



# NMRLD

NEW MEXICO  
REGULATION &  
LICENSING DEPARTMENT

Your Protection  
Is Our Priority

## *Legislative Finance Committee*

December 13, 2022

Linda M. Trujillo, Superintendent



# Strategic Planning Goals

## **Focus Area: Budget/Fiscal**

- Implement a quality assurance process for online revenue transactions; and
- Increase collaboration with divisions, ASD, and Office of the Superintendent in refinement of the budget development process.

## **Focus Area: Community Engagement**

- Breakdown barriers to licensure to increase the diversification of NM's economy, revenue, and employment;
- Develop and implement a communication plan that includes ALL divisions to better engage constituents;
- Work with constituencies to identify strategies to improve customer service; and
- Create a system to efficiently respond to data requests and the development of annual reports.

## **Focus Area: Consumer Education**

- Expand InvestiNM to include entrepreneurs and business management;
- Implement a comprehensive cannabis consumer education program; and
- Expand consumer protection.





# Strategic Planning Goals (continued)

## **Focus Area: Human Resources**

- Recruitment and Retention of employees:
  - Develop career ladders;
  - Formalize succession planning;
  - Develop an inhouse plan to retain employees; and
  - Formalize agency wide employee handbook and systematize onboarding.

## **Focus Area: Information Technology**

- Develop and Implement IT infrastructure for occupational and professional licensing;
- Collaborate with DoIT to modernize communication systems and improve customer service;
- Collaborate with Securities, FID, and ABCD to address IT deficiencies; and
- Diversify cybersecurity strategies to address changing internal and external threats.

## **Focus Area: Licensing**

- Address equitable access to Licensed Professionals to reduce barriers to licensure.

## **Focus Area: Operations**

- Implement continuous improvement strategies to improve efficiency and customer service.



# RLD Budget Overview:

## MISSION

Promote public confidence in professional, occupational services, trades and industries by finding innovative solutions for business in the interest of public safety and economic vitality.

Total Fee Reversion for FY22: **\$35,447.58**

Total GF Reversion for FY22: **\$573,743.0**

Total Non-Reverting Fee Revenue for FY22: **\$10,025,009.0**

## Staffing

Total positions: 342

Total FTE: 285

Total Vacant: 57

## Agency Request: \$49,388.3 (2.19% increase)

- General Fund Transfers: \$17,406.7
- Other Transfers: \$12,104.4
- Federal Revenues: \$25.0
- Other Revenues: \$15,021.0
- Fund Balance: \$4,831.2

## FY23 \$48,328.3

- General Fund Transfers: \$15,662.3
- Other State Funds: \$19,150.1
- Federal Funds: \$50.0
- Other Revenues: \$11,648.0
- Salary Increase: \$1,817.9

# RLD Special Requests

1. \$750k - Cannabis Licensing Platform Enhancements (C2 request):
  - a. Cannabis Server
  - b. Cannabis Consumption Area
  - c. Cannabis Testing Laboratory
  - d. Cannabis Research Laboratory
2. \$3.5 million - Incident response and recovery expenses associated with a cyber security incident in October (Supplemental):
  - a. \$1.6 million - incident response contracts;
  - b. \$500k – compressed timeline for development of online licensing and renewals (Pharmacy, OT, PT, Dental, Massage, PI);
  - c. \$260k – credit monitoring;
  - d. \$1.2 million – hardware replacement and software expenses
3. \$400k - Substitute Care Advisory Council (deficiency FY22)
4. \$5 million - Complete development and implementation of professional licensing modernization project (Special):
  - a. Remaining board – 16
  - b. Compliance
  - c. Employee Leasing; Carnival Rides; Recycled metals; Crane Operators
5. \$785k – CID Replacement vehicles
6. \$100k – Securities Division for personal services and employee benefits
7. BCD BAR Authority – 10%





# Financial Institutions Division (FID)

FID is requesting a budget increase for additional staff to meet statutory compliance of licensing and examinations. The results of being understaffed can be catastrophic to New Mexicans who depend on safe and sound financial institutions.

## Data

- Regulatory oversight continues to grow. Since 2014 FID's oversight has grown from 8,700 to 21,000 and assets at state supervised depositories have grown 77%.
- Current employee ratio is 1:636
- Federal compliance requirements continue to increase for all FID licensees, requiring more specialized examination staff.

