

GENERAL SERVICES DEPARTMENT FY18 APPROPRIATION REQUEST LFC PRESENTATION

Edwynn Burckle, Cabinet Secretary

GSD Budget Bureau

December 5, 2016



"THE HEART AND SOUL OF STATE GOVERNMENT"

NEW MEXICO
GENERAL SERVICES DEPARTMENT

GSD FY18 Request

High Level Breakdown

- GSD Appropriation Request consists of three budget components:

1. Program Operating Budgets

\$ 40.1 million (down \$300.0 from FY17 Adj OpBud)

2. Risk & Liability Funding

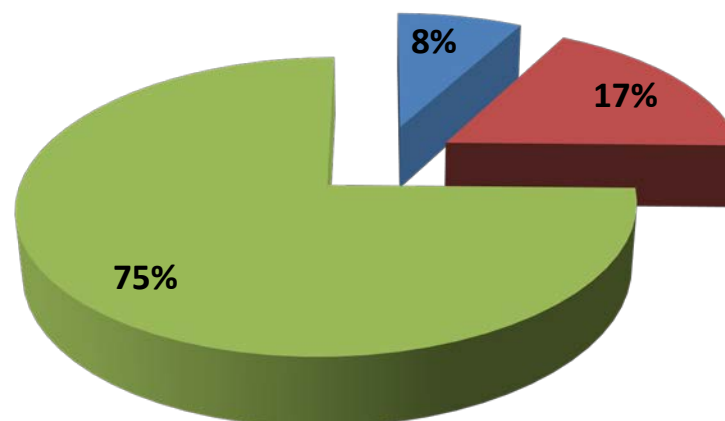
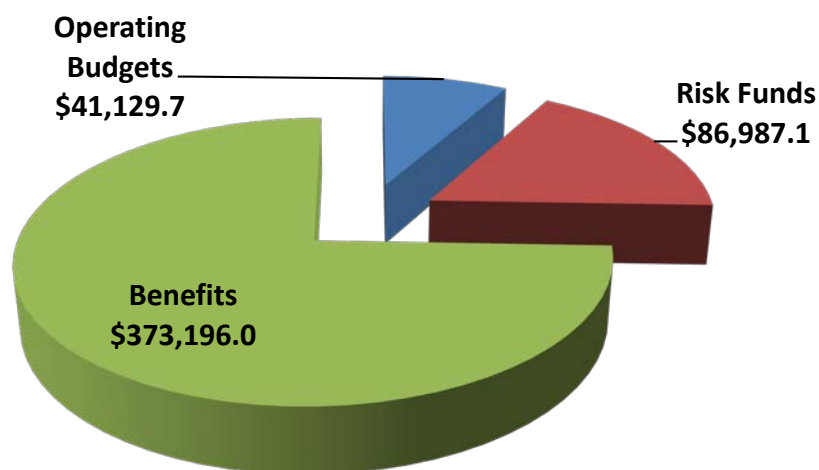
\$ 87.0 million (down \$500.0)

3. Funding for Health Benefits

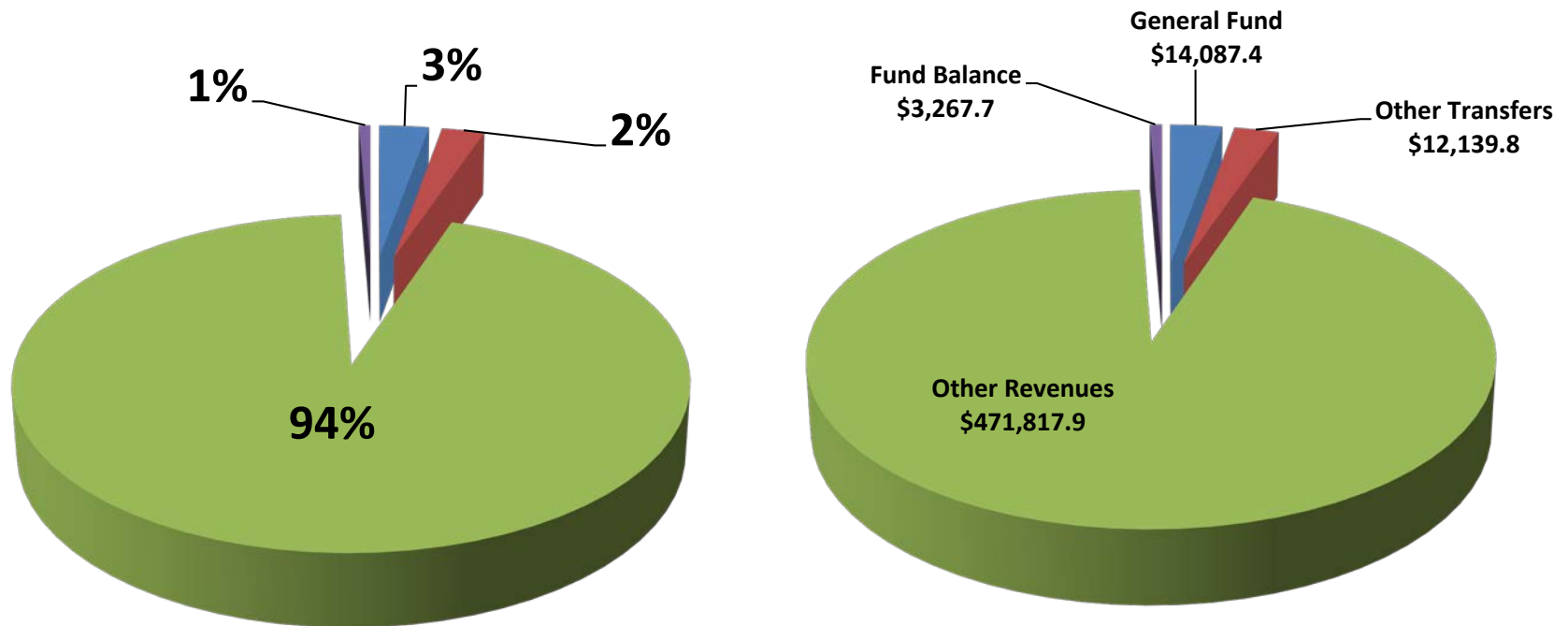
\$ 373.2 million (up \$9.7 million)

