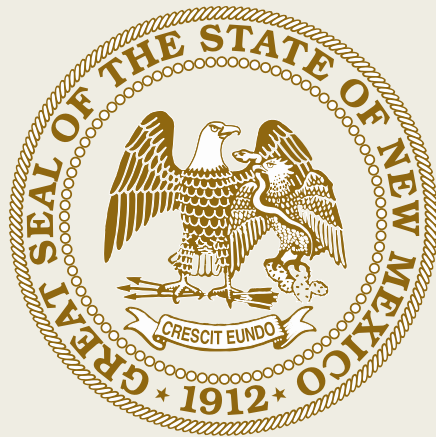


GENERAL SERVICES DEPARTMENT FY22 APPROPRIATION REQUEST PRESENTATION



Ken Ortiz, Cabinet Secretary
November 17, 2020

“Our Services Support Your Success”

NEW MEXICO
GENERAL SERVICES DEPARTMENT

HIGHLIGHTS OF ACCOMPLISHMENTS

PROGRAM SUPPORT

- Implemented the SHARE Asset Management Module to provide more accurate recording and tracking of GSD assets and appropriate values.
- Developed an online web application for State of New Mexico public entities to self-report construction contracts in compliance with HB 319.
- Developed a public web page that publishes government building leases by county for public viewing and transparency.
- Enhanced online Exposure Survey to give public entities the ability to self-report their risk exposure for insurance coverage and provide RMD the ability for data analysis and reporting.

STATE PURCHASING

- Launched DocuSign as the state-wide enterprise solution for e-signature for state contracts.
- Implemented electronic submissions/proposal for all procurement submissions.
- Initiated video conference for bid openings and vendor meetings.
- Coordinate with several chamber of commerce events to promote New Mexico business through government contracting.
- Developed online report for all agencies to report in-state and out-of-state contracts data in response to SB88.

HIGHLIGHTS OF ACCOMPLISHMENTS

STATE PRINTING

- Provided Census 2020 promotional materials including posters, post cards, mailing services to promote and encourage New Mexicans to complete the Census.
- Assisted Secretary of State with the printing of postcards for eligible but not registered voters to encourage voter registration. Over 90K Voter Guides were printed and distributed to all counties.
- Provided various COVID related signage for state facilities, airports and port of entries around the State.
- Continue to support Legislative Council Service on printing for all bills, amendments and legislators' stationery.

TRANSPORTATION SERVICES

- TSD is greatly appreciative for the recent legislative appropriations to begin to replace our aging motor pool
 - *\$1 million for electric vehicles (33 vehicles)*
 - *\$2.5 million for non-electric (108 vehicles)*
 - *\$1 million (45 vehicles) in hybrid and/or low emissions vehicles.*
- Implementing GPS tracking for all vehicles in fleet operations.
- Continued airplane service for Children's Medical Services and NM School for the Blind and Visually Impaired.
- Provide additional driver and vehicle services to assist state agencies (delivering food and COVID supplies across the state).

HIGHLIGHTS OF ACCOMPLISHMENTS

RISK MANAGEMENT DIVISION

- Posted settlements on the Sunshine Portal, which increased transparency.
- Eliminated the 180-day confidential requirement in state settlements in accordance to SB 64.
- Implementing new Risk Management Information System (RMIS); Go Live scheduled for March, 2021
- Working with various stakeholders on reducing the costs of prescription drugs
 - *Interagency Pharmaceutical Purchasing Council*
 - *Capping the costs of some prescription drugs per HB292*
 - *Working with DOH on SB1 on the feasibility of the importation of prescription drugs (SB1)*
 - *Interagency Benefit Advisory Committee*
- Added new choices for employee benefits program effective January 2021 to include a new medical carrier and multiple voluntary coverages.
 - *Whole Life Insurance*
 - *Financial Assistance For:*
 - *Cancer*
 - *Accidents*
 - *Other Critical Illnesses (i.e. heart attacks, strokes)*

HIGHLIGHTS OF ACCOMPLISHMENTS

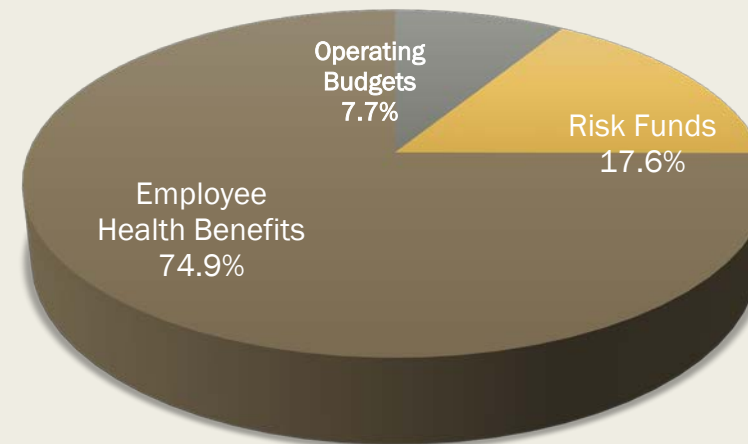
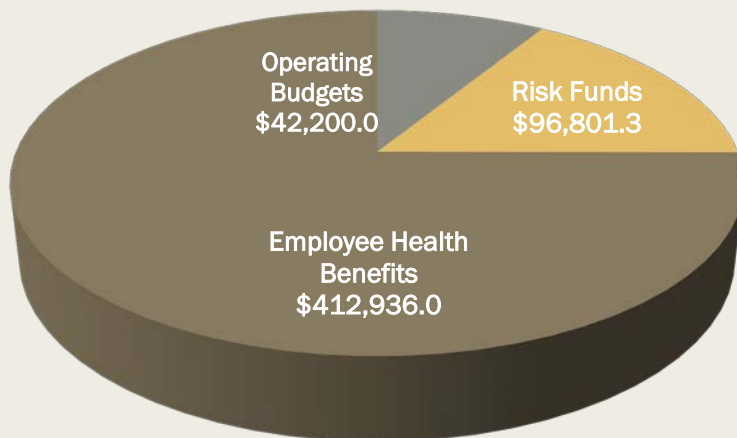
FACILITIES MANAGEMENT DIVISION

