



DEPARTMENT OF
FINANCE & ADMINISTRATION

FY22 Executive Budget Recommendation



DEPARTMENT OF
FINANCE & ADMINISTRATION

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SPECIAL REPORTING

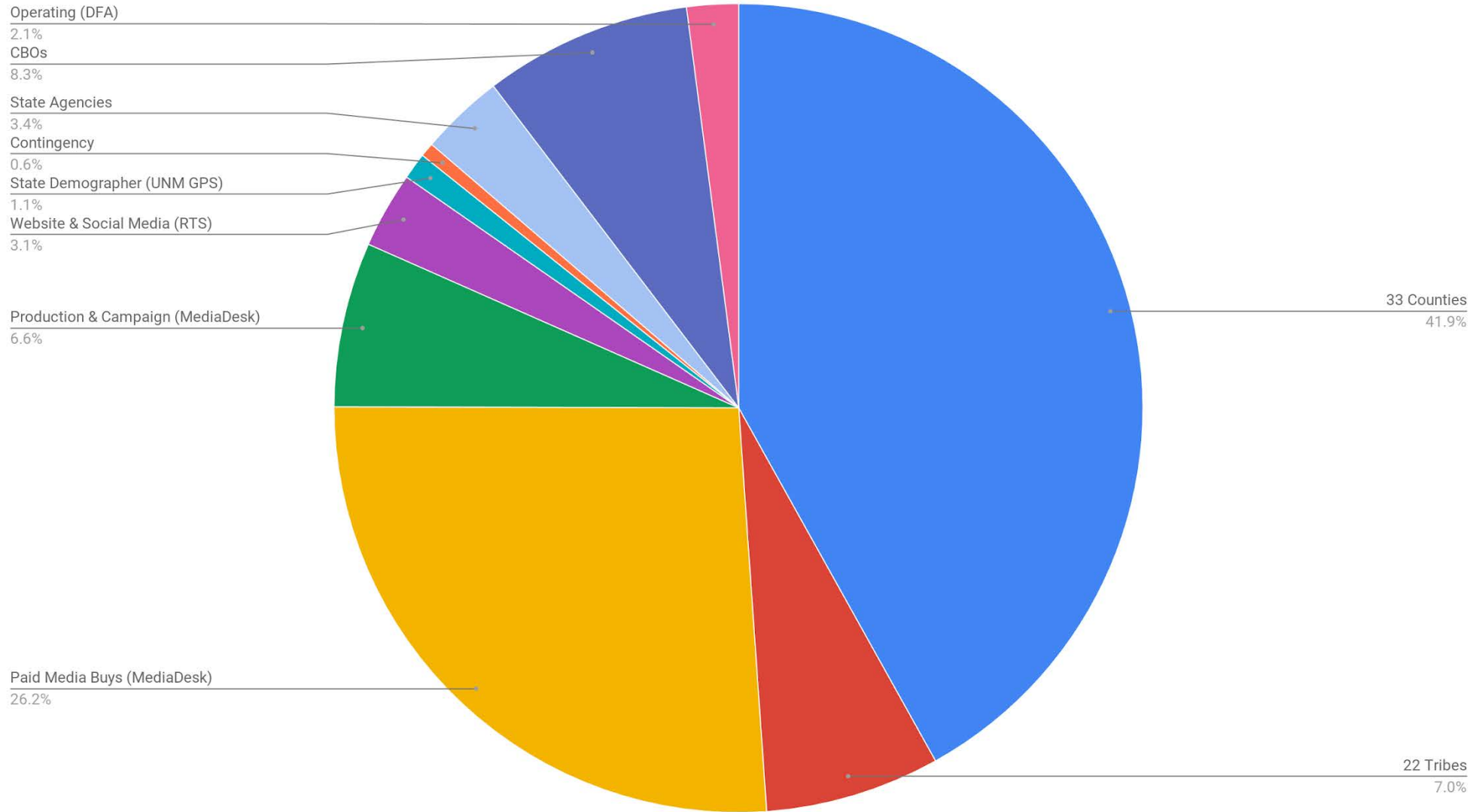
- Census Spending
- Special Session CARES Act Spending

2020 CENSUS

- A total of \$11.5M was made available to support outreach for the 2020 Census.
- \$3.5M in 2019 and \$8M in 2020. A majority of the appropriated funds were expended.
- Additionally, nearly \$800,000 was allocated and distributed to the 22 tribes and pueblos across New Mexico by the Indian Affairs Department (IAD). According to a recent IAD report, \$97,961.53 is anticipated in reversions.
- The remaining funds were allocated and fully spent by state agencies (DFA, Public Education and Indian Affairs Departments), community based organizations, a local media agency (MediaDesk), the web development firm RealTime Solutions, and the University of New Mexico Geospatial and Population Studies program.

