

# State of New Mexico 2022 Recovery Plan

## State and Local Fiscal Recovery Funds

Acoma Pueblo,  
New Mexico



New Mexico Department of  
Finance & Administration

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## GENERAL OVERVIEW

New Mexico has strategically deployed its State Fiscal Recovery Fund (SLFRF) award to build on the public health and economic recovery from the impacts of the COVID-19 Pandemic. The strategy for the deployment of these funds, as addressed in this 2022 Annual Recovery Plan, was based on careful analysis of the needs and opportunities presented by the many communities around the state. The needs that were identified included a variety of opportunities in strengthening the state's public health resources, educational institutions, economic conditions and infrastructure, as well as its approach to climate resiliency. The present plan presents both recent economic and public health information in which to contextualize these needs and the strategies to address them, as well as more detailed discussion of the specific areas in which the SLFRF award will be invested. The plan then presents an inventory of the status of the funded projects to date.

### A. STRATEGIC PLAN FOR THE SLFRF AWARD

Since receiving State Fiscal Recovery Funds, New Mexico has been strategically investing in areas most impacted by the pandemic. New Mexico has leveraged SLFRF funding not just to recovery to the pre-pandemic status quo, but to ensure a stronger future for the state.

With guidance and collaboration between the Executive and Legislature, New Mexico's investments of SLFRF funding are being used to address the short- and long-term impacts of the pandemic as well as laying the foundation for changes in the baseline quality of life for residents of the state.

New Mexico leadership sets its deployment and use of the SLFRF award to respond to the pandemic and promote economic recovery, and particularly so to advance shared interests and promote equitable delivery of government benefits and opportunities to underserved communities, as outlined in Executive Order 13985, On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.

#### 1. Key Outcome Goals: New Mexico is committed to pursuing a recover that addresses:

- Improving and Strengthening Public Health Resources and Outcomes
- Ameliorating the Negative Economic Impact through Community Investment
- Increasing Educational Access and Attainment
- Planning and Investing in Climate Resilient Communities

#### 2. Progress to date on Outcome Goals:

New Mexico only began deploying and utilizing its SLFRF award late in 2021 and especially so after the legislative appropriations in the Second Special Legislative Session of 2021 and the Second Regular Session of 2022. Because of these recent appropriations, the state is awaiting a full performance tracking and reporting on Outcome Goals. Even so, the early spending on COVID-19 vaccination campaigns contributed to New Mexico's high vaccination rate, which allowed the state to begin its economic recovery even before the entirety of the SLFRF award was appropriated.

#### 3. Noteworthy Challenges:

Because of the tremendous needs across the state, New Mexico will face challenges in the ability to ensure that the SLFRF awards are wholly optimized. To mitigate this challenge, the New Mexico Department of Finance and Administration (NMDFA) is the central oversight and support mechanism

for all SLFRF-appropriated entities. This centralization will not only facilitate timely and meaningful communication regarding challenges and outcomes, but also allow for improved coordination across SLFRF-appropriated entities with other sources of federal and state funding.

## B. USE OF FUNDS

The intended use of the funds is described in detail below. The discussion of the use of funds begins with an economic and public health overview, and then proceeds to address the state's strategic areas and specific uses therein.

- Public Health Response
  - COVID-19 Vaccine Distribution
  - Public Employee Health Costs
  - Bolstering Healthcare Capacity and Excellence
  - Rural Healthcare
  - Behavioral Healthcare
- Negative Economic Impact
  - Homelessness
  - Business Support
  - Outdoor Recreation Grants
  - Unemployment Assistance
  - Film Development
  - Infrastructure
- Educational Assistance
  - New Mexico Lottery Scholarship
- Climate Resiliency and Environmental Remediation

## PROMOTING EQUITABLE OUTCOMES

The State of New Mexico has long been committed to investing its resources to promoting equitable outcomes by directly supporting communities that have been, even before the COVID-19 pandemic, disproportionately impacted and disadvantaged. During the pandemic, many of these communities suffered disproportionate impacts again, particularly the state's Native American Nations, working-class families, rural communities, migrant populations, and children.

With the SLFRF award, the state decided to target the funds toward addressing many of the pandemic related impacts, which are discussed more fully later in this Plan. For example, New Mexico placed significant resources in interventions such as vaccination campaigns, hospital construction, unemployment insurance, public sector pay, and school and university funding.

And, as is mentioned below, the state, through the New Mexico Department of Finance and Administration (NMDFA) is using its performance management systems to collect data and other information to ensure that this commitment to equitable outcomes actually comes to fruition, and if falling short to make the appropriate course corrections.

## COMMUNITY ENGAGEMENT

Community engagement is at the heart of New Mexico governance. The state has, for its total land area, a small and deeply connected population of a little over 2 million inhabitants. Because of this relatively small population, the institutions that govern the state are intimately connected to the communities that they serve. The state's agencies are not remote, but rather woven into the fabric of daily life. The non-profits that serve the state are also based in the community and rooted in the policy and governance decisions at every

level of government. Also, the New Mexico State Legislature is a citizen legislature, not comprised of professional, full-time politicians, but of individuals active and involved in the lives of their communities.

Consequently, the deployment and use of the SLFRF award arises from a government that is almost indistinguishable from the communities it serves. When decisions were being made to spend and appropriate the award between the Office of the Governor and the New Mexico State Legislature, these bodies not only were able to rely on quantitative and regulatory analysis, but also on direct community input, resulting in a rare and resilient hybrid that served as the basis for the SLFRF expenditures and appropriations.

## LABOR PRACTICES

In order to further and advance leading labor practices, New Mexico has recently taken strong steps to protect the rights of workers and working-class families. In particular, the state has one of the highest minimum wages in the country and recently enacted a law providing paid sick leave that took effect on July 1, 2022. NMDFA through its oversight and management of the SLFRF in the state is also ensuring that any of the SLFRF award is contributing to workers as well, and in compliance with both state and federal law.

## PERFORMANCE MANAGEMENT AND REPORTING

The New Mexico Department of Finance and Administration (DFA) oversees and manages the performance of the SLFRF award. In order to do so, DFA has established and activated a comprehensive support, tracking, and reporting and compliance system. The purpose of this system is multiple. Firstly, it serves as a vital communications and guidance mechanism to communicate and train the various recipient entities across the state. In this way, vital information and updates from the U.S. Department of the Treasury are shared with the SLFRF-appropriated entities and DFA is able to provide support and training on fundamental award management principles. Secondly, DFA utilized this system to track the community engagement, impact, and programmatic data that arise out of the SLFRF projects and investments. Thirdly, this system has allowed DFA to deploy horizontally to all SLFRF-appropriated entities products to assist in their reporting and compliance responsibilities. These products include Subrecipient Agreement Templates, Quarterly Project and Expenditure Reporting, and Federal Procurement Documentation Templates. In addition, DFA has hosted multiple mandatory briefings to ensure that SLFRF award recipients are aware of fundamental obligations under the award including compliance with Expenditure Categories, Subrecipient Monitoring, and Reporting methods.

Alongside these interventions and collaborations with the states SLFRF recipients, DFA has also engaged in a variety of innovative outreach across the state, hosting panel discussions with the New Mexico Municipal League, the New Mexico Association of Counties, the State Bar of New Mexico, and others.

## USE OF EVIDENCE PERFORMANCE REPORT

The utilization of this system has therefore not only the benefit of furthering high project management and performance standards, but also the ability to work with each recipient to collect both required and voluntary data to measure the impact that the SLFRF award will have. Such data can then be collected and viewed chronologically and in combination with other federal and state data sources to understand the nature of the SLFRF impact as well as how best to deploy and utilize other state and federal funding across the state into the future. In the meantime, DFA, through its Federal Grants Bureau, has also built out dashboards that track both the SLFRF award and other federal funding that has come to the state. That dashboard can be accessed here: <https://www.nmdfa.state.nm.us/arpa-federal-funds-dashboard/> Using this dashboard as a basis, the State of New Mexico, through DFA will be able to add the SLFRF based programmatic and project data with other data sources to provide a detailed description of the state's communities and how the SLFRF award impacted their recovery and future opportunities.