Total Request

\$500.3 million (increase of \$8.9 million)



Funding Types by Percentage & Amount



1. Other Revenues includes Health Benefits, Risk Funds and Enterprise Funds that account for 94% or \$471.8 million of the FY18 GSD budget request.
2. General Fund totals \$14.1 million or 3% of total request.

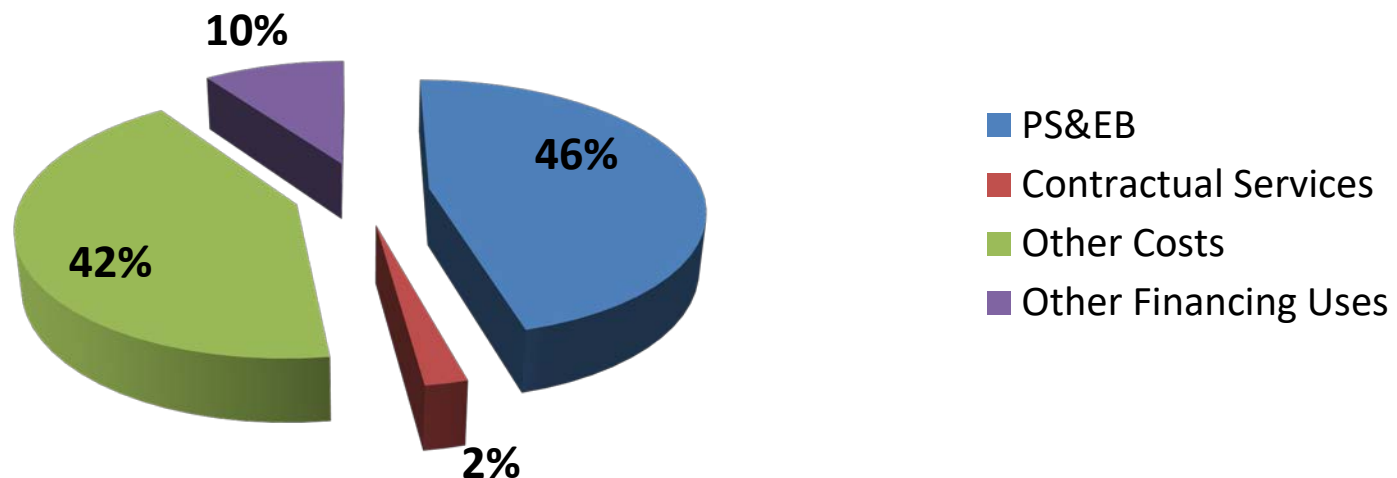
FY17 Special Session Reductions on FY18 Budget

- From a FY15 General Fund appropriation high of \$14,237.4, the GF appropriation to GSD has been cut by more than 8 percent. GSD requests a total GF appropriation of \$14,087.4 for FY18.
 - The FY18 amount includes \$994.0 necessary to assume maintenance of the Department of Public Safety Headquarters here in Santa Fe.
- Sweeps to Risk, Capital and Operating funds totaled \$29.8 million.
 - \$3.1 million sweeps to operating funds will impact PS&EB, Contractual Services and Other Costs.
 - \$2.6 million in State Purchasing Fees Fund 28600
 - \$0.5 million in Transportation Services/Motor Pool Fund 36500
 - \$20.2 million sweep to public liability, state unemployment, public property and workers' compensation.
 - \$1.0 million sweep of the public building repair fund (PBRF) impacts FMD's ability to finish master planning, space use assessment and land reconciliation (continuous audit finding) efforts.

