



ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

FY22 BUDGET PROPOSAL

PRESENTATION TO LEGISLATIVE FINANCE COMMITTEE
NOVEMBER 19, 2020

SARAH COTTRELL PROPST, CABINET SECRETARY



Overview

- Overall FY22 budget request of \$68,013,100
 - Request decreased \$7,381,600 from FY21 operating budget
- The proposed budget includes a general fund reduction of \$682,800
- The cuts are partially offset by increasing our federal requests and other revenues
 - Federal Revenue increased \$758,600
 - Other Revenues increased \$729,900

Uses	FY21 OpBud	FY22 Request	Difference
Personal Services/ Employee Benefits	34,653.3	33,186.1	(1,467.2)
Contractual Services	14,707.7	11,768.2	(2,939.5)
Other	24,504.5	21,527.6	(2,976.9)
Other Financing Uses	1,529.2	1,531.2	2.0
Total Uses	75,394.7	68,013.1	(7,381.6)

Energy Conservation and Management Division

The ECMD FY22 budget request is \$3,224,200 representing a total reduction of \$189,100 from FY21 Operating Budget

- General Fund *decreased* by \$62,900
- Federal Funds *decreased* by \$153,600
- Other Revenues *increased* by \$27,400

ECMD request aligns federal revenues with actual grants received by the agency and uses other revenues to help offset the cuts on the general fund.

The reduction will impact overall operations of the division as we reduce contractual services and operating costs. The budget request maintains current staffing levels.

ECMD's FY22 priorities include:

- Implementing the new solar market development tax credit
- Finalizing a NM electric grid modernization plan
- Providing technical expertise to promote renewable energy deployment



State Forestry Division

The State Forestry FY22 budget request is \$15,992,100, which includes an increase of \$41,200 over the FY21 operating budget.

- General fund request is *decreased* by 5% (\$193,200)
- Other Revenues are *decreased* by \$113,800 to align with reduced revenues due to the COVID-19 pandemic
- Fund balance *decreased* by \$4,000
- Budget reductions are offset by an *estimated increase* in Federal Revenues of \$352,200

The proposed budget allows State Forestry to continue to meet statutory obligations and manage a growing fire season.



State Parks Division

The State Parks FY22 budget request is \$24,881,300 which is a decrease of \$4,536,006 from the FY21 operating budget.

- Budget fund balance *decreased* by \$5,118,100

The budget fund decrease is primarily due to revenue lost from the necessary closures to curb the spread of COVID-19.

State Parks Division's FY22 priorities include:

- Improve the visitor experience with improved facilities and programming
- Continue to modernize state parks by increasing online day use and camping sales and installing self-pay kiosks



Mining and Minerals Division

The Mining and Minerals Division FY22 budget request is \$8,269,600 which is a \$3,500 increase over the FY21 operating budget.

- General fund decreased by 5% (\$27,700)
- General fund reduction is offset by an increase in federal revenues and other state revenues
 - Federal revenues increased \$20,000
 - Other State revenues increased \$11,200

The Mining and Minerals Division's FY22 priorities are to ensure responsible mining practices and bring impact mine lands back to beneficial use.



Oil Conservation Division

The OCD FY22 budget request is \$10,742,200 which is a decrease of \$2,700,600 from the FY21 operating budget.

- General fund *decreased* by \$457,500
- Budgeted fund balance *decreased* by \$2,377,200
 - Fund balance being spent on the Carlsbad Brine Well remediation project and well plugging.

A decreased fund balance can also be attributed to reduced demand for oil during the COVID-19 pandemic.

The OCD's FY22 priorities include modernization of the division and a continued focus on technology to ensure the division can oversee responsible development of oil and gas resources and reduce methane emissions in the oil and gas industry.



Program Support

The Program Support FY22 budget request remains flat from FY21 at \$4,903,700.

EMNRD's Program Support includes Office of the Secretary, Administrative Services, Legal, and IT.

Program Support was unable to reduce general fund without affecting existing employees and will continue to hold open a number of positions for vacancy savings.

A flat budget in FY22 allows Program Support to provide necessary staffing to programmatic divisions and to invest in critical IT that will improve agency-wide efficiency.





THANK YOU

