

# FY2021 Appropriation Request Highlights

Presented to the  
Legislative Finance Committee

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**Stephanie Schardin Clarke, Cabinet Secretary**

Emily Oster, Deputy Cabinet Secretary

Denise Irion, Administrative Services Division Director

Miranda Ntoko, Administrative Services Division Deputy Director

Manoj Shah, Budget Director

# Agency Overview

# Executive Leadership Team

**Office of the Secretary**  
Cabinet Secretary: Stephanie Schardin Clarke  
Deputy Cabinet Secretary: Emily Oster, CPA  
Tax Policy Director: Clinton Turner  
Chief Legal Counsel: Tim Van Valen  
General Counsel: **Vacant**  
Director of Communications: Charlie Moore  
Chief Security Officer: Raja Sambandam  
Taxpayer Advocate: Tiffany Smyth  
Chief Economist: **Vacant**  
Local Government Liaison: David Montieth

**Property Tax Division**  
  
Director: Donna Maestas-De Vries  
  
Deputy Director: Michael O'Melia

**Revenue Processing Division**  
  
Director: Charlene Trujillo  
  
Deputy Director: Rick Lopez

**Motor Vehicle Division**  
Director: Alicia Ortiz  
Deputy Director Field Operations: Htet Gonzales  
  
Deputy Director Central Admin: Gerasimos Razatos

**Tax Fraud Investigation**  
  
Director: Vince Mares  
  
Deputy Director: **Vacant**

**Information Technology**  
  
CIO: Mike Baca  
  
Deputy CIO: Darshana Kanabar

**Administrative Services**  
  
Director: Denise Irion  
Deputy Director: Miranda Ntoko

**Audit & Compliance**  
Director: Aysha Mora  
Deputy Director: Aaron Brown  
Deputy Director: Compliance: Lisa Trujillo

# TRD Divisions

## P572 Program Support

### Administrative Services Division (ASD)

- Office of the Secretary (OOS) – Tax Policy, Legal, Office of Internal Oversight, Taxpayer Advocate
- Financial Services, Financial Distributions, Budget, General Services & Human Resources Bureau
- Auditing, Accounting, Procurement, Revenue and Cash processing, and general oversight

### Information Technology Division (ITD)

- Database Support Bureau, Data Warehouse Bureau, Infrastructure Support Bureau, Motor Vehicle Development Bureau, Operations Bureau and support for GenTax and Tapestry software systems
- Production, development and support teams tasked with system maintenance and upgrade, and implementation of legislative tax laws & changes

# TRD Divisions, Continued

## **P573 Tax Administration Act**

### Revenue Processing Division (RPD)

- Administrative Resolution and Services Bureau, Data Capture Bureau, Postal Processing Center, and Returns Processing Bureau
- Primary function is to collect and deposit tax and fee revenue

### Audit & Compliance Division (ACD)

- Five district offices and bureaus that encompass two primary functions: audit and collections
- Core functions include initiating audits, resolving tax issues, conducting compliance activities and providing taxpayer assistance

## **P574 Motor Vehicle Division (MVD)**

- Central Administration: oversees driver services including DWI compliance and insurance verification
  - Partner Support & Compliance Unit oversees 40 county/municipally owned offices & 17 private partner offices
- Field Operations & Customer Service: operates 33 field offices statewide

