2,759.8	3,956.6	1,196.8	43.4
TOTAL USES	50,843.9	59,723.2	53,632.4	-6,090.8	-10.2
FTE					
Permanent	494.00	541.00	537.00	-4.00	-0.7
Term	45.50	42.50	31.50	-11.00	-25.9
Temporary	0.00	0.00	1.00	1.00	***
TOTAL FTE POSITIONS	539.50	583.50	569.50	-14.00	-2.4

Workforce Transition Services (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	4,373.4	3,686.0	3,397.5	-288.5	-7.8
Other Transfers	1,403.8	2,147.4	1,135.7	-1,011.7	-47.1
Federal Revenues	13,419.8	13,448.1	13,580.8	132.7	1.0
Other Revenues	0.0	276.8	1,935.7	1,658.9	599.3
TOTAL SOURCES	19,197.0	19,558.3	20,049.7	491.4	2.5
USES					
Personal Services and Employee Benefits	14,748.9	15,625.8	15,284.9	-340.9	-2.2
Contractual Services	502.5	553.2	532.0	-21.2	-3.8
Other	3,945.6	3,102.5	3,097.1	-5.4	-0.2
Other Financing Uses	0.0	276.8	1,135.7	858.9	310.3
TOTAL USES	19,197.0	19,558.3	20,049.7	491.4	2.5
FTE					
Permanent	325.00	308.00	309.00	1.00	0.3
Term	41.50	40.50	28.50	-12.00	-29.6
TOTAL FTE POSITIONS	366.50	348.50	337.50	-11.00	-3.2

Labor Relations (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	1,297.6	1,510.1	1,468.5	-41.6	-2.8
Other Transfers	1,472.2	1,394.5	1,442.3	47.8	3.4
Federal Revenues	225.8	250.0	250.0	0.0	0.0
Other Revenues	0.0	703.0	750.8	47.8	6.8
TOTAL SOURCES	2,995.6	3,857.6	3,911.6	54.0	1.4
USES					
Personal Services and Employee Benefits	2,049.5	2,194.5	2,148.4	-46.1	-2.1
Contractual Services	56.4	109.6	9.6	-100.0	-91.2
Other	889.7	850.5	1,002.8	152.3	17.9
Other Financing Uses	0.0	703.0	750.8	47.8	6.8
TOTAL USES	2,995.6	3,857.6	3,911.6	54.0	1.4
FTE					
Permanent	43.00	43.00	42.00	-1.00	-2.3
TOTAL FTE POSITIONS	43.00	43.00	42.00	-1.00	-2.3

Workforce Technology
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	240.7	1,582.9	1,537.8	-45.1	-2.8
Other Transfers	67.1	154.8	230.7	75.9	49.0
Federal Revenues	4,750.4	3,256.3	3,208.7	-47.6	-1.5
Other Revenues	0.0	123.8	256.0	132.2	106.8
TOTAL SOURCES	5,058.2	5,117.8	5,233.2	115.5	2.3
USES					
Personal Services and Employee Benefits	3,155.6	3,216.3	3,137.7	-78.6	-2.4
Contractual Services	1,112.5	826.9	802.9	-24.0	-2.9
Other	790.1	950.8	1,061.9	111.1	11.7
Other Financing Uses	0.0	123.8	230.7	106.9	86.3
TOTAL USES	5,058.2	5,117.8	5,233.2	115.4	2.3
FTE					
Permanent	47.00	48.00	46.00	-2.00	-4.2
Term	2.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	49.00	49.00	47.00	-2.00	-4.1

Business Services
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	299.7	399.8	388.8	-11.0	-2.8
Federal Revenues	2,425.6	3,150.7	2,811.3	-339.4	-10.8
TOTAL SOURCES	2,725.3	3,550.5	3,200.1	-350.4	-9.9
USES					
Personal Services and Employee Benefits	1,807.9	2,098.4	2,058.6	-39.8	-1.9
Contractual Services	160.7	321.6	292.5	-29.1	-9.0
Other	756.7	1,130.5	849.0	-281.5	-24.9
TOTAL USES	2,725.3	3,550.5	3,200.1	-350.4	-9.9
FTE					
Permanent	17.00	39.00	39.00	0.00	0.0
TOTAL FTE POSITIONS	17.00	39.00	39.00	0.00	0.0

		Program Support (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	Budget to Recommendation	
SOURCES		Actuals	Budget	mendation	Dollar	Percent
					Change	Change
	General Fund Transfers	1,241.5	1,563.4	2,274.2	710.8	45.5
	Other Transfers	759.3	1,722.4	1,839.4	117.0	6.8
	Federal Revenues	18,867.0	22,697.0	15,245.1	-7,451.9	-32.8
	Other Revenues	0.0	1,656.2	1,879.1	222.9	13.5
	TOTAL SOURCES	20,867.8	27,639.0	21,237.8	-6,401.2	-23.2
USES						
	Personal Services and					
	Employee Benefits	5,616.8	6,017.8	6,423.8	406.0	6.7
	Contractual Services	189.9	610.6	1,273.6	663.0	108.6
	Other	15,061.1	19,354.4	11,701.0	-7,653.4	-39.5
	Other Financing Uses	0.0	1,656.2	1,839.4	183.2	11.1
	TOTAL USES	20,867.8	27,639.0	21,237.8	-6,401.2	-23.2
FTE						
	Permanent	62.00	103.00	101.00	-2.00	-1.9
	Term	2.00	1.00	2.00	1.00	100.0
	Temporary	0.00	0.00	1.00	1.00	***
	TOTAL FTE POSITIONS	64.00	104.00	104.00	0.00	0.0

Performance Measures

		FY08	FY08	FY09	FY10
		Target	Result	Target	Recomm
Workforce Transition Services					
The purpose of the workforce transition programs is to administer an array of demand driven workforce development services to prepare New Mexicans to meet the needs of business.					
Outcome	Percent of adults receiving workforce development services who have entered employment within one quarter of leaving job training services	79%	86%		
Outcome	Percent of adult participants receiving services through the public workforce system who are employed in the first quarter after the exit quarter.				86%
Outcome	Percent of youth receiving workforce development services who have entered employment within one quarter of leaving the program	71.0%	71%		
Outcome	Percentage of youth participants who are in employment (including the military) or enrolled in post-secondary education and/or advanced training/occupational skills training in the first quarter after the exit quarter.				71%
Outcome	Percent of dislocated workers receiving workforce development services who have entered employment within one quarter of leaving the program	87.0%	84%		70%
Outcome	Total number of individuals in the adult, dislocated worker and youth programs receiving services through the federal Workforce Investment Act	8,800	13,340		
Outcome	Number of participants employed in disability navigator grant program	280	1,027		
Outcome	Number of individuals served by labor market services who found employment	50,000	50,260		
Outcome	Percent of status determinations for newly established employers made within ninety days of the quarter's end	90%	83%		
Explanatory	Number of persons served by the labor market services program	370,000	416,620		
Output	Annual number of workers placed				56,100
Output	Average unemployment insurance call center wait time to reach an agent, in minutes				<5min

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Output	Annual number of workers provided training services				12,036
Outcome	Percent of new employer status determinations that will be completed within 90 days of the quarter ending date			70%	70%
Output	Percent of eligible unemployment insurance claims that will be issued a determination within twenty one days from the date of claim			87%	87%
Output	Percent of adult federal Workforce Investment Act (WIA) participants employed in the third quarter following the exit quarter			72%	
Outcome	Average earnings of adult federal Workforce Investment Act participants who are employed in the third quarter following the exit quarter			\$9,000	
Output	Percent of federal Workforce Investment Act dislocated worker participants employed in the third quarter following the exit quarter			75%	65%
Outcome	Average earnings of WIA dislocated worker participants who are employed in the third quarter following the exit quarter			\$11,400	11,000
Output	Percent of adult Workforce Investment Act (WIA) participants employed in both the second and third quarter following the exit quarter.				72%
Outcome	Average earnings of adult Workforce Investment Act (WIA) participants who are employed in the second and third quarter following the exit quarter.				9,000
Output	Number of participants served in the disability navigator grant program	974	6,449		
Output	Number of participants served in the base realignment and closure program	2,000			

Labor Relations

The purpose of the labor relations program is to provide employment rights information, and other work-site based assistance to employers and employees.

Output	Number of targeted public works inspections completed	1,775	1,881	1775	1,800
Outcome	Percent of wage claims investigated and resolved within one hundred twenty days	97%	96%		96%
Efficiency	Number of backlogged human rights commission hearings pending each quarter	20	0	<5	<5
Efficiency	Percent of discrimination cases settled through alternative dispute resolution	77%	72%		78%
Efficiency	Average number of days for completion of discrimination investigations and determinations	145	160		
Output	Annual collections of apprentice contributions for public works projects	\$450,000	914,978		

Workforce Technology

The workforce technology program provides and maintains customer focused, effective, and innovative information technology services for the WSD and its service providers.

Outcome	The percentage the system is available during scheduled uptime			95%	95%-98%
Outcome	Percent data accuracy for federal and ad hoc reports			95%	90%-95%
Output	Average UI call center wait time to reach an agent, in minutes			<5	<5
Output	Percent of online transactions completed in less than five seconds			80%	85%

Business Services

The purpose of the business services program is to provide standardized business solution strategies and labor market information through New Mexico public workforce system that is responsive to the needs of New Mexico businesses.

Outcome	Error rate for forecasting employment data	+/-2%	0.1%		
Output	Number of personal contacts made by field office personnel with New Mexico businesses to inform them of available services or provide actual services			20,000	21,000
Output	Number of days to publish bureau of labor statistics provided seasonally adjusted business employment dynamics data quarterly at the state level upon receipt from the bureau of labor statistics				30
Outcome	Percent of employers sampled reporting customer satisfaction			84%	85%

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Program Support					
The purpose of program support is to provide overall leadership, direction, and administrative support to each agency program to achieve organizational goals and objectives.					
Outcome	Percent of all local workforce investment act boards monitored a minimum of once a year to ensure compliance with all federal and state fiscal and program requirements	100%	100%		
Outcome	Number of program audit findings	0	27		
Outcome	Percent of at-risk youth program participants placed in a part-time work activity	100%	44%		
Outcome	Percent of at-risk youth programs monitored a minimum of once a year to ensure compliance with state fiscal and program requirements	100%	100%		
Outcome	Development of individual development account strategic plan to be completed by June 30, 2007	Completed	Completed		
Outcome	Percent of total at-risk youth population receiving services under the program	100%	100%		
Outcome	Number of individuals in the adult, dislocated worker and youth programs who have received an earnings increase within six months of participating in a program	6,500	1,317		
Outcome	Percent of annual independent state audit prior year findings resolved			100%	100%
Output	Percent completion of program and fiscal monitoring of all state and federal service providers including distribution of final report on an annual basis within thirty days of onsite visit			100%	100%
Output	Total number of at-risk youth receiving services under the program	600	565		
Output	Percent of at-risk youth in the program who experience an increase in skill level	85%	100%		

Executive Summary

The Workers' Compensation Administration assures the quick and efficient delivery of indemnity and medical benefits to injured and disabled workers at a reasonable cost to employers.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	12,770.9	12,795.3	0.2
Program			
Workers' Compensation Administration	11,601.8	11,626.2	0.2
Uninsured Employers' Fund	1,169.1	1,169.1	0.0
Total Uses	12,770.9	12,795.3	0.2
FTE	141.00	141.00	0.0

- The Executive recommendation reflects a \$24.4 increase over the FY09 operating level.
- The recommendation contains \$691.5 for a joint powers agreement with the Workforce Solutions Department.
- The recommendation employs a vacancy factor of 3.0%.
- The recommendation includes \$52.9 for the reclassification of Safety Officer and Legal Secretary positions.

Agency Mission and Program Purpose

The mission of the Workers' Compensation Administration is to ensure the quick and efficient delivery of medical benefits and services to injured and disabled workers at a reasonable cost to employers.

The Workers' Compensation Administration (WCA) was created in 1986 to administer the New Mexico Workers' Compensation Act and the New Mexico Occupational Disease Disablement Act. These laws were enacted to balance the interests of employers and workers in order to address job-related injuries and illnesses. Prior to this time, high workers' compensation insurance premiums were driving businesses out of New Mexico. Additionally, workers' benefits were delayed for up to three years, while cases were heard by state district courts, which was the court of exclusive jurisdiction at the time. WCA provides services at its state headquarters in Albuquerque and its regional offices in Farmington, Las Cruces, Las Vegas, Lovington, Santa Fe and Roswell.

WCA is responsible for operating the private employer workers' compensation program, which operates entirely on private employee/employer fees and receives no General Fund appropriation.

Statutory Authority: Sections 52-1-1 through 52-1-70 and Sections 52-5-1 through 52-5-22 NMSA 1978 (Workers' Compensation Administration Act); Sections 52-3-1 through 52-3-60 NMSA 1978 (Occupational Disease Disablement Act); and Sections 52-4-1 through 52-4-5 NMSA 1978 (Health Care Provider Act).

Workers' Compensation Administration

WCA achieves its mission through timely resolution of disputes, in accordance with law, and through educational and regulatory efforts to ensure that employers, workers and their representatives are complying with the law. This program is known as the Workers' Compensation Administration Program. The activities that comprise the program are: assistance and education; dispute resolution; regulation; and administration of the Uninsured Employer Fund.

WCA provides formal and informal training to its customers in various formats. WCA ombudsmen counsel and assist workers and employers. Safety consultants provide free technical assistance to employers to reduce accidents and improve workplace safety. WCA publishes and distributes handbooks to workers, employers and other stakeholders explaining their rights.

The agency resolves disputes involving payment of benefits and provision of medical care for workplace injuries and fatalities between injured workers, their employers and insurers. The dispute resolution process includes a mandatory mediation program to minimize the need to go to trial.

WCA regulates the workers' compensation system. This includes: enforcement of statutory requirements related to workers' compensation insurance; enforcement of data reporting requirements; approval and certification of self-insurance programs; medical cost containment; and fraud protection and detection. The agency also detects, investigates, and may assess penalties for bad faith and unfair claim practices, and holds administrative hearings on regulatory matters.

The unaudited revenue and expenditures for FY08 indicate that WCA collected approximately \$11,202.2 in fee assessments and recorded expenditures of \$11,026.4. Assuming there are no audit adjustments, the WCA fund balance as of June 30, 2008, is approximately \$9,913.4, an increase of \$175.8 from FY07 to FY08.

Uninsured Employers' Fund

WCA administers the Uninsured Employers' Fund (UEF). The fund was created to pay workers' compensation benefits to employees of uninsured employers. WCA determines valid payees from this fund and contracts with a third party administrator to make payments to the eligible payees. WCA also prosecutes and collects penalties for the inappropriate use of monies from this fund.

The Uninsured Employers' Fund is a non-reverting fund. The source of the funding is \$.30 per employee, of the fee collected by the WCA Fund. In addition, repayments from an employer, when payments have been made to an employee, are deposited in the fund. Although there is some concern that paid claims against the fund may exceed available resources, the WCA has taken several steps to reverse this trend including the establishment of caps on medical and indemnity claims, collection activities targeted at uninsured employers, and the requirement that previously uninsured employers obtain a security bond. It is possible, however, that claims experience and expenditures in the UEF could exceed projected revenues and fund balances in the near future.

Unaudited revenue and expenditures for FY08 indicate that the UEF collected approximately \$941.6 in fee assessments and recorded expenditures of \$497.4. Assuming there are no audit adjustments, the UEF fund balance as of June 30, 2008, is approximately \$1,356.5, an increase of \$444.2 from FY07 to FY08.

Executive Recommendation*Agency Strategic Directions*

WCA's strategic objectives contribute to economic development by attracting business to New Mexico on the basis of a fair, efficient and cost effective workers' compensation system. WCA continues to focus its efforts to increase compliance with the Workers' Compensation Act, including increasing the number of employers complying with the insurance coverage requirements, and decreasing the number and severity of work-related accidents. WCA strives to promote safety in the workplace through its inspection programs and educational outreach. Current major strategic initiatives are described in the following paragraphs.

WCA continues to ensure compliance with the Workers' Compensation Act, including increasing the number of employers complying with the insurance coverage requirements. In conjunction with the Taxation and Revenue Department, WCA is identifying businesses that are obligated to make workers' compensation fee assessment payments and then, as the businesses are identified, notifying them of their obligations. During the last year, this initiative has resulted in the identification of over 500 employers who lacked the appropriate coverage. From this group, there are now 208 employers, representing nearly 15,000 employees, who are now registered with WCA and carrying workers' compensation insurance.

WCA continues to work to increase the effectiveness of its cooperative relationships with a number of key state agencies. WCA goals include the development of agreements with these agencies to improve interagency information-sharing, and to allow for the easier exchange of statistics and other data impacting multiple agencies.

In 2007, the Legislature passed two memorials that established task forces to study the addition of farm and ranch labor in the mandatory insurance requirements of the Workers' Compensation Act, and to study the law and valuation of "loss of use". Both task forces have been formed, have met, and have been addressing the respective issues set out in the two memorials.

WCA has several measures to increase the effectiveness of its dispute resolution process. To more effectively reach a growing number of workers and employers in dispute, WCA plans to establish offices in locations of the fastest growing areas of the state, both in the Belen/Los Lunas area and the Bernalillo area, with staff and facilities to meet these needs. A new state-owned office is currently being built in Las Vegas. New office space in Las Cruces provides greater room for handling dispute resolution and holding private meetings with workers and employers.

To better understand and meet the needs of health care providers, partners in carrying out the total, balanced implementation of the workers' compensation system, WCA is unfolding an action plan in FY09. This will provide for a study of: medical costs; availability of care; local access to care; best practices; how to measure standards of care; the relationship between medical care and worker outcomes; and the current requirements of the New Mexico workers' compensation law.

Key Elements of Recommendation

The Executive recommendation reflects an increase of 0.2% from the FY09 operating level. The recommendation includes the continuation of a joint powers agreement with the Workforce Solutions Department that transfers \$691.5 from WCA to the Labor and Industrial Program of the Workforce Solutions Department.

Based on the agency's experience over the last year, the Executive recommends a vacancy factor of 3%. In order to fully fund the new Las Vegas Office, the Executive recommends an increase of \$35.2 for rent and utility costs and an increase of \$48.2 in information technology supply and equipment costs. These increased costs are offset by \$122.8 in General Services Department and Department of Information Technology rate reductions.

Due to increased costs and slow revenue growth, the Executive recommendation provides \$400.0 from WCA's fund balance to fund FY10 operations based on projected FY10 employer and employee fee assessments that are distributed to the fund.

The Executive recommendation includes \$1,169.1 in fee assessment revenue to fund the operation of the Uninsured Employers' Fund. This fund provides limited workers' compensation benefits to workers whose employers by law should, but do not, have insurance coverage. Whenever possible, the WCA attempts to recover costs plus penalties from uninsured employers.

Performance Report

Six performance goals were adopted by WCA for FY08. The agency met its targeted goal for the number of first reports of injury processed. The reduction in cases reported may be an indicator of progress in the agency's education, community outreach and safety consultation activities. The agency, however, did not meet its target for a related measure dealing with the number of serious injuries and illnesses caused by workplace conditions. Workplace injuries and illnesses exceeded the target by 872 cases. While significant, it is possible that this result may have more to do with the success of the state in creating new jobs over the last few years than a failure in preventing injuries. In order to more accurately gauge progress in maintaining safe work environments, the agency has adopted a standard in FY10 that will measure the rate of injury per 100 workers.

Position vacancies appear to have been a major factor in the agency's failure to achieve targets for the number of compliance and safety inspection conducted in FY08. The agency believes that with full staffing, FY09 and recommended FY10 targets for these measures can be achieved. Although the agency continues to have good success in resolving claims without trial (83.3%), this measure has yet to reach the targeted level of 90% of claims.

WCA has adopted several new performance measures for FY10. These measures substitute outcome or effectiveness measures for measures that identified simple outputs. When measuring the percent of employers that are in compliance with the insurance and safety inspection requirements of WCA or the effectiveness of the agency's safety program, year-to-year and state-to-state comparisons will become possible.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	12,143.7	12,740.8	12,491.4	-249.4	-2.0
Fund Balance	0.0	30.1	303.9	273.8	909.6
TOTAL SOURCES	12,143.7	12,770.9	12,795.3	24.4	0.2
USES					
Personal Services and Employee Benefits	8,778.6	9,209.5	9,237.5	28.0	0.3
Contractual Services	270.6	452.6	447.8	-4.8	-1.1
Other	1,783.1	2,417.3	2,418.5	1.2	0.0
Other Financing Uses	691.5	691.5	691.5	0.0	0.0
TOTAL USES	11,523.8	12,770.9	12,795.3	24.4	0.2
FTE					
Permanent	140.00	141.00	141.00	0.00	0.0
TOTAL FTE POSITIONS	140.00	141.00	141.00	0.00	0.0

Workers' Compensation Administration (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	11,202.2	11,571.7	11,322.3	-249.4	-2.2
Fund Balance	0.0	30.1	303.9	273.8	909.6
TOTAL SOURCES	11,202.2	11,601.8	11,626.2	24.4	0.2
USES					
Personal Services and Employee Benefits	8,778.6	9,209.5	9,237.5	28.0	0.3
Contractual Services	257.2	352.6	347.8	-4.8	-1.4
Other	1,299.1	1,348.2	1,349.4	1.2	0.1
Other Financing Uses	691.5	691.5	691.5	0.0	0.0
TOTAL USES	11,026.4	11,601.8	11,626.2	24.4	0.2
FTE					
Permanent	140.00	141.00	141.00	0.00	0.0
TOTAL FTE POSITIONS	140.00	141.00	141.00	0.00	0.0

		Uninsured Employers' Fund (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	<u>Budget to Recommendation</u> Dollar <u>Change</u>	Percent <u>Change</u>
SOURCES						
	Other Revenues	941.6	1,169.1	1,169.1	0.0	0.0
	TOTAL SOURCES	941.6	1,169.1	1,169.1	0.0	0.0
USES						
	Contractual Services	13.4	100.0	100.0	0.0	0.0
	Other	484.0	1,069.1	1,069.1	0.0	0.0
	TOTAL USES	497.4	1,169.1	1,169.1	0.0	0.0
FTE						
	TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Workers' Compensation Administration					
To assure the quick and efficient delivery of indemnity and medical benefit to injured and disabled workers at a reasonable cost to employers.					
Output	Number of first reports of injury processed	41,500	37,658	40,000	38,000
Outcome	Percent of formal claims resolved without trial	90%	83.1%	90%	85%
Output	Number of reviews of employers to ensure the employer has workers' compensation insurance	5,000	4,389	5,100	
Outcome	Number of employers who have received education or outreach from the workers' compensation administration	13,500	8,348	13,650	
Output	Number of employers who had a workplace safety visit or consultation	2,100	2,065	2,150	
Output	Number of serious injuries and illnesses caused by workplace conditions	4,850	5,722	4,750	
Outcome	Rate of serious injuries and illnesses caused by workplace conditions per 100 workers				.650
Outcome	Percent of employers referred for investigation who are determined to be in compliance with insurance requirements of the Workers' Compensation Act			58.5%	65%
Outcome	Percent of all employers with worker compensation premium liabilities above five thousand dollars who have met reporting requirements for safety inspections				TBD
Efficiency	Percent of employers experiencing three or more accidents within a twelve month period that demonstrate a reduction in the number of accidents per year following workers' compensation administration safety inspection/consultation				TBD

Executive Summary

The Division of Vocational Rehabilitation provides services to eligible citizens with disabilities so that they may become re-employed or attain employment.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	6,363.4	5,912.0	-7.1
Total Sources	47,141.8	45,324.0	-3.9
Program			
Rehabilitation Services Program	33,349.4	31,355.5	-6.0
Independent Living Services Program	1,656.2	1,585.8	-4.3
Disability Determination Program	12,136.2	12,382.7	2.0
Total Uses	47,141.8	45,324.0	-3.9
FTE	328.00	313.00	-4.6

- The Executive recommendation reflects a decrease of \$451.4 in General Fund and an overall decrease of \$1,817.8 including reductions in other transfers, federal revenue and fund balance.
- The Rehabilitation Services Program reflects a decrease of \$1,993.9, which includes a decrease of \$381.0 in General Fund, \$518.2 in transfers, \$79.2 in fund balance and a decrease in federal revenues of \$1,015.5.
- The Executive recommendation provides a federal fund increase in Disability Determination Program of \$246.5 for personal services and employee benefits and operational costs.
- The Executive recommendation for the Independent Living Services Program reflects a decrease of \$70.4 from the FY09 operating level.

Agency Mission and Program Purpose

The Division of Vocational Rehabilitation (DVR), a division of the Public Education Department, provides services to eligible citizens with disabilities through three programs so that disabled clients may become re-employed or attain employment.

Statutory Authority: Sections 22-14-16 NMSA 1978.

Rehabilitation Services Program

The Rehabilitation Services Program provides counseling, training and consultation services to eligible people with disabilities (among them high-school students) so that they can become employed.

Independent Living Services Program

The Independent Living Services Program determines eligibility for independent living services, provides services to overcome barriers to independent living, and monitors progress toward living independently.

Disability Determination Program

The Disability Determination Program determines eligibility of applicants for federal Social Security Administration benefits according to two eligibility criteria: medical disability and inability to work, related to the disability.

Executive Recommendation*Agency Strategic Directions*

The Division of Vocational Rehabilitation's strategic planning framework for 2004-2010 centers on the vision that every New Mexican with a disability has the opportunity to contribute to the quality of life and the economic prosperity of the state. To realize this vision, DVR has articulated the following five agency goals: (1) successful participant outcomes; (2) comprehensive employment networks and partners; (3) positive organizational climate; (4) effective use of resources; and (5) participant and stakeholder satisfaction.

DVR reports that for FY08, a total of 1,687 individuals with disabilities achieved suitable employment with the assistance of vocational rehabilitation services. The performance achieved 96% of the FY08 target of 1,750, a result that the agency attributes to New Mexico's economy, combined with the firm commitment of citizens with disabilities and the professional dedication of DVR staff statewide.

Outcomes for FY09 that DVR will focus on include: establishing a speaker's bureau to make community presentations on the agency's "Return on Investment" study; increasing the scope, level and quality of staff training to improve results; increasing employment and wages for social security eligible clients, including improved collaboration of services and information for this group; developing a performance-based contracting structure and updating/improving contracting procedures; and expanding written procedures for continued referral system performance data tracking and quarterly reporting.

Key Elements of Recommendation

The Executive recommendation reflects a decrease of \$451.4 in General Fund, a decrease in transfers of federal funds from other agencies of \$518.2, a decrease of \$769.0 in direct federal revenues and a decrease in the use of fund balance of \$79.2. The Executive recommendation for the Rehabilitation Services reflects a decrease of 7.7% in General Fund and 6.0% in total funds from FY09. The decreases are reflected in reductions in the personal services and employee benefits and other costs categories. The recommendation implements the agency reduction plan. In personal services and employee benefits, the decrease is consistent with a reduction of 15 positions previously funded from federal sources. The recommendation for personal services applies a vacancy rate of 3% on salaries funded from the General Fund and includes increased funding for General Services Department risk premiums. The other costs category also reflects the reduction in federal revenues for care and support to clients including client support, education and training. The decrease in care and support is partially due to the discontinuance of two grants. These grants include the New Mexico State University Leverage Integrated Networks of Consumer Supports (LINCS) and the Workforce In Training (WIT).

The recommendation for the Disability Determination Program reflects a 2% increase, due to a projected increase in funding from the U.S. Social Security Administration. The increase supports additional funding for personal services and employee benefits and increases in building rent.

The Executive recommendation reflects a reduction of 5.0% from the FY09 operating budget level for the Independent Living Program to reflect the agency reduction plan.

Performance Report

During FY08, the Division of Vocational Rehabilitation (DVR) achieved or exceeded targets for five out of eight performance measures. The Rehabilitation Services Program achieved two out of four performance measures. The Independent Living Services Program achieved both of its two performance measures. The Disability Determination Program did not meet the targets for its two performance measures.

In the Rehabilitation Services Program, for the number of persons achieving suitable employment for a minimum of ninety days, the agency achieved a performance of 1,687. The target was set at 1750. The target was not achieved due to organizational changes in this program, which created a disruption in the delivery of services. The organizational changes included the reassignment of staff to different offices, realigning offices by geographic regions, reclassifying some select positions and closing an office. In spite of the challenges, 96% of the target was achieved. For the percent of persons achieving suitable employment outcomes of all cases closed after receiving planned services, the agency achieved 61%. The required federal target for this performance measure is 55.8%. DVR explained that establishing a target above 60% could create an incentive to screen out more challenging participants in order to achieve a higher success rate. The Executive recommended the target to be set at 60% in FY10. For the percent of persons achieving suitable employment outcomes competitively employed or self-employed, the agency achieved a performance of 96%. The target was set at 95%. For the percent of persons with significant disabilities achieving suitable employment outcomes who are competitively employed or self-employed, earning at least, minimum wage, the agency achieved a performance of 96%. The target was set at 95%. The results reflect an increasing number of participants with significant disabilities have been served.

In the Independent Living Services Program, for the number of independent living plans developed, the agency achieved a performance of 611. The target was set at 450. Due to an increased emphasis on requiring a service delivery plan at the time that services were delivered, the performance exceeded the expectations. For the number of individuals served for independent living, the agency achieved a performance of 860. The target was set at 650. The agency exceeded expectations due to the fact that there were more services being offered at the centers for independent living.

In the Disability Determination Program, for the number of days for completing an initial disability claim, the agency achieved a performance of 75.65. The target was set at 75. The mean processing time for number of days to complete a disability claim is 80 days. Even though the performance target was achieved, the mean target was missed by five due to the fact that two of the fifteen medical consultants during the course of the year had left. For the percent of disability determinations completed accurately, the agency achieved a performance of 94.7%. The target was set at 98.5%. Staffing issues such as inexperience and a high vacancy rate contributed to the missed target.

Recommended Language for the General Appropriation Act

Any unexpended or unencumbered balance in the division of vocational rehabilitation remaining at the end of fiscal year 2010 from appropriations made from the general fund shall not revert.

Budget Summary Tables

**Agency Budget Summary
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	5,939.0	6,363.4	5,912.0	-451.4	-7.1
Other Transfers	2,044.5	1,718.7	1,200.5	-518.2	-30.2
Federal Revenues	36,180.5	38,927.5	38,158.5	-769.0	-2.0
Other Revenues	58.2	0.0	0.0	0.0	***
Fund Balance	12.7	132.2	53.0	-79.2	-59.9
TOTAL SOURCES	44,234.9	47,141.8	45,324.0	-1,817.8	-3.9
USES					
Personal Services and Employee Benefits	18,943.9	20,784.3	20,451.6	-332.7	-1.6
Contractual Services	722.1	1,018.7	1,087.8	69.1	6.8
Other	21,373.5	25,338.8	23,784.6	-1,554.2	-6.1
TOTAL USES	41,039.5	47,141.8	45,324.0	-1,817.8	-3.9
FTE					
Permanent	287.00	287.00	287.00	0.00	0.0
Term	44.00	41.00	26.00	-15.00	-36.6
TOTAL FTE POSITIONS	331.00	328.00	313.00	-15.00	-4.6

**Rehabilitation Services Program
(Dollars in Thousands)**

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	4,750.9	4,957.2	4,576.2	-381.0	-7.7
Other Transfers	2,044.5	1,718.7	1,200.5	-518.2	-30.2
Federal Revenues	25,204.3	26,541.3	25,525.8	-1,015.5	-3.8
Other Revenues	58.2	0.0	0.0	0.0	***
Fund Balance	12.7	132.2	53.0	-79.2	-59.9
TOTAL SOURCES	32,070.6	33,349.4	31,355.5	-1,993.9	-6.0
USES					
Personal Services and Employee Benefits	13,796.2	14,562.6	14,010.2	-552.4	-3.8
Contractual Services	562.4	761.0	830.1	69.1	9.1
Other	15,030.7	18,025.8	16,515.2	-1,510.6	-8.4
TOTAL USES	29,389.3	33,349.4	31,355.5	-1,993.9	-6.0
FTE					
Permanent	190.00	190.00	190.00	0.00	0.0
Term	44.00	41.00	26.00	-15.00	-36.6
TOTAL FTE POSITIONS	234.00	231.00	216.00	-15.00	-6.5

Independent Living Services Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	Percent <u>Change</u>
SOURCES					
General Fund Transfers	1,188.1	1,406.2	1,335.8	-70.4	-5.0
Federal Revenues	183.7	250.0	250.0	0.0	0.0
TOTAL SOURCES	1,371.8	1,656.2	1,585.8	-70.4	-4.3
USES					
Other	1,430.2	1,656.2	1,585.8	-70.4	-4.3
TOTAL USES	1,430.2	1,656.2	1,585.8	-70.4	-4.3
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Disability Determination Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	Percent <u>Change</u>
SOURCES					
Federal Revenues	10,792.5	12,136.2	12,382.7	246.5	2.0
TOTAL SOURCES	10,792.5	12,136.2	12,382.7	246.5	2.0
USES					
Personal Services and Employee Benefits	5,147.7	6,221.7	6,441.4	219.7	3.5
Contractual Services	159.7	257.7	257.7	0.0	0.0
Other	4,912.6	5,656.8	5,683.6	26.8	0.5
TOTAL USES	10,220.0	12,136.2	12,382.7	246.5	2.0
FTE					
Permanent	97.00	97.00	97.00	0.00	0.0
TOTAL FTE POSITIONS	97.00	97.00	97.00	0.00	0.0

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Rehabilitation Services Program					
To promote opportunities for people with disabilities to become more independent and productive by empowering individuals with disabilities so that they may maximize their employment, economic self-sufficiency, independence, and inclusion and integration into society.					
Outcome	Number of persons achieving suitable employment for a minimum of ninety days	1,750	1,687	1,850	1,850
Outcome	Percent of persons achieving suitable employment outcomes of all cases closed after receiving planned services	65%	61%	67%	60%
Outcome	Percent of persons achieving suitable employment outcomes competitively employed or self-employed	95%	96%	98%	97%
Outcome	Percent of persons with significant disabilities achieving suitable employment outcomes who are competitively employed or self-employed, earning at least minimum wage	95%	96%	95%	96%
Independent Living Services Program					
The purpose of the Independent Living Services Program is to increase access for individuals with disabilities to technologies and services needed for various applications in learning, working and home management.					
Output	Number of independent living plans developed	450	611	500	600
Output	Number of individuals served for independent living	650	860	750	850
Disability Determination Program					
To produce accurate and timely eligibility determinations to Social Security disability applicants so that they may receive benefits.					
Efficiency	Number of days for completing an initial disability claim	75	78.65	80	80
Quality	Percent of disability determinations completed accurately	98.5%	94.7%	98.5%	97%

Executive Summary

The Governor’s Commission on Disability provides services and advocates on behalf of New Mexicans with disabilities.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	965.0	939.7	-2.6
Total Sources	1,036.8	989.7	-4.5
Program			
Governor's Commission on Disability	1,036.8	989.7	-4.5
Total Uses	1,036.8	989.7	-4.5
FTE	10.00	10.00	0.0

- The Executive recommendation provides a decrease of \$25.3 in General Fund over FY09 operating levels.

Agency Mission and Program Purpose

The Governor’s Commission on Disability (GCD), formerly the Governor’s Committee on the Concerns of the Handicapped, is mandated to: provide recommendations to the governor and Legislature on disability issues; develop and maintain comprehensive statewide programs to promote training and employment of persons with disabilities in New Mexico; implement various programs to remove social and environmental barriers that prevent people with disabilities from participating in government and community activities; and provide technical assistance in coordinating services offered to persons with disabilities by public and private entities.

The commission has 15 members, nine of which are appointed by the governor. Six members are representatives of other state agencies: Secretary of the Human Services Department, Secretary of the Workforce Solutions Department, Director of the Division of Vocational Rehabilitation of the Public Education Department, Secretary of the Children, Youth and Families Department, Secretary of the Aging and Long-Term Services Department and Director of the Long-Term Services Division of the Department of Health. Section 28-10-1 NMSA 1978 expanded the number of appointed commissioners from 13 to the current 15 members.

Statutory Authority: Sections 28-10-1 through 28-10-8 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

GCD works to address disability issues including increasing employment and removing physical, attitudinal, communication and programmatic barriers. Over the next five years the commission’s activities will be driven by four key objectives: increase awareness and knowledge of disability issues, including the rights and needs of New Mexicans with disabilities, among policy makers and the general public; promote physical, programmatic, attitudinal and communication access to

governmental entities and places of public accommodation in New Mexico; increase opportunities for New Mexicans with disabilities to pursue independent living in the community; and increase collaboration and cooperation among disability-related agencies and organizations in New Mexico and in the nation.

The agency staff continues to provide support to the Secretary of State's Office regarding the Helping America Vote Act (HAVA). The agency met with the Secretary of State and helped develop a plan to follow up on accessibility inspections performed in prior years. GCD staff inspected numerous polling places throughout the state to comply with HAVA. It continues to provide training designed to prepare and encourage New Mexicans with disabilities to vote and to prepare county clerks to conduct self-inspections to evaluate the accessibility of polling places.

GCD is continuing to implement its quality of life programs for New Mexicans with disabilities. FY09 marks the fourth year GCD has provided small grants to non-profit organizations. The program has helped organizations throughout the state provide or expand programs to improve the quality of life for New Mexicans with disabilities. Other projects that focus on quality of life issues for persons with disabilities include smoking prevention and cessation programs for youth with disabilities, and an adaptive driving program. GCD is working to have the curriculum for the adaptive driving program adopted by other state agencies and public institutions.

GSD continues to focus on issues relating to parking abuse and handicapped access. GCD staff have met with state and local officials on accessibility of public transportation and provided information on Americans with Disabilities Act (ADA) requirements and recommended system improvements. GCD staff has provided several trainings to public transport drivers on how to properly interact with individuals with disabilities and how to secure wheelchairs in transit buses and other public vehicles.

The Americans with Disabilities Act (ADA) Council, implemented by GCD, meets monthly and provides training and information to ADA coordinators from state agencies on disability issues. GCD works to influence policy makers and administrators with regards to the benefits of universal design in building homes by meeting with various local and state entities on standards. Universal design incorporates features that make homes, businesses and public facilities accessible to individuals with disabilities.

Key Elements of Recommendation

The Executive recommendation provides for a base decrease of \$25.3 in the General Fund as the result of vacancy savings and a decrease in the number of awards provided under the agency's innovative grants program.

Performance Report

The Governor's Commission on Disability exceeded its target relating to the number meetings held to develop collaborative partnerships with other state agencies and private disability agencies by nearly 500% in FY08. The results indicate that the target for this measure should be dramatically increased for FY10. The agency fell slightly short of its target of 5,000 individuals seeking technical assistance from the commission. Still, the fact that 4,974 persons obtained this service indicates a growing public awareness of the commission's expertise with disability issues. Although the

commission fell short of its target for the number of architectural plans reviewed and sites inspected due to a staff vacancy, the final number (203) represents an almost three-fold increase over the FY07 result for this measure. Targets for FY 10 measures have been adjusted upwards on the basis of FY08 results.

Budget Summary Tables

		Agency Budget Summary (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES						
	General Fund Transfers	856.6	965.0	939.7	-25.3	-2.6
	Other Transfers	99.7	71.8	50.0	-21.8	-30.4
	Fund Balance	272.9	0.0	0.0	0.0	***
	TOTAL SOURCES	1,229.2	1,036.8	989.7	-47.1	-4.5
USES						
	Personal Services and Employee Benefits	741.2	709.2	740.2	31.0	4.4
	Contractual Services	68.6	99.0	90.3	-8.7	-8.8
	Other	240.0	228.6	159.2	-69.4	-30.4
	Other Financing Uses	115.7	0.0	0.0	0.0	***
	TOTAL USES	1,165.5	1,036.8	989.7	-47.1	-4.5
FTE						
	Permanent	9.00	10.00	10.00	0.00	0.0
	TOTAL FTE POSITIONS	9.00	10.00	10.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Governor's Commission on Disability					
Promote policies and programs that focus on common issues faced by New Mexicans with disabilities, regardless of type of disability, age, or other factors. The three main factors facing New Mexicans with disabilities are employment, housing, and transportation. GCD educates state administrators, legislators, and the general public on these three issues as they relate to disability as well as ADA directives, building codes, disability technologies, disability culture (i.e. dispelling stereotypes), so they can improve the quality of life (economic, health, and social status) of New Mexicans with disabilities.					
Output	Number of persons seeking technical assistance on disability issues	5,000	4974		
Output	Number of architectural plans reviewed and sites inspected	230	203		
Output	Number of meetings held to develop collaborative partnerships with other state agencies and private disability agencies to ensure that quality of life issues for New Mexicans with disabilities are being addressed	48	191	60	125
Outcome	Number of presentations and events in which agency participates and contributes		43	24	45

Executive Summary

The Developmental Disabilities Planning Council is a statewide advocacy body for persons with developmental disabilities.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	4,255.0	4,645.3	9.2
Total Sources	4,819.2	5,230.3	8.5
Program			
Developmental Disabilities Planning Council	1,034.0	1,014.5	-1.9
Brain Injury Advisory Council	135.6	132.3	-2.4
Office of Guardianship	3,342.9	3,751.2	12.2
Consumer Services Program	306.7	332.3	8.3
Total Uses	4,819.2	5,230.3	8.5
FTE	16.00	16.00	0.0

- The Executive recommends an increase of \$390.3 from the General Fund.
- The recommendation funds increases in contractual services for growing caseloads.
- The recommendation includes increases in rent, telecommunications and Department of Information Technology rates.

Agency Mission and Program Purpose

The Developmental Disabilities Planning Council (DDPC) was created in 1972. DDPC is authorized by both federal and state enabling legislation to operate as a statewide planning and advocacy group for persons with developmental disabilities. The primary purpose of the council is to ensure that people with developmental disabilities receive services that allow them to achieve their maximum potential independence, productivity, and integration into the community, through advocacy, capacity building, and systems change activities. The council currently serves approximately 13,000 citizens with developmental disabilities and their families and other affiliated individuals.

The council has 30 members appointed by the governor, of whom at least 60% are developmentally disabled themselves or are parents or guardians of developmentally disabled people. Council membership includes: the Secretary of the Department of Health; the Secretary of the Children, Youth, and Families Department; the Secretary of the Human Services Department; the Secretary of the Aging and Long-Term Services Department; the Directors of the Special Education Unit and the Division of Vocational Rehabilitation of the Public Education Department; the Director of the Indian Affairs Department; the Director of the State Protection and Advocacy system; the Director of the state University Center on Developmental Disabilities; and representatives of post-secondary educational institutions, local government agencies, and non-governmental organizations or nonprofit groups that provide services to the disabled.

An 18 member Brain Injury Advisory Council is staffed by the agency. This council is charged with making recommendations on case management, community support systems, long-term care, employment, emergency medical services, rehabilitation and prevention, and coordination of state services for people with a brain injury.

Statutory Authority: Sections 28-16A-4 through 28-16B-6 NMSA 1978 and 24-20-3 NMSA 1978.

Developmental Disabilities Planning Council

The Developmental Disabilities Planning Council program (DDPC) derives its purpose and structure from the Developmental Disabilities Bill of Rights Act of 2000, PL 106-402. The purpose of the DDPC program is to provide opportunities for persons with developmental disabilities to realize their dreams and potential and become integrated members of society through advocacy, systems change and capacity building.

The DDPC funds projects to positively impact the quality of life for persons with developmental disabilities in the federally mandated areas of employment, education and early intervention, recreation, child care, transportation, health, housing, quality assurance, formal and informal community supports and cross agency collaboration. The DDPC also educates and informs the Governor, legislature, state agencies and the general public to facilitate the accomplishment of goals in the federally mandated areas.

Brain Injury Advisory Council

The Brain Injury Advisory Council (BIAC) provides guidance on the utilization and implementation of programs provided through the Aging and Long-Term Services Department's State Brain Injury Fund and long-term community-based Medicaid waiver services so that service delivery is aligned with the needs identified by the brain injury community.

The primary services provided by the BIAC are: Input and recommendations on the operation of the State Brain Injury Fund and Medicaid waiver long term services; and projects to increase awareness and understanding of brain injuries and their impact on individuals.

The BIAC continues to focus on creating public awareness of brain injury issues and is currently focusing on brain injury issues related to veterans.

Office of Guardianship

The purpose of the Office of Guardianship is to provide guardianship services to income and resource eligible incapacitated persons over the age of 18. The focus of the Guardianship program is to ensure that the Uniform Probate Code relating to guardianship is complied with to the letter and intent of the law for corporate and treatment guardians.

The Office of Guardianship enters into, monitors, and enforces guardianship contracts for low income-eligible persons and helps to file, investigate and resolve complaints about guardianship services provided by contractors in order to maintain the dignity, safety and security of the indigent and incapacitated adults of the state.

Consumer Services Program

The Consumer Services program consists of the Information Center for New Mexicans with Disabilities/Babynet (ICNMD/B) and the Center for Self Advocacy. The ICNMD/B's purpose is to provide information and referrals to the disability community and parents of newborn children. The Center for Self Advocacy's purpose is to support and assist persons with developmental disabilities to develop and exercise skills in self advocacy and increase their independence and inclusion in the community.

The ICNMD/B provides information about best practices, resources, and referrals to services for persons with developmental disabilities, infants and their families. The Center for Self Advocacy provides outreach and training to increase independence, community inclusion and development of self advocacy skills of persons with developmental disabilities.

Executive Recommendation*Agency Strategic Directions*

The Developmental Disabilities Planning Council aims to engage in advocacy, capacity building and system change activities that: (1) contribute to a culturally competent and coordinated system of community services, individualized support and other forms of assistance that are individual and family-centered and directed; and (2) enable individuals with disabilities to exercise self-determination, be independent, productive, integrated and included in all facets of community life.

Key Elements of Recommendation

The Executive recommends an additional \$390.3 from the General Fund as well as a \$25.0 increase in Medicaid funding.

The General Fund increase of 9.2% over FY09 is primarily the result of an increase in the contractual services category for increasing caseloads, Department of Information Technology (DOIT) information technology rates, an increase in the agency's building rental costs due to the agency's lease agreement and small increases in travel costs, telecommunications and advertising.

The FY10 request for personal services is slightly lower than the FY09 operating budget due to a 5.0% vacancy factor built into the FY10 operating budget.

Mandatory cost increases in DOIT information technology and telecommunication rates, are supported by the recommendation. The recommendation funds an increase in office space rental costs due to an escalation clause in the agency's lease as well as additional educational materials and supplies to provide training to guardians, judges, and family members.

The Executive recommendation provides for a \$383.3 increase in the contractual services category for the Office of Guardianship in base budget due primarily to increasing caseloads.

The Executive recommendation for the Consumer Services Program reflects an 8.3% or \$25.6 base increase for FY10 over the FY09 operating budget. Only a small part of this requested increase, \$0.6 is from the General Fund. The remaining increase of \$25.0 will be additional Medicaid funds which will be requested to increase funding for the Information Center for New Mexicans with Disabilities/Babynet. The \$6.3 increase in contractual services for this program will fund training contracts for self advocates in reading, public speaking, computer program usage and self defense.

Performance Report

FY08 performance results indicate that all but one measure were met or surpassed. The number of persons with developmental disabilities, their family members or guardians and others involved in services for persons with developmental disabilities served by the agency in the federally mandated areas increased significantly in FY08. The Developmental Disabilities Planning Council has consistently exceeded its goals for this measure; therefore, the Executive has raised its performance goals in FY10. The number of project, programmatic and financial reports reviewed to assure compliance with state and federal regulation results for this measure have also consistently increased and the Executive has raised its performance goal for FY10.

The Brain Injury Advisory Council surpassed its target for FY10, and the Office of Guardianship also surpassed its target for wards satisfied with legal services as well as wards properly served with the least restrictive means. The target for percent of wards properly served by professional guardianship providers satisfied with services was not met due to the nature of the mental condition of the wards and staff shortages in FY08. The Office of Guardianship was not able to complete the survey that provided the information for this measure.

The Consumer Services Program met or surpassed all targets related to providing training, information and referral for individuals with disabilities.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)			FY10	
	FY08	FY09	Recom- mendation	<u>Budget to Recommendation</u>	
	<u>Actuals</u>	<u>Operating Budget</u>		<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	4,036.8	4,255.0	4,645.3	390.3	9.2
Other Transfers	53.7	50.0	75.0	25.0	50.0
Federal Revenues	678.1	514.2	510.0	-4.2	-0.8
TOTAL SOURCES	4,768.6	4,819.2	5,230.3	411.1	8.5
USES					
Personal Services and Employee Benefits	994.2	1,050.8	1,041.9	-8.9	-0.8
Contractual Services	2,804.6	3,086.5	3,462.6	376.1	12.2
Other	830.1	681.9	725.8	43.9	6.4
TOTAL USES	4,628.9	4,819.2	5,230.3	411.1	8.5
FTE					
Permanent	15.00	15.00	15.00	0.00	0.0
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	16.00	16.00	16.00	0.00	0.0

Developmental Disabilities Planning Council
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	411.3	519.8	504.5	-15.3	-2.9
Federal Revenues	678.1	514.2	510.0	-4.2	-0.8
TOTAL SOURCES	1,089.4	1,034.0	1,014.5	-19.5	-1.9
USES					
Personal Services and Employee Benefits	502.6	529.5	526.1	-3.4	-0.6
Contractual Services	257.5	165.2	151.7	-13.5	-8.2
Other	329.3	339.3	336.7	-2.6	-0.8
TOTAL USES	1,089.4	1,034.0	1,014.5	-19.5	-1.9
FTE					
Permanent	6.50	6.50	6.50	0.00	0.0
Term	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	7.50	7.50	7.50	0.00	0.0

Brain Injury Advisory Council
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	132.8	135.6	132.3	-3.3	-2.4
TOTAL SOURCES	132.8	135.6	132.3	-3.3	-2.4
USES					
Personal Services and Employee Benefits	63.1	65.3	66.6	1.3	2.0
Contractual Services	40.6	27.2	27.2	0.0	0.0
Other	26.6	43.1	38.5	-4.6	-10.7
TOTAL USES	130.3	135.6	132.3	-3.3	-2.4
FTE					
Permanent	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	1.00	1.00	1.00	0.00	0.0

Office of Guardianship
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	3,254.9	3,342.9	3,751.2	408.3	12.2
TOTAL SOURCES	3,254.9	3,342.9	3,751.2	408.3	12.2
USES					
Personal Services and Employee Benefits	333.3	369.2	360.6	-8.6	-2.3
Contractual Services	2,501.0	2,889.7	3,273.0	383.3	13.3
Other	290.4	84.0	117.6	33.6	40.0
TOTAL USES	3,124.7	3,342.9	3,751.2	408.3	12.2
FTE					
Permanent	5.50	5.50	5.50	0.00	0.0
TOTAL FTE POSITIONS	5.50	5.50	5.50	0.00	0.0

Consumer Services Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10		
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>	
SOURCES						
General Fund Transfers	237.8	256.7	257.3	0.6	0.2	
Other Transfers	53.7	50.0	75.0	25.0	50.0	
TOTAL SOURCES	291.5	306.7	332.3	25.6	8.3	
USES						
Personal Services and Employee Benefits	95.2	86.8	88.6	1.8	2.1	
Contractual Services	5.5	4.4	10.7	6.3	143.2	
Other	183.8	215.5	233.0	17.5	8.1	
TOTAL USES	284.5	306.7	332.3	25.6	8.3	
FTE						
Permanent	2.00	2.00	2.00	0.00	0.0	
TOTAL FTE POSITIONS	2.00	2.00	2.00	0.00	0.0	

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Developmental Disabilities Planning Council					
The purpose of the Developmental Disabilities Planning Council program is to provide and produce opportunities for persons with disabilities so that they may realize their dreams and potentials, and become integrated members of society.					
Output	Number of persons with developmental disabilities, their family members or guardians and others involved in services for persons with developmental disabilities served by the agency in the federally mandated areas	2,500	6,430	2,500	3,500
Outcome	Percent of reports in compliance with state and federal regulations in initial submission	80%	95%	80%	80%
Output	Number of project, programmatic and financial reports reviewed to assure compliance with state and federal regulations	44	173	44	70
Output	Number of monitoring site visits conducted	36	49	36	36
Brain Injury Advisory Council					
The purpose of the brain injury advisory council program is to provide guidance on the utilization and implementation of programs provided through the aging and long-term services department's brain injury services fund so that they may align service delivery with needs identified by the brain injury community.					
Outcome	Percent of participant knowledge gained through education or training on traumatic brain injury issues as evidenced by training tests	85%	95%	85%	85%
Office of Guardianship					
The purpose of the Office of Guardianship is to enter into, monitor, and enforce guardianship contracts for income-eligible persons and helps to file, investigate and resolve complaints about guardianship services provided by contractors in order to maintain the dignity, safety, and security of the indigent and incapacitated adults of the state.					
Quality	Percent of wards provided with legal assistance satisfied with services, as evidenced by an annual satisfaction survey	75%	100%	75%	75%
Outcome	Percent of wards properly served with the least restrictive means, as evidenced by an annual technical compliance audit	80%	100%	80%	80%
Quality	Percent of wards properly served by professional guardianship providers satisfied with services, as evidenced by an annual satisfaction survey	80%	N/A	80%	80%

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Consumer Services Program					
The purpose of the Consumer Services program is to provide training, information and referral for individuals with disabilities and their family members so that they can live more independent and self-directed life.					
Output	Number of client contacts to assist on health, housing, transportation, education, child care, medicaid services and other programs	3,500	5,812	3,500	3,500
Output	Number of trainings conducted annually on self-advocacy and disability-related issues	6	15	6	6
Outcome	Percent of participant knowledge gained through education or training on self-advocacy and disability-related issues as evidenced by training tests	80%	88.75%	80%	80%
Outcome	Percent of participants satisfied with trainings and delivery of services, as evidenced by satisfactory survey ratings	85%	94.41%	85%	85%
Output	Number of individuals trained on self-advocacy and disability-related issues	75	230	75	75

Executive Summary

The Miners' Hospital of New Mexico provides acute care, long-term care and related health services to the beneficiaries of the Miners' Trust Fund of New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	28,556.9	29,587.0	3.6
Program			
Miners' Hospital of New Mexico	28,556.9	29,587.0	3.6
Total Uses	28,556.9	29,587.0	3.6
FTE	225.00	225.00	0.0

- The Executive recommends a decrease of \$168.7 from the Miners' Trust Fund and an increase of \$1,367.5 in patient revenue.
- The increase of \$242.0 in the personal services and employee benefits category funds existing positions and incorporates a 7% vacancy factor.
- The contractual services category is increased by \$819.1 to support contracts for medical personnel.

Agency Mission and Program Purpose

The Miners' Hospital was created by Article XIV, Section 1, of the New Mexico Constitution. The Miners' Hospital receives revenue from the Miners' Trust Fund for care and treatment of eligible miners. The hospital is an income beneficiary of a portion of the Land Grant Permanent Fund, with earnings derived from trust lands assigned to the hospital by the Ferguson Act of 1898 and the New Mexico Enabling Act of 1910.

While the enabling legislation for the Miners' Hospital provides for the free treatment and care of resident miners of the State of New Mexico, the facility also exists as a small general hospital providing health care to non-miners. Revenues from Medicare, Medicaid, third-party payers and private patient payments also support the hospital. The hospital does not receive General Fund appropriations and all revenues are non-reverting.

The Miners' Hospital operates a 33-bed acute care hospital and a 47-bed extended-care facility. The majority of users of the acute care facility are non-miners, who bear the costs of their care through insurance or public support programs, such as Medicaid. Miners who have the ability to pay for their care are billed for services. Miners who meet certain eligibility criteria receive free care. The majority of extended care residents are former miners.

An outreach program uses a mobile van equipped to do chest x-rays, pulmonary function tests, and audiology tests exclusively for miners. Recent developments include the creation of a pulmonary rehabilitation program, which was created in response to a need identified through the Black Lung Clinical Program.

Statutory Authority: Sections 23-3-1 through 23-3-3 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

Miners' Hospital of New Mexico is the single acute care facility within the state's agencies and aims to support the Executive's performance and accountability policy, *A Healthy New Mexico* in the areas of ensuring health care access and increasing the health care workforce. It does this in four ways: provides for emerging needs of beneficiaries of the Miners' Trust and the people of the region, including access to acute and long-term care in Raton and screening and diagnostic services throughout New Mexico; provides financially responsible services and facilities; meets and exceeds customers' expectations; and develops and maintains quality staff devoted to meeting the above mentioned objectives.

