

July 17, 2024

Homeland Security Fire Protection Fund BAR Objection

Major General Miguel Aguilar, Acting Secretary, DHSEM
Randy Varela, State Fire Marshall, DHSEM
Prepared By: Scott Sanchez, LFC Analyst

Summary

For the second time in three years, the Legislative Finance Committee (LFC) is objecting to the budget adjustment request (BAR) from the Department of Homeland Security and Emergency Management (DHSEM). The proposed \$12.2 million increase in the agency's budget in FY24 follows similar significant increases in previous years, diverting over \$52.2 million from the general fund since FY22, contrary to legislative intent.

Contradicts Legislative Intent

- The BAR contradicts the legislative intent of Senate Bill 256, which directs excess revenues from the FPF to the general fund rather than the Fire Protection Grant Fund (FPGF).
- Legislation mandates that only projected balances in the FPF should flow to the FPGF, while actual balances in excess should revert to the general fund. Revised revenue projections at the end of the fiscal year subvert this statutory directive.
- This is the third consecutive fiscal year that DHSEM has submitted a similar BAR, with a previous objection from the LFC in FY22 for moving significant funds out of the FPF.
- The unexpected revenue increase represents a substantial change to available FPGF money, which should warrant legislative review rather than being handled as a BAR.

Pattern or Practice of Last Minute BARs

- Since FY22, the BARs have consistently been submitted within ten days of the end of the fiscal year, giving the LFC minimal time to review and object and leaving no opportunity for the committee to hold a hearing before the execution of the BAR.
- The size and impact of the proposed increase necessitate careful consideration by the Legislature, not a rushed approval through a BAR process.
- The original BAR request in FY24 did not make it through the notification system promptly and was only caught at the last minute because of follow-up questions from LFC.

Importance of Legislative Oversight

- LFC does not question the necessity or importance of providing grants to local governments and volunteer firefighter brigades. The statute allows for the distribution of funds to local governments via a funding formula using projections submitted by the department at the beginning of the fiscal year.
- State law provides that any additional revenue flows to the general fund as this program is set up to intercept insurance taxes included for the general fund. The statute further prescribes how much should flow to the non-reverting fire protection grant fund.
- Laws 2023, Chapter 210 (House Bill 2) does not provide authority to move additional FPF balances above the submitted projections to a non-reverting fund.

59A-53-5.2. Appropriations and transfers from the fire protection fund.

A. For each fiscal year, the amount to be distributed by the marshal pursuant to Sections [59A-53-4](#), [59A-53-5](#) and [59A-53-5.1](#) NMSA 1978 is appropriated from the fire protection fund to the state fire marshal for the purpose of making the following distributions:

- (1) the total amount to be distributed during the fiscal year pursuant to Sections [59A-53-4](#), [59A-53-5](#) and [59A-53-5.1](#) NMSA 1978;
- (2) the total amount of other appropriations from the fire protection fund for the fiscal year;
- (3) on June 30, 2017, no distribution shall be made to the fire protection grant fund;
- (4) in fiscal years 2019 through 2021, periodic allotments not to exceed forty and two-tenths percent of the projected remaining balance in the fire protection fund shall be distributed to the fire protection grant fund; and
- (5) beginning in fiscal year 2022, periodic allotments equaling the total projected remaining balance in the fire protection fund shall be distributed to the fire protection grant fund.

B. As of June 30 of each year, the remaining unexpended balance in the fire protection fund shall be transferred to the general fund.

History: [Laws 2007, ch. 152, § 1](#); [2009, ch. 3, § 6](#); [2010, ch. 52, § 1](#); [2011, ch. 164, § 1](#); [2016 \(2nd S.S.\), ch. 1, § 2](#); [2017, ch. 1, § 5](#); [2021, ch. 125, § 1](#).

