

**NEW MEXICO**  
GENERAL SERVICES DEPARTMENT

# FY 24 Appropriation Request Presentation

John A. Garcia, Cabinet Secretary  
November 15, 2022

# HIGHLIGHTS OF ACCOMPLISHMENTS

## PROGRAM SUPPORT

- Passage and enactment of Senate Bill 39, renewing the preference that New Mexico veteran-owned businesses receive in bidding on state contracts. The legislation also increases the bidding preference for other in-state businesses and, for the first time, allows Native American-owned businesses operating on tribal land to qualify for the preferences.
- Implementation of a new IT security training campaign for GSD staff. Course offerings are delivered to department staff via email each quarter and address a common security threat. The quarterly courses are mandatory for all employees.

## STATE PURCHASING

- Fees by state vendors totaled \$4 million in fiscal year 2022, up 25 percent from FY21. The FY22 increase of \$808,000 was on top of a \$670,000, or 26 percent, jump in the previous fiscal year. Vendors on statewide price agreements pay fees ranging from .25 to 1 percent of sales.
- Began implementation of the strategic sourcing module for SHARE for better tracking of state spending. The goals are to improve procurement efficiency, selection, pricing and contracting.







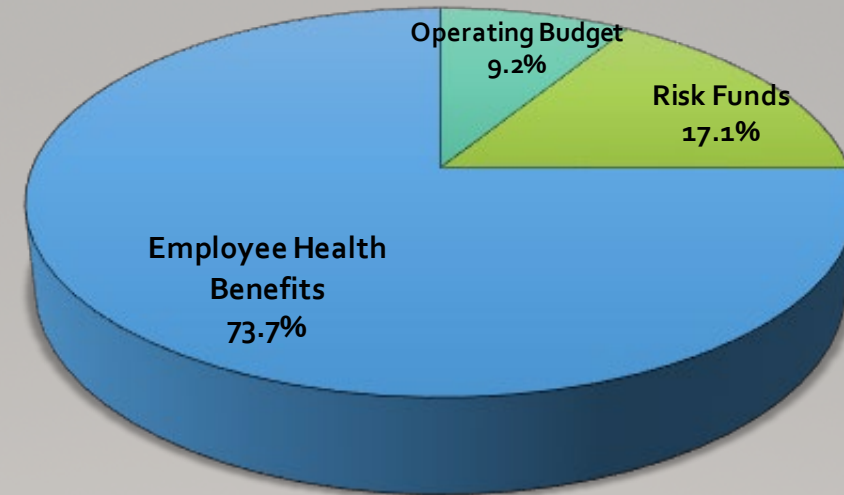
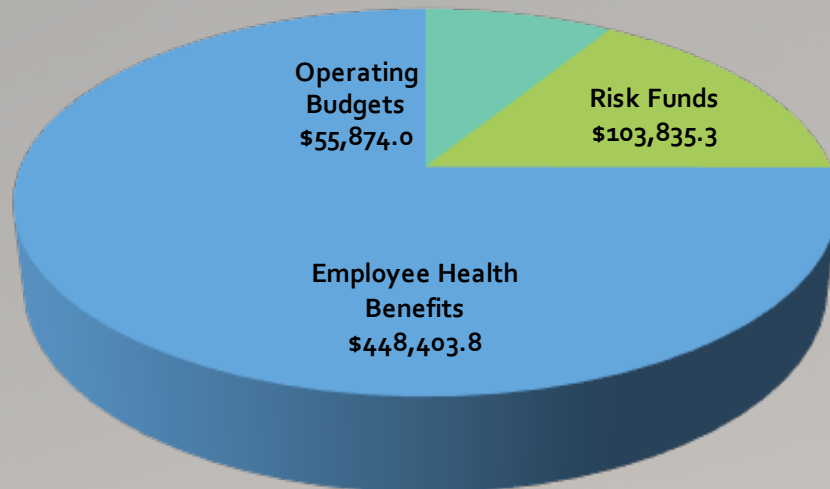
## FY24 Request High Level Breakdown