- Providing daily custodial services to over 1.71 million square feet of state-owned buildings in Santa Fe plus in our new Albuquerque location (Child Wellness Center, Phase 1).
- Currently managing over 208 capital projects with a value of over \$181.6 M
 - *Phase 2 - Child Wellness Center in Albuquerque to be completed June 2021*
 - *Completed Vital Records Building in Santa Fe*
 - *DPS crime lab in Santa Fe*
 - *NMBHI Meadows Phase 3 in Las Vegas 60% complete*
 - *Completed Veterans Cemetery in Angel Fire*
- \$32 million State Buildings Green Energy Project for 30 state office buildings in Santa Fe.
 - *Solar, water and utility conservation measures*
 - *Guaranteed \$1.2 M in utility savings*
 - *Estimated completion date is November 2021*
- Completing Master Plan for office buildings in Santa Fe that will include a complete security assessment with recommendations.
- Installed 30 electric vehicle charging stations in state owned campuses in Santa Fe.
- Provided decontamination and deep cleaning services when a state facility was exposed to COVID.

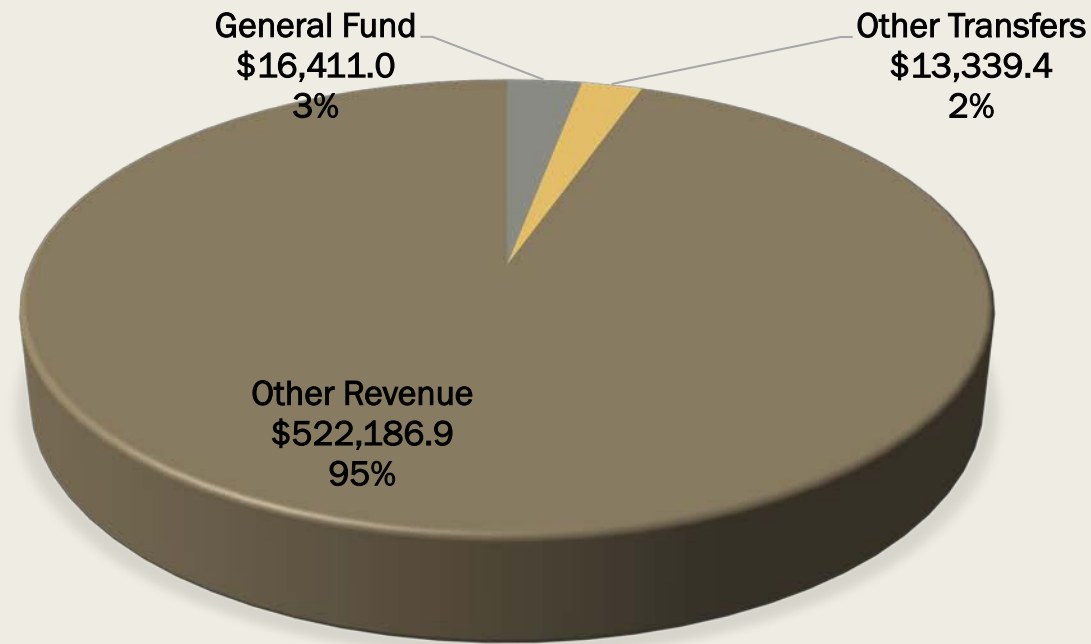
FY22 Request High Level Breakdown

- GSD Appropriation Request consists of three budget components:

1. <i>Program Operating Budgets</i>	\$ 42.2 million
2. <i>Risk Funds</i>	\$ 96.8 million
3. <i>Employee Health Benefits</i>	\$ <u>412.9</u> million
<i>Total FY22 GSD Request</i>	<i>\$551.9 million</i>



