

Information Memorandum

DATE: October 12, 2010

DISCUSSION DRAFT

TO: Government Restructuring Task Force Members

FROM: Jonelle Maison

SUBJECT: DEPARTMENT OF FINANCE AND ADMINISTRATION — SECTION-BY-SECTION EXPLANATION

Following is a section-by-section explanation of the proposed new department of finance and administration (DFA) that includes moving most of the general services department (GSD) and the state personnel office (SPO) to DFA and necessary amendatory sections. Any opinions expressed are those of the author and do not necessarily reflect the opinions of the legislative council or other members of its staff.

The purpose of the bill is to expand DFA to include all administration and finance oversight functions of state government. In addition, it abolishes GSD and moves some functions to DFA and some to other departments.

Note that many of the sections creating a cabinet department are standard sections based on the Executive Reorganization Act. Amendatory sections that are cleanup without substantive changes are not discussed.

Section 6 (pages 7-8). Department created — This section provides the structure of DFA, with new organizational units bolded:

- (1) office of the secretary;
- (2) administrative services division, including:
 - (a) **executive services bureau**; and
 - (b) capital outlay planning and monitoring bureau;
- (3) board of finance division;
- (4) office of education accountability;

- (5) financial control division;
- (6) local government division;
- (7) property control division, including:**
 - (a) building services bureau; and**
 - (b) governor's mansion bureau;**
- (8) purchasing division**, which includes the management and contracts review bureau;
- (9) state budget division; and
- (10) state personnel division.**

The secretary has the power to reorganize internally, but a change in statutory divisions or bureaus must be provided to the legislature for statutory revision; the secretary may not create new divisions without express authority of the legislature. **NB:** This language is different from the commerce department bill. The task force may choose which language it prefers.

Section 7 (page 8). Administratively attached agencies — This section lists the agencies that are administratively attached, with new ones to DFA in bold:

- (1) acequia commission;
- (2) governor's residence advisory commission;**
- (3) state board of finance;
- (4) personnel board;**
- (5) New Mexico community development council;
- (6) civil legal services commission; and
- (7) land grant council.

Section 8 (pages 8-10). Equipment replacement plans (existing law as new material) — This section requires the development of a five-year replacement plan for equipment of "the department's" enterprise functions. **NB:** This was a GSD requirement, and it may not belong to DFA since state printing was moved to the department of information technology (DOIT) and the transportation services division was moved to the department of transportation (DOT).

Section 14 (pages 21-22). Personnel board powers and duties — This section removes from the personnel board the ability to promulgate rules, hire the state personnel director, review budget requests of SPO and liaise with GSD.

Section 15 (page 22). State personnel director qualifications — This new section of

the Personnel Act provides that the state personnel director must be someone of recognized character and ability appointed by the secretary of finance and administration based solely on the director's qualifications and without regard to political affiliation. The director must have at least a master's degree in human resource management or public or business administration or a related field and at least seven years' progressive experience in applying principles, methods and techniques of personnel administration. The section also requires the director to be confirmed by the senate.

Section 19 (page 25). Local DWI grant program definition — This definition section of the Local DWI Grant Program Act defines "division" as the traffic safety bureau of DOT instead of the local government division.

Section 28 (pages 35-36). Procurement Code competitive sealed qualifications-based proposals — Subsection C, which provides for per diem and mileage for the selection committee, is deleted. This section may change based on decisions of the task force.

Section 44 (pages 59-60). Governor's residence advisory commission — Subsection D, which provides for per diem and mileage of commission members, is deleted. This section may change based on decisions of the task force.

Section 54 (pages 69-70). Capitol buildings planning commission — The staff architect of the property control division of DFA replaces the secretary of general services as a member; other references to GSD were changed to property control division.

Section 55 (pages 70-72). Building services bureau — This section returns the building services division to being a bureau of the property control division. The task force was considering privatizing building services, which will change this and Section 56.

Sections 57 through 60 (pages 72-76). Temporary provisions; transfers — These sections are standard transfer sections. Section 57 transfers property, contractual obligations and statutory references of SPO to DFA. Section 58 transfers GSD, except the risk management division, transportation services division and state printing and graphics program, to DFA. Section 59 transfers the transportation services division of GSD to DOT. Section 60 transfers the state printing and graphics program from GSD to DOIT.

Section 61 (page 76). Temporary provision; contingent executive reorganization — This section provides that if legislation to create an insurance-related agency that includes the risk management division of GSD fails to be enacted, the risk management division shall be

transferred to DFA.

Section 62 (page 76). Repeal — This section repeals the following:

- A. the General Services Department Act; and
- B. attachment of SPO and personnel board to DFA.

Section 63 (page 76). Effective date — The task force must consider when it wants this law to become effective.