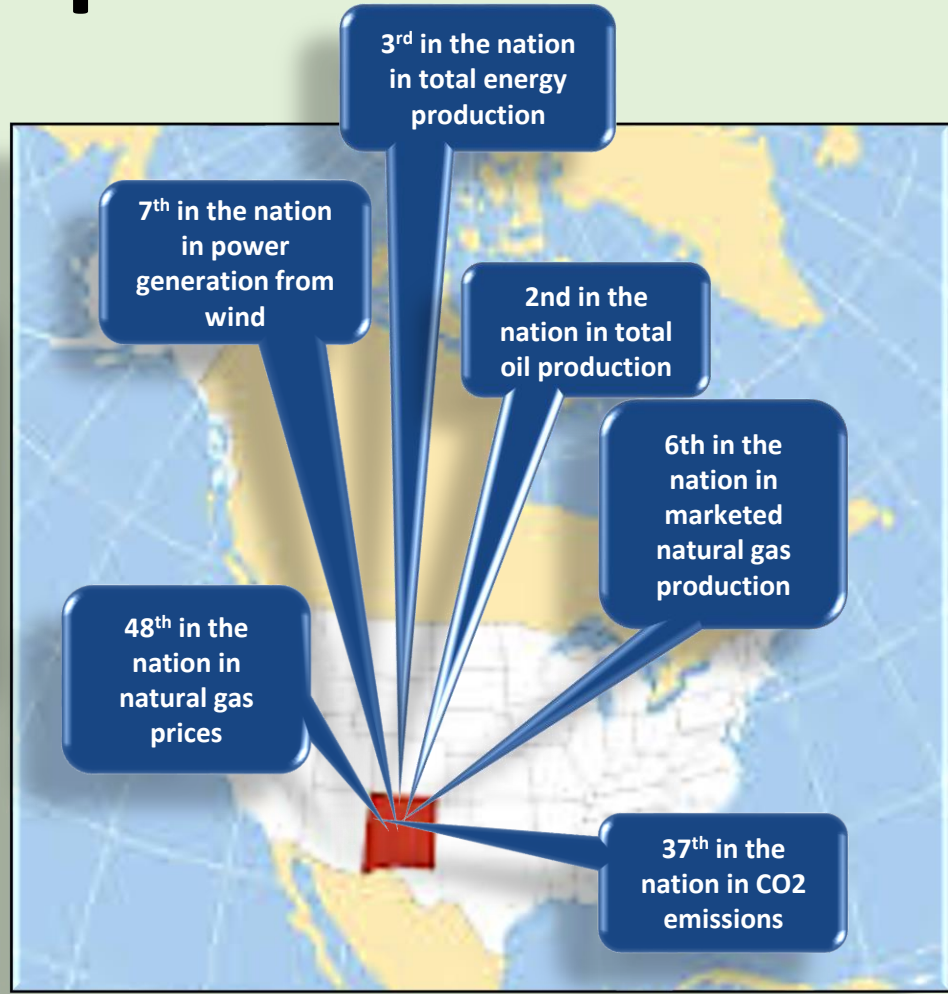


# FY 26 Budget Request

**Objective:**  
To position New Mexico as a national leader in energy and natural resources management.



## Energy, Minerals & Natural Resources Department budget funds programs and positions for:

- Ensuring continued implementation of needs for EMNRD's Hot Shot firefighting personnel and operations
- Providing ongoing oversight of New Mexico's oil, gas, and mining industries, while enabling economic contributions to the state
- Enhancing visitor experiences in New Mexico's State Parks
- Providing solar and green building tax credit certifications for New Mexicans
- Maximizing the value of deploying the IJA, IRA, other federal dollars for New Mexicans



# Budget Overview, EMNRD Submission, 09/01/24

**F25 Operating Budget:**  
**\$189,895.6**

**Agency Submission, 9/1 :**  
**\$227,360.3**

**Change, FY 25-26, Overall:**  
**+\$37,464.7, 19.7%:**

<ul style="list-style-type: none"> <li>• <b>General Fund: \$40,680.7</b> (general operating Revenue)</li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>General Fund: \$ 46,715.0</b></li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>+\$ 6,034.3 +14.8%</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Federal Funds: \$92,295.5</b> (Federal Revenue)</li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>Federal Funds: \$125,321.8</b> <small>SS</small></li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>+\$ 33,026.3 +35.8%</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Other Revenues: \$37,686.7</b> (Agency Self Generated Revenue)</li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>Other Revenues: \$ 35,226.6</b></li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>-\$ 2,460.1 - 6.5%</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Other Transfers: \$ 5,143.6</b> (Revenue from Other State Agency)</li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>Other Transfers: \$ 4,147.3</b></li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>-\$ 996.3 -19.4%</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>Fund Balance: \$14,089.1</b> (Cash Reserves)</li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>Fund Balance: \$ 15,949.6</b></li> </ul>	▶	<ul style="list-style-type: none"> <li>• <b>+\$ 1,860.5 +13.2%</b></li> </ul>