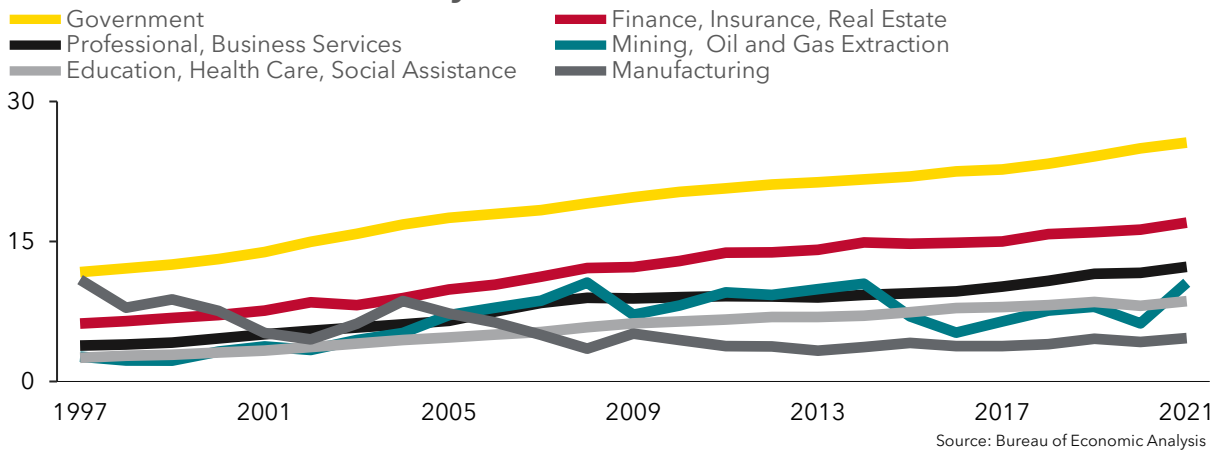
ECONOMIC OVERVIEW

Because of the prospective nature of Annual Recovery Plan, focusing on the use of the SLFRF award for the state’s recovery, it is necessary to provide a retrospective (and current) view on the state of New Mexico’s economic and public health conditions and the impact that the COVID-19 pandemic had on New Mexico.

From the perspective of the state’s Gross Domestic Product (GDP), New Mexico did not seem to suffer too greatly. The state’s leading sector by GDP is government. Historically, this dominance has insulated New Mexico from various economic shocks in the past. Nevertheless, among the states leading industry sectors, the COVID-19 pandemic did have a negative impact on the Education, Health Care, and Social Assistance sector, as well as the Oil and Gas sector. In addition to these impacts, the tourism industry was deeply affected, as described below. In all cases, though, New Mexico has begun to rebound strongly.

New Mexico

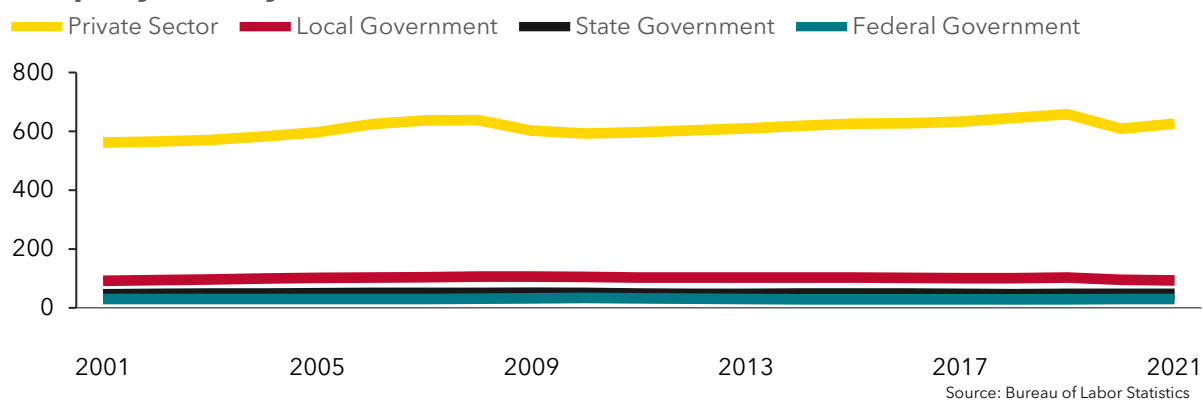
Gross Domestic Product by Sector, Billion USD



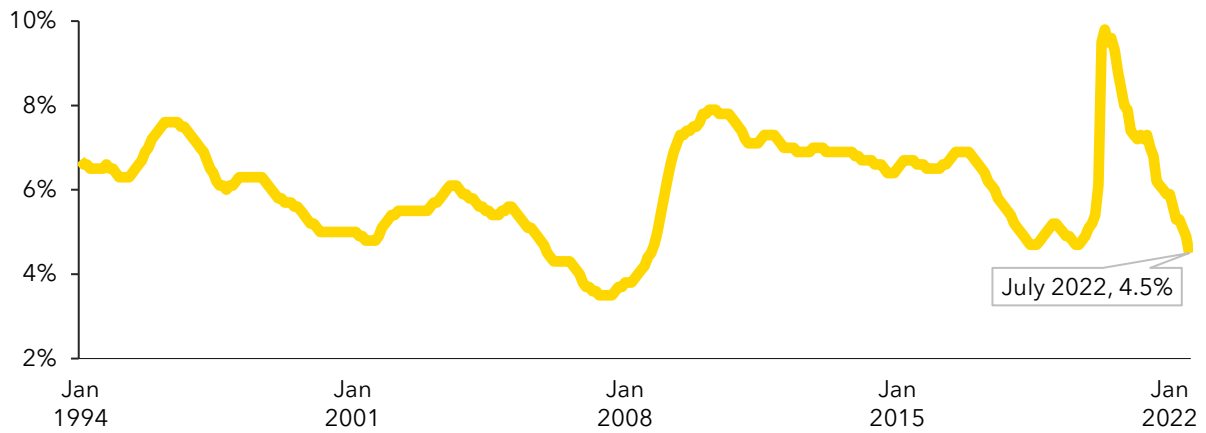
The negative economic impact of the pandemic can better be seen in the employment data. New Mexico lost almost fifty thousand private sector jobs during the pandemic, and the unemployment rate surged from 4.7% to 9.6%. Currently, the state has made up about half of those lost jobs and the unemployment rate has reached 4.5%, not seen since 2008. Remarkably, wage rates in the state stayed relatively stable.