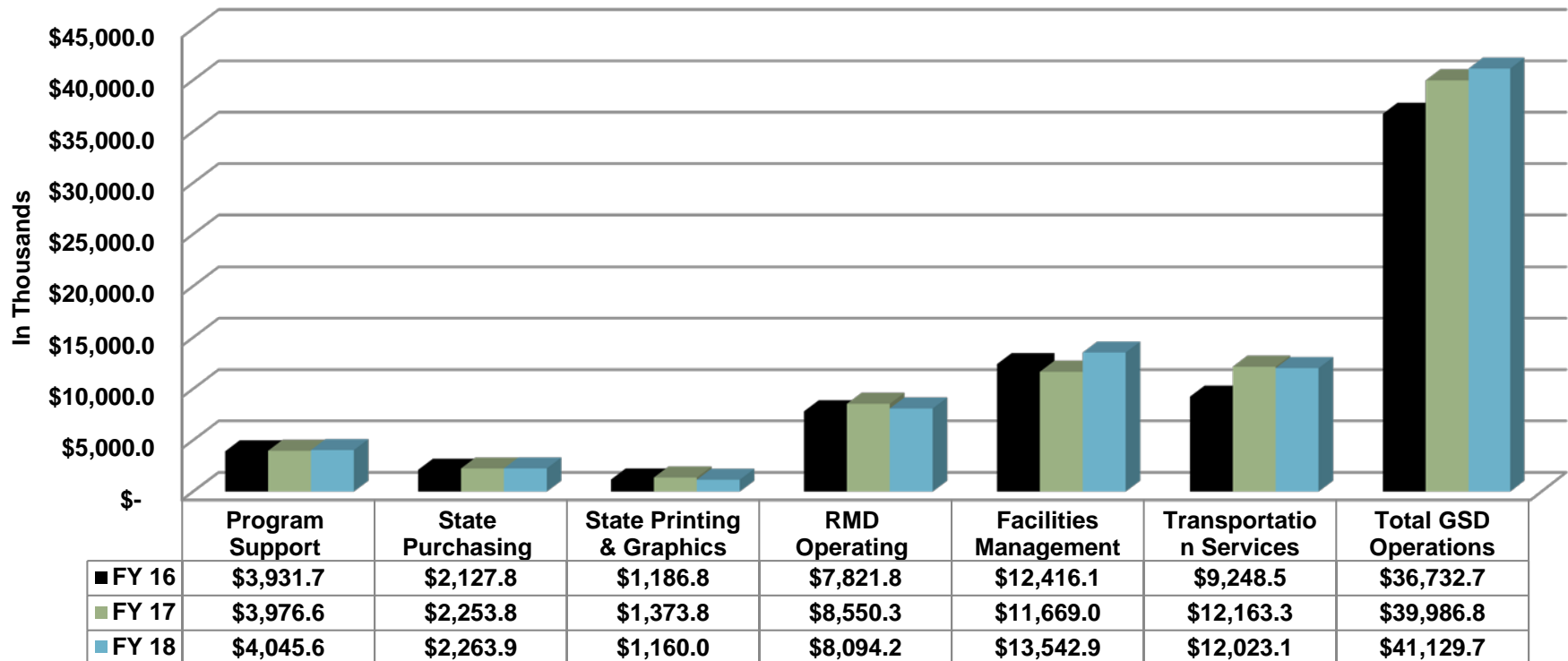
GSD Operating Costs by Category

- Request includes the application of vacancy rate factors of differing amounts to PS&EB in the following programs to accommodate fiscal constraints:
 - Program Support, State Printing, Risk Management and Facilities Management
 - For FY18 the overall agency FTE count was reduced from 314.5 to 291.5 in FY17. A net reduction of 23 FTE.
- **Increases in Other Costs category:**
 - The increase in Health Benefits of \$9,653.5 or 2.7% over the FY17 Op bud is due to projected increases in Health Benefit costs.

