



# FY21 Budget Request

Legislative Finance Committee

November 19, 2019

Department of Finance and Administration

Cabinet Secretary Olivia Padilla-Jackson



New Mexico Department of  
Finance & Administration



1

**Vision,  
Mission,  
Values**

2

**Focus  
Areas**

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**Budget  
Request**

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**Special/ Other  
Appropriations**

## 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



## Strategic Alignment



# Our Focus: 5 Key Areas

## FISCAL STRENGTH & STABILITY



STRENGTHEN STATE FINANCES THROUGH LONG-TERM FINANCIAL AND BUDGET PLANNING AND OVERSIGHT

1. Provide policy and financial analysis and budget planning to support strong executive and legislative decisions
2. Promote fiscal stability within state government and statewide
3. Improve the quality and timeliness of statewide financial reporting
4. Improve the quality of financial management throughout state government
5. Present a timely and structurally balanced Executive Budget Recommendation
6. Deliver accurate consensus revenue estimates
7. Provide oversight and assistance on timely and legal expenditure of capital outlay projects
8. Implement accurate financial management practices and reporting for DFA

## QUALITY SERVICES



DELIVER HIGH-PERFORMING FINANCIAL and ADMINISTRATIVE SERVICES

1. Deliver quality, reliable and timely financial and administrative services to internal and external customers
2. Issue comprehensive and regular budget reporting for state agencies
3. Furnish user-friendly, actionable Infrastructure Capital Improvement Plan (ICIP) and capital outlay project balance reporting
4. Offer a positive, solution-driven customer experience to both external and internal customers
5. Impart financial expertise, training and technical assistance to local public entities

## GOVT ACCOUNTABILITY, INNOVATION & EFFICIENCY



COMMIT TO OPERATIONAL EXCELLENCE and CONTINUOUS IMPROVEMENT

1. Build technological capabilities and improve processes to achieve progressive ways of doing business timely and consistently
2. Promote financial expertise statewide to achieve efficiency and improve operating standards, consistency, knowledge base, and work product
3. Involve stakeholder input in key decisions
4. Foster best practices and accountability
5. Make certain DFA hardware and software is compatible with the latest technology and security standards
6. Implement safeguards to ensure DFA payment systems are secure

## THRIVING COMMUNITIES (state agencies and local public entities)



IMPROVE COMMUNICATION TO BUILD A NETWORK OF SUPPORT AND COLLABORATION

1. Present training and education to local public entities
2. Present training and education to other state agencies
3. Conduct outreach efforts to build strong local public entity relationships
4. Conduct outreach efforts to increase understanding of state agency's operations and needs
5. Ensure capital projects are fully planned, having addressed operating and maintenance costs, corresponding revenue sources which are ready to begin

## WORKFORCE DEVELOPMENT & ENGAGEMENT



SUPPORT AND INVEST IN OUR WORKFORCE

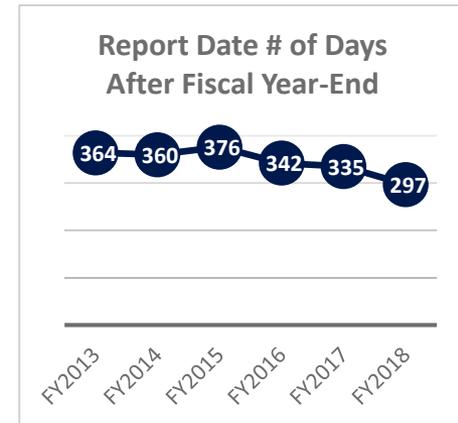
1. Ensure adequate training and educational attainment support for DFA workforce
2. Provide an overall positive experience for new DFA employees
3. Maintain positive employee morale through employee engagement and appreciation activities
4. Create successful pipeline and succession plan for key positions
5. Deliver technical guidance support and IT training to all DFA employees



## FISCAL STRENGTH & STABILITY

Strengthen financial management practices and reporting among all State agencies by building capacity within the State CAFR Unit:

- Additional accounting staff
- Training and agency risk assessments
- \$50K for new CFO Certification program
- New CFO loan program to assist struggling state agencies



**Outcome:** Stronger, more consistent financial management throughout the State, cleaner audits and a more timely State CAFR submission in addition to a more professional level of CFOs throughout State Government. New CFO loan program will allow DFA to deploy assistance to struggling state agencies until they are fully staffed and trained supporting fiscal stability and continuity.

