# nmseal STATE OF NEW MEXICO

# DEPARTMENT OF FINANCE AND ADMINISTRATION

## STATE BUDGET DIVISION

### BATAAN MEMORIAL BUILDING, SUITE 190 SANTA FE, NM 87501

**(505) 827-3640 FAX (505) 827-3861**

|  |  |
| --- | --- |
| MICHELLE LUJAN GRISHAM | OLIVIA PADILLA-JACKSON |
| GOVERNOR  |  CABINET SECRETARY |
|  |  |

June 14, 2019

MEMORANDUM

TO: Cabinet Secretaries, Agency Heads, and Chief Financial Officers

FROM: Olivia Padilla-Jackson, DFA, Cabinet Secretary

SUBJECT: Accountability in Government Act Program and Performance Change Deadlines

The Accountability in Government Act (AGA) requires that each agency annually revisit, and adjust where appropriate, program structures and performance measures. It also requires quarterly performance reports for key agencies. (Please see Attachment A for a list of these key agencies.)

The purpose of this memorandum is to provide guidance and identify requirements under the AGA for (1) requesting changes in an agency’s program structure; (2) requesting performance measure changes for FY21; and (3) identifying and reporting FY20 key measures by selected agencies required to submit quarterly progress reports on performance measures.

**Program Structure Changes**

Agencies are encouraged to reevaluate their current program structure and recommend changes that have the potential to produce better outcomes that reflect the mission, goals, and strategic direction of the organization. Programs that are no longer considered effective or cost efficient should be eliminated or scaled back in favor of revised programs and initiatives that make more productive use of state resources.

Agencies that would like to change their program structure (P-code structure) for FY21 need to submit a detailed letter to DFA and the LFC regarding proposed changes by Monday, July 15, 2019. Proposed changes may include:

1. reduction in the number of programs offered by the agency,
2. expansion of the number of programs offered by an agency, or
3. revision in the type or scope of programs offered by an agency.

Requests for program changes in an agency’s FY21 program structure should include:

1. the existing program structure;
2. the proposed program structure;
3. constitutional or statutory authority for the program;
4. a program purpose statement; and
5. an explanation of how the proposed program structure will improve the agency’s operations.

By statute, the State Budget Division (SBD), in consultation with Legislative Finance Committee (LFC), shall make any necessary revisions and approve or disapprove proposed changes no later than August 15, 2019.

**Strategic Plan and Performance Measures**

Agencies should annually update their strategic plans. The agency’s most recent Strategic Plan must be submitted with the Appropriation Request on September 3, 2019; however, since performance measures should be tied to the Strategic Plan, it is suggested that agencies update their strategic plans prior to the July 15th deadline for submission of the agency’s proposed performance measures for FY21.

Performance measures are approved by DFA and LFC under the Accountability in Government Act. These measures must be listed on an agency’s PB-1 Form. Key quarterly measures and General Appropriation Act (GAA) measures are both subsets of approved AGA measures.

**FY21 AGA Measures**: Agencies need to request approval of their AGA performance measures for FY21 by submitting a proposal to the State Budget Director and the Legislative FinanceCommittee (LFC)prior to July 15 using the Proposed Performance Measure Change Form (PB-1) for FY21 posted on the DFA website at <http://www.nmdfa.state.nm.us/Performance_Based_Program.aspx>.

Each agency should adhere to the following procedure when proposing AGA measures:

* Agencies shall receive with this memo a copy of their active FY20 performance measures generated from the PBB system (Table 2 Report).
* Agencies will submit AGA performance measures for FY21 using the “Proposed Performance Measure Change Form” (PB-1). This must be submitted to SBD and LFC by email.
* All active FY20 measures must be listed on the PB-1 Form in the “Existing Measures” column exactly as written on the Table 2 Report in order to adhere to bill drafting protocols with regards to punctuation, capitalization, etc.

**FY20 Key Measures:** Key measures are a subset of measures that have already been adopted for FY20, separate from any proposed measures for FY21. The list of key agencies for FY20 is included in Attachment A. These agencies will identify, through submitting a Proposed Key Measure Form (PB-2) Form, a subset of **current active FY20 measures** that they will report on a quarterly or semi-annual basis. **Agencies not identified as key agencies do not need to submit a PB-2.**

**Please note agencies should not submit targets for performance measures at this time. Performance measure targets as well as FY19 results should be submitted with the FY21 Appropriation Request on September 3, 2019.** Agencies must meet with their Executive Budget Analyst and their LFC Analyst if they are proposing major changes to their performance measures. By statute, SBD, in consultation with LFC, shall make any necessary revisions and approve or disapprove proposed changes no later than August 15, 2019.

Due dates for key deliverables are:

| **What** | **Who** | **When** |
| --- | --- | --- |
| Propose Key Measures and Quarterly Report formats for FY20 | Key Agencies |  July 15, 2019 |
| Propose changes to Program Structure and Performance Measures for FY21 | All Agencies |  July 15, 2019 |
| Submit 4th Quarter Performance Report to SBD and LFC | Key Agencies |  July 30, 2019 |
| Approve FY20 Key Measures and Quarterly Report formats after LFC and agency collaboration | State Budget Division |  August 15, 2019 |
| Approve FY21 Program Structure and Measures after LFC and agency collaboration | State Budget Division |  August 15, 2019 |
| Agency Strategic Plan  | All Agencies | September 3, 2019 |
| Submit FY21 Performance-Based Program Appropriation Requests with performance measures  | All Agencies | September 3, 2019 |
| Submit FY19 AGA Performance Report to SBD and LFC | All Agencies | September 3, 2019 |
| Submit FY19 Annual Report Measures to SBD and LFC | All Agencies | September 3, 2019 |
| Submit 1st Quarter Performance Report to SBD and LFC | Key Agencies | October 30, 2019 |
| Submit 2nd Quarter Performance Report to SBD and LFC | Key Agencies | January 30, 2020 |
| Submit 3rd Quarter Performance Report to SBD and LFC | Key Agencies | April 30, 2020 |
| Submit 4th Quarter Performance Report to SBD and LFC | Key Agencies | July 30, 2020 |

**Quarterly Reporting Key Agencies**

|  |  |
| --- | --- |
| **Code** | **Agency** |
| 200-280 | Judiciary (Including AOC and PDD) |
| 333 | Taxation and Revenue Department |
| 419 | Economic Development Department |
| 521 | Energy, Minerals and Natural Resources Department |
| 550 | Office of the State Engineer |
| 624 | Aging and Long-Term Services Department |
| 630 | Human Services Department |
| 631 | Workforce Solutions Department |
| 665 | Department of Health |
| 667 | Environment Department |
| 690 | Children, Youth and Families Department |
| 770 | Corrections Department |
| 790 | Department of Public Safety |
| 805 | Department of Transportation |
| 924 | Public Education Department |

**Semi-Annual Reporting Key Agencies**

|  |  |
| --- | --- |
| **Code** | **Agency** |
| 341 | Department of Finance and Administration |
| 378 | State Personnel Office  |
| 95X | Higher Education Institutions  |
| 993 | Public Schools  |

Key agencies should identify measures that they are requesting as quarterly reporting (Key) measures by submitting a PB-2 Form.

SBD and LFC staff will collaborate with key agencies to select key measures and develop an agency’s format for quarterly reporting. SBD will be the final authority for approval of key measures and reporting format. Agencies will receive written approval of key measures from DFA in the form of an approved PB-2 Form.

**Notes: 1) Program Support/Administrative Services of the agencies listed above are not included; 2) DFA and the LFC will be working collaboratively to identify cross-agency measures.**