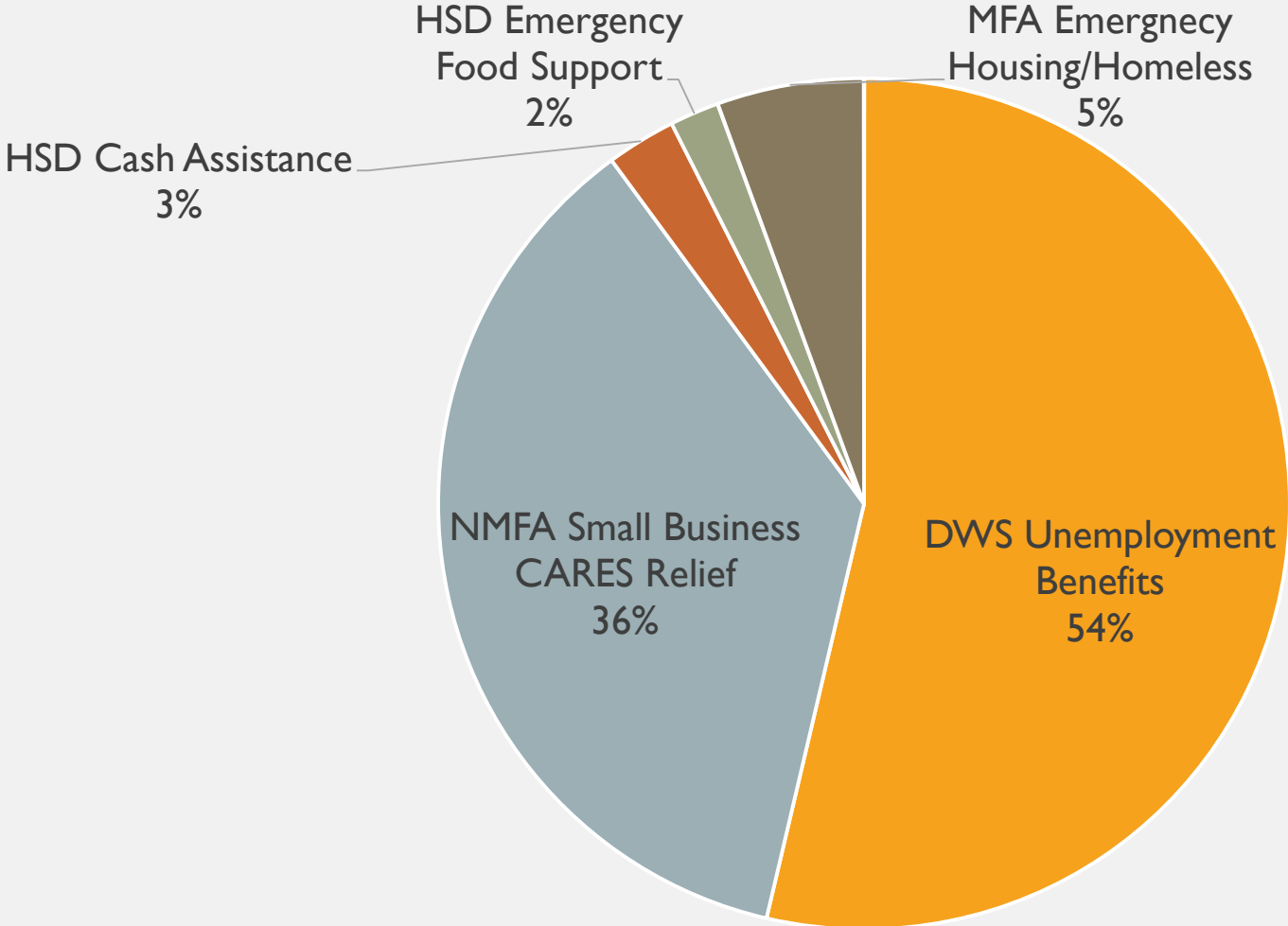


2020 Census - State of NM Outreach Funds Distribution Overview (\$11.5M total)



SPECIAL SESSION CARES ACT

\$319M



SPECIAL SESSION CARES ACT CONT.

DWS Unemployment Benefits

- \$143.6 million distributed
- \$1,200 thousand dollar benefits deployed to 119,634 individuals
- \$33 thousand for administrative expenses
- \$50.4 million transferred to UI Trust Fund

NMFA Small Business CARES Relief

- \$97 million distributed
- \$500 thousand for administrative expenses
- 14,125 applications received totaling \$156 million
- 6,726 grants awarded/average grant was about \$15,000
- 40% went to non-urban areas
- \$2.5 million transferred to UI Trust Fund



SPECIAL SESSION CARES ACT CONT.