New Mexico

Employees by Sector, Thousand

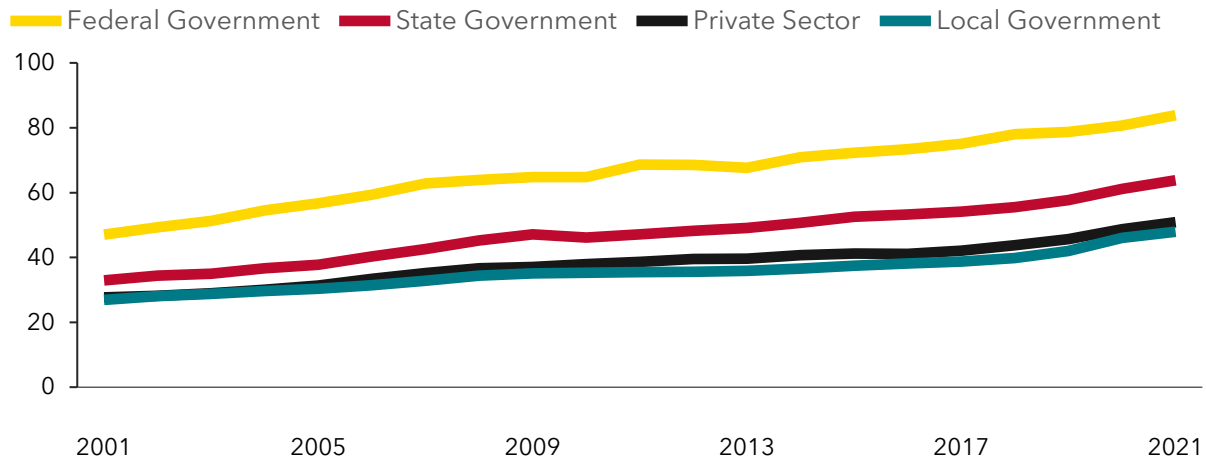


## New Mexico Historical Unemployment Rate



Source: Bureau of Labor Statistics

## New Mexico Annual Wages, Thousand



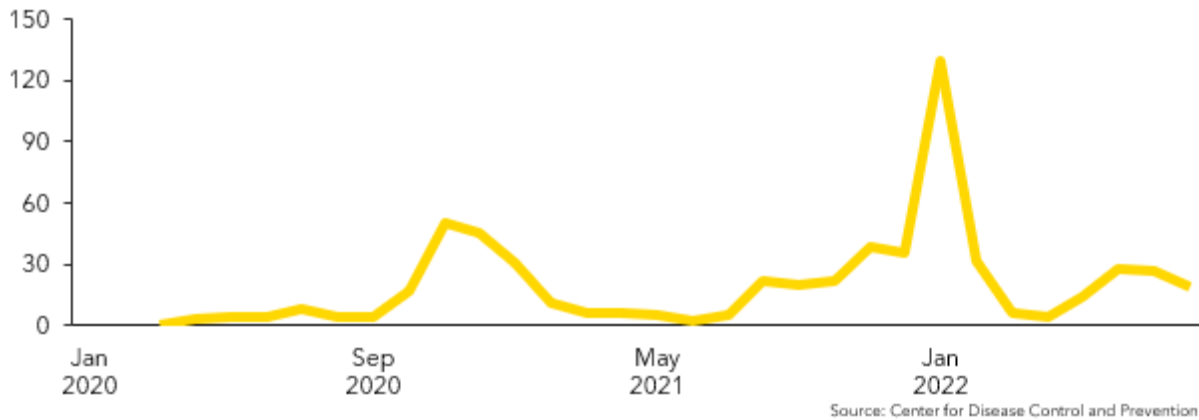
Source: Bureau of Labor Statistics



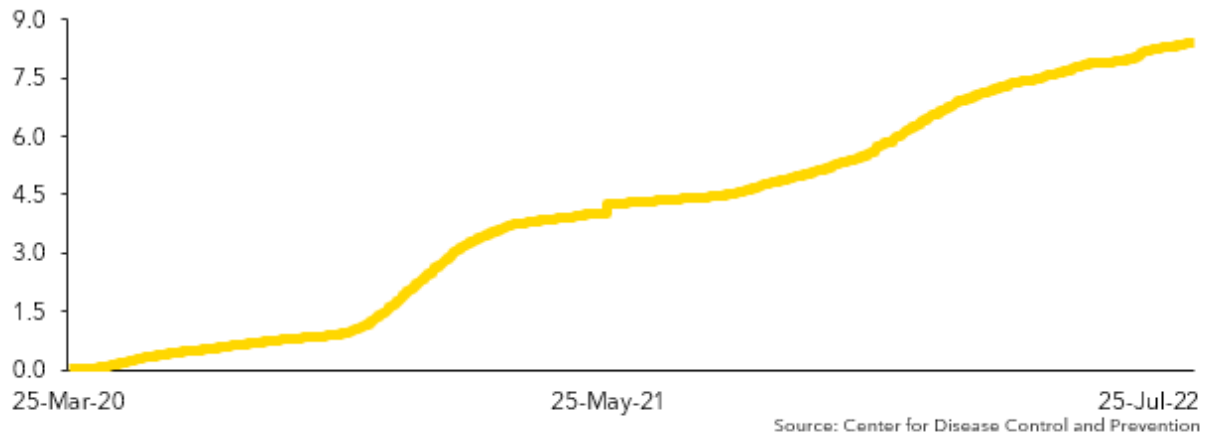
## PUBLIC HEALTH OVERVIEW

New Mexico experienced significant public health impacts from the COVID-19 pandemic. New cases grew markedly in the winter of 2020 and 2021, and then rose precipitously during the Omicron wave in the winter of 2021 and 2022. Particularly hard hit were the Native American nations in the state. Even though cases have risen tremendously at certain points, peaking at over 130,000 in January of 2022, the rate of deaths has remained steady, but now totaling more than 8,400.

### New Mexico New COVID-19 Cases, Thousand

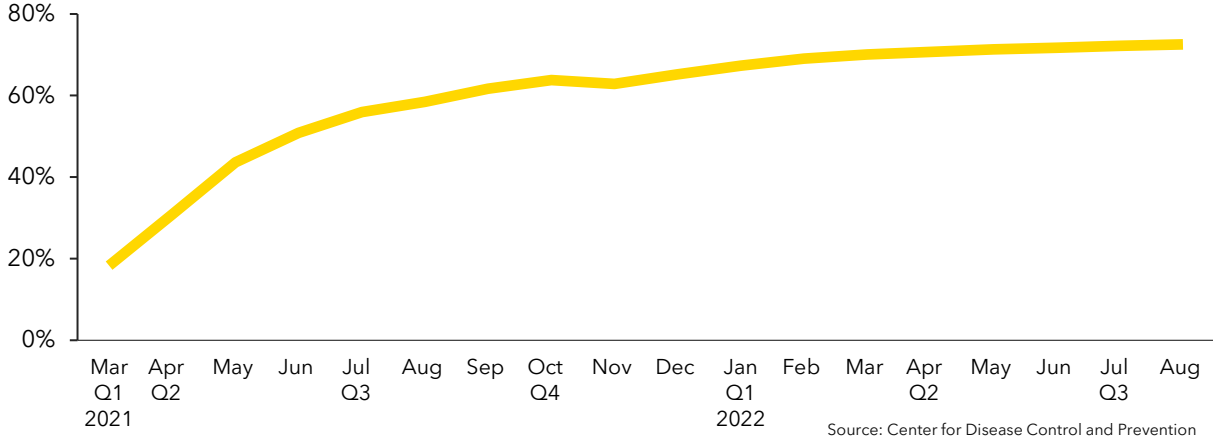


### New Mexico Cumulative COVID Deaths, Thousand



One of the principal reasons why New Mexico was able to avoid more infections and deaths was due to the proactive and energetic response to provide vaccines to all citizens of the state. Currently, New Mexico is now a national leader in terms of total population receiving a complete COVID-19 vaccination, with 72.55% vaccinated.

# New Mexico Complete COVID Vaccination Rate



## DEPLOYMENT OF THE SLFRF AWARD TO STRATEGIC AREAS

Given the overall economic and public health impacts to New Mexico, the state began to devise a plan to respond to these apparent areas of needs as well as others that are critical to the recovery and future of the state's communities, such as education, .

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### PUBLIC HEALTH RESPONSE

#### COVID-19 VACCINE DISTRIBUTION

New Mexico's first course of action after receiving the SLFRF award was to address the immediate health effects of the pandemic. With thousands of citizens contracting COVID-19 and hundreds succumbing to the most adverse effects of the disease, widespread vaccine distribution was the first objective of the state.<sup>1</sup> The Governor's office invested in a marking campaign to increase awareness of the availability of the vaccine and provided cash incentives for those who had received the vaccine through a lottery. The Legislature continued the focus on addressing public health impacts by providing funding for testing and health care costs for public employees, ensuring critical government services continued to function under pressures created by the pandemic.

#### PUBLIC EMPLOYEE HEALTH COSTS

To ensure New Mexico had the capacity to address the public health crisis posed by the pandemic, health care costs for public sector employees were covered by SLFRF funding.

#### BOLSTERING HEALTHCARE CAPACITY AND EXCELLENCE

During the pandemic, New Mexico invested in public health programs at higher education institutions to ensure the state healthcare system can effectively respond to immediate effects of the pandemic and permanently bolsters healthcare access in the United States. New Mexico has not been exempted from the national nursing shortage.<sup>2</sup> This shortage of critical healthcare professionals required New Mexico to invest in higher education programs to bolster the state's capacity to weather the ongoing effects of the pandemic.

#### RURAL HEALTHCARE

In addition to the use of the SLFRF award responding to the immediate health impacts due to COVID-19, New Mexico made strategic investments in rural healthcare to ensure vulnerable populations without reliable access to emergency services are served. Rural areas of the United States experience more severe negative impacts from the pandemic than their metropolitan counterparts.<sup>3</sup> Hospital services in rural New Mexico have been inadequate for years, with only five of the twelve small town rural counties having a hospital, and only of these hospitals classified as a general acute care facility.<sup>4</sup> The pandemic stressed the

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<sup>1</sup> NEW MEXICO DEPARTMENT OF HEALTH, *COVID-19 in New Mexico* (last visited July 28, 2022) <https://cvprovider.nmhealth.org/public-dashboard.html#>.

<sup>2</sup> U.S. HEALTH RES. & SERV. ADMIN., HEALTH PROFESSIONAL SHORTAGE AREA FIND TOOL (database updated March, 2022) <https://data.hrsa.gov/tools/shortage-area/hpsa-find>; Univ. of St. Augustine for Health Sci., *The 2021 American Nursing Shortage: A Data Study* (May 2021) <https://www.usa.edu/blog/nursing-shortage/>.

<sup>3</sup> J. Tom Mueller et al., *Impacts of the COVID-19 pandemic on rural America*, 118 PNAS 1, 1-6 (2020); USDA, Rural death rate from COVID-19 surpassed urban death rates in early September 2020 (last updated March 19, 2021) <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=100740>.

<sup>4</sup> New Mexico Legislative Finance Committee, *Rural Health Plan*, 33-34 (2017).

already flawed rural healthcare system. The \$50 million investment to construct a hospital in a rural town with a population of less than one-hundred thousand residents will ensure historically underserved rural regions of the state have access to emergency care.

### BEHAVIORAL HEALTHCARE

While statewide access to behavioral health services had already been put in place for New Mexicans, the pandemic stressed this system. Due to the pandemic, more than thousands sought behavioral healthcare to assist them in the stressors created by the pandemic. Through a massive investment in behavioral healthcare, New Mexico will be able to adequately meet the demand for behavioral healthcare services in the state.