In November 2007, the hospital completed its new acute care facility to replace the old hospital. The new hospital has the same bed capacity (33 beds) as the old hospital, but increases the available space to 75,000 square feet which enabled the agency to meet all federal and state regulatory requirements.

The hospital continues to face challenges recruiting and retaining qualified health care professionals. The agency is working with the State Personnel Office to develop strategies to address the issue.

The long-term care unit patient days have decreased from 11,588 in FY07 to 10,412 in FY08. The agency is actively recruiting patients throughout the state as part of the service provided at the outreach program.

Key Elements of Recommendation

Miners' Hospital is funded from interest earned on the Miners' Trust Fund and operating revenue from payments for care, Medicaid and other third party payments. Revenue in the Miners' Trust Fund continues to exceed expenditures from the fund. Income earned by the Miners' Trust Fund in FY08 was approximately \$6,737.8, while only \$5,250.5 was distributed from the fund for the treatment and care of miners. The Trust Fund balance as of June 30, 2008 was valued at \$110,320.9.

The Executive recommendation provides an increase of 3.6% over the FY09 operating level. The increase is supported by an increase of \$1,367.5 in revenue from patient care, reflects a decrease of \$168.7 in transfers from the Miners' Trust Fund and includes \$257.0 in federal funds.

The recommendation includes an increase of \$242.0 in the personal services and employee benefits category. The increase reflects an additional \$559.3 for employee salaries and benefits, which incorporates a 7% vacancy rate, and includes a decrease of \$317.3 in General Services Department insurance assessments for workers' compensation, unemployment and employee liability coverage.

Miners' Hospital uses contractual services to provide for specialized medical personnel. The Executive recommendation provides an increase of \$819.1 in contractual services to enable the hospital to maintain a qualified medical work force.

The other costs category reflects an increase of \$137.7 to provide for increased operational expenses including medical supplies as a result of enhanced services generated in the new facility and utilities cost to maintain the old facility.

Performance Report

Miners' Hospital met four of seventeen performance measure targets for FY08. The agency collected 14% more revenue in FY08 than estimated as part of the FY08 operating budget. The agency did not meet the measure for the percent of billed revenue collected, but was only 3% under the target level of 80%. The facility has worked to make enhancements in the billing department and have completed the implementation of an electronic billing system which should improve the collection of billed revenue.

The agency met its target for the number of discharges from the acute care facility, but did not meet target levels for the number of admissions to the acute care facility and the number of days at the acute care facility. The agency also did not meet its targets for the number of admissions to and the number of patient days at the long-term care facility. The facility is recruiting residents and long-term care clients statewide through the outreach program to address these shortfalls.

The agency did not meet the target for the number of outpatient visits, number of visits to the black lung clinic and number of surgeries performed. The facility has been successful in recruiting key specialized medical positions which should significantly enhance the service levels in the current fiscal year. The facility exceeded its goal for the number of specialty clinic visits as a result of its recruitment of medical specialists.

Recommended Language for the General Appropriation Act

The internal service funds/interagency transfers appropriation to the health care program of miners' hospital includes five million four hundred eighty-nine thousand three hundred dollars (\$5,489,300) from the miners' trust fund revenue.

Budget Summary Tables**Agency Budget Summary
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				Budget to Recommendation Dollar/FTE Change	Percent Change
SOURCES					
Other Transfers	11,988.3	11,316.0	10,978.6	-337.4	-3.0
Federal Revenues	255.2	257.0	257.0	0.0	0.0
Other Revenues	19,391.0	16,983.9	18,351.4	1,367.5	8.1
TOTAL SOURCES	31,634.5	28,556.9	29,587.0	1,030.1	3.6
USES					
Personal Services and Employee Benefits	12,497.5	12,694.6	12,936.6	242.0	1.9
Contractual Services	4,404.1	3,780.4	4,599.5	819.1	21.7
Other	6,456.3	6,423.9	6,561.6	137.7	2.1
Other Financing Uses	5,544.1	5,658.0	5,489.3	-168.7	-3.0
TOTAL USES	28,902.0	28,556.9	29,587.0	1,030.1	3.6
FTE					
Permanent	211.50	211.50	211.50	0.00	0.0
Term	13.50	13.50	13.50	0.00	0.0
TOTAL FTE POSITIONS	225.00	225.00	225.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Miners' Hospital of New Mexico					
To provide quality acute care, long-term care, and related health services to the beneficiaries of the Miners' Trust Fund of New Mexico and the people of the region so they can maintain optimal health and quality of life.					
Outcome	Percent of billed revenue collected	80%	77%	80%	80%
Output	Number of admissions to the acute care facility	1,600	1,528	1,600	1,600
Output	Number of discharges from the acute care facility	1,500	1,525	1,500	1,500
Output	Number of visits to the black lung clinic	120	89	110	110
Output	Number of patient days at the long-term care facility	11,000	10,412	11,000	11,000
Output	Number of admissions to the long-term care facility	35	32	35	35
Output	Number of visits to the outreach clinic	450	216	450	450
Output	Number of specialty clinic visits	900	978	900	900
Output	Number of surgeries performed	750	591	750	750
Outcome	Percent of budgeted revenue collected	100%	114%	100%	100%
Outcome	Infection rates following treatment per 1,000 patient days	<2.0%	2.53%	<2.0%	<2.0%
Outcome	Average patient length of stay, in days, for the acute care facility	4	3.3	3	3
Outcome	Patient fall rates per 1,000 patient days	0.5%	0.63%	0.5%	0.5%
Output	Number of outpatient visits	15,840	13,206	15,840	15,840
Output	Number of outreach clinics conducted	24	20	18	18
Output	Number of emergency room visits	5,250	5,323	5,250	5,250
Output	Number of patient days at the acute care facility	6,900	4,979	6,900	6,900

Executive Summary

The Department of Health (DOH) works to promote public health and sound health policy, prevent disease and disability, improve health service delivery systems and ensure that essential public health functions and safety-net services are available to New Mexicans.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	301,712.3	304,022.9	0.8
Total Sources	573,933.0	558,020.0	-2.8
Program			
Administration	19,961.1	17,935.4	-10.1
Public Health	206,959.0	205,182.4	-0.9
Epidemiology and Response	29,177.7	27,593.3	-5.4
Laboratory Services	12,221.8	10,940.1	-10.5
Facilities Management	156,347.1	147,416.0	-5.7
Developmentally Disabilities Support	134,059.7	133,909.7	-0.1
Health Certification Licensing and Oversight	15,206.6	15,043.1	-1.1
Total Uses	573,933.0	558,020.0	-2.8
FTE	4,157.00	4,212.00	1.3

- The Executive recommendation provides a base General Fund decrease of \$1,042.3 below the FY09 operating level and incorporates an overall vacancy factor of 7.7%.
- The Executive recommendation includes \$3,352.9 from the General Fund for three expansions under the Facilities Management Program: \$1,752.7 for the Forensic Treatment Unit, \$870.3 for the Los Lunas Community Program, and \$729.9 for the Fort Bayard Medical Center.

Agency Mission and Program Purpose

The Department of Health (DOH) was created and is governed by Sections 9-1-7 through 9-7-15 NMSA 1978 to serve the citizens of New Mexico. DOH provides health services to ensure the health of the public; address the needs of individuals who are unable to receive services from other sources; and encourage sound public health policy and service delivery systems. The department operates and staffs public health clinics in New Mexico; operates prevention and education programs; operates the state mental hospital and state nursing homes; and manages community-based programs for the developmentally disabled.

Statutory Authority: Sections 9-1-7 through 9-7-15 NMSA 1978.

Administration

Administration provides leadership, policy development, information technology, administrative and legal support to the Department of Health so it achieves a high level of accountability and excellence in services provided to the people of New Mexico.

Public Health

The Public Health Program provides a coordinated system of community-based public health services focusing on disease prevention and health promotion in order to improve health status, reduce health disparities, and ensure timely access to high-quality, culturally competent health care.

Epidemiology and Response

The Epidemiology and Response Program monitors health, provides health information, prevents disease and injury, promotes health and healthy behaviors, responds to public health events, prepares for health emergencies and provides emergency medical and vital registration services to New Mexicans.

Laboratory Services

The Laboratory Services Program provides laboratory analysis and science policy for tax-supported public health, environmental, and toxicology programs in New Mexico in order to provide timely identification of threats to the health of New Mexicans.

Facilities Management

The Facilities Management Program provides oversight for DOH facilities administering health-care services, including mental health, substance abuse, nursing home, and rehabilitation programs in both facility and community-based settings, and serves as the safety net for the citizens of New Mexico.

Developmental Disabilities Support

The Developmental Disabilities Support Program administers a statewide system of community-based services to improve the quality of life and increase the independence and interdependence of individuals with developmental disabilities, children with or at risk for developmental delay or disability, and their families.

Health Certification Licensing and Oversight

The Health Certification, Licensing and Oversight Program provides health facility licensing and certification surveys, community-based oversight and contract compliance surveys, and a statewide incident management system so that people in New Mexico have access to quality health care and so that vulnerable populations are safe from abuse, neglect and exploitation.

Executive Recommendation*Agency Strategic Directions*

The Department of Health (DOH) continues to work to attain the goals of the Executive's performance and accountability policy, *A Healthy New Mexico*, and to improve the health of New Mexicans. Under the leadership of Governor Richardson, DOH achieved a number of improvements to the health outcomes of New Mexicans in FY08 through partnerships with public agencies, private organizations and concerned citizens. DOH is focused on increasing childhood immunizations, decreasing teen pregnancy, decreasing the transmission of infectious diseases (including HIV/AIDS, hepatitis C, and sexually transmitted diseases), decreasing obesity; and decreasing youth suicide.

One of DOH's primary strategies for improving the health outcomes of New Mexico's youth is to make services available at school-based health centers (SBHCs). SBHCs provide increased access to health care for school-aged children including behavioral health and medical services and screenings for immunizations. School-based health centers also educate students on the risks of unprotected sexual activity, sexually transmitted diseases, substance abuse, depression and risk of suicide, diabetes, obesity and other chronic conditions. By the end of FY08, DOH, in partnership with organizations such as the New Mexico Community Foundation and the New Mexico Alliance of School-based Health Care, increased the number of SBHCs and the array of services offered at each center. Currently, there are 84 school-based health centers in New Mexico. DOH exceeded its goal of operating 68 SBHCs, and is now working to create quality standards and to enhance services through the use of telehealth technology.

DOH continues to focus on increasing childhood immunization rates, and is working to raise public awareness, provide education on the value of early vaccinations and establish partnerships with private vaccination providers. DOH continued the "Got Tots, Get Shots" campaign using a mobile van to conduct outreach in 16 locations with low rates of immunization. As part of the New Mexico Immunization Coalition, DOH held quarterly events at which 9,505 immunizations were provided to 4,087 children. DOH also worked with local providers to organize on-site clinics at non-traditional events such as Snow Day Movie Mania in Las Cruces, which offered free admission for those able to produce their children's immunization records.

Another goal is to improve the collection of statewide immunization data through the New Mexico Statewide Immunization Information System (NMSIIS). The Human Services Department (HSD) and DOH implemented NMSIIS in December 2005. In FY08, DOH trained 382 organizations to use the system. In addition, DOH is working with HSD and the Children, Youth and Families Department to establish immunization performance standards for providers receiving state funding that offer medical and child care.

DOH firmly believes that the cycle of pregnancy and the spread of sexually transmitted diseases among youth can be interrupted through educational efforts, including communication with parents. DOH utilizes programs such as "Plain Talk", which seeks to increase the accuracy and frequency of adult/teen communication about sexual issues. In addition, DOH teamed up with the New Mexico Community Foundation to train more facilitators for the Teen Outreach Program (TOP) in order to expand its youth development and preventive activities, and reduce unintended and second births to teenagers. TOP was particularly focused on counties with high teen birth rates.

Decreasing the transmission of infectious diseases and expanding services to people with infectious diseases continue to be a DOH priority. The department maintains its focus on decreasing the number of HIV/AIDS, hepatitis C, and sexually transmitted diseases (STDs) cases (specifically syphilis, gonorrhea and chlamydia). The 21,541 interventions provided in FY08 targeted high-risk groups with prevention, education and treatment services. In addition, DOH works to increase local public health offices' ability to offer syringe exchange and other harm reduction services. DOH's strategies for decreasing STDs include screening, counseling, testing case identification, management and partner notification.

DOH strives to reduce obesity by promoting healthy lifestyles, physical activity and good nutrition. The “Healthy Kids Initiative” was piloted in Las Cruces in FY09. This obesity prevention project is a public-private partnership that connects and enhances community efforts to motivate children, teenagers, and families to eat healthier and be more physically active. In addition, the Women, Infant and Children (WIC) program works with families to reduce obesity by educating clients on weight management skills, aligning WIC food packages with the Dietary Guidelines for Americans and providing motivational trainings. As a result of their efforts in FY08, 85% of WIC participants age two through five are not overweight.

DOH spends approximately \$500,000 of state funding each year to prevent suicides in New Mexico. The department funds the New Mexico Statewide Intervention Project and the New Mexico Suicide Prevention Coalition, which provide peer-to-peer programs, youth training on suicide awareness, and crisis intervention for students and families who have experienced suicide. The department-funded crisis line doubled the number of callers served to 15,788 in FY08.

In support of the state’s campaign against driving while intoxicated (DWI), DOH’s Scientific Laboratory Division (SLD) worked to improve the turnaround time for analyzing blood alcohol tests. In FY08, SLD increased the percent of blood alcohol content tests analyzed and reported within seven business days, and exceeded its FY08 target for the number of laboratory tests performed per year by 21%. SLD was the first laboratory in the country to identify a cluster of Salmonella St. Paul cases, leading to the recognition of the national outbreak.

DOH works to protect and support vulnerable populations by improving the services provided in its facilities and through community-based providers. The department enforces a "zero tolerance" policy of abuse, neglect and exploitation of seniors, vulnerable adults and persons with disabilities at all long-term care facilities and community-based providers. In FY08, DOH actions resulted in the revocation of licenses and receiverships, and the closure of facilities that failed to meet compliance standards; affected residents were relocated to safe facilities. The department will continue to ensure the support and protection of vulnerable populations by increasing surveys and background checks, and conducting investigations.

The department’s strategic plan addresses other priorities including increasing access to health care in rural and underserved areas through telehealth, the trauma care system, ensuring preparedness for a health emergency and reducing health disparities. With the continued support of the governor and the Legislature, the department will be poised to achieve improvements in all high priority areas.

Key Elements of Recommendation

Administration. Total base revenue for the Administration Program is recommended to decrease by \$2,025.7. The Executive recommendation decreases General Fund by \$1,850.9 below the FY09 operating budget level primarily due to a reduction in the Trauma Fund. An anticipated increase of \$385.1 in other transfers reflects a growth in Medicaid Title XIX funding. The Executive proposes a 10% or \$586.4 decrease in the federal allowance for indirect costs. Other revenue is expected to increase by \$26.5, which represents the reimbursement for photo printing from the Department of Environment.

The Executive base recommendation applies a 6.0% vacancy rate and provides an additional \$586.6 for personal services and employee benefits. The overall recommended reduction of \$494.6 in the contractual services category is a result of decreases in professional service contracts for miscellaneous information technology services and contracts with border health entities focused on communicable infectious disease issues under the Border Health Chihuahua grant. The Executive recommends a decrease of \$2,117.7 in the other costs category attributed to reductions in grants to organizations, General Services Department and Department of Information Technology rates, travel and communications costs.

Public Health. The Executive provides a total base budget decrease of 0.9% or \$1,776.6 below the FY09 operating level. General Fund is recommended to decrease by \$4,192.8. Other transfers are recommended to decrease by \$5,215.7 primarily due to the proper classification of revenue as other revenue. Federal revenue is expected to increase by \$3,100.8 as a result of a growth in projected revenue for the Women Infant Children (WIC) Program grant. The Executive supports an increase of \$4,531.1 in other revenue for the technical correction of revenue historically designated as a transfer.

The Executive recommendation supports an increase of \$619.0 in personal services and employee benefits to assist in the recruitment and retention of direct public health service providers, and applies a 10.7% vacancy rate. Contractual costs are recommended to decrease by \$11,538.4 due to reductions in contracts for substance abuse prevention, abstinence education, children's oral health care and sexually transmitted disease (STD) screening in long-haul truck drivers. Included in the recommended reduction is a transfer from contracts to care and support, allowing flexibility for the payment of provider agreements. The other costs category includes an increase of \$9,529.6, a majority of which is due to the shift of expenditures from contracts to care and support, increases for food and printing under the Women Infant Children (WIC) program, and pharmaceutical drugs including the adult influenza vaccines. The Executive recommendation provides for a decrease of \$386.8 in other financing uses attributable to the expiration of a joint powers agreement (JPA) with the Human Services Department based on the Medicaid percentage for the payment of a consultant firm.

Epidemiology and Response. The Executive recommendation provides a total revenue decrease of 5.4%. The FY09 General Fund base operating budget is decreased by \$607.8. A recommended decrease of \$369.2 in other transfers is attributed to a \$90.0 reduction in a transfer from the Human Services Department for substance abuse, the elimination of \$70.0 in funding for the behavioral risk factor survey, and a \$149.3 shift to other revenue for crash outcome data services. Federal revenue is recommended to decrease by \$1,016.5 due to diminished funding available under the Bioterrorism Grant. Other revenue is recommended to increase by \$409.1 for crash outcome data services and substance abuse services.

The Executive recommendation applies a 9.2% vacancy rate and increases personal services and employee benefits by \$626.8. A decrease of \$1,587.1 in the contractual services category is recommended to reflect decreases in federal funding due to the completion of the development and implementation of the Medical Emergency Management System (MEMS). The recommendation reflects the costs of operating and maintaining the system. The other costs category is recommended to decrease by \$624.1 below the FY09 operating level as a result of miscellaneous reductions in travel, supplies and equipment.

Laboratory Services. The Executive recommendation decreases the total budget for the scientific laboratory by \$1,281.7. General Fund is recommended to decrease by \$352.7 below the FY09 operating level. The Executive recommends a reduction in federal revenue in the amount of \$699.6 related to the loss of federal funding from the Bio-monitoring Grant. The Executive also recommends a decrease in other revenues of \$229.4, primarily attributable to the loss of revenue from chlamydia testing.

The Executive recommends an increase of \$364.7 in personal services and employee benefits with a 6.1% vacancy rate. The contractual services category is maintained at the FY09 operating level. Other costs are projected to decrease by \$1,646.4 reflecting the alignment of expenditures with FY08 actual expenditures and reductions in miscellaneous operating costs.

Facilities Management. The Executive recommendation supports a total budget decrease of 5.7%. This recommendation provides for a base increase of \$10,038.9 from the General Fund to support General Services Department and Department of Information Technology rate increases as well as miscellaneous fixed costs associated with the operation of 24-hour facilities. Other transfers are recommended to decrease by \$52,939.9. This decrease is partially due to revenue from Value Options for behavioral health services that was predicted but did not materialize in FY09. The remaining difference in other transfers and the decrease of \$3,375.7 in federal funds are directly offset by an increase in other revenue to accurately reflect the proper revenue classification.

Based on current salary levels and historical vacancy rates, the Executive recommends a 6.9% vacancy rate and an increase in General Fund for personal services and employee benefits by \$9,482.4. The Executive recommends an \$18,703.0 decrease in the contractual services category below FY09 operating levels. The reduction accounts for the value of a contract with Value Options for behavioral health services that was not negotiated for FY10. The other costs category is recommended to decrease by \$306.6. The recommended budget in the other category is comparable with FY08 actual expenditures.

The Executive recommendation includes an additional \$1,752.7 from the General Fund and 21 FTE to expand the service delivery level for defendants referred to the Forensic Treatment Unit by the District Courts. The Forensic Treatment Unit provides inpatient psychiatric treatment, medical evaluation and treatment, nursing, and other care services such as social work, psychosocial rehabilitative services and physical therapy.

An expansion of \$870.3 from the General Fund is recommended to support 25 additional FTE for the Los Lunas Community Program (LLCP). This program experienced a significant increase in its census over the past year. LLCP provides services to individuals that are dually diagnosed with developmental disabilities and mental illness.

The Executive recommendation includes an expansion of nine FTE and \$729.9 from the General Fund in order to adequately provide administrative and management support at the Fort Bayard Medical Center.

Developmental Disabilities Support. The Executive recommendation maintains the Developmental Disabilities Support Program at the FY09 operating level with the exception of a \$150.0 General Fund transfer to Facilities Management for the Los Lunas Community Program (LLCP). In FY09,

LLCP was transferred from the Developmental Disabilities Support Program to the Facilities Management Program. The transfer of General Fund is part of the final clean-up resulting from the reorganization.

The Executive recommends a 2.9% vacancy rate and an increase of \$250.0 in personal services and employee benefits, while contractual services are maintained at the FY09 operating level. The other costs category is recommended to increase by \$400.0 primarily due to court-ordered plaintiff attorney fees related to the Jackson lawsuit and travel costs for direct patient care consistent with FY08 actual costs. The Executive recommends a decrease of \$800.0 below the FY09 operating level. The reduction represents a realignment of budget to reflect actual expenditures incurred for direct services provided to clients.

Health Licensing, Certification and Oversight. The Executive recommendation provides for a base budget decrease of 1.1%. General Fund is recommended to decrease by \$574.1 below the FY09 operating level. Revenue from other transfers reflects a \$309.8 increase related to Title XIX Medicaid Administrative and Quality Oversight. Base funding reflects an increase of \$75.8 in federal revenue from Title XVIII Medicaid Survey and Certification. A proposed increase of \$25.0 in other revenue is supported by caregiver criminal screening revenue and licensing fees.

The Executive recommendation applies a 6.3% vacancy factor and decreases personal services and employee benefits by \$463.3. A decrease of \$94.6 in the contractual services category accounts for a reduction for information technology contracts. The proposed increase of \$394.4 in other costs is provided for increased travel expenditures for licensing and certification, fingerprint card processing in order to generate criminal history records, and General Services Department and Department of Information Technology rate increases.

Performance Report

In FY08, the Department of Health reported on 53 measures in its annual performance report. This condensed set of measures closely reflected the mission of the agency and its program areas, and motivated the agency to achieve very ambitious targets. Of the 53 measures in the report, the Department of Health met the targets for 21 of its measures.

Administration. The Administration Program exceeded its target for the percent of capital project funds expended. The target of 16% was exceeded by 28% for a final FY08 result of 44%. This result shows the department's increased effort, in conjunction with the General Services Department, to break ground on the new Tri-services Laboratory; to develop construction documents for the New Mexico Rehabilitation Center and Behavioral Health Institute Nursing Home Projects, to re-roof several residential lodges, and complete an erosion control project at Sequoyah Adolescent Treatment Center.

Areas requiring further attention include improving the data collection and reporting related to the telehealth measures and improving the percent of payment vouchers paid within 30 days. The targets for the telehealth measures were not met largely due to a lack of shared terminology and reporting procedures by the multiple agencies and programs contributing data to these measures. The Division of Policy and Performance, working with the Telehealth Alliance and the Telehealth Commission, established a work group to standardize terms and telehealth reporting. As a result of

this work group, more accurate data will be evident in FY09. To obtain data for the measure on payment vouchers, a sampling methodology was used with manual entry of key elements into a spreadsheet. As part of the process, a lag between the date stated on the invoice and the reception of the invoice was revealed. General Accounting and the Division of Policy and Performance are developing a process to account for this lag.

Public Health. The Public Health Program reported on 23 measures in FY08. Public Health met or exceeded targets related to preventing HIV/AIDS, school-based health centers, calls to crisis lines, the provision of family planning services to adolescents, and the percent of preschoolers that are fully immunized.

Although the target for teen births (34.0 per 1,000) was not reached in FY08, preliminary results of 34.4 per 1,000 were close and New Mexico's long-term rate is moving in a positive direction. The department's Family Planning Program continues to reduce teen births by increasing the number of easily accessible provider sites. In FY08, the program provided services at six additional School Based Health Centers, worked with the New Mexico Teen Pregnancy Coalition to identify strategies to reduce teen pregnancy, and joined the New Mexico Integrated Services in Schools Initiative in supporting positive youth development by implementing the Teen Outreach Program at eight sites.

Data processes for syphilis and gonorrhea measures are being improved. The department's Infectious Disease Bureau's low performance measures are not a reflection of the program's accomplishments but are a symptom of a poor data system. Efforts are underway to conduct site visits and provide trainings at the regional level to improve the quality of data collected. The creation of a new data entry position will reduce data entry delays and the Centers for Disease Control and Prevention has assigned an experienced employee to identify additional opportunities to improve the management of the data system.

Epidemiology and Response. In FY08, the Epidemiology and Response Program (ERD) greatly exceeded its targets for three measures: two relating to pandemic influenza preparedness (percent of New Mexico counties with pandemic influenza plans that integrate with the state plan and number of pandemic influenza plan exercises statewide) and one related to customer service/efficiency (the percent of birth certificates searched for within seven days). The major challenge for this continues to relate to the trauma system, the number of designated trauma centers and the number of hospitals reporting data in the state trauma registry. The designation process is lengthy and generally takes one to two years for a community hospital to accomplish. DOH provided technical assistance to several hospitals during FY08 and expects to meet the FY09 target for trauma centers. Staff turnover and the cost to the hospitals participating in the trauma registry led to a decline in the number of hospitals reporting data. ERD staff continues to solicit participation and provide technical support and training.

Laboratory Services. The Scientific Laboratory Division met the target for two of its three measures. It exceeded the target for the number of laboratory tests performed per year, and met the target for percent of public health threat samples analyzed within specified turnaround times. Even though the Scientific Laboratory Division did not reach its 85% target for DWI blood alcohol test turnaround time it has shown a dramatic improvement, increasing from 27% in FY06 to 78% for FY08. One of the major obstacles to meeting the target was the breakdown of equipment, which resulted in no testing of DWI samples for three consecutive weeks.

Facilities Management. Two very different types of facilities exceeded their rehabilitation goals. New Mexico Rehabilitation Center exceeded its target for the percent of clients continuing to demonstrate improvement in medical rehabilitation post-discharge by 17%, and none of the clients discharged from Sequoyah Adolescent Treatment Center relapsed upon follow-up. The Facilities met all but two of its targets for FY08, one of which is to have a zero rate of substantiated cases of abuse, neglect and exploitation in agency-operated long-term care programs. Even with an average result of 0.12 per 100, the program continues to work towards eliminating abuse, neglect and exploitation through increased training and careful monitoring of trends and patterns. The other unmet target, the percent of low risk residents at New Mexico Behavioral Health Institute's long-term care program who have pressure sores, had a result of 1.95%. The target is less than one-half of one percent and one case can cause the facility to not meet its target.

Developmental Disabilities Support. The Developmental Disabilities Support (DDSD) Program met the target for two of its seven measures: percent of infants and toddlers in the Family Infant Toddler Program who make progress in their development, and the percent of developmental disabilities waiver applicants who have a service plan within 90 days of eligibility determination. Of 112 individuals, 109 service plans were completed within 90 days of establishing eligibility. Only three individuals needed more than 90 days.

The program did not meet the target for: the percent of developmental disabilities waiver applicants determined to be both income eligible and clinically eligible within 90 days of allocation; percent of individuals participating in the developmental disabilities community service program who reported that services helped them maintain or increase independence; and the percent of Jackson requirements from the plan of action and appendix A to the joint stipulation completed. To address the need for improved performance, the following programmatic changes have been made: DDSD staff will follow up at the 60-day mark with both the case manager and family to encourage completion of the eligibility process within 90 days of allocation; training sessions will be provided for potential waiver applicants; better information and support will be provided to people receiving services; DDSD will enlist the assistance of national consultants, staff will track all Jackson activities and work with a court appointed 706 expert to facilitate court hearings. Results for the measure of the percent of adults receiving developmental disabilities day services who are engaged in community-integrated employment are still pending because the data is reported one quarter late. The program is awaiting survey results for the measure on the percent of families who report an increased capacity to address their child's developmental needs as an outcome of receiving early intervention services.

Health Licensing, Certification and Oversight. The Health Licensing, Certification and Oversight Program met or exceeded its targets for the three measures related to eliminating abuse and neglect: the number of applicants screened for caregiver criminal history check; the number of providers that received a quality management review as a result of disproportionate substantiated findings of abuse, neglect and exploitation; and the number of developmental disabilities providers receiving an unannounced survey. The target for the number of regulatory compliance surveys conducted for licensed facilities was set for both licensed and certified facilities. In order to better meet the target for surveying licensed facilities in FY08, the program created a team specializing in surveying facilities that are licensed (but not certified) and have lacked adequate oversight in the past.

Recommended Language for the General Appropriation Act

Any unexpended balances in the public health program of the department of health in the contractual services category from appropriations made from the county-supported Medicaid fund for the support of primary health care services related to the Rural Primary Health Care Act remaining at the end of fiscal year 2010 shall not revert.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	288,260.4	301,712.3	304,022.9	2,310.6	0.8
Other Transfers	80,136.1	93,221.8	35,391.9	-57,829.9	-62.0
Federal Revenues	93,488.2	102,956.1	100,454.5	-2,501.6	-2.4
Other Revenues	63,214.3	76,042.8	118,150.7	42,107.9	55.4
Fund Balance	1,147.9	0.0	0.0	0.0	***
TOTAL SOURCES	526,246.9	573,933.0	558,020.0	-15,913.0	-2.8
USES					
Personal Services and Employee Benefits	208,059.3	211,867.7	223,333.9	11,466.2	5.4
Contractual Services	91,483.2	125,802.7	93,515.9	-32,286.8	-25.7
Other	147,391.5	148,260.9	154,355.3	6,094.4	4.1
Other Financing Uses	78,723.1	88,001.7	86,814.9	-1,186.8	-1.3
TOTAL USES	525,657.1	573,933.0	558,020.0	-15,913.0	-2.8
FTE					
Permanent	2,545.50	3,077.50	3,132.50	55.00	1.8
Term	1,520.00	1,049.50	1,049.50	0.00	0.0
Temporary	31.00	30.00	30.00	0.00	0.0
TOTAL FTE POSITIONS	4,096.50	4,157.00	4,212.00	55.00	1.3

Administration (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	13,231.5	13,458.1	11,607.2	-1,850.9	-13.8
Other Transfers	815.1	770.7	1,155.8	385.1	50.0
Federal Revenues	5,356.7	5,388.8	4,802.4	-586.4	-10.9
Other Revenues	654.4	343.5	370.0	26.5	7.7
TOTAL SOURCES	20,057.7	19,961.1	17,935.4	-2,025.7	-10.1
USES					
Personal Services and Employee Benefits	10,779.7	10,993.5	11,580.1	586.6	5.3
Contractual Services	2,185.1	1,449.1	954.5	-494.6	-34.1
Other	7,002.8	7,518.5	5,400.8	-2,117.7	-28.2
Other Financing Uses	16.8	0.0	0.0	0.0	***
TOTAL USES	19,984.4	19,961.1	17,935.4	-2,025.7	-10.1

Administration
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent</u> <u>Change</u>
FTE					
Permanent	136.00	154.00	154.00	0.00	0.0
Term	20.00	3.00	3.00	0.00	0.0
Temporary	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	157.00	158.00	158.00	0.00	0.0

Public Health
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	81,638.9	86,051.8	81,859.0	-4,192.8	-4.9
Other Transfers	20,589.8	25,862.1	20,646.4	-5,215.7	-20.2
Federal Revenues	61,575.8	71,918.3	75,019.1	3,100.8	4.3
Other Revenues	33,627.1	23,126.8	27,657.9	4,531.1	19.6
TOTAL SOURCES	197,431.6	206,959.0	205,182.4	-1,776.6	-0.9
USES					
Personal Services and Employee Benefits	53,524.3	54,961.0	55,580.0	619.0	1.1
Contractual Services	56,501.9	66,491.6	54,953.2	-11,538.4	-17.4
Other	86,039.9	84,519.6	94,049.2	9,529.6	11.3
Other Financing Uses	888.2	986.8	600.0	-386.8	-39.2
TOTAL USES	196,954.3	206,959.0	205,182.4	-1,776.6	-0.9
FTE					
Permanent	372.50	382.50	382.50	0.00	0.0
Term	628.50	638.50	638.50	0.00	0.0
Temporary	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	1,002.00	1,022.00	1,022.00	0.00	0.0

Epidemiology and Response
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	11,261.9	12,216.7	11,608.9	-607.8	-5.0
Other Transfers	160.0	680.9	311.7	-369.2	-54.2
Federal Revenues	16,018.4	15,679.6	14,663.1	-1,016.5	-6.5
Other Revenues	758.6	600.5	1,009.6	409.1	68.1
TOTAL SOURCES	28,198.9	29,177.7	27,593.3	-1,584.4	-5.4
USES					
Personal Services and Employee Benefits	11,599.1	12,954.8	13,581.6	626.8	4.8
Contractual Services	7,009.0	9,008.6	7,421.5	-1,587.1	-17.6
Other	9,031.7	7,214.3	6,590.2	-624.1	-8.7
TOTAL USES	27,639.8	29,177.7	27,593.3	-1,584.4	-5.4
FTE					
Permanent	54.00	58.00	58.00	0.00	0.0
Term	139.00	155.00	155.00	0.00	0.0
TOTAL FTE POSITIONS	193.00	213.00	213.00	0.00	0.0

		Laboratory Services (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	6,417.9	7,054.3	6,701.6	-352.7	-5.0
	Federal Revenues	2,068.4	2,439.6	1,740.0	-699.6	-28.7
	Other Revenues	2,884.9	2,727.9	2,498.5	-229.4	-8.4
	TOTAL SOURCES	11,371.2	12,221.8	10,940.1	-1,281.7	-10.5
USES						
	Personal Services and Employee Benefits	7,599.6	7,541.9	7,906.6	364.7	4.8
	Contractual Services	465.7	424.8	424.8	0.0	0.0
	Other	3,300.9	4,255.1	2,608.7	-1,646.4	-38.7
	TOTAL USES	11,366.2	12,221.8	10,940.1	-1,281.7	-10.5
FTE						
	Permanent	79.00	84.00	84.00	0.00	0.0
	Term	53.00	50.00	50.00	0.00	0.0
	TOTAL FTE POSITIONS	132.00	134.00	134.00	0.00	0.0

		Facilities Management (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	47,479.6	53,883.5	63,922.4	10,038.9	18.6
	Other Transfers	37,898.8	53,655.9	716.0	-52,939.9	-98.7
	Federal Revenues	3,953.9	3,375.7	0.0	-3,375.7	-100.0
	Other Revenues	19,887.5	45,432.0	82,777.6	37,345.6	82.2
	TOTAL SOURCES	109,219.8	156,347.1	147,416.0	-8,931.1	-5.7
USES						
	Personal Services and Employee Benefits	87,895.4	103,749.8	113,232.2	9,482.4	9.1
	Contractual Services	9,622.2	30,238.8	11,666.7	-18,572.1	-61.4
	Other	15,977.2	22,358.5	22,517.1	158.6	0.7
	TOTAL USES	113,494.8	156,347.1	147,416.0	-8,931.1	-5.7
FTE						
	Permanent	1,776.00	2,272.00	2,327.00	55.00	2.4
	Term	479.50	0.00	0.00	0.00	***
	Temporary	28.00	27.00	27.00	0.00	0.0
	TOTAL FTE POSITIONS	2,283.50	2,299.00	2,354.00	55.00	2.4

Developmental Disabilities Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	Percent Change
SOURCES					
General Fund Transfers	122,136.9	122,988.3	122,838.3	-150.0	-0.1
Other Transfers	16,081.8	7,299.7	7,299.7	0.0	0.0
Federal Revenues	2,707.2	2,571.7	2,571.7	0.0	0.0
Other Revenues	2,933.7	1,200.0	1,200.0	0.0	0.0
TOTAL SOURCES	143,859.6	134,059.7	133,909.7	-150.0	-0.1
USES					
Personal Services and Employee Benefits	25,686.2	9,972.2	10,222.2	250.0	2.5
Contractual Services	14,432.0	17,526.4	17,526.4	0.0	0.0
Other	22,202.7	19,546.2	19,946.2	400.0	2.0
Other Financing Uses	77,818.1	87,014.9	86,214.9	-800.0	-0.9
TOTAL USES	140,139.0	134,059.7	133,909.7	-150.0	-0.1
FTE					
Permanent	71.00	72.00	72.00	0.00	0.0
Term	77.00	80.00	80.00	0.00	0.0
Temporary	1.00	1.00	1.00	0.00	0.0
TOTAL FTE POSITIONS	149.00	153.00	153.00	0.00	0.0

Health Certification Licensing and Oversight
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar Change	Percent Change
SOURCES					
General Fund Transfers	6,093.7	6,059.6	5,485.5	-574.1	-9.5
Other Transfers	4,590.6	4,952.5	5,262.3	309.8	6.3
Federal Revenues	1,807.8	1,582.4	1,658.2	75.8	4.8
Other Revenues	2,468.1	2,612.1	2,637.1	25.0	1.0
Fund Balance	1,147.9	0.0	0.0	0.0	***
TOTAL SOURCES	16,108.1	15,206.6	15,043.1	-163.5	-1.1
USES					
Personal Services and Employee Benefits	10,975.0	11,694.5	11,231.2	-463.3	-4.0
Contractual Services	1,267.3	663.4	568.8	-94.6	-14.3
Other	3,836.3	2,848.7	3,243.1	394.4	13.8
TOTAL USES	16,078.6	15,206.6	15,043.1	-163.5	-1.1
FTE					
Permanent	57.00	55.00	55.00	0.00	0.0
Term	123.00	123.00	123.00	0.00	0.0
TOTAL FTE POSITIONS	180.00	178.00	178.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Administration					
The purpose of the Administration program is to provide leadership, policy development, information technology, administrative and legal support to the Department of Health so it achieves a high level of accountability and excellence in services provided to the people of New Mexico.					
Output	Percent of capital project funds expended over a five-year period	16%	44%	20%	11%
Efficiency	Percent of payment vouchers paid within thirty days of acceptance of goods and services	85%	54.6%	87%	70%
Outcome	Number of community health improvement councils that address health disparities in their plan	38	37	38	38
Output	Number of telehealth sites throughout the state used for patient services	120	66	120	90
Output	Number of patient encounters provided through telehealth sites statewide	11,000	3,779	12,000	4,000
Public Health					
The purpose of the Public Health program is to provide a coordinated system of community-based public health services focusing on disease prevention and health promotion in order to improve health status, reduce disparities, and ensure timely access to quality, cultural competent, health care.					
Output	Percent of preschoolers fully immunized	76%	78.4%	90%	82%
Output	Annual number of births registered at vital records for females age fifteen to seventeen	1,542	1,414	1,400	1,515
Outcome	National ranking of New Mexico teen birth rate per one thousand girls age fifteen to seventeen	48th	50th	40th	48th
Outcome	Percent of women, infants and children program participants ages two to five who are not overweight	88%	83.77%	92%	85%
Output	Number of students receiving behavioral health services in school-based health centers	Est Baseline	NA	12,000	4,000
Outcome	Percent of adults who use tobacco	19.7%	20.8%	19.4%	19.2%
Output	Number of visits to agency-funded school-based health centers	35,500	40,234	42,000	43,500
Output	Unduplicated number of teens ages fifteen to seventeen receiving family planning services in agency-funded family planning clinics	7,100	8,411	7,400	7,200
Output	Number of HIV/AIDS prevention interventions	9,000	21,541	10,000	18,000
Output	Number of hepatitis c clients enrolled in a disease management service through the extension for community health outcomes project	3,000	2,446	3,250	3,350
Output	Number of operating school-based health centers	68	84	68	84
Output	Number of youth served at school-based health centers	19,000	18,809	20,000	20,000
Output	Number of calls to the agency-funded crisis line	7,250	15,788	8,000	20,000
Output	Number of providers utilizing the statewide immunization registry	300	309	375	356
Outcome	National ranking of New Mexico children who are fully immunized	36th	40th	25th	30th
Explanatory	Number of packs of cigarettes sold per New Mexican	33.6 packs	09/08	30 packs	28
Output	Number of partners of syphilis cases who are identified and treated	195	92		
Output	Number of new enrollees in syringe exchange programs	2,500	724	3,500	1,100
Output	Percent of partners of individuals with syphilis who are identified and treated	73%	74.8%	80%	78%
Output	Percent of partners of individuals with gonorrhea who are identified and treated	73%	90.9%	80%	82%
Output	Number of partners of gonorrhea cases who are identified and treated	1,550	598		
Output	Number of visits to school-based health centers	35,500	40,234	36,000	43,500

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Epidemiology and Response					
The Epidemiology and Response Program monitors health, provides health information, prevents disease and injury, promotes health and healthy behaviors, responds to public health events, prepares for health emergencies and provides emergency medical and vital registration services to New Mexicans.					
Efficiency	Percent of birth certificates issued or searched for within seven days of receipt of an approved birth search application and fee	98%	97.8%	98%	98%
Output	Number of designated trauma centers in the state	7	6	9	9
Output	Number of health emergency exercises conducted to assess and improve local capability	70	77	80	85
Output	Number of hospitals reporting data in the state trauma registry	24	15	25	20
Outcome	Percent of New Mexico counties with pandemic influenza plans that integrate with the state plan	80%	93.9%		

Laboratory Services					
The purpose of the Laboratory Services program is to provide laboratory analysis and scientific expertise for policy development for tax-supported public health, environment and toxicology programs in the State of New Mexico in order to provide timely identification of threats to the health of New Mexicans.					
Outcome	Percent of public health threat samples for communicable diseases and other threatening illnesses that are analyzed within specified turnaround times	98%	98%	98%	98%
Efficiency	Percent of blood alcohol tests from driving-while-intoxicated cases analyzed and reported within seven business days	85%	78%	90%	90%
Output	Number of laboratory tests performed each year	340,000	412,405	340,000	340,000

Facilities Management					
The purpose of the Facilities Management program is to provide oversight for DOH facilities that provide health and behavioral health care services, including mental health, substance abuse, nursing home, and rehabilitation programs in both facility and community-based settings and serve as the safety net for the citizens of New Mexico.					
Outcome	Number of substantiated cases of abuse, neglect and exploitation per one hundred residents in agency-operated long-term care programs confirmed by the division of health improvement	0	0.12	0	0
Output	Percent of clients at sequoyah adolescent treatment center without relapses at three to six months post discharge	90%	100%	92%	92%
Output	Percent of clients at turquoise lodge without relapses at three to six months post discharge	38%	76%	40%	45%
Output	Percent of clients at New Mexico rehabilitation center with continued improvement on medical rehab goals three to six months post discharge	78%	95%	80%	85%
Output	Percent of low risk residents at New Mexico behavioral health institute's long-term care program who have pressure sores	0.5%	1.95%	0.5%	2%
Output	Percent of low-risk residents at Fort Bayard who have pressure sores	3%	1.16%	2%	2%
Output	Percent of low risk residents at New Mexico veterans home who have pressure sores	2.7%	1.88%	2%	2%

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Developmental Disabilities Support					
The purpose of the Developmental Disabilities Support program is to administer a statewide system of community-based services and support, in order to improve the quality of life and increase the independence and interdependence of individuals with developmental disabilities, and children with or at risk for developmental delay or disability and their families.					
Outcome	Percent of adults receiving developmental disabilities day services who are engaged in community-integrated employment	36%	33%	45%	40%
Outcome	Percent of families who report an increased capacity to address their child's developmental needs as an outcome of receiving early intervention services	93%	09/08	97%	97%
Outcome	Percent of infants and toddlers in the family infant toddler program who make progress in their development	EstBaseline	98%	97%	97%
Efficiency	Percent of developmental disabilities waiver applicants determined to be both income eligible and clinically eligible within ninety days of allocation	95%	75%	95%	95%
Efficiency	Percent of developmental disabilities waiver applicants who have a service plan in place within ninety days of income and clinical eligibility determination	95%	96%	98%	98%
Output	Percent of Jackson requirements from the plan of action and appendix a to the joint stipulation completed	90%	76%	100%	80%
Quality	Percent of individuals participating in the developmental disabilities community service program who report that services helped them maintain or increase independence	93%	87%	97%	97%
Output	Number of children with autism spectrum disorder who receive legislative appropriation funded respite and/or adaptive skill building services	EstBaseline	196	100	200

Health Certification Licensing and Oversight

The purpose of the Health Certification, Licensing and Oversight program is to provide health facility licensing and certification surveys, community-based oversight and contract compliance surveys, and a statewide incident management system so that people in New Mexico have access to quality health care and that vulnerable populations are safe from abuse, neglect and exploitation.					
Outcome	Number of developmental disabilities providers receiving an unannounced survey	117	103	125	125
Output	Number of regulatory compliance surveys conducted by the division of health improvement for licensed facilities	450	446		
Explanatory	Number of applicants screened for caregiver criminal history check	33,800	35,555	34,000	
Output	Percent of abuse, neglect and exploitation allegations confirmed in community-based programs	45%	50%	45%	45%
Output	Percent of abuse, neglect and exploitation incidents for community-based programs investigated within 45 days	95%	93%	95%	95%
Output	Percent of required compliance surveys completed for adult residential care and adult daycare facilities	77%	65%	80%	80%
Explanatory	Number of allegations of abuse, neglect and exploitation reported	1,600	2,031	1,600	1,600
Explanatory	Average length of time between the notice of disqualification to the final determination for individuals requesting caregiver criminal history screening			EstBaseline	45

Executive Summary

The Department of Environment preserves, protects and perpetuates the water, air and land in the State of New Mexico and regulates, monitors and inspects public facilities and establishments.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	17,006.3	16,562.1	-2.6
Total Sources	111,597.8	109,129.3	-2.2
Program			
Special Revenue	40,739.8	41,267.5	1.3
Program Support	9,316.5	8,538.0	-8.4
Water Quality	22,484.2	21,049.5	-6.4
Environmental Health	10,527.4	10,638.0	1.1
Environmental Protection	17,621.6	16,850.1	-4.4
Water & Wastewater Infrastructure Development	10,908.3	10,786.2	-1.1
Total Uses	111,597.8	109,129.3	-2.2
FTE	720.50	720.50	0.0

- The Executive recommendation includes an overall General Fund base decrease of \$444.2.
- A 5.1% vacancy factor is applied to personal services and employee benefits.
- The Executive recommendation allows for the transfer of one position from the Water Quality program to the Environmental Health program to be supported by \$49.6 from the Radioactive Protection Fund.

Agency Mission and Program Purpose

The Department of Environment (NMED) preserves, protects and perpetuates surface and ground water, air quality and land in the State of New Mexico. The department also protects the safety and health of the state’s citizens by regulating, monitoring and inspecting public facilities and establishments.

Statutory Authority: Sections 9-7A-1 through 9-7A-14 NMSA 1978.

Special Revenue

Special revenue funds are resources collected by the agency for a specific program or use. The funds are generally restricted by law, and according to the statutory language, may or may not require legislative appropriation. NMED transfers funds from the special revenue accounts to support general operating costs within agency programs. The department has 20 special revenue funds. These special revenue funds include: Recycling and Illegal Dumping Fund; Voluntary Remediation Fund; Air Quality Permit Fund (Title V and emission fees); Responsible Parties Prepayment Fund; Clean Water Administrative Fund; Rural Infrastructure Revolving Loan Fund (2% allocation for administrative expense); Hazardous Waste Fund; Liquid Waste Fund; Water Quality Management Fund; Water Recreation Facilities Fund; Water Conservation Fund; Public Water Supply Operator

and Public Wastewater Facility Operator Fund; Hazardous Waste Emergency Fund; Air Quality Fund (constructions fees); Radiologic Technology Fund; Storage Tank Fund; Corrective Action Fund; and Food Services Sanitation Fund.

Program Support

Program Support provides administrative, legal and information management support to NMED staff, the public and oversight and regulatory bodies. This support enables NMED to operate in the most knowledgeable, efficient and cost effective manner so the public can receive the information it needs to hold the department accountable.

Water Quality

The Water Quality program protects the quality of New Mexico's ground and surface water resources by way of special programs such as: community drinking water and wastewater construction financing; the Clean Water Act; watershed protection; river restoration; and responsible-party remediation. The program ensures that clean and safe water supplies are available now and in the future to support domestic, agricultural, economic and recreational activities; healthy habitats are sustained for fish, plants and wildlife; and hazardous waste generation, storage, treatment and disposal are conducted in a manner protective of public health and environmental quality.

Environmental Health

The Environmental Health program ensures public health and workplace safety through specific programs that regulate, monitor and inspect food service and food processing facilities; on-site liquid waste treatment and disposal facilities; private septic systems; public swimming pools and baths; medical radiation and radiological technologist certification; community drinking water quality as defined by the Safe Drinking Water Act; and mosquito abatement regulation. The program also oversees the Waste Isolation Pilot Plant transportation and conducts public outreach and education programs about radon in homes and public buildings.

Environmental Protection

The Environmental Protection program monitors, regulates and remediates harmful impacts to the state's soil, ground water and air. The Petroleum Storage Tank Bureau detects, prevents and mitigates the release of petroleum products. The Solid Waste Management Bureau ensures solid waste is handled and disposed of without harming natural resources. The Occupational Safety and Health Administration Bureau inspects for workplace safety and healthy working conditions for New Mexico's workers.

Water and Wastewater Infrastructure Development

The Water and Wastewater Infrastructure Development Division (WWIDD) protects public drinking water and oversees state and federal grant and loan funds for water wastewater and solid waste projects. Further, WWIDD was created to streamline the funding process for water and wastewater projects and ensure efficient and effective use of public funds in infrastructure development.

Executive Recommendation*Agency Strategic Directions*

The New Mexico Department of Environment (NMED) has one of the broadest missions in state government. NMED oversees the quality of drinking water, ensures that restaurants meet safety standards, protects air quality, works to ensure the health of rivers, streams and lakes, and guards the health and safety of the state's workers.

One of the department's key functions is to preserve the health of ecosystems through oversight of water quality, aquatic and terrestrial biodiversity, agriculture, aquifer recharge and recreation. In 2008, Governor Richardson and the Legislature appropriated \$2.8 million to the River Ecosystem Restoration Initiative and NMED is in the process of awarding funds to 15 projects statewide. The new ventures are an addition to the 11 projects currently being implemented across the state with the 2007 appropriation and through the support of public/private partnerships.

Greenhouse gas emissions in the transportation sector are growing faster than any other sector in New Mexico. To address this issue the department brought the EIB a proposal to adopt the California vehicle emissions standards in November 2007. The Environmental Improvement Board (EIB) adopted the proposed regulations, which take effect beginning model year 2011 and are predicted to reduce about 10.5 million metric tons (MMT) of carbon dioxide (CO₂) in New Mexico by 2016.

The department is also reaching out to communities through its new Water and Wastewater Infrastructure Development Division. Governor Richardson's Water Cabinet Executive Order (EO 2007-050) signed on October 31, 2007 created the new division in order to streamline the funding of water and wastewater infrastructure projects.

In FY08, the department assisted the public by obtaining approximately 1,000 water samples from private wells throughout the state to determine water quality. More than 1,138 site visits were made to public water systems and training was provided to approximately 240 water system operators.

The department issued 12 compliance orders for liquid waste violations during FY08 and collected \$3,400 in penalties. The department recognized that this process greatly enhanced the enforcement capability of staff and helped bring resistant violators into compliance. This enforcement process allowed the program to protect the public and the environment.

Public participation is essential to the department's ability to complete its mission. This year the department is holding meetings around the state to obtain input on the Governor's initiative to seek Outstanding National Resource Water (ONRW) designation for waters within inventoried roadless and wilderness areas. The department is committed to continuing a dialogue with the citizens of New Mexico so that it can determine how best to meet their needs.

Key Elements of Recommendation

The Executive recommendation outlines a 2.2% reduction from the FY09 operating level, which is primarily attributable to a decrease in federal fund revenue within the Water Quality Program. The recommendation includes a \$444.2 General Fund reduction and applies an overall 5.1% vacancy rate to personal services and employee benefits.

Program Support. Total base revenue for Program Support is recommended to decrease by \$778.5. The Executive recommends an increase from the General Fund of \$93.5 above the FY09 operating level. An anticipated decrease of \$44.0 in other transfers reflects a reduction related to the indirect allowance from special revenue sources, particularly the Responsible Parties Prepayment Fund, the Hazardous Waste Fund and the Air Quality Permit Fund. Federal revenue decreased by \$828.0 due to reductions in information technology exchange grants and indirect allowance for miscellaneous grants.

The Executive base recommendation provides a \$205.8 decrease for personal services and employee benefits and applies a 3.4% vacancy factor. A recommended net decrease of \$345.8 in the contractual services category is a result of federal reductions in data base enhancements and program contracts related to the drinking water and air quality grants. The recommended decrease of \$226.9 in the other costs category is primarily attributable to a decrease of \$106.9 in General Services Department and Department of Information Technology rates and a reduction in miscellaneous operating expenses supported by federal funds.

Water Quality Program. Total base revenue for the Water Quality Program is recommended to decrease by \$1,434.7. The Executive recommends a decrease from the General Fund of \$150.0 below the FY09 operating level. An anticipated increase of \$881.6 in other transfers reflects a rise in revenue from the Corrective Action Fund and Hazardous Waste Fund. Federal revenue is recommended to decrease by \$2,166.3 below the FY09 operating level. This reduction is primarily attributable to the expiration of various U.S. Environmental Protection Agency (EPA) grants, such as the North Railroad Plume grant and reductions in EPA 319 funding.

The Executive base recommendation reduces personal services and employee benefits by \$157.5 and applies a 4.9% vacancy rate. A recommended net decrease of \$1,324.6 in the contractual services category is attributable to a decline in federal funds allocated for the restoration of wetlands, detection of groundwater contamination and homeland security. The recommended increase of \$47.4 in the other costs category is primarily due to lease costs incurred for the White Rock office that formerly was paid for by the U.S. Department of Energy.

The Executive recommendation provides for one expansion within the Water Quality Program. The expansion includes the transfer of one term position to the Environmental Health Program.

Environmental Health. The Executive recommendation provides a total revenue increase of 1.1%. The Executive recommends a decrease from the General Fund of \$89.6 below the FY09 operating level. An increase of \$377.7 in other transfers includes a Department of Health transfer for Waste Isolation Pilot Plant emergency response, and additional revenue generated from fees collected under the Food Service Sanitation Fund and the Radiation Protection Fund. The recommended \$177.5 reduction in federal funds is directly offset by an increase in other transfers due to a technical correction of federal revenue transferred from the Department of Health for the Waste Isolation Pilot Plant emergency response grant.

The Executive base recommendation applies a 6.2% vacancy factor and increases personal services and employee benefits by \$403.0. A reduction of \$64.0 in the contractual services category is recommended due to decreases in radon testing and training contracts. The other costs category is recommended to decrease by \$228.4 below the FY09 operating level based on declines in operating costs for furniture, supplies, equipment and travel.

The Executive recommendation provides for one expansion within the Environmental Health Program. The expansion includes the transfer of one term position from the Water Quality Program supported by \$49.6 from the Radioactive Protection Fund.

Environmental Protection. Total base revenue for the Environmental Protection program is recommended to decrease by \$771.5. The Executive recommends a decrease from the General Fund of \$98.7 below the FY09 operating level. An anticipated decrease of \$756.5 in other transfers reflects a reduction in revenue from air quality permit fees. Federal revenue is expected to rise by \$83.7 due to federal funding increases from the particulate matter 2.5 monitoring grant and the petroleum storage tank geographic information system grant.

The Executive base recommendation reflects a decrease of \$15.6 in personal services and employee benefits and applies a 3.0% vacancy rate. A recommended net decrease of \$159.0 in the contractual services category is attributable to software developments related to online permitting for oil and gas general permits, and installation services for diesel modifications in school buses for the Farmington school district. The recommended decrease of \$596.9 in the other costs category is primarily the result of savings identified in rent, furniture, travel and consumable supplies for monitoring equipment and calibration gasses.

Water and Wastewater Infrastructure Development. The Executive base recommendation includes a total revenue reduction of \$122.1. The Executive recommends a decrease from the General Fund of \$199.4 below the FY09 operating level. An increase in other transfers includes an anticipated increase of \$188.7 from the Clean Water Administrative Fund and the Corrective Action Fund. Federal revenue is expected to decrease by \$111.4 as a result of reductions in the operator certification grant.

The Executive base recommendation applies a 8.1% vacancy factor and decreases personal services and employee benefits by \$185.8. The contractual services category is recommended to decrease by \$18.0 as a result of anticipated reductions in analytical laboratory services and training to meet the requirements of the State Water Conservation Act, as requested by the department. The recommendation increases the other costs category \$81.7 above the FY09 operating level due to escalations in costs for rent, travel and General Services Department and Department of Information Technology rates.

