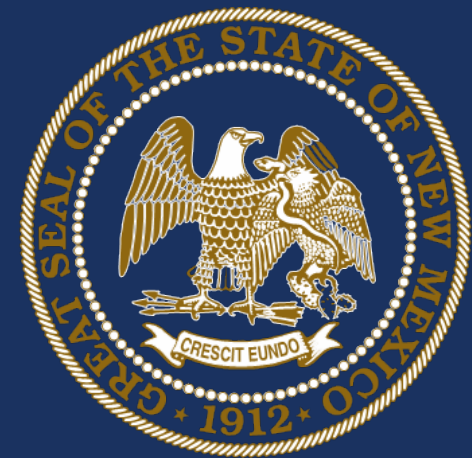


GENERAL SERVICES DEPARTMENT FY26 APPROPRIATION REQUEST PRESENTATION

ROBERT DOUCETTE JR., CABINET SECRETARY

NOVEMBER 20, 2024

“Our Services Support Your Success”



NEW MEXICO
GENERAL SERVICES DEPARTMENT

FY25 VS FY26 BUDGET

- GF is 12% of Total Budget
- GF Base Increase = 1.9% of Total Budget

CAT	FY25	FY26	Diff	% Change	\$ GF
200	\$ 28,225.8	\$ 33,265.4	\$5,039.6M	*17.9%	\$4,000.0M
300	\$ 32,386.9	\$ 33,730.3	\$1,343.4M	**4.1%	\$0
400	\$ 91,713.7	\$ 124,142.1	\$32,428.4M	***35.4%	\$0
500	\$ 16,766.4	\$ 17,805.6	\$1,039.2M	6.2%	\$0
Total	\$ 169,092.8	\$ 208,943.4	\$39,850.6M	23.6%	\$4,000.0M

* 200: FMD is requesting that 26, 2 year, term positions to be converted to permanent positions, and to cover increased payroll costs for current permanent positions to permanently support the additional state buildings and the agencies that reside in these new buildings.

**300: Workmen’s Compensation TPA Contract

***400: Public Liability is requesting an increase of \$32M in budget authority over FY25 to cover increased claim costs.

FUNDS AND BUDGET REQUEST

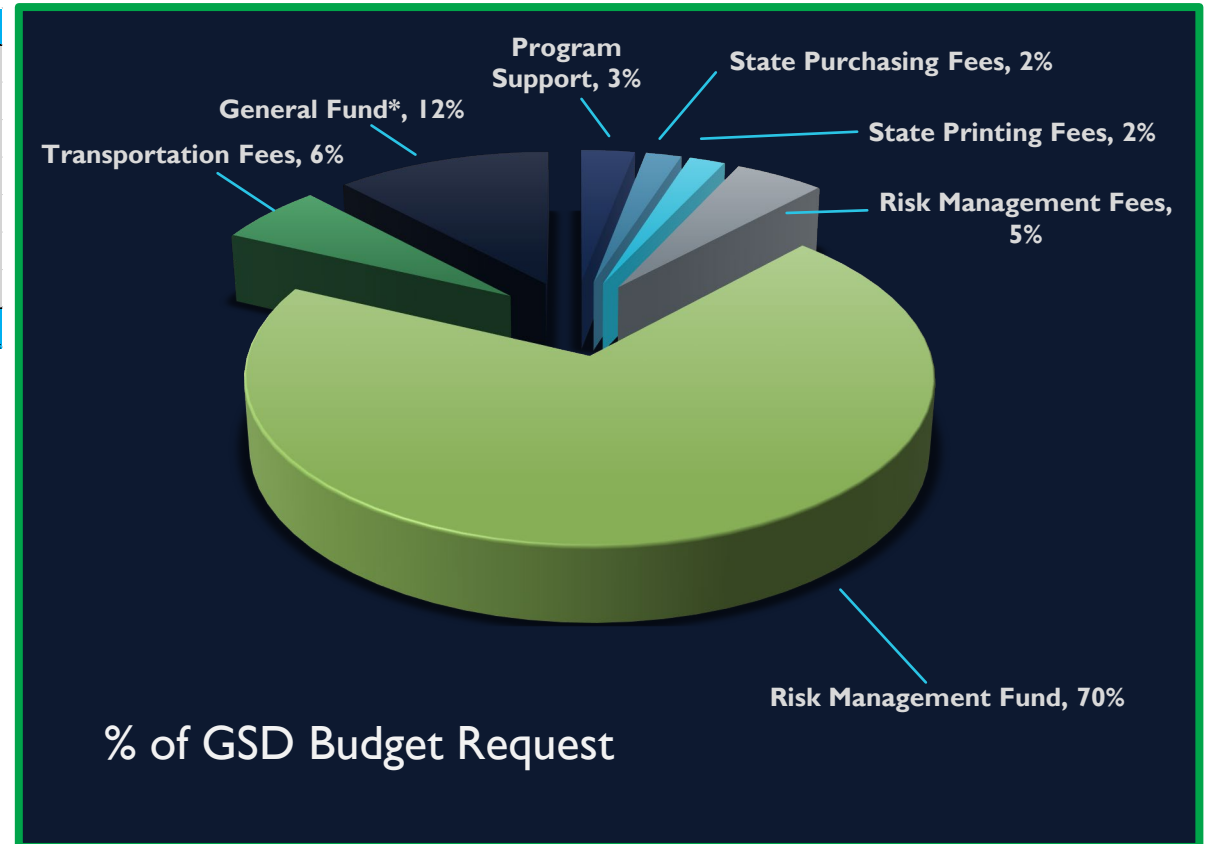
Revenue Stream	General Fund	Enterprise Fund	Total
Program Support Fees	\$ -	\$ 6,560,000	\$ 6,560,000
State Purchasing Fees	\$ -	\$ 4,915,000	\$ 4,915,000
State Printing Fees	\$ -	\$ 3,183,400	\$ 3,183,400
Risk Management Fees	\$ -	\$ 10,546,000	\$ 10,546,000
Risk Management Fund	\$ -	\$ 145,331,000	\$ 145,331,000
General Fund*	\$ 25,732,100	\$ -	\$ 25,732,100
Transportation Fund		\$ 12,675,900	\$ 12,675,900
Total Budget Request for FY26			\$ 208,943,400