# TRD Divisions, Continued

## **P575 Property Tax Division (PTD)**

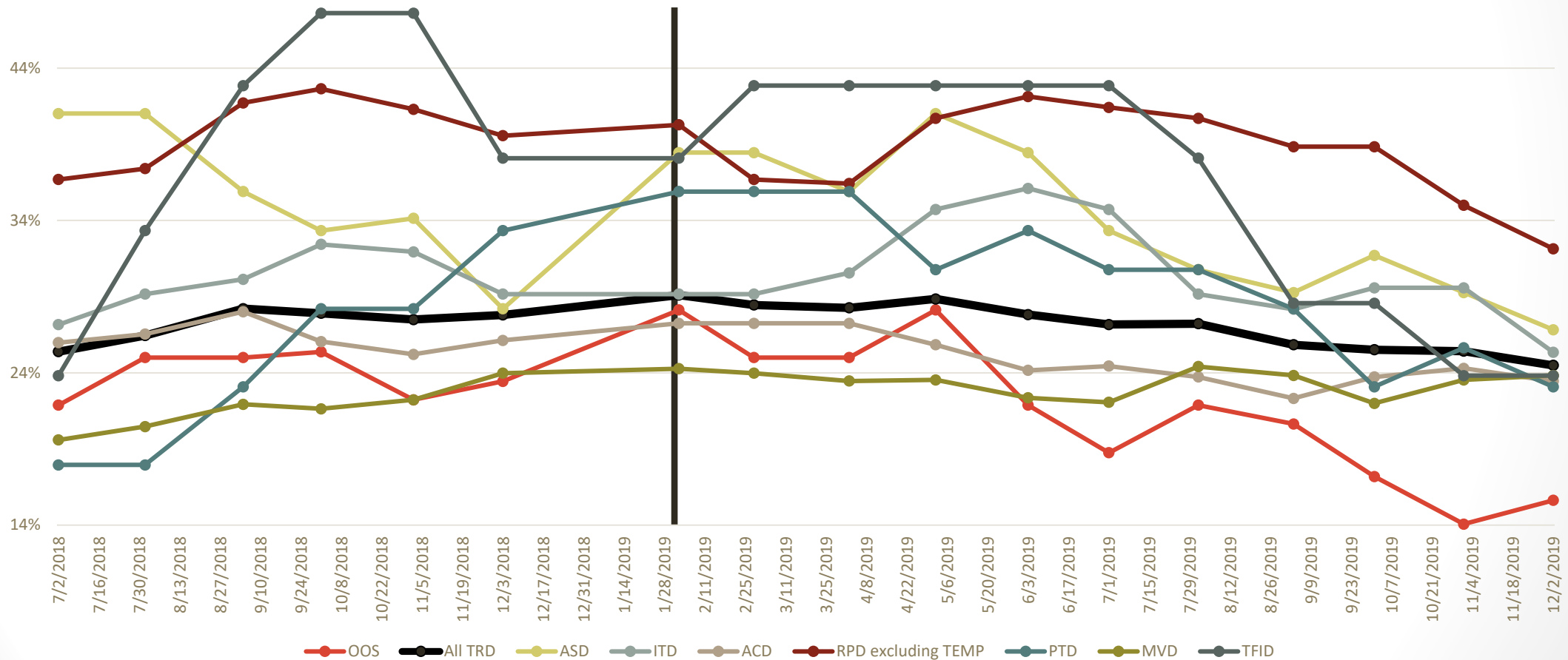
- Appraisal Bureau, Delinquent Property Tax Bureau & State Assessed Property Bureau
- Uniquely self-funded within TRD
- Responsible for auctioning delinquent property to the public
  - Penalty and interest collected stays within agency
- Contributes about \$1.6 billion per year to New Mexico county, municipality, school district and state taxing entities
- Provides technical assistance to 33 County Assessors and evaluates assessors annually

## **P579 Tax Fraud Investigations Division (TFID)**

- Consists of 3 Bureaus: Forensic Audit, Internal Investigations and Tax Fraud Investigations
- Fosters TRD`s goal of voluntary tax compliance
- Investigates and recommends for criminal prosecution or civil penalty instances where a taxpayer intentionally violates the Tax Administration Act

# Agency Staffing: 24.5% vacant, down from 30% on February 1, 2019... 50 more employees statewide

TRD Vacancy Rate by Division (Excluding TEMP)



# Vacancy Rates

Divisions	FY 19		FY 20			FY 21	
	TOTAL FTEs	Actual Vacancy Rate	TOTAL FTEs	Appropriation Request	Actual Vacancy Rate (First 5 months)	Total FTEs	Target Vacancy Rate
ASD	103.0	24.0%	110.0	13.8%	20.0%	110.0	14.0%
ITD	70.0	33.0%	72.0	6.0%	25.4%	72.0	6.0%
ACD	348.5	24.0%	348.5	19.7%	23.5%	354.5	6.0%
RPD	147.3	44.0%	142.3	20.5%	35.9%	142.3	15.0%
MVD	338.0	22.0%	338.0	12.0%	23.4%	338.0	12.0%
PTD	39.0	31.0%	41.0	0.0%	26.8%	41.0	9.0%
TFID	21.0	43.0%	21.0	15.0%	23.8%	21.0	15.0%
<b>Total</b>	<b>1,066.80</b>	<b>Total</b>	<b>1,072.80</b>		<b>Total</b>	<b>1,078.80</b>	



# Agency Staffing Statistics: A deep dive

Actions taken since February 1, 2019 (10 months) include:

Recruitment (fill those vacancies!)

- 142 new hires have joined TRD from outside of State government
- 31 new TRD employees have joined us from other State agencies

Retention (resolve pay inequities and keep quality employees)

- 238 in-pay band salary increases
- 120 internal promotions
- 32 rehires

# FY2021 Appropriation Request Detail

# FY21 TRD Appropriation Request Overview

(in 000's)

<b>Program Code</b>	<b>FY20 Operating Budget</b>	<b>FY21 Appropriation Request</b>	<b>Difference</b>	<b>Percent Increase</b>
<b>P572 - ASD &amp; ITD</b>	21,024.30	23,220.00	2,195.7	10.4%
<b>P573 - RPD &amp; ACD</b>	32,206.60	35,714.10	3,507.5	10.9%
<b>P574 - MVD</b>	32,891.70	38,330.90	5,439.2	16.5%
<b>P574 - MVD- Fund Balance</b>	-	2,050.00	2,050.0	
<b>P575 - PTD</b>	4,280.70	4,280.70	0.0	0.0%
<b>P579 - TFID</b>	1,612.70	1,766.30	153.6	9.5%
	92,016.0	105,362.0	13,346.0	14.5%

