

# Department of Finance and Administration

## Fiscal Year Strategic Plan



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SANTA FE, NM 87501

# FY2023

# Leadership



## *Governor Michelle Lujan Grisham's priorities*

- Transformative strategic investments in public education: My team will work hand-in-hand with educators, students, parents and communities to build both a pre-kindergarten and K-12 public education system that is equitable, well-funded and provides New Mexico schoolchildren with every single opportunity they need to succeed.
- Improved access to high-quality health care throughout the state: We will leverage additional federal funding for Medicaid-eligible clients while proactively reaching out to eligible New Mexicans across the state to ensure every family has access to the care they need when they need it.
- Comprehensive health and well-being services for children and families: We will make significant investments in protective services personnel and advanced screening and case management services while continuing to leverage federal funds to ensure the safety of our most vulnerable youth.
- In Building the 21<sup>st</sup> Century economy New Mexico deserves: My team will creatively and aggressively leverage core strengths and growth areas, establish long-term partnerships in the film and television industries and launch sustainable new economic areas like cyber security, aerospace, value-added agriculture and intelligent manufacturing.
- Sustainable investments in the workforce: After having boosted the minimum wage for the first time in a decade, we will expand our apprenticeship programs and invest in job training programs, financial aid and the College Affordability Act.
- Prudent fiscal management: We will safeguard taxpayer dollars and key investments by targeting healthy General Fund reserves and deploying tax stabilization tools.

## Note from DFA Cabinet Secretary Debbie Romero



Our leadership team is excited to introduce DFA's new strategic plan. This plan aligns with the governor's vision of prudent fiscal management, efficient government, and providing quality, effective services to all New Mexicans.

Our plan is anchored by:

- Financial Stability & Strength
- Quality Services
- Government Accountability, Innovation & Efficiency
- Workforce Development & Engagement
- Thriving Communities

I welcome feedback from our stakeholders and look forward to serving all New Mexicans as we continue to move our state forward.



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# Vision, Mission and Values

## **OUR VISION**

Public entities, throughout New Mexico, are fiscally responsible, effective and accountable.

## **OUR MISSION**

Guide, serve and support public entities to ensure fiscal accountability and effective government that is responsive to all New Mexicans.

## **OUR GUIDING VALUES**

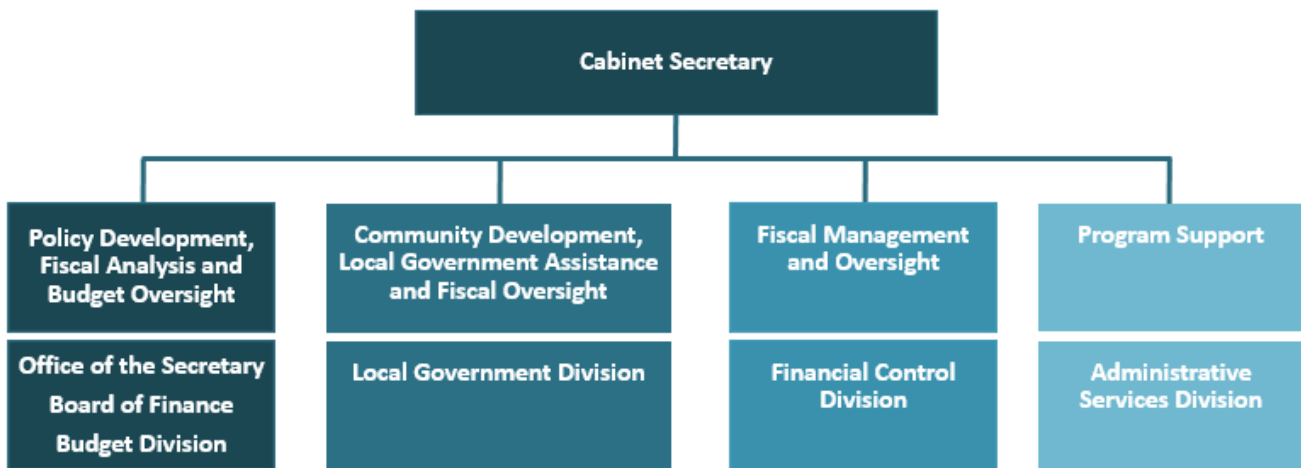
Accountable, Collaboration, Communication, Efficiency, Effectiveness, Fiscally Responsible, Service and Quality