## Impact

- FID has lost its bank regulatory accreditation with the Conference of State Bank Supervisors, due mainly to understaffing.
- FID needs to add supervision staff to monitor small loan company lenders in the wake to HB132 and examination staff with specialized compliance and I.T./cybersecurity expertise.

## Consumer Protection

- Effective depository and non-depository supervision programs are critical to ensure that consumers are protected in the event of defalcation or failure. Without proper oversight and enhanced monitoring, New Mexicans are at a greater risk for fraud and loss.







# FID (P600) - Budget Overview:

Total GF Fee Reversion for FY22: **\$4,360,322.0**

Total GF Reversion for FY22: **\$0.0**

FY23 Budget: **\$4,258.9**

**Agency Request: \$4,558.9 (7.04% increase)**

- General Fund Transfers: \$89.4
- Other Transfers: \$2,190.2
- Other Revenues: \$1,832.8
- Fund Balance: \$446.5



# Construction Industries Division (CID)

CID is requesting budget increase for staffing, technology and fuel expense.

## By the Numbers

- The division licenses approximately 16,000 contracting businesses and more than 41,000 certificate holders in seventy-eight different licensing classifications
- 32,000 = CID Permits issued for Jan – October 2022.
- 76,000 = CID Inspection for Jan – October 2022.

## Impact

- Statutory obligation that if a city, county, or municipality can no longer perform their duties of permitting and inspecting, then the state, CID, must intervene and perform all permitting and inspections.

## Growth

- Implementation of new online permitting system that allows contractors to track plan review and permitting.
- The LP Gas Bureau continues to work with the film industry, while inspecting over 149 special events across NM.
- CID is assisting with the burn scar areas to ensure constituent issues are dealt with in an expedited manner.







## CID (P599) - Budget Overview:

Total GF Fee Reversion for FY22: **\$3,980,218.0**

Total GF Reversion for FY22: **\$113,161.93**

FY23 Budget: **\$111256.1**

**Agency Request: \$11,616.1 (3.2% increase)**

- General Fund Transfers: \$11,049.5
- Other Transfers: \$200.0
- Fund Balance: \$366.6

# Alcoholic Beverage Control Division (ABCD)

ABCD seeks to have additional budgetary authority from the Tobacco Regulatory Fund to build out enforcement in Tobacco and seeks to upgrade the licensing software.



## Enforcement

Total Number of Citations  
Filed (Jan.-Nov)

Liquor Licensee: 130  
Certified Server: 74  
Tobacco: 81

	Liquor	CS	Tobacco
Resolved:	109	23	71
Payments:	7		
Pending:	10	50	10
Referred for Prosecution	4	1	
Previous Years, resolved in 2022:	69	23	5

## Growth

- Expand resources and effort to conduct minor compliance operations for Tobacco.
- Build additional capacity in licensing data.

## License Count

Alcohol: 4,978  
Server Certification: 64,920  
Total: 69,898

Tobacco: 1,692

# ABCD (P601) - Budget Overview:

Total GF Fee Reversion for FY22: **\$855,047.0**

Total GF Reversion for FY22: **\$0.0**

FY23 Budget: **\$1,401.7**

**Agency Request: \$ 1,401.7 (0% increase)**

- General Fund Transfers: \$1,087.8
- Other Transfers: \$13.9
- Fund Balance \$300.0





# Boards and Commissions Division (BCD)

BCD is requesting to increase its budget to support the staffing of the Substitute Care Advisory Council.

## Reorganization

- Executed a large reorganization that included changes to working titles, reclassifications, creation of two bureaus, and expanding the scope of services provided by the Division.

## Technology

- On boarded six boards and commissions to a new licensing system that allows applicants and current licensees to apply for and renew licenses and submit payments online, eliminating paper forms and processing of physical checks (one board averaged nearly 1,000 physical checks for renewals per month alone).

## Outreach

- With the implementation of new licensing system, staff have begun to conduct outreach within professions, educational programs, and the general public. This effort highlights the importance of being a licensed professional, the opportunities a license provides, and offers resources on how to obtain a license.