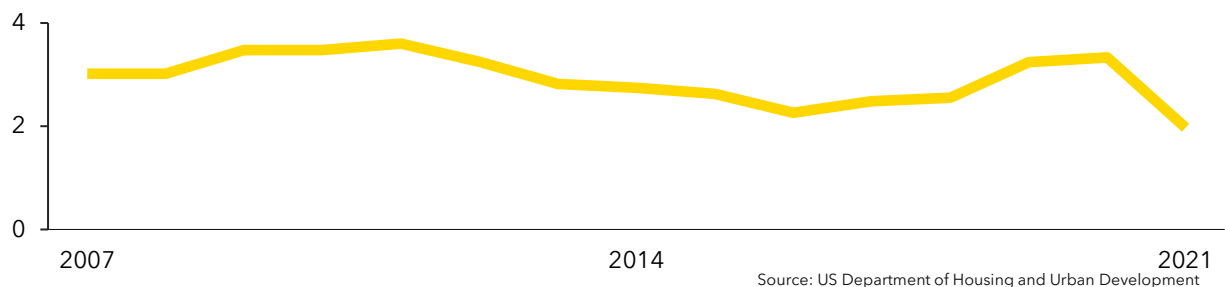
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### NEGATIVE ECONOMIC IMPACT

#### HOMELESSNESS

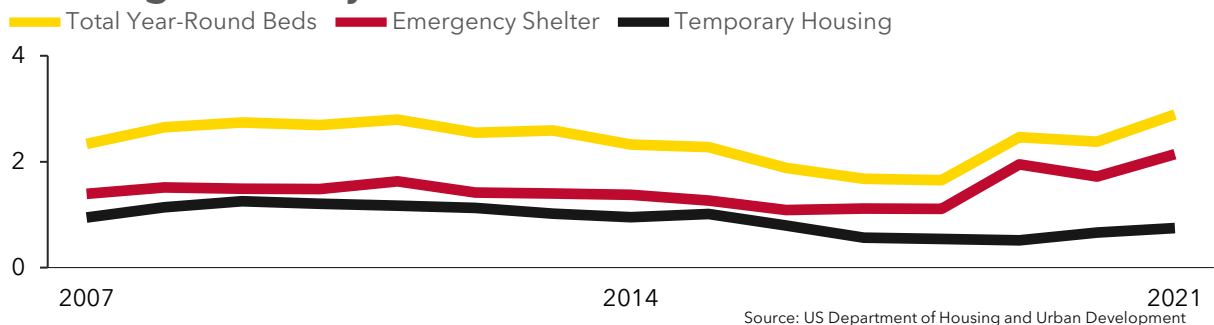
One of the principal negative impacts of the COVID-19 pandemic was the stress on housing supply and homelessness. From 2019 to 2020 the state saw an increase in the number of unhoused and homeless families and individuals. And, while data for 2021 appears to be lower than the previous year, the observations could have been limited and disrupted due to the pandemic.

### New Mexico Overall Homeless Population, Thousand



At the same time, this decrease in the overall homeless population could also be due to the increases in housing inventory for such impacted families and individuals. Despite a slight decrease in the total inventory between 2019 and 2020, that inventory has rebounded to an all-time high of 2,891 total beds in 2021. Nevertheless, the inventory of temporary housing remains near recorded lows.

### New Mexico Housing Inventory Count



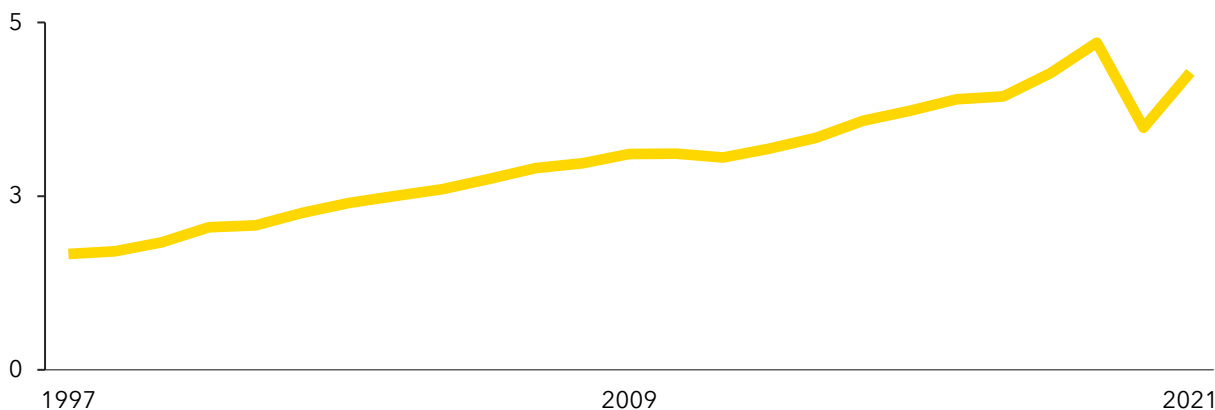
New Mexico has invested in affordable housing to keep families and individuals off the streets. Low-income households lack access to affordable housing, with some estimates indicating New Mexico requires nearly forty thousand affordable housing units to meet demand.<sup>5</sup> With the pandemic increasing the number of residents who have trouble affording housing, New Mexico invested in critical programs to increase access to affordable housing.

To address these impacts in such a fundamental area of economic and public health, the state, through the SLFRF award, has targeted several areas to increase access to housing and affordability. These target areas are also being approached with the complimentary use of other critical federal funding, such as the Emergency Rental Assistance Program, the Housing Assistance Fund, and the state's own funding to increase food security to supplement housing security.

## BUSINESS SUPPORT

One of the sectors most impacted in New Mexico was the tourism sector, defined by the Bureau of Economic Analysis as the Arts, Entertainment, Recreation, Accommodation, and Food Services sector. Here, data show that New Mexico's sector by almost \$1.5 billion between 2019 and 2020. This contraction was especially difficult, given the continual rise in value the sector had seen in New Mexico, even during the 2008 financial crisis. Because so many New Mexicans rely on this sector, it has been a focus of recovery, and in 2021 even saw a rebound of almost \$1 billion.

## New Mexico Tourism Sector by GDP, Billion USD



Source: Bureau of Economic Analysis Note: Arts, Entertainment, Recreation, Accommodation, and Food Services

New Mexico also invested in programs to support businesses in the state. In particular, businesses relying heavily on tourism were some of the hardest-hit industries in the state.<sup>6</sup> The New Mexico invested in programs to increase visibility, and ultimately the economic recovery, of otherwise overlooked hospitality business through marketing assistance.

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<sup>5</sup> *Housing Needs By State: New Mexico*, NATIONAL LOW INCOME HOUSING COALITION, <https://nlihc.org/housing-needs-by-state/new-mexico> (last visited July 21, 2022).

<sup>6</sup> Compare N.M. DEPT. OF WORKFORCE SOLUTIONS, *New Mexico Labor Market Review, February 2020*, 4 (2020); with N.M. DEPT. OF WORKFORCE SOLUTIONS, *New Mexico Labor Market Review, April 2022*, 4 (2022).

New Mexico further set up a grant program to assist individuals who wanted to start small businesses but were unable to because of the pandemic. This program incentivizes business investments in rural areas disproportionately impacted by the pandemic.

## **OUTDOOR RECREATION GRANTS**

New Mexico invested heavily in outdoor recreation grants. Building upon a preexisting framework, these grants support local schools, nonprofits, and businesses in supporting outdoor recreation. Outdoor recreation provides a non-insignificant portion of the state's GDP.<sup>7</sup> In the interest of maintain these jobs, and further diversifying the state's economy, investments in outdoor recreation ensures the industry continues to flourish.

## **UNEMPLOYMENT ASSISTANCE**

New Mexico invested in support for individuals who are unemployed. With a huge portion of the workforce filing for unemployment, major investment was needed to ensure furloughed workers could continue to maintain some form of normalcy.<sup>8</sup> Immediate support to unemployed worked came from a massive investment in the state's Unemployment Trust Fund. Further support will come through investments in job development programs and higher education scholarships.

## **FILM DEVELOPMENT**

Since 2019, millions of dollars in revenue have come from the burgeoning film industry in New Mexico.<sup>9</sup> New Mexico plans to continue this growth by acquiring property to lease to film companies to continue the growth of the industry, and to help diversify the state's economy.

## **INFRASTRUCTURE**

New Mexico has for centuries stood at the center of great transcontinental and international trade flows. As such, the infrastructure that the world, the nation, and the state rely on for economic opportunities faces continual need for rehabilitation and investment. Given this reality, the state is directing its SLFRF award to manage and support both road, highway, and airport infrastructure. Such support and investment will not only strengthen the economic recovery at the state level, but also contribute to the economic recovery of the entire country.

### Road and Highway

As mentioned, New Mexico, through its road network, particularly the three interstates of I-40, I-25, and I-10, constitute crucial economic connectivity for millions of New Mexican, particularly in rural areas. And, because of the strategic access that the state provides between the Pacific seaports, the Gul Coast, and the Midwest, New Mexico's roads support substantial national and international economic activity. To support New Mexico's roads is to support both state and national economic recover.

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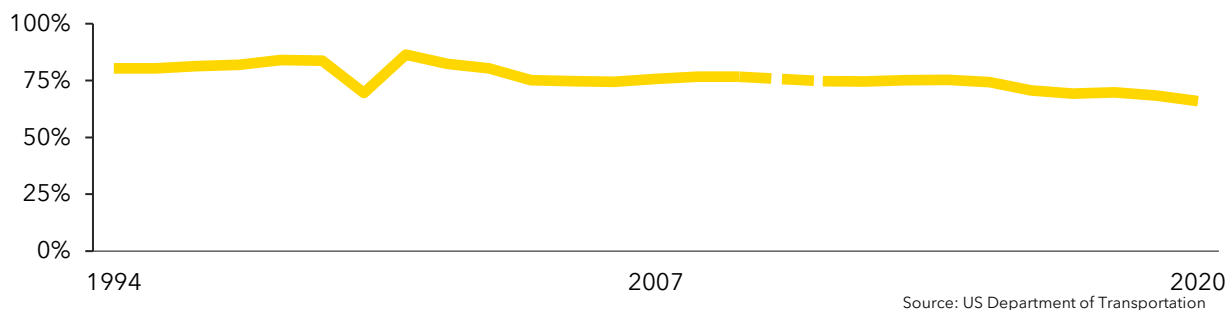
<sup>7</sup>N.M. ECONOMIC DEVELOPMENT DEPARTMENT, *Outdoor Recreation and New Mexico's Economy* (2020).

