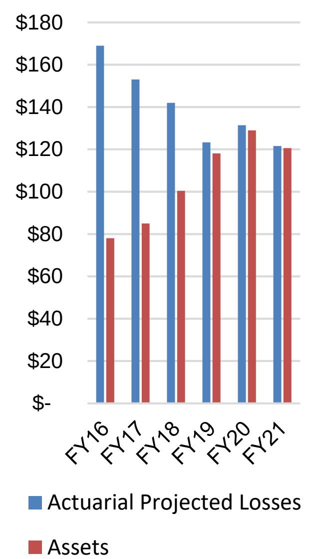
NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

PERFORMANCE REPORT CARD
General Services Department
Third Quarter, Fiscal Year 2021

ACTION PLAN

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

Assets vs. Actuarial Projected Losses for Major Risk Funds
(in millions)



Source: GSD and LFC Files

General Services Department

Operations of the General Services Department (GSD) continue to be affected by the Covid-19 pandemic, from volatility in health insurance claims payments to the ability of the agency to conduct scheduled preventative maintenance at state facilities. Overall, the department reports healthy fund balances in the risk programs and notes health care costs fell in the third quarter, improving the financial position of the health benefits fund. However, as Covid cases decline and restrictions are eased, the department will be challenged to contain costs. To this end, a number of new measures will be added for the Group Health Benefits Program, including nationally benchmarked measures comparable across public and private health plans. Improved performance reporting in the health benefits program is vital as it will provide insight into cost drivers, care quality, and employee satisfaction with the benefit offered.

Risk Management

GSD reports the three largest risk funds have a combined balance of $120.6 million and liabilities of $121.6 million for a total funded ratio of 99 percent, up from 46 percent in FY16. Since the fourth quarter of FY20, projected losses of the public liability fund fell by $11.2 million while liabilities of the public property and workers' compensation funds increased by $608 thousand and $780 thousand, respectively.

Budget: $9,086.7 **FTE: 56**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
Projected financial position of the public property fund*	581%	736%	N/A	517%	513%	504%	G
Projected financial position of the workers' compensation fund*	52%	60%	N/A	59%	59%	60%	G
Projected financial position of the public liability fund*	89%	103%	N/A	113%	114%	113%	G
Program Rating	G	G					G

*Measure is classified as explanatory and does not have a target.

Group Health Benefits

The department reports that, relative to the second quarter of FY21, PMPM costs are down 17 percent. The dramatic reduction comes after two quarters that saw significant increases. However, when compared to the pre-pandemic third quarter of FY20, costs are only up by 1.5 percent while utilization is up by 2.7 percent. This suggests that medical plan costs are normalizing following disruptions brought on by the Covid pandemic. Appointments at the stay well health center are far below capacity, likely as a result of telework options for state employees.

Budget: $385,187.7 **FTE: 0.0**	**FY19 Actual**	**FY20 Actual**	**FY21 Target**	**FY21 Q1**	**FY21 Q2**	**FY21 Q3**	**Rating**
State group prescriptions filled with generic drugs	88%	87.2%	80%	87%	86%	87%	G
Change in average per member per month total healthcare cost	0.4%	-2.5%	<5%	10%	15%	-17%	G
Percent of available appointments filled at the stay well health center*	NEW	NEW	N/A	54%	50%	48%	

Percent of eligible state employees purchasing state medical insurance*	NEW	NEW	N/A		Annual		
Percent of hospital readmissions for patients within 30 days of discharge*	NEW	NEW	N/A		Annual		
Program Rating	R	G					G

*Measure is classified as explanatory and does not have a target.

Facilities Management

Appropriations to GSD for Building Repair and Maintenance

FY20	$5,000,000
FY19	$1,500,000
FY18	$0
FY17	$4,000,000
FY16	$3,500,000
FY15	$0
FY14	$4,500,000
FY13	$500,000

Source: LFC Files

The Facilities Management Division (FMD) is responsible for maintaining 2.4 million square feet of state-owned space and 2.1 million square feet of leased space. FMD is responsible for master planning functions to ensure agencies have the space required to fulfil their missions while maximizing the efficient use of state facilities. FMD is attempting to reduce the state's facility footprint, reflecting a smaller workforce. Additionally, GSD is working to move employees from leased space to state-owned facilities and reduce occupied square footage to account for telework. Efforts to consolidate state agencies and reduce leased space have been hampered by uncertainty about the future space needs of the state workforce and the lack of a statewide telework policy.