- GSD Appropriation Request consists of three budget components:

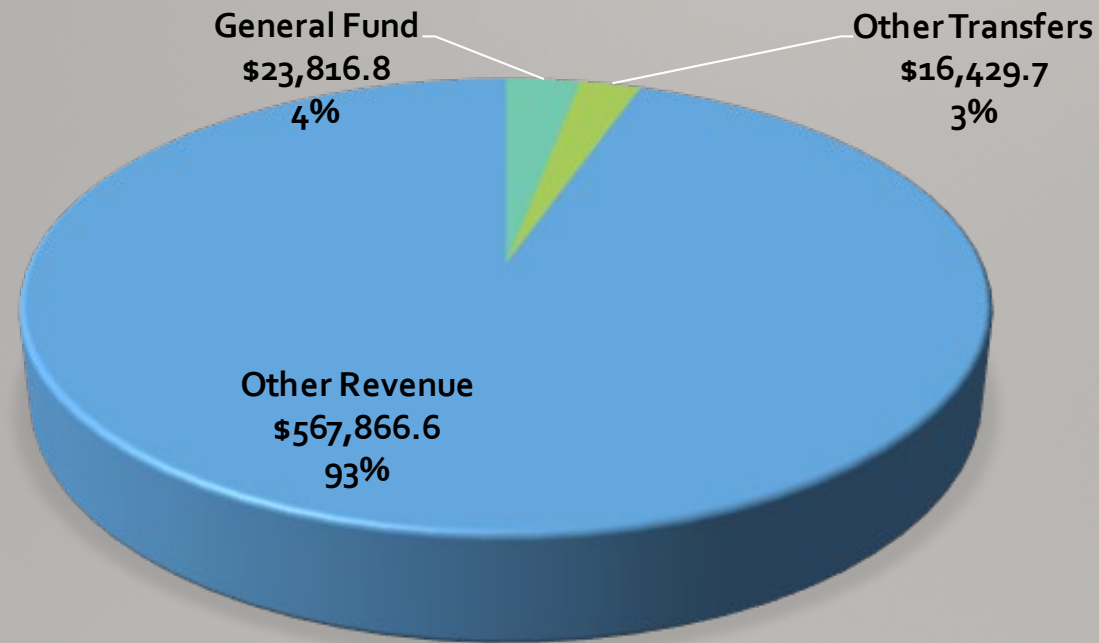
|                              |                  |
|------------------------------|------------------|
| 1. Program Operating Budgets | \$ 55.9 million  |
| 2. Risk Funds                | \$ 103.8 million |
| 3. Employee Health Benefits  | \$ 448.4 million |