<sup>8</sup> U.S. BUREAU OF LAB. STAT., *Local Unemployment Statistics for New Mexico from 2012-2022*, <https://data.bls.gov/timeseries/LASST35000000000003> (last visited July 21, 2022).

<sup>9</sup> N.M. LEGISLATIVE FINANCE COMMITTEE, Performance Report Card, Economic Development Department, Third Quarter, Fiscal Year 2022 (2022).

In recent year, as trade flows have increased, so has the impact on the state’s roads. At the advent of the North American Free Trade Agreement in 1994, over 80% of New Mexico’s roads were considered acceptable. In the years since, as national trade with both Mexico and China has expanded, the road quality has fallen to under 66% in 2020.

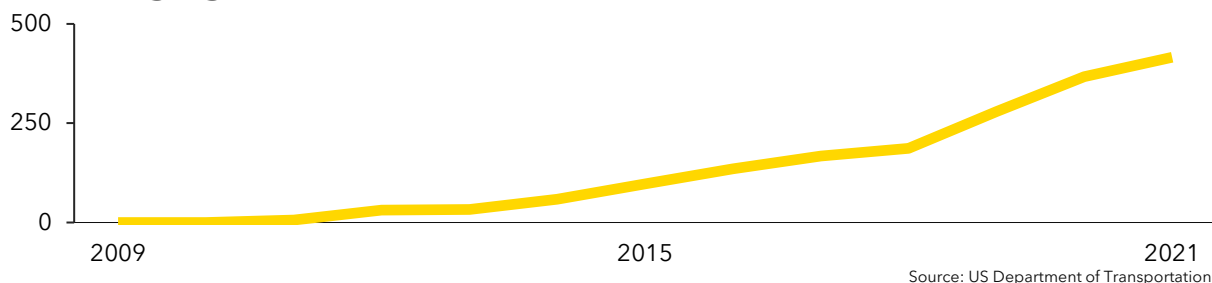
## New Mexico Highway Quality, Percent Acctepable



The Federal Highway Administration (FHA) requires New Mexico to maintain a low percentage of federally funded roads in poor condition.<sup>10</sup> To meet the goals stipulated by the Federal Highway Administration and maintain non-federal roads, and ensure safe automobile transit across the state, New Mexico Plans to invest millions into road infrastructure.

But the investment in roads does not end at mere quality. To make New Mexico competitive as a place of economic connectivity and transcontinental and international transit, the state has also decided to invest in the next generation of Electric Vehicle (EV) charging stations using the SLFRF award. This investment builds on an already growing EV network in the state, having more than doubled since 2018 to 416 in 2021.

## New Mexico EV Charging Stations



### Airport Infrastructure

New Mexican airports are in critical need of investments to ensure aviation in the state does not completely fall apart. As of June 2022, nearly every airport in the state requires major rehabilitation of pavement.<sup>11</sup> At the same time, the pandemic notwithstanding, New Mexico airports have seen a remarkable rise in activity.

<sup>10</sup> U.S. FED. HIGHWAY ADMIN., *State Highway Infrastructure Report – New Mexico* (last visited July 29, 2022) <https://www.fhwa.dot.gov/tpm/reporting/state/condition.cfm?state=New%20Mexico>.

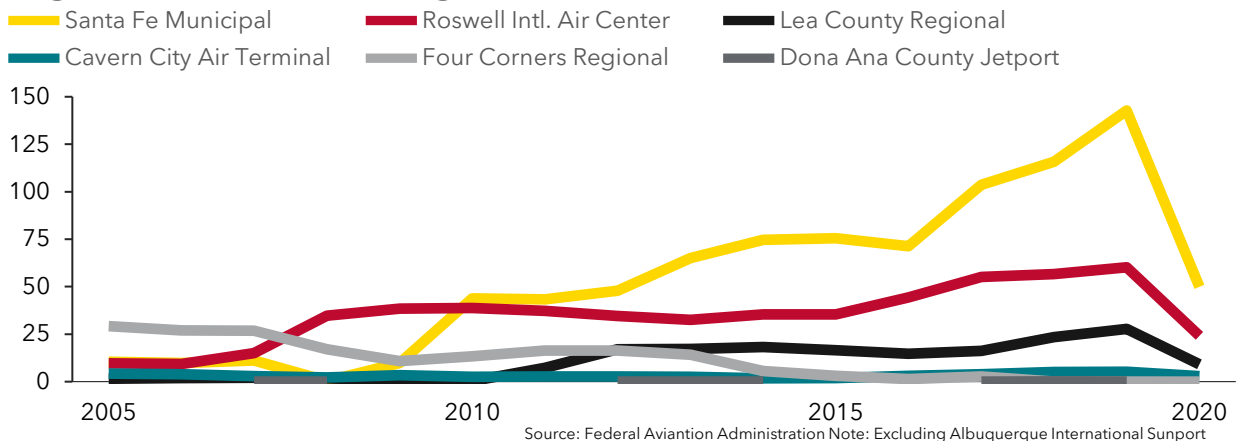
<sup>11</sup> N.M. DEPT. OF TRANSP., AVIATION DIVISION, *Statewide Pavement Management System Update*, (last visited July 25, 2022) <https://idea.appliedpavement.com/hosting/newmexico/#path=o>.

As the central airport for the state, the Albuquerque International Sunport consistently ranks first in the state in terms of passengers and cargo traffic. Nevertheless, the rural and smaller urban centers of the state depend on robust airport infrastructure to meet economic needs and, consequently, to recover from the impacts of the pandemic.

Regarding the regional airports, Santa Fe, Roswell, and Lea County had seen the greatest increase in commercial passengers prior to the pandemic. These airports have seen declines in passengers to levels not seen in eight to ten years. Dona Ana County Jetport has only seen a handful of commercial passengers ever, with just 19 in 2019.

## New Mexico

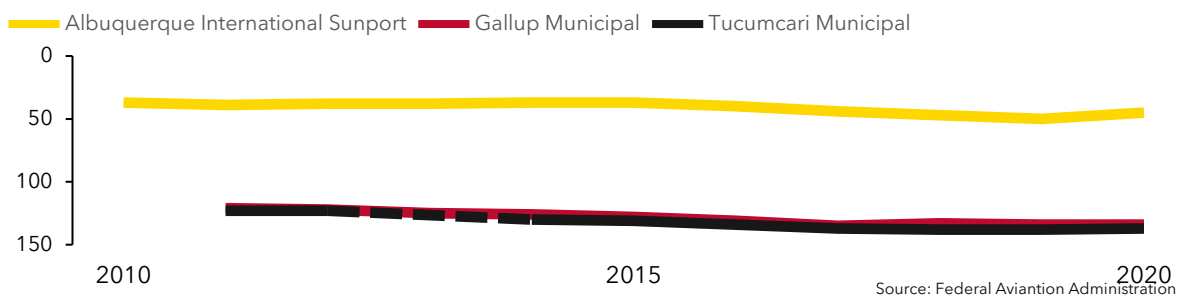
### Regional Commercial Passengers, Thousands



In terms of cargo, only three airports in New Mexico rank in the Federal Aviation Administration (FAA) data for cargo shipments, Albuquerque, 45, Gallup, 134, and Tucumcari, 137, in 2020.

## New Mexico

### Cargo Airports, National Rank

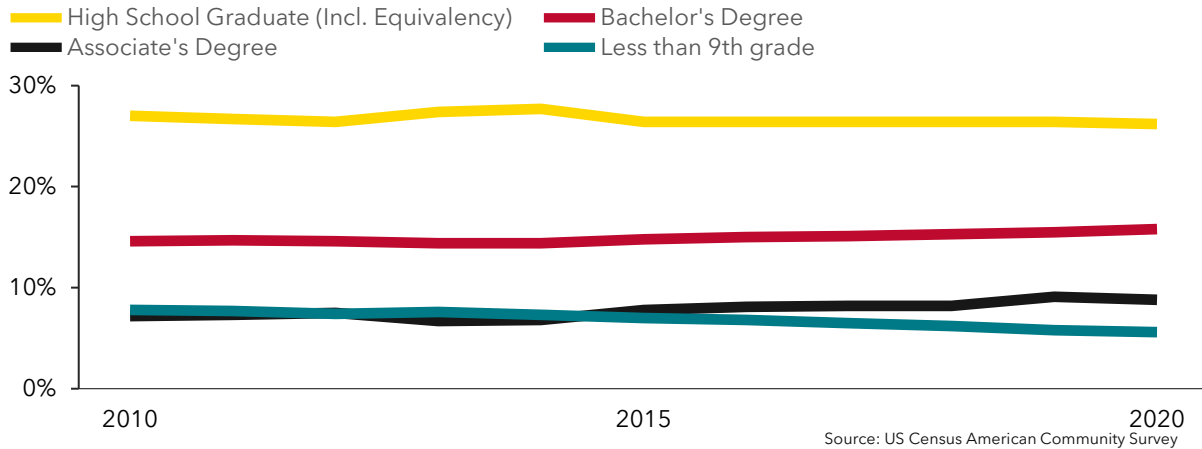


## EDUCATIONAL ASSISTANCE

As seen above, one of the leading industry sectors to be noticeably and negatively impacted by the pandemic was the Educational, Health Care, and Social Assistance sector. But in addition to a purely economic impact, the pandemic also severely disrupted the educational experience. New Mexico in designing the strategic application of its SLFRF targeted the support of educational institutions. New Mexico saw a slight decrease in High School Graduation Attainment in the adult population from 2019 to 2020.