HSD Cash Assistance

- \$7,029 million distributed
- \$2,029 million additional CARES Act money added to reach more people
- 15,119 households/\$465 allotments per household

MFA Emergency Housing/Homeless Assistance

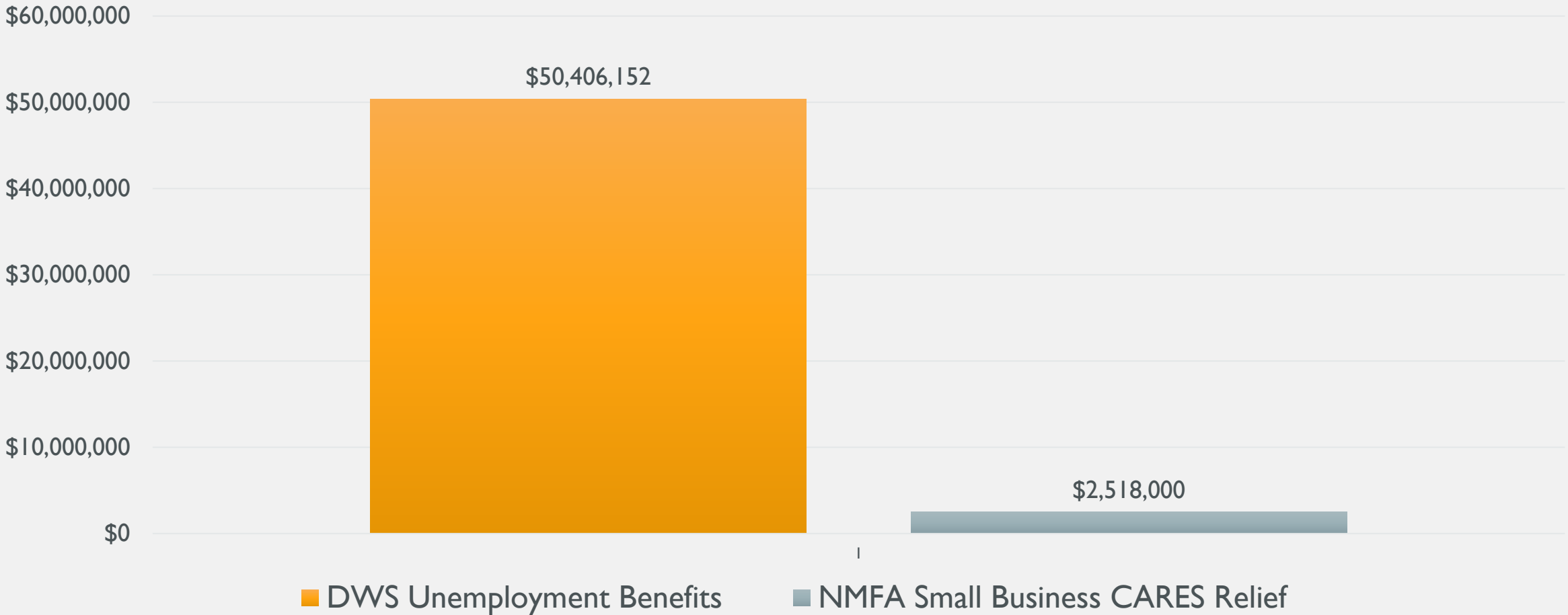
- \$14.9 million distributed
- 3,392 homeowners, renters and persons experiencing homelessness
- \$61.3 thousand for administrative expenses

HSD Emergency Food Support

- \$5 million
- Funding distributed to 5 food banks



REVERSIONS TO UI FUND

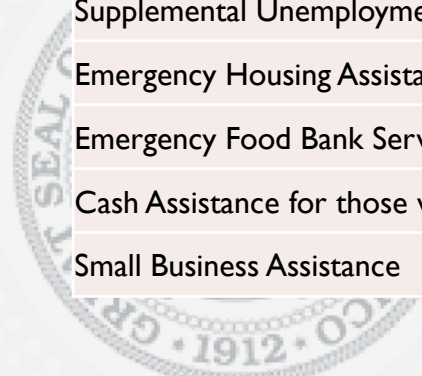


CARES ACT

Total NM CRF Allocation	\$1,250,000.0
Direct payment to ABQ and BernCo	\$182,183.0
REMAINING	\$1,067,817.0
to General Fund	\$431,000.0
to Local Govs	\$152,029.0
to Tribes	\$26,300.0
to State Government Agencies for COVID-19 response	\$139,488.0
Second Special Session Appropriations	
Supplemental Unemployment	\$194,000.0
Emergency Housing Assistance	\$15,000.0
Emergency Food Bank Services	\$5,000.0
Cash Assistance for those who did not receive federal stimulus	\$5,000.0
Small Business Assistance	\$100,000.0