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Chair

Senator Pete Campos
Senator Roberto "Bobby" J. Gonzales
Senator Siah Correa Hemphill
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State of New Mexico
**LEGISLATIVE FINANCE
COMMITTEE**

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Charles Sallee
Director

June 28, 2024

Wayne Propst, Secretary
Department of Finance and Administration
407 Galisteo Street
Santa Fe, NM 87501

Maj. Gen. Miguel Aguilar, Secretary
Department of Homeland Security and
Emergency Management
P.O. Box 27111
Santa Fe, NM 87502

Dear Secretary Propst and Major General Aguilar:

Pursuant to Section 6-3-25(B) NMSA 1978, the Legislative Finance Committee (LFC) objects to budget adjustment request (BAR) 240568 from the Department of Homeland Security and Emergency Management (DHSEM). This BAR proposes a \$ 12.2 million increase in the agency's budget in the other category of the State Fire Marshal's Office Program, funded by other state funds, to accommodate higher-than-projected revenues to the fire protection fund (FPF). It's worth noting that the 'blue' copy of BAR 240568 was reportedly submitted to LFC on June 21, 2024, but proper notification through the BAR system was not received.

Legislation passed during the 2021 legislative session (Senate Bill 256) directs projected balances in the FPF above those needed to make statutory distributions to local fire departments flow to the fire protection grant fund (FPGF); however, balances in the FPF in excess of what is projected are intended to transfer to the general fund. BAR 240568 explicitly states its purpose is to "move the collected fire tax revenue to a non-reverting fund." Included in the documentation for BAR 240568, DHSEM submitted a new FPF revenue projection showing an additional \$18 million in revenue. Revised revenue projections at the end of the fiscal year are not contemplated in statute as the necessary statutory distribution was already satisfied to local fire departments.

This BAR mirrors the FY22 BAR 220375, which the LFC objected to for contradicting legislative intent by moving \$30 million in a similar manner, and the FY23 BAR 230763, which moved \$10 million for the same purpose. Each of these BARs has been submitted to LFC within ten days of the end of the state fiscal year, consistently leaving LFC minimal time to review and object to them and leaving no opportunity for the committee to hold a hearing before the execution of the BAR. This includes the current BAR, which, since FY22, will have seen DHSEM move over \$52.2 million in residual balances out of the FPF.

LFC objects to BAR 240568 as it contradicts legislative intent and marks the third submission for the same purpose in three fiscal years, despite the previous LFC objection. The introduced version of Senate Bill 256 during the 2021 legislative session directed all residual balances (projected or otherwise) to flow to the FPGF. However, the Senate Tax, Business, and Transportation

Committee specifically amended Senate Bill 256 to direct residual balances in the FPF in excess of those projected to the general fund rather than the FGPF. This amendment demonstrates the Legislature's intent to direct unexpected excess revenue to the general fund rather than the FPGF. A revised year-end revenue projection subverts this intent.

The unexpected revenue increase represents such a substantial change to the available FPGF money as to warrant legislative review. In FY24, \$33.8 million was awarded from the FPGF to local fire departments (see attached). An additional \$18 million in revenue represents an increase of over 53 percent compared with the most recent award cycle. Such an increase should be made after careful consideration by the Legislature, not as a BAR.

The original BAR request did not provide documentation of the awards in FY23 and FY24; however, the State Fire Marshall sent previous documentation to LFC. These documents show grants from the FPGF often reach \$300 thousand or \$400 thousand, with FY24 awards averaging \$216.9 thousand. Additional documentation of the outstanding need for and benefits of these awards should be made available to the Legislature to consider when determining whether these additional funds should be appropriated for this purpose.

Section 6-3-25(B) NMSA 1978 provides that a budget adjustment request may go into effect on the last day of the fiscal year if the fiscal year ends prior to the date scheduled for a hearing. This BAR will be heard before LFC at the committee's regularly scheduled meeting, which will be held from July 15 through July 17 in Socorro after the end of FY24. Although the agency's budget may be adjusted before the scheduled hearing, allowing DHSEM to move these funds to a nonreverting fund, a hearing before LFC is appropriate to address the continuing attempts by DHSEM to reallocate funding contradictory to legislative intent.