FY18 Planned Operating Expenditures

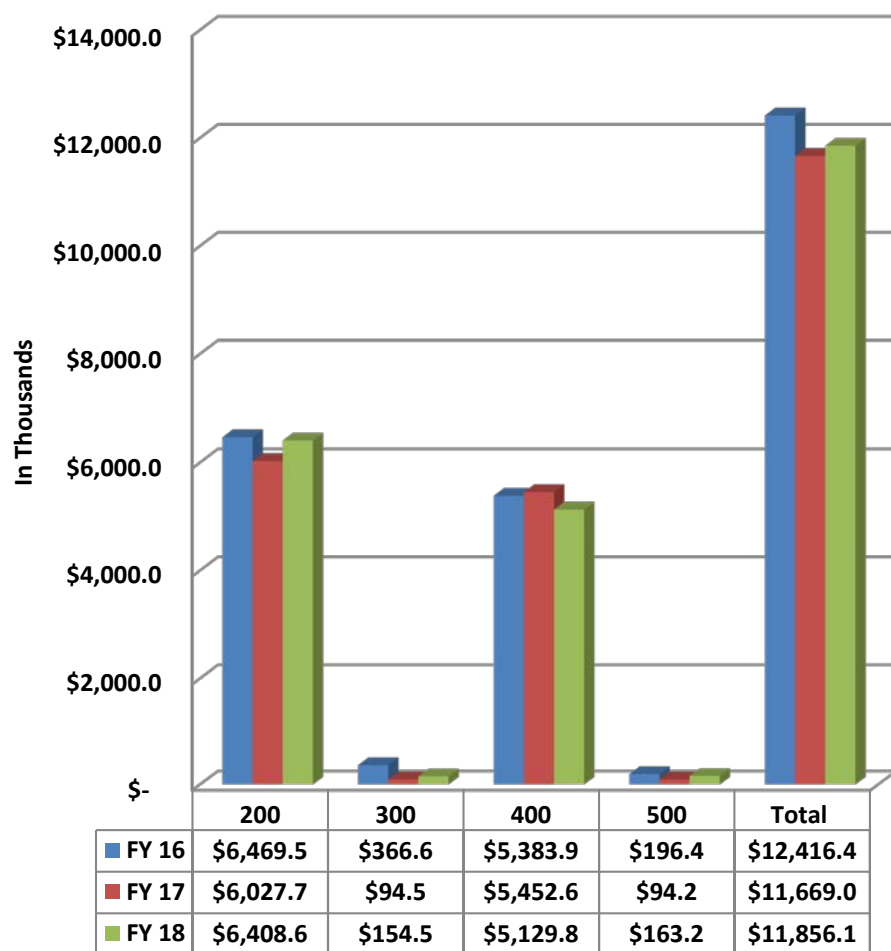


Operating Costs Comparison FY16/FY17/FY18



P608 - Facilities Management

Facilities Management Uses

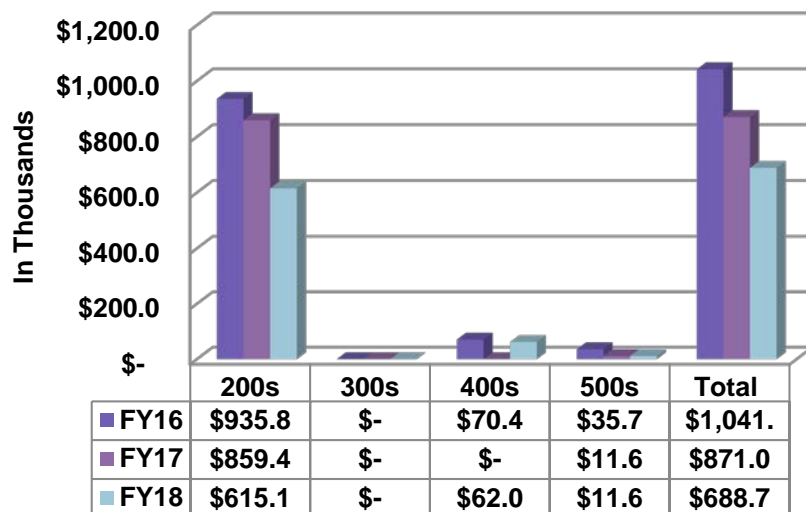


- PS&EB request for FY18 is \$60.9 less than FY16 actuals but \$380.9 higher than the adjusted FY17 OpBud.
- Most contractual services for security, custodial and program management have been eliminated for FY18 .
- FMD's ability to achieve program goals in the areas of building cleaning, maintenance and repairs that further impacts health and safety of employee and customers.
- PRC recently approved a rate hike that will increase utility expenses for Santa Fe owned buildings.
- Property insurance increased from \$500.0 in FY15 to \$1.7 million in FY18.
- Not included in this graph is the cost of maintaining (\$994.0) the Department of Public Safety Headquarters.

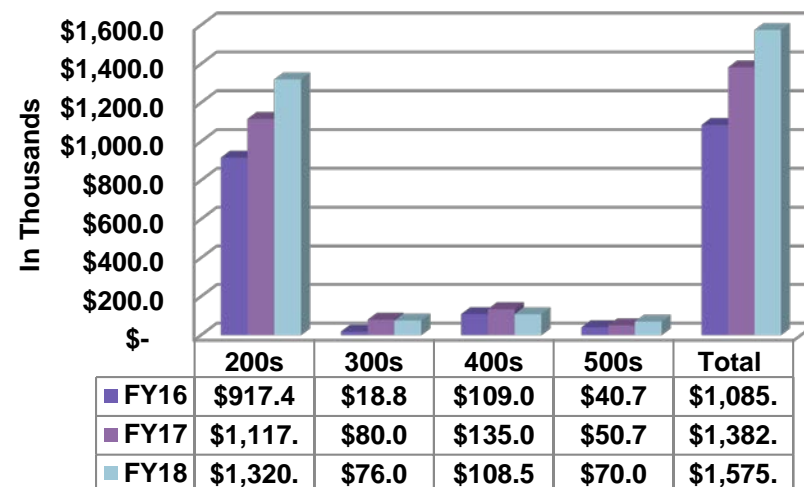
P604 - State Purchasing

- FY18 GF request is \$353.2 less than FY16 actuals. Due to General Fund budget reductions and other fiscal constraints, positions were eliminated or will be charged to fund 28600 in FY18.
- Change in Fees Fund budget of \$489.3 from FY16 actuals is needed for:
 - Personal salaries and employee benefits of FTE formerly charged to the SPD General Fund.
 - Special Session sweep of \$2.6 million from Fees Fund will impact SPD's ability to accomplish planned goals and objectives with regards to SHARE Procurement Module upgrades.