# BCD (P616) - Budget Overview:

Total GF Fee Reversion for FY22: **\$234,247.22**

Total GF Reversion for FY22: **\$218,267.11**

FY23 Budget: **\$17,087.0**

**Agency Request: \$ 17,489 (2.34% increase)**

- General Fund Transfers: \$433.1
- Other Transfers: \$6,513.6
- Other Revenues: \$9,325.5
- Fund Balance: \$1,216.8





# Cannabis Control Division (CCD)

CCD created in 2021 with the signing of the Cannabis Regulation Act, which legalized adult-use and commercial sales of cannabis in New Mexico and tasked the division with licensing and regulating the industry to safeguard public health and safety.

## Cannabis Regulation Act

- The start of commercial sales in New Mexico was one of the most successful of any state in the country in terms of sales, totaling \$2.7 million the first day and nearly \$40 million the first month and has been consistent every month since.

## Highlights

- Entered into intergovernmental agreements with the Picuris Pueblo and the Pojoaque Pueblo to support participation in the recreational cannabis industry.
- C.R.O.P – a new online portal designed to provide to measure data in the emerging industry.

## License Count

TOTAL APPROVED  
LICENSED PREMISES:  
1,601

Producer	288
Micro Producer	322
Manufacturer	349
Retailer	502
Premises	106
Consumption Area	5
Courier	26
Testing Laboratory	3





# CCD (P804) - Budget Overview:

Total GF Fee Reversion for FY22: **\$3,401,070.0**

Total GF Reversion for FY22: **\$0.0**

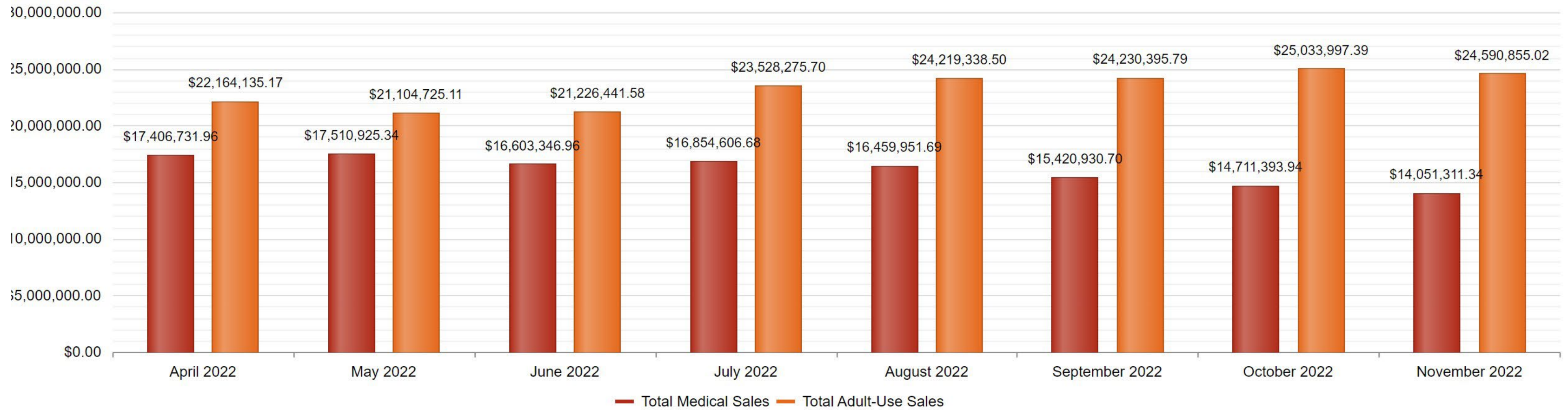
FY23 Budget: **\$6,534.9**

**Agency Request: \$ 6,534.9 (0% increase)**

- General Fund Transfers: \$3,334.9
- Other Revenues: \$3,200.0



## Monthly Sales Data



NM Cannabis Sales April – November 2022

## Monthly Sales Trend



NM Cannabis Sales Trend April – November 2022





# Manufactured Housing Division (MHD)

MHD is requesting to maintain funding of its budget to continue providing services to this industry.

## By the Numbers

- 3,457 = MHD permits issued for January – October 2022.
- 5,658 = MHD inspections for January – October 2022.
- MHD Committee is fully staffed with 4 new members.

