



NEW MEXICO ADMINISTRATIVE HEARINGS OFFICE

1220 S. St. Francis Drive, Room #262 | P.O. Box 6400, Santa Fe, NM 87502
Phone: (505) 827-9714 | brian.vandenzen@aho.nm.gov | aho.state.nm.us

August 29, 2024

Director Charles Sallee
Legislative Finance Committee
325 Don Gasper, Suite 101
Santa Fe, NM 87501

Secretary Wayne Probst
Department of Finance Administration
180 Bataan Memorial Building
Santa Fe, NM 87501

Dear Director Sallee and Secretary Probst,

Please find enclosed the Administrative Hearings Office (AHO)'s Fiscal Year 2026 Budget Appropriation Request, respectfully submitted for your consideration. At this time, AHO seeks a modest increase of approximately 7% in its budget appropriation in order to fully fund an expansion administrative law judge (ALJ) position awarded last session and to add a base expansion law clerk position to assist the agency's administrative law judges in scheduling and adjudicating cases.

I want to highlight AHO's work in FY24, as it shows trends that the agency considered in development of this FY26 appropriation request. In total for FY24, AHO conducted 3,147 hearings or 314.7 hearings per FTE ALJs. In addition to its core statutory Tax Protest hearings (216), DWI Implied Consent Act license revocation hearings (2,843), other MVD hearings (21), and Healthcare Authority expedited adjudicatory Medicaid fraud/overbilling hearings (7 cases), AHO conducted 60 administrative hearings for other state agencies. AHO continues to view this work as a value-added service to the state, as it can conduct administrative hearings on a more efficient and cost-effective basis than if the other state agencies needed to contract with attorneys or hire dedicated staff. The 314.7 hearings per FTE ALJ represented an increase in the workload across the agency of approximately 5% over the previous fiscal year, including a notable increase in the complexity of hearing work related to the Healthcare Authority cases. Yet even with this increased workload, again AHO met or exceeded its three performance measures in FY24.

This increased workload impacts the entire agency, including the agency's core paralegal and scheduling team. For FY26, AHO seeks the base expansion law clerk position to improve efficiency in scheduling of cases, improve management of hearing dockets, improve experiences for stakeholders engaged in the hearing process, provide additional legal support to the growing staff of administrative law judges, and improve timeliness in disposition of cases. AHO has adopted many new scheduling processes and procedures in the years since the pandemic (including during FY24), in effort to implement new technologies and improve hearing participant experience, engagement, and attendance at the hearings. These changes have increased the workload demands of the existing paralegal staff significantly. AHO has also taken on broader scope of hearing types and an increasing workload associated with the growth in its hearing dockets. Finally, the additional administrative law judge position to be filled also will increase the scheduling and legal support demands for existing paralegal staff. In response to this increasing workload demand on paralegal staff, ALJs have taken on more administrative tasks, impacting the ALJ's ability to timely adjudicate their own docket of cases. Adding the additional law clerk position will increase direct support to the ALJs (including the additional position awarded last year) and allow rebalancing of paralegal workload at the agency, improving the agency's ability to schedule, manage, and timely dispose of a growing docket of cases, which benefits all hearing stakeholders.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. VanDenzen".

Brian VanDenzen
Chief Hearing Officer (Agency Head)

Agency Name: Administrative Hearings Office

Business Unit: 34000

**APPROPRIATION REQUEST
CERTIFICATION
FORM S-1**

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numeric information has been verified.

- Yes, this agency provides behavioral health services
 No, this agency does not provide behavioral health services



AGENCY HEAD

Agency Director

TITLE

N/A

APPROVED (Board/Commission Chairperson)

N/A

TITLE

Tanya Montoya-Ramirez

AGENCY CONTACT (CFO)

CFO

TITLE

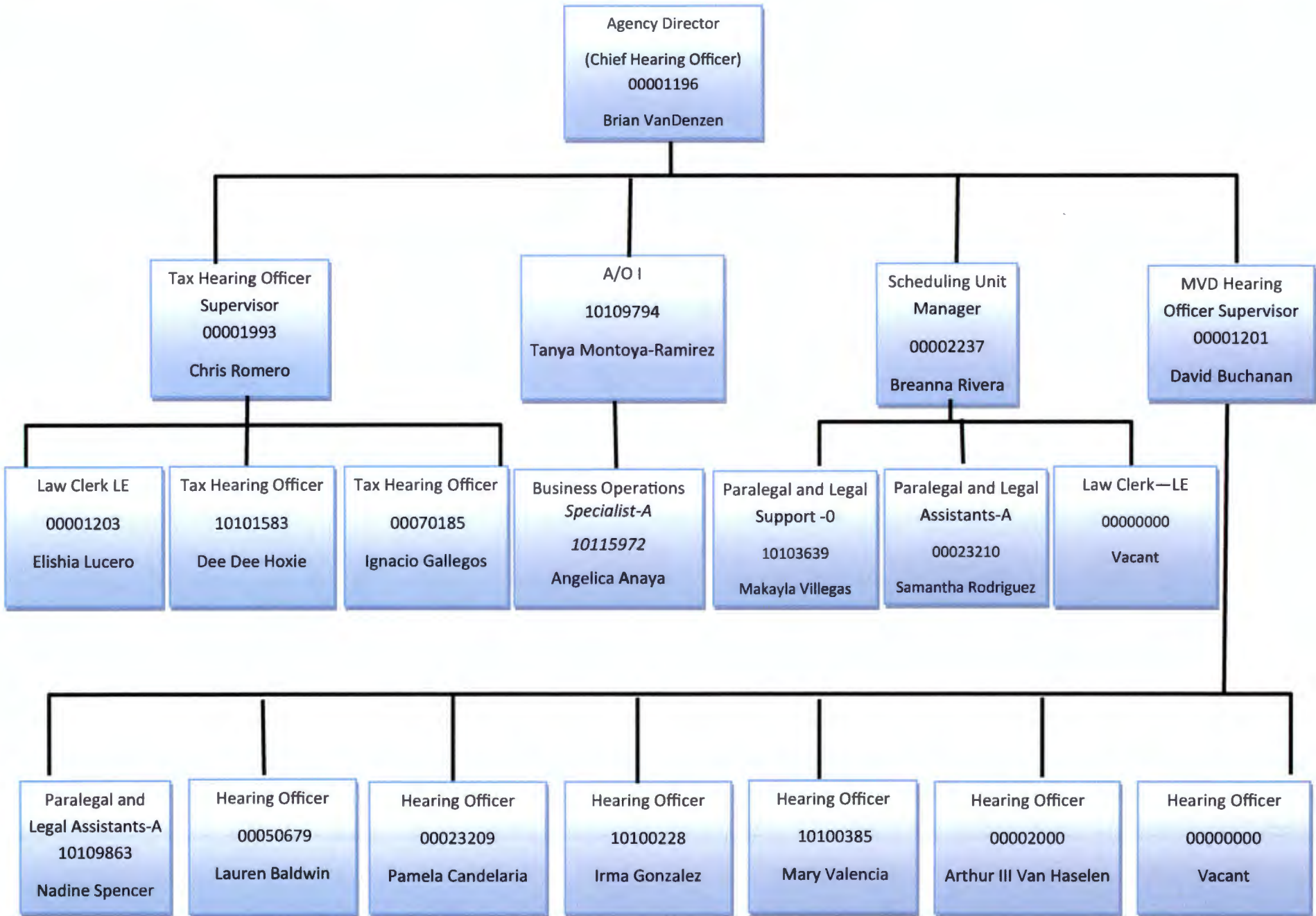
1220 S St. Francis Dr., Santa Fe NM 87505

ADDRESS

505-827-9714

PHONE NUMBER

Note: Appropriation Requests for agencies headed by a board or commission must be approved by the board or commission by official action and signed by the chairperson. Operating Budgets of other agencies must be signed by the director or secretary. Appropriation Requests not properly signed will be returned.



State of New Mexico
S-8 Financial Summary
 (Dollars in Thousands)

BU PCode Department
 34000 0000 0000000000

		2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	----- FY 2026 Agency Request ----- Expansion	Total
REVENUE								
111	General Fund Transfers	2,148.2	2,041.8	2,549.7	0.0	2,749.6	0.0	2,749.6
112	Other Transfers	78.8	197.8	134.3	0.0	128.8	0.0	128.8
130	Other Revenues	165.0	165.0	210.0	0.0	210.0	0.0	210.0
REVENUE, TRANSFERS		2,392.0	2,404.6	2,894.0	0	3,088.4	0.0	3,088.4
REVENUE		2,392.0	2,404.6	2,894.0	0	3,088.4	0.0	3,088.4
EXPENSE								
200	Personal Services and Employee Benefits	2,045.1	2,026.2	2,493.3	2,429.7	2,694.4	0.0	2,694.4
300	Contractual services	73.4	29.0	39.7	0.0	70.0	0.0	70.0
400	Other	273.5	319.2	361.0	0.0	324.0	0.0	324.0
EXPENDITURES		2,392.0	2,374.4	2,894.0	2,429.69	3,088.4	0.0	3,088.4
EXPENSE		2,392.0	2,374.4	2,894.0	2,429.69	3,088.4	0.0	3,088.4
FTE POSITIONS								
810	Permanent	17.00	17.00	18.00	17.00	19.00	0.00	19.00
FTEs		17.00	17.00	18.00	17.00	19.00	0.00	19.00
FTE POSITIONS		17.00	17.00	18.00	17.00	19.00	0.00	19.00

S-9 Account Code Revenue/Expenditure Summary
(Dollars in Thousands)