# EMNRD Submission for State Forestry Division (FD,P741)

**Agency Submission FY 26: \$60,316.6**  
 (GF: \$10,271.2; Fed: \$44,929.6)

**Agency Operating Budget FY25: \$61,681.5**  
 (GF: \$ 8,580.9; Fed: \$41,055.7)

- **Fight today's fires and prepare for future wildfires**
  - "Right-size" the GF appropriation for wildland firefighting FTEs to support the 2 new HotShot crews authorized by the legislature
  - Operating expenditures for Pecos River and Mimbres HotShots located in Las Vegas and Socorro
- **Update facilities with one-time capital funding and continue investment in forest and watershed restoration**
  - Portable buildings need replacement to support statewide wildfire response
  - Consistent restoration project funding supports local contractors and forest workers
  - Restoration work on Smokey Bear Historical Park to do repairs remodeling and updating of buildings, grounds and exhibits
- **No new FTEs are requested for State Forestry**



The FD has –

- successfully streamlined procurement for forestry projects and bolstered the state's ability to respond to fires by creating two new "hotshot crews" (the Mimbres Crew in Socorro, and the Pecos River Crew in Las Vegas).
- removed hazardous trees on federal and private lands burned in the Hermits Peak Calf Canyon Fire and the South Fork and Salt Fires.
- restored forests in the top 20% of New Mexico watersheds that supply critical water to local residents and downstream cities and farms.
- Secured \$39.9 million of federal funds for Community Wildfire Defense to support tree thinning and pre-fire planning.

# EMNRD Submission for State Parks Division (SPD, P742)

**Agency Submission FY 26: \$41,416.0**  
 (GF: \$15,351.8; Fed: \$11,149.3)

**Agency Operating Budget FY25: \$42,444.6**  
 (GF: \$12,696.8; Fed: \$9,249.3)

- Support hiring law enforcement park rangers statewide to promote public safety and protect natural and cultural resources
- Enable SPD to fill vacancies to better serve New Mexicans and grow the outdoor recreation economy
- Provide additional funding to support overall state park general operations
- Support funding to help reduce unfunded vacancy rates
- **No new FTEs are requested for State Parks**



City of Rocks State Park



Park Rangers at Navajo Lake State Park

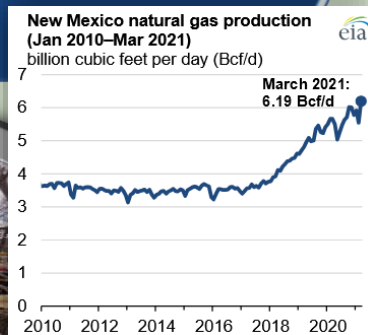
The State Parks Division has --

- converted Hyde Memorial State Park to be entirely off the grid by installing a solar microgrid. This is the first New Mexico State Park to be entirely off grid
- performed investment-grade audits to guide implementation of energy and water conserving measures at 19 state parks
- constructed cabins at Coyote Creek and Sugarite Canyon State Parks. This is the first-time cabins have been part of the state parks system
- opened and developed Pecos Canyon State Park, New Mexico's 35th state park.
- expended American Rescue Plan Act (ARPA) funds totaling \$20 million across the system
- reestablished the Land and Water Conservation Fund (LWCF) Stateside Formula Grant Program, administering \$13,179,726 in awards to date
- reclassified law enforcement positions to be of equal standing with other state law enforcement agencies

# EMNRD Submission for the Oil Conservation Division (OCD, P744)

The Oil Conservation Division has --

- received the second tranche of monies from the federal BIL grant, \$25 million that the OCD is using to plug abandoned wells and to do remediation and reclamation of lands that have been affected by spills.
- initiated the Class VI Primacy contract with New Mexico Tech as OCD seeks state primacy from EPA over Class VI carbon sequestration wells
- continued to evaluate methane venting and implementation of New Mexico's groundbreaking venting and flaring rules
- Sought sundry submittals that have gone from 56,000 in 2021 to 130,000 in 2023 due to regulatory accountability and oil and gas activity. During this time oil production has gone from just over 400 million barrels per year to currently being on track of just under 700 million in 2024.