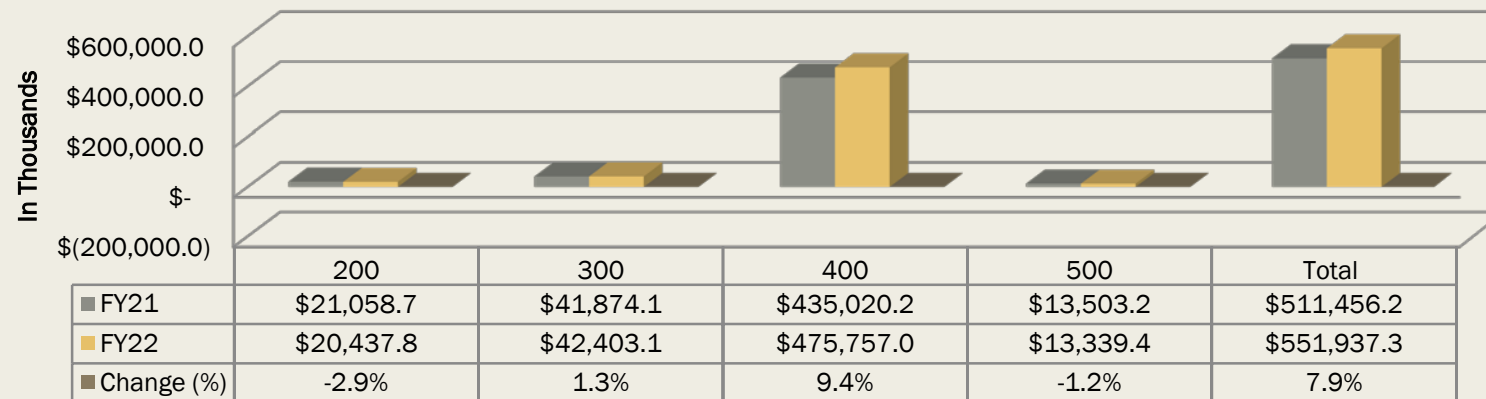
FY22 Funding Sources by Amount & Percentage



1. General Fund accounts for 3% or \$16.4 million of the request,
2. Other Revenue accounts for 95% or \$522.2 million of the FY22 GSD request, (Health Benefits \$ 412.9, Risk Funds \$96.8 and Enterprise Funds \$12.5),
3. Other Transfers (RMD Operating & Program Support) accounts for 2% or \$13.3 million of the FY22 GSD budget request.

Overall Costs Comparison by Category FY21/FY22

- GSDs total request (all funding sources) is an increase of 7.9%. Operating budgets are reduced 1.4%, Risk funds are increased 16% and Health Benefits are increased 7.2%.
- In the 200s, 2.9% decrease to meet the 5% GF reduction. GSD will maintain the a 14.5 percent vacancy rate; however, the request does support the addition of 8 critical positions to staff operations and maintenance of Phase II of the Pine Tree Campus.
- In the 300s, the 1.3% increase is predominantly due to maintenance contracts to service IT equipment nearing end-of-life cycles and increased costs in the Public Liability and Property Funds.
- In the 400s, the 9.4% increase is mainly due to rising costs of risk fund claims, the increase in the health benefits premium, as well as addressing utility costs for Phase II of Pine Tree Campus.



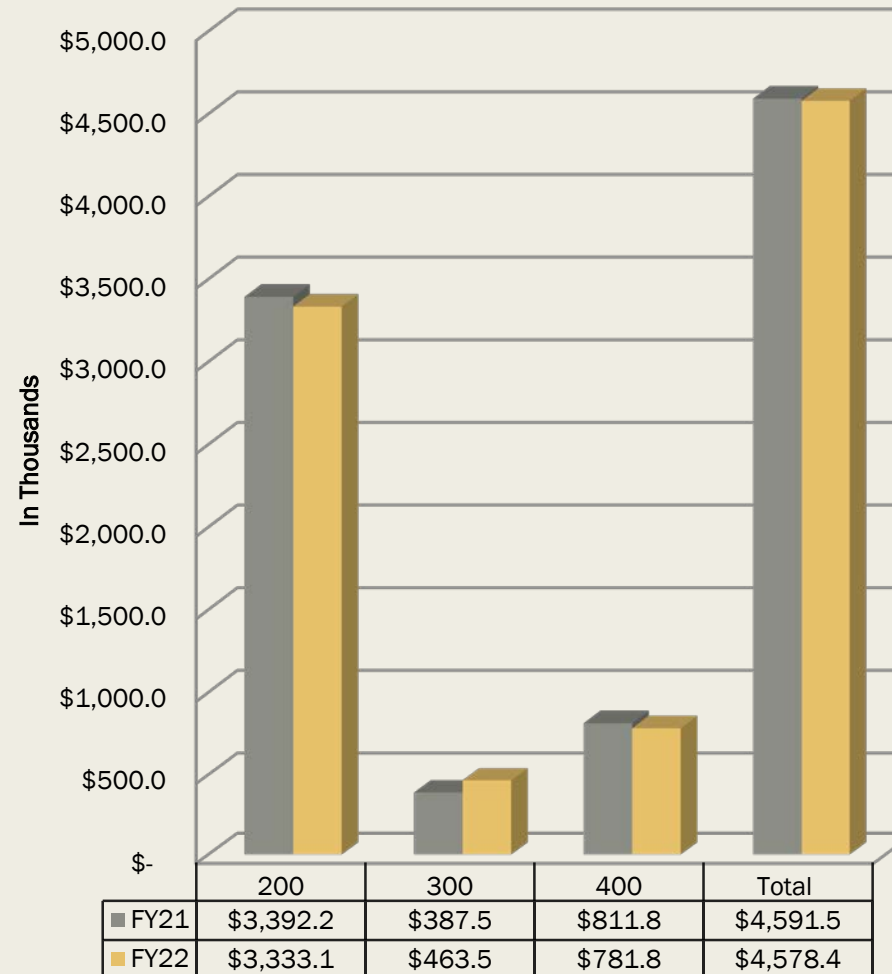
P598 Program Support

Initiatives for FY22

- Enhance our IT applications to add additional online applications and information.
 - Publish dashboards for real time metric reporting – Solar, Building Maintenance Notifications
 - Implement a web-based case management system for GSD/RMD Legal Bureau
 - Provide online capabilities for vendors to submit invoices electronically and track payment status