BU 34000 PCode 0000 Department 0000000000

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	----- FY 2026 Agency Request -----		
					Base	Expansion	Total
499105 General Fd. Appropriation	2,148.2	2,041.8	2,549.7	0.0	2,749.6	0.0	2,749.6
111 General Fund Transfers	2,148.2	2,041.8	2,549.7	0.0	2,749.6	0.0	2,749.6
425909 Other Services - Interagency	67.7	91.4	134.3	0.0	128.8	0.0	128.8
499905 Other Financing Sources	11.1	106.4	0.0	0.0	0.0	0.0	0.0
112 Other Transfers	78.8	197.8	134.3	0.0	128.8	0.0	128.8
411902 Other M. V. Licenses	165.0	165.0	210.0	0.0	210.0	0.0	210.0
130 Other Revenues	165.0	165.0	210.0	0.0	210.0	0.0	210.0
TOTAL REVENUE	2,392.0	2,404.6	2,894.0	0	3,088.4	0.0	3,088.4
520100 Exempt Perm Positions P/T&F/T	122.2	122.1	122.7	155.7	155.1	0.0	155.1
520300 Classified Perm Positions F/T	1,348.7	1,346.6	1,732.1	1,654.1	1,823.3	0.0	1,823.3
520600 Paid Unused Sick Leave	0.0	1.2	0.0	0.0	0.0	0.0	0.0
520700 Overtime & Other Premium Pay	0.0	0.8	0.0	0.0	0.0	0.0	0.0
520800 Annl & Comp Paid At Separation	0.0	11.0	0.0	0.0	0.0	0.0	0.0
521100 Group Insurance Premium	143.7	118.6	181.3	128.6	139.2	0.0	139.2
521200 Retirement Contributions	281.8	284.4	303.5	344.5	380.6	0.0	380.6
521300 F I C A	115.0	108.6	116.7	111.0	151.3	0.0	151.3
521400 Workers' Comp Assessment Fee	0.2	0.1	0.2	0.0	0.2	0.0	0.2
521410 GSD Work Comp Insur Premium	1.2	1.1	1.0	0.0	1.6	0.0	1.6
521500 Unemployment Comp Premium	0.0	0.0	1.9	0.0	0.0	0.0	0.0
521600 Employee Liability Ins Premium	2.2	2.1	2.1	0.0	3.5	0.0	3.5
521700 RHC Act Contributions	30.1	29.6	31.8	35.8	39.6	0.0	39.6
200 Personal Services and Employee Bene	2,045.1	2,026.2	2,493.3	2,429.7	2,694.4	0.0	2,694.4
535200 Professional Services	45.2	0.0	8.0	0.0	37.6	0.0	37.6
535300 Other Services	1.5	0.7	1.5	0.0	1.5	0.0	1.5
535309 Other Services - Interagency	13.7	15.3	16.4	0.0	16.4	0.0	16.4
535400 Audit Services	13.0	13.0	13.8	0.0	14.5	0.0	14.5
300 Contractual services	73.4	29.0	39.7	0.0	70.0	0.0	70.0
542100 Employee I/S Mileage & Fares	0.2	0.5	0.4	0.0	0.5	0.0	0.5
542200 Employee I/S Meals & Lodging	2.3	2.9	2.3	0.0	4.0	0.0	4.0
542500 Transp - Fuel & Oil	2.5	1.9	2.5	0.0	2.5	0.0	2.5
542600 Transp - Parts & Supplies	0.5	1.2	0.1	0.0	0.2	0.0	0.2
542800 State Transp Pool Charges	28.8	25.1	23.5	0.0	23.3	0.0	23.3
543200 Maint - Furn, Fixt, Equipment	0.0	0.3	0.3	0.0	0.3	0.0	0.3

S-9 Account Code Revenue/Expenditure Summary

(Dollars in Thousands)

BU 34000 **PCode** 0000 **Department** 0000000000

		2023-24	2023-24	2024-25	2025-26	----- FY 2026 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
543300	Maint - Buildings & Structures	0.0	7.4	0.0	0.0	7.5	0.0	7.5
543400	Maint - Property Insurance	0.1	0.0	0.1	0.0	0.0	0.0	0.0
543500	Maint - Supplies	0.0	0.1	0.0	0.0	0.2	0.0	0.2
543830	IT HW/SW Agreements	8.0	1.5	31.0	0.0	9.8	0.0	9.8
544000	Supply Inventory IT	8.0	19.2	8.0	0.0	15.0	0.0	15.0
544100	Supplies-Office Supplies	4.5	1.9	4.5	0.0	2.0	0.0	2.0
544900	Supplies-Inventory Exempt	10.0	12.9	10.0	0.0	13.0	0.0	13.0
545600	Reporting & Recording	0.0	0.1	0.0	0.0	0.1	0.0	0.1
545700	ISD Services	15.5	20.6	16.4	0.0	20.8	0.0	20.8
545710	DOIT HCM Assessment Fees	6.1	5.1	6.1	0.0	6.3	0.0	6.3
545900	Printing & Photo Services	0.5	2.1	1.0	0.0	2.0	0.0	2.0
546100	Postage & Mail Services	51.0	55.3	90.0	0.0	65.0	0.0	65.0
546400	Rent Of Land & Buildings	55.1	47.9	48.6	0.0	49.4	0.0	49.4
546409	Rent Expense - Interagency	0.9	7.9	7.9	0.0	7.9	0.0	7.9
546500	Rent Of Equipment	10.6	11.3	11.1	0.0	10.0	0.0	10.0
546600	Communications	4.0	4.8	4.0	0.0	5.0	0.0	5.0
546610	DOIT Telecommunications	38.0	40.1	36.5	0.0	39.8	0.0	39.8
546700	Subscriptions/Dues/License Fee	17.0	39.7	40.0	0.0	24.0	0.0	24.0
546800	Employee Training & Education	3.5	7.8	10.3	0.0	8.0	0.0	8.0
546900	Advertising	1.1	0.2	1.1	0.0	1.1	0.0	1.1
547900	Miscellaneous Expense	0.3	0.3	0.3	0.0	0.3	0.0	0.3
547999	Request to Pay Prior Year	0.0	0.1	0.0	0.0	0.0	0.0	0.0
549600	Employee O/S Mileage & Fares	2.5	0.4	2.5	0.0	3.0	0.0	3.0
549700	Employee O/S Meals & Lodging	2.5	0.6	2.5	0.0	3.0	0.0	3.0
400	Other	273.5	319.2	361.0	0.0	324.0	0.0	324.0
TOTAL EXPENSE		2,392.0	2,374.4	2,894.0	2,429.69	3,088.4	0.0	3,088.4
810	Permanent	17.00	17.00	18.00	17.00	19.00	0.00	19.00
810	Permanent	17.00	17.00	18.00	17.00	19.00	0.00	19.00
TOTAL FTE POSITIONS		17.00	17.00	18.00	17.00	19.00	0.00	19.00

Administrative Hearings Office

BU PCode Department
 34000 0000 000000000

State of New Mexico

S-9 Account Code Revenue Summary
 (Dollars in Thousands)

		Provider PCode	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-25 PCF Proj	----- FY 2026 Agency Request -----		Total
							Base	Expansion	
499105	General Fd. Appropriation		2,148.2	2,041.8	0.0	0.0	2,749.6	0.0	2,749.6
111	General Fund Transfers		2,148.2	2,041.8	2,549.7	0.0	2,749.6	0.0	2,749.6
425909	Other Services - Interagency		17.7	91.4	0.0	0.0	128.8	0.0	128.8
425909	Other Services - Interagency	P766	50.0	0.0	0.0	0.0	0.0	0.0	0.0
499905	Other Financing Sources		11.1	106.4	0.0	0.0	0.0	0.0	0.0
112	Other Transfers		78.8	197.8	134.3	0.0	128.8	0.0	128.8
411902	Other M. V. Licenses		165.0	165.0	0.0	0.0	210.0	0.0	210.0
130	Other Revenues		165.0	165.0	210.0	0.0	210.0	0.0	210.0
TOTAL REVENUE			2,392.0	2,404.6	2,894.0	0	3,088.4	0.0	3,088.4

Administrative Hearings Office

BU PCode Department
34000 0000 0000000000

State of New Mexico

S-9 Account Code Expenditure Summary
(Dollars in Thousands)

