

Performance was mixed for the Environment Department (NMED), where poor performance continued throughout the year for some programs, but performance improved in some areas. The agency's lowest performing program, Resource Protection, exceeded its target on one measure, but the inspection of hazardous waste facilities continued to drag behind its target. This picture of mixed performance has been the story for the agency over the past several years, with program improvement being met with regression in some programs or consistent poor performance in others. Entering the final months of the current leadership of the agency, NMED needs to look at not only improving its performance but also effectively administering the significant recurring and nonrecurring funding the Legislature has invested in 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 moving 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 are underway and will continue to take shape. The Water Protection Division (WPD) continues to assist communities seeking to develop internal capacity to use state and federal funding for infrastructure improvement and water resource management.

In FY26, the program's Surface Water Protection Bureau inspected 38 surface water permittees, 190 percent of the inspections it is required to do each year. More inspections are slated for the beginning of the fiscal year, with a similar high volume of inspections predicted in the next fiscal year. The same high level of performance was not exhibited in groundwater inspection, with the program only inspecting 22.5 percent of the permittees it was required to inspect.

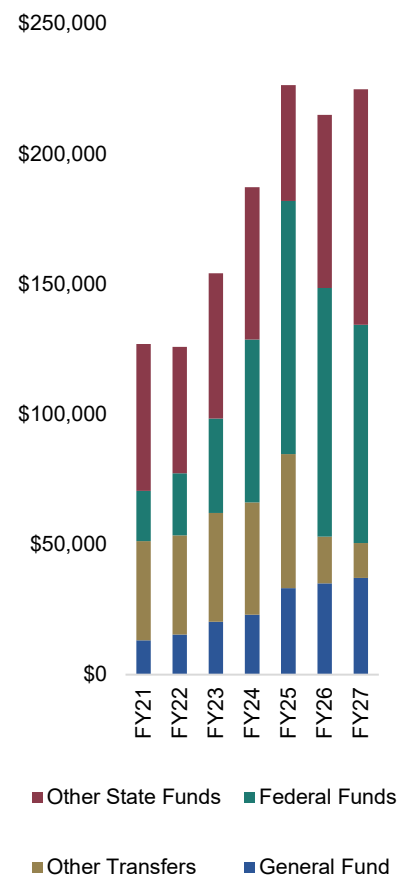
This is the second year that the program fell short of the target, missing it by an even larger margin this year than the last. The bureau attributes this to a mixture of vacant inspector positions, the multiple tasks inspectors carry out, and the prioritization of new permit inspections versus working through backlogs.

The percentage of the state's population served safe and healthy drinking water failed to improve by at the close of the fiscal year, ending at 67.4 percent. The bureau notes this low figure is due to partially clearing the backlog of water protection violations. The measure is subject to the amount of water protection violations the bureau submits and the bureau noted it had submitted a significant amount in the second, third, and fourth quarters. Due to the volatility of the measure, and its sensitivity to fluctuations from administrative backlogs and individual violations, updating the accuracy of the measure and potentially creating a new, more accurate one could provide policymakers and the public with clearer information about the quality of the state's water. The agency has requested the addition of performance measures that aim to accomplish this. The Construction Program's Bureau initiated a total of 227 new water infrastructure projects in FY26, exceeding its FY26 target.

ACTION PLAN

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

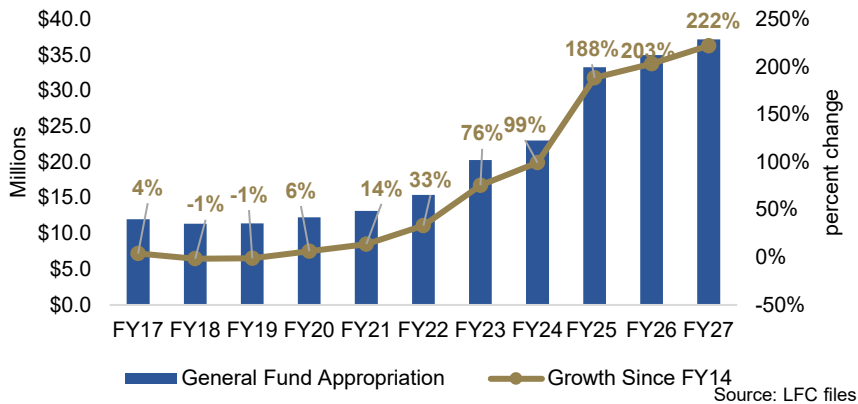
NMED Appropriations by Funding Source
(in thousands)



Source: LFC files

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q4	Rating
Percent of the population served safe and healthy drinking water	89.5%	94.7%	98%	67.4%	R
Percent of surface water permittees inspected	100%	40%	100%	190%	G
Percent of groundwater permittees inspected	30.6%	9.2%	65%	22.5%	R
Number of new water infrastructure projects	175	148	115	227	G
Program Rating	G	Y		Y	

NMED General Fund Appropriations 10-Year History



Resource Protection

The Resource Protection Division (RPD) was far behind its target for two of its performance measures, while also exceeding one of its inspections targets. The imbalance of performance continues to demonstrate the persistent issues with consistency and performance that the program has demonstrated since its creation in FY22. The performance issues are also exacerbated by lagging recruitment and retention.

In FY26, the Petroleum Storage Tank Bureau (PSTB) issued no further action (NFA) status for 31 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. However, regardless of the fluidity, the program issued NFA status to 972 in FY25, and 2,041 in FY24. Such a sharp decrease is a cause for concern and one that could warrant further, more forensic analysis of how the program continues to perform below expectation.