## New Mexico Educational Attainment, 25 Years and Older



To address both the need for more college professors as well as the inevitable student enrollment increase due to new scholarship opportunities, New Mexico plans to leverage SLFRF funding to ensure public higher education facilities continue to provide high quality education to students across the state.<sup>12</sup> These investments will focus on bolstering the public health framework in the state though funding teaching positing and expanding enrollment in nursing and social worker programs to prevent further healthcare labor shortages.<sup>13</sup> Further funding will also be provided to provide support for disproportionately impacted communities by funding teaching positions in Native American study programs.

### NEW MEXICO LOTTERY SCHOLARSHIP

Since 1996, the Legislative Lottery Scholarship funded post-secondary education for nearly 135 thousand students in New Mexico.<sup>14</sup> During the pandemic, the funding provided to the Legislative Lottery Scholarship though the sale of lottery tickets dropped to a lowest level for more than a decade. Unsure of the future of funding for the scholarship, the legislature provided funding to ensure the future of the fund.

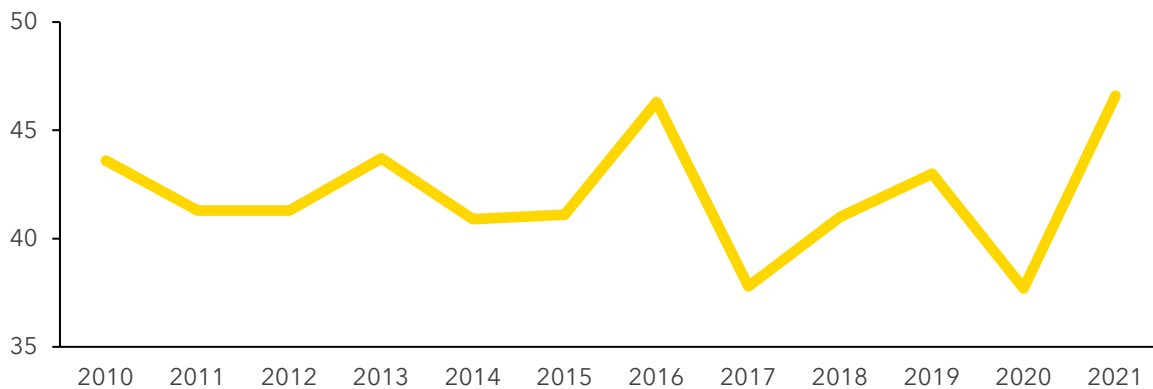
In particular, New Mexico's Opportunity Scholarship will provide an unprecedented opportunity for New Mexicans to attend college and gain additional job training and contribute greater to the state's economy. The pandemic stressed the functions of the government and additional investments are needed to ensure the state continues to function in a manner favorable to New Mexicans. Beyond the Opportunity Scholarship, New Mexico also plans to use the SLFRF award to fund state work-study programs for students who wish to start helping their state while working on their degree.

<sup>12</sup> N.M. LEGISLATIVE FINANCE COMMITTEE, *Performance Report Card, Higher Education Department, Third Quarter, Fiscal Year 2022* (2022) (correlating number of employees with student enrollment).

<sup>13</sup> U.S. HEALTH RES. & SERV. ADMIN., HEALTH PROFESSIONAL SHORTAGE AREA FIND TOOL (database updated March, 2022), <https://data.hrsa.gov/tools/shortage-area/hpsa-find>; Univ. of St. Augustine for Health Sci., *The 2021 American Nursing Shortage: A Data Study* (May 2021), <https://www.usa.edu/blog/nursing-shortage/>.

<sup>14</sup> N.M. LEGISLATIVE FINANCE COMMITTEE, *Finance Facts: Lottery and Lottery Scholarship*, 1 (2022).

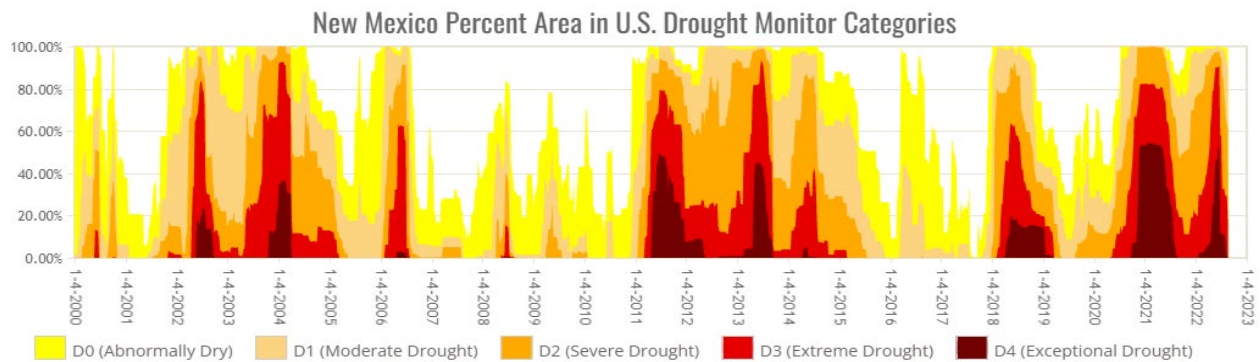
## New Mexico Transfers to the Lottery Tuition Fund, Million USD



Source: N.M. LOTTERY, *Lottery Annual Reports* (last visited July 26, 2021) <https://www.nmlottery.com/lottery-info/annual-reports/>.

### CLIMATE RESILIENCY AND ENVIRONMENTAL REMEDIATION

Climate change presents a pressing issue for New Mexico. As such, the state plans to invest \$53.5 million in environmental remediation. These investments are designed to identify and remedy areas in New Mexico which contribute to environmental derogation. New Mexico has identified several areas most in need of investment.



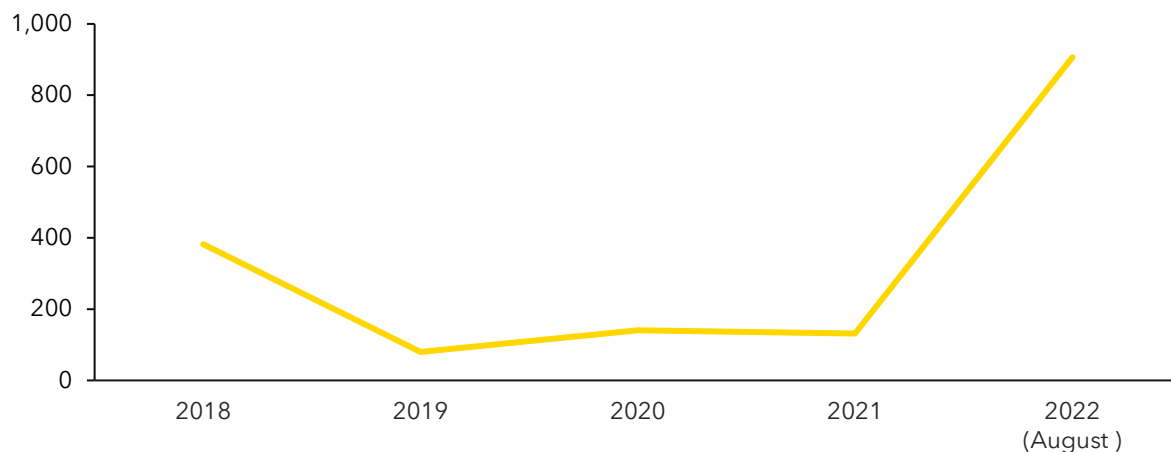
Source: US Drought Monitor

Regional dams provide energy and clean water to communities around the state. According to the Army Corp of Engineers, more than half the dams in the state are considered “high hazard potential,” meaning a failure of a dam would be catastrophic for the surrounding community.<sup>15</sup> As such, New Mexico invested in dam rehabilitation, protecting communities served by dams.

<sup>15</sup> U.S. ARMY CORP OF ENGINEERS, *National Inventory of Dams*, (last visited July 25, 2022) <https://nid.sec.usace.army.mil/#/> (56% of dams are classified as High Hazard Potential Dams with an EAP).