SPD 174 General Fund



SPD 286 Fees Fund



P609 Transportation Services – Motor Pool / Surplus

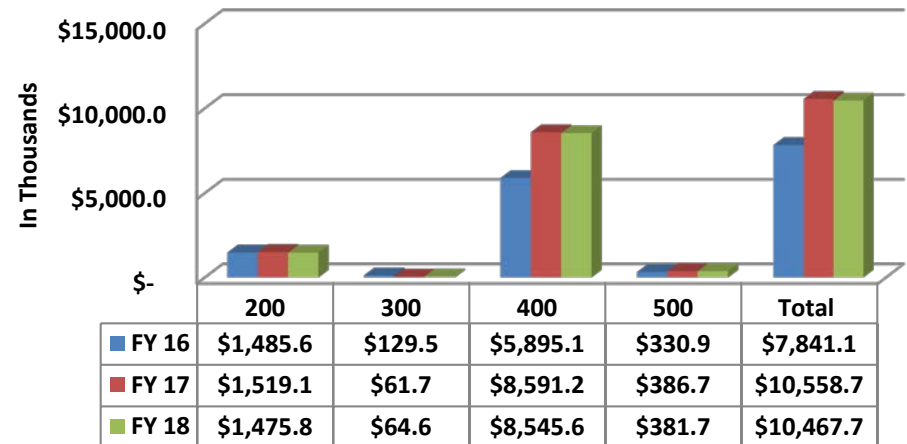
MOTOR POOL

- \$500.0 sweep affects both FY17 and FY18 vehicle replacement initiatives.
- The lack of a rate increase for vehicle leases delays TSD's initiative to replace aging vehicles. Older vehicles cost more to repair and maintain.
- FY18 request continues to enhance operations through the GPS monitoring system on all fleet vehicles.
- FY18 request continues 3rd party commercial leases.

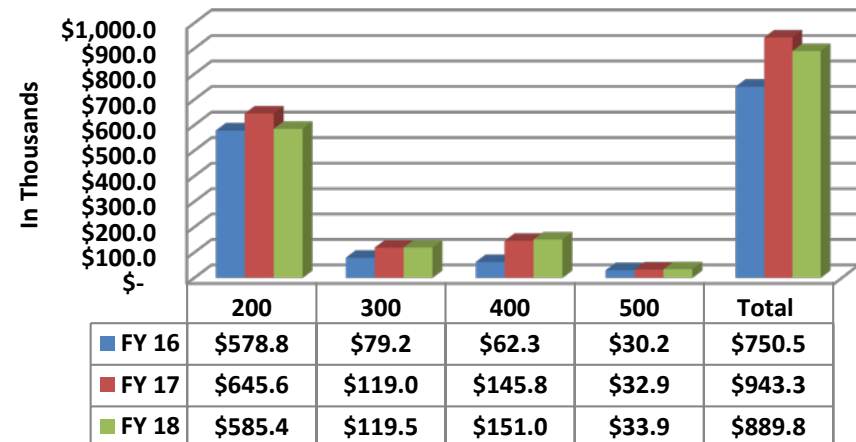
SURPLUS PROPERTY

- Request represents an overall decrease of \$53.5 or 5.7 percent from the FY17 OpBud.
- Decrease is mainly in the 200 category due to the elimination of an FTE.
- Surplus Property continues to experience success through store front sales and GovDeals online auction site.

Motor Pool



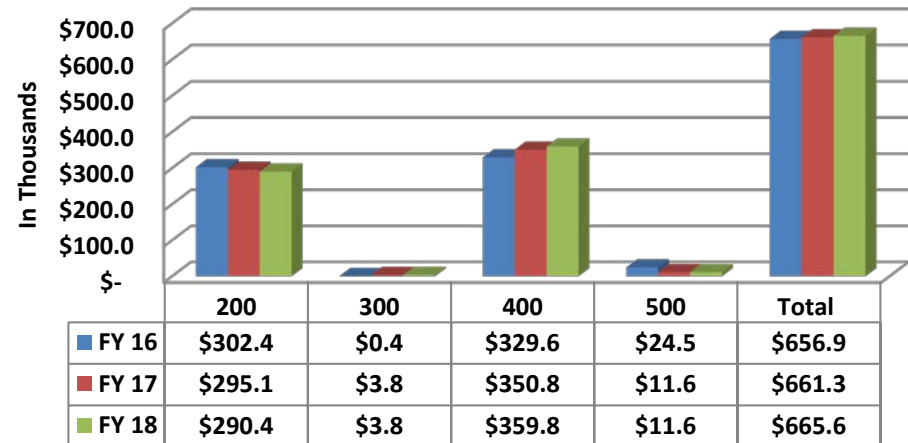
Surplus Property



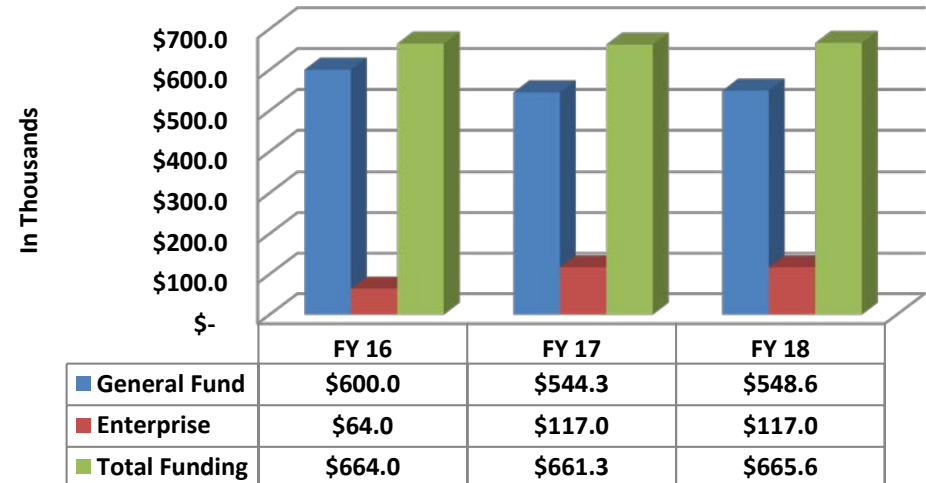
P609 Transportation Services – Aviation

- TSD continues to focus on both pilot and aircraft safety.
- Children's Medical Services continues to be the primary customer for the Aviation Services Bureau.