Sincerely,



Charles Sallee, Director

CC: All Members, Legislative Finance Committee LFC
Andrew Miner, Director, State Budget Division, DFA

Attachments:

1. BAR 240568
2. FY24 Fire Protection Grant Awards
3. Copy of June 29, 2022, BAR Objection to DHSEM BAR 220725



Michelle Lujan Grisham
Governor

Ali Rye
Deputy Cabinet Secretary

Major General Miguel Aguilar
Interim Cabinet Secretary

Randy Varela
State Fire Marshal

**DEPARTMENT OF HOMELAND SECURITY
AND EMERGENCY MANAGEMENT**

I. BAR IDENTIFICATION

BAR Type: **Budget Increase**

SHARE Budget Journal I.D. Numbers: **Appropriation: 24BAR79515**
Revenue: 243BAR79516

Fund/Agency/Dept code: **56910 / 79500 / P759**

Initiating Organization: **DHSEM SFMO**

II. AGENCY CONTACT

Name: **Lisa Castro**

Title: **Budget Analyst**

Phone number: **(505) 487-6565**

III. LEGAL AUTHORITY

Identify the specific legal authority governing this BAR, such as the General Appropriation Act, special bill, or state statute. If the statutory authority for the increase comes from a source other than General Appropriation Act, please attach a copy of the relevant statute.

Laws of 2022, 1st Session, Chapter 54 Section 3(I)

IV. BAR JUSTIFICATION

A. Purpose:

- **What action is being taken? Move budget from fund 57810(Fire Protection Fund) to fund 56910(Fire Protection Grant Fund)**

Legislative Authority	Amount
NMSA 1978, Sec. 59A-53-5.2	\$12,218,201

- Why is this action necessary?
- This moves the collected fire tax revenue to a fund that is non-reverting. This will enable the funds to be used for the intended purpose to provide as much funding as possible to support firefighting efforts to communities in the State of New Mexico
- How will the action being taken improve program performance? This expands grant opportunities to eligible fire departments within New Mexico to enhance firefighting capabilities to their communities.

Does this BAR support an increase in term FTE? If yes, how many and how will these FTE and the programmatic activities they are undertaking be funded in the long term?

No this BAR does not have any FTE impact.

B. Is the action being taken in conflict with any limitation or does it support any requirement within the General Appropriation Act?

No

C. What other sources of funds within existing appropriations could be used to cover this request?

There are no other sources of funds within existing appropriations that can be used to cover this request.

D. What are the programmatic effects of not implementing this BAR?

The programmatic effects of not implementing this BAR would result in the reduction of available fire grant funds at a time when communities are more vulnerable to fires.

This also may have an impact on Insurance rates for the communities.

V. BAR DETAIL

A. Funding Impacts

1. Is this increase related to a one-time project?

No.

2. If not, how will the increase to this year's budget be funded in future years?

The Department will analyze excess fire protection revenue on an annual basis and take steps to

3. ensure that those excess funds stay with the State Fire Marshal Office and are used to support firefighting.

- efforts to NM communities
- B. If the source of funds is federal:
1. Does this increase reflect a new grant or a continuation of a prior grant?
This is a continuation of a prior grant.
 2. Does the grant require state matching funds and have those funds been already budgeted for this fiscal year? No matching funds required.
 3. Complete the Federal BAR Worksheet (see SBD website for the template) and attach it to the BAR narrative. BARs will not be processed without this form. This is not a federal BAR.
- C. If the source of funds is other state funds or internal service funds/interagency transfers:
1. Is this BAR subject to the five percent limitation?
No
 - a. If not, cite the specific statutory authority or appropriation language that exempts this increase from the five percent limit.

NMSA 1978, Sec. 59A-53-5.2 & 59A-53-18
 - b. If yes, the spreadsheet for calculating the five percent limit and cumulative increase must be attached.
 2. Does this increase reflect a new program effort or a continuation of an existing effort?
This is a Continuation of the annual Fire Protection Grant.
 3. Is this increase related to a one-time project? If not, how will the increase to this year's budget be funded in future years?
The increase to this year's budget is dependent on the available funds from the FPF fund.
This varies from year to year and is dependent on the revenues collected from TRD.
 4. Are there matching requirements and have funds already been budgeted for this fiscal year?
There are no matching requirements.
 5. Is the revenue being budgeted a projected amount or has it already been received? This is being projected from fire fund tax revenue.
 6. Please complete the following reconciliation:

Total estimated revenue for current fiscal year
\$122,765,000

Amount already budgeted in the current fiscal year
No the amount has not been budgeted in the current fiscal year
Balance
NA

If the source of funds is fund balance, provide a fund balance reconciliation form.
See attached reconciliation.

