



NEWS RELEASE

The Environment Department's mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations.

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NMED's FY26 budget eyes groundbreaking PFAS, water initiatives *General Fund ask remains flat; specials prioritize local communities*

SANTA FE — The New Mexico Environment Department (NMED) is urging lawmakers to approve a \$190.9 million operating budget and \$218.25 million in special appropriations for Fiscal Year 2026, an ask that includes key agency initiatives such as comprehensive PFAS mitigation and cleanup efforts, low-interest loans for rural water infrastructure projects, and the creation of the Department's new Compliance and Enforcement Division.

FY26's proposed operating budget will remain flat with respect to the state general fund at \$33.3 million. The remaining \$158 million is a combination of federal grants (\$74 million) and industry-paid permit fees (\$84 million). In addition, NMED will seek approval to update legislatively restricted funds and fees that cost New Mexico businesses more through duplicative spending on agency operations.

"Thanks to the legislature's support over the past five years, New Mexicans are safer where they live, work, and play. However, our work is far from complete," said **Environment Secretary James Kenney**. "Our budget proposal represents a moral commitment to take ambitious action to prevent cancers caused by toxic chemical exposures, reduce respiratory illnesses triggered by ozone pollution, and ensure safe drinking water and wastewater treatment threatened by climate change. We're also holding accountable those who pollute our state and leave their mess behind for taxpayers to clean up."

NMED is asking for approximately \$218 million in a one-time general fund appropriation to address key initiatives:

- **\$150 million** to conduct assessment and cleanup of over 300 abandoned contaminated sites with no responsible parties, like abandoned uranium mining sites and former dry-cleaning sites.

- **\$28 million** to PFAS efforts throughout the state, including implementing comprehensive PFAS legislation, litigation expenses to hold the U.S. Department of Defense accountable for toxic PFAS cleanup, and addressing private well water contamination in Curry County.
- **\$20 million** towards the Rural Infrastructure Fund, a crucial program providing low-interest loans to rural communities for water, wastewater and solid waste projects.
- **\$9 million** to support climate change programs and continued greenhouse gas reduction planning and implementation.
- **\$6 million** in startup funds for NMED's new Compliance and Enforcement Division to cover personnel, contracts, and other expenses. This appropriation includes a new emergency response operation as well.
- **\$2.75 million** for a water system regionalization pilot project and the development of utility operator training curriculum.
- **\$2.5 million** in funding to collect and analyze water samples for permitting and compliance in the wake of new federal drinking water requirements.

In addition to NMED's special appropriations, the department will also work with partner agencies to implement Gov. Michelle Lujan Grisham's 50-Year Water Action Plan. This includes securing **\$75 million** to establish the Strategic Water Supply, a groundbreaking water-saving initiative that allows for the safe reuse of brackish and produced water in limited industrial applications.

Not only will this project conserve the state's limited freshwater supply for New Mexicans, but it will also bolster the state's economic development efforts by attracting and growing green industries like wind, solar, and hydrogen.

Those interested in learning how NMED's budget works can watch our [explainer video](#).

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