- Continue to enhance the SHARE Asset Management Module to ensure the recording and accuracy of capital assets

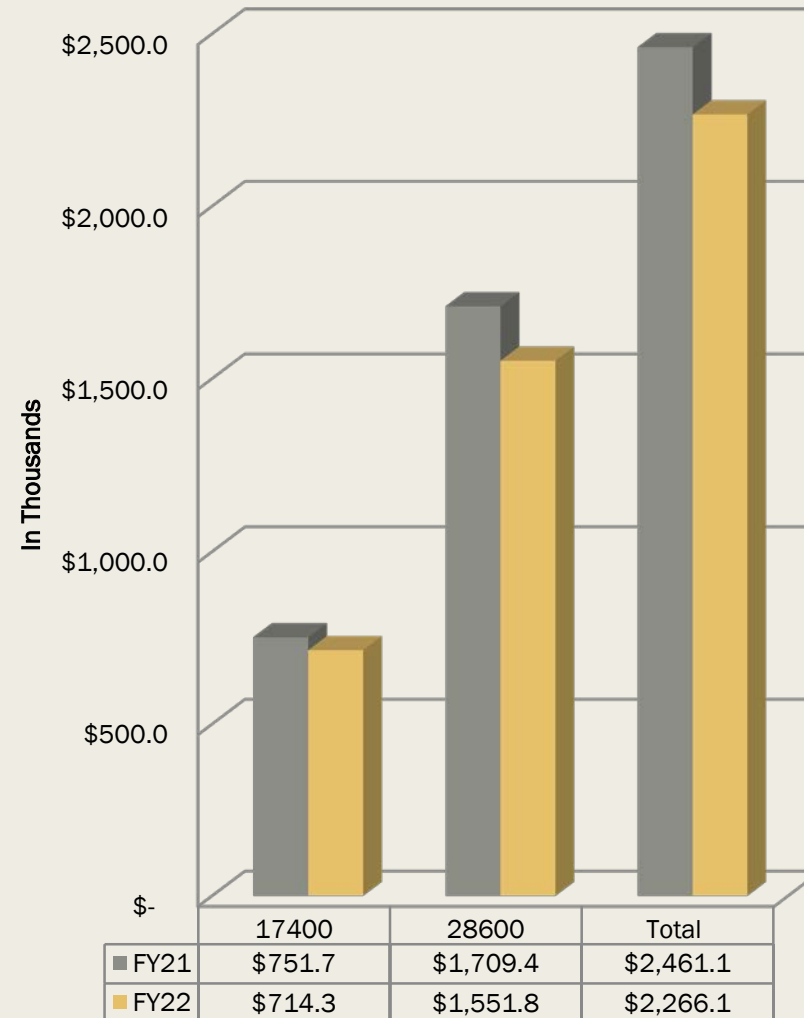
- Overall reduction in Program Support with slight increases to the 300s due to maintenance contracts to service IT equipment nearing end-of-life cycles.