Special Revenue. The Executive recommendation includes an overall base increase of \$527.7 to the department's special revenue funds. Base revenue from the Air Quality Fund, the Hazardous Waste Emergency Fund and the Corrective Action Fund is projected to increase by \$1,233.3. This increase is offset by a \$705.6 decrease in fund balances, predominantly from the Corrective Action Fund, due to transfers related to program operational costs. Direct expenditures from the Corrective Action Fund remain relatively flat in comparison with the FY09 operating level.

The Executive recommendation provides for one expansion within Special Revenue. The expansion funds \$49.6 from the Radioactive Protection Fund to support a term position within the Environmental Health program. The position will be responsible for licensing and performing inspections of facilities using radioactive materials.

Performance Report

In FY08, the Department of Environment (NMED) reported on a total of 59 measures. Forty-nine were key (quarterly) or annual measures. Ten measures are in the Governor's Performance and Accountability Program. At the close of FY08, the department worked with DFA and the Governor's Office to align the measures, where possible.

In FY08, the department successfully met or surpassed the targets in 30 of its key or annual measures. Five measures missed the target by a narrow margin of 1% - 4.5%. An additional six measures did not meet the target due to circumstances beyond the control of the department. As an example, a measure for green house gas emissions, which is also a Governor's Performance & Accountability Contract measure, will not have 2008 data until 2009. Also, the measure regarding the monitoring of lakes and streams did not meet the projected target because the watersheds due for monitoring were small but had dense sampling networks due to development and human activity.

The Constructions Programs Bureau (CPB) met two of their targets, production of the annual project status report by the targeted deadline and the total number of new projects funded and dollar amount of new loans made from the Clean Water State Revolving Fund Program (CWSRF) and the Rural Infrastructure Revolving Loan Program (RIP). The other two measures, which are directly related to customer satisfaction, have an aggressive target of 100%. The bureau achieved 97.85% and 97.86% respectively, for the two measures.

The Water Quality Program reported on 12 measures. The Hazardous Waste Bureau (HWB) reports on seven of these measures, one of which is explanatory. The HWB exceeded its targets for five measures and met its target for one measure. The Ground Water Bureau (GWB) exceeded its target for two measures and met one measure target. The Surface Water Quality Bureau (SWQB) initiated projects to restore nine watersheds, and surveyed lakes and streams to determine if surface water quality is impaired. The bureaus within the Water Quality Program have done an excellent job protecting New Mexico's ground water and surface water.

There are 14 performance measures within the Environmental Health Program. Of the 14 measures, 36% were not achieved. The Drinking Water Bureau (DWB) exceeded the target for two measures. The Liquid Waste Program (LWP) exceeded the target for inspection of new septic tanks and missed the target for the number of free well water tests by one. The LWP estimated that 1,000 tests would be conducted and actually performed 999 tests.

Finally, the Radiation Control Bureau (RCB) was successful in meeting two of four performance measures. An action plan was developed to improve the results, which included changing management in the bureau.

The Environmental Protection Program has 14 performance measures. Four of the measures are assigned to the Air Quality Bureau (AQB). The measure for annual statewide greenhouse gas emissions is based on requiring the industry to report greenhouse gas emissions annually beginning in January 2008. Because the data will be collected from industry during 2008, NMED will not be able to report on this measure before spring 2009.

The Occupational Health and Safety Bureau (OHSB) have four performance measures, two of which were exceeded for FY08. The department has measures for which the source data originates from the New Mexico Worker’s Compensation Administration (WCA) on a calendar year basis. The final data for FY08 is not yet out in the WCA report.

The Petroleum Storage Tanks Bureau (PSTB) is assigned three measures; two involve the percent and number, respectively, of storage tank sites with confirmed releases of petroleum products that are undergoing assessment or corrective action. The bureau missed the targets by 16.7%. An action plan to improve their performance.

The Solid Waste Bureau (SWB) has three performance measures. The measure relating to the percent of inspected solid waste facilities that are in substantial compliance with the solid waste management regulations improved from FY07. Finally, the department failed to meet the third SWB performance measure, percent of landfills meeting ground water monitoring requirements. This is a very complex measure that has been changed for FY10. The measure consists of two sub-measures, one that includes landfills open and closed that are required to submit ground water or vadose zone monitoring reports. An action plan was developed to improve performance.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	16,351.4	17,006.3	16,562.1	-444.2	-2.6
Other Transfers	24,848.2	27,682.8	28,330.3	647.5	2.3
Federal Revenues	25,900.5	26,168.9	22,969.4	-3,199.5	-12.2
Other Revenues	36,488.2	36,354.3	37,587.6	1,233.3	3.4
Fund Balance	1,543.6	4,385.5	3,679.9	-705.6	-16.1
TOTAL SOURCES	105,131.9	111,597.8	109,129.3	-2,468.5	-2.2
USES					
Personal Services and Employee Benefits	45,464.6	49,986.3	50,080.9	94.6	0.2
Contractual Services	11,973.3	14,535.8	12,624.4	-1,911.4	-13.1
Other	19,753.5	19,565.6	18,753.6	-812.0	-4.2
Other Financing Uses	23,891.2	27,510.1	27,670.4	160.3	0.6
TOTAL USES	101,082.6	111,597.8	109,129.3	-2,468.5	-2.2
FTE					
Permanent	302.00	312.00	312.00	0.00	0.0
Term	396.50	408.50	408.50	0.00	0.0
TOTAL FTE POSITIONS	698.50	720.50	720.50	0.00	0.0

		Special Revenue (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar/FTE</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	Other Revenues	36,488.2	36,354.3	37,587.6	1,233.3	3.4
	Fund Balance	1,543.6	4,385.5	3,679.9	-705.6	-16.1
	TOTAL SOURCES	38,031.8	40,739.8	41,267.5	527.7	1.3
USES						
	Personal Services and Employee Benefits	82.5	246.7	503.0	256.3	103.9
	Contractual Services	2,640.4	3,000.0	3,000.0	0.0	0.0
	Other	11,417.7	9,983.0	10,094.1	111.1	1.1
	Other Financing Uses	23,891.2	27,510.1	27,670.4	160.3	0.6
	TOTAL USES	38,031.8	40,739.8	41,267.5	527.7	1.3
FTE						
	Permanent	4.00	4.00	4.00	0.00	0.0
	TOTAL FTE POSITIONS	4.00	4.00	4.00	0.00	0.0

		Program Support (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	3,056.1	3,442.6	3,536.1	93.5	2.7
	Other Transfers	2,378.1	2,204.2	2,160.2	-44.0	-2.0
	Federal Revenues	3,091.2	3,669.7	2,841.7	-828.0	-22.6
	TOTAL SOURCES	8,525.4	9,316.5	8,538.0	-778.5	-8.4
USES						
	Personal Services and Employee Benefits	6,281.8	6,925.4	6,719.6	-205.8	-3.0
	Contractual Services	507.2	1,213.1	867.3	-345.8	-28.5
	Other	1,387.6	1,178.0	951.1	-226.9	-19.3
	TOTAL USES	8,176.6	9,316.5	8,538.0	-778.5	-8.4
FTE						
	Permanent	50.00	51.00	51.00	0.00	0.0
	Term	32.00	34.00	34.00	0.00	0.0
	TOTAL FTE POSITIONS	82.00	85.00	85.00	0.00	0.0

Water Quality
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	3,520.5	3,420.7	3,270.7	-150.0	-4.4
Other Transfers	4,683.5	5,971.4	6,853.0	881.6	14.8
Federal Revenues	12,846.1	13,092.1	10,925.8	-2,166.3	-16.5
TOTAL SOURCES	21,050.1	22,484.2	21,049.5	-1,434.7	-6.4
USES					
Personal Services and Employee Benefits	12,987.7	14,537.0	14,379.5	-157.5	-1.1
Contractual Services	5,087.5	5,879.1	4,554.5	-1,324.6	-22.5
Other	1,932.6	2,068.1	2,115.5	47.4	2.3
TOTAL USES	20,007.8	22,484.2	21,049.5	-1,434.7	-6.4
FTE					
Permanent	45.00	46.00	46.00	0.00	0.0
Term	156.50	159.50	158.50	-1.00	-0.6
TOTAL FTE POSITIONS	201.50	205.50	204.50	-1.00	-0.5

Environmental Health
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	6,091.5	6,495.8	6,406.2	-89.6	-1.4
Other Transfers	4,344.7	3,559.2	3,936.9	377.7	10.6
Federal Revenues	561.7	472.4	294.9	-177.5	-37.6
TOTAL SOURCES	10,997.9	10,527.4	10,638.0	110.6	1.1
USES					
Personal Services and Employee Benefits	7,955.3	8,161.6	8,564.6	403.0	4.9
Contractual Services	69.0	231.5	167.5	-64.0	-27.6
Other	1,779.5	2,134.3	1,905.9	-228.4	-10.7
TOTAL USES	9,803.8	10,527.4	10,638.0	110.6	1.1
FTE					
Permanent	110.00	111.00	111.00	0.00	0.0
Term	23.00	24.00	25.00	1.00	4.2
TOTAL FTE POSITIONS	133.00	135.00	136.00	1.00	0.7

Environmental Protection (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	3,060.4	2,972.4	2,873.7	-98.7	-3.3
Other Transfers	9,937.4	10,919.2	10,162.7	-756.5	-6.9
Federal Revenues	3,961.0	3,730.0	3,813.7	83.7	2.2
TOTAL SOURCES	16,958.8	17,621.6	16,850.1	-771.5	-4.4
USES					
Personal Services and Employee Benefits	12,845.7	13,759.5	13,743.9	-15.6	-0.1
Contractual Services	425.4	856.9	697.9	-159.0	-18.6
Other	2,476.6	3,005.2	2,408.3	-596.9	-19.9
TOTAL USES	15,747.7	17,621.6	16,850.1	-771.5	-4.4
FTE					
Permanent	70.00	71.00	71.00	0.00	0.0
Term	128.00	131.00	131.00	0.00	0.0
TOTAL FTE POSITIONS	198.00	202.00	202.00	0.00	0.0

Water and Wastewater Infrastructure Development (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	622.9	674.8	475.4	-199.4	-29.5
Other Transfers	3,504.5	5,028.8	5,217.5	188.7	3.8
Federal Revenues	5,440.5	5,204.7	5,093.3	-111.4	-2.1
TOTAL SOURCES	9,567.9	10,908.3	10,786.2	-122.1	-1.1
USES					
Personal Services and Employee Benefits	5,311.6	6,356.1	6,170.3	-185.8	-2.9
Contractual Services	3,243.8	3,355.2	3,337.2	-18.0	-0.5
Other	759.5	1,197.0	1,278.7	81.7	6.8
TOTAL USES	9,314.9	10,908.3	10,786.2	-122.1	-1.1
FTE					
Permanent	23.00	29.00	29.00	0.00	0.0
Term	57.00	60.00	60.00	0.00	0.0
TOTAL FTE POSITIONS	80.00	89.00	89.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Program Support					
Provides overall leadership, administrative, legal, and information management support to programs to operate in the most knowledgeable, efficient, and cost-effective manner so the public can receive the information it needs to hold the department accountable.					
Output	Percent of budgets reviewed and analyzed quarterly from the program level to the lowest program level	100%	100%	100%	100%
Outcome	Number of accounting function standards as defined by the department of finance and administration, office of the state controller achieved at the end of the fiscal year	4	4	4	
Output	Percent of prior-year significant audit findings resolved	100%	TBD	100%	100%
Output	Percent of enforcement actions brought within one year of inspection or documentation of violation	95%	95.5%	95%	96%
Efficiency	Percent of clients contacted within two weeks of assignment of case	100%	95.5%	100%	
Efficiency	Percent of legal requests reviewed and assigned within three days of receipt	100%	100%	100%	
Water Quality					
Protects the quality of New Mexico's ground and surface water resources to ensure clean and safe water supplies are available now and in the future to support domestic, agricultural, economic and recreational activities and provide healthy habitat for fish, plants and wildlife; and to ensure that hazardous waste generation, storage, treatment, and disposal is conducted in a manner protective of public health and environmental quality.					
Efficiency	Percent of groundwater discharge permits issued within the time allowed by statute or regulation	80%	89%	80%	
Output	Percent of groundwater discharge permitted facilities receiving annual compliance evaluations and annual field inspections, and total estimated permitted facilities				65%
Output	Percent of groundwater discharge permitted facilities receiving annual compliance evaluations and total estimated permitted facilities	65%/875	76% of 875	65% of 875	
Outcome	Percent of permitted facilities where monitoring results do not exceed standards	75%	75%	75%	
Outcome	Percent of permitted facilities where monitoring results demonstrate compliance with ground water standards				75%
Output	Number of inspections of permitted hazardous waste facilities and hazardous waste generators, handlers and transporters	150	173	150	
Output	Percent of enforcement actions brought within one year of discovery of noncompliance with order	90%	100%	90%	
Output	Percent of enforcement actions brought within one year of discovery of noncompliance with Los Alamos National Laboratory and Sandia National Laboratory consent orders				90%
Output	Percent of cases in which Sandia National Laboratories and Los Alamos National Laboratories are notified of agency action on document submittals within the timeframe specified in the executed consent orders	90%	92%	90%	90%
Efficiency	Percent of Department of Energy generator site audits for the waste isolation pilot project on which agency action will be taken within forty-five days	80%	90%	80%	80%
Output	Percent of inspections that are first-time inspections for hazardous waste notifies, generators and transporters	20%	71%	20%	
Output	Percent reduction of active facilities that have never been inspected				3.5%
Explanatory	Approximate number of hazardous waste notifiers in the state	TBD	1,801	TBD	
Output	Approximate number of large quantity generators and number of large quantity generators inspected per environmental protection agency five year goal	87/17	87/24	87/17	
Output	Percent of large quantity hazardous waste generators inspected				20%
Explanatory	Stream miles and acreage of lakes monitored annually to determine if surface water quality is impaired	1,500/10K	780/150	1,500/10K	1,500/10K
Output	Number of impaired stream miles currently being addressed through watershed restoration plans to improve surface water quality	220	441	220	

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Output	Number of miles/ acres of active watershed restoration, including wetlands projects, river ecosystem restoration projects and federal Clean Water Act projects				TBD
Environmental Health					
Protects public health and the environment through specific programs that provide regulatory oversight over: food service and food processing facilities; regulation of on-site treatment and disposal of liquid wastes; regulation of public swimming pools and baths; regulation of medical radiation and radiological technologist certification; compliance with the safe drinking water act; application of the mosquito abatement regulation; oversight of waste isolation pilot plant transportation; and education and public outreach about radon in homes and public buildings.					
Output	Number of free well water tests	1,000	999	1,000	1,000
Outcome	Percent of homeowners with contaminated wells advised on how to eliminate or reduce health risks				100%
Explanatory	Number of compliance orders issued in response to complaints or inspection of new septic tanks	TBD	12	TBD	TBD
Output	Percent of new septic tanks inspections completed	85%	85%	85%	85%
Explanatory	Number of targeted domestic well investigations				6
Output	Number of food related inspections performed by environmental health division environmental scientists	7,500	9,108	TBD	
Outcome	Percent of high risk food related violations corrected within the timeframes noted on the inspection report issued to permit commercial food establishments	100%	71%	100%	100%
Output	Percent of annual permitted commercial food establishment inspections completed	100%	100%	100%	100%
Output	Percent of annual permitted commercial food establishment inspections completed, and number of inspections performed				100%/TBD
Output	Percent of license inspections completed within the timeframes identified in radiation control bureau policies			100%	95%
Output	Percent of radiation-producing machine inspections completed within the timeframes identified in radiation control bureau policies			100%	95%
Output	Percent of license inspections and radiation-producing machine inspections completed within nuclear regulatory commission and food and drug administration guidelines	100%	94.5%		
Outcome	Percent of radioactive material licensees and x-ray registrants inspected and issued a notice of violation that come into compliance within the timeframe specified			97%	97%
Output	Percent of new radioactive material license applications reviewed for administrative completeness within sixty days of receipt of application	100%	100%	100%	
Outcome	Percent of radioactive material licensees and x-ray registrants inspected and issued a notice of violation that come into compliance following receipt of technical assistance from the bureau	97%	97%		
Environmental Protection					
Ensures New Mexicans breathe healthy air; prevents releases of petroleum products into the environment; ensures solid waste is handled and disposed without harming natural resources; and ensures every employee safe and healthful working conditions.					
Outcome	Annual statewide greenhouse gas emissions	53.1MMt	TBD	52.0MMt	50.9MMt
Outcome	Improvement in visibility at all monitored locations in New Mexico based on a rolling average of the previous four quarters	194 KM	No data	197.25 KM	
Outcome	Number of days per year in which the air quality index exceeds one hundred, exclusive of natural events such as high winds and wildfires	</=8	10 days	</=8	
Outcome	Percent of facilities taking corrective action to mitigate air quality violations discovered as a result of inspections	95%	100%	95%	100%
Explanatory	Number of serious injuries and illnesses caused by workplace conditions, newly reported indemnity claims by calendar year	TBD	Not avail.	5,400	
Outcome	Percent of serious worker health and safety violations corrected within the timeframes designated on issued citations from the consultation and compliance sections	95%	96.4%	95%	96%
Output	Percent of worker health and safety complaints responded to within five days	95%	96.4%	95%	
Output	Percent of referrals alleging serious hazards responded to via an on-site inspection or investigation (letter or phone call to employer) within ten working days				95%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Explanatory	Rate of serious injuries and illnesses caused by workplace conditions per one hundred workers, newly reported indemnity claims by calendar year	TBD	Not avail.	.65	
Outcome	Number of confirmed sites contaminated by petroleum products that require no further action as a result of aggressive remediation, per year			30	30
Explanatory	Number of new confirmed releases from leaking storage tank sites that are being assessed for environmental and human health risk			TBD	
Output	Number of storage tank sites with confirmed releases of petroleum products that are high risk and are undergoing aggressive corrective action			150	150
Outcome	Percent of underground storage tank facilities in significant operational compliance with release prevention and release detection regulations of the petroleum storage tank regulations	90%	77%	90%	90%
Outcome	Percent increase in tons of materials recycled by state agencies	10%	11%	10%	
Outcome	Percent of inspected solid waste facilities in substantial compliance with the solid waste management regulations	75%	76%	75%	
Outcome	Percent of active solid waste facilities and infectious waste generators inspected that were found to be in substantial compliance with the New Mexico solid waste rules				75%
Outcome	Percent of landfills meeting groundwater monitoring requirements	93%	61%	93%	
Outcome	Percent of landfills compliant with groundwater sampling and reporting requirements				80%
Explanatory	Annual number of closed landfills in substantial compliance with post-closure care requirements				TBD
Output	Percent of confirmed releases from leaking storage tank sites that are undergoing assessment or corrective action		45.8%		
Output	Number of storage tank sites with confirmed releases of petroleum products undergoing assessment or corrective action	550	448		

Water and Wastewater Infrastructure Development

The purpose of the water and wastewater infrastructure development program is to provide leadership for an interagency effort to develop a water and wastewater infrastructure evaluation plan, and recommendations for efficient and effective use of water and wastewater loan funds; and to ensure compliance with the Safe Drinking Water Act.

Quality	Percent customer satisfaction with the construction bureau's administrative services provided in conjunction with federal and state loan and grant projects for construction of water, wastewater and solid waste projects, based on written customer surveys	100%	97.85%	97%	
Quality	Percent customer satisfaction with the construction bureau's technical assistance and engineering services provided in conjunction with federal and state loan and grant projects for construction of water, wastewater and solid waste projects, based on written customer surveys	100%	97.85%	100%	
Output	Date by which an annual project status report for water, wastewater and solid waste facility construction projects will be provided to the legislative finance committee members and analyst, and to department of finance and administration secretary and analyst	8/15/08	7/18/08	8/15/09	
Explanatory	Total number of new projects funded and dollar amount of new loans made from the clean water state revolving fund program and the rural infrastructure revolving loan program	TBD		TBD	TBD
Explanatory	Number of uniform funding applications processed for water, wastewater and solid waste projects				TBD
Outcome	Percent of public water systems that comply with acute maximum contaminant levels	95%	98.5%	95%	
Outcome	Number and location of boil water advisories issued to consumers when a water system violates the bacteria (or Total Coliform) standard and the presence of E. Coli or fecal coliform is detected				TBD
Efficiency	Percent of drinking water chemical samplings completed within the regulatory timeframe	95%	97%	95%	

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Efficiency	Percent of public drinking water systems inspected within one week of confirmation of system problems that might acutely impact public health	100%	97.2%	100%	100%
Output	Number of assistance actions including site visits provided to public water systems to assist them to return to compliance with safe drinking water act requirements	1,900	2,445	TBD	
Output	Number of site visits and assistance actions provided to public water systems to ensure compliance with the federal Safe Drinking Water Act regulations				180
Output	Percent of public water systems surveyed to ensure compliance with drinking water regulations				90%

Executive Summary

The Office of the Natural Resources Trustee seeks settlements for and oversees restoration of contaminated natural resources and loss of resource services through implementation of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	428.6	443.2	3.4
Total Sources	428.6	443.2	3.4
Program			
Office of the Natural Resources Trustee	428.6	443.2	3.4
Total Uses	428.6	443.2	3.4
FTE	3.80	3.80	0.0

- The Executive recommendation includes an additional \$14.6 from the General Fund for increased costs in personal services and employee benefits.

Agency Mission and Program Purpose

The Office of the Natural Resources Trustee (ONRT) is charged with restoring or replacing natural resources or resource services damaged by hazardous substances released into the environment or by oil discharges into water. Natural resources include air, surface waters, ground waters, biological resources and geological resources. Resource services are defined as resources used in functional applications, such as reservoirs being used for irrigation, recreation and/or fishing.

The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) emphasizes restoration and replacement of injured natural resources and resource services due to releases of hazardous substances or oil into the environment. The focus of ONRT is to assess natural resource damages throughout the state; successfully negotiate and settle damage claims without legal intervention; and manage natural resource restoration plans.

Statutory Authority: Sections 75-7-2 through 75-7-5 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

The Office of the Natural Resources Trustee (ONRT) continues successful implementation of the Natural Resource Trustee Act. ONRT works closely with state agencies, federal agencies, Indian tribes and businesses to identify sites with potential natural resource injuries. ONRT also collaborates with natural resource trustees in other states to maximize the effectiveness of the New Mexico Natural Resource Damage and Assessment Program. ONRT continues to perform natural resource damage assessments cooperatively, when possible, with potentially responsible parties. Negotiations and settlements with responsible parties are part of the ongoing program, as is litigating damage claims, if an agreement cannot be reached with responsible parties. ONRT

continues to investigate new cases, continues with existing sites and plans and implements new restoration projects. ONRT currently has six major restoration projects ongoing.

Key Elements of Recommendation

The Executive recommendation proposes a 3.4% increase above the FY09 operating level. Personal services and employee benefits reflects an increase of \$16.6 to provide full funding for all approved positions. The Executive recommendation for the other costs category includes a \$2.0 decrease due to a decline in operating expenditures for office supplies and equipment.

Performance Report

The Office of Natural Resources Trustee ensures that natural resources and services lost because of contamination are restored for the benefit of the environment and the enjoyment of the New Mexico residents and visitors now and in the future. In FY08, ONRT exceeded the targets for all of its performance measures. The target for the number of acre feet of water conserved through restoration was exceeded by 45% through projects that included invasive plant removal along the Rio Grande in Bernalillo, Sandoval and Valencia counties. The target for the second performance measure, number of acres of habitat restoration, was exceeded by 610 acres. Projects included the Playa lake restoration in Curry County and the low water-use planting in Bernalillo County.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)						
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10		
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>	
SOURCES						
General Fund Transfers	417.5	428.6	443.2	14.6	3.4	
TOTAL SOURCES	417.5	428.6	443.2	14.6	3.4	
USES						
Personal Services and Employee Benefits	350.6	354.1	370.7	16.6	4.7	
Contractual Services	12.9	24.6	24.6	0.0	0.0	
Other	37.6	49.9	47.9	-2.0	-4.0	
TOTAL USES	401.1	428.6	443.2	14.6	3.4	
FTE						
Permanent	3.80	3.80	3.80	0.00	0.0	
TOTAL FTE POSITIONS	3.80	3.80	3.80	0.00	0.0	

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Office of the Natural Resources Trustee					
To restore or replace natural resources or resource services that are injured or lost due to releases of hazardous substances or oil into the environment.					
Outcome	Number of acres of habitat restoration	500	1110	500	500
Outcome	Number of acre-feet of water conserved through restoration	500	726	500	500

Executive Summary

The New Mexico Health Policy Commission provides a forum for discussion of complex and controversial health policy and planning issues in order to promote optimal public health of New Mexicans and to ensure available, accessible and acceptable healthcare services.

	FY09 Operating Budget	FY10 Recommendation	% Change
General Fund	1,291.3	1,344.5	4.1
Total Sources	1,293.5	1,349.5	4.3
Program			
New Mexico Health Policy Commission	1,293.5	1,349.5	4.3
Total Uses	1,293.5	1,349.5	4.3
FTE	15.00	15.00	0.0

- The Executive recommendation provides an increase of \$53.2 from the General Fund to fund personal services and increases in employee benefits costs and other operating costs.
- The recommendation includes increases for General Services Department and Department of Information Technology rate increases, printing and rent.

Agency Mission and Program Purpose

The New Mexico Health Policy Commission's (HPC) mission is to provide independent research, guidance and recommendation on health policy issues that impact the health status of New Mexicans. The HPC was established by statute in 1991 as a forum for discussion of complex and controversial health policy issues. The HPC is responsible for providing technical assistance and formulating recommendations for both the Executive and Legislative branches of state government based on objective analysis of data and information, public and professional input and staff research. The agency is administratively attached to the New Mexico Department of Finance and Administration.

The HPC's vision is to assist New Mexicans by being the state's trusted advisor on health policy issues. The mission and the vision of the commission will be attained through the collection and objective analysis of data and information regarding health issues from a broad spectrum of New Mexico's society to facilitate the creative exploration of the issues and options with both the public and private sectors. The synthesis of the information is utilized to provide health recommendations for consideration by the Legislative and Executive branches of government.

The New Mexico Health Policy Commission (HPC) is composed of nine members appointed to three-year terms by the governor and confirmed by the Senate. In addition to other duties, HPC is charged with: developing, implementing and monitoring the plan for state health policy; assessing the need for, availability of, and distribution of health personnel across New Mexico; reporting on its findings annually to the governor and Legislature; and implementing the Health Information System Act (Sections 24-14A-1 through 24-14A-10 NMSA 1978).

Statutory Authority: 9-7-11.1 through 9-7-11.3 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

HPC aims to empower consumers and develop equitable public and private partnerships to facilitate and improve quality healthcare access in New Mexico. To achieve this, the commission's activities support four strategic directions that will: monitor the implementation of state health policy through research, analysis and the development of policy recommendations; create, sponsor and participate in partnerships, open forums and taskforce activities that facilitate the implementation of state health policy; enhance available data/information for planning and policy-making for consumers to make informed healthcare decisions and to facilitate an efficient, effective health care system through the application of information technology; and promote awareness of HPC's leadership and objective forums for discussion of complex and controversial health policy and planning issues.

Key Elements of Recommendation

The Executive recommendation provides an increase of \$53.2 from the General Fund over FY09 operating levels. The recommendation includes \$5.0 in other program revenue for projected increases in the sale of health data reports.

The recommendation for personal services and employee benefits is increased by \$28.0 to fully fund employee benefit costs. The recommendation also includes increases for General Services Department rates, contractual services for transcription services, as well as operating costs including printing and rent.

Performance Report

In FY08, the commission provided 100 out of 102 requested data analysis to the executive, legislature and general public. The number constituted 98% of requests and, therefore, surpassed the target of 95%. The commission exceeded its target of 150 health-related bills analyzed by analyzing 190 bills during the 2008 Legislative Session. HPC also analyzed 32 amendments and substitutes to bills.

HPC did not meet its target of 90% satisfied requestors of the hospital inpatient discharge data due to a change in platform for their database. The change was required to improve efficiency, access and security. With the required changes made, the target should once again be attainable.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	1,332.2	1,291.3	1,344.5	53.2	4.1
Other Transfers	0.0	0.8	0.0	-0.8	-100.0
Other Revenues	1.2	1.4	5.0	3.6	257.1
TOTAL SOURCES	1,333.4	1,293.5	1,349.5	56.0	4.3
USES					
Personal Services and Employee Benefits	1,019.0	1,048.3	1,076.3	28.0	2.7
Contractual Services	38.3	31.9	20.3	-11.6	-36.4
Other	241.1	213.3	252.9	39.6	18.6
TOTAL USES	1,298.4	1,293.5	1,349.5	56.0	4.3
FTE					
Permanent	15.00	15.00	15.00	0.00	0.0
TOTAL FTE POSITIONS	15.00	15.00	15.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
New Mexico Health Policy Commission					
To provide relevant and current health-related data, health research, information and comprehensive analysis to consumers, state health agencies, the executive, the legislature, and the private health sector so they can obtain or provide improved health care access in New Mexico.					
Outcome	Number of health-related bills analyzed during the legislative session	150	190	200	175
Quality	Percent of satisfied requesters of the hospital inpatient discharge data or analysis reports	90%	31%	90%	90%
Output	Percent of customized or specialized health data analyses performed in response to requests for information or in anticipation of issues affecting the healthcare delivery and finance systems	95%	98%	95%	95%

Executive Summary

The Veterans' Services Department provides information and assistance to veterans and their eligible dependents so they may obtain benefits to which they are entitled.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	3,390.5	3,312.5	-2.3
Total Sources	3,603.1	3,498.5	-2.9
Program			
Veterans' Services Department	3,603.1	3,498.5	-2.9
Total Uses	3,603.1	3,498.5	-2.9
FTE	40.00	40.00	0.0

- The Executive recommendation reflects a decrease of \$78.0 in General Fund under the FY09 operating level.
- The recommendation includes an increase of \$2.7 in federal funds, projected revenue of \$20.0 and a decrease of \$49.3 in the use of fund balance.

Agency Mission and Program Purpose

The Veterans' Services Department (VSD) disseminates information regarding laws beneficial to veterans, their widows and dependent children. VSD assists veterans and their dependents in the preparation and initiation of claims against the United States as a result of military service. It further assists veterans, veterans' widows and children of veterans in establishing the benefits and privileges to which they are entitled.

VSD is made up of one appropriated program with four major activities: state approval services/education and training, field services, constituent/state benefit services and financial/fiduciary services. Within these broad areas, VSD provides a multitude of services, such as certification of veterans for property tax exemption, free hunting and fishing licenses for the 100% service-connected disabled and War Orphan and Vietnam Veteran scholarship/tuition/stipend programs. VSD has an automobile license plate program and engages in the approval of education and training programs at 123 active facilities for veterans. VSD manages funds and safeguards assets for fiduciary clients. It administers a federal grant program that addresses homeless issues and oversees a statewide program to transport veterans to the Veterans Administration Medical Center and other satellite clinics. VSD is instrumental in implementing outreach initiatives for rural and Native American veterans, administering the Fort Stanton State Cemetery and establishing or expanding memorials in various locations. Lastly, and most notably, VSD directly participates in events and coordinates military honors funerals that honor New Mexico veterans.

Statutory Authority: Sections 28-13-1 through 28-13-16 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

As part of the governor's commitment to veterans of the state of New Mexico, VSD is dedicated to being the premier service provider and advocate that cares for veterans and their families. VSD is committed to providing a broad variety of services, including but not limited to, the certification of veterans for property tax exemptions, free hunting and fishing licenses for the 100% service-connected disabled and War Orphan and Veteran Scholarship programs. The department is responsible for the automobile license plate program and manages education programs utilized by veterans. It provides fiduciary services for veterans who are unable to manage their own financial affairs, conduct outreach activities for the 180,000 veterans living in New Mexico, establish and expand veteran memorials in various locations across the state and ensure that deceased veterans receive a military funeral with honors as tribute to their service.

Outreach activities are dedicated to providing services and direction to the estimated 180,000 veterans living in New Mexico. VSD continues to expand services including the transportation of veterans to the Department of Veterans Affairs facilities to ensure access to quality healthcare. The department has also demonstrated a commitment to providing care and support to homeless veterans across the state. In FY09, VSD received additional funding to provide support for veterans with traumatic brain injury/post traumatic stress syndrome, for early lung cancer detection programs, outreach programs for homeless and at risk veterans and for integrative services for needy veterans.

Key Elements of Recommendation

The Executive recommendation decreases the General Fund by \$78.0 below the FY09 operating level due to projected revenue shortages for FY10 and reflects an increase of \$2.7 in federal funds, a decrease of \$49.3 in fund balance and includes \$20.0 in revenue from motor vehicle license plate fees. The recommendation fully funds existing positions.

Performance Report

The Veterans' Services Department achieved its targeted performance in two of nine performance measures, for compensation received by New Mexico veterans as a result of the department's contracts with veterans' organizations and for the number of external prior year audit findings. The department failed to meet its targets for the number of veterans served by veterans' services department field officers and for the percent of New Mexico veterans impacted by department programs due to a change in the way it counts veteran contacts. Target levels in FY09 and FY10 have been adjusted accordingly. The department continues to increase its outreach efforts to new veteran organizations and therefore anticipates meeting the measure for the number of referrals from veterans' services officers to contract veteran organizations.

The department did not meet the measure for the number of fiduciary transactions from trustee banks and veterans' services department to meet client living expenses as the program is slowly reducing the number of veteran clients due to a ruling by the federal Department of Veterans Affairs that the investment program with the trust bank does not fit the regulatory allowances for fund investments. The recommended target level for FY10 reflects the reduction in the program.

The FY08 target was also not met for the number of homeless veterans provided overnight shelter for a period of two weeks or more. Homeless veterans in the Veteran Integration Center have been allowed to stay for longer periods of time as it is taking longer to reintegrate them into society. This has resulted in fewer veterans being able to take advantage of the services. VSD is instituting enhanced performance measures and additional periodic onsite quality assurance visits by department staff to review and assist the Veterans Integration Center with its reintegration mission.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Dollar/FTE Change</u>	<u>Budget to Recommendation Percent Change</u>
SOURCES					
General Fund Transfers	3,147.9	3,390.5	3,312.5	-78.0	-2.3
Federal Revenues	170.4	163.3	166.0	2.7	1.7
Other Revenues	0.0	0.0	20.0	20.0	***
Fund Balance	103.3	49.3	0.0	-49.3	-100.0
TOTAL SOURCES	3,421.6	3,603.1	3,498.5	-104.6	-2.9
USES					
Personal Services and Employee Benefits	1,751.6	2,182.7	2,050.1	-132.6	-6.1
Contractual Services	815.6	932.5	996.3	63.8	6.8
Other	532.2	487.9	452.1	-35.8	-7.3
TOTAL USES	3,099.4	3,603.1	3,498.5	-104.6	-2.9
FTE					
Permanent	38.00	38.00	38.00	0.00	0.0
Term	2.00	2.00	2.00	0.00	0.0
TOTAL FTE POSITIONS	40.00	40.00	40.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Veterans' Services Department					
To carry out the mandates of the New Mexico state legislature and the governor to provide information and assistance to veterans and their eligible dependents to obtain benefits to which they are entitled in order to improve their quality of life.					
Output	Number of veterans served by veterans' services department field officers	50,000	33,776	45,000	35,000
Output	Number of referrals from veterans' services officers to contract veterans organizations	18,000	17,618	19,000	19,000
Output	Number of fiduciary transactions from trustee banks and veterans' services department to meet clients' living expenses	75,000	26,852	50,000	25,000
Output	Number of educational programs reviewed, approved and audited	1,975	1,426	1,975	1,500
Output	Number of homeless veterans provided overnight shelter for a period of two weeks or more	500	222	300	300
Output	Compensation received by New Mexico veterans as a result of the department's contracts with veterans' organizations, in millions	75	84	85	85
Output	Number of property tax waiver and exemption certificates issued to New Mexico veterans	11,000	8,880	8,500	9,000
Outcome	Percent of New Mexico veterans impacted by department programs	30%	18.61%	25%	20%
Output	Number of external prior year-audit finding	0	0	0	0

Executive Summary

The Children, Youth and Families Department provides an array of prevention, intervention, rehabilitation and aftercare services to New Mexico children and their families.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	206,920.1	214,128.0	3.5
Total Sources	387,468.6	402,205.9	3.8
Program			
Program Support-Summary	15,913.2	19,781.6	24.3
Juvenile Justice	72,665.6	42,992.6	-40.8
Protective Services	106,920.3	112,273.9	5.0
Early Childhood Services	0.0	162,883.0	***
Family Services	191,969.5	64,274.8	-66.5
Total Uses	387,468.6	402,205.9	3.8
FTE	2,070.10	2,144.60	3.6

- The Executive recommends a vacancy factor of 6.5% for Program Support, 7% for Juvenile Justice Services, 7% for Protective Services, 5% for Early Childhood Services and 6% for Youth and Family Services.
- The Executive recommends a General Fund increase of \$1,200.0 for care and support for foster care and adoption subsidy payments for children.
- The Executive recommendation includes 67.5 term positions to operate Camino Nuevo.
- The Executive recommendation includes an increase of \$685.2 General Fund to replace Title XIX Medicaid funds formerly generated by Functional Family Therapy funds.
- The Executive recommends an increase of \$146.6 General Fund to replace JRC XIX Medicaid funds due to the closure of La Placita Reintegration Center.
- The Executive recommends the use of \$300.0 from the Juvenile Community Corrections fund balance.
- Included in the Executive recommendation is an increase of \$1,000.0 General Fund for the pre-kindergarten program.
- The Executive recommendation includes an increase of \$10,000.0 for the Child Care program.
- The Executive recommendation includes conversion of six term positions to permanent positions for the pre-kindergarten (PreK) initiative.
- The Executive recommendation includes conversion of two term positions to permanent positions for Home Visiting program oversight.

Agency Mission and Program Purpose

CYFD focuses on the strength and resilience of families with whom it partners and for whom it advocates to enhance their safety and well-being. CYFD serves and supports children and families and supervises youth in a responsive community-based system of services that is client-centered, family-focused and culturally competent.

Statutory Authority: Sections 9-2A-1 through 9-2A-22 NMSA 1978.

Program Support

Program Support (PS) provides assistance to the operational programs and includes executive management, legal counsel, quality assurance, financial services, human resources and information technology services.

Juvenile Justice Services

Juvenile Justice Services (JJS) provides rehabilitative services to youth adjudicated by the courts to the custody of the department through community-based services, and facility services. The secure facilities operated by JJS include: the J. Paul Taylor Center, the Youth Diagnostic and Development Center, and the Springer Area One Center. The reintegration and residential center facilities operated by JJS include: the Albuquerque Boys' Reintegration Center, the Eagle Nest Reintegration Center and the Carlsbad Community Residential Center.

Protective Services

Protective Services receives reports on child abuse and neglect, investigates child abuse and neglect, provides family preservation services and treatment, and legal intervention or other services to ensure the safety of children who require services. PS engages in the recruitment of foster and adoptive homes to provide a safe living environment for children in state custody. Additionally, PS provides independent and transitional living services to youth emancipating from the foster care system.

Early Childhood Services

The Early Childhood Services program is a new program under the restructuring plan in FY10. Services will continue to focus on quality with a dedicated management team focused on this important population being served by CYFD. Services include Pre-K, quality child care, family nutrition, home visiting and other early childhood development programming.

Youth and Family Services

The restructured Youth and Family Services (FS) program will allow CYFD to integrate community-based probation and parole services with community-based transition, behavioral health, domestic violence and other prevention and intervention services. The restructuring will also allow the department to expand services for the older youth in its care through transition and independent living services. FS also administers federal and state-funded juvenile justice programs that fund grants to local communities including underage drinking programs, the Juvenile Justice Advisory Committee programs and the Juvenile Accountability Block Grant.

Executive Recommendation

Agency Strategic Directions

For FY10, CYFD is restructuring its programs to improve service delivery by organizing programs and services by age groups. The future strength of New Mexico depends upon healthy development of the state's youngest citizens with the availability of high quality, accessible and affordable early care and education services. By having one division focused solely on this effort, CYFD anticipates it can achieve more comprehensive and coordinated early childhood services statewide. The new

Early Childhood Services program area will include programs and services for infants, toddlers, pre-schoolers and children up to age 12 through services such as Pre-K, quality child care, family nutrition, home visiting and other early childhood development programs. The program area will focus on increasing the availability of high quality, accessible and affordable early care and education services. In addition, the department will reorganize its services to prevent children and youth from becoming involved in the protective services or juvenile justice systems while also assisting children and youth who are transitioning out of these systems through the creation of Youth and Family Services. The new Youth and Family Services will integrate and unify community-based probation and parole services with transition services, behavioral health, independent living, domestic violence and other prevention and intervention services. Other programs managed and administered through this program area include Community Corrections, Behavioral Health, Juvenile Justice Advisory Committee initiatives, AmeriCorps, Domestic Violence and the Licensing and Certification Authority.

CYFD will also consolidate the criminal records check function operating in each program area into a single unit within Program Support. To fully implement elements of Executive Order 2007-053, Increasing Energy Efficiency in State Government, CYFD is centralizing the vehicle fleet within Program Support to provide department-wide coordination leading to improved efficiencies including increased car-pooling.

Program Support. Program Support has accomplished several goals and requirements in FY08. The FY07 audit was submitted by the December 15, 2008, deadline; training for “Cambiar NM” was implemented; the HIPAA Privacy Tracking System was completed and implemented in May 2008 which put CYFD in full compliance with HIPAA privacy tracking requirements; and the release of SARA (Screening, Admissions, Releases Application) for juvenile justice. The system integrates detention screenings, admissions and releases of all youth in county detention centers statewide. SARA centralizes data collection and links all detention centers, CYFD Juvenile Probation and Parole officers, and will eventually integrate the court systems throughout the state with a secure, web-based application.

Program Support (PS) provides services in budget and finance, human resources and information technology. In FY10, PS will strive to enhance information technology systems and resources to keep up with department innovations, such as “Cambiar New Mexico”, and to meet the increased number of mandates for reporting and accountability in all program areas. PS will intensify recruitment efforts to secure qualified, committed, career-oriented individuals to fill vacancies. PS hopes to improve retention through employee recognition and other activities that support the workforce. PS will ensure the best, most efficient and coordinated use of limited department resources, including staff, vehicles, equipment, and physical plant facilities.

For FY10, PS will consolidate the vehicle fleet to be managed and budgeted in Administrative Services. Included in the request is a shift of General Fund budget for gas, oil, parts and supplies from the various program areas within the department. In 2008, the department was appropriated non-recurring funding to purchase additional vehicles. The FY10 request includes funding to pay for the leases going forward.

Juvenile Justice Services. In FY10, JJS will be separate from, but still integrated with, probation and parole and community corrections. In FY08, JJS implemented a pilot project at the J. Paul Taylor Center to pilot Cambiar New Mexico (the Missouri Model); re-evaluated all facilities to ensure best and highest use; implemented new screening tools to ensure qualified staff are hired; and provided in-house medical services.

CYFD has adopted the “Cambiar New Mexico” model that will shift the focus from confinement and punishment to rehabilitation and regionalization. CYFD will continue to hold young people accountable while providing for their rehabilitation and preparation for healthy adulthood. The department will continue to emphasize public safety. Major initiatives include: developing smaller secure regional facilities across the state; creating smaller, safer and more nurturing living units/groups (therapeutic communities); implementing youth-centered unit management and milieu therapy; developing individualized service plans addressing carefully assessed needs, strengths and risks; staffing of facilities with Youth Care Specialists who receive training that provide them with clinical and therapeutic skill sets; and providing programming including education, vocational, behavioral health, medical and other services.

Protective Services. In regard to Protective Services, New Mexico is currently one of only two states with a federally approved Program Improvement Plan. In FY08, Protective Services had an increase of 14.5% in the number of foster home providers and an increase in the number of foster children placed with relatives. There was also an increase in the number of children who achieved permanency through adoption.

With restructuring, the Protective Services program will essentially remain as is with the addition of the Teen Parenting Program and the movement of Youth Services Consultants to Youth and Family Services. Protective Services will continue to provide statewide, centralized intake, in-home services, investigation, treatment services, placement services and a range of supports for foster and adoptive parents. Major initiatives include: developing new foster and adoptive homes to minimize the number of moves for children and youth in foster care; moving adoptive children and youth more quickly to a permanent home through partnerships with the courts; improving safety for children and youth through a new safety assessment and safety planning policies and procedures; improving the well-being of children and youth through enhanced integration with education, medical and behavioral health services.

In conjunction with the increase in the number of children receiving Title IV-E services, the federal government is requiring much more documentation on Title IV-E cases. In addition, cases have become more severe and require more intense intervention. To avoid the potential for serious federal sanctions, Protective Services developed the New Mexico Program Improvement Plan that was mandated as a result of the findings from the federal Child and Family Services Review. The plan, approved by the Department of Health and Human Services, includes comprehensive and challenging corrective action items that satisfy federal government requirements and are tied to funding. The plan should have a positive effect on the outcomes for children and families who are served by Protective Services.

In FY08, CYFD had 408 adoptions. To date, there are 529 children needing adoptive homes and 2,107 children in foster care. CYFD is required by federal law and regulation to provide medical coverage for pre-existing conditions for special needs children adopted from the foster care system. Approximately 12% of the adopted children are not Title IV-E Medicaid eligible and CYFD covers medical costs using care and support General Fund.

Early Childhood Services. The restructuring of programs has created the Early Childhood Services (ECS) program. Services will include Pre-K, quality child care, family nutrition, home visiting and other early childhood development programming. Major initiatives include: increasing the number of home visiting sites; enhancing the professional development of early childhood providers across the state; expanding the number and the availability of Pre-K sites; and continuing to raise the quality-level of child care programs statewide.

As a result of the 2008 Special Session, CYFD's Child Care Assistance program now subsidizes the cost of child care for low-income families at or below 200% of the Federal Poverty Level (FPL). The program is for families that are working and/or in school and have a need for child care. Because CYFD's child care assistance program accounts for approximately 26% of the child care services purchased statewide, the department is the primary entity driving the cost of child care in New Mexico.

The New Mexico Pre-K program was established in 2005 and provides early education services to four-year-olds across the state. These services are offered by community programs and public schools. The initiative is collaboratively administered by CYFD and the Public Education Department (PED). The program is designed to address the total development needs of pre-school children (including cognitive, social and emotional) with at least 450 hours of classroom instruction and another 90 hours of services including home visits, parent-teacher conferences and parent meetings.

The National Institute for Early Education Research's external evaluation report released this year, *"The Impacts of New Mexico PreK on Children's School Readiness at Kindergarten Entry: Results from the Second Year of a Growing Initiative"*, summarized that "...the New Mexico PreK initiative produced positive effects on children's learning during its second year of operations...". The report goes on to state "...New Mexico PreK has positive impacts on children's language, mathematics, and early literacy skills that are evident at the beginning of kindergarten. These types of initial effects are likely to lead to increased school success as well as continued advantages in reading and math skills."

The creation of the Early Childhood Services program identifies 152.5 FTE with associated costs for the transfer of Early Childhood Services from the Family Services program. The transfer includes the Pre-K, Child Care, Family Nutrition, Home Visiting and other Early Childhood Development program units.

Youth and Family Services. The restructuring of the Youth and Family Services program area will allow the department to integrate community-based probation and parole services with community-based transition, behavioral health, domestic violence and other prevention and intervention services. It will also allow CYFD to expand services for the older youth through transition and independent living services. Major initiatives include: increasing the emphasis on prevention and early intervention in probation services, and aftercare and transition in parole services; enhancing

transition services and independent living supports to assist older youth in achieving a healthy adulthood, whether they are exiting juvenile justice or protective services; increasing access to community-based behavioral health services and support; providing assessment services and linkages to community resources; implementing new efforts in domestic violence prevention and intervention, including more batterer programs and the use of individual safety plans; and improving the presence of licensing and certification authority in the local communities where facilities are located.

A major CYFD initiative focuses on increasing prevention and early intervention in probation services and developing aftercare services to reduce client recidivism. Maintaining adequate field staff to serve youth and families in the community is a key component of the department's strategic focus.

The restructuring of the program identifies a net FTE increase of 172.8 for YFS. The transfer includes Behavioral Health, AmeriCorp and Domestic Violence Services. It also includes the federal juvenile justice grants, Community Corrections and Probation and Parole services from the Juvenile Justice Services program.

In May 2008, the Legislative Finance Committee completed a review of domestic violence programs. A key observation from the review was that the Domestic Violence Offender Treatment Fund was not included in CYFD's budget requests. The department has since included \$667.0 in its FY10 budget request for the domestic violence programs. The Domestic Violence Offender Treatment Fund (DVOTF) is funded through Section 31-2-11, NMSA 1978, which is a fee of five dollars assessed and collected from a person convicted of a penalty assessment misdemeanor, traffic violation, petty misdemeanor and misdemeanor or felony offenses. The CYFD currently funds 27 offender treatment programs around the state and all are at capacity.

There were two recent statutory changes, which will increase the demand for offender treatment/intervention services and, therefore, impact use of the DVOTF. Laws of 2007, Chapter 221, amended Sections 30-3-15 and 30-3-16 NMSA 1978 to require all those convicted pursuant to these sections to participate in and complete a domestic violence offender treatment program approved by CYFD. Laws of 2008, Chapter 7, amended Section 31-12-12 NMSA 1978 to create a domestic violence offender treatment or intervention fund. It expanded the definition of the domestic violence program by a judge, a domestic violence special commissioner or the parole board; or a person who voluntarily participates in a domestic violence offender treatment or intervention program.

With the inclusion of voluntary referral to the DVOTF and expansion to permit all court referrals, not just in cases where there has been a domestic violence conviction, the unpredictability of the program will continue. As the revenue and program stabilize, CYFD will be able to better project revenues and expenditures and will incorporate the DVOTF into the annual budget request.

Through agreements with community-based non-profit organizations, the Child and Adult Care Food Program (CACFP) reimburses child care providers for meals and snacks served to low-income families. There are also a relatively small number of nonresidential institutions that provide care to adults that are reimbursed through this program or the meals they provide. The program is administered by the Family Nutrition Bureau (FNB) and is 100% federally-funded. The FNB also

administers the Summer Food Service Program (SFSP) which provides meals to children during the summer when school is out. FNB enters into agreements with local nonprofit sponsored agencies to administer the SFSP at the local level. The average daily attendance in the CACFP in FY08 was 41,877.

Home visiting is a service provided within the home to first time parents. Providers are reimbursed at \$70 per visit. Prior to January 2008, providers were reimbursed at \$55 per visit. Pre-natal home visiting services assist families in identifying informal support networks; provide referrals to community resources; provide information on prenatal health, newborn care and child development; and determining if eligible families have been referred to Medicaid.

Key Elements of Recommendation

The Executive recommendation reflects the program restructuring of CYFD and includes the addition of 18 additional positions in Program Support. The positions include moving 15 positions in the Background Check Unit from the service areas. The remaining three positions are from JJS, PS and YFS. The executive recommendation includes a 6.5% vacancy factor.

The Executive recommendation includes full funding for General Services Department risk insurance rates and Department of Information Technology (DoIT) rate increases for maintenance, internet costs and telecommunication charges.

The Juvenile Justice Services restructuring plan includes the move of 350.3 probation and parole, administrative staff, training and information technology positions to YFS and remaining programs.

The Executive recommendation for the Juvenile Justice Services program includes a 7% vacancy factor. It also includes funding for continuing fundamental changes with the New Mexico juvenile justice system. The recommendation includes \$500.0 for the continuation of the rehabilitative service model called "Cambiar New Mexico". The Executive recommendation funds Cambiar via a contract with Missouri Youth Services Inc. as well as \$125.0 for "softening" of facilities, which allows for programming consistent with the model. These activities were funded in FY09 through a special appropriation. The Executive recommendation also funds operations for the Camino Nuevo facility and the expansion of 67.5 term positions which are currently funded in the base. The requirement for the additional positions is due to the opening of Camino Nuevo (services were previously provided by contract with Santa Fe County) and the closing of Camp Sierra Blanca in Roswell (loss of contract provider). The Executive recommends the use of \$300.0 fund balance from the Juvenile Community Corrections Fund to operate juvenile community corrections programs.

The restructuring of CYFD programs transfers 13 field mental health positions to the Protective Services Program as well as two additional positions. In addition, four youth service consultants and two criminal records check unit staff are transferred to other programs. The Executive recommendation includes a \$1,200.0 increase in care and support for foster care and adoption subsidy payments to align with FY08 actual expenditures. The increase is driven by a 9.7% growth in the adoption caseload. The increase is also attributed to payments made to address the medical needs of adoptive children. The Executive recommendation for Protective Services includes a 7% vacancy factor.

The Executive recommendation reflects the restructuring of the programs to include the new Early Childhood Services program. The program includes 152.5 positions formerly in Youth and Family Services and another position from Program Support for the director. The recommendation includes a 5% vacancy factor. Included in the Executive recommendation is an increase of \$10,000.0 for the child care program--\$7,000.0 from General Fund and \$3,000.0 from Temporary Assistance for Needy Families (TANF) funding from the Human Services Department. The increase continues the initiative from the 2008 Special Session which increased child care funding from TANF by \$7,200.0 in order to expand eligibility for the program to two hundred percent of the federal poverty level. Also included in the recommendation is an increase of \$1,000.0 General Fund for the Pre-K program.

The restructuring of programs transfers 284.3 probation and parole positions, 37 field mental health positions, 12 JJS administrative staff, four youth service consultants and two additional positions to the Youth and Family Services program (YFS). The restructuring also transfers out 152.5 early childhood services positions to ECS, 13 criminal records check unit positions and one behavioral health coordinator to PS. The Executive recommend a 6% vacancy factor for the Youth and Family Services program and includes \$72.6 in General Fund for domestic violence shelters in Hobbs, Ruidoso Downs, and Alamogordo, previously appropriated to the Department of Finance and Administration. The Executive recommendation includes \$1,000.0 in General Fund to continue the pre-kindergarten program. The recommendation also includes a budget increase of \$667.0 from the Domestic Violence Offender Treatment fund.

The recommendation for YFS also includes \$685.2 in revenue replacement for Title XIX Medicaid due to the elimination of the Functional Family Therapy program. In 2004, CYFD established the Functional Family Therapy (FFT) program as an intensive front-end counseling service for at-risk youth and their families. The goal of the program was to reduce the rate of re-adjudicated youth in the juvenile justice system. After three years, the program did not produce the desired results. An analysis of FFT clients indicated that only 28% of the youth who completed the program were not re-adjudicated within two years of completion. Because of the intensity of services provided to FFT clients and their families (three months of weekly client and family therapy sessions), the results were disappointing. While this program is successful in other states, it has not been as successful in New Mexico. A factor that may contribute to the disappointing results of the program in New Mexico is that the national program has not been “normed” for Hispanic and Native American populations. Because this program has not been a prudent use of resources or achieved the goals that were anticipated, CYFD discontinued the program and redeployed the staff dedicated to FFT to other less restrictive front-end community assessment and counseling services within Youth and Family Services and Protective Services.

Performance Report

In May 2008, the Legislative Finance Committee concluded a performance audit of CYFD. Two areas of concern were presented and addressed as follows:

Recommendation—use of Offender Treatment Funds needs to be included in CYFD’s FY10 budget request.

CYFD has included \$667,000 of recurring funds from the Domestic Violence Offender Treatment Fund in the FY10 budget request. CYFD currently funds 27 offender treatment programs around the state and all are at capacity. With the inclusion of voluntary referral and expansion to permit all court referrals, the unpredictability of the program continues. As the program stabilizes, CYFD will be able to better project available revenue and enable CYFD to fund expanded treatment programs.

Recommendation—performance measure process needs improvement.

CYFD has included comprehensive performance measures in its strategic plan and the FY10 budget request. CYFD has set realistic performance targets based on benchmarking and actual performance. Data elements have been assessed to ensure data captured represent the objective of the measure.

In FY08, Program Support did not meet its 15% target turnover rate for child welfare case workers. The turnover result of 19.5% will be addressed with improved quality of worker supervision through training; review of results from exit interviews; and an updated human resources retention plan for crucial front-line workers based on findings from exit interviews. In FY09, CYFD will begin reporting on average vacancy rates instead of turnover to provide a more meaningful management tool for the department.

Program Support did not meet its 11.9% target turnover rate for juvenile correctional officers. The turnover result of 17.6% will be addressed through the same process as for child welfare case workers. In FY09, CYFD will begin reporting on average vacancy rates instead of turnover and will establish a new classification, Youth Care Specialist, which replaces the Juvenile Correctional Officer classification.