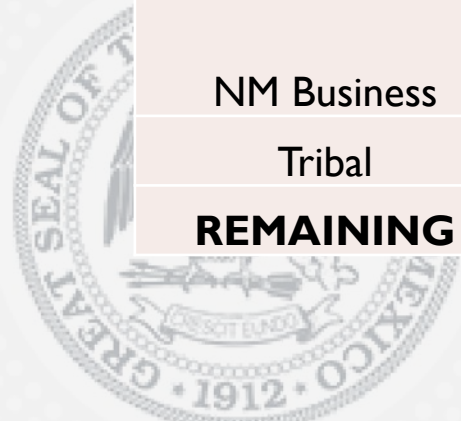
CRF General Fund Spend Plan (\$431M)

Public Health and Safety Personnel	\$ 399,085.60
DOH	\$ 33,533.20
CYFD	\$109,148.80
DPS	\$ 83,226.80
Corrections	\$125,870.00
ALTSD	\$7,383.60
Higher Education	\$39,923.20
Facilitating Distance Learning k-12	\$31,914.40



CARES ACT CONT.

Total Dollar Amounts for All Pay Requests				
	Total Amount of POs	Total Amounts Approved to be Paid	Remaining Balance	% of PO Amount Approved to be Paid
Health	\$100,000.00	\$100,000.00	\$0.00	100%
Local Government	\$101,990,267.37	\$77,767,481.14	\$24,222,786.23	76%
NM Business	\$48,832,765.63	\$47,948,454.95	\$884,310.68	98%
Tribal	\$27,300,000.00	\$13,401,200.32	\$13,898,799.68	49%
REMAINING	\$178,223,033.00	\$139,217,136.41	\$39,005,896.59	78%



