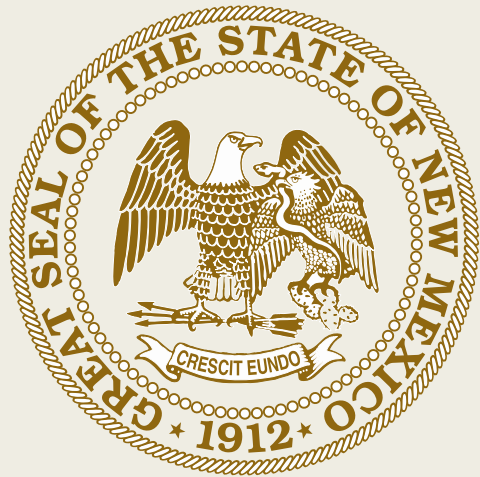


# GENERAL SERVICES DEPARTMENT FY21 APPROPRIATION REQUEST PRESENTATION



Ken Ortiz, Cabinet Secretary  
November 19, 2019  
State Capitol Room 322

**NEW MEXICO**  
GENERAL SERVICES DEPARTMENT

# HIGHLIGHTS OF ACCOMPLISHMENTS

## PROGRAM SUPPORT

- Initiating the Asset Management Module in SHARE
  - *806 state-owned facilities and land currently estimated at over \$1 Billion;*
  - *Will provide a more accurate picture of the market value including associated depreciation; and*
  - *Will address an audit finding for the last 6 years that we need to eliminate.*
- Addressing IT related cyber and other security threats to our varied information technology systems by conducting IT security assessments including penetration testing and full network scans.

## STATE PURCHASING

- Successfully integrated the Professional Services Contract Review Bureau into State Purchasing (SB 88).
- First time collection of data on in- and out-of-state contracts (SB 88).
- Initiating E-Signature program for all executive agencies in coordination with DoIT (contracts, HR paperwork & per-diem).
- Initiating Buy New Mexico campaign to facilitate and encourage more government contracting with NM businesses.
- Providing CPO certifications to all our SPD buyers.
- Created a Customer Service Liaison position to work with all SPD clientele.
- Initiated C-2 funding request for the Strategic Sourcing Module in SHARE (this module will consolidate procurement business processes into SHARE and provide e-commerce options and greater transparency into procurement activities with a greater ability to track data).

# HIGHLIGHTS OF ACCOMPLISHMENTS

## STATE PRINTING

- Initiating online shopping cart for agency customers to include an e-catalogue of goods and services for purchase.
- 98% of orders delivered on time.
- 31% increase in revenue including an 8% increase during last year's legislative session in comparison to the last 60-day session (2017).

## RISK MANAGEMENT

- Implemented new procedures for the handling of risk management claims
  - *Increased documentation such as Litigation Risk Analysis and Investigations when appropriate; and*
  - *Ensure the handling of claims are standardized and objective.*
- First ever posting of Risk Management settlements on the Sunshine Portal.
- Working on recommendations to amend our confidentiality statute relating to Risk claims.
- Reduced vacancy rate from 33% to 13%.
- Created a customer service liaison position to further assist external customers and interagency inquiries.
- Initiate implementation of a new a Risk Management Information System (RMIS) that will provide for increased efficiencies in claims handling and enable greater data analytics capabilities.
- Organized the state's first Interagency Pharmaceuticals Purchasing Council (SB 131).

# HIGHLIGHTS OF ACCOMPLISHMENTS

## FACILITIES MANAGEMENT

- Providing daily custodial services to over 1.8 million square feet of state-owned buildings in Santa Fe and in our new Child Wellness Center.
- Managing a record new \$137.3 million in capital outlay funding for FY20 that includes:
  - *A new Vital Records Building in Santa Fe is scheduled to be complete by May 2020.*
  - *Phase III of the Behavioral Health Institute in Las Vegas is scheduled to be completed by Dec. 2020;*
  - *Phase II of the Child Wellness Center in Albuquerque is scheduled to be complete by Feb. 2021; and*
  - *A new DPS Crime lab in Santa Fe (in Drawing phase).*
- Initiating a \$32 million State Buildings Green Energy Project for 30 state office buildings in Santa Fe.
- Initiating a Master Plan for buildings in Santa Fe to include consideration of a new executive office building.
- Initiating a full security assessment and security master plan for our Santa Fe buildings.
- Initiating construction of electric vehicle charging stations in our state government campuses in Santa Fe.

## TRANSPORTATION SERVICES

- Purchasing \$1 million in electric vehicles.
- Purchasing \$2.5 million in hybrid and/or low emissions vehicles (first time in 5 years GSD was able to purchase new vehicles).
- Resumed weekly flights again for students at the NM School for the Visually Impaired.

# INITIATIVES FOR FY 21

## PROGRAM SUPPORT

- Finalize the development of the Asset Management Module and ensuring accuracy of data transferred from old systems to SHARE. This will be accomplished in time for our FY 20 audit.
- Ensure additional IT staff are in place to provide adequate staffing to successfully implement:
  - Asset Management Module (SHARE);
  - Strategic Sourcing in State Purchasing;
  - Risk Management Information System (RMIS); and
  - Ongoing IT Security and Cyber Security reviews.

## STATE PRINTING

- Expand the digital printing services & options to customers.

## STATE PURCHASING

- Enhance Buy New Mexico campaign to provide outreach and training to NM businesses.
  - Including recommendations to modernize the Procurement Code
- Streamline the procurement process with additional e-procurement features.
- Implement a statewide roll-out of e-signature for contracts.
- Provide additional training to staff on the use of data analytics to monitor our state spend.

# INITIATIVES FOR FY 21

## **RISK MANAGEMENT DIVISION**

- Continue improvements in claims handling and implementing any amendments to state statutes that will improve transparency.
- Successfully implement a new Risk Management Information System.
  - Efficiencies in processing claims, Records Management & Data Analytics.
- Continue the work of the Interagency Pharmaceuticals Purchasing Council to achieve a reduction in drug costs for public employees by maximizing our collective purchasing power.
- 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 our group health benefits program.

