NEW MEXICO COUNTIES

33 STRONG

Federal Funding Stabilization Subcommittee

November 6, 2025

Federal Government Shutdown Effect on Counties

How We Got Here

Congress has not enacted appropriations for Fiscal Year (FY) 2026, resulting in a shutdown of the federal government. Essential services continue to operate, but many federal programs counties administer or rely on — including nutrition, health, and emergency response programs — are facing funding disruptions or staffing shortages.

Counties are on the frontlines of service delivery. When federal funding stops, counties must often use our own local resources to keep essential programs running, including public health, social services, and emergency management — with uncertainty about when or if federal reimbursements will be made once the government reopens.

- Counties are calling on the President and Congress to act swiftly and responsibly to fully reopen the federal government and restore the reliability county governments need to serve our residents effectively.
- Strong, predictable intergovernmental partnerships are key to sustaining programs and services for county residents.
- The ongoing government shutdown threatens to disrupt the consistent, reliable flow of resources and the important relationships we maintain with federal officials on the ground.
- While county governments continue to generate over two-thirds of our own revenue to provide services to residents, counties also receive $62 billion in intergovernmental revenue from the federal government.
- From ensuring our residents' day-to-day safety, to undertaking infrastructure projects, responding to and recovering from disasters, administering federal programs for vulnerable populations and managing air, road and rail transit, county responsibilities often depend on federal, state and local resources and collaboration.

Key Impacts on Counties

Disaster Response & Emergency Management

- **FEMA:** While FEMA can continue to obligate and spend funds from the Disaster Relief Fund, counties should anticipate delays in reimbursement for ongoing or pending projects, particularly those tied to longer-term recovery and mitigation.

- **Public Safety:** The U.S. Department of Homeland Security (DHS) is unable to process new grant applications during the shutdown, creating fiscal uncertainty for counties working to sustain critical emergency management and public safety services.

- **Forest Service:** Limited staffing and suspended non-essential operations within the U.S. Forest Service may hinder wildfire response coordination, prevention efforts, and forest health programs.

- **Cybersecurity:** The State and Local Cybersecurity Grant Program expired on September 30, 2025, resulting in a lapse in new federal resources for counties to strengthen cyber resilience and protect local infrastructure.

Social Services & Nutrition Programs

- **Special Supplement Nutrition Program for Women, Infants, and Children (WIC):** Funding was expected to lapse in October; however, the U.S. Department of Agriculture (USDA) reallocated $300 million from the Child Nutrition budget account, allowing operations to continue through approximately November 1. On October 24, NACo, along with 44 other national organizations, signed on to a letter to the White House calling for additional emergency funding. Without additional action from USDA or Congress, states and counties administering WIC will face benefit interruptions thereafter.

- **SNAP:** On October 10, USDA's Food and Nutrition Service (FNS) indicated that current appropriations are insufficient to cover full November benefits and directed states to pause processing November issuances pending further guidance. Although a SNAP contingency fund exists, it is estimated to contain about $6 billion, which is less than the roughly $8 billion needed to cover one month of SNAP benefits. On October 24, FNS released a memo stating that they will not use the SNAP contingency fund towards November benefits. If the government shutdown continues beyond November 1, counties will experience program disruptions and increased demand on other local food assistance resources.

  Updated overview of the current situation as of November 4th:
  - ✓ SNAP benefits, which support roughly 42 million Americans, were not refilled for beneficiaries on Nov. 1 due to the ongoing federal government shutdown.
  - ✓ The U.S. Department of Agriculture (USDA) has $4.65 billion available in their SNAP contingency fund for November SNAP benefits, which is short of the estimated $8 billion needed to cover benefits for the full month.
  - ✓ On October 31, two federal courts (in Massachusetts and Rhode Island) issued rulings requiring USDA to use those contingency funds to make at least partial payments.
  - ✓ Today (Nov. 4), USDA issued implementation guidance to states for distributing SNAP contingency funds. In the guidance, USDA directed state agencies to reduce households' maximum benefit allotments by roughly half.
  - ✓ Although the SNAP contingency funds are in the process of being distributed to states, SNAP recipients should expect a delay in receiving their benefits.
  - ✓ NACo, in partnership with the National League of Cities (NLC), sent a letter to USDA ahead of November 1 urging immediate use of contingency funds to avoid disruption.

- **Community Health Centers:** Funding for Community Health Centers (CHCs) — drawn from both annual appropriations and the Community Health Center Fund (CHCF) - expired on September 30. The Health Resources and Services Administration (HRSA) reports that limited mandatory funds remain available to sustain operations temporarily. A prolonged shutdown, however, could result in reduced capacity and service interruptions in county and community-based clinics.

