

NMED Proposed Changes to House Appropriations and Finance Committee's (HAFC) Version of House Bill 2

HAFC House Bill 2 - Section 4 (Base Budget/General Fund Recurring Funding)

Of the \$6,091,400 needed for agency-wide appropriate placement, HAFC provided \$1,990,000. This leaves a gap of \$4,101,400. NMED requests the Senate Finance Committee take the following actions to make employees whole and litigation/judgements against the State of New Mexico:

1. Add \$1,496,200 to P567 200s.

HAFC cut \$1,010,000 from P567 term employee salaries, retirement, and benefits for Resource Management Division employees. Unless corrected, NMED may need to implement a reduction in force in FY25 that will impact the follow work units: the Office of General Counsel, the Office of Information Technology, the Office of Public Facilitation, the Office of Strategic Initiative, the Financial Services Bureau, and the Human Resources Bureau.

2. Add \$2,605,200 to P568, P569, P570 and P571 200s.

HAFC increased the term employee salary, retirement, and benefits for these four divisions by \$2,237,700.

	Executive	HAFC	How SFC can address it?	Final HB2
Appropriate Placement & Other PS&EB Costs	+6,091,400	+\$1,990,000	+4,101,400	+6,091,400
P567 – Resource Management	+\$1,248,500	-\$247,700	+\$1,496,200	+\$1,248,500
P568 – Water Protection	+\$1,587,200	+\$729,700	+\$857,500	+\$1,587,200
P569 – Resource Protection	+\$740,300	+\$350,200	+\$390,100	+\$740,300
P570 – Environmental Protection	+\$595,500	+\$297,800	+\$297,700	+\$595,500
P571 – Environmental Health	+\$1,919,900	+\$860,000	+\$1,059,900	+\$1,919,900

3. Add \$293,400 in P567 400s.

	Executive	HAFC	How SFC can address it	Final HB2
P567 Other costs (excluding leased space)	+\$0	-\$293,400	+\$293,400	+\$0

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HAFC House Bill 2 - Section 4 (Performance Measures)

- 1. NMED requests that SFC move the measure on page 113, line 4 through 6 (“Percent of employers inspected that did not meet occupational health and safety requirements for at least one standard”) to page 114 line 3.**

HAFC did not move one of NMED’s performance measures for the Occupational Health and Safety Bureau to the Environmental Health Program (P571).

HAFC House Bill 2 - Section 5 (Special Appropriations) / Section 10 (Fund Transfers)

- 1. NMED requests that SFC delete this special appropriation and authorize this funding as a transfer from the General Fund to the Water Quality Fund with the following language: “\$7 million dollars is transferred to the water quality management fund from the general fund for the development, implementation, and administration of state surface water and groundwater permitting programs.”**

Item	Executive	HAFC	How SFC can address it	Final HB2
Surface and ground water permitting program development		\$7,000,000		See language above.

HAFC House Bill 2 - Section 8 (Compensation Appropriations)

- 1. Section 8(A)(6): To sufficiently support the intent of a 2% raise for state employees in Section 8(A), NMED proposes that SFC increase the appropriation from \$540,000 to \$1,686,000.**

Section 8(A): Intends to provide a 2% raise to employees and funds it based on costs attributable to the general fund and federal funds. Limiting the amount to costs attributable to the general fund and federal funds does not cover the full cost of the raises. As communicated to LFC in December, a 1% raise for NMED employees is estimated to cost \$843,000, so funding for a 2% raise should be \$1,686,000.

Section 8(A)(3) & (5): HAFC excluded NMED from the appropriation to support the raises for classified and exempt state agency employees.

Section 8(A)(6): For NMED, HAFC included a separate \$540,000 appropriation to support the cost of the 2% raise attributable to the general fund and federal funds for all NMED

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employees. This funding is insufficient and creates an inequity among state employees. Further, this will result in legal claims against the state by NMED employees.

- 2. Section 8(B)(6): To sufficiently support the intent of a 2% raise for state employees in Section 8(B), NMED proposes that SFC increase the appropriation from \$540,000 to \$1,686,000.**

Section 8(B): Intends to provide additional raises to employees and funds it based on costs attributable to the general fund and federal funds. Limiting the amount to costs attributable to the general fund and federal funds does not cover the full cost of the raises. As communicated to LFC in December, a 1% raise for NMED employees is estimated to cost \$843,000, so funding for a 2% raise should be \$1,686,000.

Section 8(B)(3): HAFC excluded NMED from the appropriation to support the raises for classified employees.

Section 8(B)(6): For NMED, HAFC included a separate \$540,000 appropriation to support the cost of raises attributable to the general fund and federal funds for all NMED employees, presumably classified and exempt employees. This funding is insufficient and creates an inequity among state employees. Further, this will result in legal claims against the state by NMED employees.

- 3. Section 8(D): NMED proposes that SFC strike the first clause of this subsection, which states, "Except for employees supported with federal funds at the department of the environment,".**

To ensure sufficient funding for the intended raises for state employees in Section 8(A) & (B), SFC must amend Section 8(D) to allow DFA to transfer sufficient funding from appropriate special revenue funds to NMED to support the cost of the raises attributable to those special revenue funds. *Without that amendment, the funding in Section 8 for NMED would continue the past practice of underfunding the Department's true cost of implementing legislatively directed employee raises.*

HAFC House Bill 2 - Section 13 (Certain FY25 Budget Adjustments Authorized)

- 1. HAFC did not include any FY25 BAR authority for NMED. The Department proposes that SFC provide the BAR authority we have historically had to allow us to properly manage a complex budget that includes 125+ funding sources. Specifically, we propose adding the following language to Section 13:**

"the department of environment may request program transfers between programs up to million dollars (\$1,000,000) and may request budget increases from other state funds and

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internal service funds/interagency transfers up to the available balance from the corrective action fund, the water protection program of the department of environment may request budget increases up to three hundred fifty thousand dollars (\$350,000) from other state funds and internal service funds/interagency transfers for providing technical or community services, may request budget increases from other state funds and internal service funds/interagency transfers up to the available balance from the wastewater facility construction loan fund and may request budget increases from other state funds and internal service funds/interagency transfers up to the available balance from the rural infrastructure revolving loan fund and the resource protection program of the department of environment may request budget increases from other state funds and internal service funds/interagency transfers up to the available balance from the hazardous waste emergency fund for emergencies;"