

# New Mexico Environment Department



## Mission and Values

Our mission: To protect and restore the environment and 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.

## A Message to the New Mexico Legislature

Dear Legislators,

Since the start of Governor Michelle Lujan Grisham’s administration and with your support, the Environment Department’s recurring general fund increased from \$11.4M in FY2019 to \$33.3M in FY25. Since FY2019, the general fund represents about 17% of the Environment Department’s overall budget with federal funds and permit fees making up the difference.

Over the last calendar year, the Environment Department has fixed the long-standing compensation issue, reduced its budgeted vacancy rate to about 5%, re-opened the Deming Field Office, and provided \$165M to communities while we collected \$30.9M in civil penalties for the general fund. Our rate of return to taxpayers is 21.2% meaning we returned more to the general fund than we took from it.

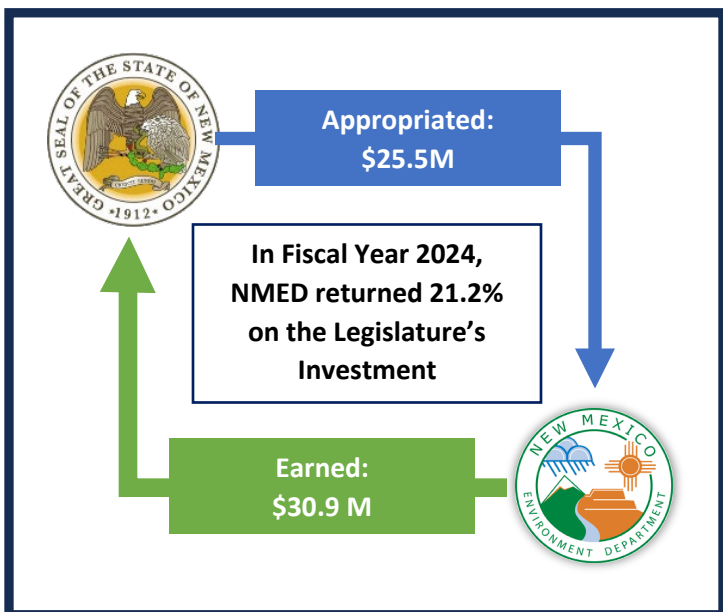
For FY2026, the Environment Department is not seeking an increase in recurring general fund, but we are seeking \$96.9M in special appropriations and carrying the \$75M executive request for the strategic water supply (combined \$171.9M).

The Legislative Finance Committee (LFC) proposed a second-year payroll cut to our budget – targeting budget, human resources, IT, and legal staff. In FY25, LFC cut our payroll by \$750,000 and in FY26 the proposal is to cut our payroll \$670,800 for a total of \$1.4M or about 10 positions. In addition, LFC is proposing to underfund the Executive’s special appropriations by \$63.5M for NMED and \$75M for the strategic water supply (combined \$138.5M).

I ask that you reject proposed LFC budget cuts so we can continue to support your businesses and residents. Together, we accomplished many positive outcomes for our communities. I look forward to your continued partnership in FY2026.

Sincerely,

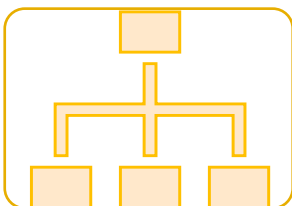
James C. Kenney



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



## Agency Structure



### RESOURCE MANAGEMENT DIVISION

Office of the Secretary, Office of Communications, Office of General Counsel, Office of Information Technology, Office of Public Facilitation, Office of Strategic Initiatives, and Administrative Services Division

**119 FTE | \$25.7 million | P567**



### Water Protection Division

Construction Programs Bureau, Drinking Water Bureau, Ground Water Quality Bureau, and Surface Water Quality Bureau

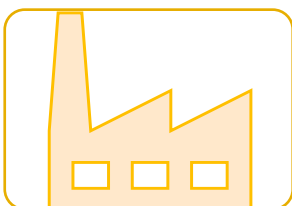
**212 FTE | \$76.2 million | P568**



### RESOURCE PROTECTION DIVISION

Department of Energy Oversight Bureau, Hazardous Waste Bureau, Petroleum Storage Tank Bureau, and Solid Waste Bureau

**112 FTE | \$31.1 million | P569**



### ENVIRONMENTAL PROTECTION DIVISION

Air Quality Bureau, Climate Change Bureau, and Radiation Control Bureau

**120 FTE | \$31.2 million | P570**



### ENVIRONMENTAL HEALTH DIVISION

Cannabis and Hemp Bureau, Environmental Health Bureau, and Occupational Health and Safety Bureau

**110 FTE | \$12.6 MILLION | P571**



### COMPLIANCE AND ENFORCEMENT DIVISION

Environmental Protection Bureau, Resource Protection Bureau, Water Protection Bureau, OSHA Bureau, Federal Facilities Bureau, and Emergency Operations and Response Bureau