Note that if the original source of transferred funds being brought in to increase the budget is federal, the appropriate revenue code is 499505.

VI. REQUIRED ATTACHMENTS:

- A. If the source of funds is federal, include a copy of the notice of grant award or other evidence of federal participation.
- B. If the source of funds is another state agency, include a copy of the Joint Powers Agreement, Memorandum of Understanding or grant award and the approved account transfer order.
- C. If the source of funds is fund balance, include a reconciliation and verification of available, unbudgeted/unobligated fund balances. (i.e. June 30, Trial Balance, Fund Balance Reconciliation Form.)
- D. If the source of funds is other state funds, provide evidence (i.e., deposit slips, transfer orders, etc.) that the additional revenue has been earned, or include a projection of anticipated earned revenue for the fiscal year.

DHSEM-SFMO Division: Fire Protection Fund

FY2024 Fire Protection Fund Budget

Anticipated Revenue from OSI & TRD (per NM State § 59A-53.2)	<u>110,251,900.00</u>
Less: FPF Distributions to Fire Districts (per NM Stat § 59A-53.4)	72,990,233.00
Less: FPF Distribution to NMFA on behalf of Fire Districts (per NM Stat § 59A-53.4)	5,528,367.00
Less: PERA Distribution (per NM Stat § 59A-53-5.1 A. (1))	<u>750,000.00</u>
Less: FY2022 Operating Budget to include Compensation Package	6,524,400.00
Less: F3218 HSEM Burn Building Construction (2021)	-
Less: Capital Request for thermal lining	-
Less: 5% BARS for Fire Academy, Survivor Fund, SCBA's	-
Plus: BAR for Fire Protection Grant Fund	-
Less: FY2023 Expended	<u>24,440,900.00</u>
Subtotal Amt. Left Before FPGF Distribution	<u><u>18,000.00</u></u>

FY'24 GRANT AWARDS

Department	County	Project Funded	Stipend Award	Grant Award Amount
Los Ranchos De Albuquerque Station 30	Bernalillo	PPE (Structural Gear)		\$125,790.00
Village of Tijeras	Bernalillo	Apparatus (Service Truck)		\$300,000.00
Bernalillo County Admin	Bernalillo	Communication (Mobile & Portable Radios)		\$131,457.05
Horse Mountain	Catron	Facility Improvement (Phase 2 of construction)		\$400,000.00
Quemado Lake	Catron	Apparatus (4x4 Pumper)		\$300,000.00
Coyote Creek	Catron	Apparatus (Pumper/Tender)		\$300,000.00
Pie Town	Catron	SCBA (Bottle, Face Piece, Harness & Regulator)		\$285,106.14
Cubero	Cibola	Apparatus (Wildland)		\$240,000.00
El Morro Valley	Cibola	Apparatus (Wildland)		\$260,000.00
Village of Milan	Cibola	SCBA (Bottle, Face Piece, Harness & Regulator)		\$72,700.00
City of Grants	Cibola	Facility Improvement (New Bay Addition)	\$23,400.00	\$400,000.00
Cibola County Admin	Cibola	Communication		\$70,139.24
Village of Angel Fire	Colfax	Facility Improvement (New Station Construction)		\$400,000.00
Village of Cimarron	Colfax	Stipend	\$14,533.00	\$0.00
Miami	Colfax	Fire Suppression Water Supply (40,000 Gallon underground tank, Pump & Hydrant)		\$300,000.00
Farley	Colfax	Fire Suppression Water Supply (40,000 Gallon tank with 250 GPM pump & Hydrant)		\$300,000.00
Vermejo Park Ranch	Colfax	Apparatus (Type 3 Wildland)		\$300,000.00
Town of Springer	Colfax	Stipend	\$22,049.42	\$0.00
Philmont	Colfax	Communication (Mobile Radios, Portable Radios, Base Station, & Repeater)		\$84,472.96
Field	Curry	Facility Improvement (New Bay Addition)		\$400,000.00
Ranchvale	Curry	Facility Improvement (New Bay Addition)		\$398,681.05
Pleasant Hill	Curry	Facility Improvement (New Bay Addition)		\$250,000.00
City of Clovis	Curry	SCBA (Compressor/SCBA fill station)		\$157,786.25
Curry County Admin	Curry	Communication (Tower)	\$3,970.00	\$300,000.00
Village of Grady	Curry	Apparatus (Command/ Brush truck)		\$300,000.00
County Line Fire District	Curry	Apparatus (Wildland)		\$280,000.00
Village of Fort Sumner	De Baca	Facility Improvement (Phase 2 of remodel)	\$15,000.00	\$25,686.33
Town of Mesilla	Dona Ana	Communication (Portable Radios, Mobile Radios, Repeater, & Base Station)	\$25,000.00	\$150,000.00
Village of Hatch	Dona Ana	Communication (Portable Radios, Mobile Radios & Base Station)		\$150,000.00
DA County Admin	Dona Ana	Facility Improvement (Training Grounds Improvement)	\$25,000.00	\$400,000.00
City of Las Cruces	Dona Ana	Facility Improvement (New Station Construction)		\$400,000.00
DA South District	Dona Ana	SCBA (Compressor System)		\$300,000.00
DA North District	Dona Ana	SCBA (Compressor System)		\$300,000.00
City of Sunland Park	Dona Ana	SCBA (Face Piece, Bottles, Harness & Regulator)		\$300,000.00