Total FY24 GSD Request

\$608.1 million



# FY24 Funding Sources by Amount & Percentage



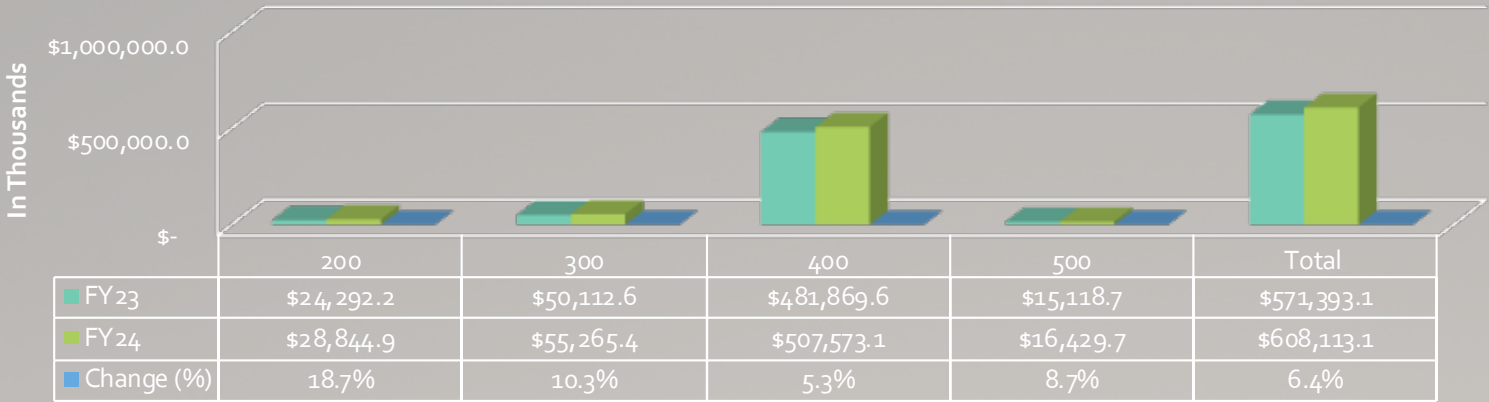
1. General Fund accounts for 4% or \$23.8 million of the request,
2. Other Revenue accounts for 93% or \$567.9 million of the FY24 GSD request, (Health Benefits \$ 448.4, Risk Funds \$103.8 and Enterprise Funds \$15.7),
3. Other Transfers (RMD Operating & Program Support) accounts for 3% or \$16.4 million of the FY24 GSD budget request.





# Overall Comparison by Category FY23/FY24

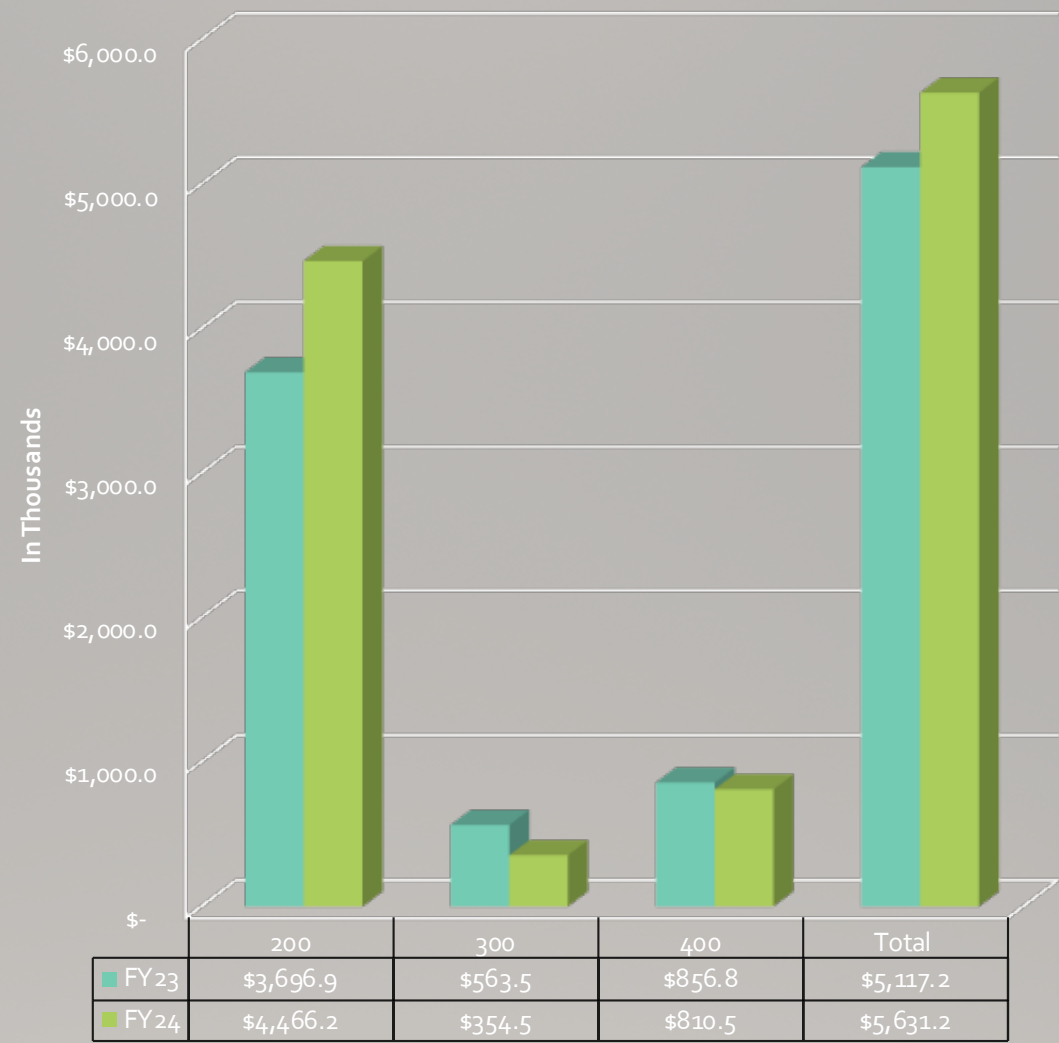
- GSD’s total request (all funding sources) is an increase of 6.4%. Operating budgets are increased 18.4%, Risk funds are increased 1.1% and Health Benefits are increased 6.4%.
- In the 200s, 18.7% increase is necessary to fully fund underfunded and unfunded positions that are deemed critical for department operations. The request aligns the budget with current operational requirements. Administrative and labor funding have not grown at the same pace as the Department’s programmatic responsibilities. This includes a program expansion for FMD to address critical issues impacting the delivery of effective and efficient state government service and to mitigate the State’s exposure to incidents on government property.
- In the 300s, the 10.3% increase is predominantly to address contractual obligations in Health Benefits to cover fee increases and need for additional liability insurance for state agencies and local public bodies. This is to help mitigate information technology risk.
- In the 400s, the 5.3% increase is in the Health Benefits and Risk funds programs. The request for this year allows sufficient budget authority for RMD to prepare for unpredictable increases in claim costs and prepare for increases due to the COVID-19 pandemic. These are based on the actuarial estimates of claims costs.



