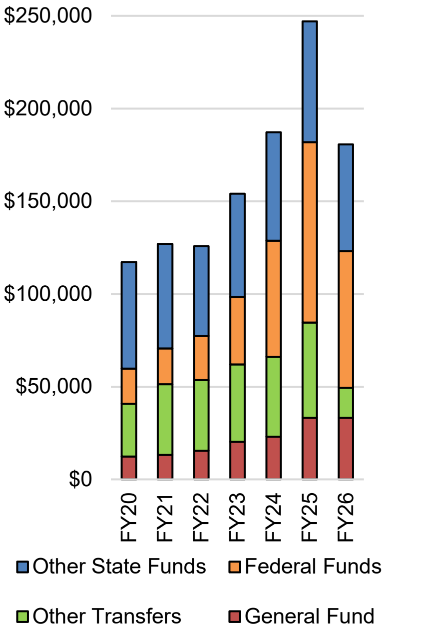
PERFORMANCE REPORT CARD
Environment Department
Fourth Quarter, Fiscal Year 2025

ACTION PLAN

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

NMED Appropriations by Funding Source (in thousands)



Source: LFC files

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 raises the questions as to what avenues the state can pursue in maintaining funding levels for its natural resource agencies.

While certain negative performance trends persisted through FY25, multiple programs reported productive results for the fourth quarter of FY25. The agency's groundwater permitting program exceeded its 100 percent target by 20 percent and the Environmental Health Bureau inspected 7,531 restaurants and food facilities, resulting in a 95 percent completion rate. The continuing negative performance trends seen in Resource Protection slightly abated, with one of its performance measures moving from red to yellow, although the program overall finished the year in the red.

The improved performance in certain sectors of the agency is due in part to improved agency operations and legislative investment. In addition to the significant investment made into NMED over the past six years, the agency suggests the department needs significant additional funding to address its staffing and retention issues. Potential federal funding cuts to natural resource protection funding could exacerbate funding issues. The Legislature should continue to monitor NMED performance and consider targeted investment or research into persistently low performing sectors of the agency.

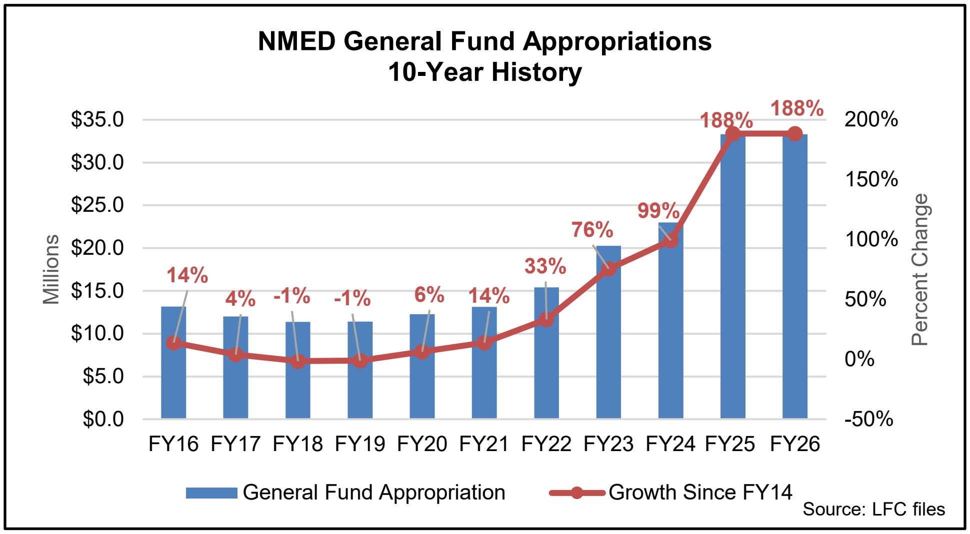
Water Protection

Amendments to the state Water Quality Act enacted in 2025 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 the state's water quality agency. Creation and implementation is underway and will continue to take shape, pending approval of a permitting program from the Water Quality Control Commission. NMED met is FY25 target for surface water permittees inspected, exceeding the target by 20 percent. NMED did not meet its FY25 target for groundwater permits inspected, missing it by 26 percent. The agency notes staffing issues could abate because only four of the 35 inspector positions remain vacant. However, a database to enhance tracking and documentation has yet to be implemented and the additional workload added to NMED from the amendments could further hamper the groundwater bureau's ability to meet its performance measure. The Construction Programs Bureau initiated 148 new water infrastructure projects in FY25 and exceeded its FY25 target.