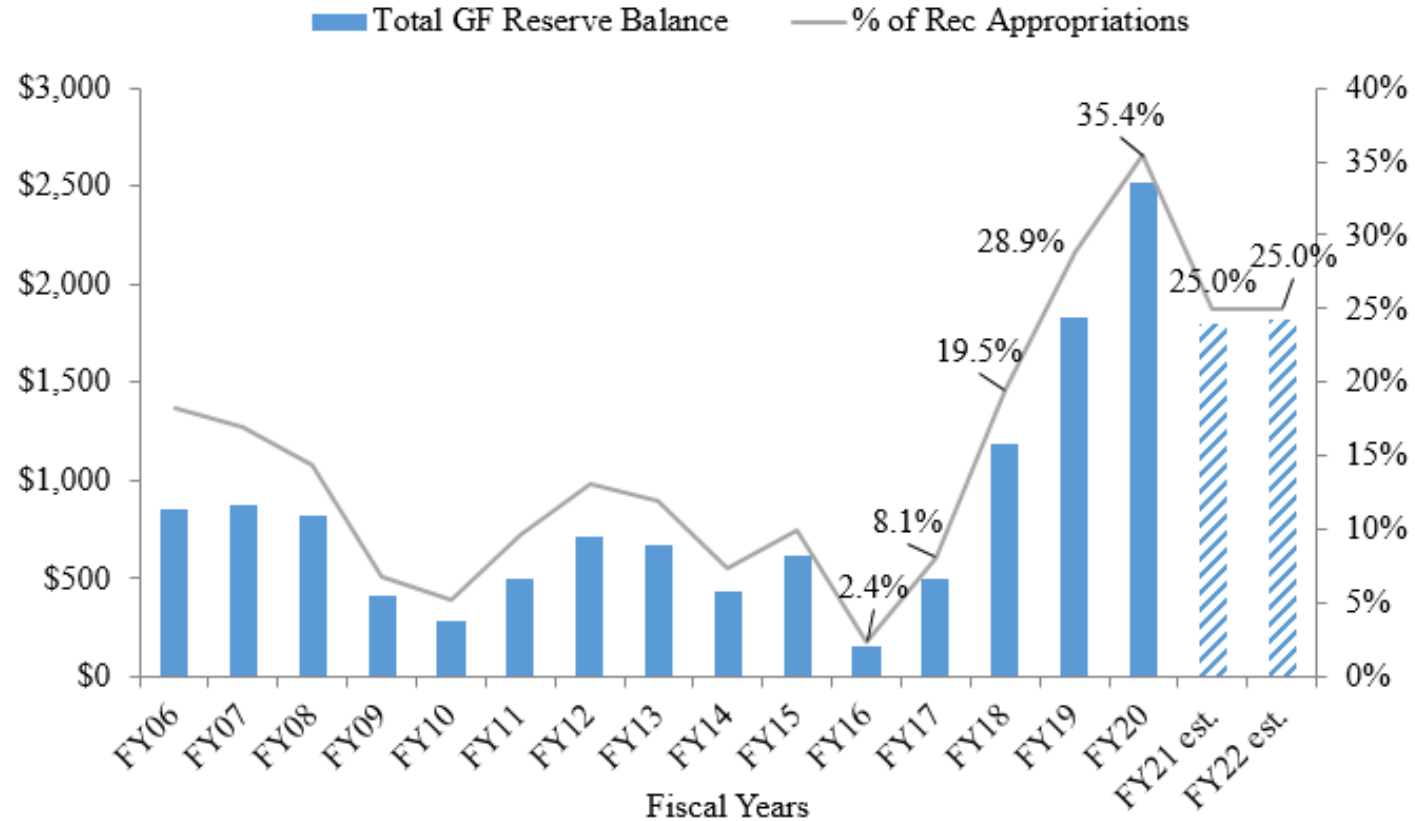


GENERAL FUND RESERVES

- Governor Lujan Grisham's Executive Budget includes a reserve target of 25%
- Legislature passed a budget with a 11% reserves during the June Special Session
- Total General Fund Ending Balances in FY20 were \$2,513.6 million (or \$2.5 billion) and 35.4% of recurring appropriations

GENERAL FUND RESERVES

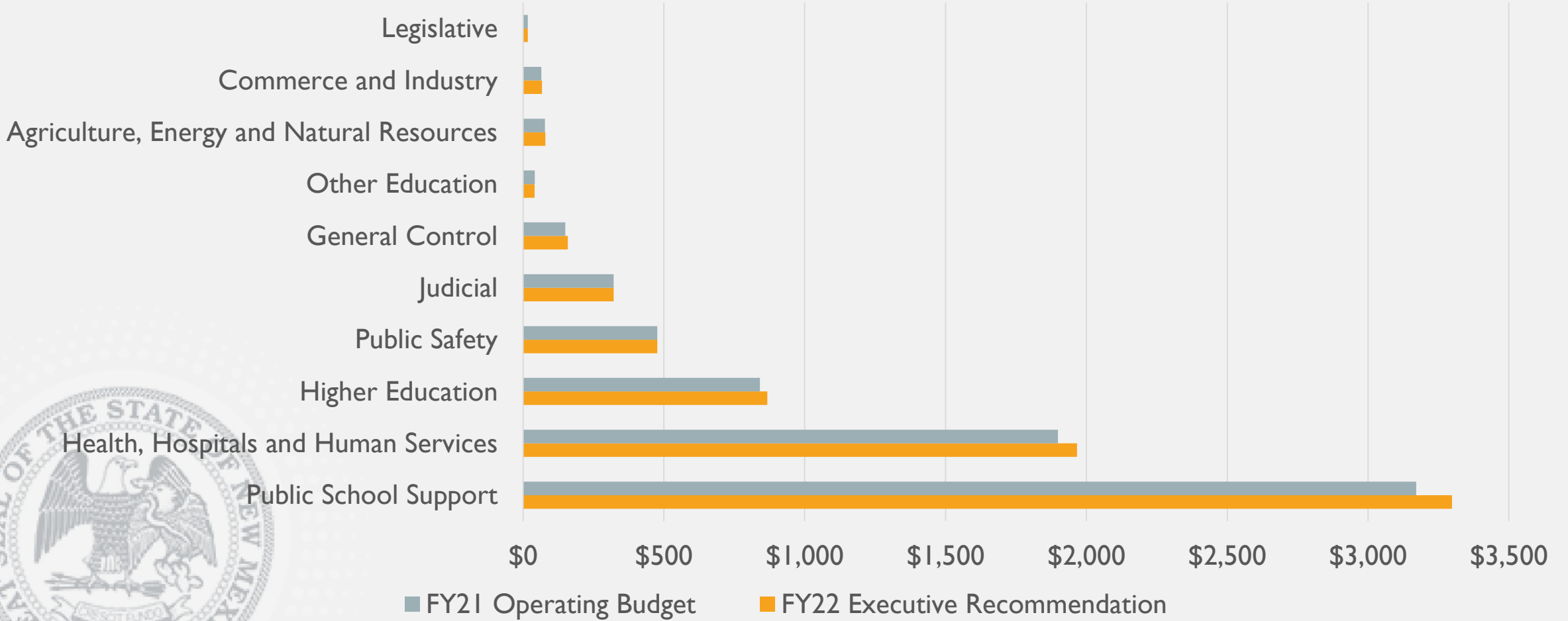
General Fund Reserve Balances as a Percent of Recurring Appropriations



Source: DFA, FCD



FY22 GF EXECUTIVE RECOMMENDATION
VS. FY21 OPERATING BUDGET
(DOLLARS IN MILLIONS)





RECURRING &
NON-
RECURRING

- \$7,298.5 million Recurring
- \$769.4 million Non-recurring FY21 and FY 22

GENERAL FUND HIGH LEVEL BREAKDOWN

Pandemic and Economic Recovery

- *Pandemic Fund* *\$475 million*
- *Local Economic Development Act (LEDA)* *\$30 million*
- *Job Training Incentive Program (JTIP)* *\$12 million*
- *Green Energy Investments* *\$2.75 million*
- *Tourism Restore and Revitalize Economy* *\$25 million*



GENERAL FUND HIGH LEVEL BREAKDOWN CONT.