## **FACILITIES MANAGEMENT**

- Successfully complete the State Buildings Green Energy Project in Santa Fe and develop a statewide initiative.
- Develop an up-to-date facility condition assessment (FCA) for GSD owned buildings statewide.
- Increase staffing to the appropriate level for operations and maintenance as well as capital projects management.
  - Current staffing level is below level 3 industry standards of sq. footage per employee.
- Enhance Security Standards in state owned facilities.

# INITIATIVES FOR FY 21

## TRANSPORTATION SERVICES

- Integrate electric vehicles into state government.
- Install GPS devices on all vehicles.
- Continue to modernize our vehicle fleet contingent on adequate funding.
  - 1935 Total vehicles in fleet; and
  - 583 vehicles with over 100,000 miles.
- Continue providing aviation services to:
  - Childrens Medical Service;
  - Students from the School for the Blind and Visually Handicapped; and
  - State agency personnel.

## **GSD's FY 21 BUDGET PRIORTIES**

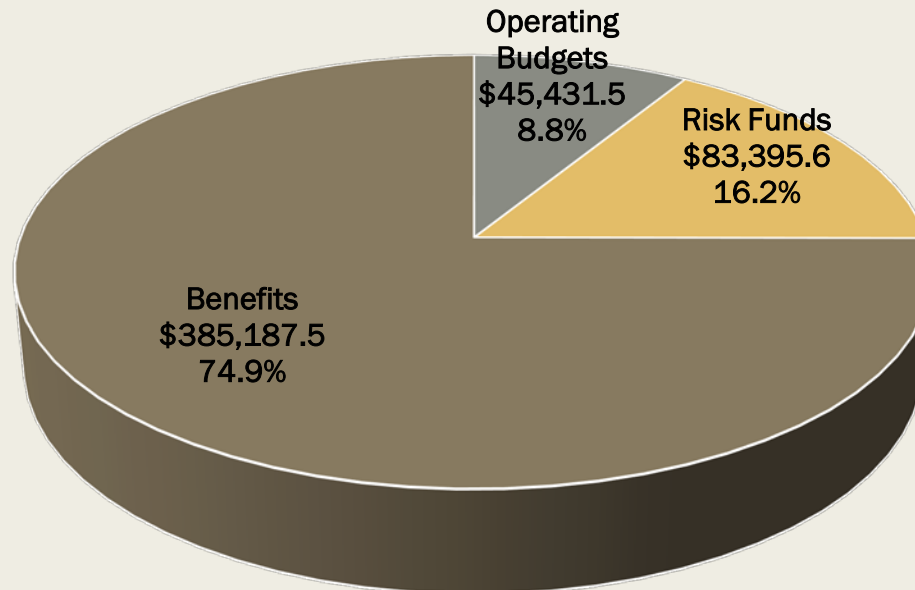
- **Adequate Staffing** – Requesting additional staffing for:
  - Operations & Maintenance, Custodians and Landscapers for state owned properties;
  - Project Managers – additional capital outlay projects; and
  - IT Staff - Implement new IT systems and applications.
- **Solid Agency Infrastructure**
  - Security reviews have revealed the need to update our obsolete IT infrastructure;
  - State Printing - Upgraded equipment to further pursue digitization and reduce reliance on paper;
  - Risk Management will need updated infrastructure for the new RMIS;
  - Facilities Management Division needs to address security requirements like additional badge access and security cameras with remote access (smaller, non-capital outlay projects).
- **Transportation Safety** - Small increase most of which is for installing GPS in all our vehicles with the remainder to assist modernizing our aging motor pool.
- **Group Health Benefits** – Solvency with a goal of reaching a fund balance at the industry standard for public entities (1-1.5 months worth of claims) over a three-year time frame. Request will be for a \$30.7 million supplemental with \$21.7 million to get to zero and \$9 million to begin to reach fiscal solvency.