## Highlights

- MHD continues to work with CID to create, identify and implement efficiencies for electrical inspections to remove the need for inspections by both MHD and CID.
- The MHD Director and Superintendent traveled to Washington D.C. and met with HUD, the Manufactured Housing Institute and Congressional Delegation.

## Growth

- Federal and State law requires manufactured home installers to successfully complete 12 hours of training specific to the industry.
- To address the shortage of manufactured housing installers, MHD has partnered with the Manufactured Housing Education Institute to provide a New Mexico specific installer certification course and examination.







# MHD (P619) - Budget Overview:

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Total GF Fee Reversion for FY22: **\$218,581.0**

Total GF Reversion for FY22: **\$0.0**

FY23 Budget: **\$1,585.5**

**Agency Request: \$ 1,585.5 (0% increase)**

- General Fund Transfers: \$212.7
- Other Transfers: \$62.8
- Federal Revenues: \$25.0
- Fund Balance: \$1,285.0



# Securities Division

Securities is requesting budget increase (“special”) in order to facilitate adequate staff and resources for licensing of the securities industry, regulation of securities sales, investigation and prosecution of securities fraud and the education of New Mexico investors.

## Licensing & Filings

The Securities Division oversees the licensing of industry participants; the regulation of offers and sales of securities; the investigation and prosecution of fraud and market misconduct; and the education of consumers, investors and businesses seeking to invest or to raise capital within the state.

During FY 22, the Securities Division administered 202,436 filings related to the licensing of investment advisers, broker-dealers and securities products, collecting a total of \$23,920,22924 for the state.

## Compliance

Due to the sudden advent, rise and decline of novel forms of investments, including digital assets, meme stocks and special purpose acquisition companies, the Securities Division has closely collaborated with other jurisdictions to investigate and institute enforcement actions concerning unlawful conduct and consider relevant forms of regulation.

One multi-state collaborative garnered a \$943,396.22 settlement for New Mexico.

## Education & Enforcement

The Securities Division has been compelled to shift some of its education and enforcement focus to the increased risks stemming from the rapid rise of new and increasingly complex investments, including crypto currency and interest-bearing crypto accounts as well as an upsurge in social isolation.





# Securities (P617) - Budget Overview:

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Total GF Fee Reversion for FY22: **\$22,632,350.0**

Total GF Reversion for FY22: **\$0.0**

FY23 Budget: **\$2,097.7**

**Agency Request: \$2,097.7 (0% increase)**

- General Fund Transfers: \$139.7
- Other Transfers: \$77.0
- Other Revenues: \$664.7
- Fund Balance: \$1,216.3