DA Santa Teresa	Dona Ana	PPE (Extractor)		\$141,253.60
DA NMSU	Dona Ana	SCBA (Compressor System)		\$77,933.15
City of Carlsbad	Eddy	SCBA (Bottles, Harness & Regulator)		\$299,483.63
City of Artesia	Eddy	Facility Improvement (Station Remodel)		\$400,000.00
Eddy Co. Admin	Eddy	Facility Improvement (Station Remodel)		\$400,000.00
Grant County Admin	Grant	Stipend	\$25,000.00	\$0.00
City of Silver City	Grant	PPE (Structural Gear)		\$95,267.47
Tyrone	Grant	Facility Improvement (Station Grounds Paving)		\$55,068.81
Pinos Altos	Grant	Apparatus (Class A Pumper)		\$300,000.00
Fort Bayard	Grant	Communication (Mobile Radios, Portable Radios, & Base Station)		\$150,000.00
Anton Chico	Guadalupe	Apparatus (Tender)		\$300,000.00
Rosebud Fire & Rescue	Harding	SCBA (Harness, Regulator, Bottles, & Face Pieces)		\$99,375.00
Animas	Hidalgo	Facility Improvement (New Bay Addition)		\$400,000.00
Cotton City	Hidalgo	Apparatus (Class A Pumper)		\$300,000.00
City of Lordsburg	Hidalgo	Apparatus (Class A Pumper)	\$13,307.00	\$300,000.00
Hidalgo County #1	Hidalgo	SCBA (Face Piece, Bottles, Harness & Regulator)		\$144,285.00
Hidalgo Co. Admin	Hidalgo	Facility Improvement (Training Room Addition)	\$25,000.00	\$400,000.00
City of Hobbs	Lea	Training (Burn Building/Tower)		\$400,000.00
Lincoln County Admin.	Lincoln	Stipend	\$25,000.00	\$0.00
White Oaks	Lincoln	Facility Improvement (Building Addition for office & Meeting/training room)		\$225,000.00
Glencoe-Palo Verde	Lincoln	Fire Suppression Water Supply (44,000 gallon system with pump & hydrant)		\$300,000.00
Arabela	Lincoln	Apparatus (Tender)		\$300,000.00
Hondo Valley	Lincoln	Fire Suppression Water Supply (44,000 gallon system with pump & hydrant)		\$300,000.00
City of Ruidoso Downs	Lincoln	Apparatus (Wildland Type 5)		\$293,526.00
Lincoln	Lincoln	Apparatus (Service Truck)		\$300,000.00
Village of Columbus	Luna	Stipend	\$25,000.00	\$0.00
Cooke's Peak	Luna	Rescue (Extrication)	\$25,000.00	\$100,000.00
City of Deming	Luna	Communication (Communication System Upgrade)		\$137,696.09
Battalion 40	McKinley	Rescue (Extrication)		\$150,000.00
Battalion 30	McKinley	PPE (Structural Gear)		\$132,930.00
McKinley County Admin	McKinley	Facility Improvement (Training Tower/ Burn Building)		\$393,969.25
City of Gallup	McKinley	Apparatus (Aerial)		\$300,000.00
Mora County Admin.	Mora	Stipend	\$25,000.00	\$0.00
Rainsville	Mora	Fire Suppression Water Supply (40,000 Gallon Water Storage System)		\$300,000.00
Golondrinas	Mora	Apparatus (Class A Pumper)		\$300,000.00
Sierra Bonita	Mora	Apparatus (Class A Pumper)		\$300,000.00
Ledoux	Mora	Apparatus (Tender)		\$300,000.00
La Luz	Otero	Communication (Mobile Radios)		\$69,372.08
Sixteen Springs Canyon	Otero	Fire Suppression Water Supply (208,000 Gallon water tank 750 GPM pump & Hydrant)		\$300,000.00
James Canyon	Otero	Others; Fire Suppression Water Supply; Facility Improvement (Water supply construction)		\$290,000.00
Oro Vista	Otero	Apparatus (Tender)		\$300,000.00
Alamo West	Otero	Others; PPE; General Fire Fighting Equipment (Structural & Wildland Gear)		\$66,500.00