**130 FTE | \$14.1 MILLION | P566**

## Agency Budget

**Table 1 - FY 2026 Budget**

	FY25 Op Bud	FY26 Executive Rec.	FY26 LFC Rec.	FY26 Exec vs. LFC
<b>General Fund</b>	\$33,275.0	\$33,275.0 <i>The Executive requested a flat budget.</i>	\$32,604.2 <i>LFC proposed a 2% personnel cut.</i>	<i>(\$670.8)</i>
<b>Federal Funds</b>	\$97,256.2	\$73,571.9	\$73,571.9	-
<b>Special Revenue Funds</b>	\$95,833.1	\$75,288.2	\$75,288.2	-
<b>Total Sources</b>	<b>\$226,364.3</b>	<b>\$182,135.1</b>	<b>\$181,464.3</b>	<b><i>(\$670.8)</i></b>

**Table 2 – FY 2026 Special Appropriations**

Request	Description	Exec Rec	LFC Rec	Difference
1. Neglected Contaminated Site Assessment and Remediation	Assessment and clean-up of 300+ contaminated sites, including abandoned uranium mining sites, across the state that do not have viable responsible parties to fund cleanup actions.	\$50,000,000	\$0	<i>(\$50,000,000)</i>
2. State-wide PFAS Efforts	Implementation of comprehensive PFAS legislation and litigation expenses related to the U.S. Dept. of Defense sites.	\$8,000,000	\$0	<i>(\$8,000,000)</i>
3. Rural Infrastructure Fund	The Rural Infrastructure Program provides low-interest loans to rural communities for water, wastewater and solid waste projects.	\$15,000,000	\$20,000,000	+\$5,000,000
4. Climate Change Action Programs	Support climate change programs until program fees begin in FY27 and FY28 and continue greenhouse gas reduction program planning and implementation.	\$3,000,000	\$0	<i>(\$3,000,000)</i>
5. Compliance & Enforcement Division Bridge	A one-time investment funding the Compliance & Enforcement Division to cover personnel, contract and other expenses, including a new emergency response operation.	\$6,000,000	\$3,000,000	<i>(\$3,000,000)</i>
6. Curry County PFAS Efforts	To address private well water contamination from PFAS chemicals in Curry County.	\$4,000,000	\$2,000,000	<i>(\$2,000,000)</i>
7. Water System Regionalization	Funding for water system regionalization pilot project and the development of utility operator training curriculum.	\$2,750,000	\$2,750,000	-
8. Laboratory Services	Funding to collect and analyze samples for permitting and compliance as well as to offset municipal drinking water system costs due to new federal requirements.	\$2,500,000	\$0	<i>(\$2,500,000)</i>
9. Federal Match Superfund Sites	New Mexico's mandatory contractual, financial obligations (match and in-kind match) as agreed to with EPA for federally funded clean-up of Superfund sites.	\$5,700,000	\$5,700,000	-
<b>Total:</b>		<b>\$96,950,000</b>	<b>\$33,450,000</b>	<b><i>(\$63,500,000)</i></b>
<b>Strategic Water Supply</b>		<b>\$75,000,000</b>	<b>0</b>	<b><i>(\$75,000,000)</i></b>

**(2) Special Appropriation Reauthorization Requests:** Federal Match Superfund Site Cleanup and for the new State Surface Water Permitting Program.

**Performance Reports**

We began publishing quarterly assessments in FY2022 to share key actions related to our outcomes, performance, organization, and funding.



**FY 2024 Economic Development Investment**

**\$87,069,556** provided in grants/capital outlay to communities.  
**\$77,970,071** invested in water projects in communities.  
**175** water infrastructure projects started.

**General Fund Reversions**

In FY2024, the Environment Department reverted \$58,785 out of \$24 million in recurring general fund or about **0.25%**.

In FY2024, the Environment Department Reverted \$550,000 out of \$29M in requested appropriations received or about **2%**.

**Agency Workforce**

As of today, the Environment Department’s budgeted vacancy rate is **5%** with 606 people employed across 28 locations.

At a recent rapid hire for 69 positions, 341 job seekers attended with Albuquerque-based positions receiving a 4x hire application rate than Santa Fe-based positions.

Currently, the Environment Department has the largest workforce in its history and projected future growth, we are expanding our Albuquerque office space while consolidating our building footprint.

**NMED Budget 101 Video**

State budgeting is complex. The Environment Department’s budget is even harder with over 125 funding sources.