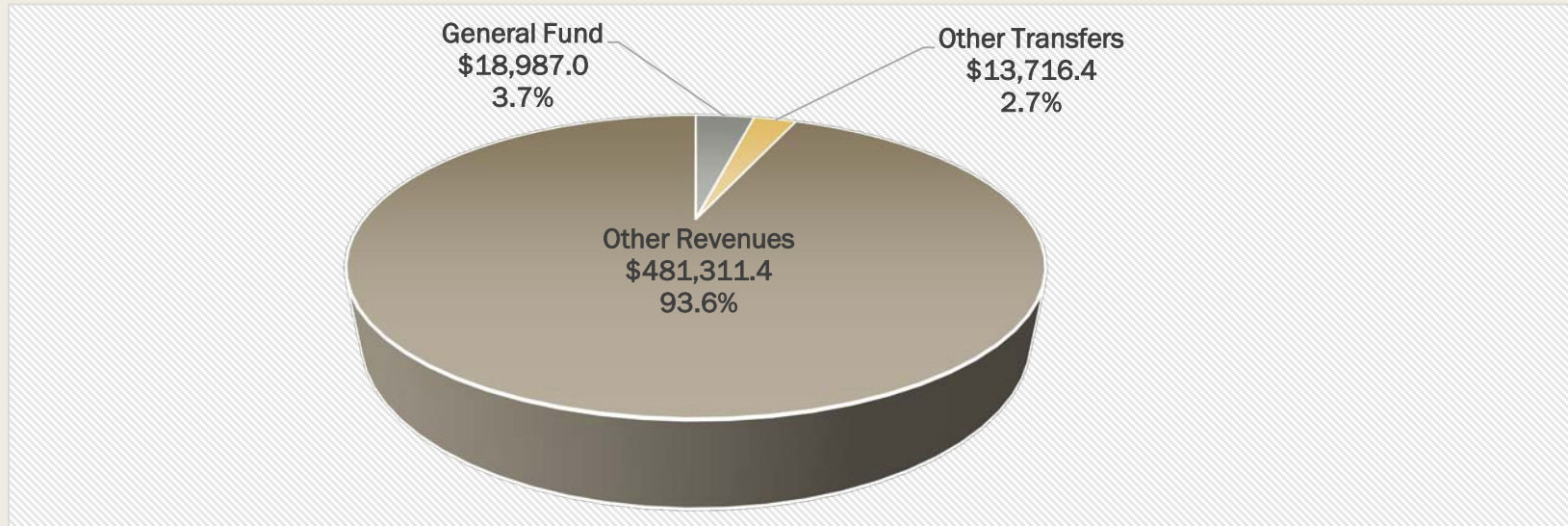
# GSD FY21 Request High Level Breakdown

- The GSD Appropriation Request consists of three budget components:
  1. *Program Operating Budgets* \$ 45.4 million
  2. *Risk & Liability Funds* \$ 83.4 million
  3. *Employee Health Benefits* \$ 385.2 million

**Total FY21 GSD Request** \$514.0 million



# Funding Sources by Amount & Percentage

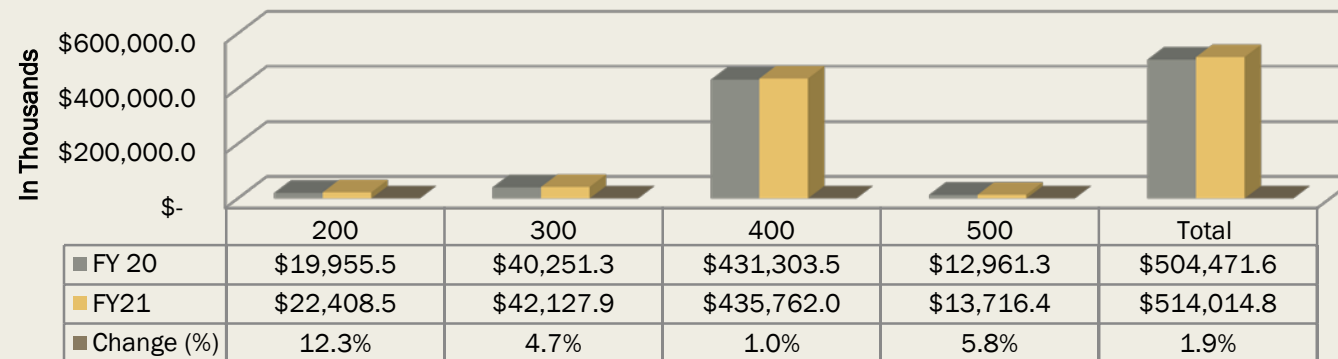


1. Other Revenues account for 93.6% or \$481.3 million of the FY21 GSD request (Health Benefits \$385.2, Risk Funds \$83.1 and Enterprise Funds \$13.0);
2. General Fund accounts for 3.7% or \$18.9 million of the request; and
3. Other Transfers (RMD Operating & Program Support) account for 2.7% or \$13.7 million of the FY21 GSD budget request.

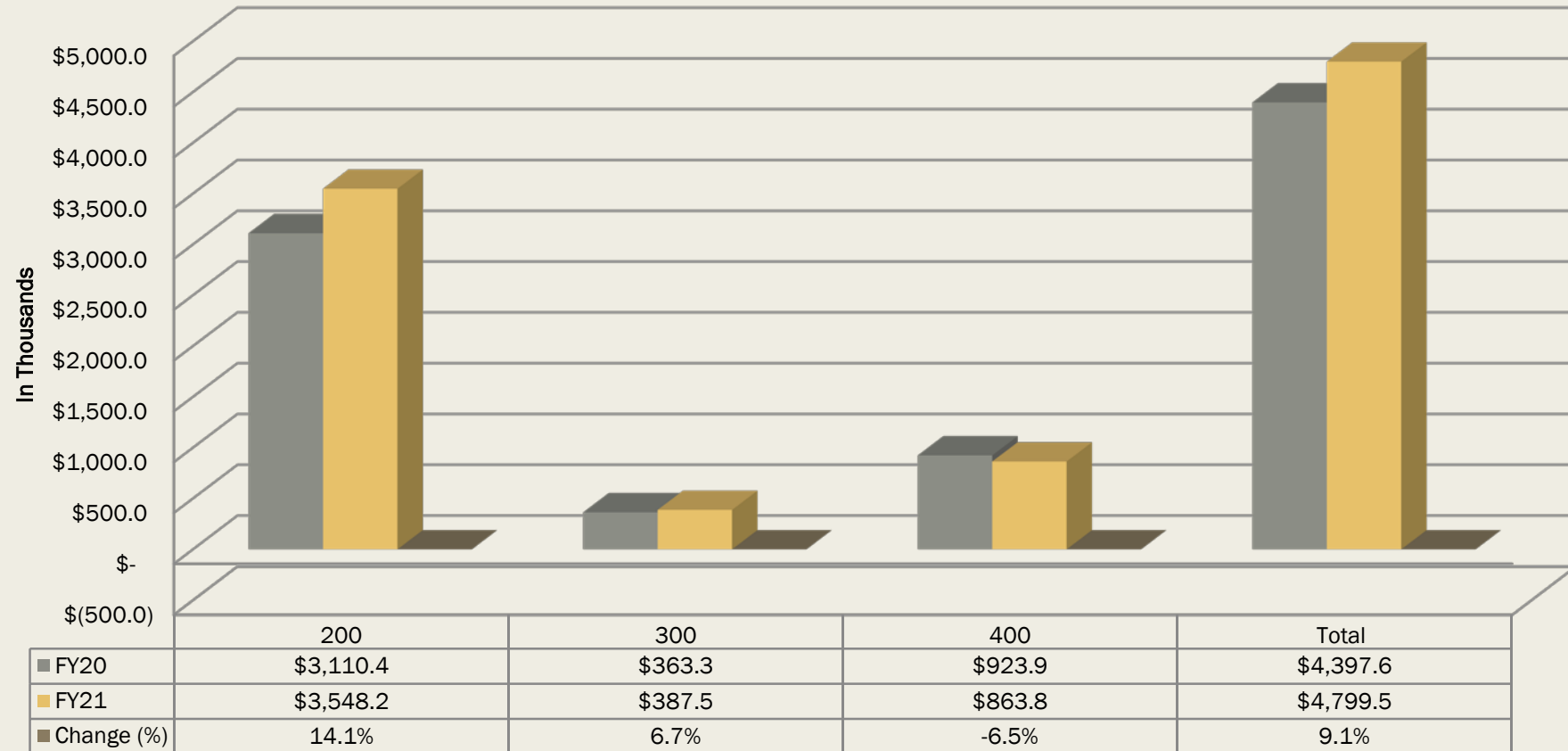
# Overall Costs Comparison by Category FY20/ FY21