- **Behavioral Health:** Most Substance Abuse and Mental Health Services Administration (SAMHSA) programs — including 988 Suicide and Crisis Lifeline, State Opioid Response, and Mental Health and Substance Use Block Grants — are continuing operations using prior-year funds. Nonetheless, an extended shutdown could delay future grant cycles, create staffing uncertainty, and disrupt coordination for counties administering behavioral health and crisis services.

Additional Federal Government Shutdown's Effect on Counties

U.S. Department of Agriculture (USDA)

- USDA remains a vital federal partner to counties, providing resources that extends well beyond agriculture. Through programs supporting farm production, food assistance, conservation, and rural development, USDA enables counties to support producers, ensure food security, manage natural resources, and invest in essential infrastructure and services across rural America.
- A lapse in federal appropriations will pause key services across the Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), Food and Nutrition Service (FNS), U.S. Forest Service (USFS), and Rural Development (RD). While some operations funded by multi-year appropriations or user fees may continue, most discretionary services will be suspended and staff furloughed.

U.S. Forest Service (USFS)

- USFS plays a major role in land and forest management, wildfire preparedness, permitting and outdoor recreation across more than 193 million acres of federal lands. Counties routinely partner with USFS on wildfire mitigation, search and rescue, recreation management and economic development. During a shutdown, many of these shared responsibilities and services will be disrupted, shifting additional burdens to county governments.
- Under a shutdown, firefighter training, prescribed burning and fuels management may be suspended, increasing wildfire risks.
- Contracts for firefighting equipment and other preparedness resources may go unpaid unless previously obligated.
- Many federal land sites, including visitor centers, campgrounds, and recreation areas, will close or operate with reduced staffing, leading to canceled trips, reduced visitation and increased risk of illegal activity such as unauthorized campfires.
- Special-use permitting (e.g., energy, grazing, timber, mining) will halt, exacerbating existing permit backlogs.
- While emergency response and fire suppression will continue under life and property protection exceptions, federal staffing will be limited, potentially shifting more search and rescue and public safety responsibilities to counties.

USDA Rural Development (USDA RD)

- USDA Rural Development provides critical sources of financial and technical assistance for rural counties and our residents, helping counties invest in essential infrastructure, broadband, entrepreneurship and more.
- Under a shutdown, new loans, grants and guarantees are suspended.
- Most state and field office staff will be furloughed, halting technical assistance and fieldwork.
- Only a limited set of functions, such as servicing existing loans, managing escrow accounts and fulfilling legally required obligations, will continue.
- Counties should expect immediate delays in RD-backed projects awaiting approval, technical support or closing.

- Even where funding is still available (e.g., multi-year appropriations), a lack of staff may limit the ability to access or manage resources, leaving counties without guidance during the lapse.

Supplemental Nutrition Assistance Program (SNAP)

- As the largest federal nutrition program reaching nearly 42 million households, SNAP is a foundational part of the social safety net.
- Counties are responsible for administering the program in 10 states that represent approximately 34% of total participants, or 14.6 million people.
- During a shutdown, SNAP administrators will not be able to access new funds. However, operations will continue at least through October 2025 using multiyear carryover funds and contingency reserves. On October 10, USDA FNS issued guidance to states stating that they believe there will be insufficient funds to last through November.

Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

- WIC provides nutrition support to low-income pregnant, postpartum and breastfeeding women, infants and young children deemed nutritionally at risk.
- WIC is administered through 1,900 local agencies in 10,000 clinic sites. Nearly 50% of local WIC agencies are part of local government, including counties, while clinic sites include county health departments and other county agencies.
- Because WIC is a discretionary program, it will receive no new funding during a shutdown. Federal contingency funds are expected to last approximately two weeks after Oct. 1. After that, states will likely need to rely on their own funding streams to keep the program running in the short term, which they will be able to do to varying degrees.

U.S. Department of Health and Human Services (HHS)

Disproportionate Share Hospital (DSH) Payments

- Counties employ over 533,000 hospital and healthcare workers and own or support more than 900 public hospitals that provide inpatient medical and specialized care critical for low-income and uninsured individuals.
- The Medicaid Disproportionate Share Hospital (DSH) program provides critical financial support to hospitals that serve disproportionately large proportions of the nation's most vulnerable populations, including children, low-income individuals, people with disabilities and older adults.
- The Medicaid DSH cut for Fiscal Year (FY) 2026 is $8 billion and will go into effect on Oct. 1, 2025, unless Congress acts. The program is scheduled to be reduced by another $8 billion for each of FYs 2027–2028 ($24 billion total over the next three fiscal years).