# Organizational Structure

## By Program



New Mexico Department of  
Finance & Administration

# 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 the public’s tax dollars

## Program Users

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

## 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	Provide New Mexicans with greater accountability for capital projects and streamline the processes to increase efficiency
Efficient allocation and use of state resources toward needed public projects	Responsive and sound legal counsel for DFA divisions and other 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

## Budget and FTE (in thousands \$)

	FTE	Budget
DFA (Overall)	147	\$ 138,932.5
Office of the Secretary	9	\$ 1,268.1
State Budget Division	19	\$ 1,872.7
Board of Finance	5	\$ 508.0

**Statutory Authority and Activities - See appendix for a comprehensive listing**



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

## Program Objectives

Focus Areas	
FISCAL STRENGTH & STABILITY	Provide 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 customer experience to both external and internal customers
THRIVING COMMUNITIES	Present training and education to other state agencies
	Conduct outreach efforts to increase understanding of state agency's operations and needs





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

## Strategic Actions

- Conduct Strategic Planning for DFA
- Work with Agencies to estimate and fund Governor’s major initiatives
- Develop Revenue Stabilization Tools
- Design Budget Review System Replacement
- Support Pension Reform Task Force
- Improve Revenue, Budget, and Performance Reporting
- Host DFA Learning Series
- Support 2020 Census through Complete Count Committee
- Create Capital Outlay and ICIP interactive dashboards
- Train Board of Finance Members



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

## Performance Measures

Measure Name	2020-21 Target	2020-21 Actuals	2021-22 Target	2022-23 Request
General fund reserves as a percent of recurring appropriations	25.00	45.00	25.00	25.00
Error rate for the eighteen-month general fund revenue forecast, excluding oil and gas revenue and corporate income taxes	5.00	-	5.00	-
Error rate for the eighteen-month general fund revenue forecast, including oil and gas revenue and corporate income taxes	5.00	-	5.00	-
General obligation bond rating (Moody's and S&P)	1.00	-	1.00	-
Number of formal and informal trainings conducted by the state budget division	3.00	4.00	3.00	0.00
Percent of agencies attending state budget division trainings	95.00	95.00	95.00	95.00
Percent of capital outlay expended within six months for all funding sources	5.00	7.00	5.00	5.00
Percent of capital outlay projects with no activity after one year	-	3.00	-	3.00
Percent of state agencies who are satisfied with DFA services based on survey responses	90.00	0.00	90.00	-
Percent of capital outlay expended within three years for all funding sources	85.00	88.50	85.00	88.50
*General fund reserves as a percent of nonrecurring appropriations for the prior fiscal year	-	-	-	-
*new measure				





# Fiscal Management and Oversight (P544)

## Purpose of the Program

Provide for and promote financial accountability for public funds throughout state government and provides state agencies and New Mexicans with timely, accurate and comprehensive information on the financial status and expenditures of the state. This is achieved by clearly communicating required fiscal management practices, providing processes and instruction, training and coaching agencies and ensuring agencies have the skill and resources to provide 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	
Accurate and timely financial reports	Greater accountability in state payments for all state agencies
Quality information for management decisions	

## Budget and FTE (in thousands \$)

	FTE	Budget
Fiscal Management and Oversight	51	\$ 52,805.7

***Statutory Authority and Activities - See appendix for a comprehensive listing***





# Fiscal Management and Oversight (P544)

## Program Objectives

Focus Areas	
FISCAL STRENGTH & STABILITY	Improve the quality and timeliness of statewide financial reporting
	Improve the quality of financial management throughout state government
GOVT 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 DFA hardware and software is compatible with the latest technology and security standards
	Implement safeguards to ensure DFA payment systems are secure
QUALITY SERVICES	Deliver quality, reliable and timely financial and administrative services to internal and external customers