City of Alamogordo	Otero	Apparatus (Aerial)		\$300,000.00
High Rolls	Otero	Facility Improvement (Station Remodel)		\$400,000.00
Village of Cloudcroft	Otero	Apparatus (Class A Pumper)	\$780.00	\$300,000.00
Burro Flats	Otero	SCBA (Compressor System)		\$40,835.00
Dungan	Otero	Facility Improvement (New Station Construction)		\$400,000.00
Town of Tularosa	Otero	SCBA (Harness, Regulator, Bottles, & Face Pieces)		\$290,280.00
Conservancy #3	Quay	SCBA (Harness, Regulator, Bottles, & Face Pieces)		\$78,640.00
Porter	Quay	PPE (Structural & Wildland Gear)		\$94,000.00
Conservancy #2	Quay	Rescue (Extrication)		\$110,314.10
Jordan	Quay	SCBA (Harness, Regulator, Bottles, & Face Pieces)		\$117,910.00
Forrest	Quay	Rescue (Extrication)		\$45,355.00
Village of Causey	Roosevelt	Stipend	\$25,000.00	\$0.00
Rio Arriba County Admin	Rio Arriba	Stipend	\$25,000.00	\$0.00
Truchas	Rio Arriba	PPE (Structural Gear)		\$71,670.00
Dulce	Rio Arriba	Apparatus (Wildland Type 5)		\$300,000.00
City of Espanola	Rio Arriba	Apparatus (Class A Pumper)		\$300,000.00
Abiquiu	Rio Arriba	Apparatus (Tender)		\$300,000.00
Dixon	Rio Arriba	Apparatus (Initial Attack)		\$300,000.00
Lindrith	Rio Arriba	Facility Improvement (Station Grounds Paving)		\$28,000.00
Brazos Canyon	Rio Arriba	Facility Improvement (Extend Roof awnings)		\$200,000.00
Agua Sana	Rio Arriba	Apparatus (Wildland Type 5)		\$284,398.00
Chamita	Rio Arriba	Apparatus (Chassis replacement Brush Truck)		\$155,000.00
San Juan County Admin.	San Juan	Stipend	\$25,000.00	\$0.00
City of Farmington	San Juan	Apparatus (Special Response Unit)		\$300,000.00
Hart Valley District #8	San Juan	SCBA (Harness, Regulator, Bottles, & Face Pieces)		\$233,080.00
Sheridan	San Miguel	Communication (Portable Radios, Mobile Computers)		\$150,000.00
City of Las Vegas	San Miguel	Communication (Handheld Radios, Mobile Radios, & Toughbooks)		\$150,000.00
Village of Pecos	San Miguel	Apparatus (Initial Attack)	\$25,000.00	\$300,000.00
Village of Corrales	Sandoval	Others (Fire Suppression Water System upgrade)		\$300,000.00
Torreón	Sandoval	Apparatus (Service Truck)		\$300,000.00
Town of Bernalillo	Sandoval	General Fire Fighting Equipment (Ladders, Hose, & Rescue Equipment)		\$70,446.00
Village of Cuba	Sandoval	Training (Burn Building/Tower)	\$15,333.00	\$263,445.00
Sandoval Co. Admin	Sandoval	Facility Improvement (Phase 2 of Training Facility Build-out)	\$25,000.00	\$400,000.00
Zia Pueblo	Sandoval	Facility Improvement (Station Addition)		\$400,000.00
La Cueva	Sandoval	Facility Improvement (Station Remodel)		\$301,907.66
City of Rio Rancho	Sandoval	PPE (Ballistic Vest)		\$144,150.00
South Fire Dist.	Sandoval	Apparatus (Service Truck)		\$300,000.00
Regina	Sandoval	SCBA (Compressor System)		\$122,938.40
La Madera	Sandoval	Facility Improvement (Station Remodel)		\$400,000.00
Ponderosa	Sandoval	Apparatus (Mini-Pumper)		\$300,000.00
La Cienega	Santa Fe	Apparatus (Class A Pumper)		\$300,000.00
Galisteo	Santa Fe	Communication (Portable Radios, Base Station, & Mobile Radios)		\$91,302.23
Chimayo	Santa Fe	Communication (Portable Radios, Mobile Radios, & Base Station)		\$145,724.98

