



FISCAL YEAR 2021 APPROPRIATION REQUEST OVERVIEW Legislative Finance Committee

November 21, 2019

NEW MEXICO PUBLIC REGULATION COMMISSION

Chair Theresa Becenti-Aguilar | Vice-Chair Valerie Espinoza |

Commissioner Jefferson L. Byrd | Commissioner Stephen Fischmann | Commissioner Cynthia B. Hall



Mission, Vision, & What We Do!

- ❖ The New Mexico Public Regulation Commission (PRC) regulates utilities, telecommunications, and motor carrier industries to ensure fair and reasonable rates, and to assure reasonable and adequate services to the public as provided by law.
- ❖ The PRC aspires to leading New Mexico through ethical and balanced regulation, protecting critical infrastructure, and ensuring that essential services are safe, reliable, and affordable. The agency strives to advance the public interest by promoting economic development and environmental responsibility while strengthening public accessibility and education.
- ❖ The PRC promotes public safety through the offices of the State Fire Marshal, the Firefighter Training Academy, Pipeline Safety Bureau and Transportation Division.



FY19 Revenue

		Purpose
Firefighter Training Use Fee Fund	\$86,395	Fees paid by firefighters for the use of the firefighters training academy.
Fire Safer Cigarette Fund	\$201,000	Revenue and other fess paid under 57-2B-4 NMSA 1978 and money recovered as penalties under 57-2B-6 NMSA 1978.
SFMO Inspections	\$9,697	Reimbursement for new public schools inspections.
Pipeline Safety Fund	\$1,234,705	Fees collected pursuant to Subsection D of 70-3-21 NMSA 1978.
Transportation Network Company Fund	\$21,847	Fees collected pursuant to the Transportation Network Company Services Act.
PRC Reproduction Fund	\$14,260	Revenue and related expenses of providing copying services to the public and other state agencies.
WIPP Funds	\$190,319	Reimbursement from Energy, Minerals, and Natural Resources.
Federal Funds	\$305,862	Reimbursement from Federal Government.
General Fund	\$7,460,700	State General Fund.
Fire Protection Fund	\$94,645,246	The fund distributes the monies collected for the operations of the State Fire Marshals Office and for operations, maintenance, and betterment of local fire districts . Section 59A-53-5-2 NMSA 1978.
Fire Protection Grant Fund	\$10,103,871	Money in the fund is appropriated to the Fire Protection Grant Council for the purpose of marking distributions approved by the Council for the critical needs of municipal and county fire districts.
Pipeline Fees Fund	\$253,221	Collection and payments to the General Fund of monies received from penalties assessed by Pipeline Safety Bureau.
PRC Utility Fees Fund	\$14,693,497	Collection and payments to the General Fund of monies received as assessments on utility companies per the Utility Act.
Motor Transportation Receipts Fund	\$5,890,268	Collection and payments to the State Road Fund of monies received from both interstate and intrastate motor carries. Collections are from permits, filing fees, and leases.
FY19 TOTAL REVENUE	\$135,110,888	



FY19 Pass-Through Funds, OPBUD, Revenues and Expenditures

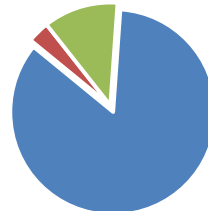
- PRC Utility Fees and Pipeline Fee Funds revenues are collected and are transferred to DFA monthly.
- Motor Transportation Fund revenues are transferred to the DOT monthly.

FY19 Revenue - Transfer of Funds		Transferred To
Pipeline Fees	\$253,221	DFA
PRC Utility Fees	\$14,693,497	DFA
Motor Transportation Receipts	\$5,890,268	Department of Transportation
Total	\$20,836,986	

- Fire Protection Fund revenue was \$94,645,246;
 - \$56,642,600 for the annual Fire Protection Fund Distribution;
 - \$10,103,871 for the Fire Protection Grant Fund Distribution;
 - \$4,686,100 for PRC (operating budget – non pass-through).
- GF reversion amount for the PRC operating budget (non pass-through) including Fire Protection Fund was \$289,940 (2.07% of FY19 \$13,990,929 OPBUD)
- FY19 REVENUES COLLECTED = \$135,110,888
- FY19 OPERATING EXPENDITURES (excluding pass-through) = \$12,803,552.