Orphan and inactive wells contributed 31.6 metric tons of methane to the atmosphere nationwide, and leak oil and toxic chemicals into water sources in surrounding communities.<sup>16</sup> With 622 inactive wells in already vulnerable rural communities, New Mexico plans to leverage SLFRF funding to curb state methane emissions and protect vulnerable communities near inactive wells.<sup>17</sup>

## New Mexico Acres Burned, Thousand



Source: SOUTHWEST COORDINATION CENTER (Last Visited July 30, 2022)  
[https://gacc.nifc.gov/swcc/predictive/intelligence/Historical/Fire\\_and\\_Resource\\_Data/Historical\\_Fires\\_Acres.htm](https://gacc.nifc.gov/swcc/predictive/intelligence/Historical/Fire_and_Resource_Data/Historical_Fires_Acres.htm)

Last May, New Mexico suffered the largest single wildfire in the history of the state. More than 300,000 acres burned, and thousands of people displaced. More wildfire burned across the state, leading to more than 900,000 acres total burned as of August. The communities affected by these fires, most of them rural, are still recovering from the disasters. New Mexico has invested in wildfire prevention project to ensure a disaster of this scale does not occur again.

With 13.5 million acres of public land and 16 native threatened and endangered species, New Mexico ranks fourth most biodiverse state in the country.<sup>18</sup> Not only does this biodiversity influence the outdoor recreation sector of the state's economy, but also influences the health outcomes of residents.<sup>19</sup> Between statewide droughts and increased infestation of invasive species, the survival of species of greatest need hinges on state investments in conservation efforts.

State parks function as a place for New Mexicans to recreate outdoors as well as a chance for the state to implement conservation measures. The pandemic caused state parks to shut down for a time, leading to massive losses in revenue generated from park visitors.<sup>20</sup> After opening the parks, the number of visitors

<sup>16</sup> U.S. ENV'T PROT. AGENCY, Inventory of U.S. Greenhouse Gas Emission and Sinks: 1990-2019, 2021 Executive Summary, 8, 20 (2021).

<sup>17</sup> ENV'T DEF. FUND, Mapping Orphan Wells in New Mexico (2021).

<sup>18</sup> BUREAU OF LAND MGMT., *New Mexico Threatened and Endangered Species* (last visited July 26, 2022) <https://www.blm.gov/programs/fish-and-wildlife/threatened-and-endangered/state-te-data/new-mexico>

<sup>19</sup> See MILLENNIUM ECOSYSTEM ASSESSMENT, *Ecosystems and Human Well-being*, 47 (2005).

<sup>20</sup> N.M. LEGISLATIVE FINANCE COMMITTEE, *Performance Report Card, Energy Minerals, and Natural Resources, Third Quarter, Fiscal Year 2022* (2022).

increased to nearly pre-pandemic levels, and visitation is expected to continue to grow.<sup>21</sup> To fund deferred maintenance, increase park capacity, and meet the goals stipulated in each park's management plan, the legislature appropriated millions of dollars to the Department of Energy, Mineral, and Natural Resources.<sup>22</sup>

Fossil fuel burning transportation contributed more than 1.8 billion metric tons of carbon dioxide to the atmosphere in 2019.<sup>23</sup> To curb New Mexico's contribution to air pollution, the state has invested in electric vehicle charging stations across the state. Moreover, renewables generate a majority of New Mexico's energy.<sup>24</sup> Charging electric vehicles with renewable energy advances New Mexico's transition to a carbon-free state.

The agriculture industry in New Mexico does not just provide economic support for the state but is also deeply connected to the culture in the state. However, the industry has been struggling due to the statewide droughts.<sup>25</sup> Moreover, droughts in New Mexico disproportionately impact tribal communities across the state.<sup>26</sup> While the state had developed a plan for drought mitigation measures, the loss of state funds substantially set back the project.<sup>27</sup> Since the development of the drought mitigation plan in 2018, the state began to experience more extreme droughts lasting a longer time.<sup>28</sup> To support agriculture in the state and tribal communities as well as address the increasing dire drought conditions, New Mexico plans to leverage SLFRF funding to create sustainable water use and drought mitigation projects across the state.

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<sup>21</sup> Id.

<sup>22</sup> N.M. DEPT. ENERGY, MINERALS, AND NATURAL RESOURCES, STATE PARK DIVISION, *Park Management Plans* (last visited July 25, 2022), <https://www.emnrd.nm.gov/spd/park-plans/>.

<sup>23</sup> U.S. ENV'T PROT. AGENCY, *Inventory of U.S. Greenhouse Gas Emission and Sinks: 1990-2019, 2021 Executive Summary*, 7, 20 (2021).

<sup>24</sup> U.S. ENERGY INFO. ADMIN., *New Mexico State Profile and Energy Estimates* (last visited July 25, 2022) <https://www.eia.gov/state/?sid=NM#tabs-4>.

<sup>25</sup> Scott Wyland, *Drought dents growing season for New Mexico farmers*, Santa Fe New Mexican (July 3, 2021).

<sup>26</sup> Tatinana Drugova et al., Utah State University, *Impacts of Drought on Tribal Economies in New Mexico* (last visited July 26, 2022) <https://extension.usu.edu/apec/research/impacts-of-drought-on-tribal-economies-in-new-mexico>.

<sup>27</sup> See N.M. OFFICE OF THE STATE ENGINEER, *New Mexico Drought Plan: 2018* (2018).

<sup>28</sup> NAT'L INTEGRATED DROUGHT INFO. SYS., *Current U.S. Drought Monitor Conditions for New Mexico* (last updated July 19, 2022) <https://www.drought.gov/states/new-mexico>.

## PROJECT INVENTORY

While New Mexico has appropriated most of its SLFRF award, most agencies who have received funding are still designing projects to address the impacts of the pandemic. The following project inventory only includes projects with SLFRF funding which have been obligated or expended as of the writing of this report.

Project GOV-101800-010: Agenda Marketing for VAX

Funding Amount: \$1,397,430.28

Project Expenditure Category: EC 1.1: COVID-19 Vaccination

Project Overview:

The Governor's office used the beginning of the SLFRF award to market the vaccine to individuals who might not have been aware vaccination efforts had begun.

Use of Evidence:

With the goal of the project simply trying to get out information surrounding the vaccine, no evidence-based interventions were used in the development of this project.

Performance Report:

New Mexico has received national acclaim for its vaccination roll-out program and is still one of the highest vaccinated states in the country.<sup>29</sup> The marketing for the vaccine helped educate citizens on the availability of doses and contributed greatly to the effective vaccine distribution.

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<sup>29</sup> Simon Romero, How New Mexico Became the State with the Highest Rate of Full Vaccinations, N.Y. TIMES, April 12, 2021.

Project GOV-101800-020: Lottery Vaccine

Funding Amount: \$14,311,681.25

Project Expenditure Category: EC 1.1: COVID-19 Vaccination

Project Overview:

Along with marketing for the vaccine, the Governor’s office also provided funding for the Lottery Authority for the creation of “Vax 2 the Max Sweepstakes,” a lottery for those who had received at least one dose of the COVID-19 vaccine.

Use of Evidence:

With the goal of the project incentivizing taking the vaccine, no evidence-based interventions were used in the development of this project.

Performance Report:

As with marketing for the vaccine, New Mexico being one of the highest vaccinated states in the country demonstrates the effectiveness of the program.<sup>30</sup>

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<sup>30</sup> Id.

Project GOV-101800-030: Administrative Assistance for the Lottery Authority

Funding Amount: \$74,150

Project Expenditure Category: EC 1.1: COVID-19 Vaccination

Project Overview:

Funding was distributed to the Lottery Authority for the management of the “Vax 2 the Max Sweepstakes.”

Use of Evidence:

The Lottery Authority utilized SLFRF funding for the administration of another program. No evidence-based interventions were needed.

Performance Report:

The “Vax 2 the Max Sweepstakes” ended, and the winners received their winnings. The Lottery Authority appropriately administered the sweepstakes and the project was completed without controversy.



Project GOV-101800-040: Contribution to the Unemployment Trust Fund

Funding Amount: \$656,571,532.63

Project Expenditure Category: EC 2.28: Contributions to UI Trust Funds

**Project Overview:**

New Mexico experienced unprecedented unemployment rates during the pandemic. To assist the newly unemployed, the unemployment trust fund was used to fund unemployment benefits for the thousands of the newly unemployed citizens. The SLFRF award was utilized by the New Mexico to supplement the state's unemployment trust fund to ensure all citizens could continue to pay their bills while complying with public health orders.

**Use of Evidence:**

No evidence-based interventions are required for this expenditure category.

**Performance Report:**

The transfer to the state's unemployment trust fund was completed and has since been blended with state funds to provide ongoing support for New Mexicans still suffering from the negative effects of the pandemic restricting them to seek employment.

Project 8500-010-ZG3520

Electric Vehicle Charging Stations

Funding Amount:

\$2,175,000.00

Project Expenditure Category: EC 6.1: Provision of Government Services.

Project Overview:

To assist in the electrification of state, address the adverse effects of gasoline burning transportation, and provide more charging stations for New Mexicans who already own an electric vehicle, SLFRF funding has been utilized to construct and maintain electric vehicle charging stations throughout the state.