**Agency Submission FY 26:**

**\$67,034.6**

(GF: \$10,980.3; Fed: \$30,861.5)

**Agency Operating Budget FY25:**

**\$58,500.9**

(GF: \$10,373.6; Fed: \$25,930.2)

- Oil production increased 750% in the last decade and over the last year averaged ~47.8 million barrels/month. With over 54,000 active oil and gas wells, NM ranks #2 in onshore oil production but 9<sup>th</sup> in regulatory staffing
- OCD is implementing nation-leading methane rules, the Produced Water Act, has updated the Release (Spill) Rule, and is scaling orphan well plugging to deploy ~\$100 million under BIL
- Funding is needed to align salaries with experience and education and reduce the overall vacancy rate
- There are continued disbursements from the Reclamation Fund to compliment BIL funding
- OCD requests 2 additional FTEs to invest in EMNRD's Underground Injection Control program in anticipation of the State's Class 6 primacy application

# EMNRD Submission for Energy Conservation and Management Division (ECMD, P740)

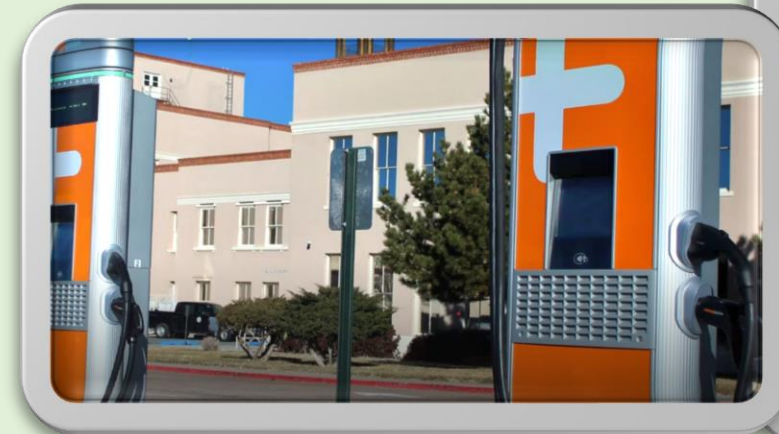
**Agency Submission FY 26: \$36,407.8**  
(GF: \$3,174.0; Fed: \$25,383.9)

**Agency Operating Budget FY25: \$ 6,525.0**  
(GF: \$2,808.0; Fed: \$3,469.1)

- Continue expansion of federal funds for energy efficiency and conservation measures.
  - Federal funding to support creation of ~20 term positions to support federal grant increases
- **Support 2 new FTEs associated with new 10 new tax credits and convert 2 TEMP position to PERM FTEs**
  - 1 Financial Coordinator A for EV tax credit program
  - 1 Project Coordinator for geothermal program

## ECMD has--

- Been awarded over \$400 million of federal money that is currently out for grants, loans, and other requests; this funding is primarily from the Bipartisan Infrastructure Law and the Inflation Reduction Act, as well as state programs
- begun implementing the ten new tax credits established by the legislature in the 2024 session. These include:
  - *New Solar Market Development Tax Credit*
  - *Sustainable Building Tax Credit*
  - *Clean Car Tax Credit*



# EMNRD Submission for Mining and Minerals Division (P743)



**Agency Submission FY 26: \$15,029.7**  
(GF: \$2,159.4; Fed: \$11,760.4)

**Agency Operating Budget FY25: \$13,869.9.0**  
(GF: \$1,725.0; Fed: \$11,354.1)

- NM saw increased mineral exploration activity and mining industry employment over the past year; MMD continues building capacity to keep up with industry growth and developments
- EMNRD requests modest general fund increases to cover declining revenue from fees that haven't been updated since 1994 (MARF and Coal Fees). According to the Consumer Price Index, "\$100 in 1994 is equivalent in purchasing power to about \$212.75 today, an increase of \$112.75 over 30 years"
- State match of 23% is required for federal coal reclamation funding



