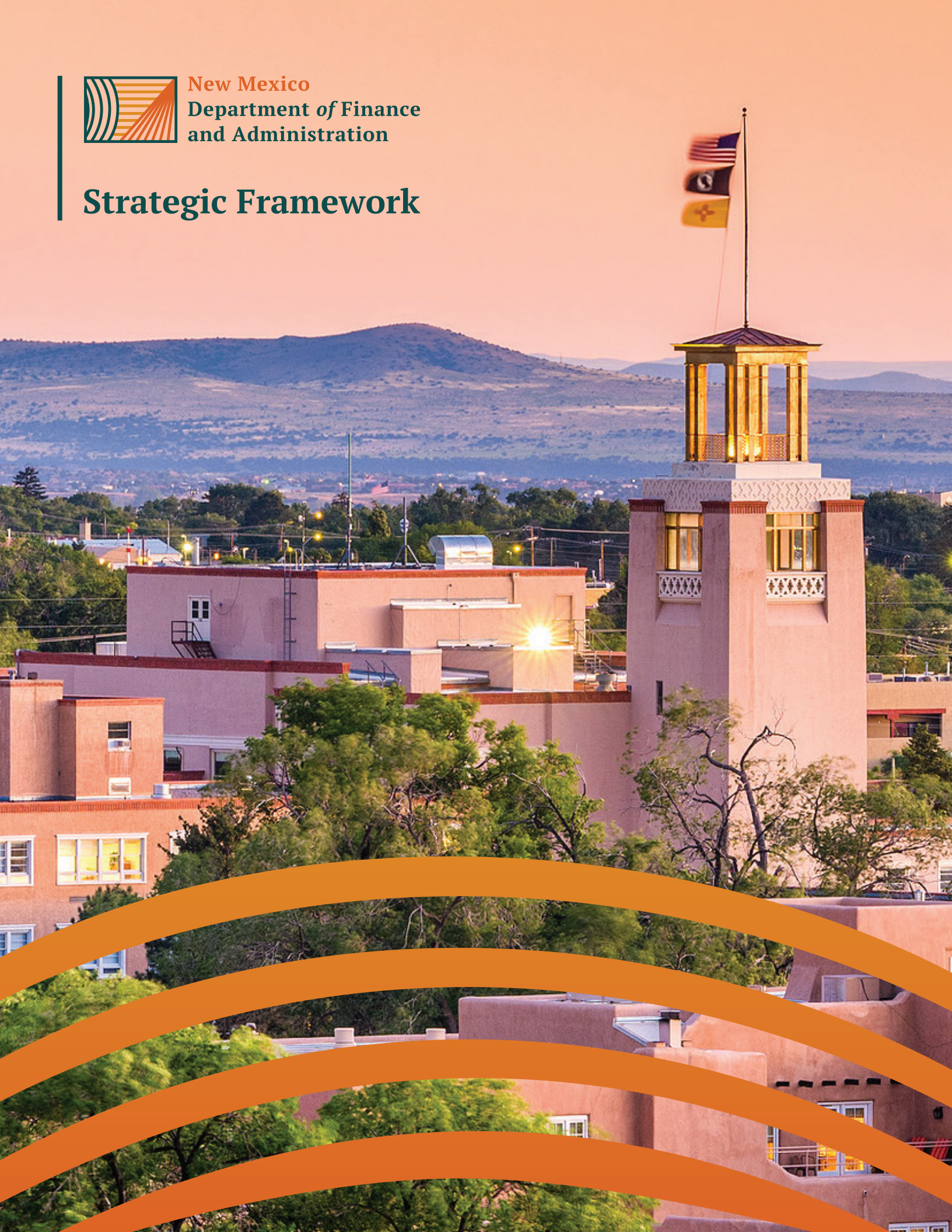




New Mexico
Department of Finance
and Administration

Strategic Framework





New Mexico **Department of Finance** **and Administration**

The New Mexico Department of Finance and Administration (DFA) is in a time of continuous visionary evolution and explanation of duties and responsibilities that began during the pandemic. The State of New Mexico has never had more revenue, programs, and initiatives involving expertise and execution from DFA. Therefore, the department is taking on more responsibility than ever.