Temporary Assistance for Needy Families (TANF) Program

- TANF is a federal entitlement program providing federal funding to states, tribes and territories for a wide range of benefits, services and activities to address both the effects of and the root causes of poverty. Nine states delegate TANF administration to county agencies, which contribute significant local funds to administrative and supplemental costs of running the program.
- The Temporary Assistance for Needy Families (TANF) program expired on Sept. 30, 2025. Given that TANF's reauthorization is tied to the funding extension, the program cannot issue first-quarter payments.

- To ensure residents continue to receive TANF benefits, states may use unspent funds or Maintenance of Effort (MOE) dollars to continue the program. However, the ability of states to sustain TANF funding may vary based on their financial situations.

Title IV-B (Child Welfare Services)

- Title IV-B includes mandatory and discretionary funding to support child welfare programs with the goal of keeping families together. These dollars can support state programs that protect and promote the welfare of all children, prevent the neglect, abuse or exploitation of children, support at-risk families, promote the safety, permanence and well-being of children in foster care and adoptive families and provide training, professional development and support to ensure a well-qualified child welfare workforce.
- Authority for Title IV-B expired on Sept. 30, 2025. Given that Title IV-B reauthorization is tied to the funding extension, the program cannot issue first-quarter payments. While states may be able to bridge the gap using their own dollars, the financial circumstances around their ability to do so may vary.

Head Start

- Head Start targets children under age five from low-income families with comprehensive programming to meet their emotional, social, health, nutritional and psychological needs and bolster school readiness.
- County governments often play an important role in the operation of Head Start and Early Head Start programs, whether by directly serving local grantees and/or by contributing supplemental funding to support the program.
- At this time, there are six Head Start grantees serving an estimated 6,500 children and families whose grants begin on Oct. 1, 2025, meaning they will be impacted by a shutdown. The ability of these programs to stay open will vary by grantee.

Food and Drug Administration (FDA)

- At the FDA, routine inspections, guidance development, staff training and technical assistance programs that would otherwise support local health inspectors will be curtailed.

U.S. Department of Education (ED)

- K-12 education is a state–local partnership in which counties play varying roles, as most states give school boards primary authority. Counties often help fund schools through property and other local taxes, with states providing the remaining share.
- The majority of K-12 funding under the ED is provided the following July, and a portion of funding for the Individuals with Disabilities Education (IDEA) Act, and Titles I-A and II-A is advance-funded and becomes available on October 1 of the next fiscal year, which historically allows it to be distributed as usual despite a shutdown.
- According to the ED contingency plan, the agency will continue to disburse student aid and make Title I and IDEA grant funding available as usual.

U.S. Department of Homeland Security (DHS) & U.S. Department of Justice (DOJ)

- Most of DHS will continue operating, as many of its functions relate to the protection of life and property and are exempt from the shutdown.
- During the federal government shutdown, counties will continue justice and public safety operations; however, the grants that fund these programs will be impacted.

- As part of the shutdown impacting DHS and DOJ, federal agency grants staff will be unavailable to provide the technical assistance that counties may need to comply with grant requirements.
- Grant applications from DHS will not be processed due to the shutdown. This will present fiscal uncertainty for counties as they work to continue critical public safety services.
- FEMA's Disaster Relief Fund (DRF) will not be impacted by a shutdown, and activities funded through the DRF will continue.
- The State and Local Cybersecurity Grant Program's authorization will expire on Sept. 30, 2025. Without reauthorization, the discretionary grant program will cease to have new resources available to counties.
- Approximately 65% of the Cybersecurity and Infrastructure Security Agency's (CISA) workforce will be placed on non-duty, non-pay shutdown furlough in the event of a government shutdown, potentially limiting the capacity of the agency to support counties through agency resources and programming on cybersecurity needs.