FMD reports only 32 percent of scheduled preventive maintenance activities were completed on time as Covid-19 restrictions reduced staff ability to complete work. There were five new leases entered into in the third quarter, one of which was exempted from the space standard. The other four met the 215 square foot per FTE space standard.

Budget: $15,036.3 FTE: 141	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Capital projects completed on schedule	98%	96%	97%	92%	100%	100%	G
Preventive maintenance completed on time	57%	75%	95%	78%	44%	32%	R
New office leases meeting space standards	86%	93%	80%	100%	100%	100%	G
Program Rating	G	G					Y

FY21 Leased and State-Owned Office Space by Square Foot and FTE
Top 10 Agencies by Space Utilization

Department	Leased Space	Rent	State-Owned Space	State-owned Space Per FTE (Target 215)	Total Space
Human Services Department	716,989	$17,045,290	61,456	415	778,445
Children, Youth & Families Department	419,432	$8,593,213	301,488	493	720,920
Department of Health	274,835	$4,315,346	245,776	362	520,611
Corrections Department*	73,273	$1,386,037	299,424		372,697
Taxation and Revenue Department	184,566	$4,239,764	149,838	288	334,404
Department of Environment	120,490	$2,273,294	71,669	462	192,159
Workforce Solutions Department	25,163	$475,187	162,160	374	187,323
Department of Public Safety	63,007	$516,839	64,858		127,865
State Engineer	63,251	$924,009	37,885	209	101,136
Regulation and Licensing Department	24,188	$392,655	65,687	373	89,875
Total	**1,965,193**	**$40,161,634**	**1,460,241**	**386**	**3,425,434**

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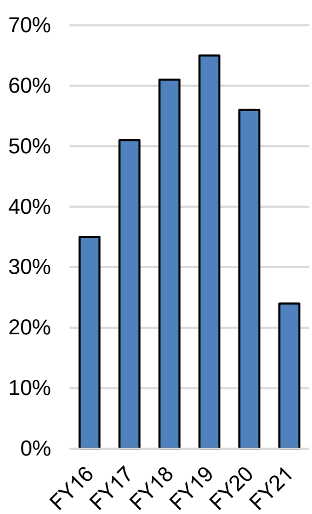
State Purchasing

The program reports the contract review took 3 days on average, down from 20 days in the first quarter and less than the target of 5 days. Of the 75 executive agencies, 73 had a procurement officer in the third quarter.

Budget: $2,461.1 FTE: 28	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Procurement code violators receiving procurement code training, as compared to previous fiscal year	99%	113%	90%	33%	100%	100%	G
Agencies with certified procurement officers	91%	92%	95%	93%	96%	96%	G
Average number of days for completion of contract review*	NEW	NEW	<5	20	6	3	G
Program Rating	G	Y					G

*Measure is classified as explanatory and does not have a target.

Vehicles Used 750 Miles per Month, or Used Daily



Source: GSD

Transportation Services

Of the 1,928 vehicles in the GSD fleet, 355 were used over 750 miles per month and 135 were used daily. The third quarter result for vehicle use is yellow because, while it was well below target, it was impacted by factors outside of the agency's control.

Budget: $9,590.6 FTE: 33	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Vehicle operational cost per mile	$0.49	$0.48	<$0.59		Annual		
Vehicles used 750 miles per month	65%	56%	70%	26%	24%	26%	Y
Program Rating	G	Y					Y

State Printing

The State Printing Program continues to be adversely affected by the Covid-19 pandemic. For the third quarter, the program reports a 38 percent reduction in revenue compared to FY19, the last year there was a 60-day legislative session. The program generally orders materials in the first two quarters of the fiscal year and then invoices for printing in quarters three and four. However, orders have fallen as employees work remotely and printing for the legislative session was diminished.

Budget: $2,030.3 FTE: 9	FY19 Actual	FY20 Actual	FY21 Target	FY21 Q1	FY21 Q2	FY21 Q3	Rating
Revenue exceeding expenditures	NEW	5%	5%	-15%	-31%	-5%	R
Sales growth in revenue	31%	8.6%	20%	76%	-31%	-38%	R
Program Rating	G	Y					R