



LFC Newsletter

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Senator George Muñoz, Vice Chairman
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From the Chairman Long-Term

Water has always been New Mexico's most precious natural resource. The original inhabitants of our lands have carefully stewarded this precious resource since time immemorial. Our traditional land grant and acequia communities have lovingly managed our limited freshwater supply for centuries. But, we are facing new challenges. A decades-long drought, less snowpack, and stretched aquifers mean we must act to secure our water supply for the future.

That is why, over the last several years, we have invested \$1.5 billion in water supply, protection, and infrastructure. In the last session alone, the Legislature appropriated \$35 million for the strategic water supply to explore new sources of water, \$13 million for the strategic water reserve to provide water to the environmental flows, and \$10 million for the river stewardship program to improve surface water quality and river habitats. We've added new, competitively paid staff to the State Engineer's office, invested in future tribal water rights settlements, set aside \$20 million to partner with agricultural producers, supported litigation and settlement efforts that paid off in the *Rio Grande Texas v. New Mexico* lawsuit, and more. Along with funding to map aquifers, improve water use permitting, and test domestic wells, we are taking decisive steps toward a more water-secure future.

That work is having an impact that has been recognized nationally, with the Pew Charitable Trust saying New Mexico's efforts will "strengthen the state's ability to keep water in rivers and support healthy freshwater ecosystems while respecting existing water rights and supporting local economies."

Still, our work is far from over. The long-term trend is a hotter and drier New Mexico, and conservation and protection won't be enough to ensure water supplies are adequate for the future.

The key to our water future is continued investment in what is working, while also working closely with all stakeholders to better identify and understand our non-traditional water resources.

While much of our water use depends on a depleted snowpack, a super El Niño could provide some temporary relief later this summer, refilling reservoirs, boosting river flows, and recharging groundwater. Even as we welcome this relief, we need long-term security. Protecting and conserving water, while also assessing and addressing nontraditional water resources, must remain top budget and policy priorities for us in the upcoming session and beyond.

Representative Nathan Small
Chairman

School Time Efforts Fall Short

New Mexico has spent \$2.6 billion to increase learning time in public schools since a state court ruled the approach should be expanded, but scheduled instructional time has increased little, an LFC evaluation finds.

While research broadly finds more time in school can improve student success, the progress report scheduled to be presented to the committee at 1 p.m. June 17 finds school districts and charter schools added an average of just three days and 30 hours of student instructional time between 2018 and 2026.

The 1st Judicial District Court ruled in 2018 in the *Martinez-Yazzie* education lawsuit that the state had failed to provide an adequate education to certain groups of students and, among its finding, said the state should expand learning time.

In response, the Legislature has attempted to increase instructional time through mandates and incentives.

The Legislature in 2023 increased the number of minimum instructional hours in a school year—leaving the number of days up to the district or charter school—and created a financial

incentive for schools to add additional days to their instructional calendars under the K-12 Plus program.

While some schools were already meeting the new instructional hour requirements, the report finds many of the schools that were not opted for adding hours to the day rather than days to the year.

In addition, LFC staff report, two-thirds of the K-12 Plus funding for additional days in FY26 went to schools for professional work days—days when teachers have no students.

The progress report notes students in New Mexico typically start their educations behind and need to grow faster than their peers nationally to catch up. However, at current growth rates in reading and math, students who start out behind are unlikely to reach sufficiency before graduating from high school.

The report recommends reforms to the K-12 Plus program and other statutory changes to encourage districts and charter schools to add instructional days, additional supports for students who are chronically absent, and greater targeting of out-of-school resources, like tutoring, to struggling students.

SNAP Errors Need Greater Scrutiny

Shortcomings in the state's administration of the Supplemental Nutrition Assistance Program could cost New Mexico \$173 million in federal funding, LFC staff find.

In the program evaluation of the Supplemental Nutrition Assistance Program scheduled to be presented to the committee at 9:30 a.m. June 16, staff note the federal budget reconciliation act requires states with higher payment error rates to cover a share of SNAP benefit costs, normally fully covered by the federal government.

New Mexico has the fifth worst error rate in the nation for underpayments or overpayments of food assistance, and while the national average rate dropped in 2023-2024 federal fiscal year, New Mexico's continued to rise, topping 16 percent in 2025.

Most errors are overpayments caused by inaccurate income or household information, administrative mistakes, and weaknesses in case management,

training, and oversight.

The evaluation also finds the Health Care Authority under-investigates and under-identifies potentially fraudulent activity, although the state has relatively low levels of confirmed fraud.

Staff report monitoring beneficiary compliance with the program is hampered by a lack of data on what specific items are purchased with SNAP benefits. SNAP benefits cannot be used for ready-to-eat meals, alcohol, vitamins, and other products.

New Mexico has the highest rate of SNAP participation in the country and distributes about \$1 billion a year in benefits to New Mexicans. The use of SNAP benefits accounted for about 15 percent of all food spending in the state in 2025.

