



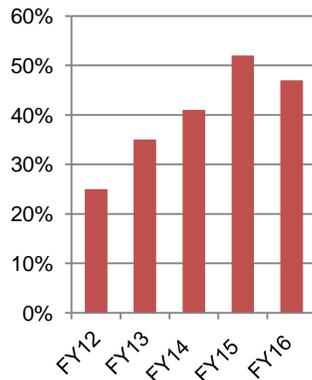
KEY ISSUES

GSD has improved on several measures including the financial health of the risk funds, maintaining state facilities and systems, and using technology to gain efficiencies in core government services. Challenges stem from agencies with poor hiring practices that result in costly conflicts to settle, agencies making their own procurement decisions instead of more centralized control, and agencies occupying facilities at no cost and with little incentive to meet office space standards.

AGENCY IMPROVEMENT PLANS

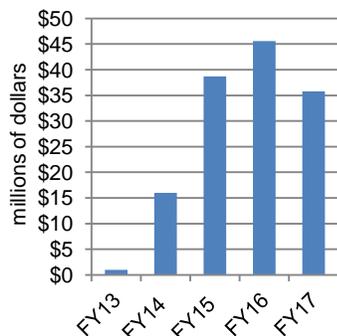
Submitted by agency? Yes
Timeline assigned by agency? No
Responsibility assigned by agency? Yes

Funded Ratio of GSD's 3 Risk Funds in Total
(target 50%)



Source: GSD and LFC files

Group Health Benefits Projected Cash Reserves
(target \$28 million)



Source: GSD and LFC files

The General Services Department's (GSD) mission is to achieve government efficiencies by consolidating resources. Consequently, how GSD manages insurance, benefits, facilities, procurement, and other agency support functions such as fleet maintenance, printing, and surplus property disposal, has direct consequences on funding available for high priority programs serving New Mexicans.

Risk Management. The program had stronger revenue collections the past few years from rates established to improve the solvency of the funds. Due to a smaller workforce and improved loss control, the program closed more claims than it opened although the average cost per workers' compensation claim increased due to inflation.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Projected financial position of the public property fund	250%	274%	50%	340%	G
Projected financial position of the workers' compensation fund	18%	28%	50%	37%	Y
Projected financial position of the public liability fund	22%	22%	50%	32%	Y
Program Rating					G

Group Health Benefits. Cost increases on a per-member basis outpaced projections from fee-for-service pricing schemes and drug price increases. Over the past three years, the Legislature funded premium increases of 28 percent, above industry trend when annualized, to replace use of fund balances during the recession. For employees, the higher premiums were often imposed without a corresponding pay increase which resulted in lower take-home pay.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Prescriptions filled with generic drugs	84%	84%	82%	85%	G
Change in medical premium compared to industry average	8%	3%	≤ 7%	- 4%	G
Change in per member healthcare costs	\$328	\$367	≤ \$396	\$414	R
Program Rating					G

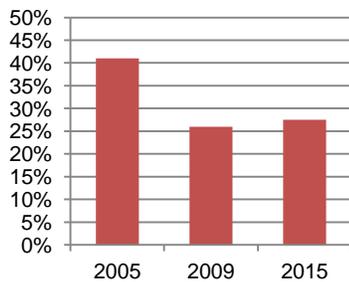
Facilities Management. The program completed statewide facility condition assessments which are expected to help the state prioritize capital project funding. For GSD, the average facility condition index (FCI) for its 29 largest buildings was 21 percent, which suggests the program has done a good job maintaining facilities with limited resources. However, space per FTE in state-owned space is still high and cost per square foot for office leases continues to climb, which is attributed to escalation clauses in some older leases.

Total Capital Outlay Appropriations for Statewide Repairs (2012 - 2016)

2016	\$2,000,000
2015	\$0
2014	\$4,500,000
2013	\$500,000
2012	\$5,000,000

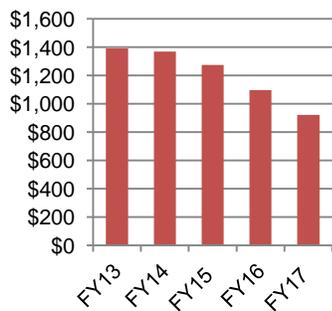
Source: LFC files

Statewide Average Facility Condition Index (target ≤ 60%)



Source: GSD and LFC files

State Purchasing Program's General Fund Appropriations (thousands)



Source: GSD and LFC files

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Preventative maintenance service completed on time	New	New	80%	93%	G
Capital projects on schedule and within approved budget	88%	90%	94%	94%	G
Change in average cost per square foot for leased space	New	\$17	\$16	\$18	Y
Program Rating					G

Procurement Services. The program is moving toward a more centralized model to aggregate spending and standardize contracts and procurement forms and processes; however, some suppliers, state agencies and local governments are resistant to change. New requirements for buyer certification training and additional follow-up and training requirements for procurement violators should help.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Projected quarterly fee payments from vendors	New	New	\$501.3	\$389.7	R
Increase number of requests for proposals (RFPs)	New	New	45	88	G
Increase number of e-procurement invitation-to-bids (ITBs) and RFP's	New	306	321	325	G
Program Rating					G

Transportation Services. The program is encouraging agencies to use the motor pool over longer-term leased vehicles, which reduces costs for agencies. This year, the program began installing GPS units with electronic monitoring built into user rates. This is expected to improve safety management and lower fuel and maintenance costs by promoting better driving behavior, which influences costs.

Measure	FY14 Actual	FY15 Actual	FY16 Target	FY16 Actual	Rating
Vehicles beyond five-years	1,075	936	597	916	Y
Vehicles accumulating one thousand miles per month	598	637	732	697	Y
Vehicle operating costs per mile, compared to industry	New	New	<\$0.59	\$0.47	G
Program Rating					G