The Juvenile Justice Services program met all targets on its performance measures except for the percent of possible education credits earned by clients in JJS facilities. The result was 42.4%, just short of the 45% target.

The Protective Services program met all FY08 targets except percent of children reunified with their natural families and percent of children in foster care for 12 months with no more than two placements. The Executive recommendation for reunified children includes reducing the target from 78% in FY09 to 69.9% for FY10. The target for children in foster care with no more than two placements in a one year period was almost achieved with a result of 83.6%. The complexity of children in care has made placement stability more challenging. The expenses associated with high-needs children in care have made it difficult for foster parents to absorb the financial impact of caring for these children. This also impacts recruitment and retention of foster parents.

The Early Childhood Services program will report on several measures regarding early childhood through the reorganization. All targets were met in regard to licensed child care providers, children receiving state subsidy for child care and family providers participating in the child-and adult-care food program. Two measures regarding child care providers with national accreditation and the measure of children receiving state subsidy in the child care programs with national accreditation were greatly surpassed in FY08. In the past year, CYFD provided information to parents seeking child care on the importance of quality. During the last four years, CYFD has improved the quality of child care in licensed centers by providing technical assistance and training to providers and

through a financial incentive program (STARS/AIM HIGH) that provides increased reimbursement rates for state subsidized children in quality child care programs with five distinct levels.

Two new measures have been added to ECS: (1) percent of children in state funded pre-kindergarten having measurable progress, and (2) number of first home visits with families participating in the home visiting evaluation process.

The Youth and Family Services program met targets for measures regarding witnesses receiving domestic violence services. Two measures were discontinued due to new instruments for measurement being developed. Measures regarding child care and the child- and adult-care food program that were previously in YFS will be reported by ECS in FY10.

Recommended Language for the General Appropriation Act

The other state funds appropriation to the juvenile justice program of the children, youth and families department includes three hundred dollars (\$300,000) from fund balance from the juvenile community corrections fund to operate juvenile community corrections programs.

The other state funds appropriation to the early childhood services program of the children, youth and families department includes two million, one hundred seventy-seven thousand dollars (\$2,177,000) from the child care assistance day care fund.

The internal service funds/interagency transfers appropriations to the early childhood services program of the children, youth and families department includes thirty five million, four hundred nineteen thousand, three hundred dollars (\$35,419,300) for the child care program and one million dollars (\$1,000,000) for the pre-kindergarten program from the temporary assistance for needy families block grant to New Mexico.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	198,446.5	206,920.1	214,128.0	7,207.9	3.5
Other Transfers	40,354.5	42,018.8	43,852.5	1,833.7	4.4
Federal Revenues	141,588.0	134,159.1	137,610.8	3,451.7	2.6
Other Revenues	4,284.8	4,370.6	6,314.6	1,944.0	44.5
Fund Balance	3,632.4	0.0	300.0	300.0	***
TOTAL SOURCES	388,306.2	387,468.6	402,205.9	14,737.3	3.8
USES					
Personal Services and Employee Benefits	121,167.0	118,426.3	124,723.8	6,297.5	5.3
Contractual Services	74,857.5	81,585.0	78,332.6	-3,252.4	-4.0
Other	187,386.9	186,897.4	198,909.5	12,012.1	6.4
Other Financing Uses	1,270.9	559.9	240.0	-319.9	-57.1
TOTAL USES	384,682.3	387,468.6	402,205.9	14,737.3	3.8

Agency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
FTE					
Permanent	1,946.10	2,006.10	2,014.10	8.00	0.4
Term	64.00	64.00	130.50	66.50	103.9
TOTAL FTE POSITIONS	2,010.10	2,070.10	2,144.60	74.50	3.6

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	9,887.0	9,814.1	13,394.4	3,580.3	36.5
Other Transfers	607.8	193.8	133.0	-60.8	-31.4
Federal Revenues	8,427.1	5,905.3	6,254.2	348.9	5.9
Fund Balance	500.0	0.0	0.0	0.0	***
TOTAL SOURCES	19,421.9	15,913.2	19,781.6	3,868.4	24.3
USES					
Personal Services and Employee Benefits	12,037.4	11,276.3	12,769.2	1,492.9	13.2
Contractual Services	2,283.7	1,954.8	1,851.9	-102.9	-5.3
Other	4,271.0	2,682.1	5,160.5	2,478.4	92.4
Other Financing Uses	643.7	0.0	0.0	0.0	***
TOTAL USES	19,235.8	15,913.2	19,781.6	3,868.4	24.3
FTE					
Permanent	162.00	162.00	176.00	14.00	8.6
Term	0.00	0.00	4.00	4.00	***
TOTAL FTE POSITIONS	162.00	162.00	180.00	18.00	11.1

Juvenile Justice Services
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	63,297.4	68,475.9	39,302.5	-29,173.4	-42.6
Other Transfers	771.6	2,511.3	1,711.7	-799.6	-31.8
Federal Revenues	303.2	0.0	0.0	0.0	***
Other Revenues	1,551.6	1,678.4	1,678.4	0.0	0.0
Fund Balance	3,132.4	0.0	300.0	300.0	***
TOTAL SOURCES	69,056.2	72,665.6	42,992.6	-29,673.0	-40.8
USES					
Personal Services and Employee Benefits	47,238.8	48,830.7	30,818.6	-18,012.1	-36.9
Contractual Services	12,479.2	15,493.8	6,770.6	-8,723.2	-56.3
Other	8,211.1	8,341.1	5,403.4	-2,937.7	-35.2
TOTAL USES	67,929.1	72,665.6	42,992.6	-29,673.0	-40.8
FTE					
Permanent	780.30	849.80	499.50	-350.30	-41.2
Term	0.00	0.00	67.50	67.50	***
TOTAL FTE POSITIONS	780.30	849.80	567.00	-282.80	-33.3

Protective Services
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	61,691.5	60,867.8	62,836.9	1,969.1	3.2
Other Transfers	2,823.8	1,014.0	729.0	-285.0	-28.1
Federal Revenues	48,150.7	43,472.2	47,141.7	3,669.5	8.4
Other Revenues	1,602.4	1,566.3	1,566.3	0.0	0.0
TOTAL SOURCES	114,268.4	106,920.3	112,273.9	5,353.6	5.0
USES					
Personal Services and Employee Benefits	50,519.8	46,706.2	49,110.8	2,404.6	5.1
Contractual Services	10,273.1	9,780.2	12,315.3	2,535.1	25.9
Other	51,272.5	50,193.9	50,607.8	413.9	0.8
Other Financing Uses	208.2	240.0	240.0	0.0	0.0
TOTAL USES	112,273.6	106,920.3	112,273.9	5,353.6	5.0
FTE					
Permanent	853.50	834.00	841.00	7.00	0.8
TOTAL FTE POSITIONS	853.50	834.00	841.00	7.00	0.8

Early Childhood Services
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	0.0	0.0	43,993.6	43,993.6	***
Other Transfers	0.0	0.0	37,020.3	37,020.3	***
Federal Revenues	0.0	0.0	79,692.1	79,692.1	***
Other Revenues	0.0	0.0	2,177.0	2,177.0	***
TOTAL SOURCES	0.0	0.0	162,883.0	162,883.0	***
USES					
Personal Services and Employee Benefits	0.0	0.0	8,161.2	8,161.2	***
Contractual Services	0.0	0.0	20,072.2	20,072.2	***
Other	0.0	0.0	134,649.6	134,649.6	***
TOTAL USES	0.0	0.0	162,883.0	162,883.0	***
FTE					
Permanent	0.00	0.00	112.50	112.50	***
Term	0.00	0.00	47.00	47.00	***
TOTAL FTE POSITIONS	0.00	0.00	159.50	159.50	***

Youth and Family Services
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	63,570.6	67,762.3	54,600.6	-13,161.7	-19.4
Other Transfers	36,151.3	38,299.7	4,258.5	-34,041.2	-88.9
Federal Revenues	84,707.0	84,781.6	4,522.8	-80,258.8	-94.7
Other Revenues	1,130.8	1,125.9	892.9	-233.0	-20.7
TOTAL SOURCES	185,559.7	191,969.5	64,274.8	-127,694.7	-66.5

		Youth and Family Services (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	<u>Budget to Recommendation</u> Dollar <u>Change</u>	Percent <u>Change</u>
USES						
	Personal Services and					
	Employee Benefits	11,371.0	11,613.1	23,864.0	12,250.9	105.5
	Contractual Services	49,821.5	54,356.2	37,322.6	-17,033.6	-31.3
	Other	123,632.3	125,680.3	3,088.2	-122,592.1	-97.5
	Other Financing Uses	419.0	319.9	0.0	-319.9	-100.0
	TOTAL USES	185,243.8	191,969.5	64,274.8	-127,694.7	-66.5
FTE						
	Permanent	150.30	160.30	385.10	224.80	140.2
	Term	64.00	64.00	12.00	-52.00	-81.3
	TOTAL FTE POSITIONS	214.30	224.30	397.10	172.80	77.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Program Support					
To provide the direct services divisions with functional and administrative support so they may provide client services consistent with the department's mission and also support the development and professionalism of employees.					
Output	Turnover rate for child welfare case workers	15%	19.5%		
Output	Turnover rate for juvenile correctional officers	11.9%	17.6%		
Outcome	Average vacancy rate for child care eligibility interviewers			15%	15%
Outcome	Percent vacancy rate for child welfare workers				12%
Outcome	Percent vacancy rate for youth care specialists				8%
Outcome	Average vacancy rate for juvenile correctional officers			8%	
Outcome	Average vacancy rate for child welfare workers			12%	
Juvenile Justice Services					
To provide rehabilitative services to youth committed to the department including but not limited to medical, educational, mental health and other services. In addition, to provides early intervention and prevention, detention and screening, and probation and parole supervision aimed at keeping youth from committing additional delinquent acts.					
Output	Percent of possible education credits earned by clients in juvenile justice division facilities	45%	42.4%	45%	47%
Output	Percent of clients re-adjudicated within two years of previous adjudication	5.8%	4.71%	5.8%	
Output	Percent of youth in a juvenile justice services facility who are within one hundred miles of their family and home community			55%	60%
Outcome	Percent of clients receiving functional family therapy and multi-systemic therapy who have not committed a subsequent juvenile offense within two years of discharge from service	86.5%	81%		
Outcome	Percent of incidents in juvenile justice service facilities requiring use of force resulting in injury	3.82%	3.0%	3.82%	
Outcome	Number of juvenile justice division facility clients age eighteen and older who enter adult corrections within two years after discharge from a juvenile justice facility	TBD	5%	TBD	TBD
Outcome	Percent of clients recommitted to a children, youth and families department facility within two years of discharge from facilities	11.5%	4.0%	11.5%	10%
Outcome	Percent of incidents in juvenile justice division facilities requiring use of force resulting in injury				3.0%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Protective Services					
To receive and investigate referrals of child abuse and neglect, provide family preservation and treatment and legal services to vulnerable children and their families, to ensure their safety and well being.					
Outcome	Percent of children who are the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment	7.1%	7.0%	7%	
Output	Percent of children who are the subject of substantiated maltreatment while in foster care	0.57%	0.34%	0.57%	
Outcome	Percent of children adopted within twenty-four months from entry into foster care	34%	35%	34%	34%
Outcome	Percent of children in foster care for twelve months with no more than two placements	86.7%	83.6%	86.7%	83.3%
Output	Percent of children who are not the subject of substantiated maltreatment while in foster care.				99.68%
Outcome	Percent of children who are not the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment.				91.5%
Outcome	Percent of children reunified with their natural families in less than twelve months of entry into care	85%	73.3%	78%	69.9%
Early Childhood Services					
Outcome	Percent of children receiving state subsidy in stars/aim high programs level two through five or with national accreditation				60%
Outcome	Percent of children in state funded pre-kindergarten showing measurable progress on the preschool readiness kindergarten tool				68.5%
Output	Number of first home visits with families participating in the home visiting evaluation process				400
Outcome	Percent of licensed child care providers participating in stars/aim high levels two through five or with national accreditation				65%
Output	Percent of family providers participating in the child- and adult-care food program				92%
Youth and Family Services					
To provide behavioral health, quality child care and nutrition services to children so they can enhance physical, social and emotional growth and development and can access quality care.					
Outcome	Percent of family providers participating in the child- and adult-care food program	90.5%	94.8%	92%	
Outcome	Percent of children receiving behavioral health services who experience an improved level of functioning at discharge	50%		50%	
Outcome	Percent of children receiving state subsidy in stars/aim high programs level two through five or with national accreditation	30%	64.4%	50%	
Outcome	Percent of licensed child care providers participating in stars/aim high levels two through five or with national accreditation	32%	65.3%		
Outcome	Percent of adult victims receiving domestic violence services living in a safer, more stable environment	85%	78.0%	85%	
Outcome	Percent of adult victims or survivors receiving domestic violence services who have an individualized safety plan	TBD	65.8%	70%	70%
Outcome	Percent of domestic violence offenders who complete a batterer's intervention program			TBD	65.8%
Outcome	Percent of clients who complete formal probation			85.0%	85.0%
Outcome	Percent of domestic violence offenders who complete an abuser's intervention program			TBD	
Output	Percent of readjudicated clients			5.8%	5.8%
Outcome	Percent of multi-systemic therapy clients who have not committed a subsequent juvenile offense within two years of discharge from service				86.5
Outcome	Percent of children in state funded pre-kindergarten showing measurable progress on the preschool readiness kindergarten tool	68.5%	68.5%	68.5%	68.5%
Outcome	Percent of adult victims receiving domestic violence services who show improved client competencies in social, living, coping and thinking skills	65%			

Executive Summary

The Department of Military Affairs provides support and infrastructure for the New Mexico National Guard's mission to supply military forces for state emergencies and to train for national defense and related activities.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	7,664.3	7,181.5	-6.3
Total Sources	20,008.0	19,859.8	-0.7
Program			
National Guard Support Program	16,980.7	16,855.8	-0.7
Crisis Response Program	3,027.3	3,004.0	-0.8
Total Uses	20,008.0	19,859.8	-0.7
FTE	168.00	163.00	-3.0

- The Executive recommends a decrease of \$482.8 in General Fund from FY09 operating levels.
- The recommendation includes an increase of \$261.7 in federal funds and an increase of \$72.9 in the use of fund balance.

Agency Mission and Program Purpose

The primary mission of the Department of Military Affairs (DMA) is to provide military forces to the State of New Mexico in the event of a man-made or natural disaster. The department also has the additional responsibilities of managing lands and properties owned by the State Armory Board and providing infrastructure support for the Civil Air Patrol, the State Defense Force and the Youth Challenge Academy.

Statutory Authority: Article I, Section 8, the United States Constitution, Article XVIII, Sections 1 and 2, the New Mexico Constitution; New Mexico Military Code, Sections 20-1-1 through 20-12-73 NMSA 1978.

National Guard Support Program

The National Guard Support Program (NGSP) provides infrastructure for the New Mexico National Guard by managing both state appropriations and federal reimbursements through the Master Cooperative Funding Agreement. This entails accounting and administrative services; procurement of goods; record keeping; new construction; maintenance and management of statewide National Guard facilities and properties, including twenty-seven armories. NGSP also offers tuition assistance to improve the education and skills of its members as well as provide an incentive in recruiting new "citizen soldiers" into the National Guard.

Crisis Response Program

The Crisis Response Program (CRP) provides emergency relief to the communities and citizens of New Mexico in state emergencies and search and rescue efforts. CRP provides a secondary militia to

respond to the governor's call for aid in the event that the New Mexico National Guard is not available because it is serving outside the state in the national interest. CRP provides leadership and direction for New Mexico youth, through the Youth Challenge Academy, which works directly with at-risk teenagers.

Executive Recommendation

Agency Strategic Directions

The New Mexico National Guard has established a "Comprehensive Energy Reduction Plan" to reduce energy usage in the Department of Military Affairs and the New Mexico National Guard through proactive measures by designing a structure process that achieves measurable energy reduction benchmarks. In FY10, NMNG will support the governor's directive on renewable energy by committing to purchase 60% of electricity from renewable sources. Per the Governor's Executive Order 2007-053, DMA will explore and procure energy efficient systems at facilities throughout the state to reduce energy costs to 20% below the 2005 level by 2015. In addition, DMA will establish three model armories for energy project upgrades including solar tubes, lighting upgrades, tank-less water heaters, solar reflective window tinting, solar panels and improved HVAC systems.

During the period of 2008-2012 DMA plans to improve its training and readiness capabilities by constructing an army aviation support facility and a readiness center in Farmington as well as developing a national urban warfare and homeland defense training center for the Onate Complex in Santa Fe. DMA will optimize the use of all facilities, ranges and installations to support its current mission in the areas of infantry, intelligence, transportation and military police. Since September 11, 2001, 2,417 New Mexico National Guardsmen have been mobilized for duty in Iraq. The New Mexico National Guard currently has 16 soldiers and 1 airmen deployed. In FY09, 509 soldiers are projected to deploy. In FY10, 1,157 soldiers and 300 airmen are projected to deploy.

The Crisis Response Program provides resources and a highly trained and experienced force to protect the public and improve the quality of life for New Mexicans. CRP also supports middle schools in Albuquerque and Las Cruces with Counter Drug Task Force Demand Reduction Program personnel that focus on drug awareness and reduction strategies for adolescent youth and the New Mexico Youth Challenge Program for at-risk youth statewide.

Key Elements of Recommendation

The Executive recommends an overall decrease of \$482.8 in General Fund from FY09 operating levels. The decrease in General Fund results primarily from imposing a 5% vacancy rate on the personal services and employee benefits category and implements the agency cost reduction plan. The recommendation includes increases in the contractual services category for various contracts including engineering design, drug testing and professional training services. The other costs category reflects decreases in transportation and property insurance and in utilities from FY09 operating levels.

Performance Report

The National Guard Support Program met two of three measures. While the New Mexico National Guard (NMNG) exceeded the measure for percent of strength at 90% compared to a target of 88%, the NMNG did not meet its target of 14% maximum attrition with a result of 15.7%. This performance is in light of the war effort which continues to be a major obstacle to recruiting and retention efforts on the part of the New Mexico Army and Air National Guard. In the area of major environmental compliance findings from inspections, the Department of Military Affairs exceeded its target of a maximum of 20 high level findings with only 10 major findings. Over the course of this last year, the Environmental Management Office has been working to close out Environmental Performance Assessment System (EPAS) findings and conduct internal inspections.

Within the Crisis Response Program, the current measure of the percent of New Mexico Youth Challenge Academy cadets who earn their high school equivalency annually is being replaced by an output measure of the number of cadets who earn their high school equivalency annually. The program failed to meet its existing measure, percent of cadets successfully graduating from the Youth Challenge Academy, with results of 78% compared to a target of 100%. Attendance at the academy is strictly voluntary and the program has experienced difficulties recruiting and retaining qualified applicants who complete the 22-week resident course. The target for the Youth Challenge Academy has been eased to a more obtainable 90% for FY09.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)			FY10	
	FY08	FY09	Recom- mendation	Budget to Recommendation	
	<u>Actuals</u>	<u>Operating Budget</u>		Dollar/FTE <u>Change</u>	Percent <u>Change</u>
SOURCES					
General Fund Transfers	7,436.9	7,664.3	7,181.5	-482.8	-6.3
Other Transfers	115.2	0.0	0.0	0.0	***
Federal Revenues	12,227.7	12,206.2	12,467.9	261.7	2.1
Other Revenues	316.4	137.5	210.4	72.9	53.0
TOTAL SOURCES	20,096.2	20,008.0	19,859.8	-148.2	-0.7
USES					
Personal Services and Employee Benefits	7,983.4	8,791.6	8,503.0	-288.6	-3.3
Contractual Services	1,951.3	2,325.4	2,636.1	310.7	13.4
Other	7,896.9	8,891.0	8,720.7	-170.3	-1.9
TOTAL USES	17,831.6	20,008.0	19,859.8	-148.2	-0.7
FTE					
Permanent	32.00	32.00	32.00	0.00	0.0
Term	133.00	136.00	131.00	-5.00	-3.7
TOTAL FTE POSITIONS	165.00	168.00	163.00	-5.00	-3.0

National Guard Support Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	6,088.9	6,317.0	5,857.5	-459.5	-7.3
Federal Revenues	10,169.2	10,526.2	10,787.9	261.7	2.5
Other Revenues	190.8	137.5	210.4	72.9	53.0
TOTAL SOURCES	16,448.9	16,980.7	16,855.8	-124.9	-0.7
USES					
Personal Services and Employee Benefits	6,082.1	6,617.2	6,313.8	-303.4	-4.6
Contractual Services	1,276.3	1,802.6	2,005.3	202.7	11.2
Other	7,352.9	8,560.9	8,536.7	-24.2	-0.3
TOTAL USES	14,711.3	16,980.7	16,855.8	-124.9	-0.7
FTE					
Permanent	31.00	31.00	31.00	0.00	0.0
Term	86.00	89.00	89.00	0.00	0.0
TOTAL FTE POSITIONS	117.00	120.00	120.00	0.00	0.0

Crisis Response Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	1,348.0	1,347.3	1,324.0	-23.3	-1.7
Other Transfers	115.2	0.0	0.0	0.0	***
Federal Revenues	2,058.5	1,680.0	1,680.0	0.0	0.0
Other Revenues	125.6	0.0	0.0	0.0	***
TOTAL SOURCES	3,647.3	3,027.3	3,004.0	-23.3	-0.8
USES					
Personal Services and Employee Benefits	1,901.3	2,174.4	2,189.2	14.8	0.7
Contractual Services	675.0	522.8	630.8	108.0	20.7
Other	544.0	330.1	184.0	-146.1	-44.3
TOTAL USES	3,120.3	3,027.3	3,004.0	-23.3	-0.8
FTE					
Permanent	1.00	1.00	1.00	0.00	0.0
Term	47.00	47.00	42.00	-5.00	-10.6
TOTAL FTE POSITIONS	48.00	48.00	43.00	-5.00	-10.4

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
National Guard Support Program					
To provide administrative, fiscal, personnel, facility construction and maintenance support to the New Mexico National Guard military and civilian activities so the Guard can maintain a high degree of readiness to respond to state and federal missions.					
Outcome	Rate of attrition of the New Mexico army national guard	14%	15.7%	16%	16%
Outcome	Percent of strength of the New Mexico national guard	88%	90%	88%	90%
Output	Number of major environmental compliance findings from inspections	20	10	40	10
Crisis Response Program					
To provide resources and a highly trained and experienced force to protect the public and improve the quality of life for New Mexicans.					
Outcome	Percent of cadets successfully graduating from the youth challenge academy	100%	78%	90%	90%
Output	Percent of New Mexico youth challenge academy cadets who earn their high school equivalency annually			48%	
Output	Number of New Mexico youth challenge academy cadets who earn their high school equivalency annually			92	95

Executive Summary

The Parole Board is responsible for the parole management of individuals released from prisons under the jurisdiction of the Corrections Department.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	556.5	488.8	-12.2
Total Sources	556.5	488.8	-12.2
Program			
Parole Board	556.5	488.8	-12.2
Total Uses	556.5	488.8	-12.2
FTE	6.00	6.00	0.0

- The Executive recommendation provides for increases in travel costs for board members to the new Clayton facility and a reduction in General Services Department rates.
- The recommendation also incorporates a General Fund decrease of \$30.0 in contractual services for a one-time information technology assessment of the agency's needs.

Agency Mission and Program Purpose

The Parole Board establishes parole conditions and guidelines for inmates released from Corrections Department prisons with the objective of reintegrating these individuals back into the community as productive, law-abiding citizens, while simultaneously providing for public safety. The Parole Board conducts parole release hearings, parole revocation hearings, executive clemency referrals and parole discharge reviews. The board also coordinates research and investigations to provide recommendations to the governor on applications for executive clemency.

Following statutory changes in the most recent legislative session, the Parole Board is now comprised of 15 volunteer citizens appointed by the governor, with the consent of the Senate. The governor designates one member as the chair of the board. The members are appointed to serve staggered six-year terms. The size of the board was expanded from nine volunteer members to allow coverage of 15 corresponding separate institutions around the state.

The mission of the Parole Board is to provide public safety through judicious administration and enforcement of the Parole Board Act and related statutes regarding post-prison supervision of parolees. The board's focus is on risk assessment and making careful, informed and equitable parole decisions. It sets parole conditions for those individuals being released to the community and sometimes returns to prison those who fail to abide by the conditions of their parole.

Statutory Authority: Sections 31-21-3 through 31-21-26 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The Parole Board supports the Executive's performance and accountability policy, *A Safer New Mexico*, through the following activities: (1) collaborating with district attorneys' and victims' advocates statewide to ensure victims are made aware of an inmate's approaching parole date and have the opportunity to address the board with their concerns; (2) working with the Corrections Department both before and after an inmate's release on parole to arrange proper placement, treatment and supervision with the dual goals of facilitating an inmate's successful re-entry into the community, and providing oversight and taking appropriate action in the event this adjustment proves unsuccessful; (3) establishing parole conditions that meet the public safety needs of the state; (4) conducting timely and judicious hearings; and (5) establishing guidelines and procedures for parole conditions designed to significantly reduce the rate of recidivism in the state, in cooperation with the Corrections Department, law enforcement, victim advocates, prosecutors, DWI authorities, domestic violence services and other entities. The Corrections Department is working to provide additional prison, probation and parole programming through the newly formed re-entry initiatives and the board is working closely towards these efforts. The board is restructuring parole conditions for those parolees whose violations suggest a possibility of managed reintegration into society in lieu of a return to incarceration.

Key Elements of Recommendation

The Executive recommendation provides for increases in the department's travel costs for board members to travel to the new Clayton facility which began operation in FY09. The recommendation provides for decreases in General Service Department rates, and other miscellaneous changes to various line items in the other category. It also incorporates a reduction in General Fund of \$30.0 which was utilized in FY09 to develop a one-time assessment of the technological needs of the department.

Performance Report

The board conducted 3,911 hearings during FY08. Hearings are conducted at the 15 correctional facilities located throughout the state. Of the total, 70.4% (2,754) of those hearings set forth the conditions a parolee must adhere to upon release. The balance of 29.6% (1,157) were revocation hearings wherein the board exercised its discretion to either return the parolee to incarceration to serve the remainder of the parole time or to re-parole the parolee to the community.

The Parole Board exceeded its target for the number informational meetings held with individuals, advocacy groups and local, state, federal or county governments by 127% in FY08. The Executive recommendation increases its FY10 target to 25 based on actual results. The agency also added a new measure, percent of parole certificates issued within ten days of hearing and/or ten days of receiving relevant information needed. This measure's target has been set at 95% in FY10.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	488.1	556.5	488.8	-67.7	-12.2
TOTAL SOURCES	488.1	556.5	488.8	-67.7	-12.2
USES					
Personal Services and Employee Benefits	334.6	358.0	344.8	-13.2	-3.7
Contractual Services	5.9	37.7	7.7	-30.0	-79.6
Other	128.7	160.8	136.3	-24.5	-15.2
TOTAL USES	469.2	556.5	488.8	-67.7	-12.2
FTE					
Permanent	6.00	6.00	6.00	0.00	0.0
TOTAL FTE POSITIONS	6.00	6.00	6.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Parole Board					
To provide and/or establish parole conditions and guidelines for inmates/parolees so they may reintegrate back into the community as law abiding citizens.					
Output	Number of informational meetings held with individuals, advocacy groups and local, state, federal or county governments	15	34	15	25
Efficiency	Percent of initial parole hearings held a minimum of thirty days prior to the inmate's projected release date	90%	88.4%	90%	
Efficiency	Percent of revocation hearings held within thirty days of a parolee's return to the corrections department	90%	93.8%	93%	95%
Outcome	Number of comprehensive resource guides and agency rules and regulations pamphlets produced and updated	1 update	1 update	1 update	1 update
Outcome	Percent of parole certificates issued within ten days of hearing			95%	
Outcome	Percent of parole certificates issued within ten days of hearing and/or ten days of receiving relevant information needed				95%

Executive Summary

The Juvenile Parole Board ensures that incarcerated youth receive rehabilitative services and that those youth are provided with fair and impartial hearings through the board hearing process.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	446.0	434.0	-2.7
Total Sources	446.0	434.0	-2.7
Program			
Juvenile Parole Board	446.0	434.0	-2.7
Total Uses	446.0	434.0	-2.7
FTE	6.00	6.00	0.0

- The Executive recommendation includes a decrease of \$12.0 in General Fund.
- The Executive recommendation imposes a 0.5% vacancy rate over FY09 for the Juvenile Parole Board.

Agency Mission and Program Purpose

The mission of the Juvenile Parole Board (JPB) is to serve as the independent releasing authority for committed juvenile offenders in the State of New Mexico. In fulfilling its mission, JPB: establishes conditions of parole that enhance the juvenile's opportunity for success; balances the best interests of the juvenile, public safety and victim considerations; works with the Children, Youth and Families Department (CYFD) to assure juveniles receive appropriate rehabilitation services; and promotes and applies best practices throughout the juvenile justice system in the State of New Mexico. JPB is an autonomous, independent agency that is responsible for granting release of juvenile offenders who have been court committed to a state rehabilitation program in the State of New Mexico. In addition to granting parole, JPB also has the authority to deny and revoke parole as well as set conditions of parole in anticipation of successful supervision in the community. JPB works in conjunction with CYFD, Juvenile Justice Services and Family Services to ensure that youth are receiving rehabilitative services so that they may return to their prospective communities as law abiding citizens.

The Juvenile Parole Board issues conditions of parole for juveniles released from facilities administered by the Juvenile Justice Services of CYFD. While the board is administratively attached to CYFD, it has autonomous power to parole and release adjudicated youth committed to Juvenile Justice Services of CYFD. The autonomy was granted to promote fair, impartial and independent decisions regarding parole from Juvenile Justice Services. JPB is comprised of three non-salaried board members appointed by the Governor to staggered six-year terms. The board has six paid staff members who prepare case files and administer the functions of the board.

In addition to setting conditions of an adjudicated child's parole, the board has the authority to reprimand the juvenile or revoke parole if parole conditions are not met. Board conditions often

require juvenile offenders to participate in available rehabilitation services. JPB sets the conditions of and coordinates the parole process, which is then carried out by the CYFD supervising parole agent. Additionally, the board notifies the Administrative Office of the District Attorneys of parole releases.

Statutory Authority: Sections 32A-7-1 through 32A-7-9 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The primary services provided by JPB are ensuring that rehabilitative services are being provided to incarcerated youth at CYFD facilities, public safety, victim notification and victim considerations of parole release whenever possible.

The Juvenile Parole Board continually monitors its clients (parolees) to assure they are receiving rehabilitative services at CYFD facilities in order to be successful. CYFD has had many challenges in the past years to provide better programs for youth in the areas of substance abuse programs, high case loads, vocational training, high risk clients, and turnover in staff. JPB will continue to support CYFD initiatives to enhance their programs.

Key Elements of Recommendation

The Executive recommendation includes a 2.7% decrease in General Fund. The recommendation imposes a 0.5% vacancy rate in personal services and reflects additional savings in operating expenses.

Performance Report

JPB did not meet its FY08 target of 95% of clients reviewed at 40 days and clients reviewed at 90 days. The target was increased by 44% from FY07 with a result of 86%. JPB maintains that although a youth is committed from a judicial district on a certain date, he or she may not be transported on the same day. The youth remain in short term detention for up to three weeks before they are actually transported to a long-term facility. During this time they do not have a plan of care developed until they are placed with the CYFD Central Intake Unit.

The number of client reviews held by the staff fell short by 637 reviews. The number of reviews conducted by JPB has been reduced dramatically because of changes in the Children's Code regarding mandatory parole for all clients. The target levels are contingent on population at each CYFD facility. The target levels are based on the premise that population would remain high. The target level was adjusted for FY09 to 900 reviews and recommended as such for FY10.

With a result of 47%, the percent of residents paroled that successfully complete the conditions of parole fell short of the target by 13%. The shortfall was a result of a change in the Children's Code in FY06. The change allowed for mandatory parole for all incarcerated youth which mandated that they be released into the community 90 days earlier. The decrease in satisfactory discharges is due to some clients not being ready for community supervision. The mandatory parole is a recurring condition.

The number of individual parole hearings held by the juvenile parole board also fell short of the 300 target with a result of 250 parole hearings. The successful completion of this measure is based on facility population which was 261 for FY08.

Budget Summary Tables

		Agency Budget Summary (Dollars in Thousands)			FY10	
		FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES						
	General Fund Transfers	434.0	446.0	434.0	-12.0	-2.7
	TOTAL SOURCES	434.0	446.0	434.0	-12.0	-2.7
USES						
	Personal Services and Employee Benefits	349.3	380.6	393.7	13.1	3.4
	Contractual Services	5.9	7.0	5.9	-1.1	-15.7
	Other	53.5	58.4	34.4	-24.0	-41.1
	TOTAL USES	408.7	446.0	434.0	-12.0	-2.7
FTE						
	Permanent	6.00	6.00	6.00	0.00	0.0
	TOTAL FTE POSITIONS	6.00	6.00	6.00	0.00	0.0

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Juvenile Parole Board					
To provide fair and impartial hearings through reviews to incarcerated youth so they can mainstream into society as law-abiding citizens.					
Output	Percent of clients reviewed at 40 days	95%	86%	95%	95%
Output	Percent of clients reviewed every 90 days	95%	100%	95%	95%
Output	Number of client reviews held by the staff	1453	816	900	900
Outcome	Percent of residents paroled that successfully complete the conditions of parole	60%	47%	60%	60%
Outcome	Number of individual parole hearings held by the juvenile parole board	300	250	250	250

Executive Summary

The Corrections Department administers laws and exercises functions to ensure a comprehensive criminal justice system in New Mexico with regard to offenders sentenced to prison or probation and offenders who serve a portion of their sentence on parole.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	297,101.7	295,919.7	-0.4
Total Sources	320,515.1	320,109.8	-0.1
Program			
Program Support	8,892.9	9,456.0	6.3
Inmate Management and Control	256,804.0	255,793.9	-0.4
Inmate Programming	10,504.8	11,794.8	12.3
Corrections Industries	6,726.6	6,530.8	-2.9
Community Offender Management	33,058.9	32,171.9	-2.7
Community Corrections	4,527.9	4,362.4	-3.7
Total Uses	320,515.1	320,109.8	-0.1
FTE	2,532.50	2,551.50	0.8

- Included in the recommendation is \$393.7 in General Fund and five FTE for the Success for Offenders After Release (SOAR) program. These FTE will assist with an average case load of 50 inmates to facilitate the transition of offenders from state facilities back into public life.
- Also contained within the recommendation is \$301.4 and one FTE to establish additional Restorative Justice Panels across the state. The current pilot programs in Taos and Santa Fe have demonstrated success in lower recidivism rates of former offenders which have participated in the program.
- The recommendation includes \$134.4 in General Fund and one FTE for caretaking of Camp Sierra Blanca transferred from the Children, Youth and Families Department in FY10.

Agency Mission and Program Purpose

The goals and objectives of the New Mexico Corrections Department (NMCD) are to provide a balanced, system-wide approach to corrections from incarceration to community-based supervision through offender training, education, rehabilitation programs and services that provide opportunities for offenders to transition effectively back into their communities. NMCD has developed goals specific to its two clientele groups:

For its inmates, the department is concerned with: (1) placing offenders in the most cost-efficient and effective custody or level of supervision; (2) designating security as the number one priority in both public and private prisons; (3) recruiting, hiring, training and retaining skilled, competent and dedicated correctional officers; (4) providing effective programs and services, including medical and mental health, education, employment training and faith-based programs; (5) adequately screening and evaluating inmates at the time of entry into NMCD, and throughout their incarceration, to

ensure each individual receives appropriate programs and services; and (6) preparing inmates for release and providing opportunities for a successful return to the community.

For its probationers and parolees, the department is concerned with: (1) providing enhanced programs and services for offenders assigned to probation and parole supervision; and (2) enhancing probation and parole community policing efforts, in cooperation with law enforcement entities and with community-based programs, in order to identify and effectively supervise high-risk/high-need offenders and to reduce recidivism.

Statutory Authority: Sections 9-3-1 to 9-3-12 NMSA 1978.

Program Support

Program Support consists of the Office of the Secretary, Deputy Secretary of Administration, Administrative Services, Public Information, Facilities Management and Legal Services. The program undertakes: strategic planning; policy positioning; inmate population projections; legislative analysis and recommendations; research of legal issues; and budget management plans.

At June 30, 2008, the department had 19,968 offenders under its jurisdiction including: (1) 5,754 male inmates and 576 female inmates for a total population of 6,330 in prison; and (2) 13,248 active offender cases under probation and parole.

Inmate Management and Control

The Inmate Management and Control Program includes prison facilities throughout the state, both public and private, and programs for the inmates within them. The type of public prison facilities built in New Mexico continues to have a significant impact on the department's operations. The public prison facilities are relatively small -- the typical "pod" in New Mexico contains 16 cells and a typical housing unit contains 48 cells. Each prison has certain "levels" of inmates. The inmate's classification level depends on the crime of which he/she is convicted, gang affiliations and behavior while in the prison system. Levels range from one through six, with level one being the lowest risk and level six being the highest risk. The size of the pods, housing units and level of inmates correlates directly to the number of staff needed for supervision and to the overall cost of operation of each facility.

Inmate population growth is the biggest factor in the NMCD budget. At June 30, 2008, the inmate population was 6,330 in both state and private institutions; however, the prisoner population declined at a rate of 3% during FY08. National consultant, JFA and Associates (JFA), LLC, estimated New Mexico's total prisoner population will grow at a rate of 1.7% in FY09 and is projected to grow at an average annual rate of 1.4% from fiscal years 2008 to 2018. With the current rate of growth, the estimates show that New Mexico will have an offender population of 7,270 by the end of FY18. Because JFA's projections are estimated to be considerably less than in previous years and the female population is already much more than what was projected, the department based the FY10 budget request on the actual average rate of growth for the years prior to the decline. The inmate population growth rates for fiscal year 1996 through 2006 were 3.9% per year for the male inmates and 7% for the female inmates. With that rate of growth, the inmate population is projected to reach 6,920 by June 30, 2010. The inmate end-of-year population for the last five-year period is shown in the following table, along with the projections for fiscal years 2009 and 2010:

Male and Female Prisoner Population - 5 Year Summary								
FY Ending June 30	Male				Female			
	Facility Capacity	ADP*	ADP % change	June 30 amount	Facility Capacity	ADP*	ADP % change	June 30 amount
2004 Actual	5,967	5,666	3.7%	5,758	617	576	7.7%	594
2005 Actual	6,079	5,854	3.3%	5,959	617	595	3.3%	636
2006 Actual	6,084	5,975	2.1%	6,111	702	645	10.9%	691
2007 Actual	6,168	6,015	0.7%	5,906	813	657	-0.5%	620
2008 Actual	6,324	5,872	-2.4%	5,754	807	587	-10.7%	576
2009 Est.	6,532	5,828	-0.7%	5,879	615	563	-4.1%	559
2010 Est.	6,532	5,925	1.7%	5,978	615	566	0.5%	571

NMCD controls a number of solutions to the rising prison population. Factors largely controllable by the department are: limiting the number of in-house parolees; limiting re-incarceration of technical parole/probation violators and restoring forfeited good time. The latter depends upon the severity of the inmate infraction that caused the loss of good time and the subsequent behavior. The male inmate population declined in FY07 and FY08, from a high of 6,111 in FY06, but is expected to go back up in FY09 and FY10. The female prison population also declined from a high of 691 inmates in FY06, but is expected to increase in FY10. Due to the decline, operations at the Camino Nuevo Correction Center were suspended. In the interim, the Children, Youth and Families Department (CYFD) will be utilizing the facility through a Memorandum of Understanding (MOU) for a two year period. The department anticipates using the facility again after the two year period to house the overflow of inmates. In the interim, the department may use a portion of the men's Western New Mexico Correctional Facility in Grants to house any overflow of female inmates. Due to the decline in male inmates and the opening of the Northeast New Mexico Detention Facility (NNMDF – Clayton), the contract with the Santa Fe County Detention Facility (SFCDF) was terminated and the contract with the Torrance County Detention Facility (TCDF) was suspended. NNMDF began accepting inmates on August 1, 2008. The facility reached over the minimum guarantee of 540 inmates on September 29, 2008. If additional beds are needed, the department will resume operations with TCDF.

Inmate Programming

Inmate Programming provides programs within correctional facilities to assist offenders in managing the difficulties that caused them to offend and problems that may cause re-offense upon release. These programs include education, substance abuse, sex offender, mental health and faith-based initiatives.

Education. As of September 30, 2008, there were 30 certified vocational programs and 853 inmates enrolled in these programs. College programming had 359 inmates enrolled in the fall of 2008. Since the fall 2003, 1,047 inmates enrolled, and are participating in, college programming. Success for Offenders after Release (SOAR) is an effective and nationally replicated transition re-entry program. The program reviews the skills and abilities each inmate must have to be successful when they return to the community. Through an individualized plan, SOAR addresses those barriers an inmate must overcome to be successful in a job, as a parent, as a student and/or as a citizen. The recidivism rate for SOAR participants is 21.2 percent after one year of release, 31.2 percent after 24 months of release and 32.6 percent after 36 months of release. The overall employment rate of SOAR released offenders, as documented by the Workforce Solutions Department, is 77.1 percent.

Faith Based Programming. There are approximately 1,000 plus faith-based volunteers statewide. The department has a full-time Native American spiritual advisor with individualized counseling and sweat lodges at each facility. Designated faith-based living pods are available at several facilities. They provide inmates with the opportunity to focus a major portion of their rehabilitation through faith-based activities.

Addictions Services. This program provides therapeutic living units for offenders who have substance abuse issues. As of July 31, 2008, there are 804 therapeutic living beds available in the system, including both public and private facility beds. This program also provides outpatient psycho-education, substance abuse groups and outpatient relapse prevention groups with an education component for parenting, literacy, employability, and "thinking for good." The Roswell Correctional Center houses a 72-bed Level II DWI unit to address the particular issues for alcoholics. The department also provides hepatitis C testing, addictions screening, meditation and a meditation housing unit at the Western New Mexico Correctional Facility. Many Alcoholics Anonymous and Narcotics Anonymous groups facilitate meetings at each of the prisons. As of July 31, 2008, the average daily attendance for the Addictions Bureau program was 879 inmates. This included 659 active participants and 220 active out-patient participants.

The Roswell Correctional Center houses a 100-bed Level II DWI unit to address the particular issues for alcoholics. The department also provides hepatitis C testing, addictions screening, meditation and a meditation housing unit at the Western New Mexico Correctional Facility. Many Alcoholics Anonymous and Narcotics Anonymous groups facilitate meetings at each of the prisons.

Sex Offender Programs. There are 110 sex offender program beds at the Penitentiary of New Mexico (PNM) Level II. Sex offenders that are within 36-months of release are eligible for treatment. The number of treatment beds at this site will increase by 34 to a total of 144. Also, NMCD is expected to add 24 beds at the Level VI facility. As of August 2008, NMCD had 199 Level II sex offenders within 36-months of release.

Mental Health Bureau. The department operates the Mental Health Treatment Center at the Central New Mexico Correctional Facility in Los Lunas. This 104-bed psychiatric hospital is designed to meet the clinical needs of inmates with acute and chronic psychiatric disorders. At present, 26 percent of the inmate population receives mental health care at any given time. This is an increase of about 3 percent over the previous fiscal year. In a typical month, there is an average of approximately 10,050 contacts between inmates and mental health staff including psychological evaluations, group and individual therapy, and crisis interventions. The bureau provides 24-hour, 7-

day a week emergency on-call services. It provides all correctional officers with suicide training and crisis intervention training.

All inmates entering NMCD receive mental health screenings. In July of 2008, 320 new commitments completed mental health and substance abuse screenings at the Reception and Diagnostic Centers in Central New Mexico Correctional Facility in Los Lunas and the New Mexico Women's Correctional Facility in Grants.

NMCD Diagnostic Evaluation (D&E) Unit. The unit serves all district courts in New Mexico. D&E assists judges in assessing treatment amenability and the threat level that offenders present to society. The courts utilize D&E reports as a determining factor when considering probation or incarceration to best serve the needs of the inmate, the community and public safety. On average, the D&E Unit completes about 35 psychological evaluations per month for New Mexico District Courts.

Inmate Work Camp. The department, in cooperation with the Energy, Minerals and Natural Resources Department, offers inmates an opportunity to assist in fighting forest fires and clearing forest areas of fire debris to reduce the chance of fire danger. Inmates receive extensive training and job experience in the process. Both factors increase employment opportunities at good wage-rates after inmates are released.

Corrections Industries

Corrections Industries programs teach inmates the skills they will need to seek employment upon their release. Programs include the manufacturing of office furniture, plastic bags and cleaning products, textiles, and recycled rags as well as data entry, telemarketing, printing, farming, micrographics and imaging. The end products primarily are sold to state agencies and local governments.

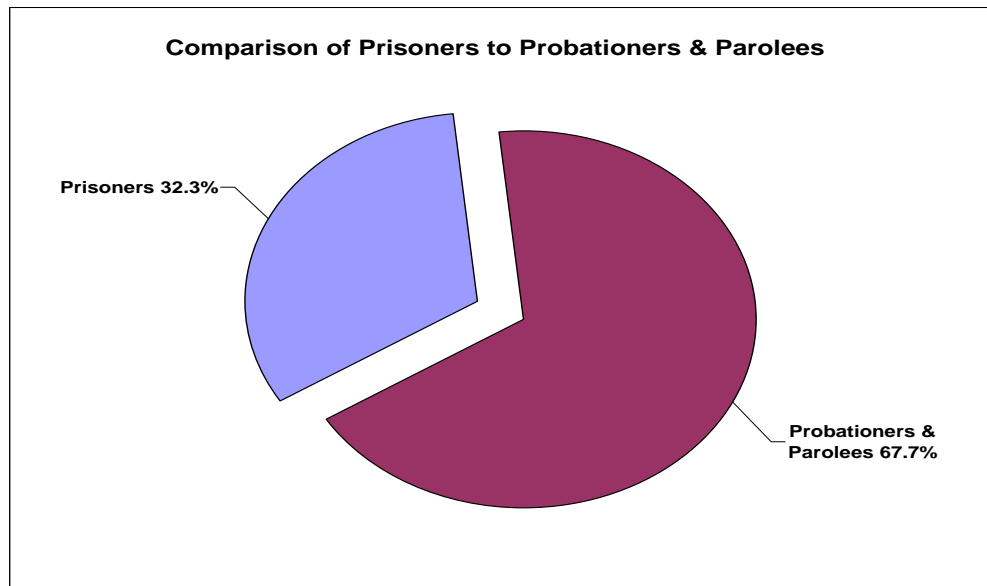
Community Offender Management

The Community Offender Management Program is the largest program in terms of offenders and is the second largest program budget in the department. Within the program, the Probation and Parole Division is responsible for supervision of court referrals for probationers and for the successful reintegration of inmates into society.

The program provides an array of services including: offender supervision, job skill training and referrals for job search/educational services. The programs use the Workforce Solutions Department's one-stop centers and local technical vocational institutions as sources to assist the offender in developing necessary job skills. Financial assistance is coordinated to meet housing and other life maintenance issues such as photo identification, bus passes, food vouchers, clothing allowances, GED testing costs and other transitional needs as identified by the probation and parole officer or case manager. Treatment Services include individual and group counseling in the areas of substance abuse, mental health, domestic violence, anger management, sex offender treatment and referral for services. Treatment needs are determined by individual assessments.

Probation and Parole services are provided through a network of five regional offices. The regional offices are located in Santa Fe, two in Albuquerque, Roswell and Las Cruces. Within the regions, NMCD operates 42 local probation and parole offices statewide. As of June 30, 2008, probation and

parole offenders have grown at approximately 4% per year. As of June 30, 2008, the offender count was 13,248 distinct active offenders (due to auditing, these figures could change). The American Probation and Parole Association (APPA) recommended caseload is 65 for optimal supervision; New Mexico's caseload average was 93 for FY08. The following chart is a comparison of inmates in prison versus offenders on probation and parole.



Some of the specific programs within Probation and Parole include Transitional Reporting Centers (TRC), the Sex Offender Special Unit in Albuquerque and drug court programs in Albuquerque and Farmington. A TRC provides for immediate identification of offender needs and intervention when offenders arrive for services. Program staff strives to gradually transition the offender into community-based services as the offender stabilizes in the community. TRC's are located in Albuquerque, Espanola and Las Cruces. The Smart Sanctions Program, as part of the Fort Stanton Men's Residential Community Corrections program, serves technical parole violators who experience relapse issues in the community and who need intense substance abuse treatment services in order to prevent re-incarceration. The New Mexico Women's Recovery Academy (NMWRA) located in Los Lunas is a residential program that serves women with substance abuse issues and with co-occurring issues and their children as appropriate.

The NMWRA will be relocated to the Old Turquoise Lodge facility located in Albuquerque. The department has acquired the Turquoise Lodge from the Department of Health (DOH) in Albuquerque. Due to recent legislation, NMCD was presented with the realization that Fort Stanton would become a state monument over time. Therefore, a joint search with the Property Control Division of the General Service Department for an alternative location for the Men's Residential Program housed at Fort Stanton identified the Old Turquoise Lodge as a viable site for the Women's Residential Program located at the Los Lunas facility. This provided the opportunity to then consider the Los Lunas location for the men's program. Ultimately, this provides a win-win situation: full utilization of state property, better access to services for residence, better job opportunities, enhancement of family involvement, and increased retention and recruitment of program staff.

Community Corrections/Vendor Run

Community Corrections/Vendor Run programs primarily serve those offenders in the community who are at a higher risk to re-offend, have greater treatment needs and are less likely to be successful if not in a structured program. The programs also serve as a safe alternative for probation and parole violators who would otherwise be incarcerated. Programs consist of nineteen (19) out-patient locations statewide and the Fort Stanton Men's Residential Program.

Community Corrections Programs provide an array of services including offender supervision, program resource referral, job skill training and referrals for job search/educational services. The programs use the Workforce Solutions Department's one-stop centers and local technical vocational institutions as sources to assist the offender in developing necessary job skills. Financial assistance is coordinated to meet housing and other life maintenance issues such as photo identification, bus passes, food vouchers, clothing allowances, GED testing costs and other transitional needs as identified by the probation and parole officer or case manager.

A Community Corrections program has a local selection panel in a given community. A panel composition includes representation from the judiciary; the Office of the District Attorney; the Public Defender Department; the Adult Probation and Parole Division; the county sheriff or the municipal police department; individuals representing the local programs; and private citizens. The panel screens applications and approves or denies the offender's participation in the local program based on agency criteria. Length of stay in a non-residential program is a minimum of six months to a maximum of 12 months. Successful completion of the program is based on the individual offender's performance and ability to meet program requirements. Length of stay in a residential treatment program is six months. Extensions beyond the six/twelve month program periods can be granted on a case-by-case basis.

Treatment Services include individual and group counseling in the areas substance abuse, mental health, domestic violence, anger management, sex offender treatment and referral for services. Treatment needs are determined by individual assessments.

Executive Recommendation*Agency Strategic Directions*

NMCD is an active participant in the Executive's performance and accountability policy, *A Safer New Mexico*. The department is involved with efforts to: treat DWI offenders; protect citizens from sex offenders; eliminate violent gangs and provide safe prisons; create effective supervision and reduce recidivism.

NMCD fully supports the Executive's performance and accountability policy, *A Safer New Mexico*, throughout its daily operations. NMCD is committed to ensuring public safety by operating a professional corrections system. NMCD is working to provide a balanced system-wide approach to corrections, from incarceration to community-based supervision with training, education, programs and services that provide opportunities for offenders to transition to communities. The department is working to provide intensive community supervision for parolees who are gang members.

NMCD has two staff members on the Sex Offender Management Board (SOMB). The SOMB has met monthly since its first meeting on February 26, 2004. The meetings are intended to carry out its mission of studying, reviewing and making recommendations regarding the management of sex offenders within the state. As a result, the department has taken the initiative on the following measures: (1) increasing the number of sex offender treatment beds in the prison system from 54 to 224; and (2) increasing the supervision of sex offenders by expanding Global Positioning Satellite (GPS) tracking devices to 475 offenders.

During the summer 2008, the Governor created by Executive Order the *Prison Reform Task Force*. The task force membership is comprised of various sectors across the state, including but not limited too, Executive state agencies, judicial, legislative, non-profit agencies and former inmates.

In FY09, the department began to implement several provisions outlined in the task force recommendations. The Corrections department established a Deputy Cabinet Secretary for Reentry and Prison Reform. Corrections will also expand the use of "restorative justice panels" with offenders nearing the end of their prison sentences. These panels have demonstrated success in assisting in lowering recidivism rates, by allowing victims of crimes, community members and family members to discuss with former offenders the impact of those crimes on their lives. The department will continue to use Global Positioning System (GPS) tracking for sex and other high-risk offenders once paroled. A new training technique in "motivational training" will be employed, particularly with probation/parole officers to better facilitate the transition of former offenders back into public life.

Key Elements of Recommendation

The Executive recommendation for the Corrections Department is a total decrease of \$405.3 under FY09 operating levels. The total General Fund decrease for this department is \$1,182.0 under FY09 operating levels, or a reduction of 0.4%.

Program Support. The Executive recommendation for Program Support is a total expenditure increase of 6.3%. The General Fund increases over FY09 are provided to fund health care increases and higher Department of Information Technology (DoIT) rates. The recommendation also incorporates a 2% vacancy rate for personal services and employee benefits.

Inmate Management and Control. The Executive recommendation for Inmate Management and Control reflects a total decrease of 0.4%. This decrease is due an anticipated lower inmate count resulting in savings in its contractual services for medical providers, inmate food contract and private prison facility costs. The recommendation includes is one expansion position for maintenance support at the Camp Sierra Blanca facility outside of Anthony. The camp is currently a facility in use by the Children, Youth and Families Department, but will be transferred to the Corrections Department on July 1, 2009. The recommendation also incorporates an additional \$393.7 in General Fund and five FTE for the Success for Offenders After Release (SOAR) program. The FTE will be used in conjunction with the recommendations found in the Governor's *Prison Reform Task Force* to assist in the lowering of recidivism rates among former offenders. The recommendation includes a vacancy factor of 5% for this program.

Inmate Programming. The Executive recommendation for Inmate Programming reflects an increase of 12.3%. The increase in funding is attributable to higher General Service Department rates for health insurance, and to reduce the program's vacancy rate for its teaching staff to 4%. Also included in the recommendation is an additional \$301.4 and one FTE to expand the pilot program of restorative justice panels. These panels were recommended in the Governor's *Prison Reform Task Force* during the summer of 2008. The panels assist in the rehabilitation and reintegration of former offenders into the community following their release and have show success in lowering recidivism rates of participants.

Corrections Industries. The Executive recommendation for Corrections Industries is a total decrease of \$195.8, or 2.9%, all from self generated revenues. The budget decrease reflects lower personal services and employee benefits costs and lower General Service Department rates in FY10. The recommendation also incorporates a 5% vacancy factor for the program.

Community Offender Management. The Executive recommendation for Community Offender Management is a decrease of 2.9% from FY09 operating levels. A significant portion of this decrease consists of \$1,000.0 in detention reimbursement costs that the department utilizes to assist local county detention facilities. Legislative action will be required during the 2009 session to ensure that the department will not be responsible for additional costs associated with this decrease in its budget. The recommendation also includes a 4% vacancy factor.

Community Corrections/Vendor Run. The Executive recommendation for Community Corrections reflects a decrease of 3.7%. The decrease in General Fund is attributable to lower costs associated with the behavioral health contract. The program also includes a 2% vacancy factor in the recommendation.

Performance Report

The department made several changes to its existing measures for FY10. A long standing measure for the department was the percent of prisoners reincarcerated within 12, 24 and 36 months of release. The department will now report on two separate classes of inmates along these lines, one for sex offenders (which have a higher recidivism rate than other inmates) and one for inmates which committed other crimes. New measures also include the percent of employees trained in legal subjects (discrimination, sexual harassment, internal policy/procedures), those trained in motivational interviewing techniques and the percent of union grievances resolved prior to arbitration. Several measures were changed to conform to the National Association of Correctional Administrators recommendations for peers institutions across the nation.