		2023-24	2023-24	2024-25	2025-26	----- FY 2026 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
520100	Exempt Perm Positions P/T&F/T	122.2	122.1	122.7	155.7	155.1	0.0	155.1
520300	Classified Perm Positions F/T	1,348.7	1,346.6	1,732.1	1,654.1	1,823.3	0.0	1,823.3
520600	Paid Unused Sick Leave	0.0	1.2	0.0	0.0	0.0	0.0	0.0
520700	Overtime & Other Premium Pay	0.0	0.8	0.0	0.0	0.0	0.0	0.0
520800	Annl & Comp Paid At Separation	0.0	11.0	0.0	0.0	0.0	0.0	0.0
521100	Group Insurance Premium	143.7	118.6	181.3	128.6	139.2	0.0	139.2
521200	Retirement Contributions	281.8	284.4	303.5	344.5	380.6	0.0	380.6
521300	F I C A	115.0	108.6	116.7	111.0	151.3	0.0	151.3
521400	Workers' Comp Assessment Fee	0.2	0.1	0.2	0.0	0.2	0.0	0.2
521410	GSD Work Comp Insur Premium	1.2	1.1	1.0	0.0	1.6	0.0	1.6
521500	Unemployment Comp Premium	0.0	0.0	1.9	0.0	0.0	0.0	0.0
521600	Employee Liability Ins Premium	2.2	2.1	2.1	0.0	3.5	0.0	3.5
521700	RHC Act Contributions	30.1	29.6	31.8	35.8	39.6	0.0	39.6
200	Personal Services and Employee Benefits	2,045.1	2,026.2	2,493.3	2,429.7	2,694.4	0.0	2,694.4
535200	Professional Services	45.2	0.0	8.0	0.0	37.6	0.0	37.6
535300	Other Services	1.5	0.7	1.5	0.0	1.5	0.0	1.5
535309	Other Services - Interagency	13.7	15.3	16.4	0.0	16.4	0.0	16.4
535400	Audit Services	13.0	13.0	13.8	0.0	14.5	0.0	14.5
300	Contractual services	73.4	29.0	39.7	0.0	70.0	0.0	70.0
542100	Employee I/S Mileage & Fares	0.2	0.5	0.4	0.0	0.5	0.0	0.5
542200	Employee I/S Meals & Lodging	2.3	2.9	2.3	0.0	4.0	0.0	4.0
542500	Transp - Fuel & Oil	2.5	1.9	2.5	0.0	2.5	0.0	2.5
542600	Transp - Parts & Supplies	0.5	1.2	0.1	0.0	0.2	0.0	0.2
542800	State Transp Pool Charges	28.8	25.1	23.5	0.0	23.3	0.0	23.3
543200	Maint - Furn, Fixt, Equipment	0.0	0.3	0.3	0.0	0.3	0.0	0.3
543300	Maint - Buildings & Structures	0.0	7.4	0.0	0.0	7.5	0.0	7.5
543400	Maint - Property Insurance	0.1	0.0	0.1	0.0	0.0	0.0	0.0
543500	Maint - Supplies	0.0	0.1	0.0	0.0	0.2	0.0	0.2
543830	IT HW/SW Agreements	8.0	1.5	31.0	0.0	9.8	0.0	9.8
544000	Supply Inventory IT	8.0	19.2	8.0	0.0	15.0	0.0	15.0
544100	Supplies-Office Supplies	4.5	1.9	4.5	0.0	2.0	0.0	2.0
544900	Supplies-Inventory Exempt	10.0	12.9	10.0	0.0	13.0	0.0	13.0

APPROPRIATION REQUEST

FORM S-10 FUND BALANCE PROJECTION

(In Whole Dollars)

Agency: <u>Administrative Hearings Office</u>	Business Unit: <u>34000</u>
Fund Name: <u>AHO Operating Fund</u>	Fund Number: <u>71820</u>
Legal Auth. _____	

BEGINNING BALANCE

Unreserved, undesignated fund balance (not cash balance) from SHARE NMS006GL Balance Sheet Report at close of FY24	33,400
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ADJUSTMENTS

Add:

Interfund receivables, accounts receivables, and other assets not reflected in fund balance from FCD Reports at close of FY24	0
Other (explain in detail)	0

Deduct:

Liabilities not reflected in FCD Reports at close of FY24	0
Fund balance designated by law for future expenditure (non-reverting funds)	0
Amount due to State General Fund or other fund designated by statute	0
Other (explain in detail)	0
FY24 revision not reflected in liabilities	0
Total Adjustments	0

ADJUSTED UNRESERVED, UNDESIGNATED FUND BALANCE at close of FY24	33,400
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Add:

Projected revenue/sources (less fund balance budgeted) for FY25	2,894,000
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Deduct:

Projected total expenditures for FY25	(2,894,000)
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ADJUSTED UNRESERVED/UNDESIGNATED FUND BALANCE at close of FY25	33,400
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Add:

Projected revenue/sources (less fund balance requested) for FY26	3,088,400
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Deduct:

Total expenditures budgeted in appropriation request	(3,088,400)
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ADJUSTED UNRESERVED/UNDESIGNATED FUND BALANCE at close of FY26	33,400
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State of New Mexico
S-13 Line Items by Business Unit Expenditures
(Dollars in Thousands)

BusUnit	Line Item		2023-24	2024-25	Request		Recommendation		Opbud	
			Actuals	Opbud	Base	Expansion	Base	Expansion		
34000	P340-R	Administrative Hearings Office								
	520100	Exempt Perm Positions P/T&F/T	122.12	122.7	155.1	0	0	0	0.0	
	520300	Classified Perm Positions F/T	1,346.56	1,732.1	1,823.3	0	0	0	0.0	
	520600	Paid Unused Sick Leave	1.2	0	0	0	0	0	0.0	
	520700	Overtime & Other Premium Pay	0.81	0	0	0	0	0	0.0	
	520800	Annl & Comp Paid At Separation	11.03	0	0	0	0	0	0.0	
	521100	Group Insurance Premium	118.57	181.3	139.2	0	0	0	0.0	
	521200	Retirement Contributions	284.35	303.5	380.6	0	0	0	0.0	
	521300	F I C A	108.63	116.7	151.3	0	0	0	0.0	
	521400	Workers' Comp Assessment Fee	0.15	0.2	0.2	0	0	0	0.0	
	521410	GSD Work Comp Insur Premium	1.14	1	1.6	0	0	0	0.0	
	521500	Unemployment Comp Premium	0	1.9	0	0	0	0	0.0	
	521600	Employee Liability Ins Premium	2.09	2.1	3.5	0	0	0	0.0	
	521700	RHC Act Contributions	29.57	31.8	39.6	0	0	0	0.0	
	535200	Professional Services	0	8	37.6	0	0	0	0.0	
	535300	Other Services	0.66	1.5	1.5	0	0	0	0.0	
	535309	Other Services - Interagency	15.32	16.4	16.4	0	0	0	0.0	
	535400	Audit Services	12.98	13.8	14.5	0	0	0	0.0	
	542100	Employee I/S Mileage & Fares	0.49	0.4	0.5	0	0	0	0.0	
	542200	Employee I/S Meals & Lodging	2.95	2.3	4	0	0	0	0.0	
	542500	Transp - Fuel & Oil	1.9	2.5	2.5	0	0	0	0.0	
	542600	Transp - Parts & Supplies	1.21	0.1	0.2	0	0	0	0.0	
	542800	State Transp Pool Charges	25.06	23.5	23.3	0	0	0	0.0	
	543200	Maint - Furn, Fixt, Equipment	0.29	0.3	0.3	0	0	0	0.0	
	543300	Maint - Buildings & Structures	7.36	0	7.5	0	0	0	0.0	
	543400	Maint - Property Insurance	0	0.1	0	0	0	0	0.0	
	543500	Maint - Supplies	0.14	0	0.2	0	0	0	0.0	
	543830	IT HW/SW Agreements	1.49	31	9.8	0	0	0	0.0	
	544000	Supply Inventory IT	19.15	8	15	0	0	0	0.0	
	544100	Supplies-Office Supplies	2.1	4.5	2	0	0	0	0.0	
	544900	Supplies-Inventory Exempt	12.91	10	13	0	0	0	0.0	
	545600	Repctrng & Recording	0.12	0	0.1	0	0	0	0.0	
	545700	ISD Services	20.61	16.4	20.8	0	0	0	0.0	

State of New Mexico
S-13 Line Items by Business Unit Expenditures
(Dollars in Thousands)

545710	DOIT HCM Assessment Fees	5.13	6.1	6.3	0	0	0	0.0
545900	Printing & Photo Services	2.06	1	2	0	0	0	0.0
546100	Postage & Mail Services	55.27	90	65	0	0	0	0.0
546400	Rent Of Land & Buildings	47.94	48.6	49.4	0	0	0	0.0
546409	Rent Expense - Interagency	7.94	7.9	7.9	0	0	0	0.0
546500	Rent Of Equipment	12.3	11.1	10	0	0	0	0.0
546600	Communications	4.76	4	5	0	0	0	0.0
546610	DOIT Telecommunications	40.13	36.5	39.8	0	0	0	0.0
546700	Subscriptions/Dues/License Fee	39.69	40	24	0	0	0	0.0
546800	Employee Training & Education	7.84	10.3	8	0	0	0	0.0
546900	Advertising	0.19	1.1	1.1	0	0	0	0.0
547900	Miscellaneous Expense	0.33	0.3	0.3	0	0	0	0.0
547999	Request to Pay Prior Year	0.06	0	0	0	0	0	0.0
549600	Employee O/S Mileage & Fares	0.38	2.5	3	0	0	0	0.0
549700	Employee O/S Meals & Lodging	0.65	2.5	3	0	0	0	0.0
Subtotal for:	34000 P340-R Administrative Hearings Office	2,375.64	2,894	3,088.4	0	0	0	0.0
34000		2,375.64	2,894	3,088.4	0	0	0	0.0

Totals by Line Item

BusUnit	Line Item	2023-24	2024-25	Request		Recommendation		Opbud
		Actuals	Opbud	Base	Expansion	Base	Expansion	
34000	520100 Exempt Perm Positions P/T&F/T	122.12	122.7	155.1	0	0	0	0.0
	520300 Classified Perm Positions F/T	1,346.56	1,732.1	1,823.3	0	0	0	0.0
	520600 Paid Unused Sick Leave	1.2	0	0	0	0	0	0.0
	520700 Overtime & Other Premium Pay	0.81	0	0	0	0	0	0.0
	520800 Annl & Comp Paid At Separation	11.03	0	0	0	0	0	0.0
	521100 Group Insurance Premium	118.57	181.3	139.2	0	0	0	0.0
	521200 Retirement Contributions	284.35	303.5	380.6	0	0	0	0.0
	521300 F I C A	108.63	116.7	151.3	0	0	0	0.0
	521400 Workers' Comp Assessment Fee	0.15	0.2	0.2	0	0	0	0.0
	521410 GSD Work Comp Insur Premium	1.14	1	1.6	0	0	0	0.0