U.S. Department of Housing and Urban Development (HUD)

- HUD has identified essential functions necessary to 1) protect life and property, or 2) perform statutorily required duties, and is expected to operate at just under 30% capacity during the funding lapse.
- Funding for flagship HUD programs such as the Community Development Block Grant (CDBG) program and the Home Investment Partnerships (HOME) program will remain available due to advance funding. These programs require HUD approval of a grantee's consolidated plan prior to receiving awarded funds. Plans that remain unapproved following the 45-day shot-clock for processing are expected to be automatically deemed approved.
- Administration of Section 8 Housing Vouchers will generally remain operational to the extent that funding is available. Priority will be given to existing commitments rather than approval of new recipients or projects.
- HUD's Office of Community Planning and Development is expected to continue awarding Continuum-of-Care funding to the extent necessary to prevent gaps in service delivery. This is also contingent on availability of funds.
- HUD's Office of Housing will continue to perform the minimum necessary activities to maintain the Federal Housing Administration's (FHA) portfolio of insured mortgages.
- A permanent reduction-in-force of an estimated 442 HUD employees was issued by the Office of Management and Budget on October 10.

U.S. Department of Labor (DOL)

- DOL issued a contingency guidance document on Sept. 26, 2025, outlining a roughly 75% reduction in force, agency wide.
- Workforce Innovation and Opportunity Act (WIOA) Title I Grant funding will remain available through advance funding.
- Job Corps centers will remain operational in all locations that involve housing of students.

U.S. Department of Transportation (USDOT)

- Counties are involved in a third of the nation's public airports. If a shutdown occurs, TSA agents working without pay may not report to work, creating congestion and safety concerns.

- Further impacting air travel, thousands of Federal Aviation Administration (FAA) employees who are not air traffic controllers or safety inspectors will not report to work. This will include personnel who conduct facility security inspections, evaluations and audits; capital planning for facilities and equipment; financial operations; law enforcement assistance support; and most administrative support functions — among many others.

U.S. Environmental Protection Agency (EPA)

- Funding for Clean Water/Drinking Water State Revolving Fund (SRF) programs and brownfields grants will be halted.
- Most inspections of hazardous waste management sites and chemical facilities will be stopped.

County Government Shutdown FAQs

What will happen to mandatory programs that bypass the regular appropriations process when the federal government shuts down?

Funding for programs that do not rely on the regular appropriations process will remain available. Examples of programs outside the appropriations process that receive automatic funding include:

- Children's Health Insurance Program (CHIP)
- Medicaid
- Mandatory portion of the Child Care Development Fund (CCDF)

However, many mandatory programs require an active authorization to receive funding in the new fiscal year. The following programs are set to expire on Sept. 30, 2025, and will not receive new funding absent congressional action:

- Temporary Assistance for Needy Families (TANF)
- The mandatory portion of Community Health Centers
- National Flood Insurance Program (NFIP)

What will happen to mandatory programs that are funded in appropriations acts when the federal government shuts down?

Most of these programs will not have access to new funding during a shutdown, but states will be entitled to reimbursement once funding is enacted and made available. Counties responsible for administering these programs will need to work with their state to receive reimbursements. Examples include:

- Social Services Block Grant (SSBG)
- Promoting Safe and Stable Families
- Supplemental Nutrition Assistance Program (SNAP)

These programs continue to have access to any carryover funding from previous years.

Which programs already have funds available for FY 2026?
A handful of discretionary (not mandatory) programs will not be immediately affected by a shutdown because they received FY 2026 funding in the FY 2025 year-long CR. Examples of these programs include:

- Title I Grants to Local Educational Agencies
- Special Education Grants to States
- Career and Technical Education state grants
- Workforce Innovation and Opportunity Act (WIOA) Title I formula grants

Brooke Rollins
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250

October 31, 2025

Dear Secretary Rollins,

On behalf of the National Association of Counties (NACo) and the National League of Cities (NLC) and the 3,069 counties and 19,000 cities we represent, we respectfully urge the U.S. Department of Agriculture's Food and Nutrition Service (FNS) to release the Supplemental Nutrition Assistance Program (SNAP) contingency funds to minimize an interruption in November benefits associated with the ongoing federal government shutdown.

Counties and cities are intergovernmental partners in administering vital federally-supported services, and our communities are already preparing for major nutrition assistance surges if SNAP issuances lapse. In states such as Wisconsin, where about 700,000 residents rely on SNAP benefits, and Minnesota, with over 400,000 recipients, food banks are stocking up in anticipation but acknowledge they won't be able to fully offset the loss of those benefits. Additionally, in the ten states where SNAP is administered at the county level, local governments are working to implement major program changes that were enacted earlier this year while continuing daily operations.

Local governments urge Congress to work in a bipartisan manner to end the shutdown. However, in the absence of congressional action, we urge USDA to:

- Release SNAP contingency funds and leverage all administrative authority to ensure that benefits can continue to be provided to eligible recipients;
- Issue clear, written guidance for states, counties, and EBT processors to issue partial benefits; and
- Coordinate with state and local leaders to address any barriers.