# *STAFFING*

8.9%

Total average turnover rate

15.29%

Average Vacancy

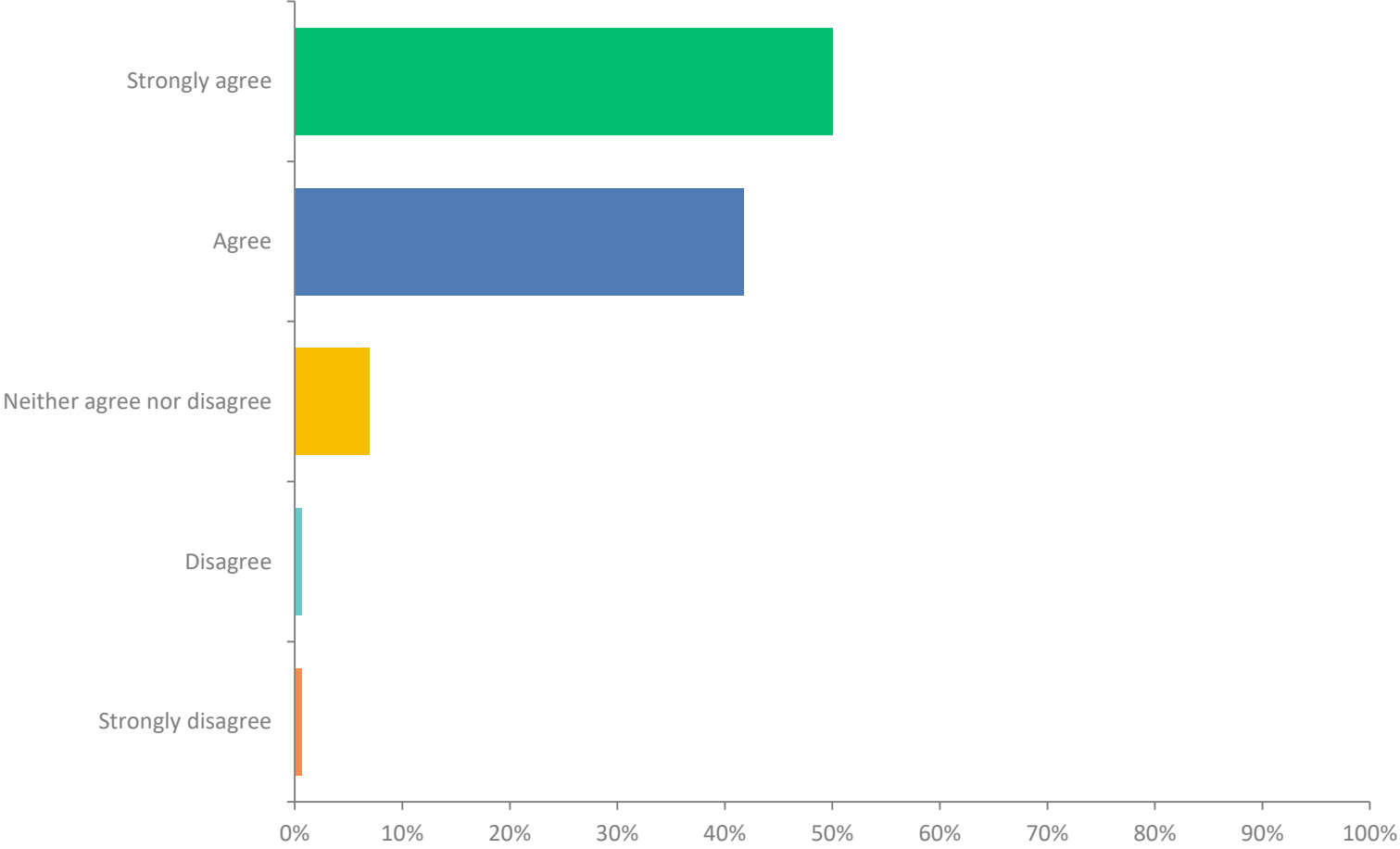


General Fund Request	FY23 Operating Budget	FY24 Agency Budget Request	Dollar Change	Percentage Change		
42000 Regulation and Licensing	\$ 16,646.70	\$ 17,406.70	\$ 760.00	4.57%		
P599 Construction Industries	\$ 10,689.50	\$ 11,049.50	\$ 360.00	3.37%		
P600 Financial Institutions	\$ 89.40	\$ 89.40	\$ -	0.00%		
P601 Alcohol Beverage Control	\$ 1,087.80	\$ 1,087.80	\$ -	0.00%		
P602 Program Support	\$ 1,059.60	\$ 1,059.60	\$ -	0.00%		
P616 Boards and Commissions	\$ 33.10	\$ 433.10	\$ 400.00	1208.46%	*To adequately Fund SCAC	
P617 Securities	\$ 139.70	\$ 139.70	\$ -	0.00%		
P619 Manufactured Housing	\$ 212.70	\$ 212.70	\$ -	0.00%		
P804 Cannabis Control	\$ 3,334.90	\$ 3,334.90	\$ -	0.00%		
Total Funds Comparison	FY22 Actual	FY23 Operating Budget	FY24 Agency Budget Request	Dollar Change	Percentage Change	
42000 Regulation and Licensing	\$ 38,706.40	\$ 48,328.30	\$ 49,388.30	\$ 1,060.00	2.19%	
P599 Construction Industries	\$ 8,464.30	\$ 11,256.10	\$ 11,616.10	\$ 360.00	3.20%	
P600 Financial Institutions	\$ 3,242.26	\$ 4,258.90	\$ 4,558.90	\$ 300.00	7.04%	
P601 Alcohol Beverage Control	\$ 1,138.68	\$ 1,401.70	\$ 1,401.70	\$ -	0.00%	
P602 Program Support	\$ 3,781.37	\$ 4,106.50	\$ 4,106.50	\$ -	0.00%	
P616 Boards and Commissions	\$ 16,424.66	\$ 17,087.00	\$ 17,487.00	\$ 400.00	2.34%	*Personnel Svs and Benefits calc as 200's and as 500 (Transfers) = \$6,193.62
P617 Securities	\$ 1,612.61	\$ 2,097.70	\$ 2,097.70	\$ -	0.00%	
P619 Manufactured Housing	\$ -	\$ 1,585.50	\$ 1,585.50	\$ -	0.00%	
P804 Cannabis Control	\$ 4,042.51	\$ 6,534.90	\$ 6,534.90	\$ -	0.00%	* \$2.514 M to DOH