- \$10,857,186
200 Personal Services and Employee Benefits
- \$441,910
300 Contractual
- \$1,504,456
400 Other

Expenditures





FY20 Staffing

11/20/2019 Program	Authorized FTE	# of Vacancies	Positions Filled	% Vacancy
P611 Policy & Regulation	79	16	63	20.25%
P612 Public Safety	55	9	46	16.36%
P613 Program Support	22	4	18	18.18%
Total Agency	156	32	124	18.59%

12/31/2019 Program	Authorized FTE	# of Vacancies	Positions Filled	% Vacancy
P611 Policy & Regulation	79	8	71	10.13%
P612 Public Safety	55	3	52	5.45%
P613 Program Support	22	4	18	18.18%
Total Agency	156	15	141	9.62%

Post Critical Hire Plan Program	Authorized FTE	# of Vacancies	Positions Filled	% Vacancy
P611 Policy & Regulation	79	4	75	5.06%
P612 Public Safety	55	2	53	3.64%
P613 Program Support	22	2	20	9.09%
Total	156	8	148	5.13%



FY21 Budget Request (Dollars in Thousands)

FY21 Request vs FY20 OpBud				
Program	FY20 OpBud	FY21 Request	Amt. Increase	% Increase
P611 - Policy & Regulation	7,953.4	10,087.2	2,133.8	26.8%
P612 - Public Safety (Excludes Pass-Through)	5,461.8	5,516.4	54.6	0.9%
P613 - Program Support	1,776.0	1,893.0	117.0	6.5%
Total	15,191.2	17,496.6	2,305.4	15.2%

Agency (Rollup) FY21 Request	
Program	Amount
P611 - Policy & Regulation	10,087.2
P612 - Public Safety Operating	5,516.4
P612 - Public Safety Pass Through	73,810.0
Total Public Safety	79,326.4
P613 - Program Support	1,893.0
Agency Total	91,306.6



FY21 Budget Request Breakdown by Source (Dollars in Thousands)

Agency (Rollup) FY21 Request				
Source	FY20 OpBud	FY21 Request	Amount Increase	% Increase
General Fund	8,032.0	10,589.2	2,557.2	31.8%
Other Transfers	77,346.9	79,932.4	2,585.5	3.3%
Federal	785.0	785.0	-	0.0%
Total	86,163.9	91,306.6	5,142.7	5.9%



FY21 Budget Request Increases Highlighted by Program

P611 – Policy & Regulation

- 200's - \$1,714,900 increase to fund Legislative employee increases and Additional 10 FTE's – 9 Utility Division/SB 489 and 1 Transportation Division/Hazmat Railroad Crossing Inspector.
- 300's = \$54,300 increase for anticipated rate case consultants.
- 400's = \$364,600 increase; DoIT and GSD assessments, travel, employee training and professional development, subscription and dues, reporting and recording, etc.

Workload growth has accelerated over recent years due to the number of issues and interveners in cases. The frequency and complexity of utility filings for cost recovery and approvals of targeted rate mechanisms that result in separate line item charges on customer bills have increased significantly along with the sheer volume of filed data and analysis supporting their requests that must be reviewed and analyzed. The number of consumers and in particular environmental advocacy groups intervening increases with each filing. Public utilities are in an era of frequent general rate cases. Moreover, the complexity of the issues and quantity of the material presented in the general rate cases are largely due to the use of future test periods authorized by a 2009 amendment to Section 62-6-14 of the Public Utility Act and the corresponding reliance on forecasted financial and technical information.

P612 – Public Safety

- 200's - \$227,700 increase to fund Legislative employee increases and Additional 5 FTE's requested SFM's Office
- 300's - \$5,300 increase for crime lab analysis, programming, etc.
- 400's - \$2,658,900 increase; Pass-through funds, DoIT and GSD assessments, travel, field supplies, uniforms, office supplies, etc.

Restructuring of Code Enforcement to improve effective management of staff; Code Compliance inspections and Plan Review volumes have increased; Promoting fire prevention and school safety throughout the state needed; Fire Protection Fund has become increasingly complex and additional support is needed to assist with managing the Fund.

P613 – Program Support

- 200's - \$89,600 increase to fund Legislative employee increases.
- 300's - No increase/decrease.
- 400's - \$27,400 increase; DoIT and GSD assessment rates, IT and office supplies, travel, etc.



FY20/21 Initiatives and Directives

- Established the Fire Service Advisory Council
 - Acts as Liaison between PRC and Fire Service

- Restructure Divisions
 - Allows for Growth and Development
 - Consolidates Roles and Responsibilities
 - Increases Technical Staff

- Build Employee Morale
 - Reinstated Recognition and Rewards Programs
 - Mandatory training geared towards setting improvements and
 - Respect Chain of Command and Respect in the Workplace
 - In-band pay increases for performance

- Change the PRC's Public Image
 - Increase Public Outreach
 - Improve Website
 - Improve Customer Service

- Self-sustaining Enterprise Fund or Partially offset cost increases*



P R C



THANK YOU