



First Annual Report of The Governor's ADR Advisory Council

**Alternative Dispute Resolution Advisory Council
October 31, 2006**

Introduction

The Alternative Dispute Resolution (ADR) Advisory Council was convened in October 2005 pursuant to Governor Bill Richardson's Executive Order #2005-047. Its purpose is to consider and recommend ways to promote more efficient, less expensive, and more satisfying methods of resolving internal and external disputes that arise in working relationships, organizational issues and public policy decisions. The General Services Department, Risk Management Division (GSD/RMD) is responsible for coordinating the Council's activities and is the lead agency for implementation of the Executive Order. The ADR Advisory Council is charged by the Executive Order with providing an Annual Report to the Governor in October of each year, starting with October 2006.

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State of New Mexico
Office of the Governor

Bill Richardson
Governor

September 19, 2006

Cabinet Secretary Arturo Jaramillo
General Services Department
Joseph Montoya Building
1100 St. Francis Drive, Room 2073
Santa Fe, NM 87503

Dear Secretary Jaramillo and members of the ADR Advisory Council:

I write this letter to thank you for your substantial efforts and to encourage your continued diligence in developing efficient, workable, and satisfying alternative dispute resolution practices in New Mexico.

As you know, since the early days of my administration I have believed alternative dispute resolution could and should be an important tool in achieving our goal of effective and efficient state government. We have come a long way since then, thanks in large part to the work of the ADR Advisory Council, created by Executive Order 2005-047 in September, 2005. Nevertheless, much remains to be done in order to ensure that ADR has a strong foundation and a lasting positive impact on state government in New Mexico. Needless to say, your work is of great importance and is greatly appreciated as we strive to improve New Mexico's state government.

I look forward to receiving your first annual report in October, 2006.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill Richardson".

Bill Richardson
Governor

BILL RICHARDSON
NEW MEXICO GOVERNOR

ARTURO L. JARAMILLO
CABINET SECRETARY



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TRANSPORTATION SERVICES DIVISION
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October 2, 2006


Dear Public Officials, State Agency Leaders, Alternative Dispute Resolution Professionals and New Mexico Citizens,

I am very pleased that the General Services Department is the sponsoring agency for the Governor's Alternative Dispute Resolution (ADR) Advisory Council. With administrative support and facilitation from the General Services Department's Risk Management Bureau, the ADR Advisory Council continues to meet regularly to discuss, plan and implement approaches to *grow* alternative dispute resolution approaches throughout state government.

In 2006, a landmark ADR proposal was drafted by the ADR Advisory Council to the Governor with recommendations and a *blue print* for institutionalizing the role of ADR in state government. The resources needed to achieve many of the recommendations contained in the ADR Council proposal are contained in the General Services Department's FY08 Budget Request that will be presented to the law makers in the 2007 legislative session. I encourage you to review the ADR Council initiatives described in this brief annual report and attend an ADR Council Meeting to learn more about the important work being accomplished.

On a personal note, I applaud the commitment by agency Cabinet Secretaries and Directors who have allowed their agency ADR experts to fully participate on the ADR Council. The ADR Council serves as an excellent illustration of effective interagency collaboration focused on better government.

Best regards,



Arturo L. Jaramillo
General Services Department
Cabinet Secretary

AJ:ls

Accomplishments October 2005 through September 2006

During the past year the ADR Advisory Council and GSD/RMD have accomplished the following:

1. ADR Proposal

The Council and GSD submitted to Governor Richardson a formal Proposal to Establish an Office of Dispute Prevention and Resolution (ODPR). This Proposal, submitted to the Governor on April 27, 2006, calls for:

- ♦ Establishing an Office of Dispute Prevention and Resolution (ODPR) within GSD/RMD with an emphasis on loss prevention and control;
- ♦ Implementing through the ODPR a 5-year pilot project with stable funding;
- ♦ Development of financial incentives for agency use of ADR, and measurement of benefits achieved through the use of collaborative decision making and alternative dispute resolution mechanisms and methods; and
- ♦ ODPR planning, marketing and development of consistent standards for ADR and collaborative processes, coordination and facilitation of agency programs, and assessment of program effectiveness, costs and savings.