P604 - State Purchasing

INITIATIVES FOR FY22

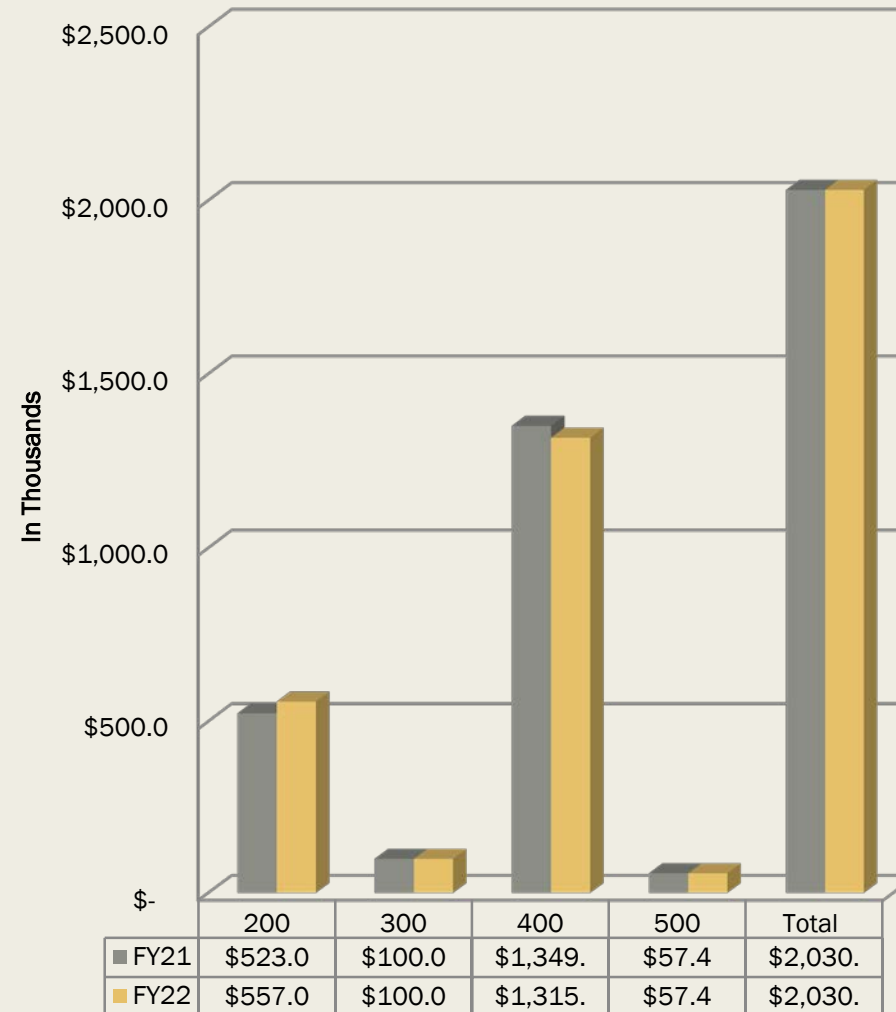
- Resume the Buy New Mexico outreach program.
- Evaluate and recommend enhancements to eProcurement system for streamlined vendor use and improved agency buying experience with integration with SHARE to identify agency purchasing trends.
- Explore “guided buying” recommendations to steer agencies toward New Mexico businesses.
- Launch sustainable purchasing initiative and develop metrics for success.
- General Fund is decreased to meet 5% reduction. Fees fund 28600 decreased 9.2% due to a higher vacancy rate.



P605 State Printing & Graphics

INITIATIVES FOR FY22

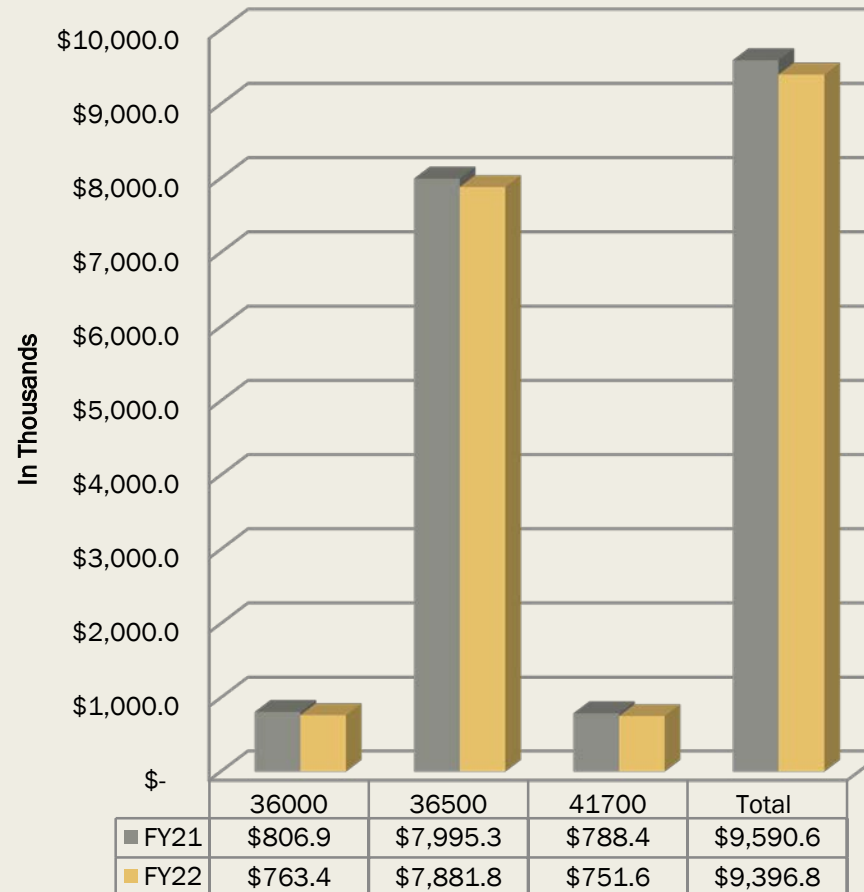
- Implementation of four new digital presses to improve technology and overall print quality.
- Faster service through automation and performing complex bindery functions right on the press is reducing unit costs.
- Less downtime is increasing productivity and reducing waste by having a more robust and modernized press that will contribute to quality and efficiency.