The department was successful in lowering the turnover of its correctional officers in FY08. The measure has been lowered in the Executive recommendation for FY10 to reflect the continued success the department has experienced in retaining its staff. The department was not successful in meeting its target of percent of women offenders successfully released in accordance with their scheduled release dates. The target for this measure in FY08 was 95%, but the result was 89.9%. The department reports that the initial parole plans for female offenders are not being accepted. The department is working to ensure greater coordination between the offenders and the Parole Board to ensure that this important target is met.

The agency far exceeded its measure for the recidivism rate of the success for offenders after release program by thirty-six months, achieving a return rate of only 32.6% for FY08. The program has been successful in allowing inmates to gain important job training, and other important life skills which assists in lowering the return rate of former inmates.

The Community Offender Management program was unsuccessful in its measure of percent turnover of probation and parole officers for the year. The target has been revised upward to match the trend in turnover in prior years. High turnover is responsible for the program not meeting several of its other important measures, such as average number of parolees in intensive supervision, number of absconders apprehended and average case load per officer.

Recommended Language for the General Appropriation Act

The general fund appropriations to the inmate management and control program of the corrections department include fifty million, eight hundred seven thousand, seven hundred dollars (\$50,807,700) for medical services, a comprehensive medical contract and other health-related expenses.

The appropriations for the community/corrections vendor-run program of the corrections department are appropriated to the community corrections grant fund.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	277,058.7	297,101.7	295,919.7	-1,182.0	-0.4
Other Transfers	1,638.4	449.7	409.2	-40.5	-9.0
Federal Revenues	1,739.3	108.5	98.9	-9.6	-8.8
Other Revenues	19,367.1	22,309.5	23,136.3	826.8	3.7
Fund Balance	545.7	545.7	545.7	0.0	0.0
TOTAL SOURCES	300,349.2	320,515.1	320,109.8	-405.3	-0.1
USES					
Personal Services and Employee Benefits	133,093.0	137,219.7	142,581.3	5,361.6	3.9
Contractual Services	47,661.3	53,803.8	53,477.7	-326.1	-0.6
Other	112,896.7	129,491.6	124,050.8	-5,440.8	-4.2
Other Financing Uses	1,031.4	0.0	0.0	0.0	***
TOTAL USES	294,682.4	320,515.1	320,109.8	-405.3	-0.1
FTE					
Permanent	2,469.50	2,484.50	2,503.50	19.00	0.8
Term	33.00	48.00	48.00	0.00	0.0
TOTAL FTE POSITIONS	2,502.50	2,532.50	2,551.50	19.00	0.8

Program Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	8,193.8	8,581.4	9,132.3	550.9	6.4
Other Transfers	307.2	232.0	243.7	11.7	5.0
Other Revenues	1,189.4	79.5	80.0	0.5	0.6
TOTAL SOURCES	9,690.4	8,892.9	9,456.0	563.1	6.3
USES					
Personal Services and Employee Benefits	6,423.7	6,937.8	6,907.1	-30.7	-0.4
Contractual Services	358.9	404.7	603.9	199.2	49.2
Other	1,543.6	1,550.4	1,945.0	394.6	25.5
Other Financing Uses	1,031.4	0.0	0.0	0.0	***
TOTAL USES	9,357.6	8,892.9	9,456.0	563.1	6.3
FTE					
Permanent	96.00	96.00	91.00	-5.00	-5.2
TOTAL FTE POSITIONS	96.00	96.00	91.00	-5.00	-5.2

Inmate Management and Control
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation Dollar Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	225,818.1	242,860.8	241,015.5	-1,845.3	-0.8
Other Transfers	53.9	25.0	0.0	-25.0	-100.0
Federal Revenues	1,564.9	0.0	0.0	0.0	***
Other Revenues	11,459.7	13,918.2	14,778.4	860.2	6.2
TOTAL SOURCES	238,896.6	256,804.0	255,793.9	-1,010.1	-0.4
USES					
Personal Services and Employee Benefits	96,024.5	97,823.9	101,707.2	3,883.3	4.0
Contractual Services	46,688.2	52,418.9	52,027.2	-391.7	-0.7
Other	93,469.1	106,561.2	102,059.5	-4,501.7	-4.2
TOTAL USES	236,181.8	256,804.0	255,793.9	-1,010.1	-0.4
FTE					
Permanent	1,794.00	1,799.00	1,810.00	11.00	0.6
Term	27.00	42.00	42.00	0.00	0.0
TOTAL FTE POSITIONS	1,821.00	1,841.00	1,852.00	11.00	0.6

Inmate Programming (Dollars in Thousands)			FY10		
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	<u>Budget to Recommendation</u> Dollar <u>Change</u>	Percent <u>Change</u>
SOURCES					
General Fund Transfers	9,715.6	10,198.1	11,525.4	1,327.3	13.0
Other Transfers	320.6	192.7	165.5	-27.2	-14.1
Federal Revenues	174.4	108.5	98.9	-9.6	-8.8
Other Revenues	4.2	5.5	5.0	-0.5	-9.1
TOTAL SOURCES	10,214.8	10,504.8	11,794.8	1,290.0	12.3
USES					
Personal Services and Employee Benefits	8,721.4	8,453.4	9,931.4	1,478.0	17.5
Contractual Services	578.5	864.1	735.3	-128.8	-14.9
Other	1,019.4	1,187.3	1,128.1	-59.2	-5.0
TOTAL USES	10,319.3	10,504.8	11,794.8	1,290.0	12.3
FTE					
Permanent	143.50	142.50	155.50	13.00	9.1
Term	2.00	2.00	2.00	0.00	0.0
TOTAL FTE POSITIONS	145.50	144.50	157.50	13.00	9.0

Corrections Industries (Dollars in Thousands)			FY10		
	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	<u>Budget to Recommendation</u> Dollar <u>Change</u>	Percent <u>Change</u>
SOURCES					
General Fund Transfers	329.5	0.0	0.0	0.0	***
Other Transfers	1.6	0.0	0.0	0.0	***
Other Revenues	4,772.4	6,726.6	6,530.8	-195.8	-2.9
TOTAL SOURCES	5,103.5	6,726.6	6,530.8	-195.8	-2.9
USES					
Personal Services and Employee Benefits	2,099.8	2,586.2	2,437.3	-148.9	-5.8
Contractual Services	3.1	20.6	20.7	0.1	0.5
Other	3,083.0	4,119.8	4,072.8	-47.0	-1.1
TOTAL USES	5,185.9	6,726.6	6,530.8	-195.8	-2.9
FTE					
Permanent	38.00	38.00	38.00	0.00	0.0
Term	4.00	4.00	4.00	0.00	0.0
TOTAL FTE POSITIONS	42.00	42.00	42.00	0.00	0.0

Community Offender Management
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	29,120.5	31,530.9	30,471.9	-1,059.0	-3.4
Other Transfers	334.4	0.0	0.0	0.0	***
Other Revenues	1,899.3	1,528.0	1,700.0	172.0	11.3
TOTAL SOURCES	31,354.2	33,058.9	32,171.9	-887.0	-2.7
USES					
Personal Services and Employee Benefits	19,024.8	20,570.9	20,716.9	146.0	0.7
Contractual Services	23.9	38.7	36.7	-2.0	-5.2
Other	10,519.4	12,449.3	11,418.3	-1,031.0	-8.3
TOTAL USES	29,568.1	33,058.9	32,171.9	-887.0	-2.7
FTE					
Permanent	381.00	392.00	392.00	0.00	0.0
TOTAL FTE POSITIONS	381.00	392.00	392.00	0.00	0.0

Community Corrections/Vendor Run
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	3,881.2	3,930.5	3,774.6	-155.9	-4.0
Other Transfers	620.7	0.0	0.0	0.0	***
Other Revenues	42.1	51.7	42.1	-9.6	-18.6
Fund Balance	545.7	545.7	545.7	0.0	0.0
TOTAL SOURCES	5,089.7	4,527.9	4,362.4	-165.5	-3.7
USES					
Personal Services and Employee Benefits	798.8	847.5	881.4	33.9	4.0
Contractual Services	8.7	56.8	53.9	-2.9	-5.1
Other	3,262.2	3,623.6	3,427.1	-196.5	-5.4
TOTAL USES	4,069.7	4,527.9	4,362.4	-165.5	-3.7
FTE					
Permanent	17.00	17.00	17.00	0.00	0.0
TOTAL FTE POSITIONS	17.00	17.00	17.00	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Program Support					
The purpose of Program Support is to provide quality administrative support and oversight to the department operating units to ensure a clean audit, effective budget, personnel management and cost effective management information system services.					
Outcome	Percent of prisoners reincarcerated within twelve months of being released from the New Mexico corrections department prison system into community supervision or discharged	30%	28.6%	30%	
Outcome	Percent of prisoners reincarcerated within twenty-four months of being released from the New Mexico corrections department prison system into community supervision or discharged	38%	42.21%	38%	
Outcome	Percent of prisoners reincarcerated within thirty-six months of being released from the New Mexico corrections department prison system into community supervision or discharged	47%	45.81%	47%	
Outcome	Percent of sex offenders reincarcerated within twelve months of being released from the New Mexico corrections department prison system into community supervision or discharged				
Outcome	Percent of sex offenders reincarcerated within twenty-four months of being released from the New Mexico corrections department prison system into community supervision or discharged				
Outcome	Percent of sex offenders reincarcerated within thirty-six months of being released from the New Mexico corrections department prison system into community supervision or discharged	33%	34.71%	40%	35%
Outcome	Percent of prisoners reincarcerated back into the corrections department system within thirty-six months due to new charges or pending charges				40%
Outcome	Percent of prisoners reincarcerated back into the corrections department within thirty-six months due to technical parole violations				40%
Outcome	Overall percent of prisoners reincarcerated back into the corrections department within thirty-six months	47%	45.81%	47%	47%
Outcome	Percent of sex offenders reincarcerated back into the corrections department within thirty-six months	33%	34.71%	40%	40%
Output	Percent of department staff trained on legal subjects to include but not limited to unlawful discrimination, sexual harassment, and internal policy and procedures				100%
Output	Percent of department staff trained in motivational interviewing techniques				100%
Outcome	Percent of employee union grievances resolved prior to arbitration				90%
Inmate Management and Control					
The purpose of the Inmate Management and Control program is to incarcerate in a humane, professionally sound manner offenders sentenced to prison and to provide safe and secure prison operations. This includes quality hiring and in-service training of correctional officers, protecting the public from escape risks and protecting prison staff, contractors and inmates from violence exposure to the extent possible within budgetary resources.					
Outcome	Percent turnover of correctional officers	13%	12.6%	21%	13%
Outcome	Percent of women offenders successfully released in accordance with their scheduled release dates	95%	89.9%	95%	95%
Output	Graduation rate of correctional officer cadets from the corrections department training academy	84%	88.2%	90%	90%
Outcome	Percent of male offenders successfully released in accordance with their scheduled release dates			85%	100%
Output	Number of cadets entering corrections department training academy	215	318		
Efficiency	Daily cost per inmate, in dollars	\$88.27	TBD	\$88.27	\$88.27
Output	Percent of inmates testing positive for drug use (including inmates refusing to be tested) in a random monthly drug test	<=2%	2.09%	<=2%	<=2%
Output	Number of inmate-on-inmate assaults with serious injury	24	20	24	24
Output	Number of inmate-on-staff assaults with serious injury	10	4	7	7

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Output	Number of escapes from a publicly run corrections department secure facility				0
Output	Number of escapes from a privately run corrections department secure facility				0
Output	Average number of days an inmate waits for medical, dental or psychiatric services				3
Outcome	Percent of standard healthcare requirements met by medical contract vendor				85%
Outcome	Percent of eligible sex offenders within three years of release that are receiving treatment				60%
Output	Percent of inmate grievances resolved informally				85%

Inmate Programming

The purpose of the Inmate Programming program is to provide motivated inmates the opportunity to participate in appropriate programs and services so they have less propensity toward inmate violence while incarcerated and the opportunity to acquire living skills and links to community support systems that can assist them on release.

Outcome	Recidivism rate of the success for offenders after release program by thirty-six months	40%	32.6%	38%	38%
Output	Percent of released inmates who were enrolled in the success for offenders after release program who are now gainfully employed	75%	77.1%	75%	80%
Output	Percent of eligible inmates who earn a general equivalency diploma			75%	75%
Output	Percent of participating inmates completing adult basic education			30%	30%
Outcome	Percent of therapeutic community graduates reincarcerated within thirty-six months of release				40%
Output	Number of inmates with a history of domestic violence receiving domestic violence prevention education				100
Output	Number of victims of domestic violence receiving domestic violence education to include availability of resources and/or support				100

Corrections Industries

The purpose of the Corrections Industries program is to provide training and work experience opportunities for inmates in order to instill a quality work ethic and to prepare them to perform effectively in an employment position and to reduce idle time of inmates while in prison.

Outcome	Profit and loss ratio	break even	TBD	break even	
Outcome	Percent of eligible inmates employed	11%	10.99%	11%	11%

Community Offender Management

The purpose of the Community Offender Management program is to provide programming and supervision to offenders on probation and parole, with emphasis on high-risk offenders to better ensure the probability of them becoming law-abiding citizens to protect the public from undue risk and to provide intermediate sanctions and post-incarceration support services as a cost-effective alternative to incarceration.

Outcome	Percent turnover of probation and parole officers	15%	24.7%	21%	25%
Outcome	Percent of out-of-office contacts per month with offenders on high and extreme supervision on standard caseloads	90%	85%	90%	90%
Output	Average number of parolees in intensive supervision	17	12.2		
Output	Number of absconders apprehended	2,557	2,623		
Quality	Average standard caseload per probation and parole officer	92	93	92	92
Quality	Average intensive supervision program caseload per probation and parole officer	20	29	20	30
Output	Percent of absconders apprehended			15%	15%
Quality	Average number of offenders in intensive or high-risk supervision			25	25

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Recomm</u>
Community Corrections/Vendor Run					
The purpose of the Community Corrections/Vendor Run program is to provide selected offenders on probation and parole with residential and nonresidential service settings and to provide intermediate sanctions and post-incarceration support services as a cost-effective alternative to incarceration without undue risk to the public.					
Quality	Average specialized program caseload per probation and parole officer				
Output	Number of successful completions per year from male residential treatment center at Fort Stanton	147	161		
Output	Number of terminations per year from male residential treatment center at Fort Stanton	10	26		
Output	Number of transfers or other non-completions per year from the male residential treatment center at Fort Stanton	5	7		
Output	Percent of male offenders who complete the residential treatment center program at Fort Stanton	75%	87%	75%	
Output	Average community corrections program caseload per probation and parole officer	30	33	30	35
Output	Percent of male offenders who complete the residential treatment center program				
Output	Percent of female offenders who complete the residential treatment center program				75%
Output	Percent of female offenders who complete the halfway house program				75%

Executive Summary

The Crime Victims Reparation Commission provides financial assistance to victims of violent crime by reimbursing expenses incurred as a result of their victimization.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	2,320.5	2,448.5	5.5
Total Sources	7,565.8	7,695.8	1.7
Program			
Victim Compensation	2,770.5	2,898.5	4.6
Federal Grants Administration	4,795.3	4,797.3	0.0
Total Uses	7,565.8	7,695.8	1.7
FTE	20.00	22.00	10.0

- The Executive recommendation transfers the Office of Victims Advocacy from the Governor's Office to the Crime Victims Reparations Commission. The office contains two FTE, a director and legal assistant, and \$197.2 in General Fund.

Agency Mission and Program Purpose

The mission of Crime Victims Reparation Commission (CVRC) is to assist victims of violent crime by providing reimbursement for certain expenses related to the crime and by distributing federal crime-victim assistance grants in accordance with federal guidelines. The agency's philosophy is to assist victims of crime to reduce the impact of crime on them and to strive for consistency, understanding and advocacy for crime victims.

The Crime Victims Reparation Commission provides financial assistance to victims of violent crime for expenses incurred as a result of being victimized. Crime victims may submit an application, available on the CVRC website, for awards up to a maximum of \$20,900 after the following criteria have been met: (1) the crime must have occurred in New Mexico; (2) a police report must have been filed within 30 days of the incident, except in cases of domestic violence and sexual assault in which the victim has 180 days to file a report; (3) a completed application must be filed with CVRC within two years of the incident, although some exceptions may be allowed for minors under 18 years of age; and (4) the victim and claimant must cooperate fully with CVRC and all law enforcement agencies. This includes willingness to prosecute the offender.

Upon review and approval of the application for financial assistance, the commission makes reimbursements for: losses related to medical and dental care; mental health counseling (30 session maximum); funeral and burial expenses (\$3,500 maximum); loss of earnings as a result of the crime; eyeglasses (\$350 maximum); and medically necessary devices.

Awards are not made for property loss, pain and suffering or attorney's fees. Eligible candidates for reparation are victims, family and dependents of deceased victims and any individual who voluntarily assumes funeral or medical expenses for the victim.

In addition to state-funded financial assistance for individual victims, the CVRC also administers federal flow-through funding from the United States Department of Justice's Office for Victims of Crime. This funding is provided to private non-profit and governmental programs throughout New Mexico in order to improve and expand services to victims of crime. The two types of federal funding are the Victims of Crime Act (VOCA) grants and the Stop Violence Against Women Act (VAWA) grant.

The CVRC also publishes a quarterly newsletter, which is provided to over 3,000 individuals who work with victims of violent crime. The CVRC provides monthly training and outreach services; hosts an annual five-day victim advocate training (modeled after the National Academy); and presents the Annual Victims Advocacy Conference with over 600 attendees every spring.

Statutory Authority: Section 31-22-4 NMSA 1978.

Victim Compensation

The Victim Compensation program provides financial assistance and information to victims of violent crime in New Mexico so that they can receive services in order to restore their lives.

Federal Grant Administration

The federal grant administration program provides funding and training to non-profit victim providers and public agencies so they can provide services to victims of crime.

Executive Recommendation

Agency Strategic Directions

CVRC is an important component of the Executive's performance and accountability policy, *A Safer New Mexico*. In FY08, the agency processed 275 claims for child sexual abuse and 56 for physical abuse, which resulted in a payout of \$144.2 in grants to victims. Fifty-eight DWI claims were processed, 16 of which resulted in deaths for a payout of \$136.1 in aid to victims. In FY08, payout for domestic violence claims totaled \$395.8 as the agency processed a total of 204 claims, 21 of which were homicides.

The agency held its 13th annual "Advocacy in Action" conference which provides training and current information on such pertinent topics as domestic violence, sexual assault and DWI. The training and information regarding violent crimes against children have been major concerns over the years, so the department sought out national experts on how domestic violence affects children, how to help child victims of sexual assault and then prosecute those who prey upon children. This training is provided to law enforcement, social workers, nurses, counselors, attorneys and other direct service providers throughout the state. In 2008, the conference had over 500 attendees, and the department assisted in providing scholarships to law enforcement, child protective services staff and probation and parole officers to insure those key areas receive the needed training and information.

Key Elements of Recommendation

The Executive recommendation for the Crime Victims Reparation Commission includes the transfer of the Office of Victim Advocacy from the Governor's Office to the department. This transfer consists of two FTE and \$197.2 in General Fund. The two FTE will assist the department in expediting applications for victim services, conducting hearings with advocacy groups and seeking federal grants.

Performance Report

The agency met most of its performance measures for FY08. One measure where it exceeded its target was in the number of training workshops conducted for sub-recipients. While the target was 12, the agency conducted 14 during the fiscal year.

Two measures where the agency did not meet its performance targets are important functions of the agency. The agency failed to meet its goal for the average number of days to process applications. The target for the department was less than 120 days. The result for FY08 was an average of less than 125 days. Another goal where the department did not meet its goal was in the percent of site visits conducted, averaging 36% when its goal was 40%. The department will strive to meet these important benchmarks for FY09.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	2,242.8	2,320.5	2,448.5	128.0	5.5
Federal Revenues	3,969.7	4,795.3	4,797.3	2.0	0.0
Other Revenues	372.7	450.0	450.0	0.0	0.0
TOTAL SOURCES	6,585.2	7,565.8	7,695.8	130.0	1.7
USES					
Personal Services and Employee Benefits	1,023.1	1,139.2	1,351.8	212.6	18.7
Contractual Services	269.7	327.5	321.2	-6.3	-1.9
Other	4,743.6	5,199.1	5,122.8	-76.3	-1.5
Other Financing Uses	380.7	900.0	900.0	0.0	0.0
TOTAL USES	6,417.1	7,565.8	7,695.8	130.0	1.7
FTE					
Permanent	15.00	16.00	18.00	2.00	12.5
Term	4.00	4.00	4.00	0.00	0.0
TOTAL FTE POSITIONS	19.00	20.00	22.00	2.00	10.0

		Victim Compensation (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar/FTE</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	General Fund Transfers	2,242.8	2,320.5	2,448.5	128.0	5.5
	Other Revenues	372.7	450.0	450.0	0.0	0.0
	TOTAL SOURCES	2,615.5	2,770.5	2,898.5	128.0	4.6
USES						
	Personal Services and Employee Benefits	787.6	874.8	1,085.4	210.6	24.1
	Contractual Services	249.8	299.5	293.2	-6.3	-2.1
	Other	1,448.7	1,596.2	1,519.9	-76.3	-4.8
	TOTAL USES	2,486.1	2,770.5	2,898.5	128.0	4.6
FTE						
	Permanent	15.00	16.00	18.00	2.00	12.5
	TOTAL FTE POSITIONS	15.00	16.00	18.00	2.00	12.5

		Federal Grant Administration (Dollars in Thousands)			FY10	
		FY08	FY09	Recom-	<u>Budget to Recommendation</u>	
		<u>Actuals</u>	<u>Budget</u>	<u>mendation</u>	<u>Dollar</u>	<u>Percent</u>
					<u>Change</u>	<u>Change</u>
SOURCES						
	Federal Revenues	3,969.7	4,795.3	4,797.3	2.0	0.0
	TOTAL SOURCES	3,969.7	4,795.3	4,797.3	2.0	0.0
USES						
	Personal Services and Employee Benefits	235.5	264.4	266.4	2.0	0.8
	Contractual Services	19.9	28.0	28.0	0.0	0.0
	Other	3,294.9	3,602.9	3,602.9	0.0	0.0
	Other Financing Uses	380.7	900.0	900.0	0.0	0.0
	TOTAL USES	3,931.0	4,795.3	4,797.3	2.0	0.0
FTE						
	Term	4.00	4.00	4.00	0.00	0.0
	TOTAL FTE POSITIONS	4.00	4.00	4.00	0.00	0.0

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Victim Compensation					
The purpose of the victim compensation program is to provide financial assistance and information to victims of violent crime in New Mexico so they can receive services to restore their lives.					
Output	Number of formal regional trainings conducted annually	8	8	8	8
Output	Number of formal internal staff trainings conducted annually	6	6	6	6
Outcome	Percent increase in number of reparation applications received	2%	2%	2%	2%
Efficiency	Average number of days to process applications	<120	<125	<120	<120
Efficiency	Percent of payment vouchers for care and support sent to the department of finance and administration within two working days of the receipt of payment list	90%	90%	90%	90%
Outcome	Percent increase in victims receiving direct advocacy	11%	31%	0%	5%
Output	Number of victims receiving direct advocacy	257	256	257	269
Federal Grant Administration					
The purpose of the federal grant administration program is to provide funding and training to non-profit victim providers and public agencies so they can provide services to victims of crime.					
Efficiency	Percent of sub-recipients that receive compliance monitoring via desk audits	83%	83%	83%	83%
Outcome	Percentage increase in number of services provided to victims of crime by grant sub-recipients	2%	2%	2%	2%
Efficiency	Percent of site visits conducted	40%	36%	40%	40%
Output	Number of statewide training conferences held for service providers and victim advocates	1	1	1	1
Efficiency	Number of working days to complete payment voucher after completion of drawdown	5	5	6	6
Output	Number of training workshops conducted for sub-recipients	12	14	12	12

Executive Summary

The Department of Public Safety is dedicated to providing high quality public safety services to the citizens and visitors of New Mexico. DPS is the only provider of law enforcement services to a significant portion of rural New Mexico.

	FY09 Operating Budget	FY10 Recommendation	% Change
General Fund	99,745.3	98,567.8	-1.2
Total Sources	134,152.7	130,244.8	-2.9
Program			
Program Support	23,950.3	26,869.3	12.2
Law Enforcement Program	110,202.4	103,375.5	-6.2
Total Uses	134,152.7	130,244.8	-2.9
FTE	1,349.65	1,347.65	-0.1

- The Executive recommendation provides budget authority of \$286.0 in cash balances from the State Chemist Fees fund for DNA testing kits and operational costs for the new facility in Hobbs.

Agency Mission and Program Purpose

The Department of Public Safety (DPS) is dedicated to providing high quality public safety services to the citizens and visitors of New Mexico. DPS is the primary provider of law enforcement services in approximately 16 counties.

Statutory Authority: Sections 9-19-1 through 9-19-11 NMSA 1978.

Program Support

Program Support consists of the Technical Support Division, Office of the Secretary, Office of Legal Affairs, Information Technology and Administrative Services Division. This program supports public safety organizations in New Mexico through forensic services provided by the northern and southern forensic laboratories. It also supports the criminal records history database, the missing person's clearinghouse, the sex offender registration program, the uniform crime reporting effort, participation in the National Criminal Identification Center and the New Mexico Law Enforcement Telecommunications System. The program oversees all maintenance and operations of the facilities comprising the DPS complex and other statewide DPS offices. The Information Technology Division ensures access to information and provides reliable and timely information technology services to DPS, law enforcement and other government agencies to build a safer, stronger New Mexico. The division accomplishes this by providing connectivity to 180 criminal justice agencies on a 24-7-365 basis.

Law Enforcement Program

The Law Enforcement Program provides law enforcement services to the public and ensures the safety of New Mexicans. This program enforces New Mexico's laws throughout the state including

smaller communities, rural areas, highways and ports of entry. DPS also provides specialized services related to enforcement of alcohol laws, criminal intelligence and investigations. The New Mexico State Police (NMSP) is the backbone of the program with a tradition of more than sixty-five years of service. The Motor Transportation Division (MTD) and Special Investigations Division (SID) add critical expertise and experience to the program. The primary mission of the Special Investigations Division is to protect the safety and welfare of citizens by investigating violations of criminal and administrative law, and through enforcement of the state's alcohol, tobacco and gaming laws. MTD enforces both federal and state safety regulations and statutes relating to the legal operation of commercial motor vehicles and it enforces the state motor vehicle and criminal codes. MTD also administers and collects fees and taxes relating to commercial vehicle operations. The Law Enforcement Program also provides law enforcement training through the Law Enforcement Academy.

Executive Recommendation

Agency Strategic Directions

Law Enforcement (LEP). In FY08, the State Police were accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA). Only 1% of law enforcement agencies in the world are CALEA accredited. NMSP are the ninth state police agency in the United States to earn this distinction. The National Criminal Justice Association also presented the department with the "Outstanding Criminal Justice Program" award for its *100 Days and Nights of Summer* campaign.

NMSP finished a complete restructure of its Investigations Bureau. The restructure will enable the bureau to become more heavily involved in proactive policing. The department will utilize intelligence-led policing initiatives to conduct special operations throughout the state in an attempt to reduce crime and create a higher quality of life for all citizens.

NMSP completed its first-ever lateral academy. This program targeted experienced officers who already possess many of the technical skills required of a New Mexico State Police Officer. These officers completed an abbreviated 8-week academy compared to the regular 20-week academy. These graduates are currently in the field undergoing their field training.

Special Investigations Division (SID) concentrated its efforts on the sales and service of alcohol to intoxicated persons and underage alcohol consumption, with an emphasis on six focus counties: Rio Arriba; San Juan; Santa Fe; McKinley; Bernalillo; and Dona Ana. As a result, 251 administrative citations were issued to licensed liquor establishments for selling alcohol to intoxicated patrons. Additionally, 232 citations were issued for selling and or serving alcohol to minors, exceeding the established performance measure of 200 citations. SID hosted four community forums for retailers, alcohol servers, community leaders and law enforcement representatives to discuss their respective roles and shared responsibilities in the course of managing the Liquor Control Act. The forums, held in Las Cruces, Albuquerque and two in Santa Fe, featured successful solutions and best practices applied to prevention, education and enforcement. Agents also provided 256 hours of responsible alcohol sales and service training to 2,527 licensees and alcohol servers statewide.

Program Support. The drunk busters database, which captures information about suspected drunk drivers for referral to local law enforcement agencies, was converted to an Oracle environment. Information technology (IT) staff also created a drunk busters web section with several informative pages including publication of time-sensitive program reports.

DPS also purchased essential equipment for the new Hobbs laboratory, including two gas chromatograph/mass spectrometer (GC/MS) instruments and a Fourier transformed infra-red spectroscopy (FTIR), along with a GC/MS for the Las Cruces laboratory and a FTIR for the Santa Fe laboratory. Forensic laboratory staff provided 21 training sessions to New Mexico law enforcement agencies.

The Law Enforcement Records Bureau (LERB) and information technology staff implemented a new automated fingerprint identification system (AFIS) that included an automated interface to the state's criminal history system.

LERB now supports 30 cardscan (previously 14) and 24 livescan systems (previously 8) throughout the state. External cardscan submissions account for approximately 95% of the state's volume. DPS anticipates that external livescan submissions will account for approximately 80% of the state's criminal submissions.

LERB implemented new procedures for returning rejected criminal fingerprint cards to the submitting law enforcement agencies. In an effort to better serve the public, the fingerprint schedule was expanded from two days-per-week to five days-per-week with staff utilizing the new livescan machine.

The Sex Offender Registration and Notification Unit (SORNU) and information technology staff created an active e-mail notification and push-pin mapping system on the sex offender website, and successfully implemented a process that has all sex offenders entered into the database within 24 hours of notification. The Computer Aided Dispatch (CAD) project was completed, including the roll-out of more than 200 new laptop computers for use in patrol vehicles. CAD workstations in State Police district offices and other mobile computing devices in patrol vehicles were updated. Twenty State Police district offices have been rewired to stabilize network infrastructure, increase network performance, and reduce existing physical plant liabilities. The final phase of six remaining offices will be completed in FY09.

LERB implemented new quality control procedures to ensure criminal charges are not entered more than one time, and to ensure charges are entered correctly into the new AFIS and CJIS programs. LERB staff participated in CALEA accreditation as it relates to bureau-related policies and procedures.

Key Elements of Recommendation

The FY10 Executive recommendation for the Department of Public Safety reflects a decrease of 2.9% from FY09 operating levels. Included in the recommendation is \$250.0 in cash balances from the State Chemist Fees fund for the use by the department for DNA testing kits and \$36.0 for operating costs of the new facility in Hobbs.

The FY10 recommendation for federal funds is reduced from FY09. DPS anticipates several grants will not be reauthorized by the United States Congress, resulting in fewer grants to local law enforcement agencies across the state for drug trafficking prevention, training and equipment. The Executive recommendation maintains the transfer of Road Fund revenue from the New Mexico Department of Transportation at FY09 operating levels.

Performance Report

In FY08, the total driving while intoxicated (DWI) arrests by DPS commissioned officers numbered 3,363, a decrease of 13.4% from FY07. The number of first-time DWI arrests by DPS commissioned officers also decreased by 5.6% from FY07. The number of repeat DWI arrests came down in FY08 to 1,252, a decrease of 394, or 23.9% from FY07. The number of DWI crashes investigated by DPS commissioned personnel came down 29.2% over FY07. These decreases can be attributed in part to the *One Hundred Days and Nights Campaign* which the department coordinated in conjunction with local law enforcement agencies and the New Mexico Department of Transportation. The number of criminal cases investigated by DPS commissioned personnel increased 14.4% over FY07.

The percent of DNA cases processed within 70 days from submission increased to 24.4% in FY08 from 13.2% in FY07. DPS is aggressively attempting to recruit additional DNA forensic scientists to lower the turnover rate. These scientist positions require extensive training to meet certification standards, and require advanced degrees. The percent of information technology help desk tickets opened and closed within 48 work hours increased to 97% in FY08, versus 87.2% in FY07. DPS was successful in meeting its goal for zero unfilled forensic scientists in its latent prints and firearms/toolmark units. The goal for achieving zero unfilled positions in its DNA and chemistry unit scientists was not achieved, but the agency has made significant improvements in its ability to attract and retain these high skilled positions.

The number of narcotic seizures by the Motor Transportation Division (MTD) increased by 86.7% over FY07. In FY08, the number of fatal crashes in New Mexico came down 11.9% over FY07. The number of commercial motor vehicle safety inspections conducted by MTD increased by 28.8% over FY07. Targets for the department have been raised in the FY10 Executive recommendation to coincide with higher actual rates in various measures.

Recommended Language for the General Appropriation Act

The internal services funds/interagency transfers appropriations to the law enforcement program of the department of public safety include six million, nine-hundred and forty-nine thousand nine hundred dollars (\$6,949,900) from the state road fund for the motor transportation division.

Any unexpended balance in the department of public safety remaining at the end of fiscal year 2010 from appropriations from the state road fund shall revert to the state road fund.

Budget Summary Tables**Agency Budget Summary
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				Budget to Recommendation Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	92,038.3	99,745.3	98,567.8	-1,177.5	-1.2
Other Transfers	8,426.6	12,585.7	10,571.8	-2,013.9	-16.0
Federal Revenues	8,480.8	16,639.3	14,787.9	-1,851.4	-11.1
Other Revenues	5,516.2	4,872.4	5,816.3	943.9	19.4
Fund Balance	205.6	310.0	501.0	191.0	61.6
TOTAL SOURCES	114,667.5	134,152.7	130,244.8	-3,907.9	-2.9
USES					
Personal Services and Employee Benefits	83,791.6	96,322.5	92,127.4	-4,195.1	-4.4
Contractual Services	1,628.0	3,677.7	2,979.9	-697.8	-19.0
Other	26,083.8	34,142.5	35,137.5	995.0	2.9
Other Financing Uses	0.0	10.0	0.0	-10.0	-100.0
TOTAL USES	111,503.4	134,152.7	130,244.8	-3,907.9	-2.9
FTE					
Permanent	1,204.00	1,218.50	1,218.50	0.00	0.0
Term	99.00	107.00	105.00	-2.00	-1.9
Temporary	24.15	24.15	24.15	0.00	0.0
TOTAL FTE POSITIONS	1,327.15	1,349.65	1,347.65	-2.00	-0.1

**Program Support
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				Budget to Recommendation Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	15,450.5	16,488.2	15,753.7	-734.5	-4.5
Other Transfers	34.2	104.7	79.3	-25.4	-24.3
Federal Revenues	3,589.1	5,729.8	8,953.1	3,223.3	56.3
Other Revenues	1,616.5	1,627.6	1,797.2	169.6	10.4
Fund Balance	0.0	0.0	286.0	286.0	***
TOTAL SOURCES	20,690.3	23,950.3	26,869.3	2,919.0	12.2
USES					
Personal Services and Employee Benefits	12,476.0	13,313.8	13,210.8	-103.0	-0.8
Contractual Services	212.4	885.0	759.4	-125.6	-14.2
Other	7,092.3	9,751.5	12,899.1	3,147.6	32.3
TOTAL USES	19,780.7	23,950.3	26,869.3	2,919.0	12.2
FTE					
Permanent	170.00	170.00	170.00	0.00	0.0
Term	42.00	42.00	42.00	0.00	0.0
TOTAL FTE POSITIONS	212.00	212.00	212.00	0.00	0.0

Law Enforcement Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	76,587.8	83,257.1	82,814.1	-443.0	-0.5
Other Transfers	8,392.4	12,481.0	10,492.5	-1,988.5	-15.9
Federal Revenues	4,891.7	10,909.5	5,834.8	-5,074.7	-46.5
Other Revenues	3,899.7	3,244.8	4,019.1	774.3	23.9
Fund Balance	205.6	310.0	215.0	-95.0	-30.6
TOTAL SOURCES	93,977.2	110,202.4	103,375.5	-6,826.9	-6.2
USES					
Personal Services and Employee Benefits	71,315.6	83,008.7	78,916.6	-4,092.1	-4.9
Contractual Services	1,415.6	2,792.7	2,220.5	-572.2	-20.5
Other	18,991.5	24,391.0	22,238.4	-2,152.6	-8.8
Other Financing Uses	0.0	10.0	0.0	-10.0	-100.0
TOTAL USES	91,722.7	110,202.4	103,375.5	-6,826.9	-6.2
FTE					
Permanent	1,034.00	1,048.50	1,048.50	0.00	0.0
Term	57.00	65.00	63.00	-2.00	-3.1
Temporary	24.15	24.15	24.15	0.00	0.0
TOTAL FTE POSITIONS	1,115.15	1,137.65	1,135.65	-2.00	-0.2

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
Program Support					
To provide quality protection for the citizens of New Mexico through the business of information technology, forensic science, criminal records, and financial management and administrative support to the participants in the Criminal Justice Community.					
Output	Number of Grants Management Bureau compliance site visits made to each grantee per year	61	27	62	62
Output	Percent of deoxyribonucleic acid cases processed within seventy days from submission	100%	24.4%	100%	
Output	Percent of applicants' criminal background checks completed within twenty-eight days of submission	100%	94.9%	100%	
Output	Percent of criminal fingerprint cards completed within thirty-five days of submission	100%	91.6%	100%	
Outcome	Number of prior-year audit findings resolved	100%	50.0%	100%	100%
Output	Percent of operability for all mission-critical software applications residing on agency servers	99.9%	99.9%	99.9%	99.9%
Output	Percent of help desk tickets resolved within forty-eight work hours of receipt	80%	97.0%	90%	98%
Explanatory	Number of unfilled forensic scientist vacancies within the deoxyribonucleic acid discipline	0	4	0	0
Explanatory	Number of unfilled forensic scientist vacancies in the Chemistry Unit	0	3	0	0
Explanatory	Number of unfilled forensic scientist vacancies in the Latent Prints Unit	0	0	0	0
Explanatory	Number of unfilled forensic scientist vacancies in the Firearms/Toolmark Unit	0	0	0	0
Output	Percent of forensic cases completed within thirty working days			85%	85%
Output	Number of criminal record jackets updated per year			1,200	1,200
Outcome	Average number of New Mexico law enforcement telecommunications system transactions per day increase			10%	10%

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Law Enforcement Program					
To provide the highest quality of law enforcement services to the public and ensure a safer state.					
Outcome	Number of fatal crashes in New Mexico per year	400	363	400	400
Outcome	Number of driving-while-intoxicated arrests by department of public safety commissioned personnel in New Mexico	3,656	3,363	3,600	3,400
Output	Percent of cadets who successfully complete training and pass the law enforcement officer certification exam	90%	100%	95%	98%
Output	Number of first time driving-while-intoxicated arrests per year	2,083	2,111	2,050	2,050
Output	Number of repeat driving-while-intoxicated arrests per year	1,573	1,252	1,550	1,400
Outcome	Number of drug arrests by department of public safety commissioned personnel in New Mexico	1,125	1,349	1,200	1,200
Outcome	Number of driving-while-intoxicated crashes investigated by department of public safety commissioned personnel	300	201	300	250
Outcome	Number of narcotic seizures by the motor transportation division	64	84	50	70
Output	Number of administrative citations issued to licensed liquor establishments for the illegal sales or service of alcohol to minors and intoxicated persons by the special investigation division	200	483	200	500
Output	Number of special weight distance tax operations conducted by motor transportation division			4	4
Output	Number of citations issued by motor transportation division officers to commercial motor carrier vehicles subject to, and not in compliance with the requirements of the weight distance tax act			500	500
Outcome	Number of criminal cases investigated by department of public safety commissioned personnel in New Mexico	15,000	18,803	15,000	19,000
Outcome	Number of criminal citations or arrests for the illegal sales or service of alcohol to minors and intoxicated persons by the special investigation division	200	155	200	200
Output	Percent of strength of department of public safety commissioned personnel	90%	87.6%	87%	87%
Outcome	Number of commercial motor vehicle safety inspections by the motor transportation division	77,272	118,872	90,000	120,000

Executive Summary

The Department of Homeland Security and Emergency Management (DHSEM) is the primary state agency responsible for all New Mexico’s homeland security and emergency management efforts including preparedness, response and recovery.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	3,750.3	4,322.3	15.3
Total Sources	38,616.3	44,500.4	15.2
Program			
Homeland Security and Emergency Management	38,616.3	44,500.4	15.2
Total Uses	38,616.3	44,500.4	15.2
FTE	82.00	82.00	0.0

- The Executive recommendation provides an additional \$750.0 in General Fund for enhanced border security. This increase in funding will be used to provide grants to local responders and communities to address border concerns.

Agency Mission and Program Purpose

The Department of Homeland Security and Emergency Management (DHSEM) leads the state’s response to emergencies and disasters while providing for the safety and welfare of its citizens. Emergencies and disasters can be defined as something caused by natural or human-made events or any other circumstances determined by the governor. DHSEM seeks to protect life and property by providing a coordinated comprehensive system for the prevention, preparedness, mitigation, response to and recovery from disasters and emergencies regardless of cause.

Statutory Authority: Section 9-28-1 through 9-28-7 NMSA.

Executive Recommendation

Agency Strategic Directions

During FY08 and into FY09, DHSEM responded to major disasters across the state involving flooding, snow, and wildfires. Damage from these events led to governor’s disaster declarations and, in the case of one event, a Presidential disaster declaration. In addition to assisting communities throughout the state with numerous localized wildfire and flooding events, DHSEM responded to a major snowstorm in Rio Arriba and Taos counties which led to a governor’s disaster declaration. Torrance County was also hard hit during FY08 by three wildfires: Ojo Peak, Trigo and Big Springs. Damage from the Trigo fire was extensive enough to warrant a Small Business Administration disaster declaration for residents and businesses. Severe flooding in Lincoln and Otero counties caused by the remnants of hurricane Dolly led to a Presidential disaster declaration. DHSEM is currently coordinating the recovery efforts for those counties. DHSEM has also provided resources to the states of California and Montana for wildfires, Iowa for flooding, and Texas and Louisiana for hurricanes.

The Intelligence and Security Bureau of the DHSEM was established and became operational effective July 1, 2007. The bureau consists of the New Mexico all source intelligence center, a critical infrastructure protection component and the Security Program. These entities directly enhance the state's ability to prevent terrorist and criminal activity and to protect and strengthen the security for citizens of the state.

Key Elements of Recommendation

The base recommendation for this agency is a decrease of 4.7% in General Fund in FY10. The Executive recommendation provides for a General Fund increase of \$750.0 to provide grants to local law enforcement entities to assist with border security. The grants will be used to enhance law enforcement preparedness, and assist with operational coordination in areas affected by criminal and possible terrorist activity resulting in proximity to the international border.

Performance Report

The department met or exceeded its targets in FY08 and as a result, the Executive recommendation raises targets to reflect FY08 results. The target for the number of exercises conducted annually in compliance with federal guidelines increased by 32% in FY08. The benchmark for this measure has been raised to 29 exercises in the Executive recommendation for FY10. The target for number of local emergency operation plans (including terrorism incident annex) current within three years was achieved in FY08. In FY10, this target is raised from 29 to 32. The target for the number of program and administrative team compliance visits conducted each year on all grants was exceeded by 6%. The target for this measure is raised in FY10 from 35 to 37.

Budget Summary Tables

	Agency Budget Summary (Dollars in Thousands)			FY10	
	FY08	FY09	Recom- mendation	<u>Budget to Recommendation</u>	
	<u>Actuals</u>	<u>Operating Budget</u>		Dollar/FTE <u>Change</u>	Percent <u>Change</u>
SOURCES					
General Fund Transfers	3,308.1	3,750.3	4,322.3	572.0	15.3
Other Transfers	168.2	260.8	230.3	-30.5	-11.7
Federal Revenues	31,546.0	34,595.2	39,937.8	5,342.6	15.4
Other Revenues	0.7	10.0	10.0	0.0	0.0
TOTAL SOURCES	35,023.0	38,616.3	44,500.4	5,884.1	15.2
USES					
Personal Services and Employee Benefits	4,051.3	4,827.2	5,135.7	308.5	6.4
Contractual Services	1,060.3	2,454.3	1,631.2	-823.1	-33.5
Other	29,312.5	31,334.8	37,733.5	6,398.7	20.4
TOTAL USES	34,424.1	38,616.3	44,500.4	5,884.1	15.2
FTE					
Permanent	26.00	26.00	26.00	0.00	0.0
Term	56.00	56.00	56.00	0.00	0.0
TOTAL FTE POSITIONS	82.00	82.00	82.00	0.00	0.0

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Homeland Security and Emergency Management					
To provide for and coordinate an integrated, statewide, comprehensive emergency management system for New Mexico including all agencies, branches, and levels of government for the citizens of New Mexico.					
Outcome	Number of exercises conducted annually in compliance with federal guidelines	19	25	22	29
Outcome	Number of local emergency operation plans (including terrorism incident annex) current within three years	29	29	29	32
Outcome	Number of program and administrative team compliance visits conducted each year on all grants	35	37	35	37

Executive Summary

The Department of Transportation is charged with planning, designing, building and maintaining a safe and accessible "multi-modal" transportation network in the State of New Mexico.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	1,000.0	***
Total Sources	826,354.3	785,874.0	-4.9
Program			
Construction Program	510,558.0	485,165.8	-5.0
Transportation & Highway Operations	257,571.3	245,500.3	-4.7
Business Support	58,225.0	55,207.9	-5.2
Total Uses	826,354.3	785,874.0	-4.9
FTE	2,756.50	2,756.50	0.0

- The Executive recommends an increase of \$7.5 million for DOT's portion of Rail Runner operation costs of \$23,154.0.
- The Executive recommends \$163,845.2 for debt services.

Agency Mission and Program Purpose

The Department of Transportation (DOT) is responsible for the statewide transportation network that serves the social and economic interests of New Mexico citizens. DOT is a multi-modal transportation agency responsible for highway infrastructure, alternative forms of transportation, commuter and public transportation.

DOT administers Governor Richardson's Investment Partnership (GRIP). GRIP is a \$1.6 billion, bond-financed program that funds more than 40 highway expansion and reconstruction projects across New Mexico including commuter rail service from Belen to Santa Fe. The department administers the Statewide Transportation Improvement Program (STIP), which manages and directs funds received from the Federal Highway Administration. Additionally, the department continues to maintain a robust construction program with approximately \$250 million of federal reimbursements received annually for the highway construction.

The STIP is a six-year statewide plan developed through a collaborative process involving local and regional governments, metropolitan planning organizations (MPO), regional planning organizations (RPO), other state and transportation agencies as well as the general public. STIP is fiscally constrained and addresses the multi-modal transportation needs of New Mexico, including projects of national and regional significance. Funding is contingent upon federal appropriations under the federal Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

DOT is organized into three distinct programs: Programs and Infrastructure, Transportation and Highway Operations, and Program Support.

Statutory Authority: Sections 67-1-1 through 67-16-14 NMSA 1978.

Programs and Infrastructure

Programs and Infrastructure plans, designs, operates and manages highway and transportation projects that provide accessible, safe and sustainable multi-modal transportation infrastructure. Divisions and bureaus include infrastructure planning, environmental impact, as well as public transportation and traffic safety. Infrastructure includes all engineering-related services involved in project development.

Transportation and Highway Operations

Transportation and Highway Operations constructs, repairs, improves and maintains the state's highway and transportation infrastructure. The program maintains a regional system of six district offices and 84 patrol stations located across the state.

Business Support

Business Support consists of the Office of the Secretary and Administrative Services. The Business Support program supports the department's management, development and operation of highway and transportation programs. The Office of the Secretary includes the legal, equal rights, internal audit and investigations divisions. Business Support oversees all financial management including: cash, revenue, budget and bonds. Additionally, it is responsible for human resource management and information technology support to the entire department.

Executive Recommendation

Agency Strategic Directions

DOT is committed to an accessible, safe, connected and sustainable multi-modal transportation system throughout New Mexico. The system provides for affordable and efficient travel choices via motor vehicle, rail, public transportation, aviation and non-motorized transportation (bicycle, pedestrian and equestrian).

DOT maintains 29,952 lane miles of on-system, state roads that include: 4,081 lane miles of interstates, 5,964 lane miles of U.S. routes and 16,612 lane miles of New Mexico routes. The department employs over 2,700 personnel in 85 patrol yards, six district offices and the General Office in Santa Fe.

GRIP has been progressing with projects critical to the economic development and infrastructure of the state's transportation needs. DOT maintains an aggressive letting and construction schedule averaging \$350 million per year. New Mexico contractors have been awarded 92% of GRIP projects, which have resulted in the creation of over 3,200 construction-related jobs.

The highlight and one of the most visible GRIP projects is the Rail Runner, New Mexico's commuter rail service, which had over 547,000 riders in FY08 between Belen and Bernalillo, and for which service was expanded to Santa Fe December 17, 2008. The Railrunner provides a cost-effective alternative for New Mexico citizens and visitors between Bernalillo/Sandoval and Santa Fe counties. Additionally, the Park and Ride program continues to expand service beyond commonly traveled routes and urban areas. Public transportation for commuters using the Park and Ride system has seen an average of 114% growth over fiscal year 2007 numbers.

DOT continues a strategic partnership with federal, state, local and tribal governments as well as the private sector to improve the transportation infrastructure and economy of the state. The department is focusing on employee and traveler safety and efficient and effective management of state resources while maximizing available federal funds. A quality improvement system is in place to measure and analyze goal-specific data to ensure continuous improvement in the delivery of the services to the public.

Key Elements of Recommendation

The Executive recommends an overall decrease of over \$40 million under FY09 levels due to a flat level of federal funding and declining State Road Fund revenues. One million dollars is recommended from the General Fund for the Driving While Intoxicated (DWI) Initiative that will no longer be funded with federal revenue in support of the governor's vision for a *Safer New Mexico*.

DOT has expanded Rail Runner service to Santa Fe that began December 17, which provides service from Belen to Santa Fe and many points in between. Voters in Bernalillo, Sandoval and Valencia counties approved the Rio Metro Regional Transit District's tax levy, which will raise an estimated \$26 million a year. Half of the proceeds will be used to fund Rail Runner operations, with the remainder of funds to be used for connecting bus and van transit service in these counties. The North Central Regional Transit District also received voter approval in Santa Fe, Taos, Rio Arriba and Los Alamos Counties for a 1/8% GRT tax levy, which will provide an estimated \$2.5 million per year for Rail Runner operations, with the remaining funds to be used for connecting bus and van transit service in these counties. DOT's portion of the annual Rail Runner operations cost will be \$7.5 million per year. The Rio Metro Regional Transit District will serve as the managing agency for the Rail Runner service, overseeing the day-to-day administration and operation of the service.

The State Road Fund represents \$348,362.3 or 83% of total other program revenue and 46% of the total recommended revenue for the agency. The revenue forecast that supports the bulk of the agency's operations is expected to decline by as much as 2% below FY09 operating levels while federal funds are expected to remain flat. The lack of growth in the combined funding sources continues to diminish the state's ability to maintain and preserve existing roadways. The DOT has multiple projects pending and in progress. These projects are of varying magnitude and priority. Based on available funding, projects are held or added accordingly. The budget reflects the available funding in two major areas: contracts and grants to organizations. The agency continues to implement cost reduction measures to maximize the use of every dollar.

The Executive recommendation supports a 100% State Road program of \$11,279.0. The program is designed to provide for the construction, repair and maintenance of the state roads that are not eligible for federal funds. As inflationary pressures continue to negatively impact the department's construction activities, it is critical to support and maintain the roads and bridges around the state that are not eligible for federal funds.

Consistent with the FY09 funding level, the Executive recommends a transfer of \$6,949.9 to the Department of Public Safety (DPS) for the operation of the Motor Transportation Division. This division has as its mission "to ensure the safe and legal operation of commercial motor vehicles" and this mission entails the enforcement of federal safety regulations, state motor vehicle and criminal codes.

For Programs and Infrastructure, the Executive recommendation supports an overall budget decrease of \$25,392.2 attributable to a reduction in the level of support for the 100% State construction program. Multiple projects were delayed due to the projected revenue shortage.

In Transportation and Highway Operations, the Executive recommends a decrease of \$12,071.0 due to a drop in State Road Fund and Other State Fund revenues. This will create issues in the preservation and maintenance of existing roadways.

In Business Support, the Executive recommendation supports a decrease of \$3,053.0 below FY09 operating levels.

Performance Report

DOT achieved a number of performance measure targets in FY08. The revenue dollars per passenger on park and ride was exceeded by 88 cents. The number of rail riders between Belen and Bernalillo was significantly higher than the target, indicating the willingness of the public to embrace mass transit alternatives. Since the public is willing to take advantage of these new alternatives, in the future these alternatives should be supported with an increase in funding. Several of the safety performance measures were reached and exceeded highlighting the effectiveness of advertising and law enforcement initiatives.

The department missed several other performance targets including percent of final cost over bid amount on highway construction projects. DOT continues to struggle with the rising cost of services and materials. While several targets were not met, the department has been involved in a number of safety campaigns throughout the year in an effort to reduce fatalities and draw attention to issues of safety on New Mexico highways.

Recommended Language for the General Appropriation Act

The Executive recommends the following language for the Programs and Infrastructure and Transportation and Highway Operations Programs to extend prior fiscal year appropriations for capital projects into fiscal year 2010:

The other state funds and federal funds appropriations to the programs and infrastructure program of the department of transportation pertaining to prior fiscal years may be extended into fiscal year 2010, but not to exceed three hundred twenty million dollars (\$320,000,000).

The other state funds and federal funds appropriations to the transportation and highway operations program of the department of transportation pertaining to prior fiscal years may be extended into fiscal year 2010, but not to exceed eighty million dollars (\$80,000,000).