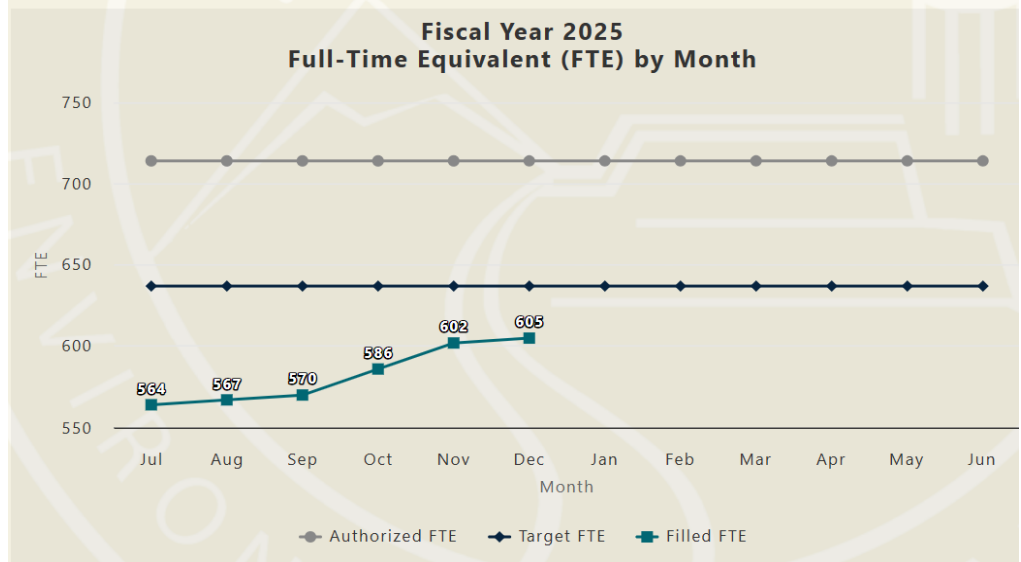
Learn more about our budget via NMED’s Budget 101 video on our YouTube Channel!



NMED Budget Video



**NMED Staffing Levels, by Fiscal Year**





# New Mexico Environment Department

## House Bill 2 Language Requests

The New Mexico Environment Department (NMED) submitted its budget request in accordance with state law on September 1, 2024. Included in that request was a 0% increase in recurring spending, a \$96.9M million request for one-time/non-recurring funding, and “language” to allow NMED to most effectively utilize its funds. As in previous years, NMED and Legislative Finance Committee staff worked together to create budgets that prioritized conservative submissions to minimize reversions, relying on Budget Adjustment Request (BAR) authority when needed to support mission-critical operations that arise during the fiscal year.

**General Fund:** NMED optimizes its budget to ensure general fund is directed where it is most needed to meet legislative priorities, with federal funds and permit fees making up the majority of NMED’s revenues. NMED does not have a history of requesting supplementals or deficiencies.

**Permit Funds:** NMED does utilize BARs with respect to permit funds with some frequency. These BARs are often increasing spending in support of industry demands or moving funding in response to mission needs that arise.

- ✓ Responding to an emergency
- ✓ Increasing spending from new fee revenues materializing after September 1 (budget submission deadline) or July 1 (Fiscal Year start)
- ✓ Increasing permit staff to reduce permitting timelines
- ✓ Adjudication of permitting or enforcement issues
- ✓ Maintaining/developing data management systems, etc.
- ✓ Meeting increased workloads by creating term positions or engaging contractors

**NMED respectfully requests the House Appropriations and Finance Committee and Senate Finance Committee add the following language into House Bill 2, effective July 1, 2025.**

Description	Requested Language
Extend \$7M in funding for the new <b>Surface Water/Groundwater Permitting Program</b> in the Water Quality Management Fund through FY2027 to protect New Mexico’s surface and ground waters.	the period of time for expending the seven million dollars (\$7,000,000) from the general fund in Paragraph 152 of Section 5 of Chapter 69 Laws of 2024 transferred to the water quality management fund for the development, implementation and administration of state surface water and groundwater permitting programs is extended through fiscal year 2027.
Provide \$1M in Budget Adjustment Request authority (BAR) to support enforcement of environmental regulations through the new Compliance & Enforcement Division. In consultation with both DFA and LFC, BAR authority is advised when creating a new division with existing resources.	the department of environment may request program transfers between programs up to \$1,000,000 of the total general fund appropriations to the department of environment in Section 4 of this act;
Allow use of \$123K from the Hazardous Waste Emergency Fund to respond to fires, floods, and hazardous spills.	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 \$123,100 from the hazardous waste emergency fund for emergencies;
Allow use of the Rural Infrastructure Program (\$10.2M available) to help communities with essential water, wastewater, and solid waste projects; crucial funding that can be used to provide loans and/or grants for urgent needs, including natural disasters.	the water 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 rural infrastructure revolving loan fund

**Legislators, please approve these requests to protect our water, support communities, and respond to emergencies.**

**Additional FY26 Language Requests for Legislative Consideration  
During the 2026 (30) Day Session**

Description	Requested Language
Allow \$500K in BAR authority for the Corrective Action Fund to address pollution.	the department of environment may request budget increases from other state funds and internal service funds/interagency transfers up to \$500,000 from the corrective action fund
Allow use of funds from the Wastewater Facility Construction Loan Fund (approx.\$202.6M available from the Federal Clean Water State Revolving Fund) to support local wastewater projects.	the water 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 wastewater facility construction loan fund
Provide up to \$350K for technical and community services to assist towns and cities.	the water protection program of the department of environment may request budget increases of up to \$350,000 from other state funds and internal service funds/interagency transfers for providing technical or community services