P609 Transportation Services

INITIATIVES FOR FY22

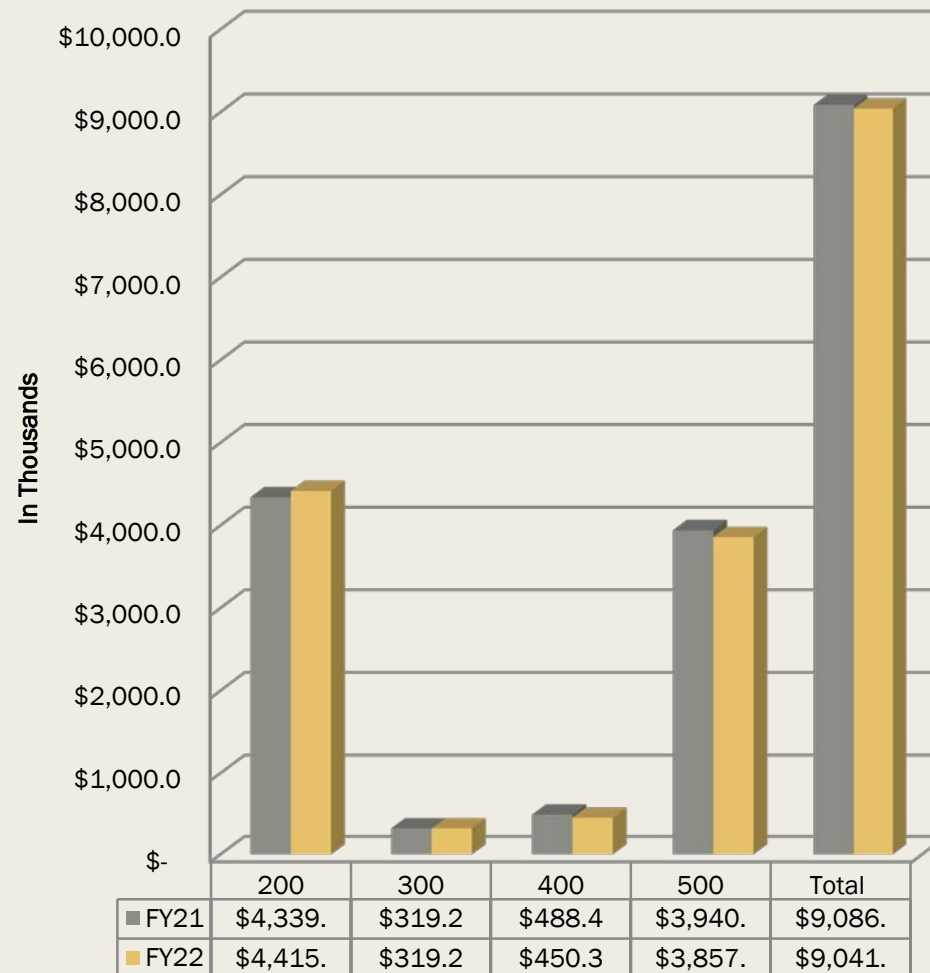
- TSD continues to utilize electric vehicles in its fleet operations and is moving operations toward hybrid and low emission vehicles.
- TSD continues to install GPS and fully implement it across all user agencies.
- Overall reduction in TSD is mainly due to reduction of GSD Risk and DoIT rates in FY22.



P606 Risk Management - Operating

INITIATIVES FOR FY22

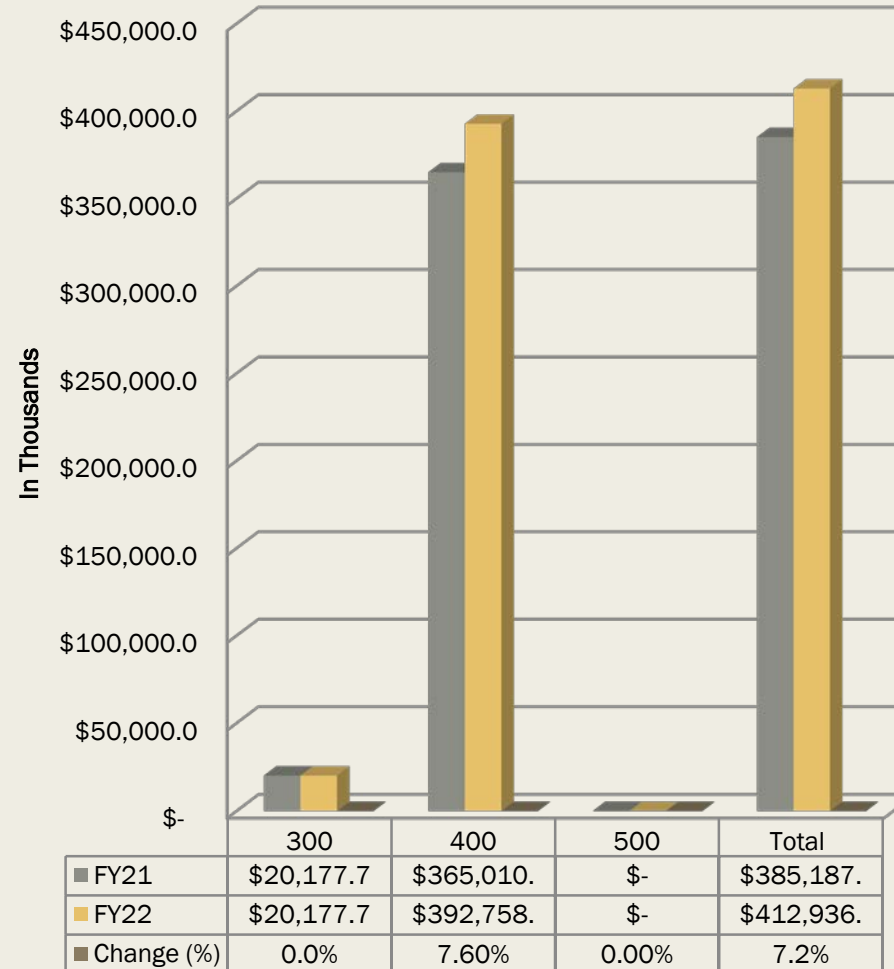
- Successfully implement a new Risk Management Information System.
- Continuing the work of the Interagency Pharmaceuticals Purchasing Council to achieve a reduction in drug costs for public employees and employers.
- Begin to reach fiscal solvency in our Health Benefits Fund with a three-year plan to get there plus a major emphasis on development of a new RFP for pharmaceuticals.
- Utilize the Risk Management Advisory Board to bring oversight and transparency to development of all new risk rates/assessments.