This strategic plan stands as a testament to our commitment to excellence, transparency, and impactful governance as we stride into a new era of fiscal stewardship and community empowerment. At the heart of our mission lies a dedication to enhancing the financial well-being of New Mexico.

Our primary mission is structured around three core values, Fiscal Strength & Stability, Quality Services, and Thriving Communities. We emphasize knowledge sharing, transparency and fiscal expertise to produce results within our program structure.

DFA remains committed to upholding the traditional obligations amid evolving duties and responsibilities. Simultaneously, we will continue nurturing new programs and operations that enable us to effectively work independently or with partners to shape a brighter future for New Mexico.



New Mexico Governor

Cabinet Secretary

Office of the Secretary

- Deputy Cabinet Secretary
- Legal Unit
- Economic Unit
- Public Information
- Federal Grant Bureau

P541

Provide professional and coordinated policy development, analysis, oversight and leadership for initiatives and programs

Board of Finance

Budget Division

- Capital Outlay Bureau

Administrative Services

- Finance Bureau
- Human Resources Bureau
- Information Technology Bureau

P542

Provide DFA programs with central direction for agency management processes to ensure consistency and financial integrity

Local Government

- Budget & Finance Bureau
- Community Development Bureau
- E-911 Bureau
- DWI Bureau
- Rural & Frontier Equity Ombudsmen

P543

Provide assistance to local public entities, with the appropriate use of public funds and strengthen their ability to better serve New Mexico communities to improve their quality of life

Financial Control

- State Controller
- Audit Bureau
- Central Payroll Bureau
- Statewide Financial Reporting
- Accountability Bureau

P544

Provide for/promote financial accountability for public funds throughout state government with timely, accurate, and comprehensive information on the financial status and expenditures of the state



Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability (P541)

Purpose of the Program

Provide professional and coordinated policy development, analysis, oversight and leadership for initiatives and programs using best practices and data informed decisions for the most efficient and effective use of government funds.

Program Users

Governor, Lieutenant Governor, State agencies and institutions, Legislature, Judiciary, Public, Media, Bondholders, Bond rating agencies, Local governments, national organizations, Tax Increment Development Districts, State Board of Finance members, and the public.

Benefits to New Mexicans

- Sound fiscal policy analysis and data driven advice to the Executive Branch and Legislature
- Greater legal protections for local governments, school districts, and higher educational institutions in real property transactions
- A balanced budget that is developed with sound revenue estimates
- Greater accountability for capital projects while streamlining the processes to elevate efficiency and transparency
- Efficient allocation and use of state resources toward needed public projects
- Responsive Legal guidance for DFA divisions and other state agencies
- Increased transparency and public confidence with deposits and investments of state money
- Compliance with Inspection of Public Records Act requests
- Timely access to public project funds at low interest cost for the State
- Access to emergency assistance to local public bodies and State agencies





Program Objectives

Fiscal Strength & Stability

- Produce Policy and financial analysis and budget planning to support strong executive and legislative decisions
- Promote fiscal stability within state government and statewide
- Present a timely and structurally balanced Executive Budget Recommendation
- Deliver accurate consensus revenue estimates
- Provide oversight and assistance on timely and legal expenditure of capital outlay projects

Quality Services

- Offer a positive, solution-driven experience to both external and internal customers

Thriving Communities

- Deliver Training and education to all state agencies
- Extend outreach efforts to increase understanding of state agency's operations, needs and challenges
- Provide loan and grant assistance to local public bodies and state agencies facing unforeseeable emergencies