Use of Evidence:

New Mexico made use of the Environmental Protection Agency's report on greenhouse gas emissions published in 2021 to determine that one of the easiest and most effective ways to address the carbon dioxide emissions in the state is by providing greater electric transportation options.<sup>31</sup> Moreover, between renewables providing more than 1,500 megawatt hours per month and the state committed to reaching carbon neutrality by 2035, the charging stations will not be powered by the burning of fossil fuels.<sup>32</sup>

Performance Report:

As of writing this report, no charging stations have yet been installed or constructed. Currently, the New Mexico Department of Transportation and smaller local entities are working together to determine the most effective areas for development.

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<sup>31</sup> U.S. ENV'T PROT. AGENCY, Inventory of U.S. Greenhouse Gas Emission and Sinks: 1990-2019, 2021 Executive Summary, 7, 20 (2021).

<sup>32</sup> U.S. ENERGY INFO. ADMIN., *New Mexico State Profile and Energy Estimates* (last visited July 25, 2022) <https://www.eia.gov/state/?sid=NM#tabs-4>.

Project 80500-010-ZF3521-001                      Essential Airport Infrastructure

Funding Amount:                                      \$1,000,000.00

Project Expenditure Category:    EC 6.1: Provision of Government Services.

Project Overview:

The New Mexico Department of Transportation has provided the city of Truth or Consequences funding to improve the city's municipal airport.

Use of Evidence:

Most of the pavement at the Truth or Consequences Municipal Airport require "major rehabilitation" according to the Aviation Division of the New Mexico Department of Transportation.<sup>33</sup>

Performance Report:

As of writing this report, funding has been transferred to Truth or Consequence but have not yet begun rehabilitation of the airport.

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<sup>33</sup> N.M. DEPT. OF TRANSP., AVIATION DIVISION, *Statewide Pavement Management System Update*, (last visited July 25, 2022) <https://idea.appliedpavement.com/hosting/newmexico/#path=2/45>.

Project 80500-010-ZF3521-002                      Essential Airport Infrastructure

Funding Amount:                                      \$1,300,000.00

Project Expenditure Category:    EC 6.1: Provision of Government Services.

Project Overview:

The New Mexico Department of Transportation has provided the city of Tucumcari funding to improve the city's municipal airport.

Use of Evidence:

A majority of the pavement at Tucumcari Municipal Airport requires either “major rehabilitation” or complete reconstruction according to the Aviation Division of the New Mexico Department of Transportation.<sup>34</sup>

Performance Report:

As of writing this report, funding has been transferred to Tucumcari but have not yet begun rehabilitation of the airport.

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<sup>34</sup> N.M. DEPT. OF TRANSP., AVIATION DIVISION, *Statewide Pavement Management System Update*, (last visited July 25, 2022) <https://idea.appliedpavement.com/hosting/newmexico/#path=2/46>.

Project 80500-010-ZF3521-003                      Essential Airport Infrastructure

Funding Amount:                                      \$2,650,000.00

Project Expenditure Category:    EC 6.1: Provision of Government Services.

Project Overview:

The New Mexico Department of Transportation has provided Grant County funding to improve the local airport and the Milan Municipal Airport.

Use of Evidence:

A majority of the pavement at both the Grant Airport and the Milan Municipal Airport require “major rehabilitation” according to the Aviation Division of the New Mexico Department of Transportation.<sup>35</sup>

Performance Report:

As of writing this report, funding has been transferred to Grant County but have not yet begun rehabilitation of either airport.

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<sup>35</sup> N.M. DEPT. OF TRANSP., AVIATION DIVISION, *Statewide Pavement Management System Update*, (last visited July 25, 2022) <https://idea.appliedpavement.com/hosting/newmexico/#path=2/18>;    N.M. DEPT. OF TRANSP., AVIATION DIVISION, *Statewide Pavement Management System Update*, (last visited July 25, 2022) <https://idea.appliedpavement.com/hosting/newmexico/#path=2/19>.

Project 80500-010-ZF3521-004                      Essential Airport Infrastructure

Funding Amount:                                      \$1,600,000.00

Project Expenditure Category:    EC 6.1: Provision of Government Services.

Project Overview:

The New Mexico Department of Transportation has provided Taos funding to improve Taos Regional Airport.

Use of Evidence:

According to the Aviation Division of the New Mexico Department of Transportation, all pavement at Taos Regional Airport required either “major rehabilitation” or complete reconstruction.<sup>36</sup>

Performance Report:

As of writing this report, funding has been transferred to Grant County but have not yet begun rehabilitation of either airport.

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<sup>36</sup> N.M. DEPT. OF TRANSP., AVIATION DIVISION, *Statewide Pavement Management System Update*, (last visited July 25, 2022) <https://idea.appliedpavement.com/hosting/newmexico/#path=2/43>.

Project 80500-010-ZF3521-005                      Essential Airport Infrastructure

Funding Amount:                                      \$1,900,000.00

Project Expenditure Category:    EC 6.1: Provision of Government Services.

Project Overview:

The New Mexico Department of Transportation has provided Los Alamos County funding to improve the local airport

Use of Evidence:

According to the Aviation Division of the New Mexico Department of Transportation, a majority of the pavement at the local airport requires “major rehabilitation.”<sup>37</sup>

Performance Report:

As of writing this report, funding has been transferred to Grant County but have not yet begun rehabilitation of either airport.

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<sup>37</sup> N.M. DEPT. OF TRANSP., AVIATION DIVISION, *Statewide Pavement Management System Update*, (last visited July 25, 2022) <https://idea.appliedpavement.com/hosting/newmexico/#path=2/28>.

Project 52100-010-ZF3508

Statewide Oil and Gas Orphan Plugging

Funding Amount:

\$3,500,000.00

Project Expenditure Category: EC 6.1: Provision of Government Services.

Project Overview:

The New Mexico Department of Energy, Mineral, and Natural Resources will use SLFRF funding to identify and plug orphaned oil and gas wells.

Use of Evidence:

Orphan wells present an ongoing issue for surrounding communities. With over 600 orphan wells in New Mexico, a majority of them near disproportionately impacted communities, plugging orphaned wells in the state presents a critical area for the state to invest to protect New Mexicans.<sup>38</sup>

Performance Report:

As of writing this report, only \$291,375 of the project budget has been expended.

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<sup>38</sup> See ENV'T DEF. FUND, Mapping Orphan Wells in New Mexico (2021).



Project GOV-101800-050: NMSU

Funding Amount: \$2,749,246.96

Project Expenditure Category: EC 6.1: Provision of Government Services

Project Overview:

I have no clue. The money was used to hire labor for farms that were raising chile. There was a shortage of labor so this was used to incentivize employees so that there would not be a loss of crops or income to the agriculture industry.

Use of Evidence:

Performance Report: ASD should have information from NMSU on the number of businesses and employees and amount of payments. They returned a portion of this funding, it is available for authorization. I'm hoping to convince the Legislature that this should be appropriated for administrative expenses for managing the federal money.

Project 52100-010-ZF3508

Statewide State Park Infrastructure

Funding Amount:

\$20,000,000.00

Project Expenditure Category: EC 6.1: Provision of Government Services.

Project Overview:

State parks in the New Mexico provide areas for both recreation and conservation of nature. New Mexico is committed to rehabilitating state parks to increase enjoyment for visitors and meet preexisting goals written in each park's management plan.

Use of Evidence:

Each park management plan provides greater detail and evidence to provide rationale behind specific improvements to individual state parks.<sup>39</sup>

Performance Report:

As of writing this report, \$107,636.14 of the project budget has been expended.

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<sup>39</sup> N.M. DEPT. ENERGY, MINERALS, AND NATURAL RESOURCES, STATE PARK DIVISION, *Park Management Plans* (last visited July 25, 2022), <https://www.emnrd.nm.gov/spd/park-plans/>.

Project 35000-010-ZF3519

Employee Healthcare Benefits

Funding Amount:

\$15,000,000.00

Project Expenditure Category: EC 1.1: COVID-19 Vaccination

Project Overview:

The General Services Department provided the COVID-19 Vaccination for public employees as to have the public sector in New Mexico continue functioning during the pandemic.

Use of Evidence:

Public employees fall under EC 1.1 presumed impacted populations as being part of the “general public.”

Performance Report:

The funding for this project has been fully expended. The project provided free COVID-19 vaccinations for all state employees.

Project 41800-010-ZF3517

National Advertising

Funding Amount:

\$9,500,000.00

Project Expenditure Category: EC 6.1: Provision of Government Services.

Project Overview:

The Tourism Department has contacted local advertisement agencies to produce a series of advertisements promoting the state.

Use of Evidence:

The New Mexico economy relies heavily on tourism and advertising the state will provide a wide range of incidental benefits for business in the state.<sup>40</sup>

Performance Report:

The funding for this project has been fully expended and advertisements are currently finishing production.

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<sup>40</sup> Compare N.M. DEPT. OF WORKFORCE SOLUTIONS, *New Mexico Labor Market Review, February 2020*, 4 (2020); with N.M. DEPT. OF WORKFORCE SOLUTIONS, *New Mexico Labor Market Review, April 2022*, 4 (2022).