P607 - Health Benefits

INITIATIVES FOR FY22

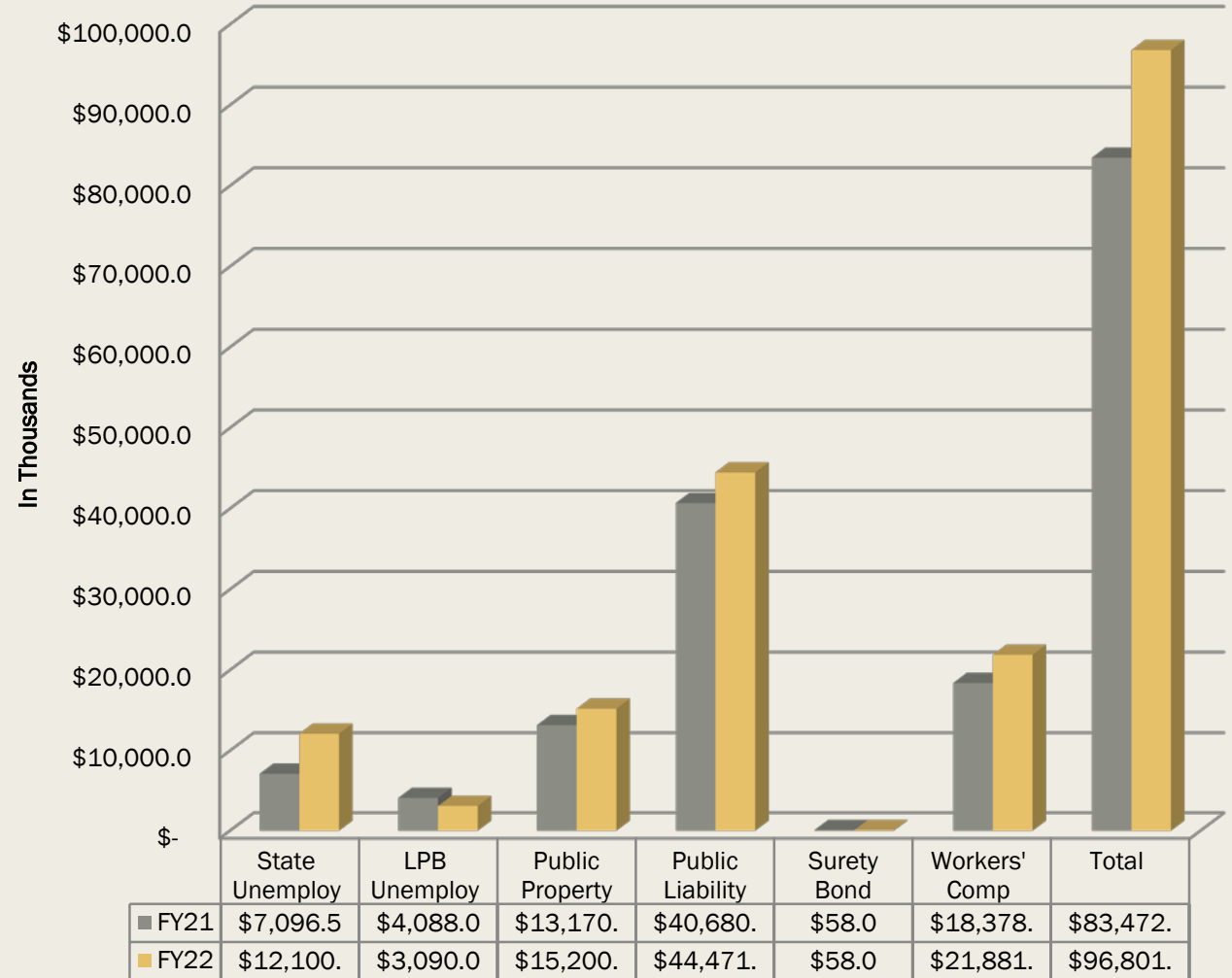
- Expand access to telemedicine and other ways to safely access health care services remotely.
- 7.2 % increase in Health Benefits
 - based on actuarial estimates of claims costs;
 - medical inflation;
 - higher costs for new cancer treatments
 - specialty pharmaceuticals