**Requested Base Increase: \$568.1**



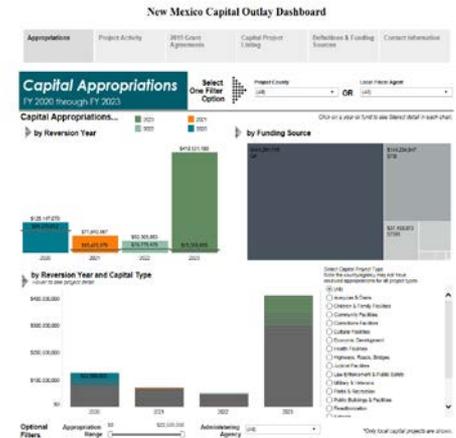
## GOVT ACCOUNTABILITY, INNOVATION & EFFICIENCY

Improve government accountability, innovation and efficiency by building up the State Budget Division's Performance & Accountability team and technological capabilities:

- Funding for two Performance Analysts
- Tableau data visualization software licenses

**Outcome:** Enhanced budget, program and performance analysis including program evaluation, process improvement reviews, and better performance monitoring. The addition of Tableau data visualization software will allow DFA to create dashboards on key areas such as Budget, GF Revenue, vacancies, contracts and Key Performance Metrics dashboard.

**Requested Base Increase: \$163.9**





## THRIVING COMMUNITIES

Increase DFA assistance to local governments that need it, to include more onsite visits, intensive one-on-one technical assistance, more frequent training and education efforts.

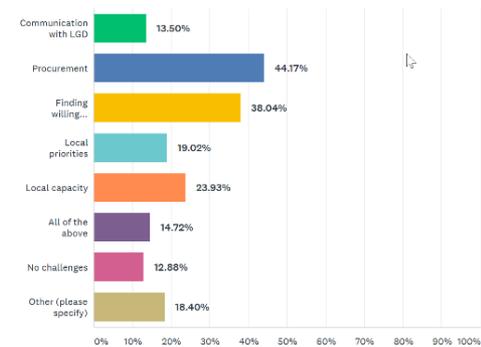
- Funding for two FTEs in Local Government Division, including a Capital Projects Manager and a second ICIP Coordinator
- Funds to reclassify a position to Financial Coordinator to provide onsite technical assistance through LGD
- Associated in-state travel expenses in LGD

**Outcome:** Improved budgeting, more timely financial audits and higher accountability on the spend down of state funded capital expenditures at the local level.

**Requested Base Increase: \$248.2**

What are your biggest challenges to timely expenditure of your capital outlay appropriations? (Check all that apply.)

Answered: 163 Skipped: 34





## QUALITY SERVICES

Elevate the level of service DFA provides to all customers through increased site visits, including local governments and state agencies:

- More frequent state agency training at all levels
- Customer Satisfaction Surveys
- Lunch and Learn Series
- Dashboard reporting for enhanced transparency

**Outcome:** Higher quality of service for local government and state agency customers.

**Requested Base Increase: \$0**





## WORKFORCE DEVELOPMENT & ENGAGEMENT

Support and invest in our workforce:

- Improved Onboarding Process
- Quarterly All-Staff Meetings
- Employee Satisfaction Surveys
- Employee Engagement Committee
- Formal and consistent training in the areas of financial management, computer skills, customer service training and ethics

### Community Development Bureau

*Helping local governments deliver critical infrastructure and economic development projects*