# P598 Program Support

## Initiatives for FY24

- Provide increased training opportunities for GSD staff
- Increase the percentage of audit findings resolved from the prior fiscal year





# P604 - State Purchasing

## INITIATIVES FOR FY24

- Increase percentage of procurements completed within targeted timeframes
- Increase percentage of invitations to bid that are awarded within 90 days of buyer assignment
- Reduce number of days for completion of review of professional services contracts
- Implement phase No. 2 of the strategic sourcing module for SHARE



# P605 State Printing & Graphics

## INITIATIVES FOR FY24

- Increase sales to government agencies and nonprofits
- Increase net revenues
- Increase percentage of jobs completed on time
- Increase number of customers using digital storefront



# P609 Transportation Services

## INITIATIVES FOR FY24

- Further reduce emissions of Motor Pool vehicles through purchase of additional zero-emission and low-emission vehicles
- Reduce average vehicle operation costs
- Increase short-term vehicle use
- Increase number of leased vehicles using at least 750 miles per month





# P606 Risk Management - Operating

## INITIATIVES FOR FY24

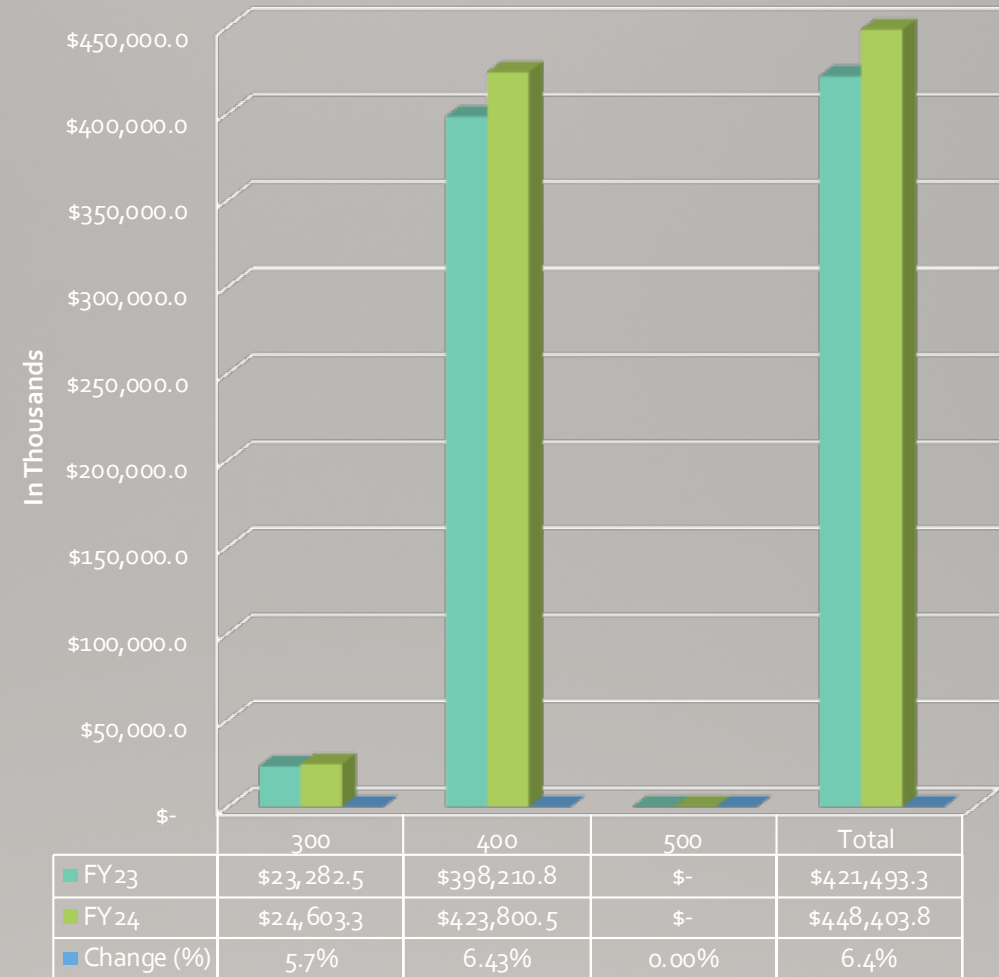
- Reduce average cost per worker compensation claim
- Increase recovery of excess insurance
- Decrease costs to the group health benefits plan
- Increase use of Stay Well Health Center
- Decrease unneeded emergency room use by members of group health benefits plan