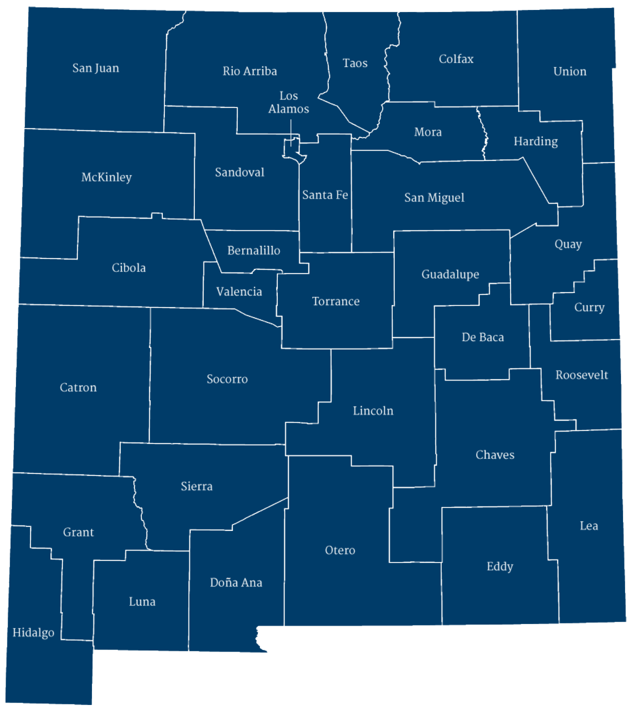
As you know, SNAP is an essential lifeline for many of our nation's residents and an economic imperative for our communities. Thank you for your continued partnership and prioritization of this issue on behalf of our members, who are committed to ensuring families continue to access their benefits. If you would like to speak further on this matter, please contact Julia Cortina (NACo), Associate Legislative Director at jcortina@naco.org or Stephanie Martinez-Ruckman (NLC), Legislative Director for Human Development at martinez-ruckman@nlc.org.

Sincerely,

Matthew D. Chase
CEO/Executive Director
National Association of Counties

Clarence E. Anthony
CEO and Executive Director
National League of Cities

Federal Land Revenues for New Mexico Counties



New Mexico has a unique relationship with the federal government when it comes to land ownership. In some counties, more than 75% of the land is owned by a federal agency or held in trust. Federal lands cannot be taxed but may create demand for services such as fire protection, police cooperation, emergency medical response, search and rescue, or longer roads to skirt federal property. Counties, particularly in the western United States where federal land ownership is significant, must continuously educate members of Congress on the importance of appropriate federal compensation to maintain these services.

Some of the critical federal programs that offset these reduced revenues, and additional services include Payment in Lieu of Taxes, Forest Reserve/Secure Rural Schools & Community Self-Determination, and the Local Assistance & Tribal Consistency Fund. The following background provides information on the history, distributions, and current allocations of these programs.

Payment in Lieu of Taxes (PILT)

Federal Agency: Department of Interior (https://www.doi.gov/pilt)
Distributed: Annually in June, Direct to Counties
Allocation: $51,575,356 (FY25)
Purposes: General Fund Revenue

Overview and History

The PILT Program provides compensation to local governments for losses in property taxes on specific lands administered by Department of the Interior agencies, including the Bureau of Land Management, the National Park Service, the U.S. Fish and Wildlife Service, and the Bureau of Reclamation. In addition, PILT payments cover lands administered by the U.S. Forest Service, the U.S. Army Corps of Engineers, and a few additional specific federal land holdings. PILT payments are not provided for tribal lands held in trust by the federal government.

The original law is Public Law 94-565, dated October 20, 1976. This law was rewritten and amended by Public Law 97-258 on September 13, 1982 and codified at Chapter 69, Title 31 of the United States Code. The law recognizes the financial impact of the inability of local governments to collect property taxes on federally owned land.

Congress has repeatedly debated the level of PILT funding to compensate counties. Currently, compensation for PILT funding in New Mexico averages .43 cents per acre, far below the average that could be collected if the land was privately owned. The authorized level of PILT payments is calculated using a complex formula and no precise dollar figure can be given in advance for each year's PILT authorized level.

Five factors affect the calculation of a payment to a given county:

1) the number of acres eligible
2) the county's population,
3) payments in prior years from other specified federal land payment programs,
4) state laws directing payments to a particular government purpose, and
5) the Consumer Price Index as calculated by the Bureau of Labor Statistics.