Aviation

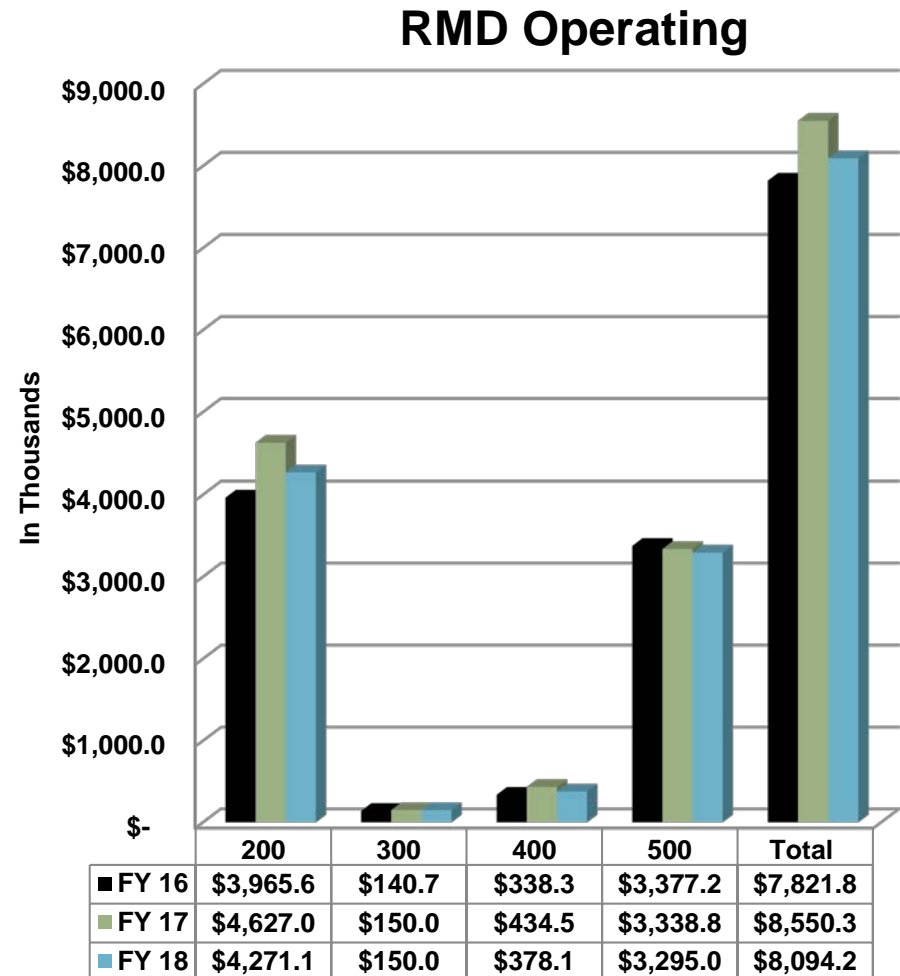


Aviation Funding Source Comparison



P606 Risk Management - Operating

- In FY18 a vacancy factor of 6.1% was applied.
- RMD continues to focus on providing training in ADR, CPR, OSHA, Active Shooter Awareness and Loss Prevention and Control.
- The FY18 budget request is 5.3% less than the FY17 OpBud. The FY18 total anticipated expenses are 3.5% higher than the FY16 actuals due to increased DoIT charges and costs associated with the planned upgrade to the Risk Management Information System (RMIS).



P605 State Printing & Graphics - Operating

- Continuing to operate with minimal staff.
- Sales per employee in FY16 was \$165.0. Industry average is \$123.0.
- Development of State Printing & Graphics budget request based on revenue projection of \$1,160.0 by Budget Bureau.
- Application of a 45% vacancy rate to achieve proposed budget and reduction of overall operating costs.
- Moving towards scanning and digital imaging for customers to reduce paper.