# Fiscal Management and Oversight (P544)

## Strategic Actions



Provide new Certification Program for Statewide CFOs

Plan/Issue FY19 CAFR by April 2020



# Fiscal Management and Oversight (P544)

## Performance Measures

Measure Name	2020-21 Target	2020-21 Actuals	2021-22 Target	2022-23 Request
Length of time to issue the annual financial report after the end of the fiscal year, in days	-	-	-	-
Date of submitting the annual statewide cost allocation plan for federal approval	-	-	-	-
Percent of payroll payments to employees made by the scheduled payday	100.00	100.00	100.00	100.00
Percent of vouchered vendor payments processed within five working days	100.00	100.00	100.00	100.00
Percent of bank accounts reconciled on an annual basis	100.00	100.00	100.00	100.00
Number of trainings held by financial control division	10.00	50.00	25.00	25.00
Percent of material audit findings resolved in financial annual report	75.00	25.00	75.00	75.00



# 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 and strengthen their ability to better serve New Mexico communities to improve their 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

Strong fiscal accountability in local governments	Assist? With (Allow) for planning and funding for infrastructure needs statewide
Better planning around capital infrastructure needs	Improve health and safety of communities through the LDWI program
Grantees/ contractors receive reimbursements on a timely basis	

## Budget and FTE (in thousands \$)

	FTE	Budget
Community Development, Local Government Assistance and Fiscal Oversight	42	\$ 59,739.6

***Statutory Authority and Activities - See appendix for a comprehensive listing***



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

## Program Objectives

Focus Areas	
FISCAL STRENGTH & STABILITY	Provide oversight and assistance on timely and legal expenditure of capital outlay projects
	Promote fiscal stability within state government and statewide
GOVT ACCOUNTABILITY, INNOVATION & EFFICIENCY	Involve stakeholder input in key decisions Build technological capabilities and improve processes to achieve progressive ways of doing business timely and consistently
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
THRIVING COMMUNITIES	Present 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
	Ensure capital projects are fully planned, having addressed operating and maintenance costs, corresponding revenue sources which are ready to begin



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

## Strategic Actions

Create new Local Government survey

Host Infrastructure Finance Conference



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

## Performance Measures

Measure Name	2020-21 Target	2020-21 Actuals	2021-22 Target	2022-23 Request
Percent of required site visits by enhanced-911/driving while intoxicated/community development block grant staff are conducted annually (% by program)	90.00	93.00	90.00	90.00
Number of counties and municipalities local government division assisted during the fiscal year to resolve audit findings and diminish poor audit opinions	11.00	14.00	11.00	11.00
Number of local government division visits to local public entities	140.00	167.00	140.00	140.00
Percent of local public entities that meet required reserve levels	100.00	97.00	-	-
Number of visits to local public entities to provide enhanced 911 general support or technical assistance	13.00	26.00	13.00	24.00
Percent of local public entities who are satisfied with local government division services based on survey responses	80.00	100.00	80.00	80.00
Percent of grantee payment requests processed within ten working days in local government division	100.00	97.00	100.00	100.00
Percent of local public entities submitting submitting infrastructure capital improvement plans (ICIPs)	95.00	95.00	95.00	95.00
Percent of local public entities with current audits	100.00	96.00	100.00	-
Number of trainings provided to local public entities	13.00	41.00	13.00	13.00
Percent of capital intergovernmental grant agreements (IGAs) entered into within 60 days	50.00	50.00	50.00	50.00





# Program Support (P542)

## Purpose of the Program

Provide all Department of Finance and Administration programs with central direction for agency management processes to ensure consistency and financial integrity

## Program Users

All DFA employees, administratively attached organizations and other State agencies

## Benefits to New Mexicans

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

## Budget and FTE (in thousands \$)

	FTE	Budget
Program Support	21	\$ 1,994.1

*Statutory Authority and Activities - See appendix for a comprehensive listing*





# Program Support (P542)

## Program Objectives

Focus Areas	
FISCAL STRENGTH & STABILITY	Implement accurate financial management practices and reporting for DFA
GOVT ACCOUNTABILITY, INNOVATION & EFFICIENCY	Build technological capabilities and improve processes to achieve progressive ways of doing business timely and consistently
QUALITY SERVICES	Deliver quality, reliable and timely financial and administrative services to internal and external customers
WORKFORCE DEVELOPMENT & ENGAGEMENT	Ensure adequate training and educational attainment support for DFA workforce
	Provide an overall positive experience for new DFA employees
	Maintain positive employee morale through employee engagement and appreciation activities
	Create successful pipeline and succession plan for key positions