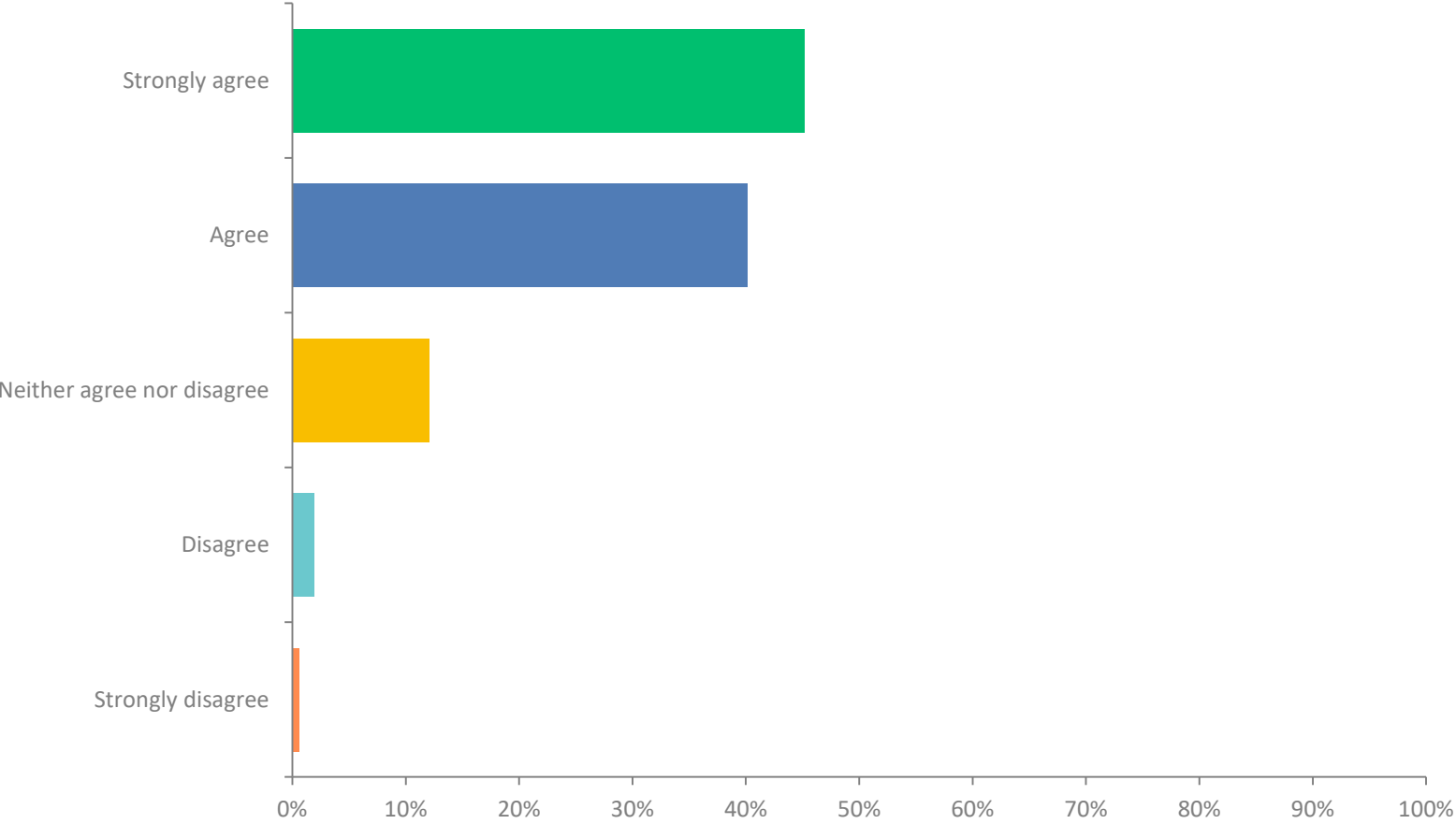


# 2022 Employee Survey

I like the kind of work I do.