El Dorado	Santa Fe	Communication (Mobile Radios, & Portable Radios)		\$149,182.18
Turquoise Trail	Santa Fe	Communication (Portable Radios, Mobile Radios, & Base Station)		\$123,060.31
Hondo	Santa Fe	Communication (Mobile Radios, & Portable Radios)		\$150,000.00
Pojoaque	Santa Fe	Communication (Mobile Radios, Portable Radios, & Base Station)		\$145,724.98
La Puebla	Santa Fe	Communication (Portable Radios, Mobile Radios, & Base Station)		\$128,181.71
Santa Fe Co. Admin.	Santa Fe	Communication (Portable Radios)	\$25,000.00	\$147,003.10
City of Santa Fe	Santa Fe	PPE (Structural Gear)		\$250,000.00
Stanley	Santa Fe	Communication (Portable Radios, Mobile Radios, & Base Stations)		\$126,517.48
Agua Fria	Santa Fe	Apparatus (Class A Pumper)		\$300,000.00
Madrid	Santa Fe	Communication (Portable Radios, Mobile Radios, Base Station)		\$91,302.23
Tesuque	Santa Fe	Communication (Portable Radios, Mobile Radios, & Base Station)		\$147,517.92
Glorieta Pass	Santa Fe	Communication (Portable Radios, Mobile Radios, & Base Station)		\$79,440.29
Monticello	Sierra	Apparatus (Wildland Type 6)		\$236,990.00
Hillsboro	Sierra	Communication (Portable Radios)		\$70,000.00
Socorro Co. Admin.	Socorro	Facility Improvement (New Fire Admin.)	\$25,000.00	\$400,000.00
Wheeler Peak	Taos	Facility Improvement (New Station Construction)		\$400,000.00
Village of Questa	Taos	SCBA (Harness, Regulator, Bottles, & Face Pieces)	\$25,000.00	\$213,880.00
Costilla	Taos	Facility Improvement (New Station Construction)		\$400,000.00
Latir	Taos	Apparatus (Wildland Type 3)		\$300,000.00
Village of Taos Ski Valley	Taos	Stipend	\$25,000.00	\$0.00
Taos Co. Admin.	Taos	SCBA (Bottles, harness & Regulators)	\$24,700.00	\$300,000.00
City of Moriarty	Torrance	Communication (Communication System Upgrade)	\$25,000.00	\$149,125.85
Northeast Torrance District #5	Torrance	Communication (Portable Radios)		\$56,930.63
Torrance Co. Admin	Torrance	Rescue (Extrication)		\$80,900.00
Indian Hills District #2	Torrance	SCBA (Fill Station)		\$107,613.94
Torreon-Tajique District #4	Torrance	SCBA (Fill Station)		\$107,613.94
McIntosh District #3	Torrance	Rescue (Extrication)		\$40,550.00
Duran District #1	Torrance	SCBA (Fill Station)		\$93,232.29
Willard	Torrance	SCBA (Fill Station)		\$93,232.29
Town of Estancia	Torrance	Facility Improvement (Station Remodel)	\$25,000.00	\$400,000.00
Los Chavez	Valencia	Facility Improvement (Station Remodel)		\$195,000.00
City of Los Lunas	Valencia	SCBA (Bottles, Harness & Regulators)		\$300,000.00
Valencia Co. Admin.	Valencia	Apparatus (Wildland Tender)		\$300,000.00
City of Rio Grande Estates	Valencia	Communication (Portable Radios, Mobile Radios)		\$186,442.97
City of Belen	Valencia	Rescue (Extrication)		\$123,610.00
Town of Peralta	Valencia	Facility Improvement (Station Addition)	\$25,000.00	\$400,000.00
Valencia Del Norte	Valencia	Communication (Portable Radios)		\$150,000.00
Total Awarded			\$633,072.42	\$33,835,927.58