* Facilities Management \$24,775,100 and Aviation \$957,000

Revenue Stream	FY24 Actual Revenue	FY26 Request
Program Support Fees	\$ 5,160,300	\$ 6,560,000
State Purchasing Fees	\$ 5,893,808	\$ 4,915,000
State Printing Fees	\$ 2,398,862	\$ 3,183,400
Risk Management Fees	\$ 9,988,100	\$ 10,546,000
Risk Management Fund**	\$ 104,319,267	\$ 145,331,000
Transportation Fund***	\$ 10,679,890	\$ 12,675,900
Total	\$ 138,440,226	\$ 183,211,300

** Actual Expenses for FY24 were \$129,417,099

***TSD has not raised fees for several years. FY26 will see a % increase to fees charged



Public Liability Fund

- The Public Liability Fund has been able to meet the costs of annual claims from annual fees collected from agencies and entities covered by the fund
- Up until FY23 this method has worked. The agency was able to collect enough fees annually to cover claims costs
- With changing times awards, costs, and fees have all increased creating a “Pay as You Go” system that no longer works and costs now exceed fees collected
- Traditional underwriting utilizes a reserving method to project the potential cost of their risk exposure

Proactively Addressing the Fund

- Reserving

- Currently have reserved \$352,288,591.30
- Conducted two actuarial audits to assess reserving amount

- Right Sizing Premium Assessments

- Raise Fees over several fiscal years to appropriately reflect agency experience and other economic factors
- New Requirements for High Risk Entities “The NMSU Rule”

- Alternative Dispute Resolution (ADR)

- Whistle Blower Mitigation Specialist through community trainings
- Adding Program Coordinators dedicated to going out to communities and do ADR training and review

- Litigation Action

- Pursuing more aggressive defense of litigation. Have reviewed contract lawyers, if they haven’t been in court they should not be doing our casework.
- Involving agencies at every stage including post settlement analysis

Current State of Claims As of 11/05/2024

Total Claims:	2,798
Total Active Litigation:	967
Total Active Non-Litigated:	1,831
Active Litigation	
Paid to Date 11/05/24*:	\$ 45,451,085.22
Liabilities**:	\$ 319,934,4793.40
Non Litigated	
Paid to Date 11/05/24*:	\$ 5,446,428.10
Liabilities**:	\$ 32,354,111.90

As of 06/30/24
Compounded
Fund Deficit:
\$97,852,309.58

*Includes attorney fees and claim payments

** Reserves Needed

FY25 TSD, STATE PRINTING, AND SPD

▪ **Vehicle Capitol Outlay**

- \$2.0 Million allocated for FY25 \$1.27M spent thus far
 - This includes:
 - 11 EV F150 Lightning Trucks
 - 9 Hybrid F150 Trucks

▪ **State Planes**

- New plane off the ground and running flights
- \$1.2 million allocated for FY25 for plane maintenance and refurbishment (includes engine overhaul)
 - \$550 spent and entire appropriation expected to be spent by March 2025
- Replacing and rebuilding our aircraft fleet will give the state at least 8 more years of flight time

▪ **State Printing**

- Leased / Installed “State of the Art” 4 Ricoh Digital Presses
- Implementing new “State of the Art” Color Calibrator
- 27% Revenue Growth (FY25 vs F23 – July thru Oct)

▪ **SPD Mobile Certified Procurement Agents**

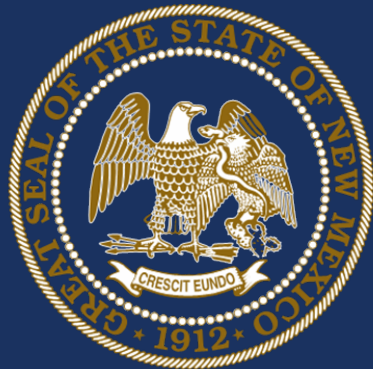
- Authorized creation of new positions to assist state agencies with procurements when there is a lack of an in house CPO or the volume of procurements is so great additional resources are needed.

WHAT'S THE BIG DEAL AT GSD (FY24)

- State Procurement created a new customer portal for Professional Service Contracts and now have an average 1.67 days turnaround vs. a pre-portal turn around of 5-7 days.
- State Printing purchased a new envelope printing and processing machine that can produce 15-20k envelopes an hour. Allowing for large state jobs to be done in house and not contracted out.
- Risk Management executed II Health Benefits contracts in under 60 days to transfer to HCA and prevented any disruption in service to customers
- Transportation Services averages over 450 car turnovers a month (daily use vehicles) at the Albuquerque office. This includes checking cars in/out, inspecting vehicles, cleaning the vehicles and logging maintenance needs in a very short window, usually within one to two hours of the return of a vehicle.

QUESTIONS?

“Our Services Support Your Success”



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