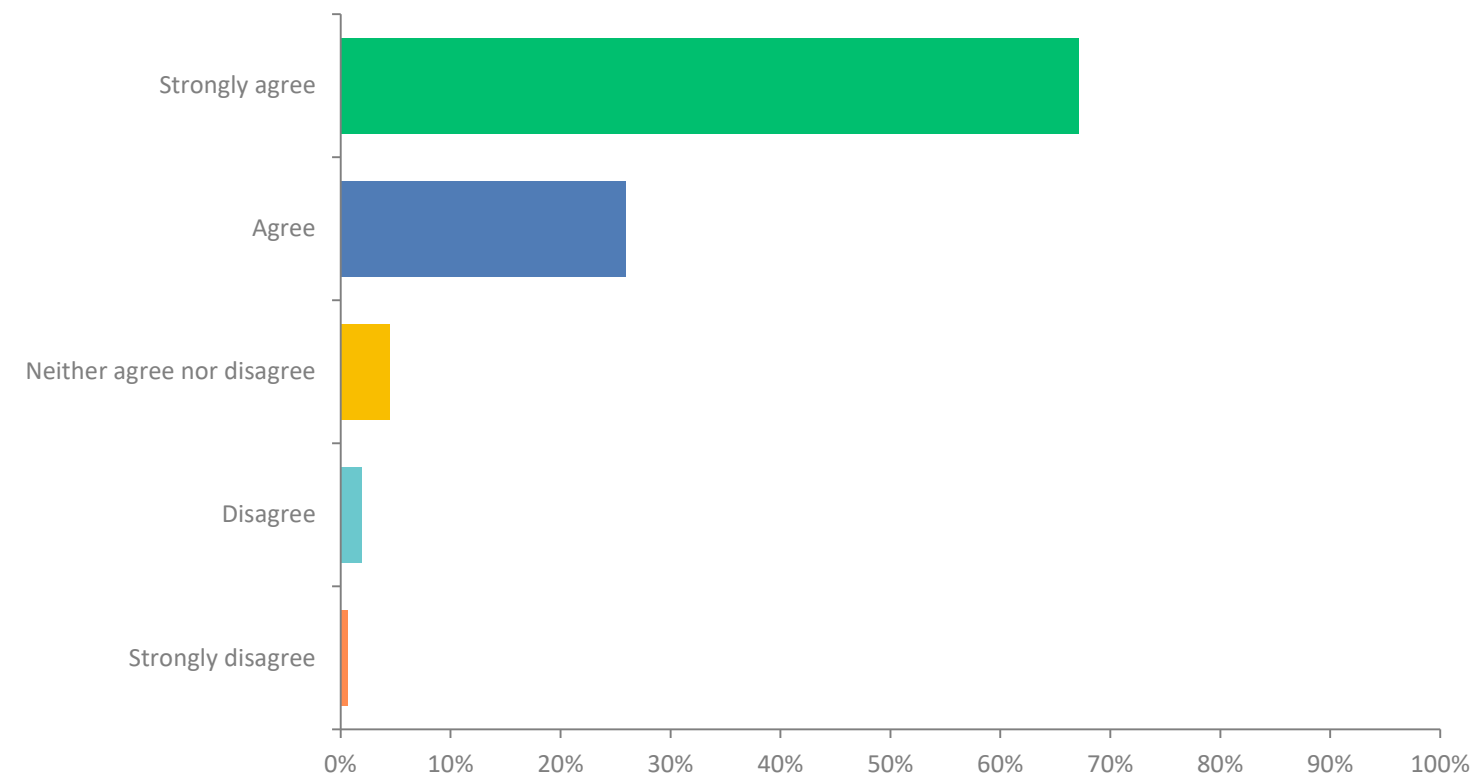


My work gives me a feeling of personal accomplishment.