- In the 200s, the FY21 request increase is 12% because in the past many key positions were unfunded or kept vacant to reach a high budgeted vacancy savings rate. For FY21, these positions are budgeted to allow the administration to achieve its core objectives including appropriate staffing for the additional workloads which includes deferred maintenance of our state owned facilities.
- Increases to the 300s are predominantly in Information Technology due to maintenance contracts to service IT equipment, and for Facilities Management to perform facility condition assessments and provide more security at State owned buildings.
- In the 400s the increases are mainly due to the rising costs of risk fund claims, the increase in the health benefits premium, increases in utility costs and also to catch up on the back log of building repairs and maintenance long over due because of budget shortfalls in previous years.

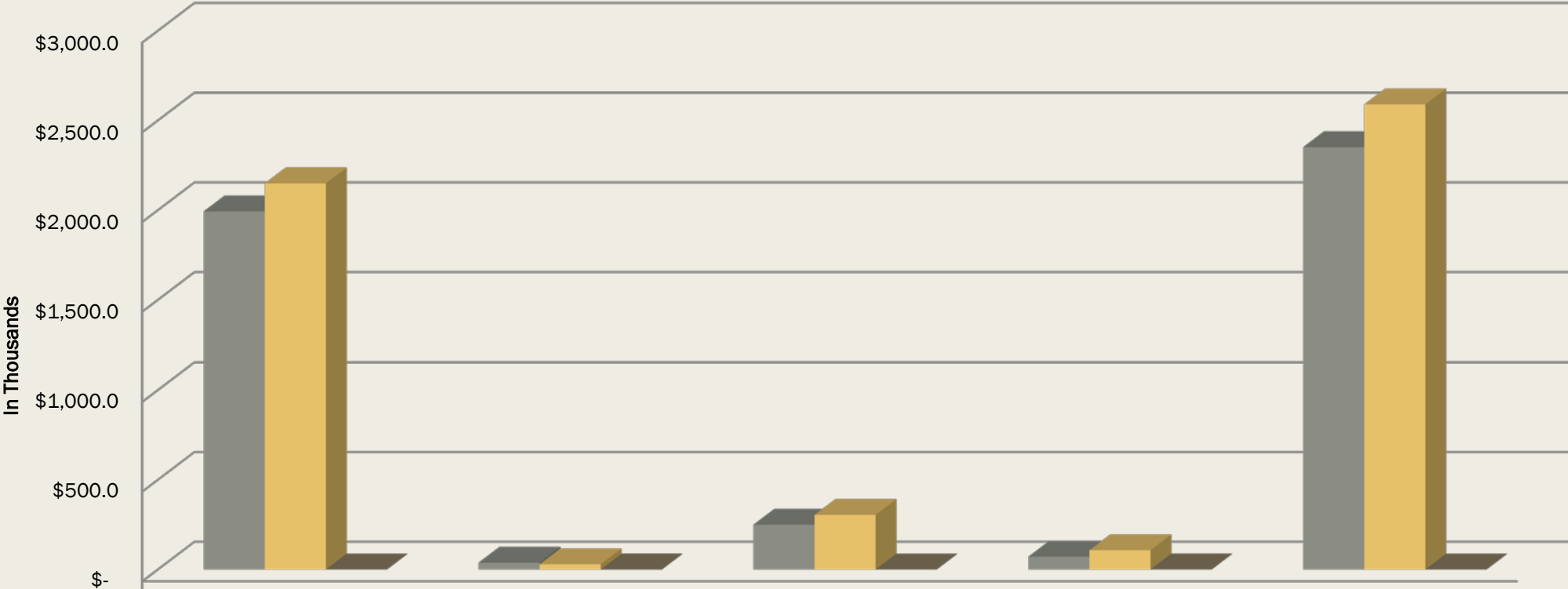
Request by Expenditure Category



# P598 Program Support - Operating

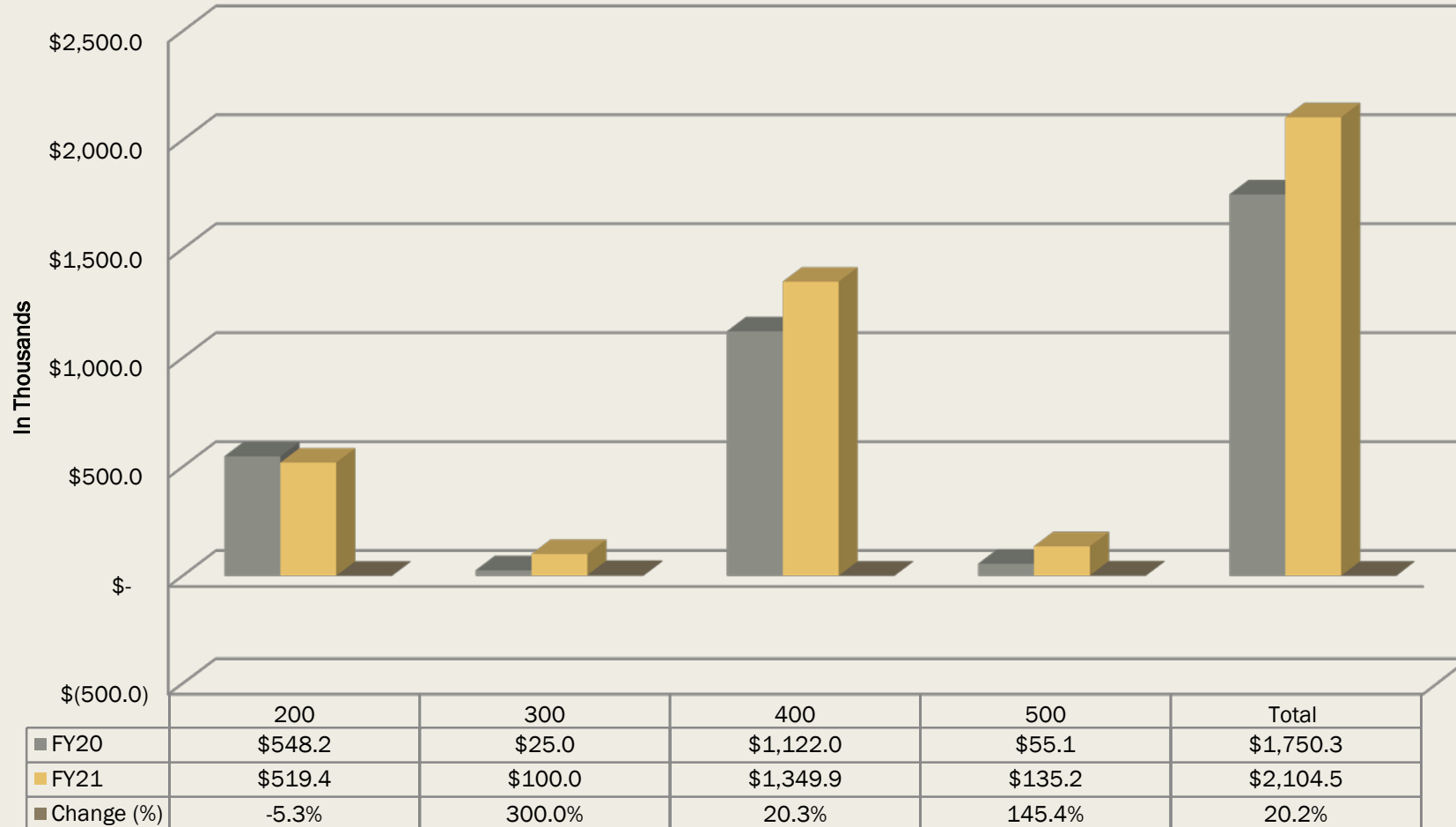


# P604 - State Purchasing

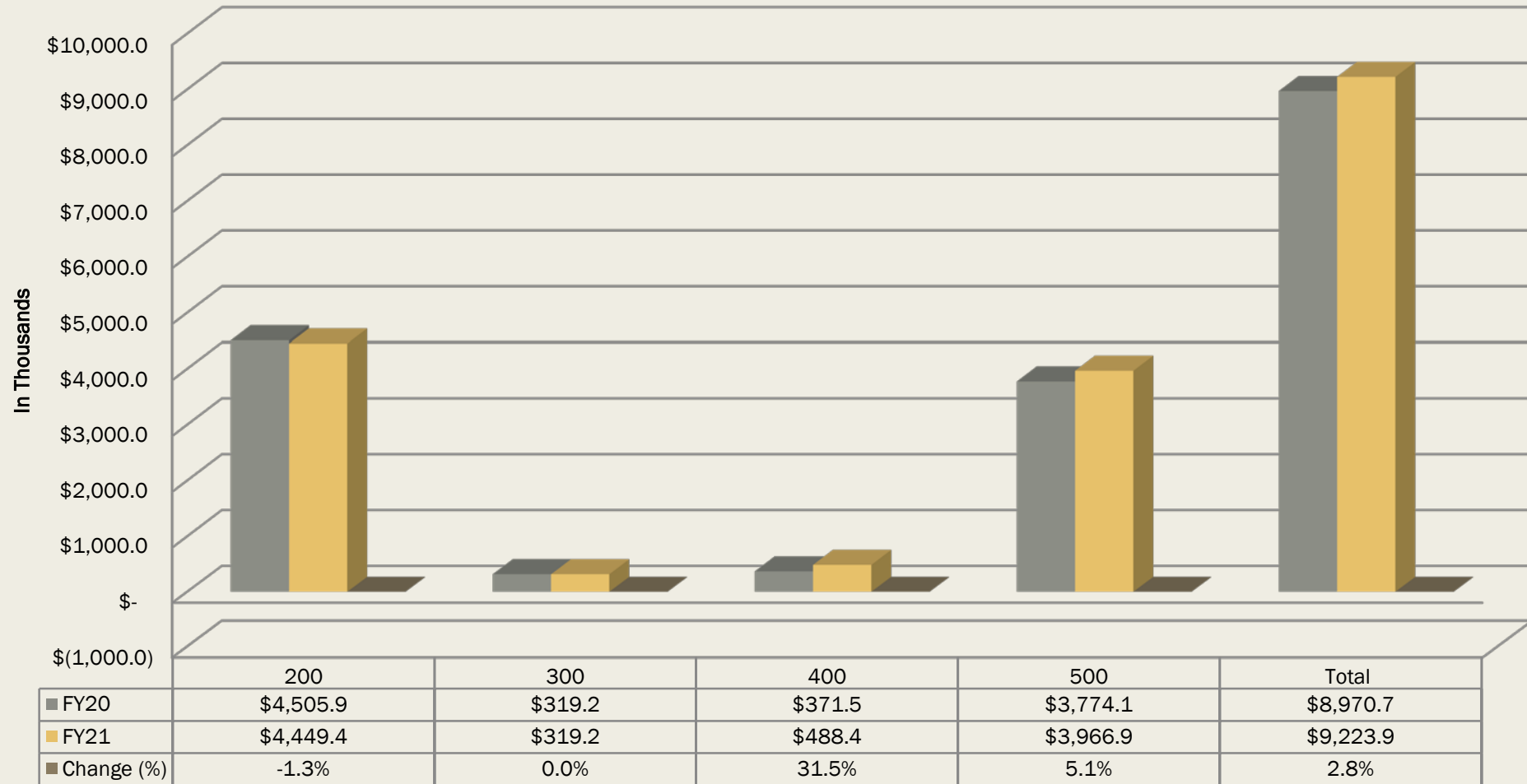


	200	300	400	500	Total
■ FY20	\$1,992.9	\$37.8	\$249.5	\$70.9	\$2,351.1
■ FY21	\$2,149.0	\$29.0	\$304.1	\$107.3	\$2,589.4
■ Change (%)	7.8%	-23.3%	21.9%	51.3%	10.1%