- **Capital Outlay**
  - 800+ projects
  - \$225.9 million portfolio
- **Community Development Block Grant**
  - 60 projects
  - \$37.5 million portfolio



New Mexico Department of  
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#IServeNM



**Outcome:** Knowledgeable, professional, engaged and productive workforce at DFA.

**Requested Base Increase: \$0**

# DFA Budget Request Summary (Thousands \$)

General Fund	FY20	FY21	\$ Change	% Change
Personal Services and Employee Benefits (200)	\$ 11,440.0	\$ 12,278.8	\$ 838.8	6.8%
Contractual Services (300)	\$ 1,744.0	\$ 1,798.0	\$ 54.0	3.0%
Other Operating (400)	\$ 581.0	\$ 668.4	\$ 87.4	13.1%
<b>Total</b>	<b>\$ 13,765.0</b>	<b>\$ 14,745.2</b>	<b>\$ 980.2</b>	<b>6.6%</b>
<b>FTE</b>	<b>150</b>	<b>153</b>	<b>3*</b>	

\*Total of 6 new FTEs with reduction of 3 that transferred to GSD Contracts Review Bur.



# Special/Other Appropriations

PROGRAM		FY19 Operating Budget	FY20 Operating Budget	FY21 Budget Request	\$ Difference	% Change
A	County detention of prisoners	2,387.5	2,387.5	2,387.5	-	0.0%
B	Fiscal agent contract	1,064.8	1,064.8	1,064.8	-	0.0%
C	Membership and dues	140.0	140.0	149.6	9.6	6.9%
D	State planning districts	593.0	693.0	693.0	-	0.0%
E	Land grant council (Fund 62000 prior to FY17)	221.9	296.9	775.0	478.1	161.0%
F	Acequia and community ditch education	398.2	398.2	398.2	-	0.0%
G	Leasehold community assistance	114.1	57.0	291.5	234.5	411.4%
H	New Mexico acequia commission	88.1	88.1	88.1	-	0.0%
I	Statewide teen court	17.7	17.7	17.7	-	0.0%
J	Emergency water supply fund	104.8	104.8	1,000.0	895.2	854.2%
	<b>DFA Special Appropriations - GF Only (A thru J)</b>	<b>5,130.1</b>	<b>5,248.0</b>	<b>6,865.4</b>	<b>1,617.4</b>	<b>30.8%</b>
K	Law Enforcement	19,000.0	16,705.1	15,100.0	(1,605.1)	-9.6%
L	Statewide Teen Court	115.0	120.2	120.2	-	0.0%
	<b>Total DFA Special Appropriations (A thru L)</b>	<b>24,245.1</b>	<b>22,073.3</b>	<b>22,085.6</b>	<b>12.3</b>	<b>0.1%</b>
M	Civil Legal Services (GF & Other State Funds)	3,877.4	4,320.0	4,320.0	-	0.0%
N	Tobacco	18,000.0	17,500.0	17,000.0	(500.0)	-2.9%
O	Medicaid	29,600.0	38,000.0	43,200.0	5,200.0	13.7%
P	E911	12,455.0	12,455.0	12,455.0	-	0.0%
Q	DWI	18,730.0	18,730.0	20,200.0	1,470.0	7.8%
R	CDBG (Federal Funds)	10,203.3	10,203.3	10,203.3	-	0.0%
S	Forest Reserve (Federal Funds)		9,600.0	9,600.0	-	0.0%
T	Taylor Grazing (Federal Funds)		478.0	478.0	-	0.0%
	<b>TOTAL DFA PASS THROUGHGS (K thru T)</b>	<b>117,110.8</b>	<b>133,359.6</b>	<b>139,541.9</b>	<b>6,182.3</b>	<b>4.6%</b>

# Membership & Dues Special Appropriation

## **(C) Memberships & Dues - Increase \$9.6**

National Governors Association Dues

Western Governors Association Dues

National Association of State Budget Officers

## **(G) Leasehold Community Assistance - Increase \$234.5**

Requested amount calculated according to statute.