ACTIONS	STATUS	OUTCOMES
Conduct Strategic Planning for DFA	Ongoing	
Work with Agencies to estimate and fund Governor's major initiatives	Ongoing	
Develop Revenue Stabilization Tools		
Design Budget Review System Replacement	Completed and ongoing	Successful rollout and training; new report building. Begin initiative for personnel reporting, actual vacancy rates-budgeted vacancy rates
Support Pension Reform Task Force	Completed and ongoing	Pension reform, as guided by the Task Force, was passed in 2019. Continued guidance on actions the State can take to address and reduce pension liabilities
Improve Revenue, Budget, and Performance Reporting		
Host DFA Learning Series	Ongoing	Budget Boot Camp successful; Budget Adjustment training is determined to be new area of practice; Payroll training is determined to be critical need for effective payroll cycle

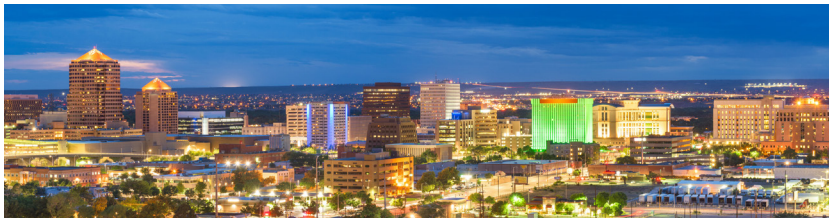


ACTIONS	STATUS	OUTCOMES
Support 2020 Census through Complete Count Committee	Completed	<i>US Census Bureau determined that New Mexico had the most accurate count in the country</i>
Create Capital Outlay and Infrastructure Capital Improvement Plan (ICIP)	Completed and ongoing	<i>The Capital Outlay and ICIP dashboard have been published to the DFA website. Dashboards continue to evolve to further improve reporting and transparency</i>
Train Board of Finance Members	Completed and ongoing	<i>Continued training occurs as needed for Board of Finance members</i>
Launch and develop deeper data analytics that are shareable	Ongoing	<i>Measurements of effect of federal monies on state economic development, offsets to General Fund; targeting data to address multi funding strategies</i>
Develop updated loan and grant request documentation” and the status should be “Completed and ongoing	Completed	<i>A revised emergency operating fund application was released for use by public entities requesting emergency funding</i>



Activities (By Program)

- Contribute to consensus revenue estimating group, prepare revenue estimates for use in budget preparation, track and report general fund revenues and cash balances
- Review and approve contracts, joint powers agreements, bond issuances and refundings
- Represent the Executive branch on a variety of boards and commissions
- Assist agencies and policy makers in the planning, development, and preparation of budget requests, and approval of operating budgets
- Prepare the Executive Budget Recommendation and Capital Budget
- Provide information and recommendations on policy, legislative and budgetary issues
- Monitor agency budget and program activities throughout the year to assure compliance with statutes and Executive policies and regulations
- Coordinate with agencies regarding strategic planning, program identification, and establishing relevant performance measures
- Accountability in Government Act
- Develop and implement the Governor's Performance Review recommendations
- Ensure compliance with the State Budget and Accountability in Government Acts
- Review requests submitted to the State Board of Finance for legal and policy considerations, and brief members in preparation for meetings
- Assess Severance tax bonding capacity annually for consideration of funding for critical need, high-priority, and long-term impact capital projects as well as debt metric trends



Activities cont.

- Manage the State’s General Obligation and Severance Tax Bonding programs, including capacity calculation, State mill levy analysis, bond issuance, assessing capital project readiness, bond proceeds accounting, bond post issuance compliance, providing guidance on use of proceeds, and maintaining bond records
- Oversee State contractual relationships for fiscal agent banking and treasury-related services; custodial bank services; bond, disclosure, and tax counsel services, the arbitrage calculation, and financial advisor
- Track and reconcile State Board of Finance emergency loans, private activity bond volume capacity allocations, and qualified energy conservation bond allocations
- Exercise State Board of Finance oversight of the State Treasurer’s Office through State Treasurer’s Investment Committee, regular reporting, and approval of Investment Policy and Broker/Dealers
- Record, edit, audit, report and archive all financial transactions for DFA, in compliance with all applicable state and federal laws and regulations and with generally accepted accounting principles
- Prepare budget requests, operating budgets, and budget adjustment requests for DFA
- Administer the Governor Exempt Salary Plan
- Advance Program budgeting and implementation
- Extend statewide research and training on federal funding opportunities and tracking





Program Support (P542)

Purpose of the Program

Provide all Department of Finance and Administration programs with centralized direction for agency management processes ensuring consistency and integrity related to finances, human resources and IT support functions.