Budget Summary Tables**Agency Budget Summary
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				Budget to Recommendation Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	0.0	0.0	1,000.0	1,000.0	***
Federal Revenues	318,894.7	358,681.8	348,479.7	-10,202.1	-2.8
Other Revenues	437,946.4	452,831.0	436,394.3	-16,436.7	-3.6
Fund Balance	10,841.5	14,841.5	0.0	-14,841.5	-100.0
TOTAL SOURCES	767,682.6	826,354.3	785,874.0	-40,480.3	-4.9
USES					
Personal Services and Employee Benefits	150,906.3	160,379.1	162,853.6	2,474.5	1.5
Contractual Services	250,849.0	335,609.8	300,132.6	-35,477.2	-10.6
Other	310,577.0	323,451.4	315,937.9	-7,513.5	-2.3
Other Financing Uses	6,000.0	6,914.0	6,949.9	35.9	0.5
TOTAL USES	718,332.3	826,354.3	785,874.0	-40,480.3	-4.9
FTE					
Permanent	2,669.00	2,663.00	2,663.00	0.00	0.0
Term	81.70	93.50	93.50	0.00	0.0
Temporary	5.80	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	2,756.50	2,756.50	2,756.50	0.00	0.0

**Programs and Infrastructure
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10	
				Budget to Recommendation Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	0.0	0.0	1,000.0	1,000.0	***
Federal Revenues	309,745.4	347,981.7	343,979.7	-4,002.0	-1.2
Other Revenues	153,812.2	154,776.3	140,186.1	-14,590.2	-9.4
Fund Balance	7,800.0	7,800.0	0.0	-7,800.0	-100.0
TOTAL SOURCES	471,357.6	510,558.0	485,165.8	-25,392.2	-5.0
USES					
Personal Services and Employee Benefits	26,585.3	28,821.9	29,649.0	827.1	2.9
Contractual Services	205,251.9	277,157.7	251,439.9	-25,717.8	-9.3
Other	201,186.2	204,578.4	204,076.9	-501.5	-0.2
TOTAL USES	433,023.4	510,558.0	485,165.8	-25,392.2	-5.0
FTE					
Permanent	413.00	411.00	411.00	0.00	0.0
Term	38.00	40.00	41.00	1.00	2.5
Temporary	2.00	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	453.00	451.00	452.00	1.00	0.2

Transportation and Highway Operations
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
Federal Revenues	7,319.4	9,017.7	4,500.0	-4,517.7	-50.1
Other Revenues	231,258.6	245,512.1	241,000.3	-4,511.8	-1.8
Fund Balance	3,041.5	3,041.5	0.0	-3,041.5	-100.0
TOTAL SOURCES	241,619.5	257,571.3	245,500.3	-12,071.0	-4.7
USES					
Personal Services and Employee Benefits	97,298.7	103,892.4	105,881.2	1,988.8	1.9
Contractual Services	44,047.9	51,895.0	44,712.7	-7,182.3	-13.8
Other	95,628.1	101,783.9	94,906.4	-6,877.5	-6.8
TOTAL USES	236,974.7	257,571.3	245,500.3	-12,071.0	-4.7
FTE					
Permanent	1,976.00	1,972.00	1,972.00	0.00	0.0
Term	42.70	48.70	47.70	-1.00	-2.1
Temporary	2.00	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	2,020.70	2,020.70	2,019.70	-1.00	0.0

Business Support
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
Federal Revenues	1,829.9	1,682.4	0.0	-1,682.4	-100.0
Other Revenues	52,875.6	52,542.6	55,207.9	2,665.3	5.1
Fund Balance	0.0	4,000.0	0.0	-4,000.0	-100.0
TOTAL SOURCES	54,705.5	58,225.0	55,207.9	-3,017.1	-5.2
USES					
Personal Services and Employee Benefits	27,022.3	27,664.8	27,323.4	-341.4	-1.2
Contractual Services	1,549.2	6,557.1	3,980.0	-2,577.1	-39.3
Other	13,762.7	17,089.1	16,954.6	-134.5	-0.8
Other Financing Uses	6,000.0	6,914.0	6,949.9	35.9	0.5
TOTAL USES	48,334.2	58,225.0	55,207.9	-3,017.1	-5.2
FTE					
Permanent	280.00	280.00	280.00	0.00	0.0
Term	1.00	4.80	4.80	0.00	0.0
Temporary	1.80	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	282.80	284.80	284.80	0.00	0.0

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Programs and Infrastructure					
To provide improvements and additions to the state's highway infrastructure to serve the interest of the general public. These improvements include those activities directly related to highway planning, design, and construction necessary for a complete system of highways in the state.					
Quality	Ride quality index for new construction	>=4.3	4.0	>=4.3	>=4.3
Outcome	Number of non-alcohol-related traffic fatalities		223	<=264	<=264
Outcome	Fiscal year total dollar amount of airport projects completed, in millions		\$13.2		\$16
Output	Annual rural public transportation ridership	700,000	653,213	Deleted 09	Deleted 09
Output	Number of welfare to work transportation ridership		5,316		150,000
Output	Revenue dollars per passenger on park and ride	\$2.00	\$2.88	\$2.95	\$2.95
Explanatory	Annual number of riders on park and ride	200,000	370,315	350,000	300,000
Outcome	Percent capacity-filled on commuter rail service between Belen and Bernalillo	85%	30.18%	85%	85%
Outcome	Percent of airport runways in good condition	60%	70%	75%	>=75%
Output	Annual number of commuter rail riders between Belen and Bernalillo	300,000	547,077	400,000	400,000
Output	Number of crashes in established safety corridors	12	TBD 01/09	<=886	<=800
Outcome	Number of alcohol-related fatalities	New FY09	New FY09	<=172	<=160
Outcome	Number of traffic fatalities per 100 million vehicle miles traveled	New FY09	New FY09	0.88	0.88
Outcome	Total number of traffic fatalities	New FY10	New FY10	New FY10	<414
Output	Annual number of rail riders to and from Santa Fe	New FY09	New FY09	200,000	350,000
Outcome	Number of passengers not wearing seatbelts in motor fatalities	New FY10	New FY10	New FY10	<184
Outcome	Number of pedestrian fatalities	New FY10	New FY10	New FY10	<50
Quality	Percent of final cost-over-bid amount on highway construction projects	4.0%	5.5%	10.0%	<=6.0%
Explanatory	Percent of projects in production let as scheduled	70%	91%	85%	>=85%
Outcome	Percent of front-occupant seatbelt usage	91%	91%	>=90%	>=90%
Outcome	Number of head-on crashes per one hundred million vehicle miles traveled		TBD		2.65
Output	Number of non alcohol-related traffic fatalities per one hundred million vehicle miles traveled	1.12	0.84	1.12	<=1.0
Outcome	Number of alcohol-related fatalities per one hundred million vehicle miles traveled	0.88	0.56	0.88	<=0.88

Transportation and Highway Operations

To maintain and provide improvements to the state's highway infrastructure to serve the interest of the general public. These improvements include those activities directly related to preserving roadway integrity and maintaining open highway access throughout the state system.

Output	Number of statewide improved pavement surface miles	3,300	4,321	>=4,500	>=4,500
Outcome	Percent of interstate lane miles rated good	New FY10	New FY10	New FY10	>97%
Efficiency	Maintenance expenditures per lane mile of combined system wide miles	\$3,500	\$2,634	\$3,500	\$3,500
Outcome	Number of non-interstate miles rated good	8,225	19,532	8,225	8,225
Outcome	Number of interstate miles rated good	1,190	3,850	1,190	1,190
Quality	Customer satisfaction levels at rest areas	90%	96.2%	95%	95%
Outcome	Number of combined system wide miles in deficient condition	<=2,500	3,306	<=2,500	<=2,500
Output	Amount of litter pickup off department roads, in tons	New FY09	New FY09	17	>=17
Output	Number of statewide pavement miles preserved (pavement treatments, i.e. chip seals, overlays, fog seal and repaving)	New FY10	New FY10	New FY10	>6,400
Outcome	Percent of non-interstate lane miles rated good	New FY10	New FY10	New FY10	>86%

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Business Support					
To provide management and administration of financial and human resources, custody and maintenance of information and property, and the management of construction and maintenance projects.					
Quality	Number of external audit findings	<=4	TBD 01/09	<=4	<=4
Quality	Percent of prior-year audit findings resolved	75%	TBD 01/09	100%	100%
Efficiency	Percent of invoices paid within thirty days	99%	97.5%	99%	>=99%
Outcome	Percent of vacancy rate in all programs	10%	12.66%	6%	<=6%
Output	Percent of information technology projects on-time and on-budget	New FY09	New FY09	100%	100%
Output	Number of employee work days lost due to accidents	127	483.5	110	110
Output	Number of employee injuries	New FY10	New FY10	New FY10	100

Executive Summary

The Public Education Department (PED) is charged with providing effective leadership, technical assistance and quality assurance to the state's public schools to improve the performance of all students while closing the achievement gap.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	17,444.3	16,447.2	-5.7
Total Sources	63,694.7	47,395.1	-25.6
Program			
Public Education Department	63,694.7	47,395.1	-25.6
Operational			
Total Uses	63,694.7	47,395.1	-25.6
FTE	328.80	331.80	0.9

- The Executive recommendation reflects a decrease of \$997.1 in General Fund from FY09 operating levels.
- The Executive recommendation reflects an overall decrease in total funds of \$16,299.6 due to a reduction of \$15,200.6 in federal funds.
- The Executive recommendation reflects expansions of three positions in the Special Education, Educator Ethics and K-3 Plus Bureaus.

Agency Mission and Program Purpose

The Public Education Department (PED) became a cabinet agency on October 10, 2003 through a Constitutional Amendment ratified by special election. PED is responsible for establishing a quality, statewide public education system under the leadership of the Secretary of Public Education and through the professionalism of staff organized into various functions.

Among its roles and responsibilities, PED: works with the governor to recommend adequate levels of funding for public education; distributes funds to 89 school districts in support of over 800 public schools and other agencies across the state; determines content standards, educational programs, educator qualifications, and compensation; provides assistance to schools in need of improvement and oversight of schools in corrective action; manages federal education programs; supports transportation for students; maintains facilities through capital outlay; and implements educational reforms to close New Mexico's achievement gap and meet the requirements of the federal No Child Left Behind Act of 2001(NCLB).

Ultimately, PED is responsible for managing over \$3.2 billion for the provision of PreK-12 education statewide. In addition, PED is responsible for managing over \$438 million in federal funds and \$195 million in capital outlay funds.

The main purpose of PED is to provide leadership, technical assistance and compliance monitoring designed to ensure that every student in New Mexico receives an equitable education. The

department defines an equitable education as one that provides high school graduates with the academic skills, content knowledge and qualities of character that will help them become successful individuals and contributing members of families, communities and the State of New Mexico.

Significant changes in public education in New Mexico have occurred through enactment of key state and federal legislation aimed at improving the quality of educational provision and closing the achievement gap. In 2003, a Constitutional Amendment established PED as an executive agency (replacing the former State Department of Education) and increased the distribution from the Land Grant Permanent Fund to pay for education reforms.

Also in 2003, House Bill 212, Public School Reforms Act: created a three-tiered teacher licensure structure that sets minimum salary levels for educators and administrators; requires licensees to demonstrate continued and enhanced competencies for each level; and sets minimum salary levels for principals based on the size of the school. In addition, the reform legislation: grants PED authority to take over control and management of a public school or school district that has failed to meet requirements of law or state board rules and standards; grants PED authority to issue a state identification number to all public school students statewide; enacted the Assessment and Accountability Act to align the state's accountability system with NCLB requirements, focusing on the adequate yearly progress of students, schools, and school districts; and establishes a framework for PED to provide support and oversight to struggling schools.

The Indian Education Act responded to the need to emphasize indigenous languages and cultures in public schools as a means of supporting improved learning for Native American students. The act created an Indian Education Division in PED and an Indian Education Advisory Council to increase school effectiveness and close the achievement gap between Native Americans and others in New Mexico.

NCLB requires states to improve the performance and accountability of their school systems through numerous measures. PED oversees implementation of NCLB alignment in New Mexico as required by recent educational reform legislation.

Consolidating the state and federal reforms over the past few years has set a framework for supporting student success by providing: a challenging curriculum with high expectations for all students in New Mexico; a three-tiered licensure system that will attract and retain high-quality teachers and a support system to attract and retain other educators including principals, superintendents and other school employees; an effective system to hold students, teachers, schools, school districts and the State accountable for education outcomes; a clearer and more responsive governance structure for public education; an aligned system of support for students, families, educators and schools; and alignment with NCLB.

PED is responsible for implementing these education reforms and continuing to fulfill its mandated responsibilities as the central state agency for the day-to-day oversight of the public education system in New Mexico. The quality of education reform hinges on the leadership provided by PED. PED must ensure that all elements of the education reform initiatives are implemented to the highest quality standard.

Statutory Authority: The Public School Code, Sections 22-1-1 through 22-30-8 NMSA 1978.

Executive Recommendation*Agency Strategic Directions*

Over the last five years, the Executive has built on the landmark public school reforms passed in 2003. The Governor's Performance and Accountability policy framework, *Making Schools Work*, has moved New Mexico forward in the development and implementation of a PreK – 20 educational system that spans from preschool to graduate school. This systematic and cohesive approach to education helps ensure that New Mexico's children will progress smoothly from early childhood programs through public schools and on into higher education and graduate ready to work, raise families, and contribute to their communities, state and country.

The Making Schools Work framework includes these key objectives for PreK through K-12 education: ensuring that all young children are ready for school; keeping students ready to learn with access to health care, healthy food, and physical fitness activities; increasing parental involvement in their children's education; increasing the level of educational excellence for all students; closing the achievement gap by supporting the children and schools who need the most assistance; ensuring that all students are taught by qualified teachers; and ensuring that students graduate from high school prepared to succeed in higher education and the workplace.

Major progress has been made on each of these objectives. For example, the number of students served in state funded PreK programs has increased to 1,786 in 2008, up from 1,538 in 2007. An estimated 2,229 of pre-kindergarten students will be served in 2009. Evaluations conducted by the National Institute for Early Education Research show that PreK programs have had significant impact on young children's vocabulary, early math skills, and early reading skills. New Mexico's Breakfast for Elementary Students Program has provided breakfasts for 64,807 students in 2008 and is expected to provide 78,067 breakfasts in 2009. The Food Action and Research Center ranked New Mexico first nationally in the percentage of students participating in school breakfast compared with the number participating in the National School Lunch Program. New Mexico's rigorous academic standards have been ranked 4th in the nation by the national publication Quality Counts. The most recent reports by the National Assessment of Education Progress show that New Mexico was one of 23 states to show significant improvement in fourth grade math over 2005 and one of 26 states to show significant improvement in eighth grade math over 2005 (2007 Mathematics Report Card). Reading in grades 4 and 8 shows no significant change between 1992 and 2007 (Reading Report Card). In addition, New Mexico was one of only four states to show significant increases for Hispanic students in fourth grade reading. A joint evaluation by the New Mexico Office of Education Accountability, the Legislative Education Study Committee, and the Legislative Finance Committee shows that the three-tiered teacher licensure system has had a powerful and positive effect on the recruitment and retention of teachers in New Mexico. New Mexico's national rankings for teachers' salaries are 36th in the country. The Executive's focus on increasing the percentage of students who graduate from high school and ensuring that those graduates are ready for college and work has resulted in a strong collaborative effort with the legislature to redesign high schools. Overall, New Mexico was 2nd in the nation in terms of education reform by the Fordham Foundation in 2006.

PED has added a new dimension in their strategic direction in implementing an on-line learning initiative with the joint effort of the Higher Education Department. This initiative is titled Innovative Digital Education and Learning - New Mexico (IDEAL-NM). This new initiative

provides e-learning services to New Mexico P-12 schools, colleges and universities, and government agencies. "IDEAL-NM reduces geographic and capacity barriers to education opportunity while increasing the digital literacy skills students need to participate in a global economy" (www.IDEAL-NM.org).

The Executive's recommendations in the following section are intended to ensure that PED continues to have the capacity to continue to move New Mexico's ambitious education agenda forward.

Key Elements of Recommendation

The Executive recommendation reflects a decrease of \$997.1 in General Fund and a decrease of \$16,299.6 in total funds. The decrease in total funds reflects federal fund reductions in programs such as the Center for Disease Control, Twenty First Century, Preschool, Reading First, IDEA B, Special Education Professional Development and Character Education. The Executive recommendation for personal services and employee benefits applies a vacancy rate of 4% on salaries funded from the General Fund and implements a 5% agency reduction plan. The Executive recommendation reflects an expansion of three positions funded by special revenue sources. These positions include a management analyst for special education, an administrative operations manager for educator ethics and an office and administrative support person for K-3 Plus.

Performance Report

During FY08, the Public Education Department achieved six targets out of twenty-seven performance measures. For the percent of customers interacting with the public education department who report satisfaction with their telephone communications with the department, the agency achieved a performance of 97%. The target was set at 90%. For the percent of customers interacting with the public education department who report satisfaction with their telephone communications with the department, the agency met the target of 100%. For the percent completion of the data warehouse project, the agency completed 100% of the funded project. The target was set at 65%. This performance measure is set in three phases. The first two stages have been completed at 100%; however, more funding is needed to complete the third and final phase. For the percent of bureaus in five core areas (data collection and reporting, assessment and accountability, special education, capital outlay, school budget and finance analysis) meeting the public education department's customer service standards, the agency achieved 100%. The target was set at 80%. This performance measure has been changed for 2010 due to the questionable data gathering process. The measure for 2010 has been divided into five separate measures to ensure valid data gathering.

For the average processing time for school district budget adjustment requests, in days, the agency reports it achieved four days. The target was set at seven days. It is recommended that the department perform a cross functional process identifying the weaknesses that might be preventing the achievement of the current target. For the percent of completion of the agreed-upon audit schedule for the Public Education Department, Internal Audit Section, the target was set at 100% but achieved 75%. The Executive recommends that PED management collaborate with the audit department in setting goals that will achieve on-time audit reporting.

Recommended Language for the General Appropriation Act

Any unexpended balances in the authorized distributions remaining at the end of fiscal year 2009 from appropriations made from the general fund shall revert to the general fund.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 Operating <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u> Dollar/FTE <u>Change</u>	<u>Percent</u> <u>Change</u>
SOURCES					
General Fund Transfers	15,152.3	17,444.3	16,447.2	-997.1	-5.7
Federal Revenues	16,722.2	44,970.5	29,769.9	-15,200.6	-33.8
Other Revenues	668.7	1,101.5	872.9	-228.6	-20.8
Fund Balance	222.3	178.4	305.1	126.7	71.0
TOTAL SOURCES	32,765.5	63,694.7	47,395.1	-16,299.6	-25.6
USES					
Personal Services and Employee Benefits	20,396.0	23,421.5	22,792.3	-629.2	-2.7
Contractual Services	14,838.8	27,873.9	20,269.7	-7,604.2	-27.3
Other	6,299.2	12,399.3	4,333.1	-8,066.2	-65.1
TOTAL USES	41,534.0	63,694.7	47,395.1	-16,299.6	-25.6
FTE					
Permanent	209.20	216.20	216.20	0.00	0.0
Term	107.00	108.00	111.00	3.00	2.8
Temporary	4.60	4.60	4.60	0.00	0.0
TOTAL FTE POSITIONS	320.80	328.80	331.80	3.00	0.9

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Public Education Department					
The purpose of the public education department is to provide a public education to all students. The secretary of public education is responsible to the governor for the operation of the department. It is the secretary's duty to manage all operations of the department and to administer and enforce the laws with which the secretary or the department is charged. To do this, the department is focusing on leadership and support, productivity, building capacity, accountability, communication, and fiscal responsibility.					
Outcome	Percent of current-year appropriations that require a request for proposal or grant application sent to school districts by September 30	60%	Not Rept	60%	100%
Output	Percent of appropriations applications, information requests or grant applications sent to school districts by September 30				
Outcome	Percent of customers interacting with the public education department who report satisfaction with their telephone communications with the department	90%	97%	90%	97%
Outcome	Percent of No Child Left Behind Act adequate yearly progress designations accurately reported by August 1	100%	99.99%	100%	100%
Outcome	Percent of money designated for teacher scholarships through the Indian Education Act that has been expended	90%	Not Rept	90%	
Outcome	Average processing time for school district budget adjustment requests, in days	7	4	7	7
Output	Percent of school district budget adjustment requests processed in under thirty days				100%
Outcome	Percent of public education department contracts issued within sixty days of receipt of completed request for proposal or grant application	90%	Not Rept	90%	
Outcome	Percent of public education department contracts issued within ninety days of receipt of completed request for proposals				90%
Outcome	Percent of completion of the agreed-upon audit schedule for the public education department internal audit section	100%	75%	100%	100%
Outcome	Percent change from the preliminary unit value to the final unit value	2%	.78%	2%	2%
Outcome	Percent completion of the data warehouse project	75%	100%	75%	100%
Outcome	Percent of teachers adequately informed and trained on the preparation of the licensure advancement professional dossiers	95%	TBD	95%	95%
Outcome	Percent of teachers passing all strands of professional dossiers upon the first submittal				85%
Outcome	Percent of bureaus in five core areas (data collection and reporting, assessment and accountability, special education, capital outlay, school budget and finance analysis) meeting the public education department's customer service standards	60%	100%	80%	85%
Outcome	Percent of prior-year audit finding resolved and not repeated	100%	Not Rept	100%	100%
Outcome	Percent of the nine New Mexico Rural Revitalization Initiative school districts that will engage in stakeholder discussions: develop and begin implementation of school/community improvement strategies				50%
Explanatory Outcome	Percent of elementary students receiving school breakfasts	51%	79.9%		
Explanatory Outcome	Percent of elementary schools participating in the state-funded elementary school breakfast program				60%
Explanatory Outcome	Number of elementary schools participating in the state-funded elementary school breakfast program				
Outcome	Percent of eligible children served in state-funded pre-kindergarten	13.1%	18.2%		19%
Output	Current fiscal year special appropriations site specific awards made by October 30				65%
Output	Current fiscal year special appropriations distributed through the request for applications or request for information process awards made by October 30				65%
Output	Current fiscal year special appropriations statute dependent awards made no later than February 28				100%
Outcome	Percent of public education department bureaus meeting the public education department's customer service standards				90%

Executive Summary

The Regional Education Cooperatives provide technical assistance, staff development, training and education-related services to member districts participating in the cooperative. They also facilitate cooperative purchasing capabilities and offer fiscal management services for member districts.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	1,400.0	1,400.0	0.0
Total Sources	32,331.4	21,702.7	-32.9
Program			
Regional Education Cooperatives	32,331.4	21,702.7	-32.9
Total Uses	32,331.4	21,702.7	-32.9
FTE	0.00	0.00	***

- The Executive recommendation for General Fund is maintained at the FY09 operating level.
- The recommendation for other state funds and federal funds is consistent with the requests of the Regional Education Cooperatives, which reflect a decrease of \$10,628.7.

Agency Mission and Program Purpose

Regional Education Cooperatives (RECs) are state agencies administratively attached to the Public Education Department (PED). In New Mexico, nine Regional Educational Cooperatives (RECs) serve 58 rural school districts and state-supported schools. RECs play a vital role in the delivery and implementation of core services. They also provide a delivery system for major statewide education initiatives for New Mexico's school improvement and educational reforms.

RECs are geographically distributed across the state; they have a unique understanding of the strengths and challenges of their member districts. RECs use their insights to provide responsive, quality support and services to improve student outcomes and meet local district's needs.

A REC is formed when local school boards and other state-supported educational institutions are authorized to cooperatively provide education related services. In 2008, RECs were appropriated \$1,400.0 of recurring monies from the General Fund.

Each cooperative is governed by a regional education coordinating council comprised of local school district superintendents or chief administrative officers and representatives from the appropriate state-supported institutions. RECs may own, and have control and management over, buildings and land independent of the director of the Property Control Division of the General Services Department. The Regional Cooperative Education Act: (1) affirms RECs as individual state agencies administratively attached to the Public Education Department (PED); (2) requires RECs to submit budgets to PED but not to the Department of Finance and Administration (DFA); and (3) exempts RECs from the provisions of the State Personnel Act, from vouchering and central payroll through DFA and from central purchasing through the State Purchasing Agent.

Statutory Authority: Regional Cooperative Education Act, 22-2B6 NMSA 1978

Executive Recommendation

Agency Strategic Directions

RECs support and strengthen school districts' capacity to provide quality education to New Mexico's public school children. The work of the RECs continues to support the Executive's education initiatives and REC services will contribute to the overall success of this agenda. In addition, the REC services will help rural districts and those serving students with special needs to achieve the policy framework of *Making Schools Work*.

The cooperatives provide fiscal administration, technical assistance, professional development and training services to member districts on special-education related issues. REC services may include personnel development, diagnostic evaluation, child find, related services, technical assistance and policy and procedure development.

RECs administer Headstart, Eisenhower Math and Science Training Act, Drug Free Schools and Communities Act, Head Start, Class Size Reduction and Medicaid programs.

In 2008, a Senate Memorial 41 workgroup was established to study and make recommendations on the structure, core services, accountability and fiscal aspects of New Mexico's RECs. The goal of this study was to develop and strengthen the Regional Education Cooperatives' service delivery at the local level while creating a consistent delivery system at the state level, and understand the role that PED will have as the overseeing agency for the RECs.

Through this recommendation, the PED is seeking to meet statutory requirements to provide educational/related services to rural areas in New Mexico. RECs support rural districts in meeting the requirements of the federal No Child Left Behind Act of 2001, such as staffing, professional development, data entry and technology.

Key Elements of Recommendation

The Executive recommendation is consistent with the requests of the Regional Education Cooperatives for other state funds and federal funds which reflects a decrease of \$10,628.7 from FY09 budget levels. The recommendation for General Fund is maintained at the FY09 appropriated level.

Performance Report

RECs do not participate in the state Performance and Accountability framework, but are accountable to the U.S. Department of Education for the federal funds received.

Budget Summary TablesAgency Budget Summary
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	Recom- <u>mendation</u>	FY10 <u>Budget to Recommendation</u>	
				<u>Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	0.0	1,400.0	1,400.0	0.0	0.0
Federal Revenues	25,135.0	20,844.4	9,894.8	-10,949.6	-52.5
Other Revenues	11,314.7	10,087.0	10,407.9	320.9	3.2
TOTAL SOURCES	36,449.7	32,331.4	21,702.7	-10,628.7	-32.9
USES					
Other	36,449.7	32,331.4	21,702.7	-10,628.7	-32.9
TOTAL USES	36,449.7	32,331.4	21,702.7	-10,628.7	-32.9
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

FY10 Executive Recommendation for Regional Education Cooperatives

Cooperative	General Fund	Other State Funds	Federal Funds	Total
Northwest Regional Education Cooperative #2 (Gallina)	\$155.6	\$96.3	\$848.5	\$1,100.4
High Plains Regional Education Cooperative #3 (Raton)	\$155.6	\$1,364.9	\$306.6	\$1,827.1
Northeast Regional Education Cooperative #4 (Las Vegas)	\$155.6	\$528.7	\$2,431.4	\$3,115.7
Central Regional Education Cooperative #5 (Albuquerque)	\$155.6	\$391.3	\$820.1	\$1,367.0
Regional Education Cooperative #6 (Portales)	\$155.6	\$975.7	\$225.2	\$1,356.5
Lea Regional Education Cooperative #7 (Hobbs)	\$155.5	\$376.7	\$618.8	\$1,151.0
Pecos Valley Regional Cooperative #8 (Artesia)	\$155.5	\$381.5	\$894.3	\$1,431.3
Regional Education Cooperative #9 (Ruidoso)	\$155.5	\$4,955.0	\$3,320.0	\$8,430.5
Southwest Regional Cooperative #10 (Truth or Consequences)	\$155.5	\$1,337.8	\$429.9	\$1,923.2
Total	\$1,400.0	\$10,407.9	\$9,894.8	\$21,702.7

Executive Summary

The Public School Facilities Authority serves as staff for the Public School Capital Outlay Council, which is charged with carrying out the Public School Capital Outlay Act.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	0.0	0.0	***
Total Sources	6,362.4	6,348.5	-0.2
Program			
Public School Facilities Authority	6,362.4	6,348.5	-0.2
Total Uses	6,362.4	6,348.5	-0.2
FTE	55.00	55.00	0.0

- The Executive recommendation provides a base decrease of \$13.9 from the FY09 revenue base due to a decrease in personal services and employee benefit costs.

Agency Mission and Program Purpose

The Public School Facilities Authority (PSFA) is created as part of the Public School Capital Outlay Council (PSCOC). The PSCOC is responsible for identifying and funding all outstanding deficiencies in public schools that adversely affect the health or safety of students and personnel.

The membership of the council consists of: a representative from the Governor's Office; the Secretary of the Department of Finance and Administration; the Secretary of the Public Education Department; the President of the New Mexico School Boards Association; the Director of the Construction Industries Division of the Regulation and Licensing Department; the President of the Public Education Committee; the Director of the Legislative Education Study Committee; the Director of the Legislative Finance Committee; and the director of the Legislative Council Service.

PSFA assists school districts with: development and implementation of facilities and preventive maintenance plans; procurement of architectural and engineering services; and management and oversight of construction activities. It also provides training programs to ensure that public school capital outlay projects are in compliance with applicable building codes.

PSFA consults with the Public Education Department (PED) to develop building standards for public school facilities and to ensure compliance with those standards.

The authority maintains a database of the condition of school facilities and maintenance schedules and works with school districts to validate the assessments of outstanding deficiencies.

Statutory Authority: Section 22-24-9 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

PSFA's goal is to ensure that all students attend schools that are safe, adequate, well-maintained and equipped with current educational technology. The mechanism used to measure the effectiveness of PSFA's activities, in relation to this goal, is the New Mexico facility condition index (FCI). A declining FCI indicates improvement in the statewide condition of school district physical plant, net of the annual cost of maintaining facilities in their current state. The FCI is reported annually in percentages, with declining percentages indicating progress towards the goal. The authority reports the following declining (positive) trend in the FCI since 2002:

**Public Schools Facility Condition Index Trend
Fiscal Years 2002 through 2008**

<u>Year</u>	<u>FCI</u>	<u>Annual Decrease</u>	<u>Cumulative Decrease</u>
2002	70.6%		
2003	70.0%	-0.6%	-0.6%
2004	66.7%	-3.3%	-3.9%
2005	65.0%	-1.7%	-5.6%
2006	56.8%	-8.2%	-13.8%
2007	54.7%	-2.1%	-15.9%
2008	49.7%	-5.0%	-20.9%

PSFA's vision is to build an exemplary, collaborative system of public school facilities management that supports students and student success by providing standards, guidance and service to state policy makers and local school authorities, thereby contributing to the achievement of adequacy, and eventually excellence, in school facilities.

According to PSFA, between 1975 and 1999, the average annual state award level for public school construction was \$12.5 million. Since the creation of the Deficiencies Correction Unit (DCU) in 2001 and subsequently by the PSFA, the total award dedicated to public school construction was \$1,435,634.6 for a total of 3,238 projects. Projects included school buildings, new classrooms, improvement and modifications to life/safety systems, emergency repairs to school buildings, advances for high priority projects and financial assistance to charters and other schools for leasing adequate facilities.

PSFA continues to serve as staff to the PSCOC and to assist districts with: (1) development and implementation of 5-year facility plans and preventive maintenance plans; (2) procurement of architectural and engineering services; (3) management and oversight of construction activities; (4) other facility needs; and (5) training programs as related to school facilities.

In FY09, the authority continued to focus on the following critical success factors: (1) gain and keep trust and support of school districts; (2) production of dependable data for the Public School Capital Outlay Council, the Executive, the Legislature, and for state and local officials; (3) timely responsiveness to district problems; (4) prompt turnaround time and accuracy in financial processes; (5) trust in and support of PSFA staff by all stakeholders; (6) consistency of messages and methods; (7) satisfaction of judicial expectations; and (8) successful transition to operation under the state personnel system.

In FY10, the authority will focus on the following critical success factors: (1) ongoing development of key systems/processes, which are now sufficiently mature to promise accelerated improvement in public school facilities; (2) speeding project delivery to minimize losses to inefficiencies and inflation; (3) maximizing customer/stakeholder satisfaction; (4) optimizing communications and data sharing; (5) maximizing PSFA staff engagement with a national benchmark target of over 90 percent good/excellent; and (6) developing and tracking additional key performance indicators, such as facility comparisons based on cost per sq/ft and cost per student, to provide policymakers with improved tools for more efficient allocation of limited resources to greatest needs.

Key Elements of Recommendation

The Executive recommendation continues to fund the agency from the Public School Capital Outlay Fund. A base decrease of \$13.9 to \$6,348.5 for FY10 from a FY09 base of \$6,362.4 is recommended. This baseline for FY10 is recommended due to a decrease in personal services and employee benefits costs based on current staffing levels.

Performance Report

In FY08, PSFA achieved or exceeded only two of six performance measure targets. The performance measures whose target were achieved include: the average processing time of final action on plans submitted, with a target of 16 days, the actual performance was 16; and the percent compliance with prompt payment provision of Retainage Act for all direct payments to vendors, with a target of 85%, the actual performance was 99%.

PSFA did not achieve three performance targets. The percent of total submitted school construction plans reviewed and acted upon, the target was 90% and actual performance was 82%. For the percent of projects meeting all contingencies completed within the specified period of awards, the target was 75% and actual performance was 63%. The primary challenge to meeting the target continues to be the project timeline as specified in the Memorandum of Understanding that governs the project agreement including timelines established between the school district and the Public School Capital Outlay Council (PSCOC). Project delays also impact the original budget parameters due to constructing inflation. "Red Flag" projects are reported quarterly to the PSCOC to be addressed. PSFA will continue to monitor and seek to deploy actionable remedies to improve performance. For the number of days to disseminate all pertinent documents to school districts for all awards made by the Public School Capital Outlay Council, the target was 20 but actual performance was 12. PSFA did not provide an explanation concerning reasons for the actual performance to this measure. It is recommended that PSFA develop a monitoring plan and implement the plan into its performance measure system.

The final performance measure does not have a target but is reported only for explanatory purposes. This performance measure is the change in statewide public school facility condition index measured at December 31 of prior calendar year compared with prior year. The actual for FY08 was 31.06%. PSFA stated that this measure was adjusted in FY07-08 to a new measurement in FY09. The actual that was reported will be used as a comparison when resetting the baseline to compare improvement or deterioration.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
Other Revenues	6,018.7	6,362.4	6,348.5	-13.9	-0.2
TOTAL SOURCES	6,018.7	6,362.4	6,348.5	-13.9	-0.2
USES					
Personal Services and Employee Benefits	3,891.1	4,354.6	4,340.7	-13.9	-0.3
Contractual Services	137.5	355.0	355.0	0.0	0.0
Other	1,156.1	1,652.8	1,652.8	0.0	0.0
TOTAL USES	5,184.7	6,362.4	6,348.5	-13.9	-0.2
FTE					
Permanent	55.00	55.00	55.00	0.00	0.0
TOTAL FTE POSITIONS	55.00	55.00	55.00	0.00	0.0

Performance Measures

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Public School Facilities Authority					
The purpose of the program is to oversee public school facilities in all eighty-nine school districts ensuring correct and prudent planning, building and maintenance using state funds and ensuring adequacy of all facilities in accordance with Public Education Department (PED) approved educational programs.					
Efficiency	Percent of total submitted school construction plans reviewed and acted upon	90%	82%	90%	90%
Efficiency	Percent compliance with prompt payment provision of Retainage Act for all direct payments to vendors	85%	99%	85%	90%
Outcome	Percent of projects meeting all contingencies completed within the specified period of awards	75%	63%	75%	75%
Efficiency	Number of days to disseminate all pertinent documents to school districts for all awards made by the public school capital outlay council	20	12	20	20
Explanatory	Change in statewide public school facility condition index measured at December 31 of prior calendar year compared with prior year	None	31.06%		
Efficiency	Average processing time of final action on plans submitted	16 days	16 days	16 days	18 days

Executive Summary

The Higher Education Department (HED) is the coordinating agency for the system of public higher education in New Mexico. HED provides policy and financial oversight of higher education institutions and administers financial aid programs.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	47,991.0	45,385.9	-5.4
Total Sources	100,207.1	94,905.0	-5.3
Program			
Policy Development and Institute	26,018.6	26,129.8	0.4
Financial Oversight			
Student Financial Aid Program	74,188.5	68,775.2	-7.3
Total Uses	100,207.1	94,905.0	-5.3
FTE	47.00	53.00	12.8

- The Executive recommendation reflects a base General Fund decrease of \$2,605.1 below the FY09 operating budget.
- The Executive recommendation provides for increased accountability and efficiency by maximizing federal grants to create two term positions for program management, compliance and monitoring.

Agency Mission and Program Purpose

The Higher Education Department (HED) is a cabinet-level agency that was formed to develop a statewide agenda for public post-secondary education within the state by providing policy and financial oversight of public higher education institutions and the constitutionally-created special schools.

HED sets statewide policy and goals for higher education; reviews new and expanded programs within individual institutions; administers the processes for changes in college districts and the creation of new campuses; coordinates budget development for and allocates funds to the institutions; approves capital projects and sources of financing; and performs research and policy analysis. HED governance over the system must be consistent with the individual authority provided to constitutionally-created institutions. HED also oversees several programs that implement statewide educational goals as well as significant student financial aid programs.

New Mexico has an extensive system of public higher education institutions with three research universities, four comprehensive universities, ten branch community colleges, and seven independent community colleges. HED also provides financial oversight of the constitutionally-created special schools: the New Mexico Military Institute; the New Mexico School for the Deaf; and the New Mexico School for the Blind and Visually Impaired.

Additionally, HED is responsible for licensing proprietary post-secondary schools, for which it charges fees. Policy and rule changes are coordinated through the Private Post-secondary Education Advisory Committee.

The statute that created HED also provided for a 14-member Higher Education Advisory Board whose membership is determined by statute. The board was created to advise HED and the Governor on policy matters and is convened quarterly.

Statutory Authority: Sections 9-25-1 through 9-25-13, Sections 21-1-26 through 21-1-26.12, Sections 21-1-27 through 21-1-27.7 and Sections 21-1-32 through 21-1-33 NMSA 1978.

Policy Development and Institutional Financial Oversight

The Policy Development and Institutional Financial Oversight Program provides planning and oversight to ensure statewide coordination of policy goals for the higher education system and efficient use of state resources.

The Academic Affairs, Planning and Research Division provides oversight of academic programs, coordinates the alignment between high schools and higher education institutions, approves the implementation of new degree programs, and licenses and monitors private educational entities. The Planning and Research Division is responsible for collecting enrollment data, accountability data, and conducting statewide surveys as needed. The P-20 office works to create a seamless education system and includes outreach programs to middle school and high school students to encourage and better prepare them for college. The division also oversees the Adult Basic Education (ABE) program that provides literacy and high school equivalency education to adults at 29 sites throughout the state. The Office of Educational Equity and Access oversees programs for the recruitment and retention of minority and special needs students.

The Finance and Administration Division establishes the system-wide priorities for the higher education budget and capital projects. The division develops the overall budget request for the higher education system through implementation of the higher education funding formula; approves operating budgets; reviews financial statements; approves and prioritizes capital project and maintenance requests and conducts facilities inventories and space utilization assessments. The division also oversees the financial requirements of financial aid programs.

Student Financial Aid Program

The Student Financial Aid Program provides administrative oversight of state and federal financial aid programs designed to make the cost of attending higher education institutions more affordable and accessible.

The program administers 19 scholarship and loan programs. The largest of these programs is the Lottery Success Scholarship, funded by state lottery revenues. The Lottery Success Scholarship is available to every New Mexico student who enters a higher education institution immediately after graduating from high school or receiving a General Equivalency Degree (GED) and obtains a minimum 2.5 grade point average during the first semester. The scholarship currently provides 100% of tuition costs.

The program also includes the need-based College Affordability Scholarship Fund, which was enacted in the 2006 legislative session. Funded by a \$49 million trust fund, interest from the trust fund is used to provide scholarships of up to \$1,000 per semester to students based on certain eligibility criteria. Unlike the Lottery Success Scholarship, College Affordability Scholarships are not limited to students entering college immediately after high school. Scholarship funds may also be used for expenses other than tuition.

Other scholarship programs focus on need-based aid, work-study, merit, athletics and targeted populations such as Vietnam veterans and seniors. Loan-for-service programs provide aid contingent upon students providing service in underserved areas or in occupations with defined shortages within the state. The students repay the loans once they have graduated and are providing the service. Such programs currently focus on certain types of health care providers, teachers, minority doctoral candidates, and public service lawyers.

Executive Recommendation

Agency Strategic Directions

HED has taken several steps to implement the Executive's performance and accountability policy *Making Schools Work*. In collaboration with leadership from higher education, public education, the business community, and with input from task forces addressing public education issues, HED has developed statewide strategic priorities for higher education. These priorities are closely coordinated with work being done regarding public school curricula and workforce requirements.

HED continues to administer the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant. The U.S. Department of Education awarded HED an \$18 million grant that provides \$3 million per year over six years. HED is working with schools around the state, with a cohort of 5,700 students from seventh grade onwards, to prepare them to attend and be successful in college. The current GEAR UP grant extends through 2012.

HED is developing a strategic plan in alignment with the Executive's vision for higher education in the state. The mission statement in the strategic plan reads as follows:

The Higher Education Department develops and coordinates relevant policies, programs and services that provide advocacy and support equitable access to college to enable all people to succeed in reaching their full potential through education.

From this overall vision, the strategic direction focuses on specific themes: interoperability of different institutions to work together in ways that help students; addressing the gaps in participation; increasing educational attainment; and accountability.

Interoperability: Interoperability is a term taken from computer systems for finding ways that the educational system is able to cooperate more systematically but non-hierarchically to promote movement of students through the system. HED is working with the Public Education Department (PED) on the implementation of IDEAL-NM, the online learning system that will create high school and college learning opportunities for all students in the state. IDEAL-NM plays a central role in the P-20 (pre-kindergarten through college) agenda that focuses on giving every student in the state early college experiences through dual credit and advanced placement. HED and PED

have been working on face-to-face dual credit and online dual credit offered through IDEAL-NM. Other aspects of the interface or transition zone between high school and college are also being redesigned. HED is working with PED on restructuring the assessment and placement systems in high schools and colleges that will include offering a college readiness test to all high school students in the state and standardizing college placement.

HED is increasing the interoperability of the institutions of higher education, working towards a common online application for all public institutions in the state, guaranteed admission for all who earn academic associates' degrees into New Mexico universities, and full articulation of the curriculum for an increased number of programs. In addition, the Formula Task Force has just proposed new models for cross-institutional collaboration among the colleges and universities of the state, including making it easier for students to take courses at other institutions (including online courses) and for institutions to offer programs at other institutions' physical locations.

Addressing the gaps and increasing educational attainment: HED is working hard to address the inequities of the provision of higher education in the state. Educational attainment tends to be higher among those with high-incomes than those with low incomes, and higher among residents of urban areas than rural areas. New Mexico leads the nation in progress on the gap between the educational attainment of Anglos and minority groups, but has not reached full equity among population groups in the state. HED is working on increasing the amount of financial aid available to those who need it and making sure that all counties and school districts in the state have access to higher education. HED is refining policies that address the gap between minority and Anglo student achievement in the state. HED and the Executive agree that New Mexico needs a formal policy that keeps tuition affordable, to encourage all New Mexicans to attend higher education.

Accountability: As HED makes progress towards these goals, it must do everything possible to increase the efficiency and productivity of higher education. For New Mexico to reach national averages of educational attainment, the state needs to increase the number of graduates by 40%. HED acknowledges that improvement in the efficiency and 'throughput' of New Mexico's institutions is needed.

HED is charged with ensuring that the state's investment in higher education is spent wisely and in accord with relevant statutes, rules, and policies. The agency needs to leverage every state dollar in order to reach the ambitious goals for expanding higher education in the state. The business side of HED is dedicated to this task, and over the past year has been improving oversight of the operations of the state's institutions of higher education. HED has introduced a new capital projects prioritization scheme, including emphasis on energy efficiency referred to as "green screen". HED is also making progress assessing and documenting space and space usage on the campuses of higher education institutions and special schools. In addition, HED has hired an institutional auditor and an attorney. The process by which institutions propose funding for research and public service projects (RPSPs) has been redesigned and the agency is in the process of hiring an RPSP program manager.

HED is addressing the need to significantly improve its accountability measures. The department conducted a strategic planning retreat in August 2008 that included creating business process models. Following the retreat each division reviewed its internal plans and organized division goals that tied directly to each of the department's goals.

Key Elements of Recommendation

The Executive recommendation reflects a base General Fund decrease of \$2,605.1 below the FY09 operating budget and \$65.0 in expansions primarily for monitoring and compliance initiatives from other revenue sources.

The Executive recommends initiatives that will increase access for students and further develop an integrated educational system. The Executive recommends two permanent positions for IDEAL-NM design and helpdesk functions to be covered by existing recurring funds.

In response to accountability and efficiency needs, the Executive recommends two term positions that will be funded by federal grants to support the monitoring and compliance requirements for the duration of those particular grants. Additionally, the Executive recommends a full-time program manager and compliance monitor position for the proprietary schools to be funded from fees that are already being collected by the department.

Performance Report

HED has made tremendous strides in realigning the strategic direction with the Governor's performance and accountability initiatives in *Making Schools Work*. HED is actively tracking and reporting performance measures on a timely basis and submitted ambitious revisions to performance measures, the strategic plan and the monitoring plan for FY10.

Data from the performance measures pertaining to the Policy Development and Institutional Oversight program indicate that HED met 55% of the FY08 targets. There were measures that contained limited or incomplete data, so 22% of the outcomes in this program are unknown. The emphasis on dual credit and accessibility to New Mexico high school students is highlighted with 100% participation by high schools statewide.

Financial Aid performance also saw improvement in FY08. There were eight new measures introduced in FY08, so the data presented establishes the baseline. Of the existing measures, 26% were met, including those related to work-study and persistence.

FY10 performance measure changes include streamlining measures around Adult Basic Education and focusing on outcomes rather than outputs.

Recommended Language for the General Appropriation Act

Any unexpended balance in the policy development and institutional financial oversight program remaining at the end of fiscal year 2010 from appropriations made from the general fund shall revert to the general fund.

The internal service funds/interagency transfers appropriation to the financial aid program includes thirty-eight million four hundred thousand dollars (\$38,400,000) from the lottery tuition fund.

Budget Summary Tables**Agency Budget Summary
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10 Budget to Recommendation	
				Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	40,578.2	47,991.0	45,385.9	-2,605.1	-5.4
Other Transfers	41,035.6	46,060.8	40,566.5	-5,494.3	-11.9
Federal Revenues	6,597.0	5,004.0	8,274.8	3,270.8	65.4
Other Revenues	0.0	30.0	677.8	647.8	2,159.3
Fund Balance	0.0	1,121.3	0.0	-1,121.3	-100.0
TOTAL SOURCES	88,210.8	100,207.1	94,905.0	-5,302.1	-5.3
USES					
Personal Services and Employee Benefits	3,243.1	4,127.5	3,804.3	-323.2	-7.8
Contractual Services	651.6	1,050.8	2,087.1	1,036.3	98.6
Other	15,571.1	76,137.7	21,066.4	-55,071.3	-72.3
Other Financing Uses	64,992.0	18,891.1	67,947.2	49,056.1	259.7
TOTAL USES	84,457.8	100,207.1	94,905.0	-5,302.1	-5.3
FTE					
Permanent	30.50	32.50	34.50	1.00	3.1
Term	5.50	14.50	19.50	5.00	34.5
TOTAL FTE POSITIONS	36.00	47.00	54.00	6.00	12.8

**Policy Development and Institutional Financial Oversight
(Dollars in Thousands)**

	FY08 Actuals	FY09 Operating Budget	Recom- mendation	FY10 Budget to Recommendation	
				Dollar/FTE Change	Percent Change
SOURCES					
General Fund Transfers	16,501.2	21,236.9	18,631.8	-2,605.1	-12.3
Other Transfers	225.0	317.6	166.5	-151.1	-47.6
Federal Revenues	6,115.6	4,434.1	7,266.5	2,832.4	63.9
Other Revenues	0.0	30.0	65.0	35.0	116.7
TOTAL SOURCES	22,841.8	26,018.6	26,129.8	111.2	0.4
USES					
Personal Services and Employee Benefits	3,243.1	4,127.5	3,804.3	-323.2	-7.8
Contractual Services	651.6	1,003.8	1,705.1	701.3	69.9
Other	5,123.1	3,346.2	7,002.1	3,655.9	109.3
Other Financing Uses	12,764.2	17,541.1	13,618.3	-3,922.8	-22.4
TOTAL USES	21,782.0	26,018.6	26,129.8	111.2	0.4
FTE					
Permanent	30.50	32.50	34.50	1.00	3.1
Term	5.50	14.50	19.50	5.00	34.5
TOTAL FTE POSITIONS	36.00	47.00	54.00	6.00	12.8

Student Financial Aid Program
(Dollars in Thousands)

	FY08 <u>Actuals</u>	FY09 <u>Budget</u>	Recom- <u>mendation</u>	FY10	
				<u>Budget to Recommendation</u>	
				<u>Dollar</u>	<u>Percent</u>
				<u>Change</u>	<u>Change</u>
SOURCES					
General Fund Transfers	24,077.0	26,754.1	26,754.1	0.0	0.0
Other Transfers	40,810.6	45,743.2	40,400.0	-5,343.2	-11.7
Federal Revenues	481.4	569.9	1,008.3	438.4	76.9
Other Revenues	0.0	0.0	612.8	612.8	***
Fund Balance	0.0	1,121.3	0.0	-1,121.3	-100.0
TOTAL SOURCES	65,369.0	74,188.5	68,775.2	-5,413.3	-7.3
USES					
Personal Services and Employee Benefits	0.0	0.0	0.0	0.0	***
Contractual Services	0.0	47.0	382.0	335.0	712.8
Other	10,448.0	72,791.5	14,064.3	-58,727.2	-80.7
Other Financing Uses	52,227.8	1,350.0	54,328.9	52,978.9	3,924.4
TOTAL USES	62,675.8	74,188.5	68,775.2	-5,413.3	-7.3
FTE					
Permanent	0.00	0.00	0.00	0.00	***
Term	0.00	0.00	0.00	0.00	***
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
Policy Development and Institutional Financial Oversight					
To provide a continuous process of statewide planning and oversight within the department's statutory authority for the state higher education system and to ensure both the efficient use of state resources and progress in implementing a statewide agenda.					
Output	Number of students enrolled in dual credit programs	6,500	10,830	6,500	13,000
Outcome	Percent of first-time entering degree-seeking University students who have graduated from the same institution or another public institution or have transferred after six years.	35%	41.68%	35%	40%
Output	Percent of adult basic education students who set and attain the goal of passing the general education diploma		38%	17%	40%
Outcome	Number of adult basic education students who set passing the general educational development test as a goal	1,021	4,365	1,016	4,500
Outcome	Number of family members participating in GEAR UP events		2894	2900	2900
Outcome	Percent of cohort students that meet the promotion requirements of each grade level				
Output	Number of adult basic education students who set and attain the goal of obtaining employment		789	622	800
Outcome	Percent of adult basic education students who set and attain the goal of obtaining employment		53%	67%	55%
Outcome	Percent of first-time degree-seeking university students who have graduated from the same institution or another public institution after six year		40%	40%	40%
Outcome	Percent of New Mexico public high schools participating in dual credit programs	90%	95%	90%	97%
Outcome	Percent of New Mexico public postsecondary institutions participating in dual credit programs	100%	100%	100%	100%
Output	Percent of New Mexico high school graduates who are first-time undergraduates who take developmental education courses	40%	50%	40%	40%
Output	Number of recent New Mexico high school graduates who are first-time undergraduates who take developmental education courses	4,200	7,870	6,000	6,000
Outcome	Persistence rate of high school graduates who are first-time undergraduates who take developmental education courses	70%	76%	70%	75%
Output	Number of adult basic education students who set passing the general educational development test as a goal	3,205	4,365		

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Outcome	Number of adult basic education students who set passing the general educational development test as a goal who succeed	1,016	1,654	1,700	1,700
Explanatory	Percent of first-time freshman from New Mexico public high schools	91%	60%	80%	62%
Output	Number of first-time freshman from New Mexico public high schools	13,200	9,616	13,200	13,200
Output	Number of enrollments in four-year public postsecondary institutions that are transfers from public two-year postsecondary institutions	11,400	11,608	11,400	11,700
Outcome	Percent of enrollments in four-year public postsecondary institutions that are transfers from public two-year postsecondary institutions	20%	20%	20%	22%
Outcome	Average number of credit hours accrued in the attainment of a bachelor's degree by students who transfer in versus those who originate at the degree-awarding institution	137:125	138:122	137:125	137:125
Outcome	Percent of first-time, degree-seeking community college students who have graduated from the same institution or another public institution or have transferred after three years	15%	15%	14%	17%
Outcome	Number of degrees awarded in career-technical programs geared toward New Mexico's needs	4,500	4,752	4,600	4,800
Outcome	Facility condition index for public postsecondary institutions	TBD	TBD	65%	
Efficiency	Percent of properly completed capital infrastructure draws released to the state board of finance within thirty days of receipt from the institutions	90%	94%	90%	95%
Output	Number of outreach services and events provided to secondary schools and students related to college readiness, college preparation curriculum and financial aid	85	4,317	85	4,500
Outcome	Percent of adult basic education students who set attainment of general educational development as a goal	15%	22%	20%	23%
Output	Percent of capital projects evaluations and audits performed to ensure institutional accountability and responsibility	TBD	66%	5%	68%
Efficiency	Percent of properly completed financial aid allocations and draw-downs processed within thirty days	100%	60%	90%	90%

Student Financial Aid Program

To provide access, affordability and opportunities for success in higher education to students and their families so that all New Mexicans may benefit from post-secondary education and training beyond high school.

Outcome	Percent of first-time freshman lottery recipients graduated from college after the ninth semester		66%	60%	67%
Outcome	Percent of students who receive state loan-for-service funding who provided service after graduation		83%	60%	84%
Outcome	Percent of first-time freshman participating in work study programs enrolling in their second year		87%	60%	88%
Outcome	Percent of first-time freshman participating in merit-based programs enrolling in their second year		82%	60%	83%
Outcome	Percent of first-time freshman participating in need based grant programs enrolling in their second year		79%	60%	80%
Outcome	Percent of state financial aid funds used for need-based aid		29.4%	40%	35%
Output	Annual average federal student loan debt for all students enrolled at 4-year public schools		7,311	16,000	7,500
Output	Annual average federal student loan debt for all students enrolled at 2-year public schools		4,384	8,000	4,500
Output	Number of lottery success recipients enrolled in or graduated from college after the ninth semester	2,500	3,081	2,500	3,200
Outcome	Percent of students meeting eligibility criteria for state loan programs who continue to be enrolled by the sixth semester	75%	76%	75%	78%
Outcome	Percent of students meeting eligibility criteria for work-study programs who continue to be enrolled by the sixth semester	70%	75%	74%	75%
Outcome	Percent of students meeting eligibility criteria for merit-based programs who continue to be enrolled by the sixth semester	TBD	66%	80%	68%
Outcome	Percent of students meeting eligibility criteria for need-based programs who continue to be enrolled by the sixth semester	65%	65%	65%	66%
Outcome	Percent of state funds for need-based aid relative to Pell grant aid	30.9%	20.8%	30.9%	30%
Output	Number of students receiving college affordability awards.	625		1,500	1,500

Executive Summary

The public higher education system provides undergraduate and graduate courses as well as vocational and workforce training at 25 campuses across the state to New Mexico residents and out-of-state students.

	FY09 Operating Budget	FY10* Recommendation	Percent Change
General Fund	832,078.4	804,125.2	-3.4
Total Sources	2,610,275.9	2,624,067.9	0.5
Program			
University of New Mexico	1,234,580.9	1,273,023.3	3.1
New Mexico State University	604,298.8	577,142.9	-4.5
New Mexico Highlands University	63,704.0	65,011.8	2.1
Western New Mexico University	36,286.9	35,843.4	-1.2
Eastern New Mexico University	115,271.3	113,438.0	-1.6
New Mexico Institute of Mining and Technology	162,581.9	164,344.8	-0.7
Northern New Mexico College	22,585.4	24,144.2	6.9
Santa Fe Community College	46,315.8	45,068.9	-2.7
Central New Mexico Community College	148,139.9	143,587.4	-3.1
Luna Community College	17,156.6	17,907.6	4.4
Mesalands Community College	7,351.1	7,950.9	8.2
New Mexico Junior College	29,318.1	29,451.0	0.5
San Juan College	67,978.5	72,834.1	7.1
Clovis Community College	24,302.8	23,756.4	-2.2
New Mexico Military Institute	30,403.9	30,563.2	0.5
Total Uses	2,610,275.9	2,624,067.9	0.5

* FY10 program recommendation includes General Fund, Other State Funds and Federal Funds.

- FY10 Instruction and General (I&G) is funded at \$672,631.4 based on the 2007-2008 academic year.
- In support of keeping tuition increases low, the Executive recommends a 0% tuition credit.
- The Executive supports a Dual Credit Tuition Revenue Credit Offset of \$2,443.3.
- The Executive supports the expansion of the higher education system in New Mexico to transition the College of Santa Fe into a branch of an existing university.

Mission and Program Purpose

New Mexico has an extensive system of public higher education institutions with three research universities, four comprehensive universities, ten branch community colleges, seven independent community colleges, one teaching hospital and one special school that awards two-year postsecondary degrees. The universities and independent community colleges are governed by boards of regents whose members are either appointed by the governor or elected locally. Branches and instructional centers are governed by the boards of the parent institutions with the assistance of local advisory boards. Three constitutionally created special schools are under the purview of the New Mexico Higher Education Department, the New Mexico Military Institute, the New Mexico School for the Deaf and the New Mexico School for the Blind and Visually Impaired.

Most residents are within a one-hour commute of at least one campus. Many campuses host more than one institution, so there are a variety of courses and programs available at one location. Distance learning also helps provide a variety of courses at different campuses as students are able to take classes that are made available through videoconferencing, internet or other means.

The institutions served 125,743 students as of fall 2007, of which 84% were undergraduate students. Of the total number of students, 39% percent were enrolled at four-year universities and 61% were enrolled at two-year colleges and institutions. New Mexico residents made up 87% of total enrollment (students paying resident tuition.)

The higher education system is funded through several revenue sources: General Fund, tuition, Land Grant Permanent Fund distributions, local mil levies, federal funds and other sources. State funding, which comprises approximately 63% of the institutions' instruction and general costs, is determined for the most part by the higher education funding formula. The formula is designed to fund the higher education institutions' costs of "opening the doors," also known as instruction and general costs. These costs include teaching, course offerings, student services and facilities' operating expenses. The formula also includes funding for building maintenance, equipment replacement, and if approved by the Legislature, inflationary costs for utilities, various types of insurance and library acquisitions. Finally, the formula also includes the three percent State Scholarships that are based on three percent of the previous year's enrollment and current year's tuition costs. Funding requirements are calculated as an increase or decrease above or below the prior year funding level based on changes in student enrollment at each institution or relevant factors driving the specific costs. Increases in revenues available through tuition, mil levies and Land Grant Permanent Fund distributions are taken as offsets to the increased costs. The Executive and Legislative Finance Committee use the formula to develop recommendations for higher education institutions' budgets.

Many institutions also receive significant General Fund support for research and public service projects, which are not funded through the higher education funding formula but individually within the General Appropriations Act.

Statutory Authority: Article XII, Sections 11 and 13 of the New Mexico Constitution.
Sections 21-1-1 through 21-29-6 NMSA 1978.