Executive Budget Highlights

- Behavioral Health Support \$893.1 million
- Foster Families Increase \$1 million
- Developmental Disabilities Support \$181.8 million
- Suicide Prevention \$5.1 million
- School-Based Health Centers \$7.2 million
- Rural and Primary Healthcare Programs \$11.3 million
- CYFD Reach New Mexico \$637 thousand
- Medical Provider Agreements \$14.3 million
- Early Childhood Provider Workforce \$3.6 million



GENERAL FUND HIGH LEVEL BREAKDOWN CONT.

Executive Budget Highlights

- *Early Childhood Pay Equity* \$4.5 million
- *Home Visiting to 1,723 more families* \$3 million
- *Opportunity Scholarship* \$26 million
- *Families FIRST 1,700 more families* \$1 million
- *New Private Pre-K slots* \$4 million
- *Cyber Security (PED/DoIT)* \$4.5 million



PUBLIC SCHOOLS

Total general fund recommendation for public schools

- *\$3.3 billion representing an increase of \$127.7 million or 4% compared to FY21 operating budget.*
- *Tribal Remedy Framework* *\$30 million*
- *Family Income Index* *\$80 million*
- *Statewide Digital Access* *\$10 million*
- *Impact Aid Hold Harmless* *\$35 million*



EDUCATION REFORM FUND

\$147 million of initiatives

- \$80m - Family Income Index (ERF)
- \$30m - Tribal Remedy Framework (ERF)
- \$15m – Work-based learning and paid internships for high school students (ERF)
- \$10m – Statewide digital access for students (ERF)
- \$8m – Martinez-Yazzie Regional Accountability and Technical Support (ERF)
- \$1.5m – Educator Recruitment (ERF)
- \$1.5m - Cyber Security and Data Systems (ERF)
- \$500k – Task force for asset mapping and gap analysis (ERF)
- \$723.2k - IT upgrades to manage (50% ERF)



An aerial night view of a city, likely Austin, Texas, showing a mix of residential neighborhoods and commercial buildings. A large teal circle with a white border is overlaid on the left side of the image. The city lights are visible against a dark blue sky.

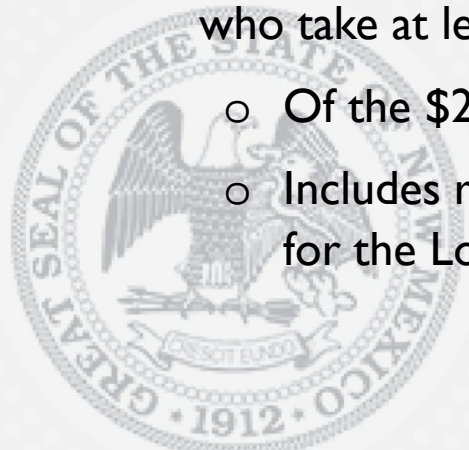
EXPENDITURE HIGHLIGHTS

- **Higher Education and Workforce Initiatives**
- **Children and Families**
- **Public Health and Wellbeing**

HIGHER EDUCATION & WORKFORCE

The Executive recommends an overall department budget of \$122,857.7, which is an increase of \$21,048.5 or 20.7% above the FY21 Operating Budget. Funding was increased for the Opportunity Scholarship fund and to provide a vacancy rate of 7%.

- \$1 million in general fund was added to increase suicide prevention programs for New Mexico students.
- \$26 million in recurring funding added to renew the promise of a tuition-free education at one of our public colleges' two-year programs across the state. This funding also ensures graduating high school seniors and returning adult learners have access to pursue and attain the skills they need to thrive in a 21st century economy. This funding will fully fund the program for two-years and certificate programs for those students who take at least 6 credit hours or more.
 - Of the \$26 million, \$4 million is reserved for a pilot program for Lost Lottery Students.
 - Includes reversion language to allow unspent funding to revert to the Lottery Scholarship Fund to allow for the Lottery Scholarship to remain in a healthy fund balance overtime.



HIGHER EDUCATION AND WORKFORCE CONT

- Moves \$1,924.1 in flow-through funding from the department budget to the appropriate Higher Education Institution
 - \$846.0 for ENLACE was moved to the University of New Mexico Health Sciences Center
 - \$1,096.1 for the MESA program was moved to the New Mexico Institute of Mining and Technology.
- \$3.6 million was transferred from the Education Endowment Trust Fund at ECECD to HED for implementation through the Higher Education Program Development Enhancement Fund. This funding will be used to increase recruitment and support for bilingual and Indigenous educators; promote clear processes and accelerated pathways to credentials and degrees; accreditations by the National Association for the Education of Young Children (NAEYC); and build capacity through endowed early childhood faculty positions.



