



New Mexico Environment Department

Mission and Values

Our mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations.

SCIENCE



Using the best available science to inform our decision-making in protecting public health and the environment.

INNOVATION



Employing creative engineering and technological solutions to address environmental problems.

COLLABORATION



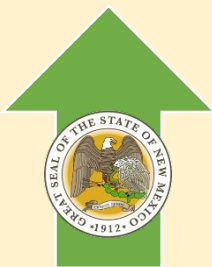
Engaging communities and interested stakeholders in environmental decision-making.

COMPLIANCE



Ensuring meaningful compliance with state regulations and permits.

NMED's FY24 Funding Level



From FY11 to FY24, New Mexico's recurring general fund appropriations increased **83.6% or \$4.3 billion.**



NMED's funding has not kept pace as a percent of the state budget, falling behind by about **\$3.1 million** as of FY24.

Learn more about our Agency's performance on our website:



Secretary Kenney's Message to State Legislators

With the support of the Governor and the Legislature, I am proud to lead the New Mexico Environment Department. I am honored to continue working with our legislators, on behalf of New Mexicans, to protect the environment and public health of our communities.

NMED has one of the most complex budgets in state government – over 125 restricted funds spanning five divisions, 16 bureaus, and four offices. Over 80% of NMED's funding sources are for non-discretionary duties related to core functions like permitting and compliance. These statutory obligations must be performed regardless of funding and staffing levels.

Despite small gains by the legislature to fund specific programs on a recurring or one-time basis with general fund, NMED continues to fall behind from unfunded compensation packages. Our duties have expanded without requisite funding to fairly compensate our employees who are asked to do more with less day after day. In short, NMED's workload is unsustainable.

For Fiscal Year 2025, I am laser focused on our employees and our office space. A \$9.1M base budget increase will direct \$6.2M to our employees to appropriately place their salaries commensurate with their education and experience within their profession. In addition, I am seeking \$2.9M to pay for office space. This budget request is essential to stem risks to the state from employee grievances, litigation, and adverse judgements. In addition, the funding will keep offices staffed and opened so we can meet the moment in aligning public and private investment with our climate, air, water, waste, and other goals while equally protecting all communities.

I look forward to working with you on our mission and budget and in service to your constituents.

Sincerely,

James C. Kenney
Cabinet Secretary
New Mexico Environment Department

General Fund Base Budget Request (Recurring Funding)

\$9.1 million base budget increase as follows:

- **\$6.2 million (200s category, all p-codes)**
 - To appropriately pay our employees commensurate with their education and experience. This will improve morale, stem the loss of specialized talent, and reduce risk to the state from grievances that could result in judgements/settlements.
- **\$2.9 million (400s category, leases)**
 - To pay for 27 leased spaces, including re-opening a Deming location that closed in FY24 due to a lack of funding. Currently, every dollar spent on office leases today is at the expense to the businesses, the public, or own staff.

Special Appropriations (Non-Recurring Funding)

\$3.6 million in special appropriations as follows:

- **\$1 million to continue to improve our business operations.**
 - In Fiscal Year 2024, we hired a contractor to invest in our team, modernize operations, and streamline processes. These efforts include assessing organizational effectiveness and operations through employee interviews and document reviews, developing workflow and operational recommendations, and finalizing operational governance frameworks, policies, procedures, and trainings.
- **\$1 million to continue to address emerging contaminants, including PFAS and illicit drugs.**
 - NMED is a national leader in efforts to address PFAS contamination, testing ground and surface water supplies in collaboration with the U.S. Geological Society and filing a lawsuit against the federal government for contamination at Cannon and Holloman Air Force Bases. We continue to test public drinking water sources across the state to determine if PFAS is impacting communities and freshwater resources. NMED is also leading wastewater testing efforts at public schools to identify levels of illicit drugs in our communities.
- **\$1 million to continue to our emphasis on compliance and enforcement.**
 - In FY23, NMED launched both the Environmental Crimes Task Force and Enforcement Watch, stepping up efforts to prevent contamination and resulting long-term clean-up of ground water and soils, ensure workplace safety to reduce occupational fatalities, and address violations of air quality standards.
 - To date in FY24, NMED has collected and transferred nearly \$3 million in fines and penalties to the general fund, nearly tripling the total from FY23 in one third of the fiscal year.
- **\$600,000 to continue to develop a surface water discharge permitting program.**
 - New Mexico is one of two states that does not issue such permits and relies on the federal government to do so. This will provide greater certainty to business and protections to New Mexico's surface and groundwaters.

General Fund Budget Increases: Fact vs. Fiction

- **Fact:**

NMED's general fund budget increased \$5.5 million from FY19 through FY24.

- **Fiction:**

NMED's budget increased by \$11.6 million from FY19 through FY24.

- **Here's why:**

Since 2019, the legislature cut NMED's budget increases by \$6.2 million through unfunded employee compensation packages.

