



REGULATION AND LICENSING DEPARTMENT (42000)

Overall RLD is requesting a General Fund increase of \$764.3 thousand, or 6.1% over FY19 operating levels. RLD consists of six programs, encompassing over 50 departments, responsible for managing of half a million licensees across the state. Revenue generated for the General Fund totals almost \$40 million a year.

Construction Industries Division (CID) & Manufactured Housing Division (MHD)

General Fund increase of \$388.8 thousand

- Support additional recurring costs associated with permitting and inspection software.
- Fund vacant inspector positions

Highlights:

- Created Multi-Disciplined Inspectors
 - Twenty-seven inspectors successfully completed the certification process of training and testing for multiple certifications. Those 27 inspectors combined to achieve 41 new inspector certifications.
- No longer performing inspections at the manufactured housing plants
 - Costing the state \$1.2 million in overhead costs, yet reimbursements average just over \$100.0 thousand the administration worked with industry to remove state inspectors from the plant. This now allows for six more MHD inspectors to be out in the field providing quicker response times.

Concerns:

- Appropriated funding levels do not allow for adequate staffing levels needed to provide the level of responsiveness the industry demands.
 - The division has a depleted and aging fleet of vehicles, in need of replacing aging/obsolete computers, and enhance/replace CIDs permitting and inspection software system.

Financial Institutions Division

Overall increase of \$275.7 thousand: \$175.7 in Other State Funds; \$100.0 thousand in General Fund.

- Fund four existing unfunded vacancies
 - Positions will help to combat cybersecurity, along with aid in the fight against money laundering

Highlights:

Improved examination practices and expansion into the Mortgage, Escrow, Small Loan and Money Transmitter industries

Concerns:

The growing threat of cybercrimes and the impact they have on our financial institutions is a major concern. Establishing an IT examination component will be key in combatting this threat.

Alcohol & Gaming Division

General Fund increase of \$110.0 thousand

- Fund two existing unfunded vacancies in order to effectively process NM State Police SIU citations issued for violations of the Liquor Control Act.

Program Support

General Fund increase of \$133.8 thousand

- I.T. department
 - RLD places in the top five of state agencies for financial transactions, directly behind TRD. This means IT support – including hardware, software and staffing is essential.
 - The agency is working closely with DoIT and both our legislative and executive analysts to upgrade and enhance permitting software for CID.

- ASD-Highlight

The agency has been issued an audit with only one finding related to disaster recovery. This reflects a substantial reduction from a high of thirteen audit findings six years ago.

SECURITIES

The agency is requesting special BAR authority to enable the division to use settlement proceeds to better serve and protect New Mexican investors. Large settlements are infrequent and difficult to build into the operating budget as a recurring revenue. BAR language will provide additional funding for updating software, training and media outreach on a non-recurring basis.

BOARDS & COMMISSIONS

Boards is requesting an Other State Funds increase of \$683.4 to ensure funding is at an appropriate level. The increase will fund the realignment of staff making the division more efficient, and will accommodate enhanced efforts to combat the opioid epidemic