



**STATE OF NEW MEXICO**  
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CABINET SECRETARY

June 15, 2022

MEMORANDUM

**TO:** Cabinet Secretaries, Agency Heads, and Chief Financial Officers  
**FROM:** Cinthia Martinez, DFA, Deputy Cabinet Secretary/Budget Director  
**SUBJECT:** Accountability in Government Act Program and Performance Change Deadlines

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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 FY24; and (3) identifying and reporting FY23 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 FY24 need to submit a detailed letter to DFA and the LFC regarding proposed changes by Friday, July 15, 2022. 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.

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Requests for program changes in an agency's FY24 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, 2022.

### 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 1, 2022; however, since performance measures should be tied to the Strategic Plan, it is suggested that agencies update their strategic plans prior to the July 15<sup>th</sup> deadline for submission of the agency's proposed performance measures for FY24.

Performance measures are approved by DFA and LFC under the Accountability in Government Act. Key quarterly measures and General Appropriation Act (GAA) measures are both subsets of approved AGA measures.

**FY24 AGA Measures:** Agencies need to request approval of their AGA performance measures for FY24 by submitting a proposal to the State Budget Director and the Legislative Finance Committee (LFC) prior to July 15.

**Please note:** This year, performance measure change requests will be entered through Budget Formulation and Management (BFM), the State's new budget planning and management system. BFM will launch for agencies to enter performance measure change requests **no later than July 5, 2022** in advance of the July 15 deadline. Agencies will be notified by their SBD analyst when BFM is live. A PB-1 is still available on the SBD website at [http://www.nmdfa.state.nm.us/Performance\\_Based\\_Program.aspx](http://www.nmdfa.state.nm.us/Performance_Based_Program.aspx) if agencies would like to utilize them for internal planning purposes; however, they will not need to be submitted to DFA and LFC. Instructions on how to submit performance measure changes in BFM are attached to this memo and agencies may also refer to training materials on DFA's website at [Budget Formulation and Management \(BFM\) System | New Mexico Department of Finance and Administration \(state.nm.us\)](#) (BFM Training Core 4). For reference, a copy of your agency's active FY23 performance measures generated from BFM (Table 2 Report) is attached to this email.

**FY23 Key Quarterly Performance Measures:** Key quarterly performance measures are a subset of AGA performance measures that have already been adopted for FY23. These key measures are separate from any proposed AGA performance measures for FY24. The list of

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quarterly reporting key agencies for FY23 is included in Attachment A. These agencies will identify a subset of **current active FY23 measures** that they will report on a quarterly or semi-annual basis. **Agencies not identified as quarterly reporting key agencies do not need to identify quarterly measures.** To reduce confusion with FY24 proposed changes, agencies seeking to change which measures they report on quarterly should complete the attached “Proposed Changes to Quarterly Measures” spreadsheet and submit to their DFA and LFC analysts. If approved, the change will be made in BFM by DFA.

**Please note agencies should not submit targets for performance measures at this time.**

**Performance measure targets as well as FY22 results should be submitted with the FY24 Appropriation Request on September 1, 2022, also within the BFM system.** Agencies must meet with their SBD 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, 2022.

Due dates for deliverables are listed below:

<b>What</b>	<b>Who</b>	<b>When</b>
Propose Key Measures and Quarterly Report formats for FY23	Key Agencies	July 15, 2022
Propose changes to Program Structure and Performance Measures for FY24	All Agencies	July 15, 2022
Submit 4 <sup>th</sup> Quarter Performance Report to SBD and LFC	Key Agencies	July 29, 2022
Approve FY23 Key Measures and Quarterly Report formats after LFC and agency collaboration	State Budget Division	August 15, 2022
Approve FY24 Program Structure and Measures after LFC and agency collaboration	State Budget Division	August 15, 2022
Agency Strategic Plan	All Agencies	September 1, 2022
Submit FY24 Performance-Based Program Appropriation Requests with performance measures	All Agencies	September 1, 2022
Submit FY22 AGA Performance Report to SBD and LFC	All Agencies	September 1, 2022
Submit FY22 Annual Report Measures to SBD and LFC	All Agencies	September 1, 2022
Submit 1 <sup>st</sup> Quarter Performance Report to SBD and LFC	Key Agencies	October 31, 2022
Submit 2 <sup>nd</sup> Quarter Performance Report to SBD and LFC	Key Agencies	January 31, 2023
Submit 3 <sup>rd</sup> Quarter Performance Report to SBD and LFC	Key Agencies	April 28, 2023
Submit 4 <sup>th</sup> Quarter Performance Report to SBD and LFC	Key Agencies	July 31, 2023

### 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
952-977	Higher Education Institutions

### Semi-Annual Reporting Key Agencies

Code	Agency
341	Department of Finance and Administration
378	State Personnel Office
950	Higher Education Department
978-980	Special Schools
993	Public Schools

Key agencies should identify measures that they are requesting as quarterly reporting (Key) measures.

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.

**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.**