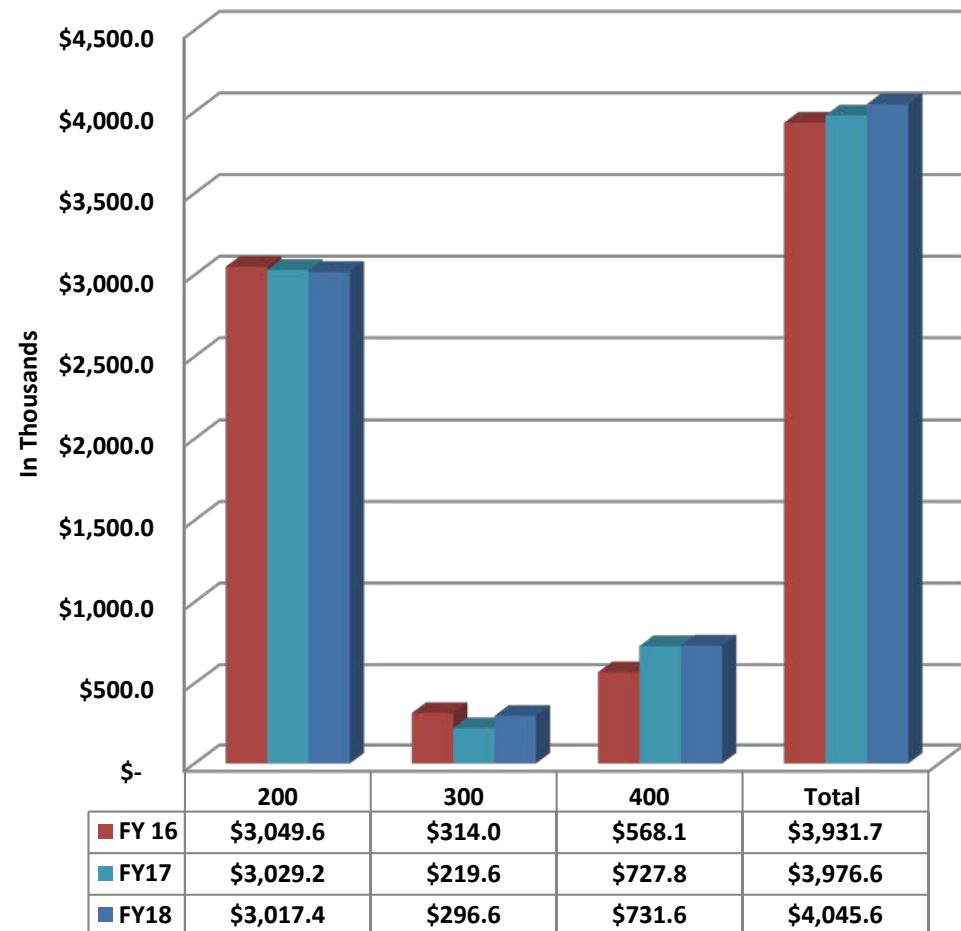
State Printing



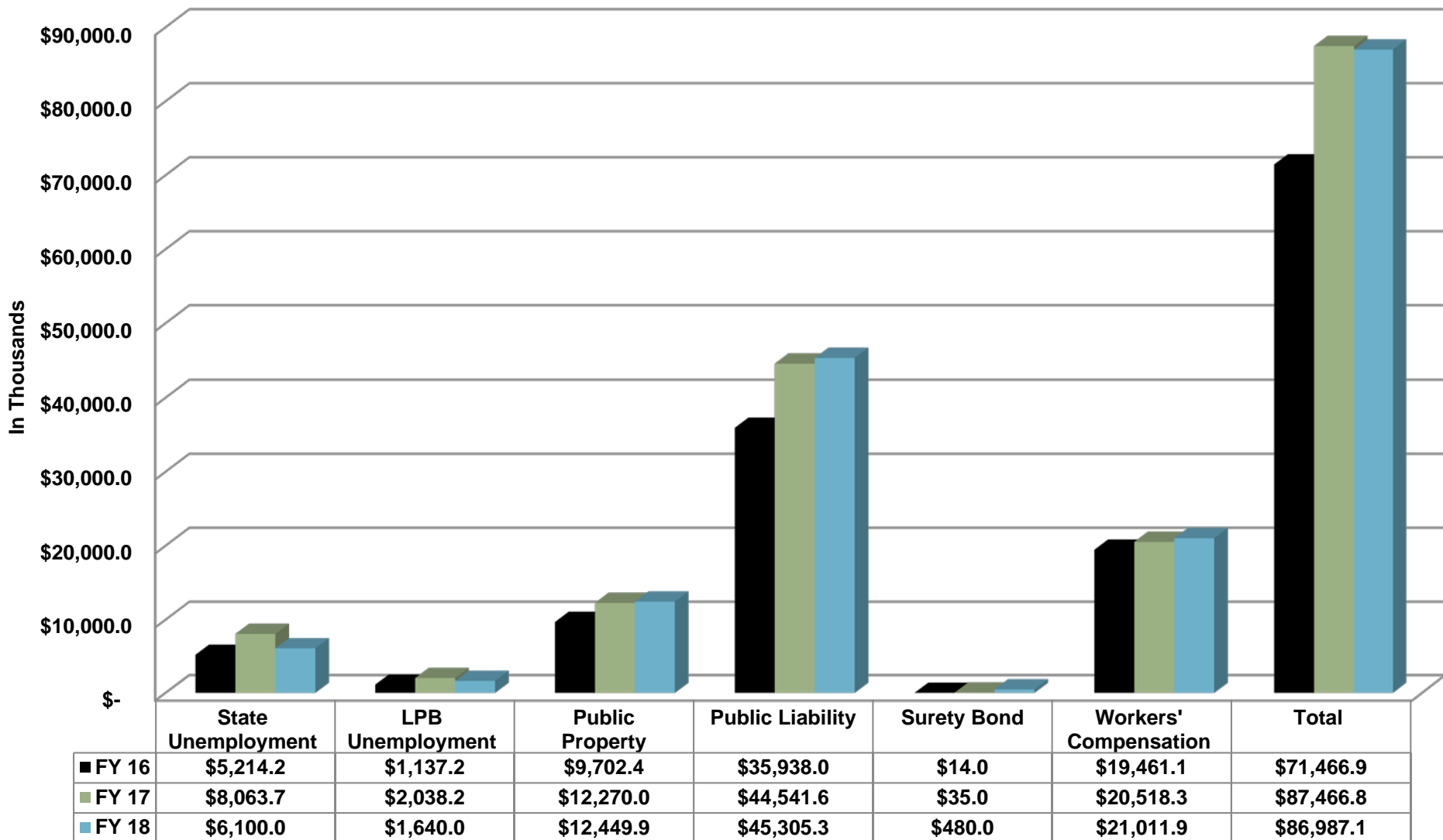
P598 Program Support - Operating

- PS&EB in the Program Support program was reduced by three FTE.
- The increase in the contractual services category is to augment the Technical Support Services Bureau (TSSB) with a Database Administrator.