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S-13 Line Items by Business Unit Expenditures
(Dollars in Thousands)

521500	Unemployment Comp Premium	0	1.9	0	0	0	0	0.0
521600	Employee Liability Ins Premium	2.09	2.1	3.5	0	0	0	0.0
521700	RHC Act Contributions	29.57	31.8	39.6	0	0	0	0.0
535200	Professional Services	0	8	37.6	0	0	0	0.0
535300	Other Services	0.66	1.5	1.5	0	0	0	0.0
535309	Other Services - Interagency	15.32	16.4	16.4	0	0	0	0.0
535400	Audit Services	12.98	13.8	14.5	0	0	0	0.0
542100	Employee I/S Mileage & Fares	0.49	0.4	0.5	0	0	0	0.0
542200	Employee I/S Meals & Lodging	2.95	2.3	4	0	0	0	0.0
542500	Transp - Fuel & Oil	1.9	2.5	2.5	0	0	0	0.0
542600	Transp - Parts & Supplies	1.21	0.1	0.2	0	0	0	0.0
542800	State Transp Pool Charges	25.06	23.5	23.3	0	0	0	0.0
543200	Maint - Furn, Fixt, Equipment	0.29	0.3	0.3	0	0	0	0.0
543300	Maint - Buildings & Structures	7.36	0	7.5	0	0	0	0.0
543400	Maint - Property Insurance	0	0.1	0	0	0	0	0.0
543500	Maint - Supplies	0.14	0	0.2	0	0	0	0.0
543830	IT HW/SW Agreements	1.49	31	9.8	0	0	0	0.0
544000	Supply Inventory IT	19.15	8	15	0	0	0	0.0
544100	Supplies-Office Supplies	2.1	4.5	2	0	0	0	0.0
544900	Supplies-Inventory Exempt	12.91	10	13	0	0	0	0.0
545600	Reporting & Recording	0.12	0	0.1	0	0	0	0.0
545700	ISD Services	20.61	16.4	20.8	0	0	0	0.0
545710	DOIT HCM Assessment Fees	5.13	6.1	6.3	0	0	0	0.0
545900	Printing & Photo Services	2.06	1	2	0	0	0	0.0
546100	Postage & Mail Services	55.27	90	65	0	0	0	0.0
546400	Rent Of Land & Buildings	47.94	48.6	49.4	0	0	0	0.0
546409	Rent Expense - Interagency	7.94	7.9	7.9	0	0	0	0.0
546500	Rent Of Equipment	12.3	11.1	10	0	0	0	0.0
546600	Communications	4.76	4	5	0	0	0	0.0
546610	DOIT Telecommunications	40.13	36.5	39.8	0	0	0	0.0
546700	Subscriptions/Dues/License Fee	39.69	40	24	0	0	0	0.0
546800	Employee Training & Education	7.84	10.3	8	0	0	0	0.0

State of New Mexico

S-13 Line Items by Business Unit Expenditures

(Dollars in Thousands)

546900	Advertising	0.19	1.1	1.1	0	0	0	0.0
547900	Miscellaneous Expense	0.33	0.3	0.3	0	0	0	0.0
547999	Request to Pay Prior Year	0.06	0	0	0	0	0	0.0
549600	Employee O/S Mileage & Fares	0.38	2.5	3	0	0	0	0.0
549700	Employee O/S Meals & Lodging	0.65	2.5	3	0	0	0	0.0
Grand Total		2,375.64	2,894	3,088.4	0	0	0	0.0

Program Description:

The Administrative Hearings Office ("AHO") adjudicates administrative hearings held pursuant to the Tax Administration Act, the Property Tax Code, the Implied Consent Act, the Motor Vehicle Code, expedited adjudicatory proceedings under the Medicaid Provider and Managed Care Act involving the Healthcare Authority, and other state agency hearings (by mutual agreement), in a fair, efficient, and impartial manner.

AHO adjudicates license revocation hearings under the Implied Consent Act. Those are DWI cases where MVD as the party seeks to revoke the driving privileges of those who submit to a chemical test above the legal limit or who refused to be tested. In these cases, law enforcement officers testify as witnesses on behalf of MVD—therefore the scheduling of these hearings impacts law enforcement agencies across the state. These cases involve public safety, and therefore impact the entire state. These cases also impact drivers accused of DWI, who must get an ignition interlock license if MVD is able to establish the grounds for the revocation at these hearings. AHO also adjudicates other MVD hearings that involve public safety and the respective motorists challenging MVD's actions.

AHO adjudicates tax protests disputes, which involve the Taxation and Revenue Department, citizens/taxpayers, and businesses conducting business in the state. These cases in aggregate often involve tens of millions of dollars of assessments or claims for refund/credit, potentially impacting the state budget and the bottom line of taxpayers and businesses engaged in New Mexico.

AHO assigns a qualified attorney to serve as hearing officer in Medicaid Provider and Managed Care Act expedited adjudicated proceedings and adjudicates such proceedings involving alleged HCA determinations of overbilling and fraud in the Medicaid program. This impacts HCA, federal funding requirements, medical providers, and medical patients in the state. AHO also conducts other agency hearings upon request and MOU agreement, benefitting the other agency and the public by providing a fair and impartial hearing process.

Because of its role in so many areas, AHO must interface with public (government agencies, including the Taxation and Revenue Department, the Motor Vehicle Division, Department of Transportation, police agencies, the Human Services Department, other state agencies, citizens) and private hearing participants (tax attorneys, CPA's, business community, defense attorneys, professional license holders, etc.) to address procedural questions/concerns and provide information about the hearing process.

AHO had a total of 17 FTE during FY24. As a small agency, some staff perform multiple functions or play partial roles in different areas of the agency. The subsequent information outlines the equivalent roles performed in different work areas, not as an absolute count of employees at the agency. For instance, the Law Clerk performs multiple functions, assisting with tax hearings, other agency hearings, appeals, and billing tasks; the business operations specialist assists with administrative tasks and scheduling tasks; similarly, the Chief Hearing Officer has a docket of cases but also is engaged in operations. These positions may appear in multiple spots in the subsequent discussion but do not alter the total count of 17 FTEs.

AHO has a scheduling team, consisting of 5.5 staff (a staff manager, three paralegals, and a law clerk, with part time assistance from a business operations specialist) who receive new case referrals, open new case files, schedule cases in accord with statutory requirements, provide adequate due process notices of hearings and subpoenas, accept legal pleadings from parties involved in the hearing, work with hearing participants on motions and continuance requests, maintain electronic files, provide customer support, work with the Administrative Law Judges (ALJs) at the agency on resolving motions and cases, and ensure adequate notice of results is provided to the parties. This involves drafting notices, orders, using sound legal judgment on preliminary hearing matters such as determining appropriate deadlines, venue, and method of hearing, as well as deciding on many requests for continuances. The law clerk position primarily handles the scheduling of all tax hearings, HCA hearings, all appeals, and other agency hearings, as well as billing for other agency hearings. The rest of the team handles scheduling of Implied Consent Act and MVD hearings, critical hearings involving public safety and a high volume of work. The work of the scheduling team and paralegals is instrumental in ensuring that the office functions and meets its case

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P-1 Program Overview

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of the scheduling team and paralegals is instrumental in ensuring that the office functions and meets its core performance measures.

In FY24 AHO had a team of 10 ALJs, including the Chief Hearing Officer, that adjudicate the hearings before the agency in a role somewhat akin to a judge. The ALJs conduct hearings, review motions, write orders, rule upon and issue final decisions and orders or hearing officer reports/recommendations in every case they hear. The final decisions and orders or hearing officer reports/recommendations should be timely issued under applicable statutory or regulatory time frames.

During FY24, AHO had a team of 3.5 administrative support staff, including the CFO, the Chief Hearing Officer, a business operations specialist (who also assisted with Scheduling tasks), and law clerk that assists with billing and some financial tasks.

Ultimately, the primary beneficiaries of AHO's work are the governmental, public, and private hearing participants who get resolution of their dispute in a fair, independent, and efficient manner. This increases confidence in the fairness of the administrative hearing process in state government, impacts the state and business revenues, and impacts public safety.

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Major Issues and Accomplishments:

In FY24, AHO received 59 new tax protest cases under the Tax Administration Act and 109 new property tax protests under the Property Tax Code, for a total of 168 new tax cases. AHO conducted 216 tax hearings, issued 19 dispositive decisions and orders, and countless other substantive orders during the fiscal year. In the past 18-months, using a variety of mechanisms, AHO has closed over 40 abeyance cases related to medical deductions or chemical/reagent deductions. These cases were originally placed into abeyance while the parties' awaited appeals from the Court of Appeals. These cases had potential outstanding refund claims totaling approximately \$140-million.

In FY24, AHO conducted 2,843 hearings under the Implied Consent Act and an additional twenty-one other MVD hearing types. Importantly, in conjunction with NMSP, AHO developed an accredited law enforcement training course on Implied Consent Act hearings in an effort to improve police agency engagement and attendance at these hearings, and early trends suggest it has been effective to that end. AHO worked closely with various police agencies across the state to improve engagement and commitment of law enforcement in the hearing process.