Program Users

All DFA employees, administratively attached organizations and other State agencies, and the public.

Benefits to New Mexicans

- Increase agency performance, accounting accuracy, financial reporting and program efficiency

Program Objectives

Fiscal Strength & Stability

- Implement accurate financial management practices and reporting for DFA

Government Accountability, Innovation & Efficiency

- Build technological capabilities and improve processes to achieve progressive ways of doing business timely and consistently

Quality Services

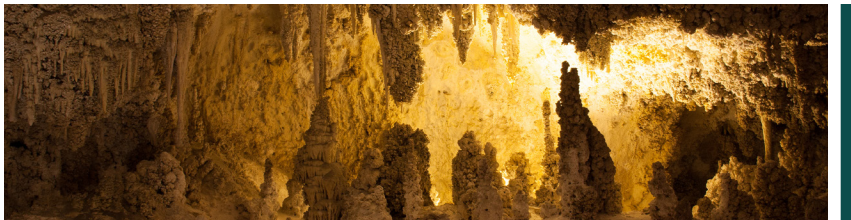
- Deliver quality, reliable financial and administrative services promptly to internal and external customers

Workforce Development & Engagement

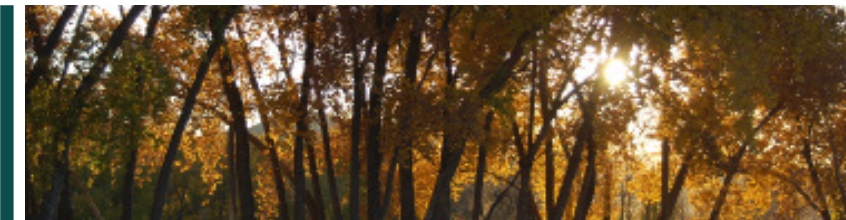
- Ensure adequate training and educational attainment support for agency workforce
- Provide a welcoming experience for new agency employees
- Maintain positive employee morale through employee engagement and appreciation activities
- Create successful pipeline and succession plan for key positions



ACTIONS	STATUS	OUTCOMES
Develop process to streamlined work flow for REQ/PO/voucher set up	Ongoing	<i>Planning to leverage SHARE established workflow and reporting to create new processes for controlling and monitoring procurement</i>
Review contracts by the Chief Procurement Officer (CPO) during scope of work creation	Ongoing	
Create purchase document to increase efficiency of purchases	Ongoing	
Establish quarterly meetings with division directors to implement changes in processes (i.e. P-card policy/procedure, purchasing workflow, budget meeting focus, employee applicant pre or post screening)	Ongoing	<i>Updating strategic plan, performance measures, budget planning as a result of work sessions</i>
Introduce interactive budget worksheets to enable divisions to create proforma financial models	Initiated	<i>First draft in use with feedback gathering</i>
Redesign fund reconciliation model for quarterly and priority-based tasks	Initiated	<i>High-priority funds to be regularly reconciled on a routine basis with lower activity funds reconciled in between quarters for effective coverage</i>



ACTIONS	STATUS	OUTCOMES
Design benchmarks and deadlines for planning and	Ongoing	<i>Stage initial, year-end and audit fieldwork to complete on a proactive basis in anticipation of auditor needs</i>
Design procurement planning with boilerplate contracts and flowchart modeling to guide programs into best practices.	Initiated	<i>Collaboration between legal, program support and programs into best practices and high compliance</i>
Webpage design and implementation for procurement workflow and guidance	Pending	<i>Public interactive reference to guide vendors, local governments and citizen's questions regarding procurement processes</i>
Outreach to Universities for public administration programs to develop a pipeline for recruitment, curriculum development		<i>Acquire new graduates primed for government service and cross-collaborative disciplines; encourage new curriculum that addresses new trends in governmental practices</i>
Expansion planning for a bigger and more accessible DFA footprint across the state	Initiated	<i>Accessibility to local governments for DFA outreach</i>
Website development for ease of access to official forms, policies and Q&A forums for payroll, human resource and benefit questions		<i>Assist citizen inquiries for all types of needs with pipeline redirects and open queries</i>





