



NEW MEXICO  
LEGISLATIVE  
FINANCE  
COMMITTEE

# **New Mexico:** ***Legislating for Results***

Charles Sallee, Director  
Legislative Finance Committee

February 26, 2024

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# Legislative Finance Committee Authority & Duties

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- The LFC has broad authority to **examine and evaluate the finances and operations of all departments**, agencies, and institutions of New Mexico and its political subdivisions (Section 2-5-3 NMSA 1978).
- The LFC may **recommend changes to laws** governing the state to improve government effectiveness and efficiency.
- The LFC **proposes a comprehensive state budget recommendation** each year. New Mexico is rare in that both the governor and a legislative agency (LFC) each propose a state budget recommendation to the Legislature.
- The LFC has the **authority to subpoena** and state entities are required to cooperate with LFC on all information that it requests. LFC historically has not had to issue a subpoena for cooperation from state entities.
- The LFC is responsible for coordinating with state entities to **forecast state revenues** and **assess the fiscal impact of legislation**.



# Legislative Finance Committee Staff: Non-Partisan, Masters/Doctoral Level Education

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## Economists (3)

- Forecast revenues and economic conditions
- Perform tax policy analysis

## Fiscal Analysts (18)

- Develop the LFC budget recommendation
- General fiscal and performance oversight
- Assess the fiscal impacts of legislation

## Program Evaluators (13)

- Conduct evaluations of state agencies, higher education, schools, and local governments.
- Coordinate accountability work with fiscal analysts.