During the fiscal year, AHO conducted seven Healthcare Authority expedited adjudicatory proceedings under the Medicaid Provider and Managed Care Act. Although seven is low volume, these were highly complex and lengthy hearings involving voluminous claims, medical records, and testimony. In addition to the statutorily required hearings, the Administrative Hearings Office handled 60 other administrative hearing cases for other state government agencies, saving state resources and meeting the revenue generating requirements of its operating budget (AHO generated \$44,837.50 in revenue during FY24 from these hearings, a little less revenue generated than it generated in the previous year fiscal year). These other agency hearings included 40 cases for the 40 Early Childhood Education and Care Department, 11 Board of Nursing Cases, 8 State Ethics Commission Hearings, and 1 Office of Broadband Access and Expansion Regulation hearing.

In FY24, this amounts to an agency-wide total docket of 3,147 hearings, which breaks down to 314.7 hearings per ALJ or 629.4 per paralegal/scheduling staff employee. This is an increase in the workload of approximately 5% over the previous fiscal year. With this increased case load, AHO met or exceeded its three core performance measures in FY24.

The biggest challenge for AHO in FY24 was finding sufficient staff resources to address the increasing workload demands. The additional 5% docket growth in FY24 is on top of the 6% docket growth from FY23, meaning the agency's workload has grown by more than 10% in the past two fiscal years. This increased workload impacts the entire agency, including the agency's core paralegal and scheduling team. AHO has adopted many new scheduling processes and procedures in the years since the pandemic, including during FY24, in an effort to implement new technologies and improve hearing participant experience, engagement, and attendance at the hearings. While extremely beneficial to the hearing process, these necessary changes have also increased the workload demands of the existing paralegal and scheduling staff significantly. In response to this increasing workload demand on paralegal staff, ALJs have taken on more administrative tasks, impacting the ALJ's ability to timely adjudicate their own docket of cases and their availability to accept additional case assignments. AHO is near or past its capacity to manage its work with existing staffing resources and processes, which became increasingly clear throughout the course of FY24 with the additional docket growth and stakeholder needs. In short, although the agency was able to meet its core performance measures in FY24, it took extraordinary effort from every employee at the agency, working at or above their maximum capacity.

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34000 P340**Overview of Request:**

Category 200's: In the category 200s, AHO seeks a base budget increase of 8% (\$201,100.00) in this category to fill the newly created ALJ position from last session, fully fund the approved, implemented compensation and classification plan from last session, and to hire a base-expansion new law clerk position (as described in more detail below).

Category 300's: This category has increased \$30,300.00 to reflect increases in actual audit costs, HR services cost, increased costs for IT support, and increased funding for contract attorneys to serve as hearing officers for the HCA hearings or cases where AHO may have a conflict of interest.

Category 400's: In this category, the appropriation request reflects a proposed 10% decrease of \$37,000.00 due to certain reductions in subscription fees for postal service and shifting IT support service costs into the category 300s.

Programmatic Changes:

The Healthcare Authority is in the process of rewriting its Recovery Audit Contractor (RAC) program, which will result in a potential significant increase in expedited adjudicatory proceedings that AHO adjudicates under the Medicaid Provider and Managed Care Act. HCA has also been working with its auditor contractor in various other Medicaid overpayment audits, likely leading to an increase of audits and hearings. Additionally, the merger of HCA seems to increase the potential for increased hearings before AHO under either existing statutory authority (overpayment or fraud allegations under the Medicaid Provider and Managed Care Act) or future statutory changes assigning more hearing types to AHO.

AHO works extremely hard already with various police agencies across the state to schedule hearings in a manner that facilitates police officer attendance at the ICA hearings. There has been increased media scrutiny of police agency attendance at these hearings. As a result, various police agencies across the state have asked AHO for alternative processes/methods of service of subpoenas and decisions and order. AHO is always willing to engage with agencies to make changes that facilitate improved attendance, but those changes do increase staff resource demands. Further, as police agencies embrace new technologies for managing their scheduling/staffing, AHO will need to adapt its processes and systems to integrate with those changes.

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Base Budget Justification: For FY26, in addition to fully funding the ALJ position awarded last year and funding the compensation and classification package approved last session, AHO seeks the base expansion law clerk position to improve efficiency in scheduling of cases, improve management of hearing dockets, improve experiences for stakeholders engaged in the hearing process, provide additional legal support to the growing staff of administrative law judges, and improve timeliness in disposition of cases. The cost of this base expansion, which includes funding the previously authorized ALJ position, the previously approved and implemented classification and compensation package approved last session, and the newly requested law clerk position, is \$201,100.00 in the category 200s. Changes in the category 300s (a slight increase) and 400s (a slight decrease) essentially offset each other, with a slight reduction overall in these categories. With all these changes, AHO seeks a 7% overall increase to our base budget.

As mentioned, in the past two fiscal years, AHO has seen an 11% increase in its workload. This increased workload impacts the entire agency, including the agency's core paralegal and scheduling team. Moreover, AHO has adopted many new scheduling processes and procedures in the years since the pandemic (including in FY24) in effort to implement new technologies and improve hearing participant experience, engagement, and attendance at the hearings. While extremely beneficial to the hearing process, these necessary changes have also increased the workload demands of the existing paralegal and scheduling staff significantly. AHO has also taken on broader scope of hearing types and an increasing workload associated with the growth in its hearing dockets. Finally, the additional ALJ position to be filled in the current fiscal year also will increase the scheduling and legal support demands for existing paralegal staff. In response to this increasing workload demand on paralegal staff, ALJs have taken on more administrative tasks, impacting the ALJ's ability to timely adjudicate their own docket of cases.

Adding the additional law clerk position will increase direct support to the ALJs and allow rebalancing of paralegal workload at the agency, improving the agency's ability to schedule, manage, and timely dispose of a growing docket of cases, which benefits all hearing stakeholders. Specifically, this law clerk position will be able to take on more legally complex tasks, taking some of those tasks from the ALJs and the other paralegals. That will free up additional writing and case time for the ALJs and free up additional time for other paralegals to focus on stakeholder needs like addressing continuance requests, providing specific forms and methods of notices of hearings/subpoenas, responding to electronic filings of the parties, and otherwise supporting the scheduling work of the agency.

R-2 Transfers
(Dollars in Thousands)

Prov PCode	Prov Fund	Prov Account	Prov Account Name	Rec PCode	Rec Fund	Rec Account	Rec Account Name	2023-24 Actual Transfers	2024-25 Adopted Transfers	2025-26 Agency GF	2025-26 Agency OSF	2025-26 Agency ISF/IAT	2025-26 Agency FF	2025-26 Total Request	Justification
P340	71820	535309	Other Service	P543	18100	425909	Other Service	0	0	0	0	0	0	0	
P340	71820	535309	Other Service	P643	18100	425909	Other Service	16.4	0	16.4	0	0	0	16.4	Memorandum of understanding between State Personnel Office and the Administrative Hearings Office for shared Human Resources Services
Sum:								0	16.4	0	0	0	0	16.4	

REV EXP COMPARISON

(Dollars in Thousands)

34000 - Administrative Hearings Office

	General Fund	Other Funds	Other Transfers	Federal Funds	Total
SOURCES	2,749.6	210.0	128.8	0.0	3,088.4
Personal Services and Employee Benefits	2,355.6	210.0	128.8	0.0	2,694.4
Contractual services	70.0	0.0	0.0	0.0	70
Other	324.0	0.0	0.0	0.0	324
USES Total:	2,749.6	210.0	128.8	0.0	3,088.4
Net:	0.0	0.0	0.0	0.0	0.0

Administrative Hearings Office

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F4 PCode Detail
(Dollars in Thousands)

Fund	Account	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request				Total	Justification	
					GF	OSF	ISF/IAT	FF			
71820	520100	Exempt Perm Positions P/T&F/T	122.1	122.7	155.69	0.0	155.1	0.0	0.0	155.1	Amount necessary to support current staffing levels.
71820	520300	Classified Perm Positions F/T	1,346.6	1,732.1	1,654.12	1,639.6	54.9	128.8	0.0	1,823.3	Amount necessary to support current staffing levels and ability to fill 1 current vacant position and 1 new vacant position.
71820	520600	Paid Unused Sick Leave	1.2	0.0	0	0.0	0.0	0.0	0.0	0.0	We don't anticipate any costs.
71820	520700	Overtime & Other Premium Pay	0.8	0.0	0	0.0	0.0	0.0	0.0	0.0	We don't anticipate any costs.
71820	520800	Annl & Comp Paid At Separation	11.0	0.0	0	0.0	0.0	0.0	0.0	0.0	We don't anticipate any costs.
71820	521100	Group Insurance Premium	118.6	181.3	128.61	139.2	0.0	0.0	0.0	139.2	Amount necessary to support current staffing and vacant positions at the employee only level.
71820	521200	Retirement Contributions	284.4	303.5	344.46	380.6	0.0	0.0	0.0	380.6	Amount necessary for current staffing levels and vacant positions.
71820	521300	F I C A	108.6	116.7	111	151.3	0.0	0.0	0.0	151.3	Amount necessary for current staffing levels and vacant positions.
71820	521400	Workers' Comp Assessment Fee	0.1	0.2	0	0.2	0.0	0.0	0.0	0.2	Amount necessary for current staffing levels and vacant positions.
71820	521410	GSD Work Comp Insur Premium	1.1	1.0	0	1.6	0.0	0.0	0.0	1.6	FY26 Consolidated Rate Sheet.
71820	521500	Unemployment Comp Premium	0.0	1.9	0	0.0	0.0	0.0	0.0	0.0	We don't anticipate any costs.
71820	521600	Employee Liability Ins Premium	2.1	2.1	0	3.5	0.0	0.0	0.0	3.5	FY26 Consolidated Rate Sheet.
71820	521700	RHC Act Contributions	29.6	31.8	35.81	39.6	0.0	0.0	0.0	39.6	Amount necessary for current staffing levels and vacant positions.
	200	Personal Services and Employee Bene	2,026.2	2,493.3	2,429.69	2,355.6	210.0	128.8	0.0	2,694.4	
71820	542100	Employee I/S Mileage & Fares	0.5	0.4	0	0.5	0.0	0.0	0.0	0.5	Travel required to adjudicate hearings related to MVD protests. Hearings are required by statute to be conducted in county where the arrest took place (66-8-112 NMSA 1978). Instate Mileage and Fares are anticipated to be more consistent with FY24 actuals since more hearings are by tele-conference.
71820	542200	Employee I/S Meals & Lodging	2.9	2.3	0	4.0	0.0	0.0	0.0	4.0	Travel required to adjudicate hearings related to MVD protests. Hearings are required by statute to be conducted in county where the arrest took place (66-8-112 NMSA 1978) Duration of travel includes some overnight trip. We anticipate an increasing number of in-person hearings in FY26.