A copy of this Proposal is available online at <http://www.state.nm.us/spo/spohome.htm> (click on ADR Council Updates).

2. Survey of ADR Programs/Needs

In conjunction with the development of the Proposal to establish the ODPR, the Council conducted a survey of its member departments and agencies. The survey examines present agency use of ADR/facilitation methods, impediments to the use of such methods, and what would assist agencies to more fully and effectively utilize ADR. This information will be useful to the ODPR as it begins to develop a strategic plan. Among findings of the survey were: widespread support for and use of ADR, including existing use of mediation, facilitation, safe conversations and settlement conferences; a desire for more widespread training of agency personnel in the various types of ADR and facilitation and for development of consistent policies and procedures emanating from a central ADR office; support for a statewide roster of trained mediators, facilitators and consultants; the need for increased collaboration, resource sharing, planning for and evaluation of ADR and collaborative processes; and the importance of support from the Governor down through all agency heads, committing resources and attention to implementing the use of these processes and techniques.

Future Goals and Recommendations

1. Continued Development of ADR in State Government

The ADR Advisory Council continues to meet at least quarterly, to exchange ideas and encourage mutual interest in and use of ADR throughout the Executive branch. The Council is also actively maintaining and further developing liaisons with other branches of State government and with local governments, monitoring developments in other states, and **assisting GSD/RMD** in continuing its ADR training and facilitation efforts and in establishing and developing an **Office of Dispute Prevention and Resolution**.

2. Budget Development

GSD submitted a Fiscal Year 2007 budget proposal for initial staffing of an ADR function in GSD/RMD to plan and coordinate development of ADR mechanisms and functions in the Executive Branch. This proposal for \$288,700 (Supplemental Request) was in the budget that Governor Richardson submitted to the State Legislature, but this item was not approved by the Legislature.

GSD has prepared a budget proposal for Fiscal Year 2008, which requests funding of \$185,000 for 3 additional staff in GSD/RMD, to be classified as Training

& Development Specialists, as the first step in implementing the plan presented in the Proposal for ODPR. (A copy of the FY08 budget request is attached to this Report.)

3. Roundtable Facilitation

The Council has also set a goal to **develop an additional mechanism for public facilitation** regarding policy issues and disputes. Under this proposal, modeled after Oregon Solutions, State agencies would submit select issues which they believe are of sufficient weight and public interest that the Governor's endorsement of facilitated discussion would help in addressing a given issue. A proposal would be submitted to the ADR Advisory Council, which would screen its suitability and amenability to the facilitation process. The Council would in turn submit recommendations to the Governor to convene roundtables where suitable. Although this would lend the Governor's weight to the process, the facilitation would be organized by the interested parties at their own expense. This mechanism would be designed to supplement, not to supplant, existing and future efforts by State agencies to utilize public facilitation in their ongoing operations.

Request for Direction

The Council commends Governor Bill Richardson's public commitment to resolving disputes through diplomacy and dialogue. Governor Richardson's Executive Order 2005-0047 reflects a similar commitment to apply facilitative and collaborative processes in all aspects of Executive branch operations. In furtherance of those objectives, the Council respectfully requests that the **Governor**:

- ♦ Direct the ADR Council and GSD to establish an Office of Dispute Prevention and Resolution;
- ♦ Require cabinet secretaries, agency heads, boards and commissions to actively participate in the development and use of ADR processes and public facilitation;
- ♦ Support and advance the GSD budget proposal for FY 2008 and appropriate levels of expenditures in future years (see **attached** budget proposal);
- ♦ Direct the ADR Council to further explore the Oregon Solutions model and similar initiatives and to develop a proposal to expand the use of facilitated discussions among interested stakeholders concerning public policy and public administration issues;
- ♦ Direct the ADR Council to develop proposed legislation to mandate departments and agencies to provide and encourage ADR, facilitative and collaborative processes. This would expand upon the merely permissive provisions of the existing Governmental Dispute Resolution Act. Such legislation would codify the State's commitment to dispute prevention and resolution and thereby ensure its viability beyond any particular administration.