2024 Legislature added 6 more analysts/evaluators. LFC has support staff (6)



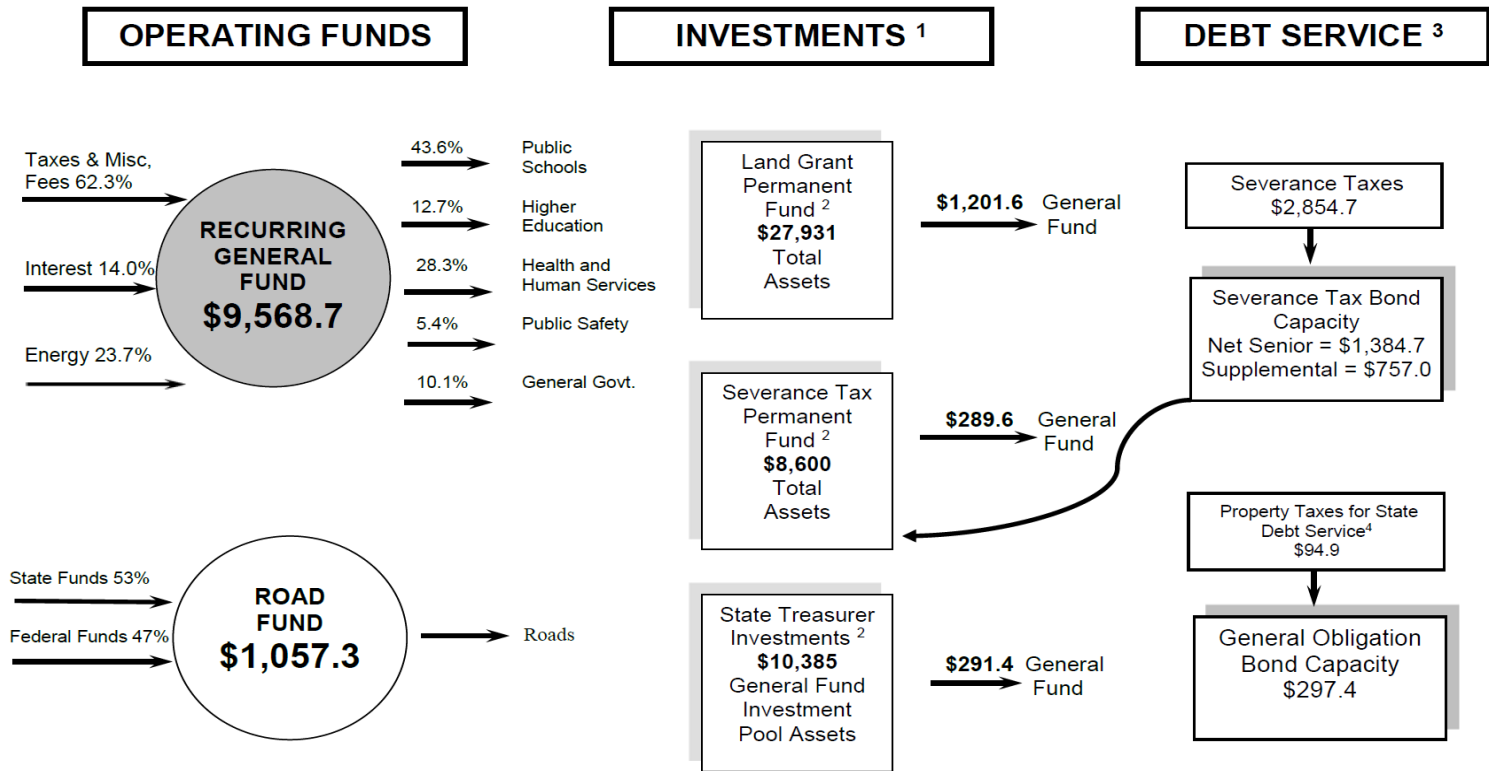
# New Mexico Finance Overview

## FY25 General Fund = \$10.2 billion

## FY25 All Funds Budget = \$28.9 billion

### OVERVIEW OF NEW MEXICO FINANCES: FY24 OPERATING BUDGET

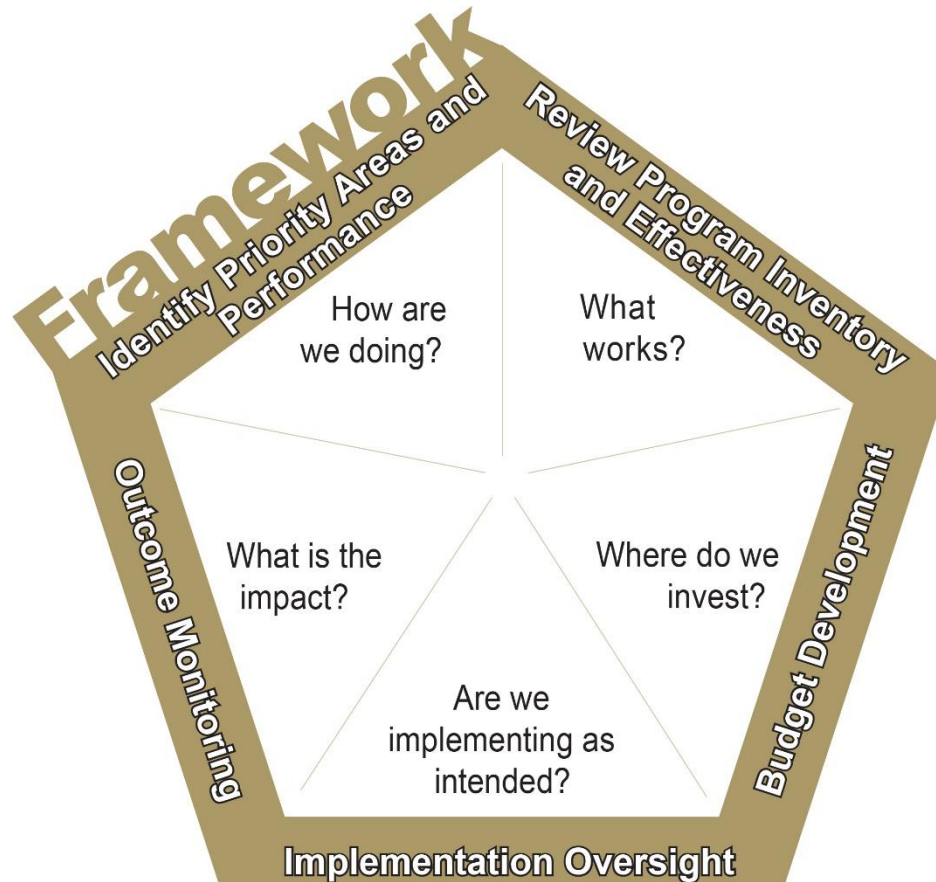
(in millions of dollars)



1 Investments exclude retirement funds  
 2 As of November 2023 for state treasurer; as of September 2023 for LGPF and STPF. Excludes federal relief funds  
 3 Includes only state debt service  
 4 GO bonds are issued every other year