Budget: $62,511.4 **FTE:** 191.3	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
Percent of the population served safe and healthy drinking water	89.8%	89.5%	95%	94.7%	G
Percent of surface water permittees inspected	145%	100%	100%	120%	G
Percent of groundwater permittees inspected	18.2%	30.6%	65%	39%	R
Number of new water infrastructure projects	157	175	115	148	G
Program Rating	Y	Y			Y

Resource Protection

The Resource Protection Division (RPD) continued to be far behind the target for two of its three performance measures, with one measure finishing the year with a yellow. RPD continues to have issues with recruitment and retention, specifically in 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 agency reports additional staffing is needed to improve the rate of inspections. The agency requested a $300 thousand, or 10.8 percent, increase for FY27 to address these issues but did not prioritize an increase for the division in FY26.

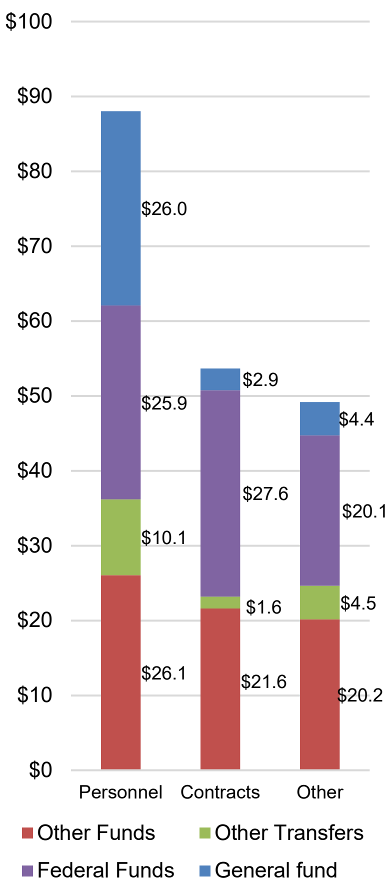
The Petroleum Storage Tank Bureau has nine vacant positions within its Remediation program and used 30 percent of the corrective action fund for program operation costs. The agency reported it completed the cleanup of 972 petroleum storage tank release sites in FY25 but still missed the target by over 1,000. The agency sites 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 FY25 to $33.3 million in FY26.

The Hazardous Waste Bureau (HWB) monitors 2,547 hazardous waste generators in the state, though this number changes frequently. HWB currently has 6 FTE focused on compliance. HWB inspected less than one percent of the hazardous waste sites in the state in the fourth quarter of FY25. The program also helped man the Emergency Operations Center, which contributed to the low number of inspections. The continued trend of low inspection rates remains even after the bureaus began the decline in the pandemic. 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.

Budget: $18,653.4 **FTE:** 144.3	**FY23 Actual**	**FY24 Actual**	**FY25 Target**	**FY25 Actual**	**Rating**
Number of completed cleanups of petroleum storage tank release sites that require no further action	2,005	2,041	1,976	972	R
Percent of solid waste facilities and infectious waste management facilities inspected	53.3%	98.8%	87.5%	75.4%	Y
Percent of hazardous waste facilities inspected	3.7%	3.7%	15.0%	4.3%	R
Program Rating	R	Y			R

Environmental Protection

FY26 Budget Categories Revenue Source
(in thousands)



Source: LFC files

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 (RCB) bureaus 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.

AQB noted only 78.3 percent of the state's population is breathing air meeting federal health standards, which the bureau notes the Carlsbad air monitoring station found ozone levels in the area exceed federal air quality standards. It also noted large dust storms in Doña Ana and Luna counties contributed to the low air quality figures. The state has 20 air monitoring stations, with the majority surrounding Las Cruces and others scattered around the state (Bernalillo County monitors its own air quality and is separate from the reporting AQB does). Additional stations could provide a clearer picture as to the state's air quality.

Budget: $18,320.1 **FTE:** 121.8	**FY23 Actual**	**FY24 Actual**	**FY25 Target**	**FY25 Actual**	**Rating**
Percent of ionizing and non-ionizing radiation sources inspected	15%	16.8%	20%	13.2%	R
Percent of air emitting sources inspected	33.3%	32.2%	25%	23.9%	Y
Percent of the population breathing air meeting federal health standards	99.9%	99.9%	95%	78.3%	R
Program Rating	R	Y			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 60.5 percent of employers did not meet occupational health and safety requirement for at least one standard in FY25, exceeding the target of 55 percent.

Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. The bureau conducted 7,531 inspections in FY25, though this figure does not include temporary facilities, compliant inspections, or re-inspections. With roughly 95 percent of inspections complete, the bureau met its FY25 target. 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.

Budget: $ 16,219.3 **FTE:** 156.0	FY23 Actual	FY24 Actual	FY25 Target	FY25 Actual	Rating
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%	60.5%	Y
Percent of restaurants and food manufacturers inspected	80%	80.5%	90%	95%	G
Percent of new or modified liquid waste systems inspected	86%	91%	85%	53.2%	R
Program Rating	R	Y			Y