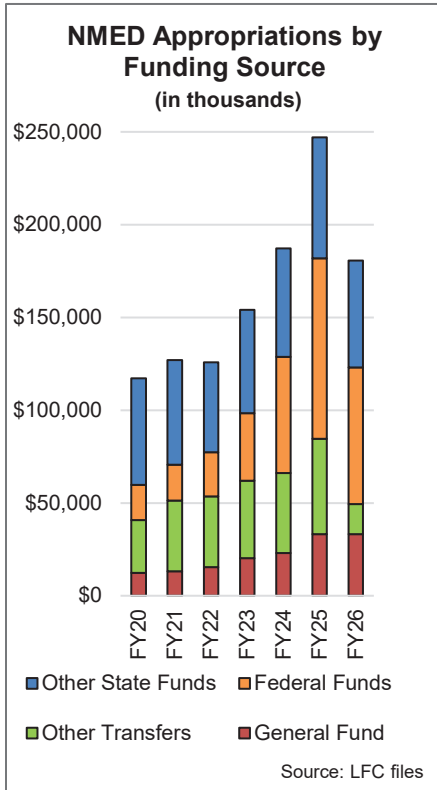


## PERFORMANCE REPORT CARD

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### ACTION PLAN

Submitted by agency?	Yes
Timeline assigned?	Yes
Responsibility assigned?	Yes



### Federal Funding Exposure

The portion of NMED's budget funded through federal dollars has steadily increased over the past five years, growing from \$19 million, or 16.3 percent, in FY20 to \$97.3 million, or 40 percent in FY25. NMED's Water Protection Division receives the largest portion of federal funding, roughly \$51 million, making up 68 percent of the divisions total budget. Discussions at the federal level regarding cuts or claw backs related to natural resource protection funding increases the pressure on the state to ensure its natural resource agencies can operate even if federal funding is reduced.

Consistently lagging performance trends from the first and second quarters of FY25 continued in the third quarter for the Environment Department's (NMED) regulatory programs, despite NMED funding having grown by \$20 million, or 188 percent over 10 years. These results are due to a mixture of external and internal issues, such as implementation of new databases, new permitting and regulation programs for surface water and groundwater discharge, and the reshuffling of personnel to address lagging programs. Additionally, the Solid and Hazardous Waste Division's persistent issues with staff recruitment and retention continued to hinder performance. These issues, coupled with NMED's agencywide issues with recruitment and retention, resulted in deteriorating performance. NMED suggests the department needs significant additional funding to address its staffing and retention issues, and potential federal funding cuts to natural resource protection funding could hinder agency operations. The Legislature should continue to monitor NMED performance and ensure the increased investment in core processes is implemented effectively.

### Water Protection

Passage of Laws 2025 Chapter 112 (Senate Bill 21) granted primacy to NMED to administer a National Pollutant Discharge Elimination System program, in effect placing control of all discharge into the state's surface water and groundwater from the federal government to NMED. Creation and implementation is underway and will continue to take shape, pending approval of a permitting program from the Water Quality Control Commission. The percentage of surface water permittees inspected increased to 45 percent in the third quarter of FY25, a significant improvement from the first and second quarter but still off the pace to reach the FY25 target. Staffing issues with the groundwater program continue to hamper the program's ability to conduct inspections. The agency is moving additional staff and supervisors to improve performance and is developing a new database for permit tracking and documentation. Regardless, consistent vacancy levels at the program and subsequent impact on performance remains an issue to be monitored. The Construction Programs Bureau initiated 27 new water infrastructure projects and exceeded its FY25 target.

<b>Budget:</b> \$62,511.4 <b>FTE:</b> 191.3	<b>FY23 Actual</b>	<b>FY24 Actual</b>	<b>FY25 Target</b>	<b>FY25 Q1</b>	<b>FY25 Q2</b>	<b>FY25 Q3</b>	<b>Rating</b>
Percent of the population served safe and healthy drinking water	89.8%	89.5%	95%	95%	94.8%	95%	<span>Y</span>
Percent of surface water permittees inspected	145%	100%	100%	10%	25%	45%	<span>R</span>
Percent of groundwater permittees inspected	18.2%	30.6%	65%	11%	9.3%	9.5%	<span>R</span>
Number of new water infrastructure projects	157	175	115	47	47	27	<span>G</span>
<b>Program Rating</b>	<span>Y</span>	<span>Y</span>					<span>Y</span>