Source: LFC Files

# New Mexico Legislating for Results Framework



## Legislating for Results Tools

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- LFC Integrates a mix of....
  - Research
  - Cost-Benefit Analysis
  - Policy Analysis
  - Budget Analysis
  - Performance Monitoring (Report Cards)
  - Performance, Policy and Budget public hearings &
  - Program Evaluation
- Into the policy and budget process, in addition to traditional approaches



# Quarterly Report Cards on Agency Performance

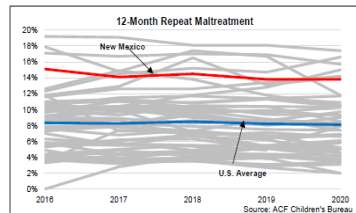


## PERFORMANCE REPORT CARD: Fourth Quarter, FY23 Children, Youth and Families Department

New Mexico consistently ranks among the top six states for repeat maltreatment occurring within 12 months of an initial allegation. There are several evidence-based options to reduce and prevent repeat maltreatment and better leverage the child welfare workforce, including improving the use of screening and assessment tools, intervening early with the level of intervention based on the level of risk, and following through with the appropriate supports and services. In recent years, the state enacted legislation and significantly increased appropriations in support of these objectives. However, delivering the right interventions to the right people at the right time is easier said than done. In a February 2023 press release the governor declared the child welfare system "is fundamentally broken." This came 32 years after the taskforce that led to the establishment of the Children, Youth and Families Department (CYFD), said the system was crisis-oriented and failed to support families. For FY24, the Legislature increased appropriations significantly for the child welfare system to adjust salaries, fill vacancies, improve access to behavioral health services, and boost prevention programming for evidence-based programs.

### Protective Services

Prevention and early intervention is the key to reducing repeat child maltreatment. Over the long-term, child maltreatment causes physical, psychological, and behavioral consequences leading to increased costs to the child welfare, behavioral health, and physical healthcare systems. Several evidence-based options for preventing repeat maltreatment could be expanded and leveraged to garner more federal revenue and improve outcomes. Between FY18 and FY22, CYFD preventive services expenditures grew from about \$1.1 million to \$11.1 million, a tenfold increase, with most of the increase occurring in the last two years. The number of children placed in either foster care, relative foster care, or other placements increased by 14 percent since December 2022 or about 242 children. Prior LFC program evaluation reports pointed out that the state may be over-removing children and that many of these children end up in short-term placements. The increased number of children in custody of the department reverses a trend going back to at least 2018 of fewer children in foster placements.



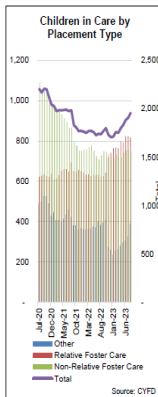
### ACTION PLAN

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

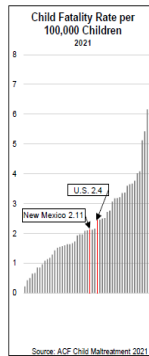
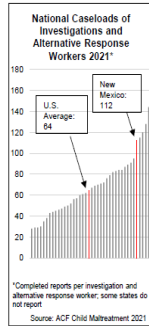
Kevin S., et al. v. Blalock and Scarce Lawsuit Settlement

The lawsuit against CYFD alleged

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



### Children, Youth and Families



Budget: \$195,773.8 FTE: 1,111

	FY21 Actual	FY22 Actual	FY23 Target	FY23 Actual	Rating
<b>Maltreatment</b>					
Children who were victims of a substantiated maltreatment report during a 12-month period who were victims of another substantiated maltreatment allegation within 12 months of their initial report	14%	14%	9%	13%	<span style="color: red;">R</span>
Rate of maltreatment victimizations per one hundred thousand days in foster care	14.7	10.1	8.0	13%	<span style="color: red;">R</span>
Families with a completed investigation that participated in family support or in-home services and did not have a subsequent substantiated abuse report within 12 months	New	75%	20%	91%	<span style="color: green;">G</span>
Serious injuries with prior protective services involvement in the last year	New	43%	26%	33%	<span style="color: red;">R</span>
Turnover rate for protective service workers	26%	37%	30%	37%	<span style="color: red;">R</span>
Average statewide central intake call center wait time in seconds	27	30	180	29	<span style="color: green;">G</span>
<b>Foster Care</b>					
Children in foster care who have at least one monthly visit with their caseworker*	98%	99%	N/A	92%	<span style="color: green;">G</span>
Children in foster care for more than eight days who achieve permanency within 12 months of entry into foster care	30%	36%	30%	33%	<span style="color: green;">G</span>
Children in foster care for 12 to 23 months at the start of a 12-month period who achieve permanency	40%	42%	35%	34%	<span style="color: yellow;">Y</span>
Children in foster care for 24 months, or more, at the start of a 12-month period who achieve permanency	41%	38%	32%	31%	<span style="color: yellow;">Y</span>
Foster care placements currently in kinship care settings	42%	40%	36%	52%	<span style="color: green;">G</span>
Indian Child Welfare Act foster care youth who are in an appropriate placement	73%	72%	35%	67%	<span style="color: green;">G</span>
Relative placements that transition to permanency or are still stable after 12 months	78%	74%	35%	73%	<span style="color: green;">G</span>
Children who enter care during a 12-month period and stay for >8 days, placement moves rate per 1,000 days of care	5.6	5.7	4.0	7.6	<span style="color: red;">R</span>
<b>Program Rating</b>	<span style="color: yellow;">Y</span>	<span style="color: yellow;">Y</span>		<span style="color: yellow;">Y</span>	