HIGHER EDUCATION INSTITUTIONS (HEI)

The Executive recommends an overall total of \$808,570.4 for the HEIs and Special School, this is an increase of \$7,941.9 or 1% when compared to the FY21 Operating Budget.

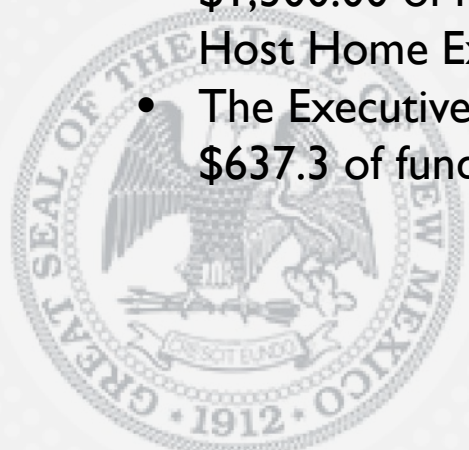
- \$10,000.0 added back into the HEI budget to offset half the federal funding swap implemented during the 2020 first special session
- All RPSPs received a 3.2% reduction. Those programs that were kept flat with the FY21 Operating Budget include the Special Schools and the Department of Agriculture. The transfer of funding for ENLACE was recommended at \$843.8. MESA was recommended at \$1,085.9, both of which were slight decreases from the FY21 Operating Budget.
- The Funding formula was not proposed to be run for the FY22 Executive Budget Recommendation.



CHILDREN AND FAMILIES

Children Youth and Families Department's General Fund Budget, \$305,632, a \$2,478.6 or .8% growth over FY21.

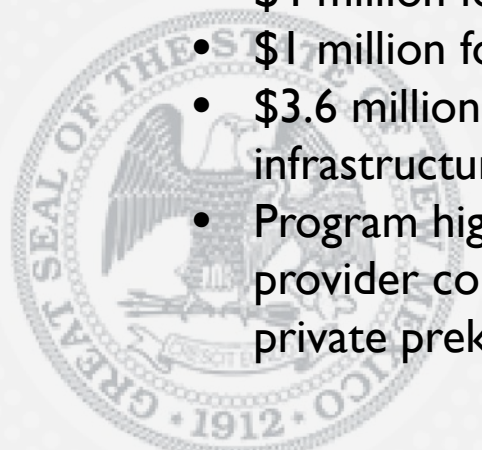
- The Executive General Fund recommendation is **\$212,812.2**, a **\$758.5** or **0.4%** decrease below FY21 due to General Fund being swapped for available fund balances within Juvenile Justice. The Executive recommendation restores **\$9,478.5** in General Fund for CYFD after the agency submitted a 5% General Fund reduction with their FY22 request.
- **\$2,000.00** in funding is restored to Program Support
- **\$2,500.00** of funding is restored to reduce the vacancy rates across the agency.
- **\$1,000.00** of funding is restored for Foster Care Rate increases that will go directly to Foster Parents.
- **\$1,300.00** of funding is restored for Family Resource Connections, Transitional Living, Crisis Shelter Beds and Host Home Expansions.
- The Executive recommendation supports the creation of 12 new positions within Protective Services and **\$637.3** of funding for these positions for the REACH NM initiative



CHILDREN AND FAMILIES CONT.

Early Childhood Education and Care Department General fund flat to FY20 at \$193,588, Total recommendation \$411,389.8

- \$20 million of ECECD trust fund to enhance and expand early childhood related programs and services, including:
 - \$4.5 million to address pay equity for at least 300 private sector teachers statewide
 - \$1.8 million to set up necessary IT infrastructure and data integration
 - \$3 million to expand Home Visiting services to 1,723 more families
 - \$1 million to serve an additional 1,700 more families through the Families FIRST program
 - \$1.1 million for Family Infant Toddler (FIT) program provider rate increases and program growth
 - \$4 million for new private prekindergarten slots (including early prekindergarten and mixed age classrooms)
 - \$1 million for new public prekindergarten slots
 - \$3.6 million to send to the Higher Education Department for the higher education endowment to build infrastructure to support early childhood degrees and certifications
- Program highlights include \$6.5 million for workforce development, \$30 million for FIT program costs and provider contracts, \$15.4 million for Home Visiting, \$49.5 million for child care assistance, \$35.5 million for private prekindergarten programs, and \$43.5 million for prekindergarten in public locations



PUBLIC HEALTH AND WELLBEING

Aging and Long-Term Services Department's General fund recommendation \$48,436.4, 0.4% under FY21, total recommendation \$67,983.6

- Consumer and Elder Rights Division
 - \$164.4 thousand for Ombudsman outreach, a Governor priority
- Adult Protective Services
 - \$1.2 million for home care/day care contracts
- Aging Network
 - \$1.4 million for Care and Support (Senior Olympics and Family Caregiver Support services)
 - \$27.9 million for grants, including to local organizations (AAAs), as well as the Office of Indian Elder Affairs, Foster Grandparents, Senior Companion, and retired Senior Volunteer programs



PUBLIC HEALTH AND WELLBEING CONT.