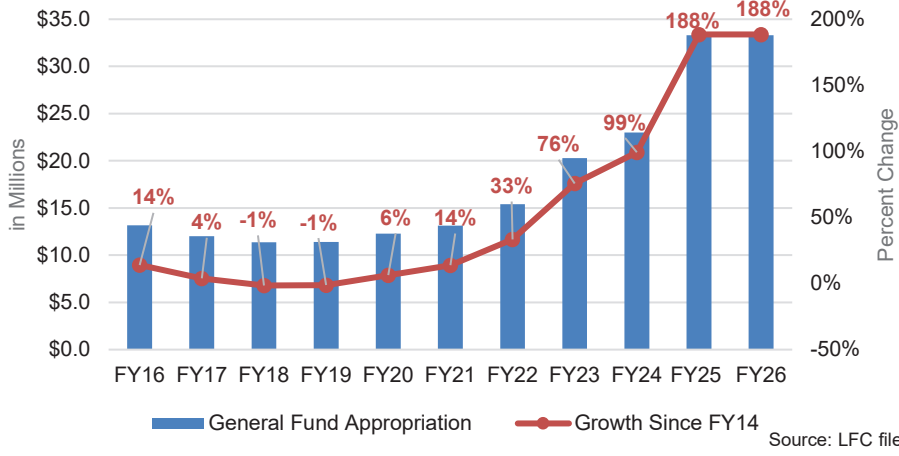
### Resource Protection

The Resource Protection Division (RPD) continued to be far behind its target for all three of its performance measures. RPD has historically had issues with recruitment and retention, specifically its Solid and Hazardous Waste bureaus, resulting in consistent lagging of performance measures. RPD notes it has continued to work to reclassify existing vacancies to higher-level positions to improve recruitment and retention, but the

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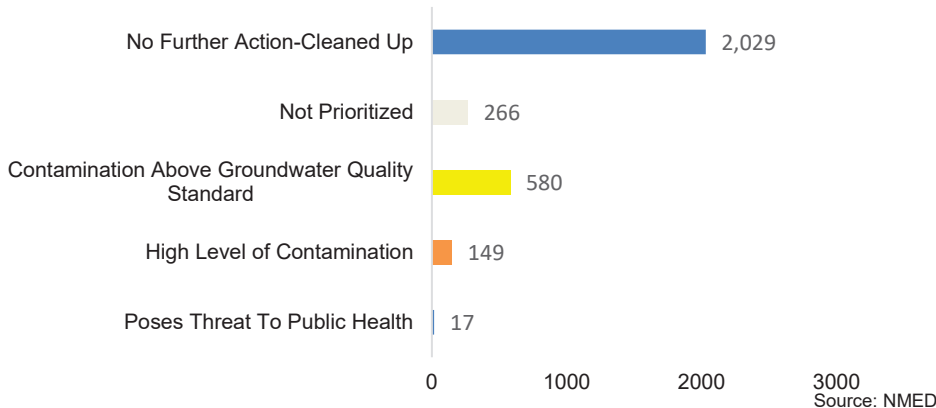
**NMED General Fund Appropriation growth from FY16-FY26**



agency reports additional staffing is needed to improve the rate of inspections. The agency did not prioritize staffing increases for its FY26 budget request.

In the third quarter of FY25 the Petroleum Storage Tank Bureau (PSTB) issued four “no further action” (NFA) status for any sites. NFA status signifies compliance with remediation standards, assuring no significant risk of harm to public health or the environment at the site. Notably, NFA status determinations are fluid throughout the year, based on specific site conditions, staffing levels, and the availability of funding from the corrective action fund. PSTB currently has nine vacant positions within its Remediation program and used 30 percent of the corrective action fund for program operation costs. The agency cites a lack of funding as its largest impediment to meeting performance measures; NMED’s general fund budget has grown by 188 percent over 10 years, from \$13.2 million in FY16 to \$33.3 million in FY26.