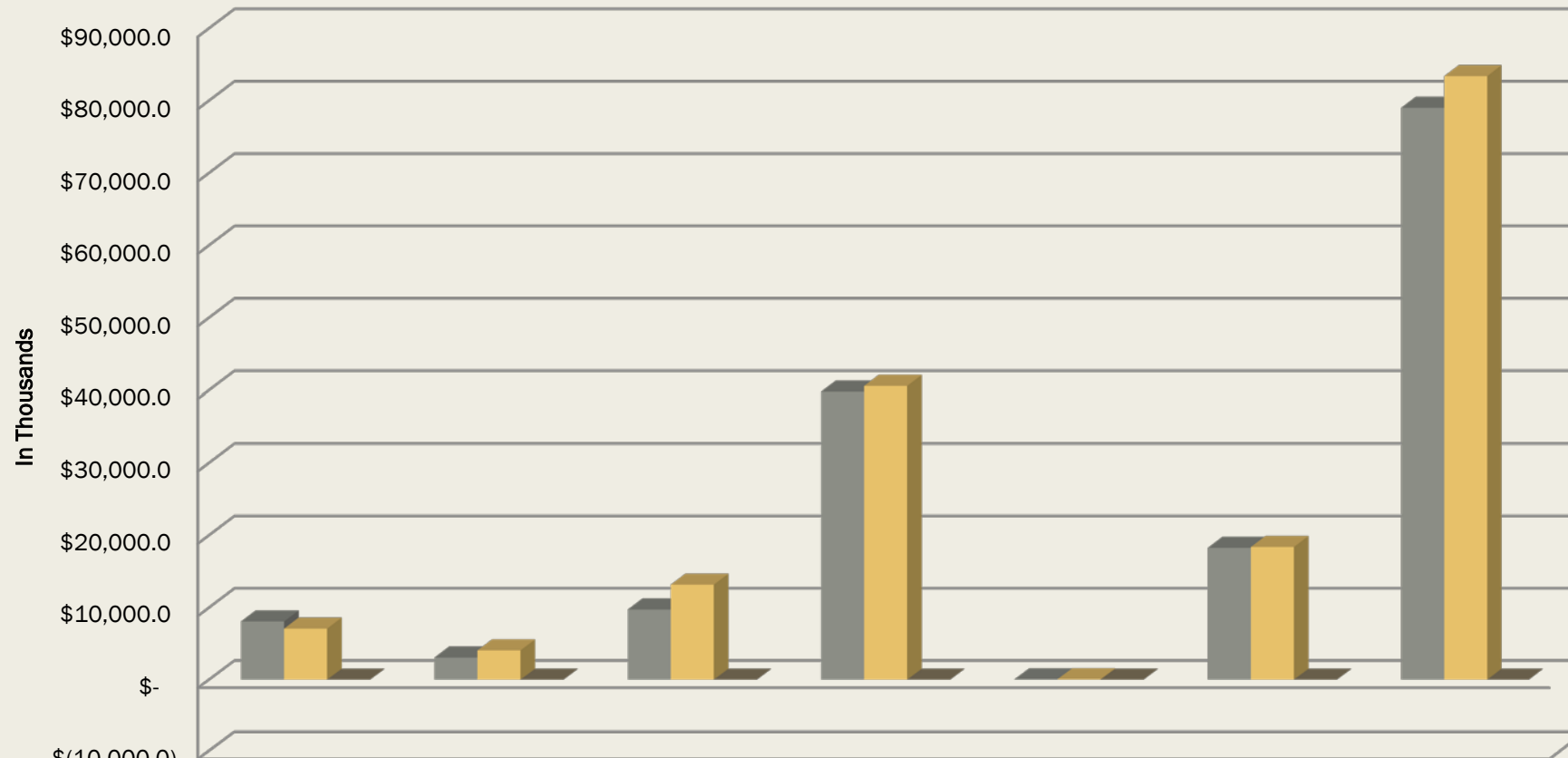
# P605 State Printing & Graphics



# P606 Risk Management - Operating



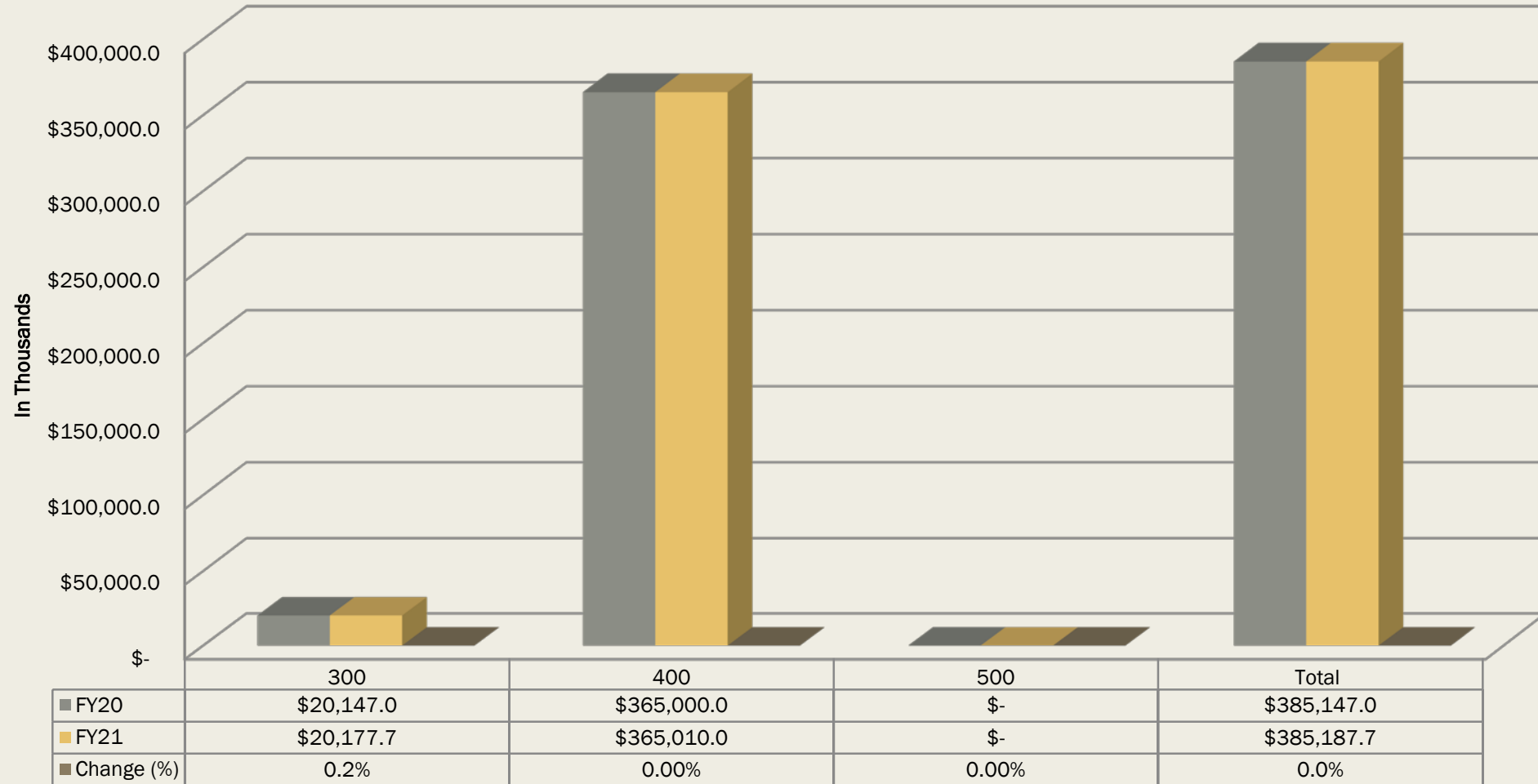
# P799 - Risk Funds



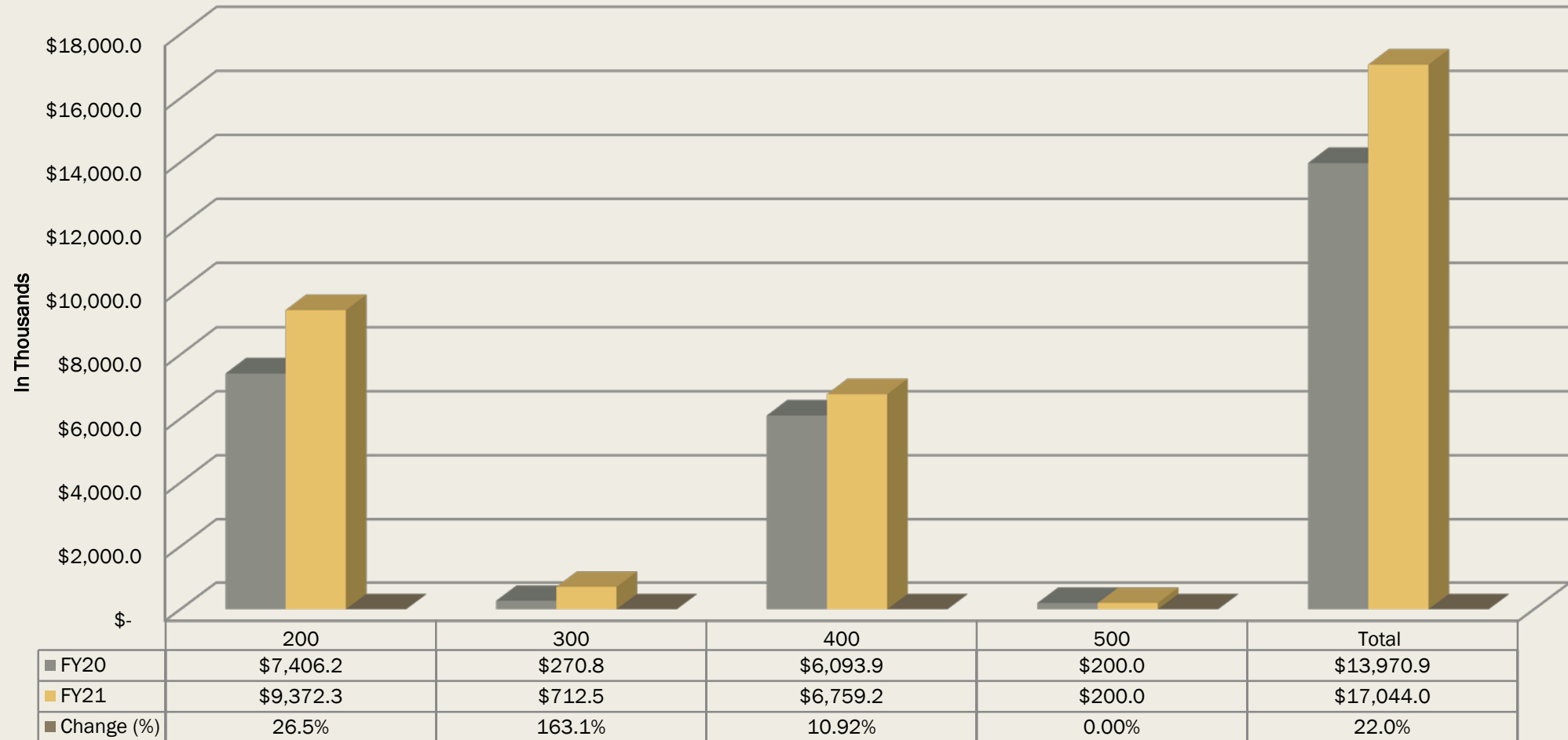
	State Unemployment	LPB Unemployment	Public Property	Public Liability	Surety Bond	Workers' Comp	Total
■ FY20	\$8,087.2	\$3,090.0	\$9,735.0	\$39,786.9	\$50.0	\$18,268.5	\$79,017.6
■ FY21	\$7,100.0	\$4,090.0	\$13,176.5	\$40,583.3	\$58.0	\$18,387.8	\$83,395.6
■ Change (%)	-12.2%	32.4%	35.4%	2.0%	16.0%	0.7%	5.5%