# Program Support (P542)

## Strategic Actions

- Develop process to streamline work flow for REQ/PO/voucher set up
- Review contracts by the Chief Procurement Officer (CPO) during scope of work creation
- Create purchase document to increase efficiency of purchases
- 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)



# Program Support (P542)

## Performance Measures

Measure Name	2020-21 Target	2020-21 Actuals	2021-22 Target	2022-23 Request
Percent of major fund reconciliations completed as an internal control within 21 days after the official closing of the books each quarter	97.00	67.00	97.00	97.00
Percent of prior-year department of finance and administration audit findings resolved/improved	80.00	50.00	80.00	80.00
Number of DFA security scans performed annually	999,999.10	8.00	5.00	12.00

# APPENDIX

## Statutory Authority (By Program)

### Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability

Section 9-6-1 through 9-6-15 NMSA 1978 Department of Finance and Administration Act
Section 6-3-1 through 6-3-25 NMSA 1978, State Budget Act; Section 6-3A-1 through 6-3A-9 NMSA 1978, Accountability in Government Act
Section 6-4-1 NMSA 1978, Capital Programs
Section 1-9-17 NMSA 1978, Voting Machine Purchases
Section 3-27-9 NMSA 1978, Emergency Water Fund
Section 3-31-9 NMSA 1978, Refunding Bonds
Section 4-62-8 NMSA 1978, Refunding Bonds
Section 5-15-15 NMSA 1978 Dedication of Gross Receipts Tax Increment
Section 6-1-1 through 6-1-13 NMSA 1978, SBOF Enabling Legislation
Section 6-10-1.2 NMSA 1978, Credit Card Acceptance
Section 6-10-30 NMSA 1978, Interest Rate Policy
Section 6-10-35 NMSA 1978, Fiscal Agent and Custody Bank
Section 6-12A-5 NMSA 1978, Tax and Revenue Anticipation Notes
Section 6-13-17 NMSA 1978, State Institution Bonds
Section 6-18-8.1 NMSA 1978, Interest Rate Exchange Agreements
Section 6-20-1 through 6-20-11 NMSA 1978, Private Activity Bond Act
Section 6-29-1 through 6-29-9 NMSA 1978, Tribal Infrastructure Act
Section 7-27-9 et. seq. NMSA 1978, Severance Tax Bonds
Section 7-37-1 through 7-37-8 NMSA, Property Tax and Yield Control
Section 11-1-1 through 11-1-7 NMSA 1978, Joint Powers Agreements Act
Section 13-6-2.1 NMSA 1978, Public Property Dispositions
Section 15-3B-6 NMSA 1978, State Construction Project Approvals
Section 15-3B-8 NMSA 1978, State Property Acquisitions
Section 15-3B-17 NMSA 1978, Capitol Buildings Repair Fund
Section 15-7-11 NMSA 1978, Risk Management Division Fund Transfers
Section 16-2-9 NMSA 1978, State Park Concession Contracts
Sections 21-1-21 and 2-1-21.1 NMSA 1978, Capital Expenditures of State Educational Institutions
Section 21-1-24 NMSA 1978, Graduate Program Approvals