# P607 - Health Benefits

## INITIATIVES FOR FY24

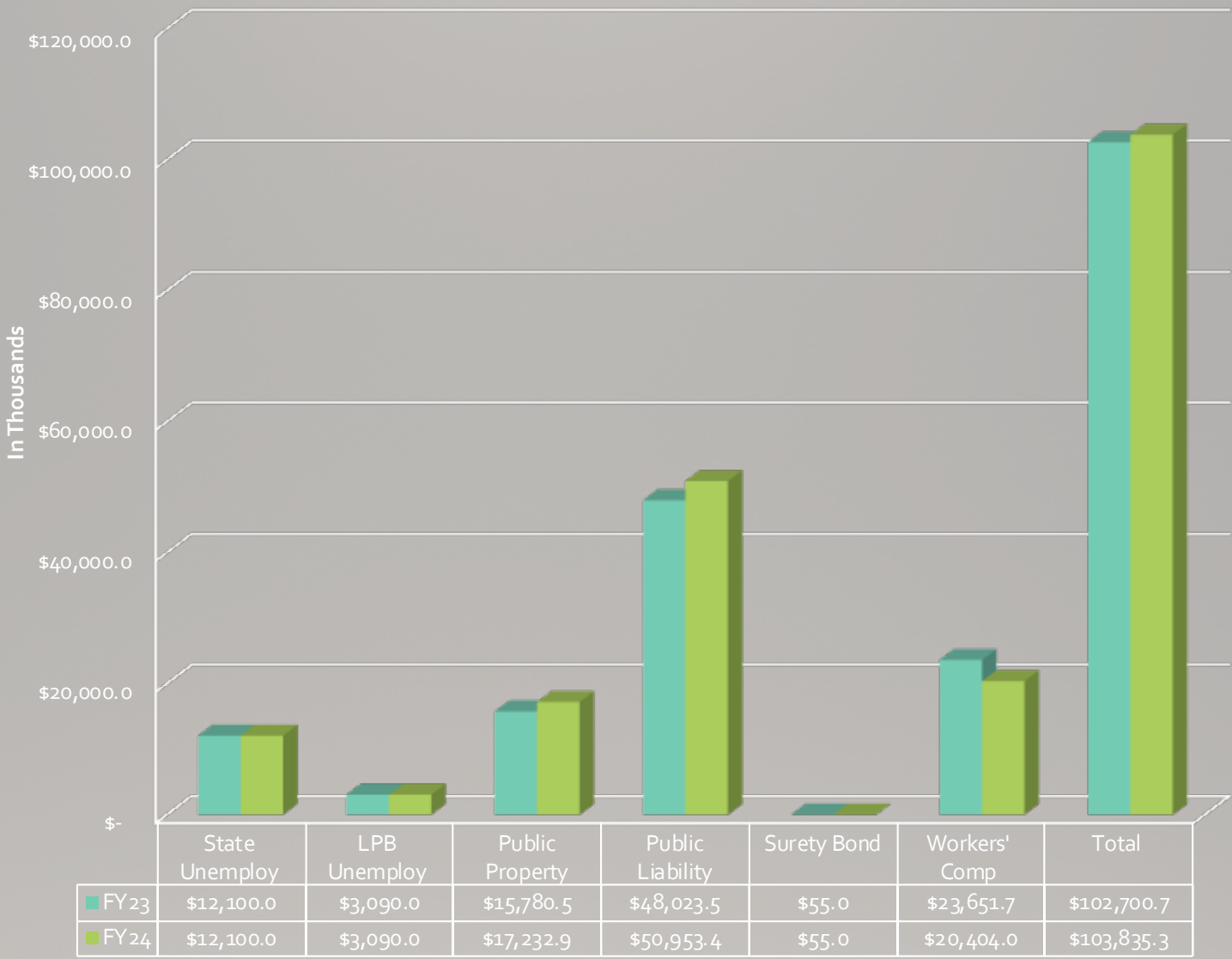
- Assess the feasibility of providing additional on-site health clinics in other parts of New Mexico
- Provide transparency in prescription drug purchasing through joint procurement with other public entities
- Deploy medical claims data warehouse to identify opportunities for targeted clinical interventions
- Combine procurements of Pharmacy Benefit Manger with medical bill review



# P799 Risk Funds

## INITIATIVES FOR FY24

- Reconvene ADR Advisory Council and grow number of ADR Coordinators within agencies to increase number of mediation referrals and program growth
- Deploy medical claims data warehouse to identify opportunities for targeted clinical interventions
- Reduce losses from litigated claims by at least 10%.
- Evolve legal training/education credit program from one, all day session to multiple sessions over the year
- Audit agencies with frequent high dollar losses for targeted mitigation efforts.
- Define process and timeline for applying state-wide cybersecurity assessments and coverage
- Maintain pending claim volume at or below 2,000 files
- Continue to develop in-house legal staff to try cases, reduce costs