The Mining and Minerals Division has –

- awarded Oxbow Engineering and Sweatt Construction the 2024 Excellence in Reclamation Award for reclaiming an abandoned mine site approximately 4.5 miles west of Raton, N.M.
- used federal funds to extinguish two abandoned underground coal mine fires near Gallup this year. These long-smoldering fires were emitting toxic gases and threatening to disrupt infrastructure projects near the City of Gallup and nearby tribal communities, including new water supply line
- helped develop environmentally responsible mining in the state where last year, mining employment was up 2,900 jobs, or 13.2 percent
- successfully managed , via MARF, extensive hard rock mining operations throughout NM. This year, MARF worked on 43 permitting actions that represent potential new projects in thirteen counties throughout New Mexico. Notable and significant hardrock projects underway in NM in the past year include: lithium and copper exploration near Lordsburg, silver and gold exploration near Mogollon, copper exploration adjacent to the Tyrone Mine, proposed uranium production near Mount Taylor, and proposed copper production near Truth and Consequences



# EMNRD Submission for Program Leadership and Support (P745)

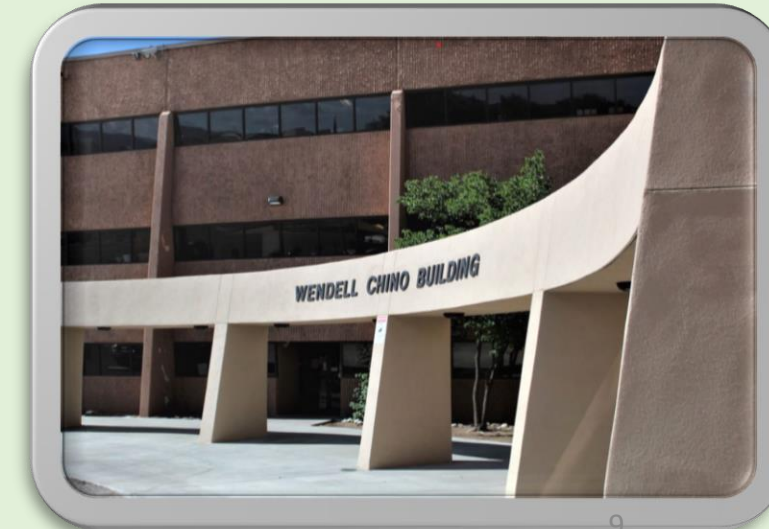
**Agency Submission, FY 26: \$7, 155.6**

(GF: \$4,778.3 Fed: \$1,237.1)

**Agency Operating Budget, FY 25 \$6, 873.7**

(GF: \$4,496.4 Fed: \$1,237.1)

- EMNRD needs funding for all Program Leadership and Support positions
- EMNRD has secured roughly \$400 million in federal funding in the last year
- This funding would recognize Program Support’s important role in EMNRD’s securing of federal funds for New Mexico and managing implementation of these funds, including federal/legal compliance
- Addition of grant-funded climate policy advisor
- **Request 1 new FTE to address increased demand on IT Office**



# Energy, Minerals and Natural Resources Department Reversion

EMNRD's reversion consists of several balances that are not part of the agency HB2 Section 4 appropriation reversion

- **Total Reversion \$**
  - Penalties Collected in OCD \$ 1,176.9
  - Emergency Fire Disaster Reversion  
 (a reimbursement to the General Fund) \$ 11,112.7
  
- **HB2 Section 4 Appropriation Reversion \$ 1,593.2**
  - ECAM \$ 7.1
  - State Forestry \$ 224.1
  - MMD \$ 26.5
  - OCD \$ **1,323.6**
  - Program Support \$ 11.9



## Energy Conservation and Management Division

- IIJA Federal State Match \$940.7
- Community Energy Efficiency \$10,000.0
- Comprehensive State Energy Plan \$2,000.0
- Grid Modernization \$1,000.0
- Climate Risk Map \$75.0
- Upgrade Energy Code Manual \$20.0

## State Forestry Division

- Public Education Campaign \$2,000.0
- Smokey Bear Exhibit Upgrades \$5,000.0
- Wildfire Hazard Map \$800.0



## State Parks Division

- LWCF Supplemental fund \$8,000.0
- Law Enforcement Vehicle Replacement \$1,500.0
- Tourism Dept Collaboration Public Campaign \$700.0
- Law Enforcement Crime Reporting \$500.0

## Mining and Minerals Division

- Critical Minerals Study \$1,000.0

## Oil Conservation Division

- Atencio Litigation \$250.0
- Reauthorization OCD Compliance Backlog \$2,525.0

Objective:  
To position New  
Mexico as a national  
leader in energy and  
natural resources  
management.



**Thank you!**