Activities (By Program)

- Record, edit, audit, report, and archive all financial transactions for agency in compliance with all applicable state and federal laws and regulations and with generally accepted accounting principles
- Prepare budget requests, operating budgets, and budget adjustment requests for agency
- Implement human resources-related State Personnel Board rules, federal and state laws, and internal policies and procedures
- Process biweekly payroll for agency
- Administer employee benefits
- Facilitate staff recruitment and retention initiatives for all agency
- Consult with managers and employees on human resource matters
- Extend technical assistance to all users of the State’s SHARE system through the SHARE help desk
- Assist with agency internal databases, IT hardware and software, and internet and intranet

Community Development, Local Government Assistance and Fiscal Oversight (P543)

Purpose of the Program

Provide assistance to local public entities, with the appropriate use of public funds while working to strengthen their ability to better serve communities throughout New Mexico and enhance quality of life.

Program Users

Governor, Lieutenant Governor, Legislature, Local public entities, tribes and pueblos, State agencies, the public, councils and commissions and non-profit and for-profit organizations.

Benefits to New Mexicans

- Assist with supporting strong fiscal accountability in local governments
- Facilitate planning and funding activities for infrastructure needs statewide
- Coordinate enhanced planning around capital infrastructure needs
- Improve health and safety of communities through the LDWI program
- Ensure Grantees/ contractors receive reimbursements on a timely basis





Fiscal Strength & Stability

- Provide oversight and assistance with timely and legal expenditure of capital outlay projects
- Promote fiscal stability within state government and statewide
- Involve stakeholder input around key decision making

Government Accountability, Innovation & Efficiency

- Build technological capabilities and improve processes to achieve progressive ways of doing business timely and consistently
- Furnish user-friendly, actionable Infrastructure Capital Improvement Plan (ICIP) and capital outlay project balance reporting
- Ensure capital projects are fully planned, having addressed operating and maintenance costs, corresponding revenue sources, and are ready to begin

Quality Services

- Furnish user-friendly, actionable Infrastructure Capital Improvement Plan (ICIP) and capital outlay project balance reporting
- Impart financial expertise, training and technical assistance to local public entities
- Deliver quality, reliable and timely financial and administrative services to internal and external customers
- Extend training and education to local public entities
Conduct outreach efforts to build strong local public entity relationships
- Provide valuable and accessible services to local public entities
- Execute a streamlined process for property tax mill levy rate calculations and generating property tax certificates

Workforce Development & Engagement

- Conduct training and development opportunities to division staff
- Ensure a welcoming onboarding experience for all new employees including orientation with leadership

ACTIONS	STATUS	OUTCOMES
Create new Local Government survey	Individual program surveys in development stages	<i>Achieve better understanding of divisions successes and areas where improvements are needed</i>
Host Infrastructure Finance Conference	26th Annual Conference scheduled for October 18 -19, 2023, Las Cruces Convention Center, Las Cruces, NM	<i>Theme: Recover, Restructure, Rebuild Tracks provide information on finance, transportation , community/economic development, tribal utilities and housing. Audience: counties, municipalities, tribal governments, special districts and the private sector</i>
Expand regional ombudsman program to local governments dedicated to educate, and assist with navigating needs to opportunities (people)	Ongoing	<i>Achieve higher success rate with obtaining projects with multiple sources</i>
Develop and implement robust capital project software for centralized contract, grant agreement and project management	Contract will continue in FY24 for the financial management phase of the PARS database	<i>Increased efficiencies with electronic pay request submittals and ability to provide better project status reporting</i>
Develop centralized resource database for multiple sources for program needs, to include referral system to navigate inquiries from local governments and citizens to information	Analyzing data and information - pending funding	<i>Leverage needs against federal and other sources, with state funding prioritized with gap funding</i>
Redevelop ICIP process (procedural)	Current ICIP database system is antiquated and not user friendly	<i>A new, updated, modern database that is user friendly will allow DFA to download required ad-hoc reports requested by DFA management, LFC and local governments</i>