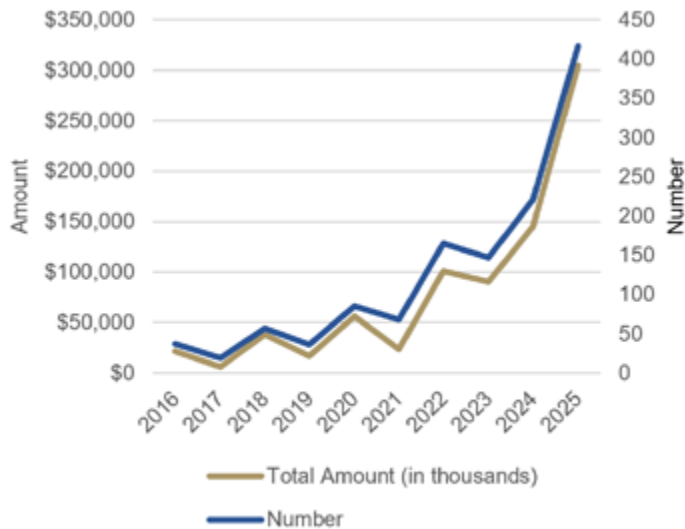
Under the federal act, states with high error rates must cover the cost of up to 15 percent of the benefits. The federal law also doubled the share of administrative costs that must be covered by states.

Emergency Orders, Costs Double in One Year

The number of emergency orders issued by the governor almost doubled between 2024 and 2025, from 221 to 417, while the amount of authorized spending was more than twice as high, increasing by \$160 million in the same year, LFC analysis shows.

In an evaluation of emergency orders scheduled to be presented to the committee at 1 p.m. on June 16, staff report the number of emergency orders, traditionally used to respond to natural disasters but now used more broadly, increased 22-fold between 2016 and 2025 and amounts authorized were 14 times higher.

Executive Orders



Source: Governor's Office, LFC Files

On the Table

Water Fund Awards Near \$380M

A record-breaking \$378 million in water trust funds have been awarded to 84 infrastructure projects across the state for 2026, the New Mexico Finance Authority has announced. Awards include two totaling \$38 million to Las Vegas for water storage tanks and wastewater treatment plant improvements, \$24 million to the Eastern New Mexico Utility Authority for a raw water pipeline, \$22 million to the Albuquerque/Bernalillo County water utility for aquifer storage and recovery wells, and \$21 million to Belen for wastewater treatment plant improvements.

Lottery Transfers Hit 10-Year Low

The Lottery Authority reports monthly transfers to the lottery tuition fund continue to decline, with \$2.7 million sent to the fund in April, the lowest total monthly transfer since at least 2014. The fund has received \$36 million so far this year. The Legislature had to appropriate an additional \$56 million during the 2026 session to maintain solvency in the fund. If lottery revenue continues to decrease, the Legislature will need to supplement the fund or reduce scholarship amounts.

More Children in Foster Care

The number of children in foster care increased by about 70 between April 2026 and April 2027 to 2,207, the Children, Youth and Families Department reports. Most are in foster homes, but 381 are in residential treatment centers, youth shelters, group homes, or other settings. The number of foster homes has increased by 118 compared with a year ago, mostly through additional relatives providing housing. The department also reports a drop in the vacancy rate for key Protective Services field staff to 22 percent, although turnover remains above 50 percent and caseloads remain above targets.

Smoking Down, Vaping Up

The percentage of New Mexico adults who smoke dropped from 15 percent in 2022 to 11.7 percent in 2024, while e-cigarette use among adults increased from 7.3 percent to 8.2 percent, according to the Department of Health. High school cigarette smoking from 2019 to 2023 dropped from 8.3 percent to 3.3 percent, and high school e-cigarette use dropped from 33.4 percent to 18.8 percent. Middle school e-cigarette use from 2019 to 2023 dropped from 15.1 percent to 10.4 percent. In FY25, less than 1 percent of adult cigarette smokers accessed DOH's smoking cessation services, and the department spent \$2.93 per smoker.

EDD Transfers \$280,000 Out of Personnel

The Economic Development has asked to move \$280 thousand out of its personnel budgets for the Economic Development and Administrative Services divisions, with plans to spend \$200 thousand from the development division on additional trade grants and outreach. The department says it intends to use \$80 thousand from the administrative services personnel budget, along with \$200 thousand from the division's contractual services budget, to buy furniture, pay for travel, and buy software to streamline responses to Inspection of Public Records Act.

Transitions

LFC staff have received two awards from the National Legislative Program Evaluation Society. Allegra Hernandez and Sarah Rovang's 2024 evaluation on workforce programs has received the NLPES Impact Award for its significant state impact. Stephanie Joyce and John Valdez' 2025 policy spotlight on felony crime has received the NLPES Excellence in Research Methods award. Michael Hess, who holds a doctorate in political science and has worked for the Bernalillo County Behavioral Health division and the University of New Mexico, has joined the LFC evaluation team. State Fire Marshal Randy Varela announced his retirement effective June 30. The Department of Homeland Security and Emergency Management has not named an interim replacement.



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