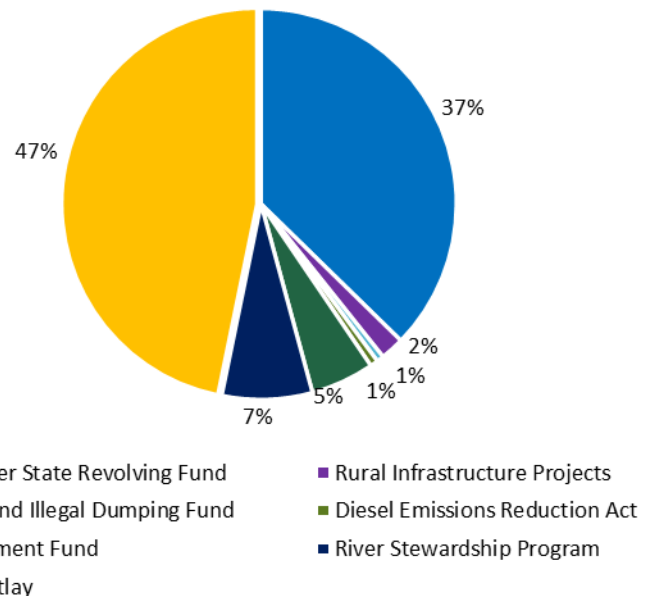
- **How did NMED make up \$6.2 million in unfunded employee raises?**

Reducing business and public services, eliminating positions, eliminating staff travel and training, closing offices, etc.

State Fiscal Year	Base General Fund	General Fund Increases (Cumulative)	State Employee Raises per Legislature	Cost of Employee Raises	Legislature Funded Portion of Employee Raises	Legislature Unfunded Portion of Employee Raises	Unfunded Portion of Employee Raises (Cumulative)	Net General Fund Increase (Cumulative)
2019	\$11,272,500	-\$100,000	2%	\$750,000	\$142,700	-\$607,300	-\$607,300	-\$707,300
2020	\$11,970,200	\$597,700	4%	\$1,581,800	\$310,800	-\$1,271,000	-\$1,878,300	-\$1,280,600
2021	\$14,071,300	\$2,698,800	1%	\$31,900	\$6,200	-\$25,700	-\$1,904,000	\$794,800
2022	\$15,396,200	\$4,023,700	1.5%	\$748,200	\$111,500	-\$636,700	-\$2,540,700	\$1,483,000
2023	\$18,572,400	\$7,199,900	7%	\$4,188,700	\$917,100	-\$3,271,600	-\$5,812,300	\$1,387,600
2024	\$23,009,200	\$11,636,700	6%	\$2,718,545	\$2,379,316	-\$339,229	-\$6,151,529	\$5,485,171

NMED Investments in Communities, FY23

NMED administers significant funds for community projects throughout the state. Most of that funding is related to water infrastructure projects and consists of loans, grants, and capital outlay. Of the \$138.7 million for communities, the diagram to the right shows the funds we administered in FY23:



Workload Snapshot

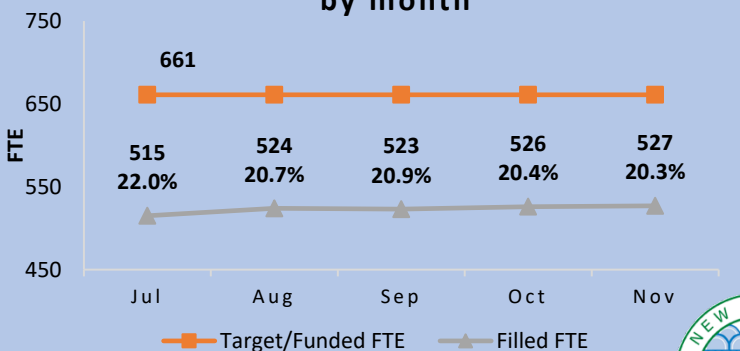
As of the start of FY24, it would take many of our regulatory programs years to issue permits, assure compliance, or carry out other duties New Mexicans expect NMED is performing routinely.

- ✓ OSHA Bureau – 6,804 regulated workplaces per inspector, it would take this team **29 years** to visit each of those.
- ✓ Ground Water Quality Bureau – 7 filled permitting and enforcement spend about 10% of their time on inspections; it would take more than **3 years** to visit all permittees.
- ✓ Air Quality Bureau – 22 filled permitting and enforcement staff spend about 10% of their time on compliance inspections; it would take **6.5 years** to inspect all permittees. This does not include the vast majority of smaller air-emitting sources, including the majority of oil and gas operations.

For our other, non-regulatory bureaus, the workload is also enormous.

- ✓ The Drinking Water Bureau has 724 utility operators per each of the three Utility Operator Certification FTEs despite a growing need to support existing operators with renewing their certifications and to certify more utility operators to ensure New Mexicans receive clean drinking water. Many operators carry more than one certification, placing additional workload on bureau staff.
- ✓ The Drinking Water Bureau recently created a second position focused on providing infrastructure funding support to the 1,055 public systems in New Mexico. Unfortunately, both positions are now vacant after a longtime employee advanced within NMED to a higher-paying position.
- ✓ Only four FTE are available to oversee protection of over one million acres of freshwater wetlands in New Mexico. This work is even more critical following the U.S. Supreme Court’s recent ruling that dramatically limits the authority to protect wetlands under the federal Clean Water Act.
- ✓ The OSHA Bureau’s Consultation Program has two staff to serve 68,041 employers, or 34,021 employers per person, which limits the program’s opportunity to help employers prevent fatalities, amputations, or injuries resulting from occupational hazards.
- ✓ The Surface Water Quality Bureau’s monitoring team oversees 6,698 miles of perennial (present year-round) streams, 190,225 miles of non-perennial streams, and 85,369 acres of publicly owned lakes, with only one filled position responsible for developing water quality standards and four filled positions collecting all water quality data.
- ✓ Each of the Construction Programs Bureau Technical Section’s four staff manages 140 water infrastructure projects per person.

NMED Filled FTE & Vacancy Rate, by month



NMED FY23 Reversions

- **Operating Budget General Fund:** \$93,620, or 0.5% of NMED recurring general fund
- **Special Appropriations:** \$586,988
- **Capital Outlay:** \$503,350

