

**New Mexico Wild:  
Recovering Lost Ground: The State of Energy, Environment  
& Public Lands Budgets in New Mexico**

**January 2021 Report Executive Summary**

**Topline Analysis:**

- The Legislative Finance Committee (LFC)'s budget recommendations, released on Jan. 12, 2021, would maintain double-digit, 15-30% cuts made during the past ten years to general fund budgets for energy, environment, and public lands-related agencies.
- The exception is the Oil and Conservation Division (OCD), which has seen steady general fund budget increases since being cut by more than 25% by the previous administration. The LFC budget recommendation, however, retains high vacancy rates at OCD, while the governor's proposed budget fully staffs the division.
  - About half of all inspector/compliance officer positions are still vacant at the division. It currently has 11 inspectors compared to previous levels of 20, and department staff recommends at least 40 inspectors, which would be on par with other top-producing states like North Dakota.

**New Mexico Environment Department (NMED)**

- The most recent funding level for NMED's general fund budget, approved during the first FY2021 Special Session, maintains a -25% reduction from what it was in FY2011, when adjusted for inflation.
- For the upcoming budget year FY2022, the LFC has recommended \$13,146,200 for NMED's general fund, leaving it completely unchanged from FY2021.
  - Funding at this level would maintain the -25% deficit from FY2011 and continue to jeopardize the agency's ability to protect public health and the environment.
  - The governor's request for NMED's general fund would equal a +28.1% increase over the current FY2021 operating levels. If fully funded, this would represent a -4.47% decrease from FY2011 levels - reversing most of the drastic cuts that took place during the previous ten years.
- NMED continues to be affected by "legislative sweeping" of approximately \$30 million in special revenue funds, further impacting the agency's operations.

- NMED is still operating at a -17.8% staff vacancy rate, similar to the -18.8% vacancy rate the Lujan Grisham administration inherited in FY2020. The lack of staff severely limits the agency from protecting the state's air, land and water qualities. According to department data, there are just 7 inspectors in charge of monitoring 7,700 air emitting sources, which breaks down to 1,100 sources per inspector.

### **New Mexico Energy, Minerals and Natural Resources Department (EMNRD)**

- The most recent funding level for EMNRD's general fund budget, approved during the FY2021 Special Session, was \$23,100,000. This maintains a -15% reduction from what it was in FY2011, when adjusted for inflation.
- For the upcoming budget year FY2022, the LFC has recommended a budget of \$22,818,900 for EMNRD's general fund, which would maintain a -16.23% decrease from FY2011, when adjusted for inflation.
  - The governor's request of \$25,274,000 for EMNRD's general fund would lower the difference to -7.22% compared to FY2011 levels, reversing most of the drastic cuts that took place during the past ten years.
  - If fully funded, the governor's recommendations would equal a +9.2% increase over the current FY2021 operating levels and would fully staff the Oil and Conservation Division (OCD) and State Forestry Division. The LFC's recommendation would cut the overall EMNRD general fund budget by -1.5% compared to the previous year, retaining high vacancy rates at the agency.
  - The governor's recommendations include an additional \$7.9 million to fund climate priorities such as forest and watershed restoration, modernizing New Mexico's electric grid, environmental compliance and oversight of the oil and gas industry, implementing the Land and Water Conservation Fund, and climate resiliency projects.
- EMNRD's program leadership and support division, which is responsible for the general day-to-day operations of the agency, had a vacancy rate of -21% at the end of the previous administration.
  - The governor's FY2022 budget request includes a general fund increase of +27.4% for this division to help reduce the vacancy to -5%.
  - The LFC recommendation is to cut this division by an additional -5.1%, to \$2,790,100, which would maintain likely the high vacancy rates.