If the appropriation for PILT funding is less than the full authorized amount, each county receives a prorated payment.

PILT PAYMENTS IN NEW MEXICO

COUNTY	2021	2022	2023	2024	2025
Bernalillo County	$233,119	$241,578	$254,944	$275,165	$286,181
Catron County	$681,581	$716,261	$790,546	$861,677	$889,649
Chaves County	$3,426,876	$3,518,008	$3,767,947	$4,010,591	$4,146,244
Cibola County	$2,031,373	$2,110,323	$2,247,642	$2,373,039	$2,486,145
Colfax County	$181,687	$191,590	$201,140	$215,634	$226,614
De Baca County	$121,463	$124,627	$134,329	$142,626	$147,758
Dona Ana County	$3,384,416	$3,467,870	$3,702,535	$3,952,404	$4,071,186
Eddy County	$3,805,603	$3,902,194	$4,182,371	$4,441,425	$4,591,726
Grant County	$2,296,259	$2,394,294	$2,620,578	$2,821,219	$2,846,326
Guadalupe County	$177,013	$181,477	$196,005	$204,695	$213,699
Harding County	$118,860	$124,448	$133,860	$139,639	$142,938
Hidalgo County	$753,461	$758,963	$805,920	$843,177	$866,503
Lea County	$1,203,243	$1,232,352	$1,322,901	$1,406,838	$1,454,912
Lincoln County	$1,964,654	$2,021,081	$2,140,440	$2,314,712	$2,383,948
Los Alamos County	$96,754	$99,717	$105,899	$113,113	$117,445
Luna County	$ 2,124,639	$2,177,647	$2,336,477	$2,482,302	$2,564,521
McKinley County	$1,044,031	$1,100,976	$1,169,583	$1,244,132	$1,303,103
Mora County	$274,149	$294,119	$314,806	$337,124	$356,688
Otero County	$3,530,901	$3,650,612	$3,872,780	$4,155,372	$4,301,329
Quay County	$5,152	$5,278	$5,647	$6,040	$6,239
Rio Arriba County	$2,592,269	$2,761,206	$3,027,885	$3,259,690	$3,410,142
Roosevelt County	$30,756	$31,502	$33,917	$35,988	$37,231
San Juan County	$2,459,114	$2,525,067	$2,706,433	$2,863,428	$2,969,743
San Miguel County	$933,177	$982,005	$1,044,606	$1,168,698	$1,211,857
Sandoval County	$2,460,430	$2,540,003	$2,710,336	$2,902,795	$2,970,108
Santa Fe County	$820,311	$847,339	$896,578	$965,327	$1,014,212
Sierra County	$1,292,264	$1,349,272	$1,540,488	$1,491,991	$1,537,996
Socorro County	$1,546,883	$1,623,020	$1,610,953	$1,778,623	$1,852,323
Taos County	$1,939,135	$2,004,800	$2,129,260	$2,277,837	$2,379,336
Torrance County	$352,191	$385,684	$407,530	$450,834	$473,938
Union County	$167,819	$172,170	$184,689	$196,317	$202,426
Valencia County	$90,384	$94,200	$100,736	$108,165	$112,890
Totals	**$42,139,967**	**$43,629,683**	**$46,699,761**	**$49,840,617**	**$51,575,356**

Source: https://www.nbc.gov/pilt/counties.cfm

PILT TOTAL ACRES AND PAYMENTS PER ACRE FOR FY23

COUNTY	TOTAL ACRES	PAYMENT PER ACRE	COUNTY	TOTAL ACRES	PAYMENT PER ACRE
Bernalillo County	89782	$0.31	McKinley County	419,726	$0.32
Catron County	2,721,951	$3.06	Mora County	115,610	$0.32
Chaves County	1,216,379	$0.29	Otero County	1,512,025	$0.35
Cibola County	788,644	$0.32	Quay County	1,811	$0.29
Colfax County	74,404	$0.30	Rio Arriba County	2,017,380	$0.59
De Baca County	44,423	$0.30	Roosevelt County	10,937	$0.29
Dona Ana County	1,183,275	$0.29	San Juan County	861,885	$0.29
Eddy County	1,574,276	$0.34	San Miguel County	395,723	$0.33
Grant County	1,161,466	$0.41	Sandoval County	908,563	$0.31
Guadalupe County	64,405	$0.30	Santa Fe County	305,852	$0.30
Harding County	71,900	$0.50	Sierra County	1,301,207	$0.85
Hidalgo County	822,896	$0.95	Socorro County	1,561,055	$0.84
Lea County	424,419	$0.29	Taos County	763,685	$0.32
Lincoln County	921,867	$0.39	Torrance County	161,438	$0.34
Los Alamos County	35,200	$0.30	Union County	59,068	$0.29
Luna County	747,187	$0.29	Valencia County	35,960	$0.32
			Totals	22,374,399 Acres	$0.43 Average