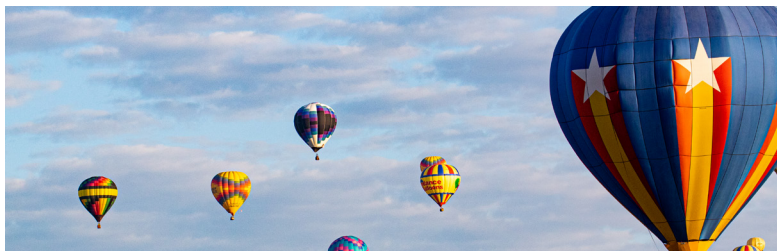


ACTIONS	STATUS	OUTCOMES
<p>Develop program for outreach, education and matching of local governments with resources for improving financially deficient systems</p>	<p>Pending funding to expand Special Director’s regional approach for providing technical assistance to aid in improving local government’s financial capacity</p>	<p><i>Promote financially healthy local governments</i></p>
<p>Expand and enhance capital project oversight team to include project managers with outreach and education (mitigate and deconflict pressure points)</p>	<p>Ongoing</p>	<p><i>Increased completion rates of capital projects within established deadlines</i></p>
<p>Initiate certification program for project management for staff and external partners</p>	<p>Developing internal processes and researching available certification programs</p>	<p><i>Expand professional expertise on capital projects</i></p>
<p>Planning and implementation of Next Generation 911 (NG911)</p>	<p>NG911-capable Call Handling Equipment is 100% deployed. Contract for Emergency Services IP Network (ESInet) and NG Core Services (NGCS) has been awarded to Motorola. Project is underway.</p>	<p><i>More resilient and reliable 911 network. More accurate caller location and call routing functions. Enhanced interoperability. Improved emergency response</i></p>
<p>Update NM911 Data Model to NENA’s NG911 standards. Collect, aggregate, and translate GIS data from all local data authorities.</p>	<p>PSAP and Emergency Service Zone boundaries are complete. NM911 Data model is complete and statewide dataset to be translated and converted to new schema in FY24.</p>	<p><i>Necessary for transition to NG911 and move from legacy call routing to location based call routing. This GIS data will be used for the location validation function (LVF) and emergency call routing function (ECRF) within the NG Core Services</i></p>



Activities (By Program)

- Provide budget and fiscal oversight of local public bodies, and technical support to entities experiencing issues with audits and financial reporting
- Certify property tax rates statewide
- Administer federal Community Development Block Grant program and staff the Community Development Council
- Administer local capital outlay projects authorized by the legislature
- Administer Local Driving While Intoxicated (LDWI) Grant Program and staff the LDWI Council
- Oversee funding for teen courts from the Juvenile Adjudication Fund
- Manage local Infrastructure Capital Improvement Plan (ICIP) process
- Manage contracts for Civil Legal Services and staff the Civil Legal
- Services Commission
- Assist the administratively-attached
- Acequia Commission and Land Grant Council
- Manage the Tribal Infrastructure Fund
- Oversee funding of the Acequia & Community Ditch Education Program
- Administer the Executive Order 2013-006 and recommend the need for Fiscal Agents
- Administer Emergency Rental Program
- Administer Housing Assistance Program
- Administer future bipartisan infrastructure program
- Identify high-priority needs in rural and frontier communities for assistance
- Manage Municipal Boundary Commission
- Approve and participate in Tax Incremental Districts
- Administer the Federal Forest Reserve Fund
- Administer the Taylor Grazing Act Fund
- Administer the Law Enforcement Fund
Chair the Community Development Council and support their programs
- Participate in the Infrastructure Finance Committee
- Provide program assistance for the Emergency Watershed Protection Program for the Hermits Peak/Calf Canyon fire area
- Administer the Hermits Peak/Calf Canyon Fire Recovery Loan Program
- Administer the Warrant Enforcement Funding
- Administer the Public Attorney Fund
- Chair and participate in the Infrastructure Finance Committee
- Administer the Intertribal Indian Ceremonial Association
- Administer appropriations in HB2 to include the Capacity Building Grant, Federal Matching Grant and the Recreational Grant