FORM EB-1P EXPANSION NARRATIVE

Business Unit /

Program: General Services Department

Budget Code: 35000

Expansion Short Title:

Additional ADR Staff

Ranking: _____ of _____

Any expansion of base budget must be tied to an enhanced performance level.

Explanation of Expansion Request:

This expansion request seeks to allow RMD to meet the recommendations of the Governor's Performance Review, Recommendation A-6 ("Minimizing Litigation Costs: Expand Use of Conflict Resolution") as well as comply with Executive Order 2005-047 (Establishing interagency AD Council: designating GSD/RMD as lead agency. Both the recommendation and the Executive Order will allow the Department to improve the financial position of all Risk Management Division Funds by reducing the estimated outstanding losses.

Cost Analysis: (Budget Calculations - Basis used to determine requested funding level. e.g. Cost per unit of service X number of service units to be provided)

This request is for 3 additional staff; all three positions will be classified as Training & Development Specialists. The salaries and benefits are based on mid-point level salary requirements; total anticipated salary and benefit cost of \$185.0. The request also includes monies for laptops with docking stations, office supplies, and travel.

Benefit Analysis: (Scope of Impact - Quantify the enhanced performance level of services to be achieved. e.g., Additional number of clients to be served, benefit to community)

The benefits include; a reduction in legal costs and claim payments, improved workplace climate and productivity, better employee morale and attitude, fewer stress-related health problems, reduction in time and resources spent on internal grievance and complaint processes, fewer administrative hearings and improved customer service. RMD will Improve Dispute Resolution in the Workplace Through Progressive and Meaningful Alternatives. As the agency designated to lead implementation of Executive Order 2005-047, the Risk Management Division co-chairs and directs work of the Alternative Dispute Resolution Council which is comprised of members from 23 agencies with the purpose of establishing an integrated statewide conflict management system, including instruction on preventing conflict, coaching on conciliation techniques and training mediators to assist agencies in resolution efforts.

Consequences of Not Funding, Other Alternatives, Potential for Scaling the Request

A failure to approve the requested FTEs will result in the inability to achieve the goals set forth in the GSD Strategic Plan. Furthermore, a lack of funding would place RMD in a position where they are unable to satisfy Executive Order 2005-047 nor accommodate the Governor's Performance Review.

Check Box if this form is a revision

Revision no: _____

Revision Date: _____

Page _____

FORM EB-2 EXPANSION DETAIL

Business Unit / General Services Department Budget Code: 35000
 Program: General Services Department
 Expansion Additional ADR Staff
 Short Title: Additional ADR Staff Ranking: of

REVENUE/SOURCES	FY08 EXPANSION REQUEST	REQUESTED POSITION CLASSIFICATIONS	STATUS	FY08 EST COST SALARIES BENEF
111 General Fund Transfers		Training & Develop Spec - A (3)	Perm	\$ 127.5 \$ 42.5
112 Other Transfers				
120 Federal Revenue				
130 Other Revenue	\$ 185.0			
150 Fund Balance				
TOTAL REVENUE/SOURCES	\$ 185.0			
EXPENDITURES/USES				
200 Personal Services/Empl Benefits	\$ 170.0	TOTAL PERSONNEL COSTS		\$ 127.5 \$ 42.5
300 Contractual Services		REQUESTED PROFESSIONAL SERVICES CONTRACT	ACCOUNT CODE	FY08 EST COST
400 Other Costs	\$ 15.0			
500 Other Financing Uses				
TOTAL EXPENDITURES/USES	\$ 185.0	TOTAL PROF SVCS COSTS		\$ -
FTE EQUIVALENTS (FTEs)				
210 Permanent	3.0	REQUESTED CAPITAL OUTLAY	ACCOUNT CODE	FY08 EST COST
220 Term				
230 Temporary				
TOTAL FTE	3.0	TOTAL CAPITAL OUTLAY		\$ -