Administrative Hearings Office

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F4 PCode Detail
(Dollars in Thousands)

Fund	Account	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request				Total	Justification
					GF	OSF	ISF/IAT	FF		
71820	542500	Transp - Fuel & Oil	1.9	2.5	0	2.5	0.0	0.0	0.0	2.5 Travel required to adjudicate hearings related to MVD protests. Hearings are required by statute to be conducted in county where the arrest took place (66-8-112 NMSA 1978). We anticipate an increasing number of in-person hearings in FY26.
71820	542600	Transp - Parts & Supplies	1.2	0.1	0	0.2	0.0	0.0	0.0	0.2 Anticipate an increase in Transportation costs associated with car washes.
71820	542800	State Transp Pool Charges	25.1	23.5	0	23.3	0.0	0.0	0.0	23.3 FY26 Consolidated Rate Sheet for 4 vehicle leases. Necessary to travel to local and overnight destinations for hearings. Cost reduced from 5 vehicles to 4 current vehicles.
71820	543200	Maint - Furn, Fixt, Equipment	0.3	0.3	0	0.3	0.0	0.0	0.0	0.3 Consistent with FY24 actuals.
71820	543300	Maint - Buildings & Structures	7.4	0.0	0	7.5	0.0	0.0	0.0	7.5 Related to new administrative law judge office and additional security measures at facilities.
71820	543400	Maint - Property Insurance	0.0	0.1	0	0.0	0.0	0.0	0.0	0.0 FY26 Consolidated Rate Sheet states no fees.
71820	543500	Maint - Supplies	0.1	0.0	0	0.2	0.0	0.0	0.0	0.2 Consistent with FY24 actuals.
71820	543830	IT HW/SW Agreements	1.5	31.0	0	9.8	0.0	0.0	0.0	9.8 \$9,800 for Annual Hosting with Real Time Solutions for our Case Management System.
71820	544000	Supply Inventory IT	19.2	8.0	0	15.0	0.0	0.0	0.0	15.0 Consistent with FY24 actuals.
71820	544100	Supplies-Office Supplies	1.9	4.5	0	2.0	0.0	0.0	0.0	2.0 Consistent with FY24 actuals
71820	544900	Supplies-Inventory Exempt	12.9	10.0	0	13.0	0.0	0.0	0.0	13.0 Consistent with FY24 actuals.
71820	545600	Reporting & Recording	0.1	0.0	0	0.1	0.0	0.0	0.0	0.1 Consistent with FY24 actuals used for fingerprinting new AHO employees.
71820	545700	ISD Services	20.6	16.4	0	20.8	0.0	0.0	0.0	20.8 FY26 Consolidated Rate Sheet
71820	545710	DOIT HCM Assessment Fees	5.1	6.1	0	6.3	0.0	0.0	0.0	6.3 FY26 Consolidated Rate Sheet plus one new employee not accounted for
71820	545900	Printing & Photo Services	2.1	1.0	0	2.0	0.0	0.0	0.0	2.0 Increase in Xerox printing in SF and Alb. offices. Consistent with FY24 actuals.
71820	546100	Postage & Mail Services	55.3	90.0	0	65.0	0.0	0.0	0.0	65.0 Consistent with FY24 Actuals and adding more for rise in costs.
71820	546400	Rent Of Land & Buildings	47.9	48.6	0	49.4	0.0	0.0	0.0	49.4 Albuquerque building lease with July-Oct and Nov - Jun escalation.
71820	546409	Rent Expense - Interagency	7.9	7.9	0	7.9	0.0	0.0	0.0	7.9 Interagency rent for TRD and DPS leases for the Las Cruces and Clovis Offices.
71820	546500	Rent Of Equipment	11.3	11.1	0	10.0	0.0	0.0	0.0	10.0 Mail Machine lease, and two Xerox work center machines (fax/copy/scan/email). Water tank lease.

Administrative Hearings Office

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BU PCode
34000 P340

F4 PCode Detail
(Dollars in Thousands)

Fund	Account	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request				Total	Justification
					GF	OSF	ISF/IAT	FF		
71820	546600	Communications	4.8	4.0	0	5.0	0.0	0.0	0.0	5.0 Zoom communication software lease.
71820	546610	DOIT Telecommunications	40.1	36.5	0	39.8	0.0	0.0	0.0	39.8 FY26 Consolidated Rate Sheet
71820	546700	Subscriptions/Dues/License Fee	39.7	40.0	0	24.0	0.0	0.0	0.0	24.0 \$17,750 for Westlaw Publishing to assist ALJ's in law research, \$5,005 for 11 ALJ's State Bar Fees, \$1,200 for other minor subscription fees for agency and staff.
71820	546800	Employee Training & Education	7.8	10.3	0	8.0	0.0	0.0	0.0	8.0 Increase in training and education for 11 ALJ's and 1 CFO consistent with FY24 actuals.
71820	546900	Advertising	0.2	1.1	0	1.1	0.0	0.0	0.0	1.1 Potential publication in NM Register to update regulations regarding implementation of statutory changes.
71820	547900	Miscellaneous Expense	0.3	0.3	0	0.3	0.0	0.0	0.0	0.3 Water for SF and Alb office locations which benefit hearing attendees during long hearings.
71820	547999	Request to Pay Prior Year	0.1	0.0	0	0.0	0.0	0.0	0.0	0.0 Do not anticipate any costs.
71820	549600	Employee O/S Mileage & Fares	0.4	2.5	0	3.0	0.0	0.0	0.0	3.0 O/S mileage and fares for national judicial college trainings for hearing officers.
71820	549700	Employee O/S Meals & Lodging	0.6	2.5	0	3.0	0.0	0.0	0.0	3.0 O/S meals and lodging for national judicial college training for hearing officers.
	400	Other	319.2	361.0	0	324.0	0.0	0.0	0.0	324.0
TOTAL EXPENSE			2,345.5	2,854.3		2,679.6	210.0	128.8	0.0	3,018.4

Administrative Hearings Office

BU PCode
34000 P340

State of New Mexico
Contract by PCode Detail
(Dollars in Thousands)

Fund	Account	#	Contract Purpose	Actuals	----- FY 2026 Agency Request -----				Total	Justification
					GF	OSF	ISF/IAT	FF		
71820	535200	Professional Services	1000	0.0	37.6	0.0	0.0	0.0	37.6	Increase due to \$22,600 for Maintenance of our Case Management System. \$15,000 for contract hearing officer services, including HCA hearings and potential conflicts of interest.
71820	535300	Other Services	1000	0.7	1.5	0.0	0.0	0.0	1.5	Language interpreter services
71820	535309	Other Services - Interagency	1000	15.3	0.0	0.0	0.0	0.0	0.0	Consistent with FY25 request for MOU with State Personnel Office for Shared human resources services. The cost is recorded in our R-2 form.
71820	535400	Audit Services	1000	13.0	14.5	0.0	0.0	0.0	14.5	Annual fiscal audit required by The Audit Act, (12-6-3 NMSA 1978)
TOTAL EXPENSE				29.0	53.6	0.0	0.0	0.0	53.6	

DFA Performance Based Budgeting Data System

Annual Performance Report

Agency: 34000 Administrative Hearings Office

Program: P340 Administrative Hearings Office

The purpose of the administrative hearings program is to adjudicate tax-, property- and motor-vehicle-related administrative hearings in a fair, efficient and impartial manner independent of the executive agency that is party to the proceedings.

Performance Measures:		2023-24 Target	2023-24 Result	Met Target	Year End Result Narrative
Outcome	Number of tax protest and/or Implied Consent Act trainings conducted annually	0	6	Yes	Target for FY24 was 4 trainings not the zero listed. Trainings increase the understanding of the hearing process and engagement/ attendance at the hearings for stakeholders involved in the hearing process. AHO conducted six trainings in FY24, meeting its performance measure in this area. In conjunction with the New Mexico State Police, AHO assisted with the development and co-teaching of an accredited law enforcement course on the Implied Consent Act hearing process. In FY24, AHO co-taught that course four times (once in Albuquerque, Santa Fe, Gallup, and Farmington), with over 100 law enforcement officers from various agencies attending. In previous fiscal years, AHO has offered similar trainings to attorneys or open to attorneys involved in the hearing process. AHO also conducted two tax trainings about tax administration (NM Edge) and the tax protest process (National Association of Tax Professionals).