### **Oil and Conservation Division (OCD)**

- The most recent funding level for the OCD's general fund budget for FY2021 was \$6,440,200. This maintains a +34.39% increase from what it was in FY2011, when adjusted for inflation.
- For the upcoming budget year FY2022, the LFC has recommended a budget of \$6,151,100 for OCD's general fund, which would represent a +28.36% increase from FY2011 for OCD's general fund budget, when adjusted for inflation.
  - The governor's request for \$6,648,400 for OCD's general fund would represent a +38.73% increase compared to FY2011 levels, when adjusted for inflation, reversing the drastic cuts made during the past ten years.
  - If fully funded, the governor's request for OCD's general fund budget for FY2022 would be a +7.2% increase over the current FY2021 operating levels and fully fund OCD staff. The LFC's recommendation would cut the general fund budget by -0.8% compared to the previous year, retaining high vacancy rates at the division.
- About half of all inspector/compliance officer positions are still vacant at the division. It currently has 11 inspectors compared to previous levels of 20, and department staff recommends at least 40 inspectors, which would be on par with other top-producing states like North Dakota.
- The LFC notes that although mandated by the legislature, an OCD program to plug abandoned wells may not be able to meet its related performance goal in FY2021 and FY2022 due to a lack of division funding.

## **State Parks Division**

- The most recent funding level for the State Parks Division general fund budget for FY2021 was \$8,643,000, maintaining a roughly -30% reduction from what it was in FY2011, when adjusted for inflation.
- For the upcoming budget year FY2022, the LFC has recommended a budget of \$8,485,700 for the State Parks Division general fund, almost identical to Governor Michelle Lujan Grisham's requested \$8,485,600.
  - Both the LFC and the governor's budget would equal an +1.8% increase for the State Parks Division general fund over the current FY2021 operating levels but maintain the -30% reduction from what it was over the past ten years in FY2011, when adjusting for inflation.

- During the previous administration, 72 full-time employee positions were eliminated, leaving a vacancy rate of -24 %.
- During the same period, the number of interpretive programs, which educate visitors about the natural and cultural resources of the state parks, fell by more than -50%.
- These factors, along with severe environmental conditions, have contributed to a massive decline of nearly one million visitors to New Mexico State Parks since 2016. New Mexicans flocked to state parks during the COVID-19 pandemic, only to find them understaffed with limited services.

### **The Office of Outdoor Recreation**

- In FY2020, the Division was funded with only \$200,000 in operating funding and \$100,000 “junior bill” money for the Outdoor Equity Fund. Governor Michelle Lujan Grisham recommended a significant increase to \$1,189,000 in the FY2021 budget, but legislators approved only \$450,000.
- For the upcoming budget year FY2022, the Legislative Finance Committee has recommended a budget of \$478,800, including \$100,000 for the Outdoor Equity Fund. The governor has requested a slightly lower general fund budget of \$451,400, which includes \$100,000 for the Outdoor Equity Fund. LFC’s budget includes additional funding for personnel.
- This year, the Division also made two emergency “special appropriations” requests as a response to the public health crisis. Funding for these programs would help support several shovel-ready outdoor recreation infrastructure projects and could help create hundreds of jobs in urban and rural communities, all while boosting small businesses tied to outdoor recreation and getting New Mexico youth outside.
  - The first is \$1.025 million for the Outdoor Equity Fund, which would help an estimated 38,000 children of color experience the outdoors, following a year when children have overwhelmingly been stuck inside on screens. The governor funds this request at \$1 million, while LFC does not recommend any additional funding for this program.
  - The second is a request for \$3.22 million to support the Great New Mexico Trails Package to leverage federal Land and Water Conservation Fund match dollars. The governor recommends \$250,000 for this program, while the LFC recommends a \$500,000 special appropriation.

### **State Land Office**

- The State Land Office inherited a -22% vacancy rate from the previous administration, which was brought down to -9.14% under the leadership of Commissioner Stephanie Garcia Richard, with support from the legislature and the Lujan Grisham administration.
- In the first 18 months of the new administration, the State Land Office established its first ever Office of Renewable Energy and has signed a record eight new wind leases totaling \$80 million in lifetime project earnings.
- It also expanded the agency's outdoor recreation program, issuing 484 Recreational Access Permits, which, according to the Office, is an increase of 200% over the previous average.