



June 5th, 2020

Senate Finance Committee (SFC)
New Mexico State Capitol
490 Old Santa Fe Trail, Room 322
Santa Fe, NM 87501

House Appropriations and Finance Committee (HAFC)
New Mexico State Capitol
490 Old Santa Fe Trail, Room 307
Santa Fe, NM 87501

Dear Honorable SFC and HAFC members,

We, the undersigned environmental advocacy organizations, write to urge you to limit cuts to environmental and natural resource management agencies in the upcoming special coronavirus response budget session. Significant cuts to the budgets of these agencies will ultimately make New Mexico's recovery longer, more difficult, and more painful.

The eight years of the Martinez administration saw deep cuts to our environmental agencies as the fluctuating price of oil led to a volatile state budget. From 2011 to 2019, the budget for the Energy, Minerals and Natural Resources Department (EMNRD) was cut by more than 23%; the Environment Department (NMED) was cut by over 31%. These cuts have had impacts that New Mexicans are still grappling with today. EMNRD has spent much of the first two years of the Lujan Grisham administration working to catch its oil and gas regulatory mechanism up to the drastic changes that have occurred in the industry over the last decade. Communities across the state have also struggled to get adequate state support for pollution and monitoring oversight, particularly in areas near gas fields such as the Four-Corners region.

On the other hand, the current administration has made profound strides to invest more deeply in our natural resources and a clean energy economy. In 2019, the passage of two landmark policies – The Energy Transition Act and the Outdoor Recreation Division – set a new direction for our state. This work, along with state commitments to adopt a methane rule, requires adequate expertise and resources to implement fully and robustly. The process of catching regulators up to industry is both needlessly expensive and inefficient. The work of reshaping the Oil Conservation Division (OCD) is illustrative here. In order to effectively regulate today's oil and gas industry, OCD must modernize its approach. This process is requiring state investment in information technology and personnel, but as the state receives additional revenue previously lost due to wasted methane resulting from under-regulation, the benefits to New Mexicans begin to look truly significant.

In contrast to our state progress, we're seeing an all-out assault on basic environmental protections from the Trump administration. Changes like reversing the Bureau of Land Management and Environmental Protection Agency methane rules, and the repeal of the Waters of the United States and Clean Water Rules, which protect ephemeral and seasonal streams common to New Mexico, are already having real impacts on New Mexicans. It's more important than ever that we have strong protections at the state level in order to counter the reckless administrative actions coming from the White House, and the upcoming special session is an opportunity to reinforce that commitment.

The global spread of the coronavirus has had profound impacts on New Mexico. In communities that are already overburdened with air pollution, family wellbeing is at greater risk. We are seeing the consequences of this now as the health care system struggles to keep up with a surge of patients with existing respiratory conditions, like asthma, that now need hospitalization due to the novel coronavirus outbreak, COVID-19. The proactive leadership of Governor Lujan Grisham has undoubtedly had a positive impact on the long-term ability of our state to recover and rebuild from the human and economic toll of the virus. However, our legislature will still be called on to make difficult and painful decisions in the creation of a budget that reflects the current reality of the oil markets. These environmental agencies are our first line of defense for protecting public health, and we should avoid imposing deeper cuts than necessary in the midst of a public health crisis.

We call on legislators and appropriators to limit the cuts to agencies such as NMED and EMNRD to no more than 3% of originally appropriated FY 2021 levels, and to ensure that the impacted agencies are guiding the nature of the cutbacks to minimize general fund cuts. The work these agencies perform is not only critical to the health and wellbeing of everyday New Mexicans but will require even more sacrifice and cost to rebuild in the future if cuts are too deep. Monies appropriated for cleanup funds within these agencies and the Office of the Natural Resources Trustee should also be protected to the maximum extent possible.

The Governor's FY 2021 budget request in the 2020 session reflected the need to get these agencies on track. While HB 2 did not fully reflect the urgent and real need to grow these agency budgets, it represented positive forward progress. It will take years to get environmental agencies sufficiently funded and resourced. Please help these agencies continue to make necessary progress by working with them to limit the impact of the current budget crisis. Doing so will make post-corona recovery shorter, less expensive, and less negatively impactful on the lives of every day New Mexicans.

Thank you for your time and attention in this matter.

Sincerely,

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Conservation Voters New Mexico

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CC: Governor Michelle Lujan Grisham
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Secretary Sarah Cottrell Propst, EMNRD
Natural Resources Trustee Maggie Hart Stebbins
David Abbey, Legislative Finance Council Director
Senate President Pro Tempore Mary Kay Papen
Senate Majority Leader Peter Wirth
Senate Majority Whip Mimi Stewart
Speaker of the House Brian Egolf
House Majority Floor Leader Sheryl Williams Stapleton
House Majority Whip Doreen Gallegos