Executive Recommendation

Strategic Directions

The seamless integration of institutions from Pre-Kindergarten to the postsecondary level is vital to prepare all New Mexico students to succeed in a complex world and for the creation of a dynamic, high-wage economy in New Mexico.

The Higher Education Department (HED), in conjunction with its stakeholders, has developed statewide strategic priorities and goals for the public higher education system. The strategic priorities for higher education are as follows: (1) increase student access and success; (2) innovate to meet current and future educational needs efficiently and effectively; (3) provide programs and services integral to state and regional economic needs; and (4) position New Mexico higher education to be ranked in the upper echelon by improving national rankings. Multiple goals are identified under each priority to help strengthen the higher education system. Budget and policy recommendations for

higher education are integrated with the strategic priorities and the proposed agenda, known as Creating Pathways for Students through New Mexico Higher Education.

The United States no longer leads the world in the percentage of its population with higher education, having slipped to eighth and destined to fall further in the years to come. Given the importance of an educated populace for the knowledge and innovation-based economy of the future, this has grave implications for our nation's future. New Mexico lags behind the rest of the country as it is currently 46th in degree attainment of the 50 states.

The current administration has had remarkable success in building a high-tech and high-wage economy in the state. However, the economy will be very difficult to sustain unless the institutions of higher education increase their degree production. The work on early childhood education and on reform of public education represents a great long-term approach to this issue, but New Mexico needs a complementary approach with a shorter temporal horizon for realization: the best way to increase degree production in the short term is to remove the barriers to student mobility within the world of higher education and to remove the barriers to institutional cooperation in offering degrees and programs.

Key Elements of Recommendation

The Executive recommendation is guided primarily by the higher education funding formula that adjusts funding based on increases and decreases in enrollment and student credit hours. Total workload funding for FY10 is based on the enrollment and physical plant utilities square footage determination of the 2007-2008 academic year. Some institutions will experience an increase in base workload funding while others will experience a decrease because of credit hour declines of more than five percent. The base workload funding also includes \$105.7 for the fourth year of the five-year base funding phase-in for Eastern New Mexico University (ENMU) Ruidoso. The Executive recommends \$6,770.0 for the Educational Retirement Board contribution increase and no compensation increase. A two-year phase-in or soft-landing and Equipment Replacement and Renewal (ER&R) at half or 23.25% is recommended to minimize any impact to institutions.

The Executive recommends a 0% revenue credit for FY10. Institutions raised tuition in FY09 an average of 5% overall for full-time resident undergraduate students and between 5% and 10% for full-time resident graduate students. In an effort to keep tuition increases low and increase the affordability of higher education for New Mexico residents, the Executive does not assume a tuition credit. By not taking a credit against the state's proposed General Fund funding level, the Executive is expecting that institutions will keep tuition and fee increases for FY10 as low as possible.

The Executive recommendation has taken into account the priorities of student access and affordability. A key component to accessibility is the Dual Credit program that is available statewide. To encourage the continuance and expansion of this program and maintain this opportunity for students, the Executive supports a Dual Credit Tuition Revenue Credit Offset of \$2,443.3 that is part of total workload funding.

The Executive also supports the expansion of the higher education system in New Mexico and the opportunity to provide bachelor and master level degrees to students in central New Mexico through the inclusion of the College of Santa Fe. The higher education funding formula would begin to sustain the institution eventually, but until that is possible, \$7.0 million is recommended for the transition.

As there is no nonrecurring funding available to offset deferred maintenance costs, the higher education system should consider strategies for providing a dedicated stream of funding for building renewal and replacement (BR&R) that is not necessarily dependent upon the formula or infusions of one-time General Fund. The Executive recommends BR&R at 55%. HED has developed a system that tracks the use of building renewal and replacement funds and keeps updated information on the condition of buildings. The system should be tied to priorities for facilities that serve students and help meet the statewide strategic priorities for higher education.

The Funding Task Force is comprised of members from the higher education institutions, both two-year and four-year, the Higher Education Department, the Department of Finance and Administration, the Legislative Finance Committee, the associations that represent the institutions and various sub-committees that include members from the higher education community. The Funding Task Force emphasizes equity and access and is constantly reviewing the funding formula and most recently BR&R issues. The core mission of higher education and each institution is primary in formula funding and was used as the guiding premise in formulating the present recommendation.

Over the years, Research Projects and Special Projects (RPSP) have totaled over 300 and account for a large portion of institution budgets. In reviewing the current RPSPs, consideration was given to the relevance to the core mission of the institution, the community benefit, and the outcomes that have been associated with each project. Also incorporated into the recommendation is a two-year phase-in for square footage and enrollment changes to minimize the impact to institutions.

Some institutions are not funded through the instruction and general (I&G) portion of the funding formula but are generally included in the higher education recommendation. These include the New Mexico Department of Agriculture (NMDA), University of New Mexico Health Sciences Center, except the Medical School; the New Mexico Military Institute; the New Mexico School for the Blind and Visually Impaired (NMSBVI); and the New Mexico School for the Deaf (NMSD). Additionally, (RPSPs) and special programs within the universities and colleges are also funded outside the I&G formula. The recommendations for NMSBVI and NMSD are presented in separate narratives in the Executive budget document.

Performance Report

Monitoring the performance of higher education institutions in meeting statewide goals is an important part of the effort to improve outcomes for all students. Statewide issues of accessibility and affordability as well as student progress and success can not be assessed without reliable data. The institutions have been reporting on a set of measures for several years that are a combination of statewide measures for the type of institution and institution-specific measures. The performance report at the end of this section has been modified to reflect a change in reporting by the four-year institutions. These institutions are reporting current fall 2008 numbers for FY09 as opposed to Fall 2007 (prior year) numbers as had been the practice in previous years. The Council of University President's "Performance Effectiveness Report" provides further insight into the current status of the performance of four-year institutions. The "Meeting Our Missions" report of the New Mexico Association of Community Colleges and the "Annual Accountability Report" of the New Mexico Independent Community Colleges provide more detail on the performance of two-year institutions.

Recommended Language for the General Appropriation Act

The Executive recommendation endorses continuation of the following language contained in the General Appropriation Act of 2008:

On approval of the higher education department, the state budget division of the department of finance and administration may approve increases in budgets of agencies in this section whose other state funds exceed amounts specified, with the exception of the policy development and institutional financial oversight program of the higher education department. In approving budget increases, the director of the state budget division shall advise the legislature through its officers and appropriate committees of its approval.

Except as otherwise provided, any unexpended balance remaining at the end of fiscal year 2010 shall not revert to the general fund.

The long-standing language enables the institutions to expend additional restricted and unrestricted revenue received as well as General Fund and other balances in future years.

The Executive also recommends the following language to clarify how certain funding should be used:

In reviewing institutional operating budgets, the higher education department shall ensure funds appropriated for nursing programs at public, post-secondary institutions are directed to that purpose.

Budget Summary Tables

		FY08	FY09		FY10 Budget to Recommendation	
		Recurring	Recurring	Recommendation	Dollar	Percent
		Appropriation	Appropriation		Change	Change
SUMMARY BY INSTITUTION						
952	University of New Mexico	224,020.1	231,706.7	221,991.5	(9,715.2)	-4.2
	UNM Health Sciences Center	95,431.7	102,409.7	100,044.8	(2,364.9)	-2.3
954	New Mexico State University	201,196.8	214,174.8	210,189.9	(3,984.9)	-1.9
956	New Mexico Highlands University	33,007.9	34,018.0	32,651.8	(1,366.2)	-4.0
958	Western New Mexico University	19,616.6	20,916.9	20,063.4	(853.5)	-4.1
960	Eastern New Mexico University	48,771.4	50,428.3	48,534.0	(1,894.3)	-3.8
962	New Mexico Institute of Mining and Technology	40,281.1	40,981.9	40,410.8	(571.1)	-1.4
964	Northern New Mexico College	11,190.9	11,619.4	11,451.2	(168.2)	-1.4
966	Santa Fe Community College	15,329.2	15,332.8	14,207.8	(1,125.0)	-7.3
968	Central New Mexico Community College	55,245.4	55,053.9	50,561.8	(4,492.1)	-8.2
970	Luna Community College	8,417.9	8,763.6	8,608.6	(155.0)	-1.8
972	Mesalands Community College	2,811.0	3,183.1	3,435.9	252.8	7.9
974	New Mexico Junior College	7,000.0	8,369.1	8,006.0	(363.1)	-4.3
976	San Juan College	21,210.2	22,797.5	22,196.1	(601.4)	-2.6
977	Clovis Community College	10,422.0	10,402.8	10,064.4	(338.4)	-3.3
	Subtotal - Institutions	793,952.2	830,158.5	802,418.0	(27,740.5)	-3.3
978	New Mexico Military Institute	1,763.5	2,209.9	1,707.2	(502.7)	-22.7
	New Mexico School for the Blind					
979	and Visually Impaired	306.4	354.7	854.7	500.0	141.0
980	New Mexico School for the Deaf	3,870.8	4,131.4	3,718.2	(413.2)	-10.0
	Subtotal - Special Schools	5,940.7	6,696.0	6,280.1	(415.9)	-6.2
950	Financial Aid	24,127.0	26,754.1	18,631.8	(8,122.3)	-30.4
	Higher Education Department Operating	20,379.8	21,236.9	26,754.1	5,517.2	26
	Subtotal - Higher Education Department	44,506.8	47,991.0	45,385.9	(2,605.1)	-5.4
	College of Santa Fe Acquisition			7,000.0	7,000.0	n/a
	Educational Retirement Board contribution increase	0.0		6,770.9	6,770.9	n/a
	Undistributed Compensation	2,101.4			0.0	n/a
	TOTAL GENERAL FUND	846,501.1	884,845.5	867,854.9	(16,990.6)	-1.9
SUMMARY BY MAJOR FUNCTION						
	University I&G	417,087.3	433,381.6	429,235.7	(4,145.9)	-1.0
	Community College I&G	182,163.0	187,983.9	180,795.6	(7,188.3)	-3.8
	UNM/HSC I&G	58,889.4	63,704.2	62,600.1	(1,104.1)	-1.7
	Department of Agriculture	11,184.9	11,547.1	11,530.2	(16.9)	-0.1
	Special Schools	5,940.7	6,696.0	6,280.1	(415.9)	-6.2
	Nursing programs	8,136.6	9,292.6	8,906.1	(386.5)	-4.2
	Dental programs	1,079.7	1,079.7	1,008.3	(71.4)	-6.6
	Athletics	13,315.2	14,759.3	14,250.8	(508.5)	-3.4
	HED - Ops/flow-thru's, excluding nurs/dental/athl	14,544.8	16,376.9	14,018.9	(2,358.0)	-14.4
	HED - Student financial aid	24,127.0	26,754.1	26,754.1	0.0	0.0
	Educational television	3,911.9	4,132.7	3,099.3	(1,033.4)	-25.0
	Other programs	69,520.7	72,946.3	60,553.3	(12,393.0)	-17.0
	Other UNM HSC programs	34,498.5	36,191.1	35,051.6	(1,139.5)	-3.1
	Compensation for institutions	0.0	0.0	0.0	0.0	n/a
	Educational Retirement Board contribution increase	0.0	0.0	6,770.9	6,770.9	n/a
	Undistributed compensation	2,101.4	0.0	7,000.0	7,000.0	n/a
	TOTAL GENERAL FUND	846,501.1	884,845.5	867,854.9	(16,990.6)	-1.9

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Rec
UNM Main Campus					
The purpose of the instruction and general program is to provide education services designated to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.					
Outcome	Number of first-time freshmen from New Mexico who are Native American	204	183	204	190
Outcome	Percent of full-time, degree-seeking, first-time freshmen retained to second year	76.8%	77.3%	77%	78%
Output	Number of post-baccalaureate degrees awarded	1,375	1,285	1,400	1,400
Output	Number of degrees awarded using extended services	210	193	230	210
Outcome	Amount of external dollars for research and public service, in millions	\$118.0	\$116.9	\$120.0	\$118.0
Output	Number of undergraduate transfer students from two-year colleges	1,650	1,593	1,670	1,650
Outcome	Percent of full-time, degree-seeking, first-time freshmen completing an academic program within six years	44.5%	44.1%	45%	45%
UNM Gallup Branch					
The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.					
Outcome	Percent of new students taking nine or more credit hours successful after three years	43%	44.1%	43%	45%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time.	9.4%	7.9%	9.4%	9%
Outcome	Percent of graduates placed in jobs in New Mexico	60.5%	58.1%	60.5%	60%
Outcome	Percent of Hispanic students enrolled	10%	9.8%	10%	10%
Outcome	Percent of Hispanic graduates	11%	9.5%	11%	10%
Output	Number of students enrolled in the adult basic education program	735	631	735	735
Output	Number of students enrolled in the area vocational schools program	440	374	440	400
Efficiency	Percent of programs having stable or increasing enrollments	60%	50%	60%	60%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	82%	81%	82%	82%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	75%	75.5%	75%	76%
UNM Los Alamos Branch					
The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.					
Outcome	Percent of new students taking nine or more credit hours successful after three years	55%	56.9%	55%	57%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	55%	51.1%	55%	55%
Outcome	Percent of graduates placed in jobs in New Mexico	44%	63%	44%	50%
Outcome	Percent of Asian graduates	4%	3.8%	4%	4%
Output	Number of students enrolled in the adult basic education program	460	430	460	450
Output	Number of students enrolled in the small business development center program	310	269	310	280
Efficiency	Percent of programs having stable or increasing enrollments	65%	33.3%	65%	55%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	77%	74.4%	77%	76%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Rec</u>
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	65%	75.8%	65%	70%
Outcome	Percent of white students enrolled	53%	45.2%	53%	50%

UNM Valencia Branch

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	62%	72.2%	62%	70%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	12%	6.3%	12%	12%
Outcome	Percent of graduates placed in jobs in New Mexico	68%	68.3%	68%	68%
Outcome	Percent of Native Americans enrolled	4.4%	3.3%	4.4%	4.4%
Outcome	Percent of Native American graduates	3.5%	2.9%	3.5%	3.5%
Output	Number of students enrolled in the adult basic education program	950	851	950	900
Output	Number of students enrolled in the community services program	3,000	2,524	3,000	2,800
Efficiency	Percent of programs having stable or increasing enrollments	75%	72%	75%	75%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	80%	87.5%	80%	85%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	83%	82.1%	83%	83%

UNM Taos Branch

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	59%	58.3%	59%	59%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	20%	6.8%	20%	10%
Outcome	Percent of graduates placed in jobs in New Mexico	65%	67%	65%	68%
Outcome	Percent of males enrolled	33%	30.3%	33%	33%
Outcome	Percent of male graduates	23%	26.1%	23%	26%
Output	Number of students enrolled in the adult basic education program	300	331	300	330
Output	Number of students enrolled in the concurrent enrollment program	400	320	400	400
Efficiency	Percent of programs having stable or increasing enrollments	55%	63.5%	55%	60%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	70%	66.7%	70%	70%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	80%	79.7%	80%	80%

UNM Health Sciences Center

The purpose of the instruction and general program is to provide education services designated to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy, and contribute to social advancement through informed citizenship.

Output	Number of degrees awarded using extended university courses	25	24	25	25
Output	University of New Mexico hospital inpatient readmission rate	4.8	4.8	4.8	4.7
Outcome	University of New Mexico inpatient satisfaction rate	80.6%	79.1%	81.1%	81%
Output	Number of university of New Mexico cancer research and treatment center clinical trials	230	212	230	230
Outcome	Pass rate on licensure test by college of nursing students	85%	89.9%	85%	90%
Outcome	Number of health science center technology commercialization activities	89	75	90	85

		FY08 Target	FY08 Result	FY09 Target	FY10 Rec
Output	Number of post-baccalaureate degrees awarded	284	310	305	315
Outcome	External dollars for research and public service, in millions	\$250.4	\$253.7	\$255.5	\$255.5
Outcome	Pass rates for step three of the United States medical licensing exam on the first attempt	98%	97%	98%	98%
Outcome	Percent of medical students who secured one of their top three choices in the residency program	86%	90%	86%	91%
Outcome	Medical student satisfaction rates on national standardized survey	90.2%	85.5%	90.7%	90%
Output	Number of university of New Mexico hospital clinic visits	425,165	406,489	458,247	450,000
Output	Number of university of New Mexico hospital inpatient discharges	26,781	24,482	28,358	28,000
Output	Percent of human poisoning exposures treated safely at home after poison and drug information center contact	70%	68%	70%	70%

NMSU Main Campus

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Outcome	Number of first-time, Native American freshmen enrolled	116	82	116	100
Outcome	Percent of full-time, degree-seeking, first-time freshmen retained to second year	82.0%	74.8%	82.0%	76%
Output	Number of degree programs offered via distance education	28	28	28	29
Quality	Percent of academic departments or programs using the results of student learning outcomes for improvement	91%	77%	75%	80%
Outcome	External dollars for research and creative activity, in millions	\$173.3	\$182.7	\$180.4	\$185.1
Output	Number of teacher preparation programs available at New Mexico community college sites	5	4	5	5
Outcome	Percent of full-time, degree-seeking, first-time freshmen completing an academic program within six years	50%	43.5%	50%	45%
Outcome	Number of undergraduate transfer students from two-year colleges	1,028	734	1,028	800

NMSU Alamogordo Branch

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	48%	49.5%	48%	50%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	14%	10.1%	14%	12%
Outcome	Percent of graduates placed in jobs in New Mexico	64%	68.1%	66%	69%
Outcome	Percent of Hispanic students enrolled	25.5%	28.3%	25.5%	28%
Outcome	Percent of Native Americans graduates	3.3%	3.9%	3.7%	4.0%
Output	Number of students enrolled in the adult basic education program	820	646	720	700
Output	Number of students enrolled in the small business development center program	1,000	462	900	700
Efficiency	Percent of programs having stable or increasing enrollments	90%	71.7%	88%	85%
Outcome	Percent of first-time, full-time degree-seeking students enrolled in a given fall term who persist to the following spring term	78%	72.6%	78%	78%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	75%	78.8%	75%	79%

NMSU Carlsbad Branch

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	67%	66.4%	67%	70%
Outcome	Percent of graduates placed in jobs in New Mexico	82%	81.4%	82%	82%
Outcome	Percent of Hispanic students enrolled	41.5%	40.2%	41.5%	41.5%
Outcome	Percent of Hispanic graduates	36%	33.6%	36%	36%
Output	Number of students enrolled in the contract training program	450	384	450	420

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Rec</u>
Output	Number of students enrolled in the area vocational school program	325	454	325	425
Efficiency	Percent of programs having stable or increasing enrollments	75%	68.3%	75%	72%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	71%	66.1%	71%	71%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	86%	87.7%	86%	89%

NMSU Dona Ana Branch

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	45%	50.9%	45%	50%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	15%	7.9%	15%	10%
Outcome	Percent of graduates placed in jobs in New Mexico	77%	71.8%	77%	77%
Outcome	Percent of males enrolled	45%	42.7%	45%	45%
Outcome	Percent of Hispanic graduates	60%	61%	60%	62%
Output	Number of students enrolled in the contract training program	1,700	1,287	1,700	1,700
Output	Number of students enrolled in the adult basic education program	5,000	4,775	5,000	5,000
Efficiency	Percent of programs having stable or increasing enrollments	91%	91.5%	91%	92%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	81%	80.6%	81%	81%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	82%	82.9%	82%	83%

NMSU Grants Branch

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	52%	53.8%	52%	53%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	15%	20%	15%	20%
Outcome	Percent of graduates placed in jobs in New Mexico	82%	80.2%	82%	82%
Outcome	Percent of Hispanic students enrolled	33%	33%	33%	33%
Outcome	Percent of Native American graduates	43%	41.6%	43%	43%
Output	Number of students enrolled in the adult basic education program	350	371	350	370
Output	Number of students enrolled in the community services program	700	494	700	550
Efficiency	Percent of programs having stable or increasing enrollments	72%	70.8%	72%	72%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	78%	75.5%	78%	78%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	87%	87.8%	87%	88%

New Mexico Highlands University

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Outcome	Percent of Native American students enrolled	6.5%	4.8%	4%	6%
Outcome	Percent of full-time, degree-seeking, first-time freshmen retained to second year	53%	44.6%	53%	50%
Output	Number of students enrolled in extended services	1,100	1,190	1,100	1,220

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Rec</u>
Outcome	Percent of graduating seniors indicating "satisfied" or "very satisfied" with the university on student satisfaction survey	90%	92.5%	90%	93%
Outcome	Percent of total funds generated by grants and contracts	23%	17%	16%	18%
Output	Number of undergraduate transfer students from two-year colleges	437	392	375	400
Output	Percent of full-time, degree-seeking, first-time freshmen completing an academic program within six years	20%	22.1%	20%	24%

Western New Mexico University

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Outcome	Number of entering first-time, full-time freshmen who are Native American	1.5%	1.2%	1.5%	1.5%
Outcome	Percent of full-time, degree seeking, first-time freshmen retained to second year	50%	48.3%	50%	50%
Output	Number of courses available through instructional television and online via the internet	180	267	200	270
Efficiency	Year-end instruction and general balance as a percent of instruction and general expenditures	3-5%	5.7%	3-5%	4-6%
Output	Number of graduates from the school of education	155	136	150	150
Outcome	External dollars to be used for programs to promote student success, in millions	\$3.0	\$2.9	\$3.0	\$3.0
Output	Number of undergraduate transfer students from two-year colleges	160	179	165	180
Output	Percent of full-time, degree-seeking, first-time freshmen completing an academic program within six years	21%	23.3%	21.5%	24%

ENMU Main Campus

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Outcome	Number of Hispanic first-year students enrolled	200	170	200	200
Outcome	Percent of full-time, degree-seeking, first-time freshmen retained to second year	60%	59.5%	61%	61%
Output	Number of internet-based courses offered	200	289	300	300
Outcome	External dollars supporting research and student success, in millions	\$8.0	\$7.4	\$8.0	\$7.8
Output	Number of undergraduate transfer students from two-year colleges	390	437	420	440
Output	Percent of full-time, degree-seeking, first-time freshmen completing an academic program within six years	33%	28.5%	33.5%	32%
Outcome	Percent of graduating seniors who are "satisfied" or "very satisfied" with their educational experience.	95%	95.5%	95%	96%

ENMU Roswell Branch

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	60%	47.9%	60%	50%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	13.9%	15.7%	13.9%	15%
Outcome	Percent of graduates placed in jobs in New Mexico	73%	64.3%	73%	70%
Outcome	Percent of males enrolled	46.5%	46.5%	46.5%	46.7%
Outcome	Percent of male graduates	40%	58.4%	40%	58.5%
Output	Number of students enrolled in the concurrent enrollment program	650	715	650	720
Output	Number of students enrolled in the distance education program	2,100	2,772	2,100	2,800
Efficiency	Percent of programs having stable or increasing enrollments	75%	57%	75%	70%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	75.5%	75.7%	75.5%	75.9%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Rec</u>
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	77%	73.9%	77%	75%

ENMU Ruidoso

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	59%	49.2%	59%	54%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	20%	6.2%	20%	12%
Outcome	Percent of graduates placed in jobs in New Mexico	75%	81.3%	75%	80%
Outcome	Percent of Hispanic students enrolled	22.5%	23%	22.5%	25%
Outcome	Percent of Hispanic student graduates	25%	25.7%	25%	26%
Output	Number of students enrolled in adult basic education	475	530	475	530
Output	Number of students enrolled in the contract training program	525	777	525	780
Efficiency	Percent of programs having stable or increasing enrollments	75%	72.6%	75%	75%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	60%	63.8%	60%	64%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	84%	89.5%	84%	89%

New Mexico Institute of Mining and Technology

The purpose of the instruction and general program is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the work force, compete and advance in the new economy and contribute to social advancement through informed citizenship.

Outcome	Number of Hispanic and Native American first-time freshmen enrolled	80	101	100	105
Outcome	Percent of full-time, degree-seeking, first-time freshmen retained to second year	75%	70.7%	75%	75%
Output	Number of students enrolled in distance education courses	330	493	500	500
Output	Number of students registered in master of science teaching program	150	150	160	160
Outcome	External dollars for research and creative activity, in millions	\$100.0	\$96.0	\$100.0	\$100.0
Output	Number of undergraduate transfer students from two-year colleges	40	41	40	42
Output	Percent of full-time, degree-seeking, first-time freshmen completing an academic program within six years	45%	45.3%	50%	50%

Northern New Mexico College

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	70%	66.1%	70%	70%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	15.0%	8.8%	15%	10%
Outcome	Percent of graduates placed in jobs in New Mexico	70%	68.6%	70%	70%
Outcome	Percent of Native Americans enrolled	9%	7.8%	9%	9%
Outcome	Percent of Native American graduates	9.5%	8.1%	9.5%	9%
Output	Number of students enrolled in the adult basic education program	400	411	400	415
Output	Number of students enrolled in the concurrent enrollment program	280	212	280	240
Efficiency	Percent of programs having stable or increasing enrollments	60%	56.6%	60%	58%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	80%	77.8%	80%	80%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	80%	79.3%	80%	80%

		<u>FY08</u> <u>Target</u>	<u>FY08</u> <u>Result</u>	<u>FY09</u> <u>Target</u>	<u>FY10</u> <u>Rec</u>
Santa Fe Community College					
The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.					
Outcome	Percent of new students taking nine or more credit hours successful after three years	52%	53.1%	52%	53.5%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	7.9%	6.1%	7.9%	7%
Outcome	Percent of graduates placed in jobs in New Mexico	78%	78.6%	78%	79%
Outcome	Percent of Hispanic students enrolled	43%	33.7%	43%	37%
Outcome	Percent of Hispanic graduates	46%	43.5%	46%	45%
Output	Number of students enrolled in the adult basic education program	2,100	1,856	2,100	1,900
Output	Number of students enrolled in the contract training program	3,000	4,045	3,000	4,000
Efficiency	Percent of programs having stable or increasing enrollments	77%	65.5%	77%	70%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	76%	77.4%	76%	78%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	79%	85.6%	79%	86%
Central New Mexico Community College					
The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.					
Outcome	Percent of new students taking nine or more credit hours successful after three years	48%	49.6%	48%	
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	11%	8.0%	11%	11%
Outcome	Percent of graduates placed in jobs in New Mexico	82%	80%	82%	82%
Outcome	Percent of Hispanic students enrolled	40.9%	40.9%	40.9%	42%
Outcome	Percent of Hispanic graduates	37.2%	38.7%	37.2%	39%
Output	Number of students enrolled in distance education program	3,500	5,789	3,500	5,800
Output	Number of students enrolled in concurrent enrollment program	750	1,238	750	1,250
Efficiency	Percent of programs having stable or increasing enrollments	80%	70.3%	80%	80%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	83.3%	77.3%	80%	80%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	85%	88.6%	85%	89%
Luna Community College					
The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.					
Outcome	Percent of new students taking nine or more credit hours successful after three years	57%	57.4%	57%	58%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	25%	23.6%	25%	25%
Outcome	Percent of graduates placed in jobs in New Mexico	92%	88.8%	92%	90%
Outcome	Percent of white students enrolled	16%	13.1%	16%	16%
Outcome	Percent of male graduates	25%	20.2%	25%	25%
Output	Number of students enrolled in the health education center program	3,200	2,657	3,200	3,000
Output	Number of students enrolled in the small business development center program	325	450	325	450
Efficiency	Percent of programs having stable or increasing enrollments	82%	60.7%	80%	70%

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Rec</u>
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	80%	75.4%	80%	80%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	90%	93.9%	90%	94%

Mesalands Community College

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	49%	51.2%	49%	51.3%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	30%	22.4%	30%	27.5%
Outcome	Percent of graduates placed in jobs in New Mexico	69.5%	65.9%	69.5%	68%
Outcome	Percent of Hispanic students enrolled	36.6%	34.5%	36.6%	34.9%
Outcome	Percent of female graduates	43%	30.4%	43%	40%
Output	Number of students enrolled in the adult basic education program	300	206	300	240
Output	Number of students enrolled in the small business development center program	70	48	70	50
Efficiency	Percent of programs having stable or increasing enrollments	80%	80%	80%	81%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	64%	60.5%	64%	62%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	72%	76.7%	72%	77%

New Mexico Junior College

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	65%	55.9%	60%	60%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	30%	27.4%	30%	33%
Outcome	Percent of graduates placed in jobs in New Mexico	67%	68%	67%	70%
Outcome	Percent of Hispanic students enrolled	35%	38.8%	35%	40%
Outcome	Percent of Hispanic graduates	35%	37.2%	35%	40%
Output	Number of students enrolled in the area vocational school program	200	336	200	350
Output	Number of students enrolled in distance education program	7,000	13,183	7,000	11,000
Efficiency	Percent of programs having stable or increasing enrollments	80%	61.9%	80%	70%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	72.5%	63.4%	72.5%	72.5%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	76%	77.7%	76%	80%

San Juan College

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	70%	64.9%	70%	66%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	15.7%	13.2%	15.7%	14%
Outcome	Percent of graduates placed in jobs in New Mexico	62%	61.2%	62%	62%
Outcome	Percent of Native Americans enrolled	29%	33.1%	29%	34%
Outcome	Percent of Native American graduates	25%	23.7%	25%	24%

Higher Education

95200-97800

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Rec</u>
Output	Number of students enrolled in the community services program	2,900	2,727	2,900	2,900
Output	Number of students enrolled in the service learning program	420	585	400	590
Efficiency	Percent of programs having stable or increasing enrollments	80%	59.5%	80%	62%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	74.2%	73.1%	80%	74%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	67%	66.9%	67%	67%

Clovis Community College

The purpose of the instruction and general program at New Mexico's community colleges is to provide credit and noncredit post-secondary education and training opportunities to New Mexicans so that they have the skills to be competitive in the new economy and are able to participate in lifelong learning activities.

Outcome	Percent of new students taking nine or more credit hours successful after three years	72%	73%	72%	74%
Outcome	Percent of a cohort of full-time, first-time, degree- or certificate-seeking community college students who complete the program in one hundred fifty percent of normal time to completion	20%	8.7%	20%	10%
Outcome	Percent of graduates placed in jobs in New Mexico	72%	67.3%	72%	70%
Outcome	Percent of Hispanic students enrolled	29%	28.1%	29%	29%
Outcome	Percent of Hispanic graduates	29%	31.8%	29%	32%
Output	Number of students enrolled in the distance education program	1,200	1,547	1,200	1,550
Output	Number of students enrolled in the concurrent enrollment program	600	642	600	650
Efficiency	Percent of programs having stable or increasing enrollments	75%	62.3%	75%	75%
Outcome	Percent of first-time, full-time, degree-seeking students enrolled in a given fall term who persist to the following spring term	75%	76.9%	81%	78%
Outcome	Percent of graduates placed in jobs and continuing their education in New Mexico	79%	78.3%	79%	79%

New Mexico Military Institute

Provide a military education culminating in an AA or AS Degree					
Output	Percent of full-time-equivalent capacity enrolled each fall term	95%	91%	95%	92%
Outcome	American college testing composite scores for graduating high school seniors	21.5	22.1	21.5	22.5
Outcome	Collegiate assessment of academic proficiency reading scores for graduating college sophomores	61	59.5	61	61
Outcome	Collegiate assessment of academic proficiency mathematics scores for graduating college sophomores	62	56.8	62	58
Quality	Number of faculty holding master's or doctoral degrees from accredited institutions	60	63	60	64
Quality	Number of faculty development events	72	112	72	100
Efficiency	Percent of cadets on scholarships or financial assistance	70%	77%	70%	78%
Efficiency	Total annual cost of attendance	\$8,460	\$8,487	\$8,696	\$8,696

Executive Summary

The New Mexico School for the Blind and Visually Impaired provides education and services to ensure that blind and visually-impaired children are able to lead independent, productive lives.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	354.7	854.7	141.0
Total Sources	11,983.7	13,385.4	11.7
Program			
New Mexico School for the Blind and Visually Impaired	11,983.7	13,385.4	11.7
Total Uses	11,983.7	13,385.4	11.7
FTE	0.00	0.00	***

- The Executive recommends the General Fund base remain at the FY09 operating level to continue the current level of services statewide.
- The Executive recommends \$500.0 for an expansion in FY10 to begin to address the projected \$2,109.2 shortfall in the Early Childhood program.

Agency Mission and Program Purpose

The New Mexico School for the Blind and Visually Impaired (NMSBVI) is constitutionally established as a state educational institution. The school provides the training, support and resources necessary to prepare blind and visually-impaired children of New Mexico to participate fully with their families, in their communities, in the work force and to lead independent, productive lives.

The school offers a full continuum of educational programs and services for visually-impaired children from birth through age 21. The residential facility in Alamogordo provides educational and social services to students from kindergarten through twelfth grade. The Early Childhood program provides services to students from birth through first grade in homes, hospitals, public schools and at a site-based program in Albuquerque. The Outreach program provides support to students in their home districts throughout the state by use of itinerant teachers.

The school served 54 students in its residential facility and approximately 900 students in its Early Childhood and Outreach programs in FY08. Graduates of the residential facility pursue many different paths, including entering sheltered work environments, vocational training and higher education.

The school has a five-member Board of Regents, of which one member must be visually impaired and one member must be the parent of a visually-impaired child.

Statutory Authority: Article XII, Section 11 of the Constitution of New Mexico.
Sections 21-5-1 through 21-5-23 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

The school directly supports the Executive's performance and accountability policy, *Making Schools Work*, by collaborating with home, school and community partners to increase student preparedness through academic and compensatory skills instruction and to provide support services and resources that allow students to reach their full potential. NMSBVI graduated six students from the residential campus and gained six new students in FY08. A new initiative to restructure the residential program to meet the changing needs of communities and schools will decrease the total number of students served initially, followed by an increase in subsequent years as the new program is implemented. A full continuum of services is offered throughout the state and a dramatic increase in services to infants and toddlers has resulted from strong relationships between NMSBVI and early intervention service providers along with the availability of direct services through the hiring of new developmental specialists skilled in culturally diverse populations.

Key Elements of Recommendation

The Executive recommends \$354.7 in General Fund to maintain the current array of services being provided statewide. The Executive recommends a \$500.0 expansion in FY10 to begin to address an anticipated shortfall. The recommendation remains at the FY09 operating level, with a three-year expansion plan to meet the projected shortfall of \$2,109.2 in the Early Childhood program. Currently, the Early Childhood program is being funded through the permanent fund distribution and withdrawals from fund balance. By 2012, the fund balance will be expended and a large gap in services will need to be filled.

Performance Report

The school began implementing revised performance measures in FY09 and met or exceeded the majority of its performance targets for FY08. Increased services, strong professional relationships and a coordinated continuum of services statewide have all contributed to the success of NMSBVI. Most of the performance targets have been adjusted to reflect current levels of service.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	<u>FY10</u>	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	306.4	354.7	854.7	500.0	141.0
Federal Revenues	547.0	547.0	547.0	0.0	0.0
Other Revenues	10,390.6	11,082.0	11,983.7	901.7	8.1
TOTAL SOURCES	11,244.0	11,983.7	13,385.4	1,401.7	11.7
USES					
Other	12,228.1	11,983.7	13,385.4	1,401.7	11.7
TOTAL USES	12,228.1	11,983.7	13,385.4	1,401.7	11.7
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Performance Measures

		<u>FY08</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
		<u>Target</u>	<u>Result</u>	<u>Target</u>	<u>Recomm</u>
New Mexico School for the Blind and Visually Impaired					
The purpose of the New Mexico School for the Blind & Visually Impaired program is to provide the training, support, and resources necessary to prepare blind and visually-impaired children of New Mexico to participate fully in their families, communities, in the work force, and to lead independent, productive lives.					
Quality	Percent of parents' rating of overall quality of services as good or excellent based on annual survey	86%	Incomplete	91%	91%
Output	Percent increase of total number of students receiving direct services through a full continuum of services.	1,979	1,359	2,078	1,400
Outcome	Increase the number of training sessions within the state that increase awareness and knowledge of visual impairments and blindness.	4	166	4	10
Outcome	Increase number of contacts with outside agencies	60	135	75	75
Efficiency	Number of interactions and communications among departments and programs	26	25	10	10

Executive Summary

The New Mexico School for the Deaf provides parent-infant programs, residential instruction and outreach services to deaf and hard-of-hearing New Mexicans from birth to age 22 statewide.

	FY09 Operating <u>Budget</u>	FY10 <u>Recommendation</u>	<u>% Change</u>
General Fund	4,131.4	3,718.2	-10.0
Total Sources	15,032.4	14,618.5	-2.8
Program			
New Mexico School for the Deaf	15,032.4	14,618.5	-2.8
Total Uses	15,032.4	14,618.5	-2.8
FTE	0.00	0.00	***

- The Executive recommendation provides for a \$413.2 decrease in General Fund based on projected revenue from the Land Grant Permanent Fund and the use of fund balance.

Agency Mission and Program Purpose

The New Mexico School for the Deaf (NMSD) was established in 1887 to provide care and instruction of deaf and hard-of-hearing residents within the State of New Mexico. NMSD was the first public school in the state, and is the only land grant school for the deaf in the country. The administration and main campus are located in Santa Fe, with preschools in Albuquerque and Las Cruces.

The school is established as a state educational institution in the New Mexico Constitution. The Governor appoints the five-member Board of Regents. The regents serve six-year terms and at least one regent must be a deaf person, one regent must be a parent of a deaf child and no more than three may be members of the same political party.

Any child or youth who resides in New Mexico, has a diagnosed hearing loss, and whose individualized education program team agrees that enrollment is appropriate, is eligible for enrollment in the preschools in Albuquerque and Las Cruces and the residential school in Santa Fe. Students from New Mexico attend free of charge. The school also provides outreach services to children and youth who are enrolled in their local public schools, as well as to their families and their educational providers. In FY08, NMSD served 140 students on its campuses; 214 deaf and hard-of-hearing children up to the age of six through its parent intervention program; and 242 students in its outreach programs.

NMSD offers several programs for deaf and hard-of-hearing students on its residential campus and throughout the state. Preschool and kindergarten programs provide comprehensive and stimulating learning environments for young children. The K-12 residential academic program encompasses traditional and elective subjects with a special emphasis on language and literacy development. Residential student life also offers a wide range of residential, educational and recreational after-school activities, such as athletics, clubs and life skills development. The Step-Hi Program offers

statewide, family-centered, early intervention services for babies, toddlers and young children. The Outreach Program provides expertise to local school districts that serve deaf and hard-of-hearing students and professionals working with students who are deaf or hard-of-hearing. The Summer Program provides a place where deaf or hard-of-hearing children in grades three through twelve, who may or may not be enrolled in the school throughout the year, join together in fun, adventurous, academic and non-academic activities.

Statutory Authority: Article XII, Section 11 of the Constitution of New Mexico.
Sections 21-6-1 through 21-6-3 NMSA 1978.

Executive Recommendation

Agency Strategic Directions

NMSD directly supports the Executive's performance and accountability policy, *Making Schools Work*. The Deaf and Hard-of-Hearing Children's Educational Bill of Rights requires that deaf and hard-of-hearing children be placed in the least restrictive educational environment and receive services based on their unique communication, language and educational needs. The bill also requires that the Public Education Department develop a model for considering the communication needs for students who are deaf or hard-of-hearing, which will become part of the individual education plans for such students within the public school system.

NMSD is currently working with the Public Education Department to disseminate and train on the "communications consideration" model. NMSD has developed interpreter standards and training for school districts to use in enhancing education services to deaf and hard-of-hearing students attending local programs. In years past, the school worked with the Governor's Commission on Disability and other state agencies to sponsor the first state-wide transition summit focusing on School-to-Work and School-to-Postsecondary Education programs.

Key Elements of Recommendation

The Executive recommendation supports the request of the school to reduce General Fund by \$413.2 in anticipation of Land Grant Permanent Fund revenue being relatively stable in FY10. Services in general have increased slightly, but with local tax support and other state funds, the school should have sufficient funds for services.

Performance Report

The school met or exceeded most of its performance targets for FY08. The rate of transition to post-secondary education, vocational-technical training schools, junior colleges, work training or employment for graduates based on a three-year rolling average had a 90% target for FY08, was barely missed by 1%, with the reported actual of 89%. The parent satisfaction level with NMSD jumped to 96.7%, well exceeding the 90% target. The performance measures have been revised through consensus between the school, the Department of Finance and Administration and the Legislative Finance Committee to reflect current operations and services in FY09 and FY10. The Executive recommends targets be adjusted to levels that are within reach of the school and encourage the school to expand their expectations and outcomes.

Budget Summary Tables

Agency Budget Summary (Dollars in Thousands)					
	FY08 <u>Actuals</u>	FY09 <u>Operating Budget</u>	<u>Recom- mendation</u>	FY10	
				<u>Budget to Recommendation Dollar/FTE Change</u>	<u>Percent Change</u>
SOURCES					
General Fund Transfers	4,314.2	4,131.4	3,718.2	-413.2	-10.0
Federal Revenues	312.4	301.0	400.3	99.3	33.0
Other Revenues	10,086.8	10,600.0	10,500.0	-100.0	-0.9
TOTAL SOURCES	14,713.4	15,032.4	14,618.5	-413.9	-2.8
USES					
Other	0.0	15,032.4	14,618.5	-413.9	-2.8
Other Financing Uses	11,594.6	0.0	0.0	0.0	***
TOTAL USES	11,594.6	15,032.4	14,618.5	-413.9	-2.8
FTE					
TOTAL FTE POSITIONS	0.00	0.00	0.00	0.00	***

Performance Measures

		FY08 <u>Target</u>	FY08 <u>Result</u>	FY09 <u>Target</u>	FY10 <u>Recomm</u>
New Mexico School for the Deaf					
The mission of the New Mexico School for the Deaf is to provide a school-based comprehensive, fully-accessible and language-rich learning environment for its students who are deaf and hard-of-hearing, and to work collaboratively with families, agencies and communities throughout the state to meet the unique communication, language and learning needs of children and youth who are deaf and hard-of-hearing.					
Outcome	Percent of students in kindergarten through twelve demonstrating academic improvement across curriculum domains	75%	53%	75%	75%
Outcome	Percent of students in grades three to twelve who are significantly cognitively delayed demonstrating sufficient growth across curricular domains	75%	94%	75%	95%
Outcome	Rate of transition to postsecondary education, vocational-technical training schools, junior colleges, work training or employment for graduates based on a three-year rolling average	90%	89%	90%	90%
Outcome	Percent of students in grades three to twelve who are late language learners who demonstrate significant gains in language and communication as demonstrated by pre- and post-test results	80%	80%	80%	82%
Outcome	Percent of parents satisfied with educational services from New Mexico school for the deaf	90%	96.7%	90%	97%
Outcome	Number of teachers and support staff participating in a two-year intensive staff development-training program in bilingual education methodologies	10	11	10	12
Outcome	Percent of parents with children receiving outreach services indicating ability to make informed decisions about educational options and programs	100%	90.9%	75%	90%
Outcome	Percent of individualized education program meetings that address special factors of language and communication	100%	100%	100%	100%
Outcome	Number of children per year referred to the step ^{hi} program by age six months identified through newborn hearing screening	20	19		
Outcome	Percent of students enrolled in preschool, kindergarten and first and second grade programs demonstrating three- to six-month developmental progress	100%	100%	95%	100%
Outcome	Percent of level one beginning licensed teachers assigned a mentor	90%	90%	90%	92%

Executive Summary

Public School Support (PSS) funds New Mexico's public education system, which is responsible for providing a free education to all the children of school age in the state.

	FY09 Operating Budget	FY10 Recommendation	% Change
General Fund	2,589,219.9	2,514,210.1	-2.9%
Total Sources	2,589,219.9	2,514,210.1	-2.9%
Program			
State Equalization Guarantee	2,383,573.2	2,333,667.5	-2.1%
Categorical:			
Transportation	111,048.3	107,839.3	-2.9%
Instructional Material	39,020.0	16,749.9	-57.1%
Other	17,370.0	12,970.0	-25.3%
Other Public Education Support	38,208.4	42,983.4	12.5%
Total Uses	2,589,219.9	2,514,210.1	-3.0%

* Excludes Public Education Department, which is discussed in a separate section of this document.

- The Executive's base recommendation for the State Equalization Guarantee includes \$8,455.8 for enrollment growth; \$4,388.2 for fixed costs; and \$17,721.6 for insurance costs. It also incorporates \$94.0 million in temporary measures to reduce General Fund costs during FY10.
- The Executive recommendation of \$12,073.2 for Educational Retirement Board employee contribution reflects a 0.75% increase in the employer's contribution.
- The Executive recommendation for the Transportation Program is \$107,839.3 for operating costs, a decrease of \$3,209.0 from FY09 mainly due to a reduction in fuel costs.
- The Executive recommendation for Instructional Material Fund is \$16,749.9. The recommendation proposes some material purchases be deferred to a subsequent fiscal year.
- The Executive supports continued funding of \$2,500.0 to the Schools in Need of Improvement Fund in categorical.
- Key Executive initiatives given priority for other public education support include: \$2,000.0 for advanced placement; \$3,300.0 for after school enrichment program; \$300.0 for anti-obesity programs; \$4,950.0 for elementary school breakfasts; an increase of \$4,000.0 for elementary physical education; \$11,500.0 for pre-kindergarten (includes \$1 million in TANF funds), an increase of \$2,000.0; \$3,500.0 for school improvement framework; and \$1,000.0 for distance learning and the statewide Cyber Academy.

Agency Mission and Program Purpose

Public School Support (PSS) fulfills New Mexico's constitutional requirement to provide a uniform system of free public schools sufficient for the education of, and open to, children of school age. Annually, the State of New Mexico spends almost half of its General Fund on its system of public schools and most of these state funds flow through the PSS mechanism.

These funds are administered by the Public Education Department (PED), an Executive agency created through a constitutional amendment in 2003 as one element of landmark education reform legislation, Public School Reforms (House Bill 212), signed by the governor on April 5, 2003. Other key elements of New Mexico education reform include the Indian Education Act; the three-tiered teacher licensure system; a constitutional amendment providing additional funding for education reform from the Land Grant Permanent Fund; the pre-kindergarten program for four-year old children; and establishment of the Higher Education Department as a cabinet agency.

The responsibility for delivering on the promise of education reform rests on the shoulders of the teachers, administrators and other educational staff in over 800 public schools across 89 school districts. The purpose of the PSS is to provide these professionals necessary resources and support to prepare the next generation of New Mexicans.

The components of the Public School Support budget include the State Equalization Guarantee, Categorical Public School Support and Other Education Support.

Statutory Authority: Article XII, Section 1 of the New Mexico Constitution and Chapter 22, NMSA 1978.

State Equalization Guarantee

Pursuant to Section 22-8-25 NMSA 1978, the State Equalization Guarantee (SEG) distribution is that amount of money distributed to each school district to ensure that the school district's operating revenue, including its local and federal revenues, is at least equal to the school district's program cost. Components of the SEG include base program costs; increases in enrollment, fixed costs, insurance costs and compensation; and phase-in of new programs, such as elementary physical education. The amount distributed to each school district is based on the number of units generated by each school district pursuant to Section 22-8-20 through 22-8-23.5 NMSA 1978 and the unit value set by the secretary of education in accordance with Section 22-2-1 NMSA 1978.

Categorical Public School Support

Several programs make up Categorical Public School Support including Transportation, Supplemental Distributions, Instructional Material Fund, Education Technology Fund, Indian Education Fund, School Library Material Fund, Schools in Need of Improvement Fund and Teacher Professional Development Fund. The methods for distributing these various funds to public schools are described briefly in the following sections.

Transportation funds are distributed to public schools under Section 22-8-26 NMSA 1978, which requires that money in the transportation distribution of the Public School Fund be used only for the purpose of making payments to each school district for school transportation costs of K-12 students attending public school within the school district, of three- and four-year-old children who meet approved criteria and definition of developmentally disabled, and for transportation of students to and from their regular attendance centers and the places where vocational education programs are being offered.

The Secretary of Education is authorized to make the following Supplemental Distributions pursuant to Section 22-8-30 NMSA 1978:

- Out-of-state tuition, which provides for the payment of out-of-state tuition for New Mexico students subject to the compulsory school attendance law in several districts, who attend school outside the state because of the unavailability of school facilities in the school district in which they live.
- Emergency distributions to school districts with unanticipated financial need that must demonstrate through an emergency request that they do not have cash, invested reserves, other resources or any combination thereof, equal to 5% or more of their respective net operational budgets.
- Emergency capital outlay distributions provide funds to school districts that have experienced an unexpected capital outlay emergency demanding immediate attention.

Instructional Materials appropriations flow to PED through the Instructional Material Fund, established in Section 22-15-5 through 22-15-6, for the purpose of providing resources to purchase and transport instructional materials used in public school classrooms. PED maintains a multiple list of books, publications, and other instructional media with input from communities and districts. Disbursements from the fund are made by the Department of Finance and Administration from warrants submitted by PED on behalf of school districts.

Education Technology funds are appropriated to PED for the purpose of implementing the provisions of the Technology for Education Act (22-15A-1 through 22-15A-10). The act establishes an Education Technology Bureau in PED led by a Bureau Chief appointed by the Secretary of Education. The bureau develops a statewide plan for the integration of educational technology into the public schools and coordinates technology-related education activities with other state agencies, the federal government, business consortia and others; and assists school districts to develop and implement a strategic, long-term plan for utilizing educational technology in their school systems. Upon annual review and approval of a school district's educational technology plan, the bureau must determine a separate distribution from the Educational Technology Fund for each school district. On or before July 31 of each year, the bureau must distribute money in the fund directly to each school district in an amount equal to 90 percent of the school district's estimated adjusted entitlement.

Indian Education dollars are appropriated to the Indian Education Fund for the purpose of implementing the provisions of the Indian Education Act (Sections 12-23A-1 through 12-23A-8 NMSA 1978). The Act establishes the Indian Education Division within the Public Education Department (PED). The division provides assistance to school districts and tribes to meet the educational needs of American Indian students; assistance in the development of culturally relevant instructional and curricular materials; coordinates technical assistance to public schools that serve American Indian students; establishes an Indian education advisory council; and among other requirements seeks funds to increase the number of American Indian teachers and principals and provide professional development services to the same. Money in the fund is non-reverting and is administered by the Public Education Department to distribute awards to support the Indian Education Act.

School library material appropriations flow to the Public Education Department (PED) through the School Library Material Fund established as part of the School Library Materials Act (22-15C-1 through 22-15C-10 NMSA 1978) for the purpose of providing an account from which the PED may distribute money to school districts and state institutions to pay for the cost of purchasing school library materials. School library materials refer to books and other educational media, including online reference and periodical databases that are made available in a school library to students for circulation and use in the library. On or before July 1 of each year, PED must distribute from the fund at least 90% of the estimated entitlement for each school district or state institution as determined by estimated fortieth-day membership for the next school year. Adjustments for distributions are recalculated on before January 15 of each year.

The Teacher Professional Development Fund is established as part of the Public School Finance Act (22-8-1 through 22-8-48 NMSA 1978) for the purpose of providing funding for professional development programs and projects for public school teachers. The fund consists of appropriations, gifts, grants, donations and income from the investment of the fund. Money in the fund does not revert to any other fund at the end of a fiscal year. The fund is administered by the Public Education Department (PED). PED is required to evaluate the success of each professional development program or project it funds and report its findings to the Legislature each year.

Other Education Support

Other Education Support includes programs such as Advanced Placement, Apprenticeship Assistance, Beginning Teacher Mentorship, Breakfast For Elementary Students, Kindergarten-Three Plus and Pre-Kindergarten Program. These programs and others provide targeted resources and support to public schools to enable them to provide quality education while meeting federal requirements, and the needs and requirements of learners, parents, communities, school districts, educators, and other stakeholders.

Executive Recommendation

Agency Strategic Directions

During the 2008 interim, the Executive refined and extended a framework entitled *Making Schools Work* to ensure every New Mexico child gets a world-class education. Under *Making Schools Work*, the Executive has developed a coordinated PreK-20 education system. The system focuses on raising the level of excellence for all students by closing the student achievement gap that exists among the diverse student populations within New Mexico, and among New Mexico students and those students in other states and countries.

The Governor's *Making Schools Work* agenda outlines the FY10 strategic policy initiatives for PreK and K-12 public schools:

- Ensuring that all young children are ready for school;
- Keeping students healthy and ready to learn by providing access to health care, healthy food and physical fitness activities;
- Increasing parents' involvement in their children's education;
- Increasing the level of educational excellence for all students;
- Closing the student achievement gap by supporting the children and schools who need the most help;

- Ensuring that all students are taught by qualified teachers; and
- Ensuring that students graduate from high school better prepared to succeed in higher education and the workplace.

These seven strategic policy initiatives, combined with the strategic policy initiatives for higher education, significantly increase the chances that students will be successful at every level of the education system and progress smoothly from pre-kindergarten through graduation and emerge ready to take their place as productive members of their families, their state, and their world.

Key Elements of Recommendation

Details on the key elements of the Executive recommendations are organized under the following: Opening The Doors, Categorical School Support, Public School Compensation, Other Public Education Support, Making Schools Work Framework, Information Technology Appropriations and School Finance Support.

The Executive's FY10 Public School Support recommendation is \$2,512,610.1 a \$76,609.8 (3.0%) decrease from the FY09 appropriation level of \$2,589,219.9. The Executive's budget recommendation, as discussed below within the context of its seven strategic policy initiatives, will enable New Mexico's schools to better prepare all of the state's students to succeed in an increasingly complex world.

The Executive also recommends series of multi-year initiatives funded from nonrecurring revenue sources. Some of these initiatives are recommended from the Public School "lockbox," fund set aside by the Legislature in 2004 to implement public school reform.

The FY10 Executive recommendations are presented in five sections in the attached table entitled *Public School Support and Related Appropriations for FY10*. The line numbers referenced throughout this document are associated with that table. The sections include:

- Program Costs and the State Equalization Guarantee (lines 1-23)
- Categorical Public School Support (lines 27-46)
- Other Public Education Recurring (lines 51-8074)

Open the Doors

State Equalization Guarantee. Enrollment growth is funded through the public school funding formula known as the state equalization guarantee (SEG). The enrollment growth factor is designed to provide funds to districts growing at a rate of 1% or greater, based on the 40th-day average daily membership of a school year. The intent is to cover the costs incurred as a result of that growth, such as additional instructional staff and supplies. The Executive recommendation for enrollment growth of \$8,455.8 (line 6) is based on the 2009-2010 budgeted enrollment growth units, funding 2,172,350 enrollment growth units.

Fixed Costs. The Executive recommends an increase of \$4,388.2 (line 7) for fixed costs. Fixed costs are distributed through the funding formula and are based on increases for energy and other expenses including audit, rents and leases, buildings and grounds, vehicle maintenance, general supplies, materials and software.

Insurance. Insurance costs are funded through the formula. The Executive recommends \$17,721.6 (line 8).

Employer ERB. The Executive recommendation includes a 0.75% increase in the employers' share of the educational retirement contributions of \$12,073.2 (line 14).

Elementary Physical Education. The Executive recommends an increase of \$4,000.0 (line 16) for Elementary physical education from the FY09 appropriation. Elementary physical education is in the 3rd year of its six year phase in.

Assessment. The Executive recommends an increase of \$1,555.5 (line 17) to help school districts cover the costs of the printing, scoring and reporting of the New Mexico Standards Based Assessment in reading, math, science and writing in English and Spanish in grades 3-8; reading and math in English and Spanish in grade 11; social studies in English in grade 11; and the New Mexico High School Competency Exam in grades 10-12 in English and Spanish. This will maintain PED's compliance with federal mandates in the No Child Left Behind Act of 2001 regarding state assessment and accountability systems.

Temporary Measures to Lower General Fund Needs. The Executive recommendation incorporates \$94.0 million in temporary measures to reduce General Fund costs during FY10 due to projected revenue shortfalls. These measures include a reduction of \$50.0 million (line 3) to reflect the temporary use of monies collected under the Public School Capital Improvements Act for property and liability insurance costs. This will require a revision to state statute. In addition, the recommendation proposes a \$30.0 million (line 4) General Fund reduction by temporarily increasing maximum class sizes. Finally, the recommendation proposes \$14.0 million (line 5) in General Fund savings by suspending the implementation of an additional instructional day appropriated in the Laws 2008, Chapter 3, Section 4K.

Other Revenue Sources. There are four sources of revenue for public schools for which the state takes credit in calculating the SEG. The credit for federal impact aid payments, the forest reserve allocation and ½ mill levy property tax is determined by multiplying each of these sources by 75%. The Executive recommends \$59,400.0 (line 21) and the credit for drivers' safety fees Executive recommendation is estimated at \$850.0 (line 22).