- Three year IT hardware renewal cycle, installation of new firewalls and technical support result in a substantial increase,

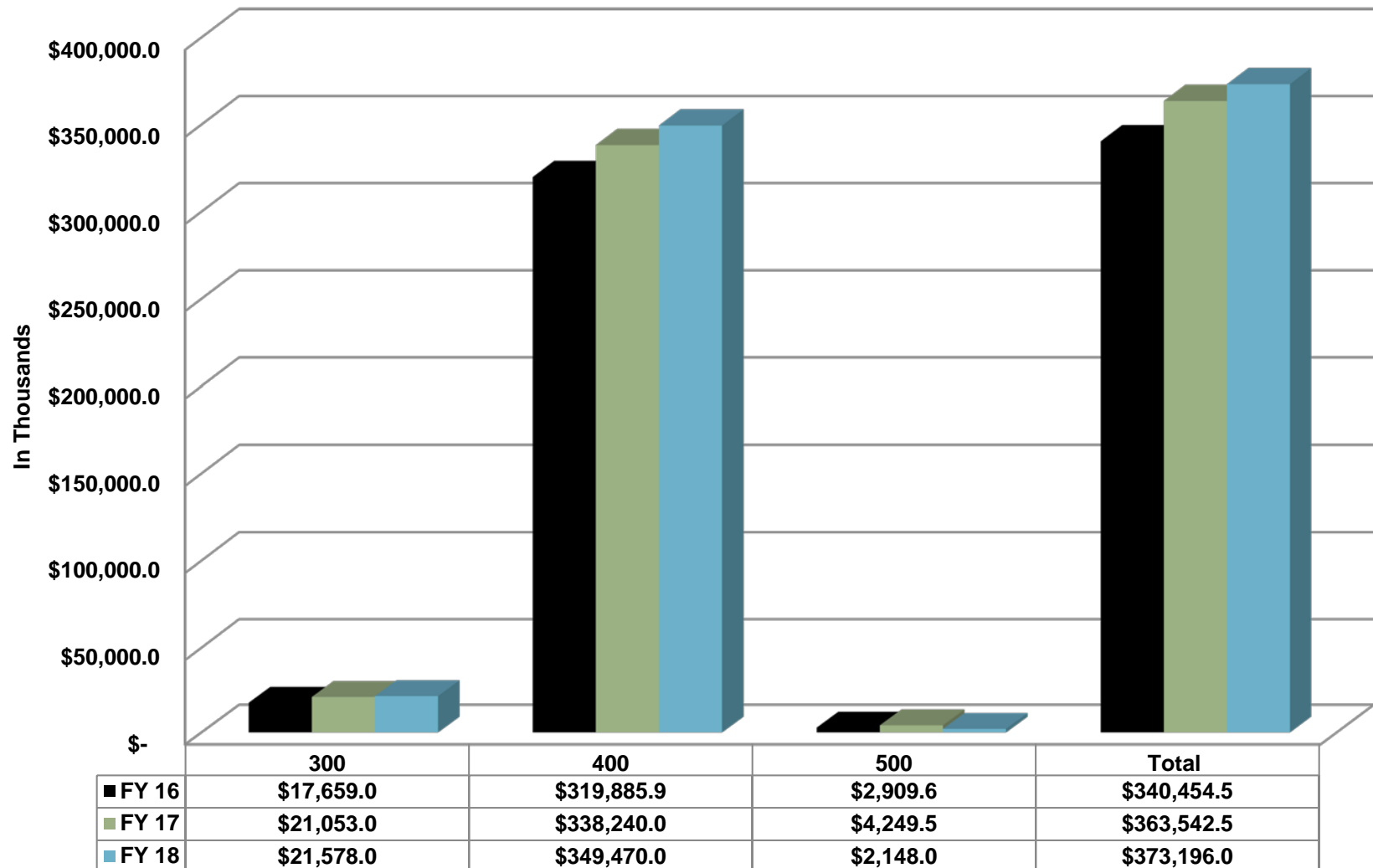
Program Support



P799 - Risk Funds



P607 - Health Benefits



QUESTIONS?

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