Fiscal Management and Oversight (P544)

Purpose of the Program

Promote and ensure financial accountability of public funds throughout state government. Provide state agencies and New Mexicans with timely, accurate and comprehensive information on the financial status and expenditures of the state, achieved by clearly communicating required fiscal management practices, providing processes and instruction, training and coaching agencies and ensuring agencies have the skills and resources to preserve necessary financial accountability.

Program Users

State agencies and institutions, New Mexicans, Governor, Lieutenant Governor, Legislature, Judiciary Legislature, vendors doing business with the State, bond holders, bond rating agencies and any other individual interested in financial information on the State.

Benefits to New Mexicans

- Detailed and timely financial reports
- Greater accountability in state payments for all state agencies
- Quality information for management decisions
- Reliable information needed to fund and monitor statewide legislative initiatives
- Accurate and timely payment processing to all state vendors, grant recipients, state employees and the public
- Enhanced economic stability across the state for businesses and individuals financial
- Navigation support to other agencies in responding and assisting citizens with disbursement information
- Greater state customer satisfaction
- Confirmation of percent compliance with statutory and legislative directives
- Fiscal accountability to ensure fiscal directives serve state residents with demonstrated consistency and fairness



Program Objectives

Fiscal Strength & Stability

- Improve the quality and timeliness of statewide financial reporting
- Advance the quality of financial management throughout state government

Government Accountability, Innovation & Efficiency

- Promote financial expertise statewide to achieve efficiency and improve operating standards, consistency, knowledge base, and work product
- Foster best practices and accountability
- Make certain agency hardware and software is compatible with the latest technology and security standards
- Implement safeguards to ensure agency payment systems are secure

Quality Services

- Deliver quality, reliable and timely financial and administrative services to internal and external customers



ACTIONS	STATUS	OUTCOMES
Provide new Certification Program for Statewide CFOs	Process was placed on hold due to the pandemic and subsequent retiring of contact at the Edge program.	<i>Effective and stable financial management at all state agencies</i>
Plan/Issue timely Annual Comprehensive Financial Report (ACFR) submission annually	ACFR was issued in August 2023	
Continue to build the mobile CFO activities and outreach to help agencies in need of fiscal support during times of key fiscal disruption or other vacancies	Initiated	<i>Effective and stable financial management at all state agencies</i>
Create a training and outreach program within the statewide Central Payroll Bureau	Initiated	<i>Timely and efficient payroll close and processing</i>
Deploy payroll staff into the field to provide hands-on training as well as gap coverage for periods of agency payroll vacancies	Initiated	<i>Effective and stable payroll processing at all state agencies</i>





Activities (By Program)

- Fiscal oversight, including pre-auditing, post-auditing, supervision, monitoring and controlling financial activities of the State's agencies
- Processing, recording, summarizing, and reporting all state financial transaction information
- Central processing of payroll for all state employees and entities
Concentrated disbursement of cash to vendors
- Auxiliary budgetary control
- Accounting for cash receipts
Allocation of appropriations from the State General Fund
- Production of interim financial reports for funds
- Monthly reconciliation of cash to the State Treasurer's financial reports
- Annual production and audit of the State of New Mexico Annual Comprehensive Financial Report (ACFR)
- Oversight of information returns and coordinated efforts associated with the Internal Revenue Service and the Social Security Administration
- Review and approval of professional services contracts for all state agencies





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