**Petroleum Storage Tank Release Site Priority**



The Hazardous Waste Bureau (HWB) monitors 2,495 hazardous waste generators in the state, though this number changes frequently. HWB has 6 FTE focused on compliance and completed 93 inspections in

FY25. HWB inspected 1.5 percent of the hazardous waste sites in the state in the third quarter of FY25. The program notes additional hires are pending proposed office space expansion. The continued trend of low inspection rates remains even after the bureaus began the decline in the pandemic and while the low inspection rate has been predominantly due to a lack of staff, new efforts to improve performance should be prioritized. The creation of the Compliance and Enforcement Division (CED) could aid in increasing the operational success of the bureau.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
<b>Budget:</b> \$18,653.4 <b>FTE:</b> 144.3							
Number of completed cleanups of petroleum storage tank release sites that require no further action	2,005	2,041	1,976	0	0	4	R
Percent of solid waste facilities and infectious waste management facilities inspected	53.3%	98.8%	87.5%	10.6%	13%	17%	R
Percent of hazardous waste facilities inspected	3.7%	3.7%	15.0%	1.3%	1%	1.5%	R
<b>Program Rating</b>	R	R					R

## Environmental Protection

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, many of NMED's regulatory compliance programs continually struggle to meet their target percentage of applicable entities inspected. The Environmental Protection Division's Air Quality (AQB) and Radiation Control bureaus (RCB) are responsible for enforcing regulatory and compliance measures to protect the environment and prevent harm to human health. The creation of CED will move the enforcing of the regulation and permits from these bureaus, which could improve compliance.

In addition to inspections and monitoring, RCB's work includes assisting nuclear workers who have become ill due to occupational exposures as contractors or subcontractors at U.S. Department of Energy facilities or in the uranium industry. NMED contends that reaching the target of inspecting 85 percent of radiation sources would require 216 inspections from each staff member, and the target cannot be met with current staffing levels.

AQB has deployed new air monitoring instruments that improve connectivity, efficiency, and remote access to air quality data. The bureau is currently working to create new general construction permits for oil and gas producers. AQB has hired six new inspectors and is in the process of hiring two more, with the goal of 11 inspectors, a supervisor and a manager. New hires have the potential to address the historically lagging performance measures, which are now on track to meet FY25 targets.



	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
<b>Budget: \$18,320.1 FTE: 121.8</b>							
Percent of ionizing and non-ionizing radiation sources inspected	15%	16.8%	20%	5.6%	3.7%	1.9%	R
Percent of air emitting sources inspected	33.3%	32.2%	25%	7.8%	3.4%	4.2%	R
Percent of the population breathing air meeting federal health standards	99.9%	99.9%	95%	98.3%	90.8%	90.8	Y
<b>Program Rating</b>	R	R					R

## Environmental Health

The Environmental Health Division (EHD) continued to administer the state hemp extraction and manufacturing program. EHD is also responsible for working to prevent workplace injuries and fatalities, avoiding unnecessary risks to public health from commercially prepared foods, regulating septic tanks, and ensuring the safety of public pools and spas.

The Occupational Health and Safety Bureau conducts hundreds of inspections annually and targets workplaces with the greatest expectations of noncompliance to reduce illness, injuries, and fatalities. The bureau, which inspects approximately 1 percent of all workplaces each year, found 64.3 percent of employers did not meet occupational health and safety requirement for at least one standard in the third quarter, exceeding the target by 55 percent. The bureau notes that within the 1 percent of all workplaces it inspects, well over the 64.3 percent are not in compliance.

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Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. The bureau conducted 1,729 inspections out of the 7,882 permitted facilities in the third quarter. With roughly 61 percent of inspections complete, the bureau would need to conduct around 30 percent of its remaining inspections in the fourth quarter to meet its annual goal. Bureau staff currently have a compliance and enforcement workload of approximately 313 facilities per inspector, above the federal Food and Drug Administration's guidance that retail food inspectors (a much narrower role than EHB's inspectors) are assigned 280-320 inspections. This has resulted in high vacancy rates within the bureau and most inspections conducted remotely, a worrying historic trend the agency should work to improve.

	FY23 Actual	FY24 Actual	FY25 Target	FY25 Q1	FY25 Q2	FY25 Q3	Rating
<b>Budget:</b> \$ 16,219.3 <b>FTE:</b> 156.0							
Number of employers that did not meet occupational health and safety requirements for at least one standard compared with the total number of employers	64%	67.1%	55%	72%	80%	64.3%	Y
Percent of restaurants and food manufacturers inspected	80%	80.5%	90%	21%	17.1%	21.8%	Y
Percent of new or modified liquid waste systems inspected	86%	91%	85%	49%	51.5%	58.6%	Y
<b>Program Rating</b>	R	R					Y