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

### Juvenile Justice Services

The Juvenile Justice Services (JJS) secure population continues shrinking and in November 2022 there were a total of 80 clients in secure facilities, a 63 percent decrease since FY13. Because of the continual downward population trend, in January 2022 the department closed the Camino Nuevo Youth Center after ceasing to hold clients at the San Juan County Detention Center in FY21. Physical assaults in the facilities are significantly down and there is currently a two-to-one student teacher ratio. With the reduced population and low ratios, the program should start performing better on improving math and reading scores. The turnover rate for youth care specialists increased from 18 percent in FY21 to 42

- Required by statute – New Mexico’s Accountability in Government Act
- Only key (large) agencies
- Measures and targets negotiated annually between executive and legislature
- Agencies must identify their core services and ways to measure effectiveness and report on whether programs are demonstrating that effectiveness.



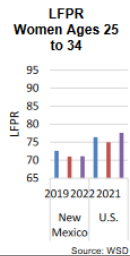
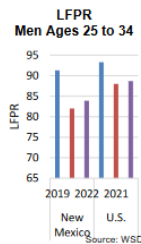
# LegisStat: A new tool for Legislative hearings on agency performance

LegisStat: Economic Recovery | September 27, 2023

## Key Data

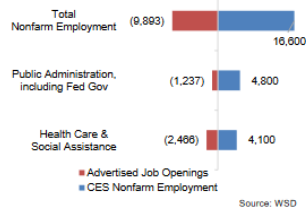


- Between 2008 and 2021, the state lost about 26 thousand workers.
- An estimated one-quarter of the state's population is not employed but is of working age.
- Between February 2023 and July 2023, as the state began to unwind benefit programs that were enhanced during the pandemic, the LFPR increased slightly, from 56.5 percent to 57.1 percent.
- The national LFPR in July 2023 was 62.6 percent.



- While national labor force participation rates have increased for both men and women who are 25 to 34 years of age between 2021 and 2022, in New Mexico they only increased for men.
- Overall, 60.4 percent of working age men participate in the labor force, compared to 50.5 percent of working age women in New Mexico.
- Among men and women of prime working age, more men participate in the workforce than women.
- An estimated 77 thousand men and women in this prime working age range are not participating in New Mexico's labor force.

## Change between August 2022 to August 2023, Select Industries



- Over the last year, employment trends have returned to those that were more normal before the pandemic.
- The number of advertised job openings overall and in select industries has declined, while the number of workers employed has increased

- **Focused:** Meetings focus on most important challenges facing agencies, identified ahead of time.
- **Committee-driven:** Meetings driven by the committee chair and by members' questions; only short presentations.
- **Emphasizing deeper dives:** Use of follow-up questions by members to get to the root causes of problems... "the Five Whys."
- **Action-oriented:** Agencies ideally commit to specific actions by the next meeting, representing near-term actions even if long-term challenges.
- **Strong on accountability:** Meetings designed to start with agency updates on action items from previous meeting.
- **Collaborative:** Meetings require ongoing collaboration between legislators and agency leaders.
- **Aiming for impact:** Important part of the initiative's impact occurs between meetings, when agencies work to achieve action items committed to during the meetings.





# THANK YOU

**For More Information:**

<https://www.nmlegis.gov/LFC>

Publications on:

- Budgets
- Revenues
- Performance Report Cards
- Program Evaluations and more!

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