P799 Risk Funds

INITIATIVES FOR FY22

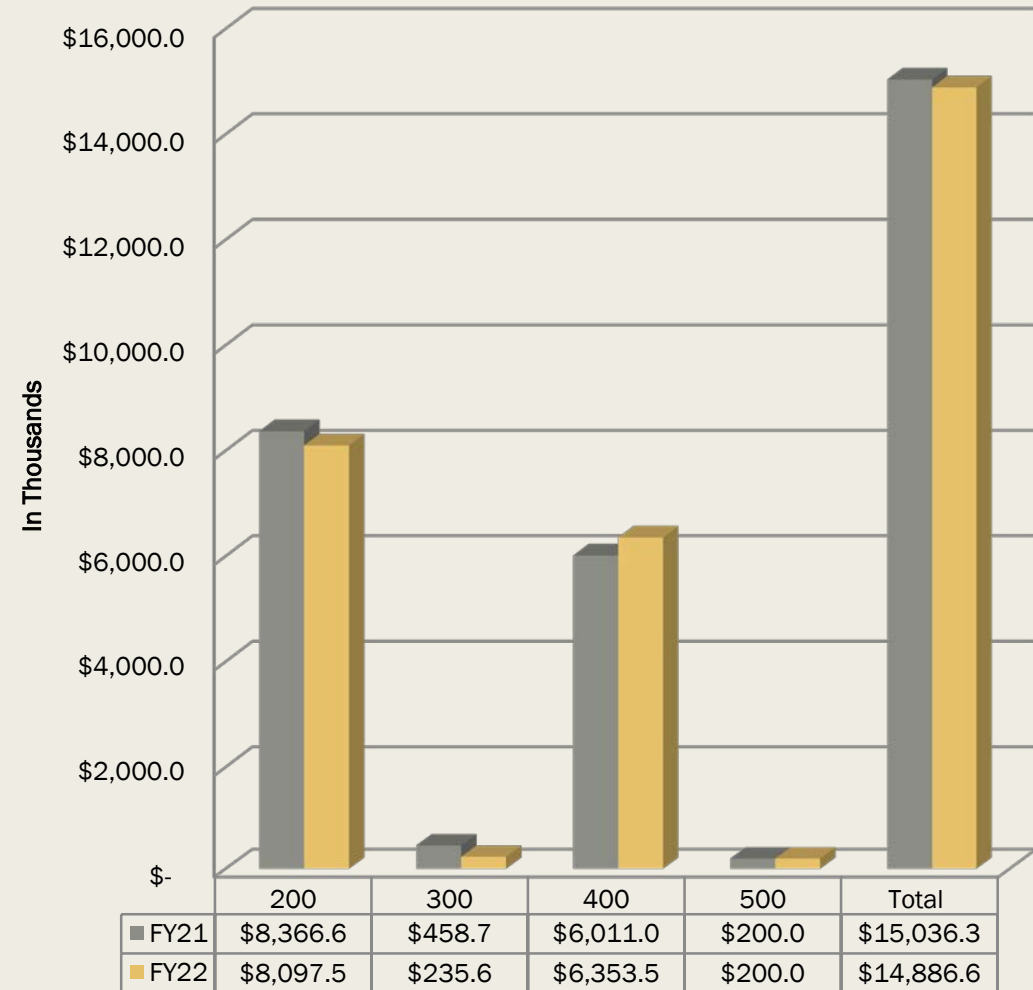
- Unemployment has seen extraordinary increases due to the COVID-19 pandemic. The final quarter claims costs in FY20 increase to four times the amount of previous quarters for State Agencies, Public Schools and Local Public Bodies.
- The property insurance rates rose 21% due to the combination of increased exposure and hardening property insurance markets adversely impacted by global catastrophes (hurricanes/wild fires, etc.) .
- RMD is expected to see increased cost of litigation due to the creation of the body camera law and potential elimination of qualified immunity defense laws.



P608 - Facilities Management

INITIATIVES FOR FY22

- Successfully complete the State Buildings Green Energy Project in Santa Fe and develop a statewide initiative.
- Successfully manage over \$181 Million in Capital Outlay projects.
- Develop an up-to-date facility condition assessment (FCA) for GSD- owned buildings statewide.
- Ensure staffing is appropriate level for operations and maintenance as well as capital projects management.



Supplemental & Special Requests

■ \$10,000.0 - Supplemental for the Health Benefits Fund 75200

- *Greatly reduced or zero compensation increases to state employees this past fiscal year prompted the cancelation of a planned premium increase for the program.*
- *Current and projected budgetary considerations make future raises uncertain and also creates concerns about passing along additional employee contributions.*
- *RMD is working with a benefits consultant to address future needs.*
- *While the COVID-19 pandemic initially suppressed healthcare utilization and costs, those effects are demonstrably waning and the healthcare financial environment has become more difficult to project.*
- *Request to avoid deficit spending and address adequate fund balances which is part of a multi-faceted strategy which may include plan design changes and potentially other RMD fund transfers to achieve desired goals.*

■ \$2,000.0 – Special

- *\$1.0 to acquire new vehicles for the Motor Pool fleet. Purchase new vehicles for the state motor pool to replace 40 older higher mileage vehicles*
- *\$1.0 to expand the electric vehicle fleet by adding an additional 28 electric vehicles.*

QUESTIONS?

Contact Information

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