Source: https://www.nbc.gov/pilt/counties.cfm

Forest Reserve Payments

Federal Agency:	Department of Interior (https://www.doi.gov/ocl/secure-rural-schools)
Distributed:	Annually in the Spring; Forest Reserve Payments by NM Department of Finance
Allocation:	$958,615.52 (FY25)
Purposes:	Shared revenue split between forested counties and school districts based on Title I, II, III allocations

Overview and History

In 1891, the President of the United States was given the authority to create Forest Reserves. In the subsequent six years over 40 million acres of forest land was placed in Forest Reserves. Across the west, rural county commissioners and school leaders expressed grave concerns over the withdrawal of large blocks of land from settlement, eco-nomic development, and taxation within their counties. Many communities were also highly dependent on these lands for grazing, timber, and water. In 1897, Congress addressed these concerns by specifying that Forest Reserve funding would be provided for three purposes:

1. Improve and protect the forests in the Reserve.
2. Secure favorable conditions of water flows.
3. Furnish a continual supply of timber for the use and necessities of citizens of the United States.

In 1905, the Forest Reserves were renamed National Forests, and the U.S. Forest Service was founded to manage the lands. The federal government has continued to set aside additional lands and by the mid 1900's over 153 million acres had been set aside as National Forests. President Theodore Roosevelt and Gifford Pinchot, Chief of the Forest Service were so concerned that rural county opposition would politically compromise the future of the U.S. National Forests, that they proposed a new concept – revenue sharing. In 1908, Congress approved a bill that specified that 25% of all revenues raised on National Forests would be sent to counties which contained these forests to be used for county roads and public schools.

From 1908 until the late 1980's this "revenue sharing" system worked well for forested counties and schools by providing a steady and significant income stream. By the late 1980's changes in national environmental policy and laws caused most national forests to discontinue or drastically cut grazing, timber management, and mining. As a result, U.S. Forest Service revenues declined very rapidly as did the 25% Forest Revenue receipts to counties and schools. By 1998 these revenues had declined by over 70%, raising significant concerns that certain forested communities would cease to exist.

Secure Rural Schools & Community Self-Determination Act (SRS)

In December 2000, the Secure Rural Schools and Community Self-Determination Act (SRS) was signed into law in response to this depletion of shared revenues. This bill provided Title I payments to counties (for roads) and to public schools, it also provided payments to counties to invest in Title II Forest Improvement Projects on National Forests and Title III for specific projects and programs in counties such as search and rescue reimbursement and community wildfire protection plan development. The Act also authorized the counties to create, in cooperation with the USFS, collaborative Resource Advisory Committees. This Act was enormously successful in that it restored county and school revenues to their 1980's and early 90's levels, resulting in restoration of public services and school programs.

Since the "Forest Reserve" payments were incorporated into SRS, Congress has not been consistent in its commitment to maintain this funding:

2007 – 1-year extension of SRS is approved
2008 – 5-year extension with a new funding formula and a 10% reduction each year.
2012 – 1-year extension with a 5% reduction in funding from 2011.
2013 – 1-year extension is approved with an additional 5% reduction in funding.
2015 – 2-year extension is approved for FY 2014-2015 with another 5% reduction each year.
2016 – Congress fails to approve reauthorization and SRS expires.
2018 – 2-year reauthorization of SRS for FY-17 & FY-18 with a 5% reduction each year.
2019 – 2-year reauthorization of SRS for FY-19 & FY-20 with another 5% annual reduction.
2021 – Reauthorization for FY-21, FY-22 & FY-23 at 2017 amounts (w/o annual reductions).
2024 – Funding was not reauthorized beginning in FY24