# FY21 TRD General Fund Appropriation Request Overview

(in 000's)

Program Code	Fund	FY20 Operating Budget	FY21 Appropriation Request	Difference	Percent Increase
<b>P572 - ASD &amp; ITD</b>	General Fund	20,365.9	22,171.2	1,805.3	8.9%
<b>P573 - RPD &amp; ACD</b>	General Fund	29,579.5	27,676.0	(1,903.5)	-6.4%
<b>P574 - MVD</b>	General Fund	12,044.2	17,490.8	5,446.6	45.2%
<b>P579 - TFID</b>	General Fund	1,612.7	1,766.3	153.6	9.5%
		63,602.3	69,104.3	5,502.0	
<b>Total General Fund Request Increase</b>					
		FY20	63,602.3		
		FY21	69,104.3		
		Difference	5,502.0		
		Percent GF Increase	8.7%		

# Other Non-Operating Appropriation Requests

(in 000's)

## Special Appropriations

- **#1 Rank: Implement tax code changes mandated in legislation**
- This request would provide funding to implement statutory changes in the tax administration and motor vehicle administration information technology systems of record.
- Funding request amount: \$10,000.0
- **#2 Rank: For a statewide tax preparation assistance program for low-income or elderly taxpayers**
- This request would provide funding for TRD to contract with a vendor or vendors to train volunteer tax preparers to pass certification exams and provide tax preparation assistance to low-income or elderly taxpayers.
- Funding request amount: \$150.0

# Key Initiatives

# Strategic Planning Initiative Underway

- New and improved Mission Statement, Vision Statement, and Core Values are in the works. Will emphasize:
  - We exist to serve New Mexico and improve quality of life
  - We value integrity, respect, excellence, innovation, communication
  - We strive to:
    - Embody a culture of respect, integrity and innovation
    - Be a trusted partner to all of our customers
    - Employ a skilled, knowledgeable and service-oriented workforce
    - Administer tax and motor vehicle laws with fairness, efficiency and consistency
    - Offer a variety of flexible and secure technology solutions to improve customer experience
    - Empower customers through outreach, ease of compliance, and education

# Strategic Planning: Goals

- Strategic plan will establish strategic goals, objectives and specific action steps necessary to achieve
- Strategic Goals:
  - Enhance customer experience and customer service
  - Cultivate workforce excellence
  - Improve efficiency and transparency of department operations



# Initiatives to Support Employee Engagement

- Fitness and wellness leave
- Tuition assistance and educational leave
- Alternative work schedules
- Using values-based recruitment to ensure new hires share management's values, encourage hiring outside of government agencies
- Internal Podcast "Radio MVD"
- Internal Newsletter "TRD Today"
- Active personnel management/fair and consistent application of policies
- Mandatory civility in the workplace training
- TRD Leadership Lending Library to grow the leaders of tomorrow
- Strategic planning will result in strong statements of mission, values, and vision for the future
- Corporate Culture Survey and other opportunities for anonymous employee feedback
- Celebrating every small win
- State Personnel Office's #IServeNM challenge
- Amended FMLA policy to allow intermittent leave for child birth/adoption and to include care for domestic partners

# Other Major Initiatives Underway

- RFP underway for Albuquerque office space (currently at Bank of the West building)
- Recently created qualified film vendor list to streamline
- Data Analytics
  - Phase I went live July 2019 – GRT audit selection
  - Phase II will focus on mitigating internal and external threat and predictive analytics/forecasting
- Property Tax Division System Modernization: \$2 million for modernization and automation of the property tax business system
- Complete projects to restore Interactive Voice Response (IVR) functionality at TRD call center
- MVD Kiosk self service technology

# Major Tax Policy Initiatives

- Working through two-step implementation of internet sales
  - Began taxing internet sales at flat statewide rate of 5.125% on July 1, 2019
  - On July 1, 2021, will move to destination-based sourcing and impose state and local rates
- Implemented hospital GRT reform on 7/1/2019
- Assuming administration of Insurance Premiums Tax on 1/1/2020
- Tax Policy Advisory Committee established to identify changes needed to be competitive, encourage economic development, equity and simplicity.

# Identified Need for Taxpayer Outreach and Education

- Management has identified the need for TRD to offer more, better taxpayer outreach and education
- In coming years, we need to leverage technology to offer a variety of technologies to meet expectations of all customers
  - Interactive Voice Response telephone functionality was lost in 2018, will return soon to MVD and ACD call centers
  - Kiosks are necessary to allow self-service at MVD field offices
  - Expand quality and availability of CRS workshops
  - Continue to expand online service capabilities through Taxpayer Access Point (TAP)
  - Requested FY2021 funding to allow TRD to securely email taxpayers – currently not offered so all correspondence is by mail

# Questions & Discussion?



# Thank you!

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