### Community Development, Local Government Assistance and Fiscal Oversight

Section 3-56-1 through 3-56-9 NMSA 1978, Regional Planning Act
Section 3-7-11 through 3-7-12 NMSA 1978, Municipal Boundary Commission
Section 3-7-13, Annexation Requirements
Section 4-44-1 through 4-44-45 NMSA 1978, Salaries and Provisions Applicable to more than one office
Section 4-58-1 through 4-58-6 NMSA 1978, Planning District Act
Section 4-61-1 through 4-61-3 NMSA 1978, Small Counties Assistance Act
Section 6-4-1 NMSA 1978, Capital Programs
Section 6-6-1 through 6-6-20 NMSA 1978, Local Government Finances
Section 6-11-1 through 6-11-9 NMSA 1978, Acceptance of Disbursement of United States Funds
Section 6-15-2 NMSA 1978, General Obligation Debt
Section 9-6-5.1 NMSA 1978, DF A Planning Duties
Section 11-6-1 through 11-6-9 NMSA 1978, New Mexico Community Assistance Act
Section 11-6A-1 through 11-6A-6 NMSA 1978, Local DWI Grant Program Act
Section 29-13-1 through 29-13-9 NMSA 1978, County Detention Facility Reimbursement Act
Section 34-14-1 NMSA 1978, Civil Legal Services Commission
Section 63-9D-1 through 63-9D-20 NMSA 1978, Enhanced 911 Act
Section 66-8-116.3 NMSA 1978, Juvenile Adjudication Fund Fee
Section 73-2-65 NMSA 1978, Acequia Commission
U.S. Housing and Community Development Act of 1974, as amended, CDBG Grant Program
Laws 2015 Chapter 3 and 14 7, Capital Outlay
Laws 2016, Chapter 81, and Chapter 83, Capital Outlay
Laws 2017, Chapter 133, Capital Outlay
Laws 2018, Chapter 68 and Chapter 80, Capital Outlay

### Fiscal Management and Oversight

Section 6-5-1 through 6-5-11 NMSA 1978, Financial Control
Section 9-6-1 through 9-6-15 NMSA 1978, Department of Finance and Administration Act

### Program Support

Section 9-6-1 through 9-6-15 NMSA 1978, Department of Finance and Administration Act
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# APPENDIX

## Activities (By Program)

### Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability

Contribute to consensus revenue estimating group, prepare revenue estimates for use in budget preparation, track and report general fund revenues and cash balances	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
Review and approve contracts, joint powers agreements, bond issuances and refundings	Manage State contractual relationships for fiscal agent banking services, custody banking, bond counsel, disclosure counsel, arbitrage calculation, and financial advisor
Represent the Executive branch on a variety of boards and commissions	Track and reconcile State Board of Finance emergency loans, private activity bond volume capacity allocations and qualified energy conservation bond allocations
Assist agencies and policy makers in the planning, development, and preparation of budget requests, and approval of operating budgets	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
Prepare the Executive Budget Recommendation and Capital Budget	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
Provide information and recommendations on policy, legislative and budgetary issues	Prepare budget requests, operating budgets, and budget adjustment requests for DFA
Monitor agency budget and program activities throughout the year to assure compliance with statutes and Executive policies and regulations	Administer the Governor Exempt Salary Plan
Coordinate with agencies regarding strategic planning, program identification, and establishing relevant performance measures under the 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 submissions for State Board of Finance meetings for legal and policy considerations, and brief members in preparation for meetings	



# APPENDIX

## Activities (By Program)

### Community Development, Local Government Assistance and Fiscal Oversight

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

### Program Support

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 DF A
Implement human resources-related State Personnel Board rules, federal and state laws, and internal policies and procedures
Process biweekly payroll for DFA
Administer employee benefits
Facilitate staff recruitment and retention initiatives for all DFA Divisions
Consult with managers and employees on human resource matters



# APPENDIX

## Activities (By Program)

### Fiscal Management and Oversight

Fiscal oversight, including pre-auditing, post-auditing, supervising, monitoring and controlling the financial activities of the State's agencies
Processing, recording, summarizing, and reporting financial transaction information
Central processing of payroll for all state employees
Central disbursement of cash to vendors
Central budgetary control
Accounting for cash receipts
Allocation of appropriations from the State General Fund
Producing 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 Comprehensive Annual Financial Report (CAFR)
Filing information returns with the Internal Revenue Service and the Social Security Administration
Review and approve professional services contracts for all state agencies

Technical assistance to all users of the State's SHARE system through the SHARE help desk
Assistance with DFA's internal databases, IT hardware and software, and internet and intranet