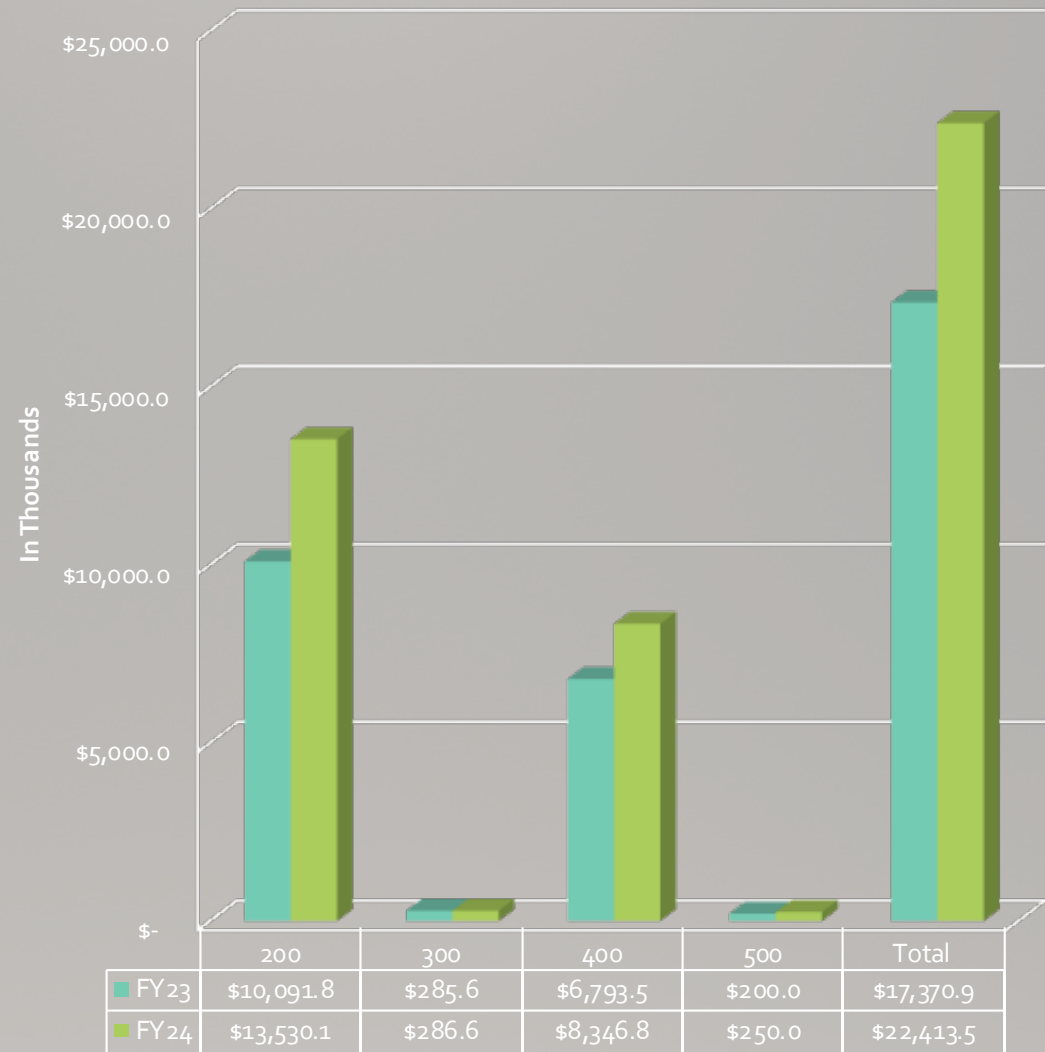




# P608 - Facilities Management

## INITIATIVES FOR FY24

- Increase percentage of preventative maintenance requirements completed on time
- Increase percentage of new office space leases meeting space standards
- Increase number of facility condition assessments
- Increase savings from green energy projects
- Increase percentage of capital projects completed on time





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*"Service Is Our Middle Name"*