County	FY2021	FY2022	FY2023	FY2024	Difference
Bernalillo	$58,981.24	$53,484.32	$54,056.58	$9,944.00	($44,112.58)
Catron	$3,028,379.26	$3,019,503.71	$3,039,121.91	$119,636.39	($2,919,485.52)
Chaves	$39,687.56	$39,973.85	$39,434.94	$3,717.52	($35,717.42)
Cibola	$451,981.18	$481,455.40	$495,084.94	$40,513.64	($454,571.30)
Colfax	$66,068.12	$66,821.49	$64,899.41	$11,047.01	($53,852.40)
Eddy	$64,659.01	$69,918.39	$65,917.71	$12,371.43	($53,546.28)
Grant	$709,208.00	$687,529.41	$651,840.30	$34,099.26	($617,741.04)
Hidalgo	$61,173.23	$58,933.19	$60,027.15	$14,631.48	($45,395.67)
Lincoln	$341,172.41	$304,855.25	$322,609.67	$37,927.79	($284,681.88)
Los Alamos	$9,818.54	$9,470.95	$9,067.24	$4,603.13	($4,464.11)
McKinley	$268,929.99	$260,747.08	$288,114.51	$25,927.47	($262,187.04)
Mora	$89,661.96	$81,540.35	$89,058.61	$16,243.64	($72,814.97)
Otero	$643,060.13	$612,929.07	$658,658.84	$51,729.67	($606,929.17)
Rio Arriba	$1,523,245.20	$1,544,230.46	$1,605,383.85	$221,931.20	($1,383,452.65)
Sandoval	$282,870.71	$258,872.69	$326,721.28	$59,479.28	($267,242.00)
San Miguel	$369,560.82	$308,347.14	$314,265.51	$53,947.47	($260,318.04)
Santa Fe	$117,015.29	$105,682.38	$99,298.02	$37,560.50	($61,737.52)
Sierra	$264,666.96	$310,372.71	$352,541.99	$16,677.07	($335,864.92)
Socorro	$693,967.03	$612,714.94	$638,765.18	$81,882.37	($556,882.81)
Taos	$508,442.66	$516,443.41	$512,041.31	$81,960.59	($430,080.72)
Torrance	$188,057.27	$167,496.93	$166,916.77	$20,680.06	($146,236.71)
Valencia	$19,527.87	$17,203.55	$18,244.72	$2,104.55	($16,140.17)
Totals	**$9,800,134.44**	**$9,588,526.67**	**$9,872,070.44**	**$958,615.52**	**($8,913,454.92)**

Source: https://www.nmdfa.state.nm.us/local-government/budget-finance-bureau/financial-distributions/

It is important to note that SRS funding is an offset in the PILT formula. When Congress did not reauthorize SRS funding in 2024, we anticipate that a larger portion of the PILT funding will be allocated to the Pacific Northwest states beginning in 2026.

In New Mexico alone, SRS funding dropped from $9.8 million to $958k and the combined losses of SRS and PILT are anticipated to be over $12 million if funding is not reauthorized.

New Mexico Counties
2026 Legislative Priorities

HB2 Appropriations

Detention Reimbursement Fund
Fully fund the County Detention Facility Reimbursement Act Fund to reimburse counties for the actual cost of housing state inmates. The statutory obligation, according to the New Mexico Sentencing Commission is $9.38 million, but only $4.7 million was appropriated in 2025.

Courthouse Funding
Authorize continued funding to the Administrative Office of the Courts for the construction and renovation of state district courthouses. Counties maintain that these courthouses are a state responsibility and that the rising costs of construction, security, and IT necessitate a shared revenue stream.

700 MHz Radios
Authorize continued funding for the monthly operational costs of 700 MHz radios to build out state interconnectivity infrastructure.

Detention Recruitment & Retention
Authorize continued funding for the Corrections Workforce Capacity Building Fund administered by DFA. Adequate detention staff are essential to a safe, well-operated facility, which is directly correlated to community safety.

Firefighter/EMS Recruitment Fund
Authorize continued funding for the Fire & EMS Recruitment Fund administered by DFA for fire departments to staff firefighters and EMS personnel. Call volumes have increased by 50% and response systems remain significantly over-burdened.

RISE Funding
Secure HSD funding for county participation in the RISE (Reach, Intervene, Support, and Engage) Program to provide behavioral health, medically assisted treatment (MAT), housing, vocational, and other services to people in detention.

IPRA Improvements

Amend the Inspection of Public Records Act (IPRA) to exempt from disclosing specific information and prohibit certain requests used to compromise and obstruct critical local government services.

Property Tax Exemptions Deadline for Veterans

Require all veterans to file for a property tax exemptions within the existing property tax annual schedule to ensure equitable treatment for all taxpayers and allow counties to accurately budget for the fiscal year. Veterans would have 30-days after the notice of value to file an exemption or request an extension for up to 180 days to resolve any delays in certification.

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