Representative Patricia A. Lundstrom
Chairwoman

State of New Mexico
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David Abbey
Director



June 29, 2022

MEMORANDUM

TO: Debbie Romero, Secretary, Department of Finance and Administration
David Dye, Secretary Designate, Department of Homeland Security and
Emergency Management

CC: All Members, Legislative Finance Committee

FROM: David Abbey, Director, LFC *DA*

SUBJECT: Objection to DHSEM BAR 220725

Pursuant to Section 6-3-25(B) NMSA 1978, the Legislative Finance Committee (LFC) objects to budget adjustment request (BAR) 220375 from the Department of Homeland Security and Emergency Management (DHSEM). This BAR would increase the agency’s budget in the other category of the State Fire Marshal’s Office Program by \$30 million in other state funds to account for higher-than-projected revenues to the fire protection fund (FPF). The “blue” copy of BAR 220375 was submitted to LFC on June 22, 2022 at 1:12pm.

Legislation passed during the 2021 legislative session (Senate Bill 256) directs projected balances in the FPF above those needed to make statutory distributions to local fire departments flow to the fire protection grant fund (FPGF); however, balances in the FPF in excess of what is projected revert to the general fund. BAR 220375 explicitly states its purpose is “to avoid general fund reversion from the fire protection fund in favor of increasing the non-reverting for FY23 distribution.” Along with the documentation for BAR 220725, DHSEM submitted a new FPF revenue projection showing the addition \$30 million in revenue.

LFC objects to BAR 220725 because it contradicts legislative intent. The introduced version of Senate Bill 256 during the 2021 legislative session directed all residual balances (projected or otherwise) to flow to the FPGF. However, the Senate Tax, Business and Transportation Committee specifically amended Senate Bill 256 to direct residual balances in the FPF in excess of those projected to the general fund, rather than the FGPF. This amendment demonstrates the Legislature’s intent to direct unexpected excess revenue to the general fund, rather than the FPGF. A year-end revised revenue projection subverts this intent.

The size of the unexpected revenue increase represents such a substantial change to the available FPGF money as to warrant legislative review. In FY22, \$20.1 million was awarded from the FPGF

to local fire departments (see attached). An additional \$30 million in revenue represents an increase of almost 150 percent compared with the most recent award cycle. Such an increase should be made after careful consideration by the Legislature, not as a BAR.

The original BAR request did not provide documentation of the need for additional funding, but the Department of Finance and Administration and DHSEM provided some documentation upon request. These documents show grants from the FPGF often reach \$300 thousand or \$400 thousand, with FY22 awards averaging \$236.9 thousand. Additional documentation of the outstanding need for and benefits of these awards should be made available to the Legislature to consider when determining whether these additional funds should be appropriated for this purpose.

This BAR will be heard before LFC's Emergency Response Subcommittee on July 19.