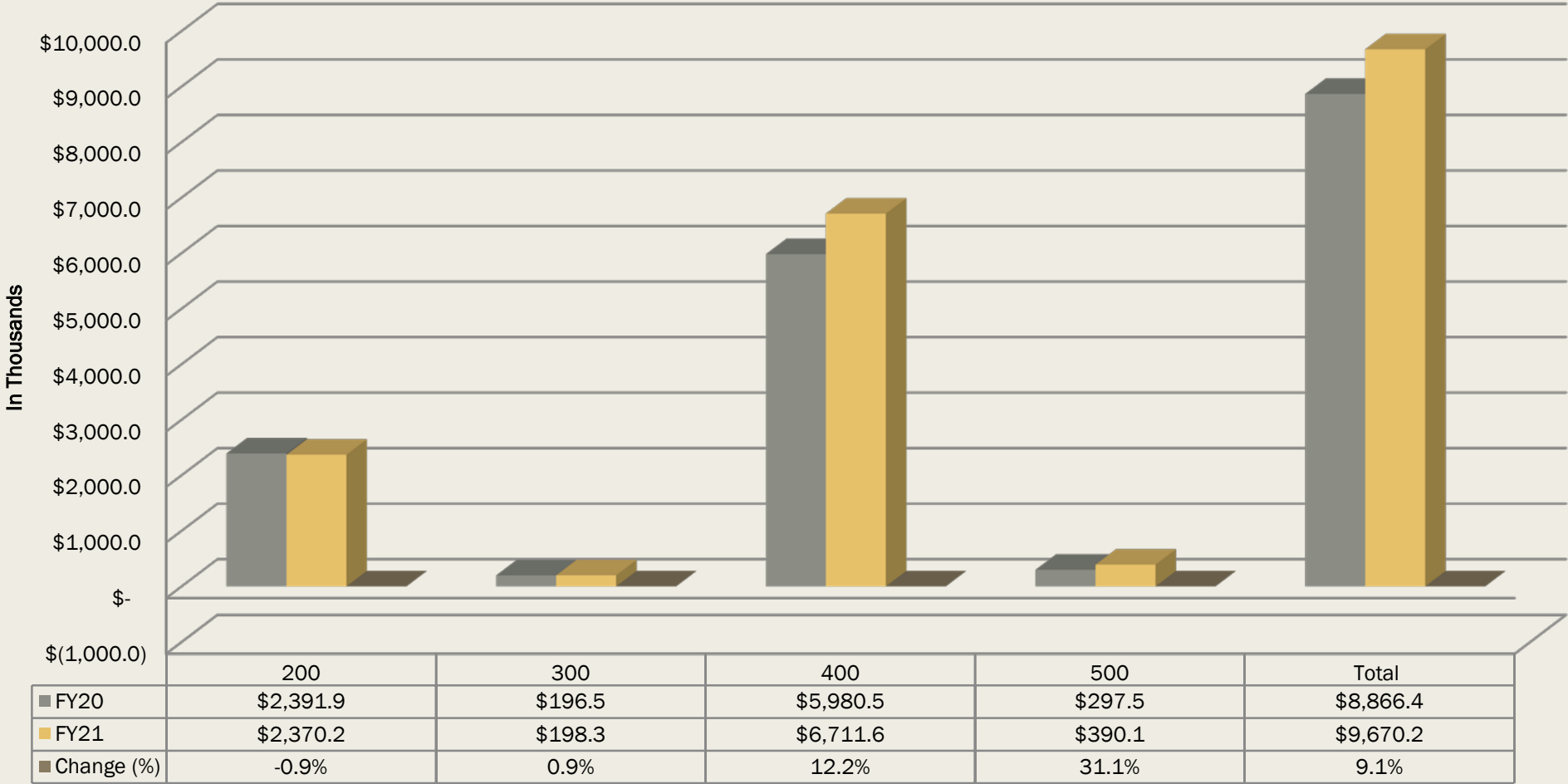
# P607 - Health Benefits



# P608 - Facilities Management



# P609 Transportation Services – Motor Pool / Surplus / Aviation



# QUESTIONS?

## Contact Information:

**Ken Ortiz, Cabinet Secretary, 827-2000**  
**Duffy Rodriguez, Deputy Secretary 827-2000**

**Michael Lujan, ASD Director/Chief Financial Officer, 827-1730**  
**Budget Bureau: Scott Roybal, Deputy ASD Director, 827-2447**  
**Facilities Management Division: Anna Silva, Director, 827-0468**  
**Risk Management Division: Clinton Nicley, Director, 827-2036**  
**State Printing & Graphics: Rob Newlin, Director, 476-1952**  
**State Purchasing Division: Mark Hayden, Director, 827-2331**

**Transportation Services Division: James Chavez, Deputy Director, 660-5562**