The Hazardous Waste Bureau (HWB) monitors 2,557 hazardous waste generators in the state, though this number changes frequently. HWB has up to four positions focused on compliance, and the positions were each slated to inspect 350 facilities in FY26. This is two fewer personnel than in FY24. The relatively few personnel inspecting facilities resulted in the bureau only inspecting 3.6 percent of the hazardous waste sites in the state FY26.

While the previous year was the lowest percent of inspections since the performance measure was created in FY22, FY26 was its second lowest. The multiple years of consistent low performance, unique among the natural resource agencies, should be met with concern and, therefore, evaluated to see if New Mexico can use new practices to monitor its hazardous waste facilities.

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q4	Rating
Number of completed cleanups of petroleum storage tank release sites that require no further action	2,041	972	2,050	31	R
Percent of solid waste facilities and infectious waste management facilities inspected	98.8%	34.8%	95%	101.9%	G

	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q4	Rating
Percent of hazardous waste facilities inspected	3.7%	.5%	12.5%	3.6%	R
Program Rating	R	R			R

Environmental Protection

While inspections are valuable for determining whether regulated entities comply with applicable laws, rules, or permits, NMED's regulatory compliance programs continually struggle to meet targets for the percentage of applicable entities inspected. NMED notes these consistent issues have been improved through record investment from the Legislature over the past several years and efforts by the agency to streamline its organizational structure.

The Air Quality Bureau (AQB) noted that 98.3 percent of the state's population was breathing air meeting federal health standards in FY26, though this is without Bernalillo County, because it monitors its own air quality and reports separately. The state has 20 air monitoring stations, with the majority surrounding Las Cruces and others scattered around the state. The program nearly met its performance target for inspection of ionizing and nonionizing radiation sources (X-ray machines and X-ray-producing machines), inspecting a total of 18.7 of the 20 percent FY26 target. The bureau noted its high inspection percentage for air emitting sources over the year was due to a large portion of its backlog of sourced permits being worked through.

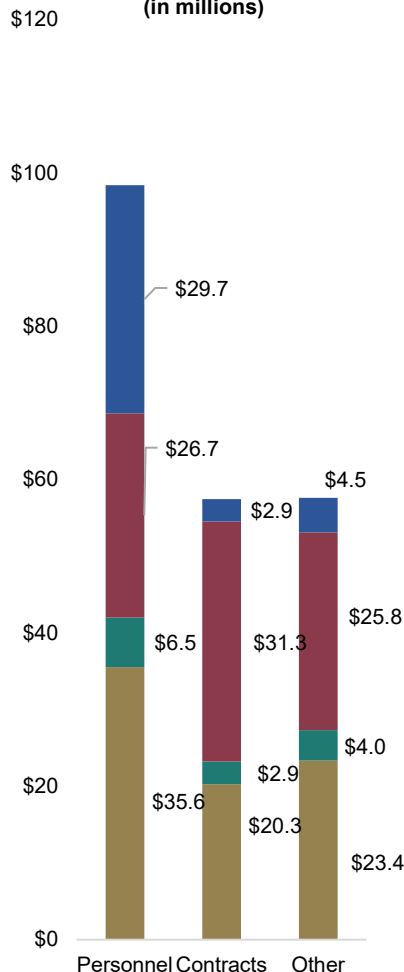
	FY24 Actual	FY25 Actual	FY26 Target	FY26 Q4	Rating
Percent of ionizing and non-ionizing radiation sources inspected	16.8%	1.9%	20%	18.7%	Y
Percent of air emitting sources inspected	32.2%	8.5%	32%	340%	G
Percent of the population breathing air meeting federal health standards	99.9%	78.3%	99%	98.3%	G
Program Rating	Y	R			G

Environmental Health

The Occupational Health and Safety Bureau, within the Environmental Health Division (EHD), which conducts hundreds of inspections a year and targets those likely to be noncompliant, found 66.7 percent of employers inspected, about 1 percent of all workplaces, did not meet occupational health and safety requirement for at least one standard in FY26. This results in the bureau ending the year below its FY26 target and ending slightly worse than it did the previous year.

Under state statute and regulation, each restaurant and food manufacturer in the state should be inspected once per year. However, the same inspectors cover restaurants, food manufacturers, pools, and spas. In late April, the Environment Department stopped food inspections due to a budget misalignment of around \$600 thousand. After meetings with Department of Finance and Administration, LFC, and the Environment Department, staff identified existing resources that were used for their Food Safety Bureau, and food inspections continued.

Portion of FY27 Budget Categories by Revenue Type
(in millions)



■ Other Funds ■ Other Transfers
■ Federal Funds ■ General fund

Source: LFC files

Program staff currently have a compliance and enforcement workload of approximately 313 facilities per inspector, at the high end of the federally recommended range of 280-300 retail inspections per inspector—a narrower role than EHB's. The program conducted 1,027 inspections in the fourth quarter, inspecting 73.8 percent of the 8,238 restaurants and food manufacturers. While roughly 16 percent off its target, this is a significant improvement from the previous year, when the program only inspected 21.3 percent.

	FY24 actual	FY25 Actual	FY26 Target	FY26 Q4	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	67.1%	60.5%	55%	66.7%	Y
Percent of restaurants and food manufacturers inspected	80.5%	21.3%	90%	73.8%	Y
Percent of new or modified liquid waste systems inspected	91%	53.2%	89%	51.3%	R
Program Rating	Y	Y			R