DFA Performance Based Budgeting Data System
Annual Performance Report

Program: P340 Administrative Hearings Office

Performance Measures:		2023-24 Target	2023-24 Result	Met Target	Year End Result Narrative
Outcome	Percent of hearings for implied consent act cases not held within ninety days due to administrative hearings office error	.5%	.1%	Yes	<p>AHO conducted 2,843 hearings during Fiscal Year 2024. Two cases were rescinded because of AHO or MVD administrative error, an administrative error rate of 0.0703%. This 0.0703% rate in Fiscal Year 2024 satisfied/achieved the target performance measure rate of <0.4%. It should also be noted that there are still 26 pending decisions to issue from the fiscal year, none of which involve any apparent administrative error. Because of this incomplete data, AHO also notes that it issued 2,771 decisions in FY24, again with the same two cases showing administrative error, for a similar administrative error rate of .0722%. Either methodology results in an error rate that rounds to .07%, which satisfies the target performance rate of <0.4%.</p> <p>Given the high volume of cases that need to be set for hearing within 90-days in each of the state's counties, and historic data showing a traditionally higher error rate, this performance measure target should remain at <0.4%.</p>
Outcome	Percent rate of tax cases not held (including merits and scheduling conference) within 90 days because of administrative hearings office error	0	0.0%	Yes	<p>The purpose of this measure is to ensure that the Administrative Hearings Office (AHO) complies with the statutory mandate of conducting hearings within 90-days of the Taxation and Revenue Department's answer to the protest. In Fiscal Year 2024, AHO received 59 new tax protest cases under the Tax Administration Act and 109 new property tax protests under the Property Tax Code, for a total of 168 new tax cases. AHO timely conducted initial hearings in all new Tax Administration Act cases referred in the fiscal year, meeting the target performance measure.</p> <p>The target level remains appropriate given the volume of tax protests cases.</p>

**Administrative Hearings Office
Performance Measures Summary**

P340 Administrative Hearings Office

Purpose: The purpose of the administrative hearings program is to adjudicate tax-, property- and motor-vehicle-related administrative hearings in a fair, efficient and impartial manner independent of the executive agency that is party to the proceedings.

Performance Measures:		2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Request	2025-26 Recomm
Outcome	Percent of hearings for implied consent act cases not held within ninety days due to administrative hearings office error	0.0%	.1%	.4%	.4%	
Outcome	Percent rate of tax cases not held (including merits and scheduling conference) within 90 days because of administrative hearings office error	0.0%	0.0%	1.0%	0.0%	
Outcome	Number of tax protest and/or Implied Consent Act trainings conducted annually	4	6	4	4	

State of New Mexico
Administrative Hearings Office

Agency 34000



STRATEGIC PLAN

FY2022 TO FY2027

August 2020

EXECUTIVE SUMMARY

The Administrative Hearings Office (AHO) was established on July 1, 2015. AHO comprises 16 FTE's, including the Chief Hearing Officer, 9 attorney-administrative law judges, 3 program support hearing schedulers/court filing clerks, 2 program support paralegals, and one administrative support position, the agency's Chief Financial Officer.

AHO schedules, conducts, and decides administrative protest hearings stemming from the Tax Administration Act, the Property Tax Code, the Implied Consent Act, and the Motor Vehicle Code. AHO also assigns the hearing officer to conduct expedited proceedings under Medicaid Provider and Managed Care Act cases before the Human Services Department. Additionally, AHO has entered into memorandums of understanding with other state agencies to conduct and adjudicate their administrative hearings.

AGENCY PURPOSE STATEMENT, USERS, AUTHORITY

AHO adjudicates administrative hearings held pursuant to the Tax Administration Act, the Property Tax Code, the Implied Consent Act, and the Motor Vehicle Code in a fair, efficient, and impartial manner. AHO is the first executive agency that conducts administrative hearings independent of the acting executive agency that is a party to the proceeding. Additionally, AHO has sought to contribute to efficient and effective state government by conducting fair and impartial administrative hearings for other state agencies.

The main services provided by the agency include:

- Schedule and conduct Tax Administration Act protest hearings within statutory time parameters;
- Schedule and conduct Implied Consent Act hearings within statutory time parameters;
- Schedule and conduct Motor Vehicle Code hearings within statutory time parameters;
- Schedule and conduct Property Tax Code protests within statutory time parameters;
- Assign competent, qualified attorneys to serve as hearing officers in expedited proceedings under Medicaid Provider and Managed Care Act before the Human Services Department.
- Where AHO has entered into agreements with other agencies, conduct other agency hearings in a fair, impartial, efficient, and cost-effective manner;
- Rule on procedural and evidentiary motions in all assigned cases as appropriate;
- Issue final decisions and orders (or other dispositive order) addressing the legal and factual arguments of the respective parties.
- Interface with public (government agencies, including TRD, police agencies, HSD, citizens) and private hearing participants (tax attorneys, CPA's, business community, defense attorneys, etc.) to address procedural questions/concerns and provide information about the hearing process.

- The primary beneficiaries of the program are the governmental, public, and private hearing participants who get resolution of their dispute in a fair, independent, and efficient manner. This increases public respect and confidence in the fairness of the hearing process and in the subsequent governmental action resulting from the hearing process.

These services occur most often at in person hearings in Santa Fe (tax cases and Implied Consent Act hearings) and across the state (Motor Vehicle Code and Implied Consent Act hearings). AHO has four facilities: its main office in Santa Fe with 8 employees including its state-wide scheduling unit, an office in Albuquerque with 6 employees, an office in Las Cruces with one hearing officer, and an office in Clovis with one hearing officer. Implied Consent Act hearings occur at these four main facilities plus at locations in each county across the state, which are most often at MVD or TRD Field offices. Hearings also occur telephonically and by videoconference. Decisions are in writing and are mailed out to the appropriate parties.

The Administrative Hearings Office Act (Section 7-1B-1 NMSA 1978) articulates the structure, purpose, power, and limitations of AHO. Although there is not a specific purpose statement included in Administrative Hearings Office Act, Section 7-1B-6 (D) (2) NMSA 1978 seems to summarize the purpose of AHO:

...The hearing officer shall conduct a hearing to allow the ample and fair presentation of complaints and defenses. The hearing officer shall hear arguments, permit discovery, entertain and dispose of motions, require written expositions of the case as the circumstances justify and render a decision in accordance with the law and the evidence presented and admitted.

Section 7-1B-3 & 4 NMSA 1978 also establishes a Chief Hearing Officer Selection Committee, which is administratively attached to the Department of Finance and Administration.

AHO stakeholders are generally the parties and witnesses in our proceedings, which includes the Taxation and Revenue Department, TRD's Motor Vehicle Division, law enforcement agencies who enforce the Motor Vehicle Code/Implied Consent Act and send witnesses to testify at hearings, drivers in New Mexico, attorneys who appear to represent drivers and taxpayers, CPAs and other accountants who handle tax work, private citizens with tax disputes, and businesses/corporations.

AGENCY VISION/MISSION/GOALS

The "mission" of AHO is to adjudicate administrative hearings held pursuant to the Tax Administration Act, the Property Tax Code, the Implied Consent Act, and the Motor Vehicle Code consistent with applicable legal authority in a fair, efficient, and impartial manner.

The "vision" of AHO is:

- to improve public confidence in the fairness of the proceedings;
- to schedule, conduct, and resolve hearings in an efficient manner;
- To issue well-reasoned, well-researched, well-written, and legally sufficient rulings consistent with applicable legal standards that address the major substantive and procedural issues presented by the parties in a case;

- to provide information and education about the procedural hearing process to all interested parties;
- to provide helpful, knowledgeable and responsive staff; and
- to contribute to efficient and effective state government by conducting fair and impartial administrative hearings for other state agencies in a cost-effective manner.

ACTIVITY: *Tax Protests under the Tax Administration Act and Property Tax Code*

Goal: AHO will set, hear, and resolve tax protests in a timely, efficient, and fair manner consistent with applicable legal authority.

Objectives:

- Set and hold tax protest hearings within 90-days of either the Taxation and Revenue Department’s request for hearing or filing an answer to a protest when the taxpayer requested a hearing, consistent with the applicable statutory language.
- Maintain a complete record in every proceeding.
- Process legal pleadings and other filings of the parties and issues orders as necessary.
- Issue timely decisions and orders, or other final adjudicatory orders, within 30-days of the closing of the record.
- File the record proper with the Court of Appeals upon docketing statement of appeal.

*Performance Measures: (** indicates DFA/LFC Performance Based Budget Measure)*

- Percent of tax cases not held (including merits and scheduling hearings) within 90 days because of administrative hearings office error.**
- Number of cases handled by each hearing officer conducting tax cases.
- Timeliness of issuance of tax orders and decisions.

Achievements:

- AHO completed rulemaking, implementing the 2019 Legislative amendments to the Administrative Hearings Office Act.
- AHO’s tax decisions have been upheld by the New Mexico Court of Appeals at an extremely high rate. In calendar years 2019 and 2020, the Court of Appeals has affirmed the decision of the Administrative Hearings Office in 24 out of 26 appeals.

ACTIVITY: *Implied Consent Act and Motor Vehicle Code hearings*

Goal: AHO will schedule and hold Implied Consent Act hearings before expiration of the 90-day jurisdictional limit.

Objectives:

- Timely process files and schedule referred files from MVD.
- Set hearings dates with sufficient time remaining under the 90-day jurisdictional limit to consider continuance requests from the parties.
- Conduct fair and efficient hearings, including developing and maintaining a complete record of the hearing.

- Issue concise, efficient, and well-written decisions consistent with applicable legal authority within 30-days of the completion of the hearing record.
- File the record with the appropriate reviewing court upon appeal.