Human Services Department's total budget recommendation is \$7,754,990.2, which is a \$194,971.4 or a 2.6% increase over FY2. The Executive General Fund recommendation increased funding by \$42,242.9 or 3.9% over FY21.

- The total FY22 Medicaid recommendation is \$55,717.2 or 1%, above the FY21 Operating Budget. The General Fund increase is \$43,216.9 or 4.5% above the FY21 Operating Budget.
- Medicaid Behavioral Health is fully funded in line with HSD's October projection.
- The recommendation restores \$5,072.7 in General Fund for HSD compared to the agency's request.
- \$3,100.0 of funding is restored to reduce the vacancy rates across the agency.
- \$4,473.7 of funding is restored to fund contractual obligations across the agency.



PUBLIC HEALTH AND WELLBEING CONT.

Developmental Disabilities Planning Council General fund recommendation \$7,153.7, 36.6% over FY21 (\$1.9 million), total recommendation \$8,276.0

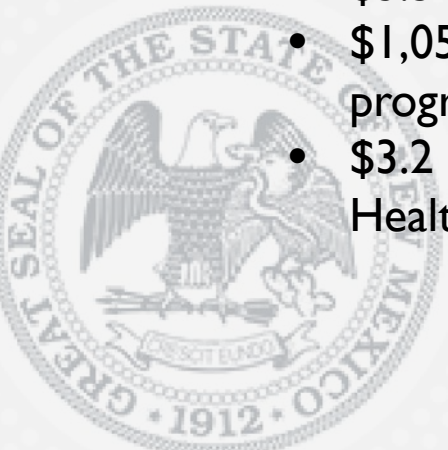
- \$500.4 revenue replacement of depleted fund balance
- New program #1: Special Education Ombudsman
 - \$292.2 includes funding for three FTE (two community service coordinators and one staff manager), as well as additional contracts and other costs
- New program #2: Guardianship licensing
 - \$460.3 includes funding for three FTE (two compliance officers and one compliance officer supervisor), as well as funding in contracts and in other costs
- Additional \$676.3 to right size the Guardianship program and ensure sufficient funding for contracts related to services for protected persons



PUBLIC HEALTH AND WELLBEING CONT.

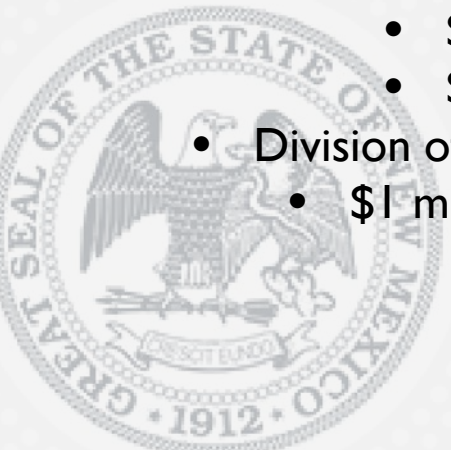
Department of Health's general fund recommendation \$323,474.5, 7.0% over FY21. Total recommendation \$627,223.7

- Health Care Study Implementation
 - \$600.0 thousand in general fund included to implement results of the health care study in Facilities and Public Health divisions
- Public Health Division
 - \$5.7 million for Rural and Primary Healthcare program contracts to support clinics statewide
 - \$6.1 million for School-Based Health Centers (additional \$2 million above requested amount)
 - \$3.5 million for youth suicide prevention efforts (\$3 million above requested amount)
 - \$1,050 for long-acting reversible contraception training and stocking and to continue the mentorship program (\$800.0 over base)
 - \$3.2 million for medical provider agreements in the Chronic Disease bureau, Family Health bureau, Health Systems Bureau, and Infectious Disease bureau



PUBLIC HEALTH AND WELLBEING CONT.

- Epidemiology and Response
 - \$2.6 million to local EMS providers and \$1.1 million to develop the state's trauma response system
- Developmental Disabilities Support
 - \$9.9 million for contracts, including \$3.8 million for autism services, \$1.3 million for behavioral health, and \$1.7 million for outside review
 - \$5.5 million for DD Waiver provider agreements
 - \$146.2 million for DD Waiver services, sent to HSD for Medicaid match
 - Includes \$7 million for Supports Waiver
 - \$7 million restored for DD waiver that was swapped with federal funding in the June special session
 - \$3.7 million restored from cuts in FY21 for waiver services
 - \$7.5 million to fully restore general fund to ensure continuity of services
- Division of Health Improvement
 - \$1 million for receivership





Questions