Categorical Public School Support

Transportation. The transportation distribution (lines 27-34) is used to make payments to each public school district for school transportation costs of students in K-12 grades, of 3-year and 4-year-old children who meet approved criteria in the definition of developmentally disabled and for transportation of students to and from their regular attendance centers and vocational education programs. The Executive recommendation for FY10 operational costs is \$94,415.8 (line 28), a decrease of \$2,623.6 from FY09; for FY10 bus replacements costs, the Executive recommends \$563.5 (line 29), and increase of \$94.7 over the FY09 appropriated level. The Executive recommendation for rental fees of contractor-owned buses is \$12,665.2 (line 30), and increase of \$691.1 over FY09 appropriations. The Executive recommendation includes a 0.75% increase in the employers' share of the educational retirement contributions of \$194.8 (line 33) for transportation employees. The funding will benefit all schools and districts in New Mexico by guaranteeing that

students have the benefit of safe transportation to and from home and school. The overall transportation decrease of \$3,209.0 from FY09 levels takes into account the decrease in fuel costs.

Supplemental Out of State Tuition. Based on data and the requests of participating school districts, the Executive recommendation for supplemental out-of-state tuition distributions is \$370.0 (line 36) for FY10. These funds provide out-of-state tuition to Lordsburg and Alamogordo so that students may attend school in Arizona and Texas rather than bussing them long distance.

Supplemental Emergency. The Executive recommendation for supplemental emergency distributions is to fund this program at the FY09 General Fund level of \$2,000.0 (line 37). This funding provides for districts funding for those that experience a shortfall in their budgets. The Executive recommends that the \$2,000.0 in recurring funds for this program be combined with the \$5,000.0 of non-recurring funds. The Executive recommends \$7,000.0 to fulfill provisions of Section 22-8-30, NMSA 1978.

Instructional Materials. The Executive recommendation is \$16,749.9 (line 38) in recurring funds. The recommendation for Instructional Materials is to delay textbook adoptions by one year. This will require a revision to state statute.

Educational Technology. Due to budget constraints, the Executive does not provide a recommendation for the Educational Technology Fund in FY10.

School Library Materials. The Executive recommends \$2,000.0 (line 43) of recurring funds, at the FY09 appropriation level for the School Library Material Fund. For FY09, 100% percent of the allocations have been made to support acquisition of library books for 327,002 students in public, charter and state-supported schools in New Mexico.

Teacher Professional Development. The Executive recommendation for the Teacher Professional Development Fund is maintained at the FY09 level of \$2,000.0 (line 45).

School Finance

Charter School Stimulus Fund. The Executive recommendation maintains funding for the Charter School Stimulus Fund at \$300.0 (line 62), the FY09 appropriation level. Charter schools provide an alternative educational setting to parents and students in the public school system. Further, charter schools provide an opportunity to create new, innovative and more flexible ways of education children. The recommendation is for a five-year maximum projected student enrollment to be served by all 6 charter schools in the state.

Making Schools Work Policy Framework

Ensure that All Young Children are Ready for School

Pre-kindergarten. The Executive recommends \$10,500.0 (line 55) of recurring General Fund, an increase of \$2,000.0 over FY09, and \$1,000.0 of TANF funds at the FY09 appropriation level. The recommendation for school readiness focuses primarily on its pre-kindergarten initiative; a total of

\$22,000.0 is recommended, \$11,500.0 to Public Education Department (including \$1.0 million in TANF funds) and \$10,500.0 to the Children, Youth and Families Department (including \$1.0 million in TANF funds). The Executive's FY10 recommendation will provide funding for a total of 22 districts/contractors which serves 1,882 four-year-olds.

For pre-kindergarten startup and safety, the Executive recommends \$400.0 of non-recurring funds, at the FY09 level of appropriation. Pre-kindergarten startup includes written curriculum materials, hands-on manipulative materials for pre-literacy and numeric activities, equipment for science experiments, furniture, visual displays and any safety improvements in the classroom. The funding to support the Pre-K program start-up and safety include a student population increase of 1,786 children, a 25% increase.

Keep Students Ready to Learn By Providing Access to Health Care, Healthy Food and Physical Fitness Activities

Elementary Physical Education. The Executive recommends an increase of \$4,000.0 (line 16) of recurring funds for the third year of a six-year phase-in of the School Physical Education Program passed by the Legislature and signed by Governor Richardson in 2007. The physical education program is part of Governor Richardson's anti-obesity initiative begun in 2004. The focus of the obesity prevention is to reduce obesity in school-aged children through a multi-faceted approach, including offering elementary school children access to nutrition and physical education. Elementary school-based physical education programs are required to have an elementary physical education curriculum aligned to the New Mexico Physical Education Content Standards with benchmark and performance standards. Programs must be taught by PED-licensed elementary physical education instructors who provide physical education three days a week for 30 minutes per day to all students served. Elementary physical education programs are required to have available space and must include an evaluation plan. Currently, 224 elementary schools have received funding for the program. In FY09, approximately 69,000 students are being served statewide.

Anti-Obesity Programs. The Executive recommendation is \$300.0 (line 73) of recurring funds, at the FY09 level of appropriation. The obesity prevention program is a priority initiative of Governor Richardson to provide programs in elementary schools that are targeted at increasing physical activity and providing nutrition education. Recent national surveys indicate that 19% of children aged 6-11, and 17% of adolescents aged 16-19 are overweight. The Centers for Disease Control reports 23% of New Mexico high school students are overweight or at risk of being overweight. Overweight children are more likely to become overweight adults. The Department of Health estimated that New Mexico spends an estimated \$324 million on direct adult medical expenditures related to adult obesity, compared with \$117 billion spent annually. The Executive recommendation provides additional resources to support the obesity prevention program begun in 2004 in order to: (1) decrease obesity in children; (2) increase the amount of time school-aged children spend on physical activities; (3) provide students with healthy food choices in schools; and (4) provide nutrition education to students. Program components include before- and after-school programs that include both physical activities and nutrition components; First Serve New Mexico, a tennis/tutoring after-school program; the Coordinated Approach to Children's Health (CATCH) Program, a summer enrichment program; and support for local school districts to implement wellness policies. Research has established a positive correlation between physical activity and improved academic improvement.

Breakfast for Elementary Students. The Executive recommendation is \$4,950.0 (line 74) of recurring funds, and increase of \$1,500.0 over the FY09 level. Children who are hungry cannot learn. Hunger in childhood can lead to irreversible mental stunting, lower intelligence quotients (IQs) and reduced capacities to learn. Providing meals at school can serve as a counter to poor enrollment and attendance and reduced attention span caused by hunger. New Mexico ranks 1st in the nation for the school breakfast scorecard for 2007 released by the Food Research and Action Center. The Executive recommendation is to serve an estimated student population of 111,990. According to PED, in FY09, 20 new schools have been added to the program including an additional 5,756 students for a total of 78,057 students. With full phase-in, the program is estimated to cost the state \$11.6 million. The federal match for this appropriation is projected to be \$26.1 million. To reach 100% participation, \$2.9 million must be added to the base each year for four years. The state receives \$2.25 in federal funding for every dollar it invests.

GRADS-Teen Pregnancy Prevention. The Executive recommends \$1,000.0 (line 78) of recurring funds, at the FY09 appropriation level. The Graduation, Reality and Dual-Role Skills (GRADS) program strengthens teenage families and reduces risk-taking among all youth; improves outcome of high-risk pregnancies, reduces out-of-wedlock births, and strengthens two-parent families. In 32 schools in 23 districts, GRADS provides on-site child care and allows teen parents the opportunity to earn college credit in childcare. Professional courses include career exploration component to enhance student employability. The child care component in 2006-2007 hosted licensed child care centers at 26 sites which provided child care to 492 children. Since 1989, 10,835 teenage parents have participated. The Executive recommends that the teen parents will participate in the parent involvement programs provided by PED. Repeat pregnancies of GRAD students have been reduced to 3.3% compared to 21% nationwide. New Mexico has the third highest teen birth rate in the nation (per 1,000 girls age 15-19). Research verifies that teen pregnancy contributes to poverty and other social problems.

Increase Parents' Involvement in Their Children's Education

Family and Youth Resource Act. The funding for the Family and Youth Resource Act (FYRA) will support a continuation of the program begun in 2004. The Executive recommends funding the Family and Youth Resource Act program at \$1,500.0 (line 75) of recurring funds, the FY09 appropriation level. The FYRA funded sites provide an intermediary for students and their families at public schools so that they can access social and health care services. The goal is to forge mutual long-term relationships with public and private agencies and community-based, civic and corporate organizations so that certain non-academic needs of students and their families are met and students are helped to attain high academic achievement. In FY09, \$1,430.0 was allocated as follows: \$1,430.0 funded 20 out of the 89 school districts and provided 90 schools the programs; \$30.0 funded an evaluation; and \$40.0 funded training and support.

Increase the Level of Educational Excellence for All Students

Advanced Placement. The Executive recommendation is \$2,000.0 (line 64) of recurring funds, at the FY09 level of appropriation. Advanced Placement (AP) increases the success rate of students graduating from postsecondary institutions. As of FY07 and the most current information, the total number of students in 9th-12th grades enrolled in advanced placement (AP) classes from 53 school districts was 14,101, an increase of nearly 22%. AP courses provide college preparatory curriculum

and classes to high and middle school students, respectively. The initiative delivers AP to rural areas, particularly those with Native American and Hispanic students, as these students continue to experience significant achievement and opportunity gaps and often do not successfully make the high school-college transition. To address this problem, the initiative provides AP professional development, outreach to rural school districts and the southern region of the state, and increases enrollment of under-represented minorities in AP programs.

Rural Education and Community Revitalization. The Executive recommends \$500.0 (line 68) of recurring funds, at the FY09 appropriation level. This initiative is being piloted by 24 of 46 rural districts and two districts with small isolated schools. The projected expansion will include an additional 22 rural districts thus reaching all 46 rural districts. The New Mexico Rural Revitalization Initiative is part of an international school-led rural revitalization movement with proven success in New Mexico. This initiative develops an awareness of the school as a catalyst for economic development in the community, focuses on the interdependency of the community and school and establishes a vehicle for improvements in both. The initiative also develops a culture and climate that is receptive to new opportunities within school and community and develops leadership qualities in youths by involving them in meaningful service opportunities. This initiative will assist rural school districts in New Mexico to establish partnerships that enable the school and community to work together to stimulate the economy, revitalize the community socially and economically and provide educational improvement opportunities for all students. Currently, partnerships include, Farm to Table, the Arrowhead Center, Silver Bullet Productions, Professional Service Associates, Collaborative Alliance, the Synergy Group, the Parent Involvement Advisory Council, the Food and Agriculture Policy Council, New Mexico State Parks, New Mexico County Extension Services, the National Community Education Association and the Microsoft Partners in Learning program (PIL). PIL provides financial and technical assistance to three rural school districts (Mosquero, Loving and Fort Sumner) and Rural Education Cooperative (REC) #2.

Close the Student Achievement Gap by Supporting the Children and Schools who Need the Most Assistance

Kindergarten-Three Plus. For FY10, the Executive recommendation is \$7,163.4 (line 54) of recurring funds, at the FY09 level of appropriation. In the first summer of the kindergarten-three plus (K-3 Plus) pilot program (summer 2007), schools were awarded half the appropriation. This resulted in a fund balance of \$3,225.1 for FY09. The fund balance was combined with the FY09 appropriation, which totaled \$10,388.5 available to 25 districts to served 91 approved schools for the K-3 Plus Extended School Year Program. For FY08, the PED approved 62 proposals and funded only 54; eight of the approved programs were unable to retain teachers for the program or found that they lacked sufficient time to plan for the program. At the beginning of school year 2006-2007, the agency approved a total of \$4,192.8 and allocated \$3,630.5. Of the \$7,163.4 the Legislature appropriated to the K-3 Plus program, a total of \$3,532.9 or 49% was still available at the middle of FY08. Results from a three-year pilot program for the previous kindergarten plus program indicate that students who participate in kindergarten plus enter kindergarten equal to or exceeding their non-disadvantaged peers thus closing the achievement gap between students.

Schools in Need of Improvement Fund. The Executive recommends \$2,500.0 (line 44) for FY10 for the Schools in Need of Improvement Fund, at the FY09 appropriation level. The Schools In Need of Improvement (SINOI) initiative provides for systemic reform for New Mexico's schools that have not meet academic and other performance targets set by the No Child Left Behind (NCLB) Act. Included in this process are supports for the districts that are in the school improvement process under NCLB. This funding is required to meet the overall needs of alignment between the district and schools in the reform process. As part of the School Improvement Framework, an Educational Plan for Student Success (EPSS) plan is submitted to the PED at the beginning of the school year. This framework was revised based on input from stakeholders and research-based support from the Southwest Comprehensive Center (WestEd). The purpose of the revision was to align the work of districts with the schools. The EPSS requires that the district plan be written first as a guide for school planning. These funds support the technical assistance required to write and evaluate plans, review the data, monitor the plans on a quarterly basis and provide the necessary support.

School Improvement Framework. The Executive recommendation for FY10 is \$3,500.0 (line 69) of recurring funds, an increase of \$500 over the FY09 appropriation level. Additional services are funded through the FY10 \$2,500.0 appropriation to the Schools in Need of Improvement Fund and Title I using the same model of funding. In FY09, \$9,000.0 in funding was received from Title I. This funding provides for systemic reform for New Mexico's Schools In Need of Improvement (SINOI). Funding supports targeted assistance, intensive classroom assistance and implementation of systems for increasing achievement in schools and districts not meeting proficiency. The framework strengthens New Mexico capacity to meet No Child Left Behind requirements, and engage in using school data and multi-year strategic planning. The funding supports New Mexico's efforts to meet the rising expectations outlined in NCLB that 100% of students will be proficient in reading and in mathematics by school year 2013-2014.

After School Enrichment Program. The Executive recommendation for FY10 is \$3,300.0 (line 65) of recurring funds, at the FY09 appropriation level. This initiative provides after-school programs including the following: (1) academic enrichment tutoring activities, (2) physical activity programs, (3) nutrition education, and (4) transportation for students where needed to participate in the programs. In addition, the After School Enrichment Program promotes and supports critical thinking and collaborative techniques that allow students to successfully develop academic skills, pursue useful knowledge and help prevent obesity. After-school enrichment programs provide safe, structured environments for students outside the regular school day. They are housed in schools and typically staffed with both school and community-based personnel.

Incentives For School Improvement Fund. The Executive recommends \$1,600.0 (line 41) in recurring funds. This fund was created by the 2003 Public School Reforms and is intended to provide supplemental incentive funding for the adequate yearly progress (AYP) program and the state improving schools program. No General Fund was appropriated for this item in FY09. For FY10, \$960.0 will be distributed to schools making AYP and \$640.0 will be distributed to schools not making AYP.

Indian Education Fund. The Executive recommendation for FY10 is \$2,500.0 (line 40) of recurring funds, at the FY09 level of appropriation. The Indian Education Act of 2003 was implemented to provide culturally and linguistically appropriate curricula and instruction to New Mexico's diverse Native American students. Although assessment scores have improved, Native American students

are the lowest academically performing group when data are disaggregated by ethnicity. The purpose of this initiative is to extend the state's commitment to providing Native American students with resources required to excel in the classroom. Recent accomplishments of Indian Education Division, include:

- Increased Joint Powers Agreements with tribes for revitalization and preservation of native languages from 9 to 12 in 2007;
- Increased Memoranda of Agreements with tribes to develop tribal standards and criteria for licensing Native American Language teachers from 10 to 13 in 2007;
- Inducted 92 Native Americans into programs for advanced degrees or administrative certificates in 2007 for a total of 184 over the past two years;
- Increased the number of certified Native American language teachers from 69 in 2006 to 115 in 2007;
- Distributed up to \$50.0 per district in 7 school districts to help establish tribal departments of education;
- Developed a memoranda of understanding with the University of New Mexico and Indian Affairs Department to implement provisions of Indian Education Act for professional development of Native American teachers; and
- Developed Joint Powers Agreement with Museum of Indian Arts and Culture for development of culturally relevant New Mexico history curriculum with implementation scheduled for fall of 2008.

Ensure that All Students are Taught by Qualified Teachers

Beginning Teacher Mentorship. The Executive recommendation for FY10 is \$2,000.0 (line 57) of recurring funds, at the FY09 level of appropriation. The Executive recommendation for teacher quality includes providing mentoring support for beginning teachers. Beginning teacher mentorship funding is distributed on a per teacher basis to districts based on fortieth day data as required by High School Reforms Act of 2007. In FY08, 2,152 teachers were provided mentoring in 41 of 64 charter schools and 78 of 89 school districts.

Teacher Professional Development Fund. The Executive recommendation for FY10 is \$2,000.0 (line 45) of recurring funds, at the FY09 appropriation level. This initiative supports the systematic framework for professional development as provided for in state statute. The goal is to ensure that New Mexico has quality teachers, school administrators and instructional support providers who will improve and enhance student achievements. For FY08, the Teacher Professional Development Fund allocated funds to the following educational associates or initiatives: RE:Learning, Regional Education Technology Assistance (RETA), Strengthening Quality in Schools (SQS), Service Learning, Golden Apple, Center for Relational Learning – Sun Moon, Center for Border and Indigenous Educational Leadership, and the Wellness Resource Group.

Ensure Students Graduate from High School Better Prepared to Succeed in Higher Education

Apprenticeship Assistance. The Executive recommendation for FY10 is \$800.0 (line 66) of recurring funds, at the FY09 appropriation level. The FY09 allocation funded 19 programs to train 1,321 first-year probationary apprentices, which supported a total of 242,762 apprenticeship training hours.

Total contributions included \$3,284.2 from industry (approximately 80%) and \$800.0 (approximately 20%) from the state. The training provides an opportunity to gain employment experience, on-the-job training, skill level improvement, increase earning power and greater employment mobility. The Apprenticeship Assistance program is not a K-12 school initiative, but rather a workforce development effort. Participating businesses and companies provide apprenticeships to adults in skilled occupations and in some instances provide credits toward the completion of two or four year degrees. The program is a continuation of the Apprenticeship Assistance Act of 1992.

IDEAL - New Mexico Cyber Academy. The Executive recommendation for FY10 is \$1,000.0 (line 60) of recurring funds, to maintain the FY09 level of appropriation. The Cyber Academy Act of 2007 created a statewide cyber academy. This academy concept is a collaborative program between PED, HED telecommunications networks and other state agencies that provide distance education to school districts. The New Mexico Cyber Academy provides the opportunity for smaller school districts to offer courses that traditionally only larger school districts could offer. For example, smaller high schools can offer only 50 courses as compared to 200 courses from the larger high schools. In addition, the 2007 High School Reforms Act mandated that in order to graduate, students must take at least one advanced placement, dual enrollment or online course. The statewide cyber academy will continue to support the development of a statewide eLearning system.

Assessment and Test Development. The Executive recommendation for FY10 is \$4,639.0 of non-recurring funds, at the FY09 level of appropriation. The Executive recommendation for the assessment and test development funding provides compliance for the PED with federal and state statutory requirements to develop and implement grade specific and exit exams that align with college level courses. Funds will also be used to develop the college and workplace readiness assessments outlined in the 2007 high school redesign legislation. In addition these funds will be used to meet the continuing requirements of New Mexico's Standards-based Assessments, Alternate Assessments and English Language Proficiency Exam.

Performance Report

The Public Education Department (PED) is charged with dual regulatory and support roles in the implementation of Public School Support (PSS) statewide, and as the responsible agency, reports its progress against both agency (PED) performance targets (described in this document under PED 924 section) and PSS performance targets as a means of assessing effectiveness of education statewide. To accomplish this charge, PED must comply with the requirements of the performance-based budgeting (PBB) framework set forth in Section K of the General Appropriation Act of 2008 as well as the Public School Support and the *Making Schools Work* performance and accountability contract that was established by the Executive for implementation in FY08.

The bold effort to improve New Mexico's schools that began in 2003 has continued to evolve under Governor Richardson's leadership. The governor's *Making Schools Work* policy framework has moved New Mexico forward in the development and implementation of a Pre-K through 20 educational system that spans from preschool to graduate school. The PSS performance measures included in this section focus on how students, teachers, schools, and school districts are measuring up to expectations. In addition, the PSS performance measures include information on how parents and stakeholders rate their involvement with the public schools.

The section in this document relating to the PED includes detailed and specific information on the progress New Mexico is making in education reform. That information will not be repeated here, but it is important to note that New Mexico is receiving national recognition for its efforts and hard-won gains are being made in the areas of Pre-K programs, breakfast for elementary students, academic standards and assessment, student achievement, and teacher quality.

The Executive is committed to ensuring that the PSS measures provide New Mexicans with the most accurate and comprehensive picture of how public schools are performing. To reach that goal, the PSS measures are reviewed annually and revised when necessary to ensure the highest level of accountability to the people of New Mexico for the state's public school dollars.

Recommended Language for the General Appropriation Act

The rate of distribution of the state equalization guarantee distribution shall be based on a program unit value determined by the secretary of the public education department. The secretary of the public education department shall establish a preliminary unit value to establish budgets for the 2009-10 school year and then, upon verification of the number of units statewide for fiscal year 2010 but no later than January 31, 2010, the secretary of the public education department may adjust the program unit value.

The general fund appropriation to the state equalization guarantee contains sufficient funding to provide a three-quarter percent increase in the employer contribution to the educational retirement fund.

For the 2009-10 school year, the state equalization guarantee distribution contains sufficient funding for school districts implementing a formula-based program. Those districts shall use current year membership in the calculation of program units for the new formula-based program.

The general fund appropriation to the state equalization guarantee distribution reflects the deduction of federal revenues pursuant to Paragraph (2) of Subsection C of Section 22-8-25 NMSA 1978 that includes payments commonly known as "impact aid funds" pursuant to 20 USCA 7701 et seq., and formerly known as "PL874 funds".

The general fund appropriation to the public school fund shall be reduced by the amounts transferred to the public school fund from the current school fund and from the federal Mineral Lands Leasing Act receipts otherwise unappropriated.

Any unexpended or unencumbered balance in the distributions authorized remaining at the end of fiscal year 2010 from appropriations made from the general fund shall revert to the general fund.

Budget Summary Tables

Public School Support Budget Summary
(Dollars in Thousands)

	FY09 Operating Budget	FY10 Recom- mendation	FY10 Budget to	
			Recommendation Dollar Change	Percent Change
STATE EQUALIZATION GUARANTEE				
1 PROGRAM COST	2,328,883.9	2,439,723.2		
2 ADJUSTMENTS TO PROGRAM COST				
3 Temporarily allow use of monies collected under the Public School Capital Improvements Act for property and liability insurance costs		(50,000.0)	(50,000.0)	
4 Temporarily increase maximum class sizes		(30,000.0)	(30,000.0)	
5 Suspend additional instructional day		(14,000.0)	(14,000.0)	
6 ENROLLMENT GROWTH	10,530.1	8,455.8	8,455.8	
7 FIXED COSTS	3,758.8	4,388.2	4,388.2	
8 INSURANCE COSTS	19,283.6	17,721.6	17,721.6	
9 COMPENSATION FOR PUBLIC SCHOOL EMPLOYEES:				
10 Teachers	24,875.4	-	-	
11 Instructional Staff	3,959.5	-	-	
12 Other Licensed and Non-licensed	10,343.7	-	-	
13 Additional average 1% (educational assistants; secretarial, clerical, and technical assistants; business office support staff; maintenance, custodial, warehouse and delivery employees; and food service employees)	3,305.6	-	-	
14 Increase in Employer's ERB Contribution (.75 percent)	12,317.8	12,073.2	12,073.2	
15 One Additional Instructional Day	14,000.0	-	-	
16 Elementary Physical Education – 3 rd year of 6-year phase-in	8,000.0	4,000.0	4,000.0	
17 Assessment & Test Development - School District Costs	464.8	1,555.5	1,555.5	
18 PROGRAM COST	2,439,723.2	2,393,917.5	(45,805.7)	-1.9%
19				
20				
21 LESS PROJECTED CREDITS	(55,400.0)	(59,400.0)	(4,000.0)	
22 LESS OTHER STATE FUNDS (from driver's license fees)	(750.0)	(850.0)	(100.0)	
23 STATE EQUALIZATION GUARANTEE	2,383,573.2	2,333,667.5	(49,905.7)	-2.1%
CATEGORICAL				
27 TRANSPORTATION				
28 Operational	97,039.4	94,415.8		
29 School-owned Bus Replacements	468.8	563.5		
30 Rental Fees (Contractor-owned Buses)	11,974.1	12,665.2		
31 Compensation	908.0	-		
32 Additional average 1% (transportation employees)	454.0	-		
33 Increase in Employer's ERB Contribution (.75 percent)	204.0	194.8		
34 TOTAL TRANSPORTATION	111,048.3	107,839.3	(3,209.0)	-2.9%
35 SUPPLEMENTAL DISTRIBUTIONS				
36 Out-of-state Tuition	370.0	370.0	-	
37 Emergency Supplemental	2,000.0	2,000.0	-	
38 INSTRUCTIONAL MATERIAL FUND (FY10 Grades 9-12 Language Arts/Reading, Modern Classical & Native Languages, Reading Intervention)	39,020.0	16,749.9	(22,270.1)	
39 EDUCATIONAL TECHNOLOGY FUND	6,000.0	-	(6,000.0)	

Public School Support Budget Summary
(Dollars in Thousands)

		FY09	FY10	FY10 Budget to Recommendation	
		Operating Budget	Recom- mendation	Dollar Change	Percent Change
40	INDIAN EDUCATION FUND	2,500.0	2,500.0	-	
41	INCENTIVES FOR SCHOOL IMPROVEMENT FUND	-	1,600.0	1,600.0	
42	MATHEMATICS AND SCIENCE PROFICIENCY FUND	-	-	-	
43	SCHOOL LIBRARY MATERIAL FUND	2,000.0	2,000.0	-	
44	SCHOOLS IN NEED OF IMPROVEMENT FUND	2,500.0	2,500.0	-	
45	TEACHER PROFESSIONAL DEVELOPMENT FUND	2,000.0	2,000.0	-	
46	TOTAL CATEGORICAL	167,438.3	137,559.2	(29,879.1)	-17.8%
47	TOTAL PUBLIC SCHOOL SUPPORT	2,551,011.5	2,471,226.7	(79,784.8)	-3.1%
OTHER PUBLIC EDUCATION RECURRING					
51	COLLEGE/WORKPLACE READINESS & HIGH SCHOOL REDESIGN:				
52	Los Lunas Public Schools-college and high school redesign	75.0	-	(75.0)	
53	EARLY CHILDHOOD EDUCATION:				
54	K-3 Plus	7,163.4	7,163.4	-	
55	Pre-kindergarten program (plus \$1 million from TANF funds)	8,500.0	10,500.0	2,000.0	
56	EDUCATOR QUALITY:				
57	Beginning Teacher Mentorship	2,000.0	2,000.0	-	
58	Summer Reading, Math and Science Institutes	2,500.0	2,500.0	-	
59	NM CYBER ACADEMY/INNOVATIVE DIGITAL EDUCATION AND LEARNING (IDEAL-NM):				
60	IDEAL-NM	1,000.0	1,000.0	-	
61	SCHOOL FINANCE:				
62	Charter Schools Stimulus Fund	300.0	300.0	-	
63	STUDENT ACHIEVEMENT:				
64	Advanced Placement	2,000.0	2,000.0	-	
65	After School Enrichment Program	3,300.0	3,300.0	-	
66	Apprenticeship Assistance	800.0	800.0	-	
67	New Mexico Outdoor Classroom	150.0	-	(150.0)	
68	Rural Education Revitalization	350.0	500.0	150.0	
69	School Improvement Framework	3,000.0	3,500.0	500.0	
70	Student Achievement Plan	50.0	-	(50.0)	
71	Truancy and Dropout Prevention	770.0	770.0	-	
72	STUDENT HEALTH, SAFETY AND WELL-BEING:				
73	Anti-obesity programs	300.0	300.0	-	
74	Breakfast for Elementary Students	3,450.0	4,950.0	1,500.0	
75	Family and Youth Resource Act	1,500.0	1,500.0	-	
76	Family Parental Involvement	-	-	-	
77	Food to Schools	-	350.0	350.0	
78	GRADS – Teen Pregnancy Prevention	1,000.0	1,000.0	-	
79	Statewide School Safety-Speak up New Mexico	-	50.0	50.0	
80	Rural Manufacturing Production Tech Certificate Program	-	500.0	500.0	
81	TOTAL OTHER PUBLIC EDUCATION RECURRING	38,208.4	42,983.4	4,775.0	12.5%
82	TOTAL PUBLIC EDUCATION RECURRING	2,589,219.9	2,514,210.1	(75,009.8)	-2.9%

Performance Measures

		FY08 Target	FY08 Result	FY09 Target	FY10 Recomm
Public School Support					
The purpose of public school support is to carry out the mandate to establish and maintain a uniform system of free public schools sufficient for the education of, and open to, all the children of school age in the state.					
Quality	Annual percent of core academic subjects taught by highly qualified teachers, kindergarten through twelfth grade	95%	94.7%	100%	100%
Quality	Annual percent of core academic subjects taught by highly qualified teachers in high-poverty schools, kindergarten through twelfth grade	95%	92.6%	97%	100%
Outcome	Annual percent of stakeholders positively rating their involvement with public elementary, middle and high schools	80%	86.3%	85%	
Quality	Percent of stakeholders who rate their involvement with public elementary schools as positive		88.9%		93%
Quality	Percent of stakeholders who rate their involvement with public middle schools as positive		80.5%		83%
Quality	Percent of stakeholders who rate their involvement with public high schools as positive		81.1%		83%
Explanatory	Percent of American Indian language classes being taught in public schools that serve American Indian students	Not Rept	Not Rept		100%
Explanatory	Percent of New Mexico American Indian students being taught in American Indian language classes in public schools				
Explanatory	Number of American Indian language teachers, independent of the public education department, certified to teach Native languages in the public schools				
Outcome	Percent of students in full-day kindergarten meeting benchmark for nonsense words	74%	87%	75%	
Outcome	Percent of students in full day kindergarten meeting benchmark for phoneme segmentation fluency				
Explanatory	Annual cohort graduation rate for school year 2004-2005 ninth graders	65%	Not Rept		
Quality	Current year's cohort graduation rate using four-year cumulative method			80%	
Outcome	Percent of recent New Mexico high school graduates who take remedial courses in higher education at two-year and four-year schools	43%	50.1%	40%	50%
Output	Number of innovative digital education and learning New Mexico courses completed by New Mexico school age students				
Output	Number of students in dual credit programs within New Mexico public high schools and post secondary institutions		8,297		
Outcome	Number of schools identified as needing improvement	400	422	390	388
Outcome	Number of schools identified as needing improvement according to No Child Left Behind designations				
Explanatory	Number of schools with a No Child Left Behind designation due to reading scores showing significant gains in reading from prior year				
Explanatory	Number of schools with a No Child Left Behind designation due to math scores showing significant gains in math from the prior year				
Outcome	Percent of elementary school students who achieve the No Child Left Behind Act annual measurable objective for proficiency or above on standards based assessments in reading and language arts	59%	55%	63%	
Outcome	Percent of elementary school students who achieve the No Child Left Behind Act annual measurable objective for proficiency or above on standards-based assessments in mathematics	44%	41.3%	50%	
Outcome	Percent of middle school students who achieve the No Child Left Behind Act annual measurable objective for proficiency or above on standards-based assessments in reading and language arts	53%	52.8%	57%	
Outcome	Percent of middle school students who achieve the No Child Left Behind Act annual measurable objective for proficiency or above on standards-based assessments in mathematics	35%	31.6%	41%	

		<u>FY08 Target</u>	<u>FY08 Result</u>	<u>FY09 Target</u>	<u>FY10 Recomm</u>
Outcome	Percent of elementary school students who achieve proficiency or above on standards based assessments in reading and language arts				
Outcome	Percent of elementary school students who achieve proficiency or above on standards based assessments in mathematics				
Outcome	Percent of middle school students who achieve proficiency or above on standards based assessments in reading and language arts				
Outcome	Percent of middle school students who achieve proficiency or above on standards based assessments in mathematics				
Outcome	Percent of fourth grade students who achieve proficiency or above on the state assessment in reading	59%	50.8%%	65%	65%
Outcome	Percent of fourth grade students who achieve proficiency or above on the state assessment in mathematics	44%	36.6%	50%	50%
Outcome	Percent of eighth grade students who achieve proficiency or above on the state assessment in reading	53%	63.5%	60%	63%
Outcome	Percent of eighth grade students who achieve proficiency or above on the state assessment in mathematics	35%	36.6%	40%	40%
Outcome	Percent of fourth grade students who achieve proficiency or above on standards based assessments in reading				
Outcome	Percent of fourth grade students who achieve proficiency or above on the standards based assessments in mathematics				
Outcome	Percent of eighth grade students who achieve proficiency or above on the standards based assessments in reading				
Outcome	Percent of eighth grade students who achieve proficiency or above on the standards based assessments in mathematics				
Explanatory	Number of schools making annual yearly progress	325	245		
Outcome	Number of schools making adequate yearly progress according to No Child Left Behind designation				
Outcome	Percent of public school students habitually truant	10%	13.3%		14%
Outcome	Percent of kindergarten through third grade students in reading first schools scoring on grade level on reading first assessments	60%	Not Rept	65%	68%
Outcome	Percent of kindergarten through third grade students in reading first schools scoring at benchmark on reading first assessments				
Output	Number of school districts with grades 3-10 participating in short cycle assessments aligned to state content standards				
Outcome	Percent of elementary students receiving physical education through the elementary physical education program funded through the Public Education Department		46%		

Governor's Fiscal Year 2010 Exempt Salary Plan

Introduction

Pursuant to the provisions of *NMSA 1978 section 10-9-5 (A), Public officers and public employees; executive branch; annual exempt salaries plan*, the Department of Finance and Administration shall prepare, by December 1 of each year, an exempt salaries plan for the governor's approval. The plan shall specify salary ranges for the following public officer and public employee positions of the executive branch of government:

1. Members of boards and commissions appointed by the governor;
2. Heads of agencies or departments appointed by the governor;
3. Heads of agencies or departments appointed by the respective boards and commissions of the agencies;
4. Directors of department divisions;
5. Employees of the Governor's office;
6. Positions in the state militia and the commissioned officers of the New Mexico state police division of the department of public safety;
7. Assistants and secretaries in the offices of each official covered by Paragraphs (two), (three) and (ten) of this subsection;
8. Positions of a professional or scientific nature which are temporary in nature;
9. State employees whose positions the personnel board has classified as policy-making positions and exempt employees of elected public officials; and
10. Secretaries of departments appointed by the governor.

The exempt salaries plan for the ensuing fiscal year, as prepared by the Department of Finance and Administration and approved by the governor, shall be published as a part of the executive budget document presented to the legislature at its next regular session following the preparation of the plan.

Upon the governor's approval, the plan shall take effect at the beginning of the subsequent fiscal year.

Universal Titles for Governor Exempt Positions		
Use of the universal titles listed below is encouraged.		
Universal Title	Specification Number	Salary Range
Administrative Assistant I	7020	18
Administrative Assistant II	7021	20
Administrative Assistant III	7022	24
Agency Director	7030	32
Assistant Attorney General I	7045	20
Assistant Attorney General II	7046	22
Assistant Attorney General III	7047	26
Attorney	7085	30
Bureau Chief I	7115	24
Bureau Chief II	7116	28
Cabinet Secretary	7120	46
Chief Information Officer	7140	36
Chief Legal Counsel	7150	34

Governor's Fiscal Year 2010 Exempt Salary Plan

Universal Titles for Governor Exempt Positions Use of the universal titles listed below is encouraged.		
Universal Title	Specification Number	Salary Range
Deputy Agency Director I	7225	28
Deputy Agency Director II	7226	30
Deputy Cabinet Secretary	7235	38
Deputy Director	7250	32
Director of Communications	7315	30
Director of Finance & Adm.	7320	30
Division Director I	7345	30
Division Director II	7346	32
Executive Assistant	7365	24
Executive Director	7385	36
Executive Secretary	7400	26
Fellowship Intern	7410	8
Financial Auditor I	7415	22
Financial Auditor II	7416	24
General Counsel	7455	34
Investigator	7525	22
Legal Assistant I	7545	14
Legal Assistant II	7546	18
Policy Analyst	7625	26
Public Information Officer I	7655	24
Public Information Officer II	7656	26
Secretary I	7700	14
Secretary II	7701	18
Senior Litigation Attorney	7715	26
Special Agent	7730	22
Special Assistant I	7740	22
Special Assistant II	7741	24
Special Assistant III	7742	26
Special Projects Coordinator I	7745	24
Special Projects Coordinator II	7746	26
Special Projects Coordinator III	7747	28
Student Intern	7785	10
Systems Software Engineer	7805	24

Governor's Fiscal Year 2010 Exempt Salary Plan

Governor's Exempt Salary Schedule				
Fiscal Year 2009				
(Based on 2080 hours)				
Pay Range	Hourly		Annual	
	Minimum	Maximum	Minimum	Maximum
4	.001	8.600	20.800	17,887.58
6	7.819	19.352	16,263.52	40,252.78
8	8.572	21.216	17,829.76	44,128.66
10	9.394	23.250	19,539.52	48,359.17
12	10.296	25.482	21,415.68	53,001.52
14	11.285	27.930	23,472.80	58,094.61
16	12.367	30.609	25,723.36	63,665.89
18	13.555	33.549	28,194.40	69,781.71
20	14.856	36.770	30,900.48	76,480.98
22	16.283	40.301	33,868.64	83,825.46
24	17.846	44.168	37,119.68	91,870.06
26	19.559	48.408	40,682.72	100,688.02
28	21.437	53.056	44,588.96	110,357.10
30	23.495	58.152	48,869.60	120,955.12
32	25.749	63.730	53,557.92	132,557.57
34	27.038	66.919	56,239.04	139,190.48
36	28.390	70.265	59,051.20	146,150.58
38	29.808	73.775	62,000.64	153,451.58
40	31.298	77.463	65,099.84	161,123.25
42	32.863	81.336	68,355.04	169,179.30
44	34.519	85.435	71,799.52	177,704.38
46	36.259	89.742	75,418.72	186,664.19
48	38.088	94.267	79,223.04	196,074.74
50	40.008	99.020	83,216.64	205,961.18
52	42.025	104.013	87,412.00	216,346.42
54	44.144	109.999	91,819.52	228,797.71
70	100.00	220.000	208,000.00	457,600.00

Statutory Salaries of Elected Officials.	
Governor	\$110,000
Attorney General	\$95,000
Commissioner of Public Lands	\$90,000
Lieutenant Governor	\$85,000
Secretary of State	\$85,000
State Auditor	\$85,000
State Treasurer	\$85,000
Public Regulation Commission Commissioner	\$90,000

Governor's Fiscal Year 2010 Exempt Salary Plan

Attorney General (305)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>		<u>FTE</u>	<u>Pay</u> <u>Range</u>
Administrative Assistant I	10	18	Administrative Assistant II	23	20
Administrative Assistant III	1	24	Administrator II	1	24
Assistant Attorney General I	7	20	Assistant Attorney General II	22	22
Assistant Attorney General III	30	26	Attorney General	1	52
Computer Forensic Analyst	1	22	Deputy Attorney General	2	36
Deputy Director	2	32	Director of Communications	1	30
Division Director II	2	32	Division Director III	8	34
Evidence Technician	1	20	Financial Auditor I	7	22
Financial Auditor II	2	24	Financial Auditor Supervisor	1	26
General Counsel	2	34	Grants Manager	1	24
Human Resource Administrator II	1	22	Human Resource Manager	1	26
Information Systems Manager	1	28	Information Systems Specialist	2	24
Investigator	9	22	Legal Assistant I	1	14
Legal Assistant II	10	18	Medical Care Investigator	2	22
Public Information Officer I	2	24	Special Agent	11	22
Special Agent Supervisor	2	24	Special Assistant III	1	26
Special Projects Coordinator I	1	24	Special Projects Coordinator II	6	26
Systems Analyst	1	24	Systems Software Engineer	4	24
Victim Advocate Ombudsman	2	18			

State Auditor (308)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>		<u>FTE</u>	<u>Pay</u> <u>Range</u>
Chief Legal Counsel	1	34	Chief of Staff	1	46
Deputy State Auditor	1	42	Secretary II	1	18
Special Assistant I	1	22	State Auditor	1	52

Taxation and Revenue Department (333)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>		<u>FTE</u>	<u>Pay</u> <u>Range</u>
Cabinet Secretary	1	46	Chief Information Officer	1	36
Chief Legal Counsel	1	34	Deputy Cabinet Secretary	1	38
Director of Policy Administration	1	26	Division Director II	6	32
Executive Secretary	1	30	Ombudsman II	1	24
Tax Policy & Research Director	1	30			

State Investment Council (337)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>		<u>FTE</u>	<u>Pay</u> <u>Range</u>
Deputy State Investment Officer	1	34	General Counsel	1	34
Public Information Officer II	1	26	Senior Investment Officer	1	70

Governor's Fiscal Year 2010 Exempt Salary Plan

Department of Finance and Administration (341)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant II	1	20	Cabinet Secretary	1	46
Capital Projects Director	1	24	Deputy Cabinet Secretary	2	38
Deputy Director	1	32	Division Director II	5	32
General Counsel	1	34	Grant Manager	1	24
Policy Analyst	1	26	Research & Policy Analyst	1	24

Public School Insurance Authority (342)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Controller	1	28
Deputy Director	1	32	Executive Director	1	36

Retiree Health Care Authority (343)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	2	18	Controller Analyst	1	26
Deputy Director	1	32	Executive Director	1	36

General Services Department (350)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant II	2	20	Administrator III	1	26
Cabinet Secretary	1	46	Deputy Cabinet Secretary	1	38
Division Director II	6	32	Governor's Residence Chef	1	28
Governor's Residence Manager	1	28	Litigation Bureau Chief	1	32
Secretary II	1	18	Senior Litigation Attorney	5	26
Special Projects Coordinator I	1	24			

Educational Retirement Board (352)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32	Chief Investment Officer	1	50
Deputy Director	1	32	General Counsel	1	34

Public Defender Department (355)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Appellate Defender	1	32
Assistant Chief Public Defender	1	32	Chief Public Defender	1	46
District Public Defender I	1	30	District Public Defender II	2	32
District Public Defender III	4	34			

Governor's Fiscal Year 2010 Exempt Salary Plan

Governor (356)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>		<u>FTE</u>	<u>Pay</u> <u>Range</u>
Administrative Assistant I	1	18	Administrator II	1	24
Agency Dir. of Victim Advocate	1	26	Associate General Counsel	1	24
Chief Legal Counsel	1	34	Chief of Staff	1	46
Communications Officer	1	28	Constituent Services Deputy Dir.	1	26
Constituent Services Director	1	28	Constituent Service Representative	2	18
Deputy Director of Legis. Affairs	1	28	Deputy Chief Legal Counsel	1	30
Deputy Chief of Staff	5	28	Deputy Director of Communications	1	28
Director of Boards & Commissions	1	38	Director of Cabinet Affairs	1	28
Director of Media Coordination	1	34	Executive Assistant	1	24
Executive Assistant to the Governor	1	22	First Lady	1	04
First Lady's Assistant	1	30	Governor	1	52
Legal Assistant II	1	18	Legal Assistant III	1	22
Policy Advisor	1	24	Policy Analyst	1	26
Press Assistant	1	20	Receptionist I	2	10
Sen. Energy & Enviro. Policy Adv.	1	26	Southern New Mexico Rep.	1	24
Special Assistant I	5	22	Special Assistant II	1	24
Special Director	2	32	Systems Analyst	1	24

Lieutenant Governor (360)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>		<u>FTE</u>	<u>Pay</u> <u>Range</u>
Chief of Staff	1	46	Deputy Chief of Staff	1	38
Lieutenant Governor	1	52	Ombudsman I	1	22
Scheduler	1	18	Second Gentlemen	1	04
Senior Policy Analyst	1	24	Special Projects Coordinator II	1	26
Staff Assistant	1	12			

Department of Information Technology (361)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>		<u>FTE</u>	<u>Pay</u> <u>Range</u>
Bureau Chief II	1	28	Cabinet Secretary	1	46
Deputy Cabinet Secretary	2	38	Division Director II	6	32
General Counsel	1	34	Public Information Officer II	1	26

Public Employees Retirement Association (366)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>		<u>FTE</u>	<u>Pay</u> <u>Range</u>
Administrative Assistant III	1	24	Chief Investment Officer	1	50
Chief Legal Counsel	1	34	Director of Finance & Adm.	1	30
Executive Deputy Director	2	28	Executive Director	1	36
Litigation Attorney	1	30			

State Commission of Public Records (369)

	<u>FTE</u>	<u>Pay</u> <u>Range</u>
Agency Director	1	32

Governor's Fiscal Year 2010 Exempt Salary Plan

Secretary of State (370)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Assistant Secretary of State	1	30	Director of Bureau Elections	1	30
Executive Assistant	1	24	Public Information Officer II	1	26
Secretary of State	1	52	Special Projects Coordinator I	3	24

State Personnel Office (378)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32	Deputy Agency Director II	2	30
Executive Secretary	1	26			

Public Employee Labor Relations Board (379)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant II	1	20	Agency Director	1	32
Deputy Director	1	32			

State Treasurer (394)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrator I	1	22	Attorney	1	30
Deputy Treasurer	1	40	Division Director I	3	30
Secretary I	1	14	State Cash Manager	1	28
State Treasurer	1	52			

Board of Examiners for Architects (404)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Agency Director	1	32

Border Authority (417)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32	Deputy Agency Director I	1	30

Tourism Department (418)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Agency Director	1	32
Assistant Cabinet Secretary	1	32	Art Director	1	24
Cabinet Secretary	1	46	Deputy Cabinet Secretary	2	38
Deputy Director	1	32	Division Director I	4	30
Division Director II	1	32	Editor in Chief	1	22

Governor's Fiscal Year 2010 Exempt Salary Plan

Economic Development Department (419)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Cabinet Secretary	1	46	Deputy Cabinet Secretary	1	38
Division Director II	6	32	Executive Secretary	1	26
General Counsel	1	34	Public Information Officer I	1	24

Regulation and Licensing Department (420)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrator II	1	24	Chief Legal Counsel	1	34
Deputy Superintendent	1	32	Director of Security	1	30
Division Director I	1	30	Division Director II	5	32
Senior Litigation Attorney	1	26	Special Projects Coordinator I	1	24
Superintendent	1	46			

Public Regulation Commission (430)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Actuary	3	46	Bureau Chief I	2	24
Bureau Chief II	3	28	Chief Clerk	1	30
Chief Legal Counsel	2	34	Chief of Staff	1	46
Compliance Director	1	30	Deputy Superintendent of Insurance	3	32
Division Director I	2	30	Division Director II	2	32
Executive Assistant	5	24	Fire Marshal	1	28
PRC Commissioner	5	52	Public Information Officer I	1	24
Special Projects Coordinator I	1	24	Superintendent of Insurance	1	32

New Mexico Board of Medical Examiners (446)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Chief Legal Counsel	1	34	Executive Director	1	36

Board of Nursing (449)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

EXPO New Mexico (460)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32	Associate Director	1	24
Attorney	1	30	Community Legislative Liaison	1	24
Deputy Agency Director II	1	30	Division Director I	2	30
Executive Assistant	1	24	Market Manager – Security	1	24
Office Assistant	1	16	Special Projects Coordinator I	1	24

Governor's Fiscal Year 2010 Exempt Salary Plan

State Board of Registration for Professional Engineers and Surveyors (464)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

Gaming Control Board (465)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant III	1	24	Deputy Director	1	32
Division Director III	1	34	Executive Director	1	36
Gaming Control Commissioner	3	46	General Counsel	1	34

State Racing Commission (469)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32	Deputy Agency Director I	1	30
Racing Clerk	2	18	Racing Steward	7	20

Board of Veterinary Examiners (479)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

Military Homebase Planning (491)

	<u>FTE</u>	<u>Pay Range</u>
Division Director II	1	32

SpacePort Authority (495)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Deputy Director	1	32	Executive Director	1	36
General Counsel	1	34			

Cultural Affairs Department (505)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant II	1	20	Agency Director	1	32
Cabinet Secretary	1	46	Deputy Cabinet Secretary	2	38
Division Director I	7	30	Division Director II	8	32
Executive Assistant	1	24	General Counsel	1	34
Liaison Officer I	1	22			

New Mexico Livestock Board (508)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

Governor's Fiscal Year 2010 Exempt Salary Plan

Department of Game and Fish (516)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32	Attorney	1	30
Deputy Director	1	32			

Energy, Minerals and Natural Resources Department (521)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Cabinet Secretary	1	46	Deputy Cabinet Secretary	1	38
Division Director I	1	30	Division Director II	5	32
Policy Analyst	1	26			

Inter Tribal Ceremonial Office (538)

	<u>FTE</u>	<u>Pay Range</u>
Senior Regional Manager	1	28

Commissioner of Public Lands(539)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant III	1	24	Assistant Commissioner I	2	26
Assistant Commissioner II	2	28	Chief Legal Counsel	1	34
Deputy Land Commissioner	1	34	Division Director II	1	32
Land Commissioner	1	52	Policy Analyst	1	26
Secretary II	1	18			

State Engineer (550)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrator III	1	26	Assistant State Engineer	1	38
Division Director II	3	32	General Counsel	1	34
Liaison Officer III	1	26	Pecos Compact Commissioner	1	4
Special Projects Coordinator II	1	26	State Engineer	1	46

Organic Commodity Commission (569)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

Commission on the Status of Women (601)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Executive Director	1	36
Special Projects Coordinator II	1	26			

Governor's Fiscal Year 2010 Exempt Salary Plan

Office of African American Affairs (603)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

Commission for the Deaf and Hard-of-Hearing Persons (604)

	<u>FTE</u>	<u>Pay Range</u>
Executive Director	1	36

Martin Luther King, Jr. Commission (605)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Executive Director	1	36
Secretary I	1	14			

Commission for the Blind (606)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Agency Director	1	32
Deputy Agency Director II	2	30			

Indian Affairs Department (609)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Cabinet Secretary	1	46	Deputy Cabinet Secretary	1	38
Division Director II	1	32	General Counsel	1	34
Public Information Officer I	1	24	Senior Policy Analyst	1	24

Aging and Long-Term Services Department (624)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32	Cabinet Secretary	1	46
Chief Legal Counsel	1	34	Deputy Cabinet Secretary	2	38

Human Services Department (630)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant II	1	20	Cabinet Secretary	1	46
Chief Information Officer	1	36	Chief Legal Counsel	1	34
Deputy Cabinet Secretary	2	38	Director of Communication	1	30
Division Director II	4	32	Division Director III	1	34
Insurance Program Manager	1	28	Liaison Officer III	1	26

Governor's Fiscal Year 2010 Exempt Salary Plan

Department of Workforce Solutions (631)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Administrative Assistant II	1	20
Cabinet Secretary	1	46	Chief Information Officer	1	36
Deputy Agency Director II	1	30	Deputy Cabinet Secretary	2	38
Division Director II	6	32	Executive Director	1	36
General Counsel	1	34	Policy Analyst	1	26
Public Information Officer I	1	24	Public Information Officer II	1	26

Workers' Compensation Administration (632)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant III	1	24	Attorney	1	30
Executive Deputy Director	1	28	General Counsel	1	34
Special Assistant III	1	26	Special Projects Coordinator I	1	24
Workers Comp. Adm. Director	1	46	Workers Compensation Judge	4	44

Division of Vocational Rehabilitation (644)

	<u>FTE</u>	<u>Pay Range</u>
Division Director II	1	32

Governor's Disabilities Commission (645)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

Developmental Disabilities Planning Council (647)

	<u>FTE</u>	<u>Pay Range</u>
Executive Director	1	36

Miners' Hospital (662)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Deputy Hospital Administrator	1	46	Hospital Administrator	1	50
Physician	1	70			

Department of Health (665)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Assistant to Cabinet Secretary	1	28	Cabinet Secretary	1	46
Chief Information Officer	1	36	Deputy Cabinet Secretary	3	38
Division Director I	1	30	Division Director II	4	32
General Counsel	1	34	Hospital Administrator	1	50
Public Information Officer II	1	26			

Governor's Fiscal Year 2010 Exempt Salary Plan

Department of Environment (667)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Administrative Assistant II	1	20
Chief Information Officer	1	36	Chief Legal Counsel	1	34
Deputy Cabinet Secretary	2	38	Division Director II	4	32
Nuclear Occupational Illness Liaison	1	28	Public Information Officer I	1	24

Office of the Natural Resources Trustee (668)

	<u>FTE</u>	<u>Pay Range</u>
Natural Resource Trustee	1	28

Health Policy Commission (669)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32	Deputy Agency Director I	1	28
Special Assistant I	1	22			

Veteran's Services Department (670)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant III	1	24	Cabinet Secretary	1	46
Deputy Cabinet Secretary	1	38	Veterans Approval Officer	1	22

Children, Youth and Families Department (690)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Cabinet Secretary	1	46	Chief Legal Counsel	1	34
Children's Cabinet Director	1	26	Deputy Cabinet Secretary	2	38
Division Director II	5	32	Domestic Violence Coordinator	2	28
Public Information Officer II	1	26	Special Assistant II	1	24

Department of Military Affairs (705)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Adjutant General	1	36	Administrative Assistant II	1	20
Administrative Assistant III	1	24	Deputy Adjutant General	1	32
General Counsel	1	34			

Adult Parole Board (760)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

Juvenile Parole Board (765)

	<u>FTE</u>	<u>Pay Range</u>
Consumer Specialist Supervisor	1	24

Governor's Fiscal Year 2010 Exempt Salary Plan

Corrections Department (770)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Cabinet Secretary	1	46	Chief Information Officer	1	36
Deputy Cabinet Secretary	2	38	Division Director II	5	32
Public Information Officer II	1	26	Secretary II	1	18

Crime Victims Reparation Commission (780)

	<u>FTE</u>	<u>Pay Range</u>
Agency Director	1	32

Department of Public Safety (790)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant III	2	24	Administrator II	1	24
Cabinet Secretary	1	46	Chief Information Officer	1	36
Deputy Cabinet Secretary	1	38	Division Director II	5	32
Drug Coordinator	1	28	DWI Statewide Coordinator	1	28
Public Information Officer II	1	26	State Police Chief	1	34

Homeland Security & Emergency Management (795)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Border Liaison	1	24	Division Director II	2	32
Executive Deputy Director	1	28	Executive Dir of Homeland Sec	1	34
Intergovernmental Affairs Liaison	1	16	Public Information Officer II	1	26
Secretary II	1	18	Tribal Liaison	1	26

Department of Transportation (805)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Adjutant Secretary	1	30	Cabinet Secretary	1	46
Chief Information Officer	1	36	Deputy Cabinet Secretary	3	38
Division Director I	2	30	Division Director II	2	32
General Counsel	1	34	Ombudsman III	1	26
Public Information Officer II	1	26			

Public Education Department (924)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Cabinet Secretary	1	46	Deputy Cabinet Secretary	1	38
Division Director II	10	32	Executive Secretary	1	26
Public Information Officer I	1	24	Public Information Officer II	1	26

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Public School Facilities Authority (940)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Administrative Assistant I	1	18	Administrative Assistant II	2	20
Administrator II	1	24	Building Standards Specialist	1	24
CIMS Trainer	3	18	Communications Specialist	1	18
Deputy Director	1	32	Dir. of Finance & Administration	1	30
Executive Director	1	36	Facility Analyst	2	22
Financial Auditor I	1	22	Financial Specialist	2	18
Human Resource Administrator I	1	20	Information Systems Manager	2	28
Information Systems Specialist	1	24	Maintenance Manager	1	24
Maintenance Specialist	3	22	Planning & Design Manager	1	24
Regional Manager I	3	18	Regional Manager II	15	20
Regional Manager III	2	22	Secretary I	2	14
Senior Regional Manager	1	28	Special Projects Coordinator II	2	26
Staff Assistant	1	12	Technical Coordinator	1	18
Value Engineer	1	24			

Higher Education Department (950)

	<u>FTE</u>	<u>Pay Range</u>		<u>FTE</u>	<u>Pay Range</u>
Cabinet Secretary	1	46	Chief Information Officer	1	36
Deputy Cabinet Secretary	1	38	Division Director II	8	32
Executive Assistant	2	24	Public Information Officer II	1	26

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