*Performance Measures: (** indicates DFA Performance Based Budget Measure)*

- Percent of hearings for implied consent act cases not held within 90 days due to administrative hearings officer error.**
- Process and schedule all referred files from MVD within 14-days
- Set hearings dates between day 45 and 60 of the 90-day jurisdictional window.
- Issue 80% of decisions within 30-days of completion of the hearing record.

Achievements:

- AHO has exceeded the 90-day performance measure reported to the Legislature in every year it has been an agency.
- AHO has timely issued decisions within 30-days more than 80% of the time.

ACTIVITY: *Interface with and educate hearing participants about the hearing process.*

Goal: AHO will provide meaningful opportunities for all hearing participants and interested members of the public to learn about the hearing process.

Objectives:

- Provide basic guidance to the public and hearing participants about the hearing process.
- By educating the participants, AHO will improve efficiency in hearing process both for AHO and the hearing participants.
- Increase accessibility to the process for hearing participants and accountability of AHO to its direct constituents about potential methods of improving the process.

*Performance Measures: (** indicates DFA Performance Based Budget Measure)*

- Number of tax protest and/or implied consent act trainings conducted annually.**

Achievements:

AHO has met its training component performance measure in each year it has been an agency. After the conclusion of each training, the hearing officers have noticed an improvement in the effectiveness and efficiency of the hearing process from people who attended the training versus those who have not.

ACTIVITY: *Conduct fair, impartial, efficient, and cost-effective hearings for other state agencies.*

Goal: Where appropriate from a knowledge and resource perspective to both agencies, or where statutorily required in the case of HSD expedited proceedings under Medicaid Provider and Managed Care Act, AHO will enter into agreements with other state agencies to conduct and adjudicate that agencies administrative hearings in a fair, impartial, efficient, and cost-effective manner for the benefit of state government.

Objectives:

- Set and hold hearings within applicable statutory and regulatory deadlines for the relevant agency.
- Maintain a complete record in every proceeding.
- Process legal pleadings and other filings of the parties and issues orders as necessary.
- Issue timely decisions and orders, or other final adjudicatory orders, within applicable statutory and regulatory deadlines.
- Maintain the record proper through conclusion of final adjudication and any appeal.

Achievements:

In the past two fiscal years (FY20 and FY21), AHO has conducted hearings and adjudications for the Secretary of State's Office, the State Ethics Commission, and the Board of Nursing. Additionally, AHO has discussed entering into memorandums of understanding with a new state agency about potentially conducting their administrative hearings depending on the volume of hearings that agency receives.

ACTIVITY: *Develop a comprehensive, internal case management information technology system and leverage technologies to improve access, quality, and efficiency of hearings.*

Goal: AHO currently uses multiple ad-hoc systems to schedule cases and maintain files depending on the hearing type of the case. AHO also uses a Motor Vehicle Department program to schedule MVD cases, making AHO highly dependent on a system it only has limited ability to access and customize. To improve efficiencies in the scheduling and adjudication process, and improve stakeholder experience in the hearing process, AHO needs to develop its own comprehensive case management database that it can use for all case types.

Objectives:

- A comprehensive case management system for scheduling and adjudicating all hearing types at AHO.
- A system that allows electronic filing for all parties that appear before AHO and secure, controlled access by the parties in the case to the contents of the electronic file.
- A system that permits electronic distribution of notices, orders, and other materials directly to the relevant parties in the case.
- A system that allows complete maintenance of the record in the case, from all filings, pleadings, orders, exhibits, to hearing audio.
- A system that interfaces with other databases from other agencies for generation of new case files.
- A system that generates comprehensive, statistical reports to better track efficiency of the hearing process and hold hearing officers and AHO accountable for timeliness of results.
- Look to increase videoconference hearing options to increase hearing participant options and maximize efficiencies in the hearing process for all involved.

**FY24 APPROPRIATION REQUEST
FORM E-6B LEASED PASSENGER-RELATED VEHICLES**

Account code 542800
LEASED VEHICLE INFORMATION @ 7/1/24

Agency Name: Administrative Hearings Office
Program Name: Administrative Hearings Office

Business Unit: 34000
Program Code: P340

Item No.	LONG TERM LEASES ONLY						Lease Type Operational (O) or Standard (S)	Long Term Only			SHORT TERM ONLY			Put (x) if Fed \$
	Year	Make/Model	Vehicle Type	A** R C	License Plate Number	Mileage As of 7/1/2024		A	B	A x B = C	D	E	D x E = F	
								FY26 Monthly Rate S= Rate Schedule	Number of months to lease	Total cost Rate FY25	Daily Rate Based On Vehicle Type	No. of Days	Total Lease Rate	
1	2021	Nissan Altima	02BA	C	008806SG	18,460	Standard (S)	485	12	5,820.0			-	
2	2021	Nissan Altima	02BA	C	008807SG	9,391	Standard (S)	485	12	5,820.0			-	
3	2021	Nissan Altima	02BA	C	009175SG	6,439	Standard (S)	485	12	5,820.0			-	
4	2021	Nissan Altima	02BA	C	009210SG	16,636	Standard (S)	485	12	5,820.0			-	
5										-			-	
6										-			-	
7										-			-	
8										-			-	
9										-			-	
10										-			-	
11										-			-	
12										-			-	
13										-			-	
14										-			-	
15										-			-	
16										-			-	
17										-			-	
18										-			-	
TOTAL LONG TERM:										23,280.0	TOTAL SHORT TERM:		-	

Operational(O) rate for FY26 will be

** Code A = additional leased vehicle request C = vehicle currently leased R = request to replace previously purchased vehicle

302 - PCF Detail Agency/Individual Allocated Org
PCode by Employee

Employee	PCN	Job Class - Name	FTE	Hourly	Salary	Group Ins	Retire	FICA/MI	Retiree Health	Employee Total
P340-R - Administrative Hearings Office										
DeptID 1000000000-34000										
+ Anaya, Angelica	10115972	CLSSC1199A - Bus Ops Spec-A	1.00	26.010	54,935	5,949	10,449	3,367	1,086.18	75,786.91
+ Baldwin Geilin, Lauren	00050679	CLSSLLLA45 - Attorney CLSSLLLS45 - Attorney	1.00	59.740	126,176	5,874	23,999	7,734	2,494.74	166,278.64
+ Buchanan, David A	00001201	Supervisor	1.00	63.953	135,074	758	25,692	8,279	2,670.66	172,473.63
+ Candelaria, Pamela G	00023209	CLSSLLLA45 - Attorney	1.00	59.740	126,176	5,112	23,999	7,734	2,494.74	165,516.06
+ Gallegos, Ignacio V.	00070185	CLSSLLLA45 - Attorney	1.00	59.740	126,176	14,895	23,999	7,734	2,494.74	175,299.34
+ Gonzalez, Irma M	10100228	CLSSLLLA45 - Attorney	1.00	59.740	126,176	9,285	23,999	7,734	2,494.74	169,689.06
+ Hoxie, Dee Dee	10101583	CLSSLLLA45 - Attorney	1.00	59.740	126,176	5,112	23,999	7,734	2,494.74	165,516.06
+ Lucero, Elishia F	00001203	CLSSLLLC23 - Law Clerk	1.00	33.203	70,128	941	13,339	4,298	1,386.56	90,092.73
+ Montoya-Ramirez, Tanya	10109794	CLSSX40000 - A/O I	1.00	49.705	104,981	13,905	19,968	6,435	2,075.66	147,364.02
+ Rivera, Breanna L.	00002237	CLSSX30000 - Staff	1.00	44.744	94,503	14,895	17,975	5,792	1,868.49	135,033.5
+ Rodriguez, Samantha V	00023210	CLSSH2011A - Paralegl& Lgl Asst-A	1.00	32.712	69,091	14,895	13,142	4,235	1,366.06	102,728.78
+ Romero, Oscar C.	00001993	CLSSLLLS45 - Attorney Supervisor	1.00	63.953	135,074	85	25,692	8,279	2,670.66	171,800.23
+ Spencer, Nadine E.	10109863	CLSSH2011A - Paralegl& Lgl Asst-A	1.00	31.257	66,018	11,290	12,557	4,046	1,305.29	95,216.66
+ Valencia, Mary	10100385	CLSSLLLA45 - Attorney	1.00	57.680	121,825	85	23,172	7,467	2,408.72	154,957.78
+ VanDenzen, Brian	00001196	GOVX7030 - Agency Director	1.00	74.279	155,691	9,285	29,840	9,616	3,101.88	207,533.44
+ Van Haselen, Arthur III	00002000	CLSSLLLA45 - Attorney	1.00	56.000	118,277	16,157	22,497	7,250	2,338.56	166,519.08
+ Villegas, Makayla	10103639	CLSSH2011O - Paralegl& Lgl Asst-O	1.00	25.250	53,330	85	10,144	3,269	1,054.44	67,881.98
Total			17.00		1,809,809	128,608	344,462.34	111,001	35,806.9	2,429,687.92
Grand Total			17.00		1,809,809	128,608	344,462.34	111,001	35,806.9	2,429,687.92

302 - PCF Detail Agency/Individual Allocated Org

PCode by Employee

Account	Account Name	FTE	Total
520100	Exempt Perm Positions P/T&F/T	1.00	155,691
520300	Classified Perm Positions F/T	16.00	1,654,118
Grand Total		17.00	1,809,809

Account	Account Name	FTE	Total
520100	Exempt Perm Positions P/T&F/T	1.00	155,691
520300	Classified Perm Positions F/T	16.00	1,654,118
Grand Total for Org		17.00	1,809,809