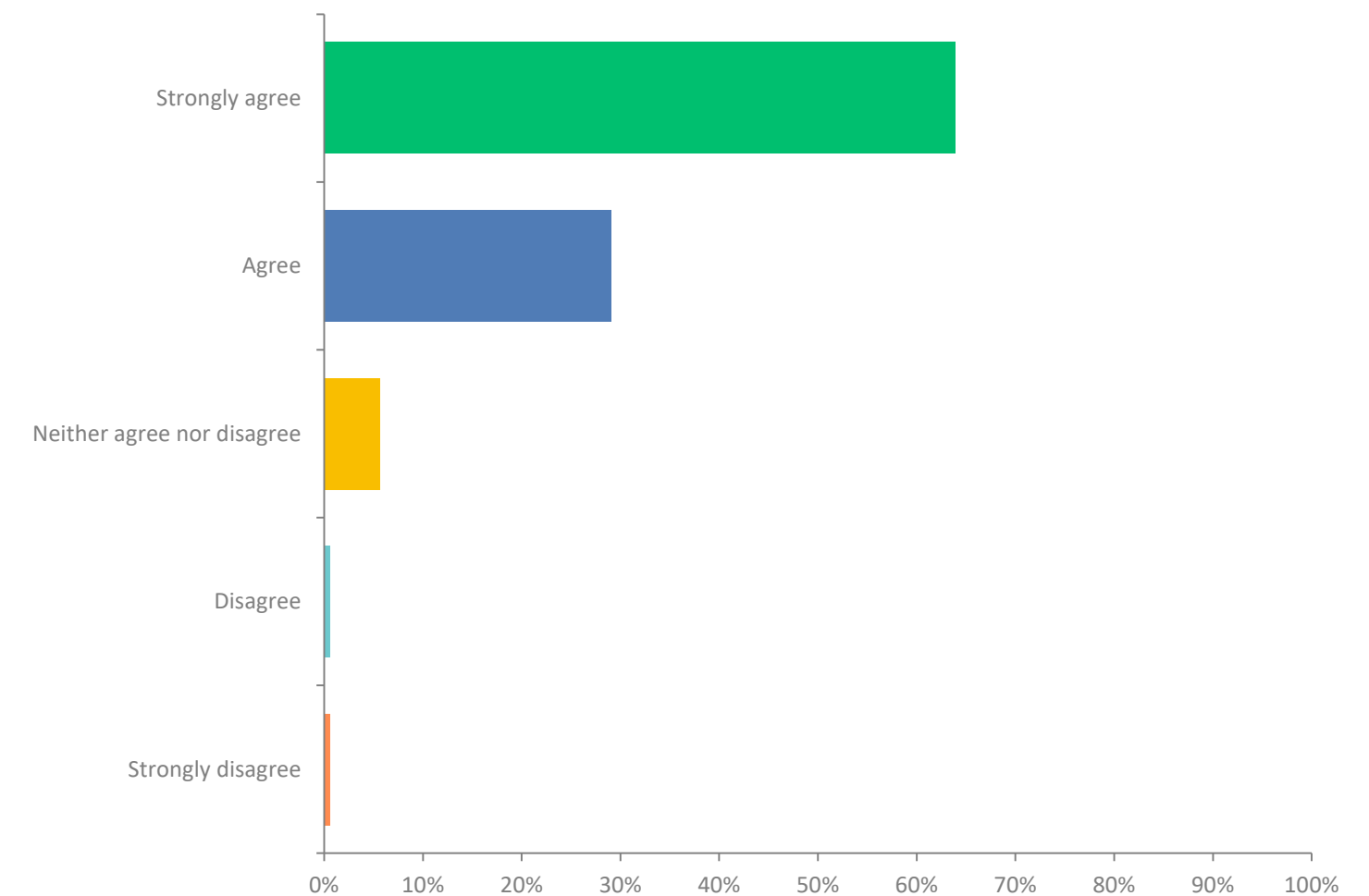


# 2022 Employee Survey

When needed, I am willing to put in the extra effort to get a job done.



The work I do is important.





# Employee Engagement Team

## Community Involvement

- Clothes drive for fire victims
- Water collection for fire victims
- Food Drive
- Holiday Giving

- Worksgiving
- Food Sales
- Holiday Lunch
- Spirit Week
- Employee Memorial





In Memory

**Marguerite Salazar**

May 31, 1953 – November 1, 2022

New Mexico Regulation and Licensing Superintendent  
2019 – 2020

Live Life With Purpose







# Contact Information

How to reach us:

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