# Other State Funds

## **(O) Medicaid - Increase \$5,200.0**

Request based on increased revenue estimate and budgeting the current undistributed cash balance of \$4.5 million.

## **(Q) DWI - Increase \$1,470.0**

Request based on increased revenues received and future estimates due to the increase in the liquor excise tax allocation to 45%.



# Special Appropriations FY20/FY21

## Census 2020 Complete Count – Increase \$8,000.0

During the 2019 legislative session DFA requested \$10M for efforts to achieve a complete count in New Mexico as part of the 2020 federal Census. The Legislature appropriated to DFA \$3.5 million. DFA has now expended nearly all of these funds and is requesting an additional \$8 million for a statewide, New Mexico media campaign and continued outreach efforts in hard to count areas to ensure a complete count.



# Special Appropriations FY20/FY21

## Chart of Accounts - One Year Time Extension of \$500.00

It was determined based on a recent analysis that in order to best utilize these funds that engagement from other state agency stakeholders should be included in the project planning and acceptance.

For example, the new budget review system (BRS) has an impact on the chart of accounts project and ensuring account structure alignment exists between the accounting and budgeting processes is essential.

CHART OF ACCOUNTS

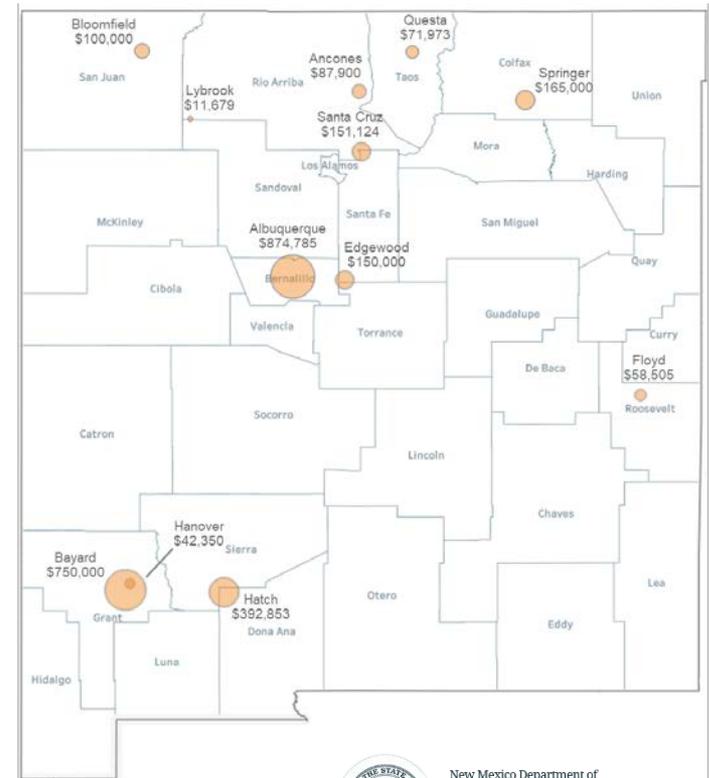
Account	Balance	Amount	Chart Desc	Chart Desc	Account	Balance	Amount	Chart Desc	Chart Desc
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01101	A	1000	State	State	01101	A	1000	State	State
01102	A	1500	State	State	01102	A	1500	State	State
01103	A	1000	State	State	01103	A	1000	State	State
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01200	A	1000	State	State	01200	A	1000	State	State

# Other Appropriations

## Increase Board of Finance (BOF) Emergency Fund from \$2 million to \$5 million

- Between FY14 and FY18, the average requested loan total (per fiscal year) was \$1,019,146
- Entire FY19 appropriated amount for the emergency operating fund (\$2 million) was requested and distributed, representing a 100 percent increase in emergency loan funding from the previous five-year average
- In first four months of FY20, \$800,000 has already been requested and distributed

FY15 – FY20 (YTD)  
Approved Emergency Funding



**THANK YOU**

