

Conservation Funding Opportunities

Presentation to the Water & Natural Resources Committee

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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Conservation Programs in New Mexico – An Overview

The State already has codified programs at key agencies across state government that address the full suite of conservation activities from:

- Historic preservation (DCA),
- Outdoor Access (EDD),
- Species protection (DGF), and
- Forest and Watershed protection and restoration (EMNRD).

Key Agencies with programs:

- 1) Energy, Minerals and Natural Resources Department;
- 2) Department of Cultural Affairs;
- 3) Environment Department;
- 4) Department of Agriculture;
- 5) Economic Development Department – Office of Outdoor Recreation; and
- 6) Department of Game and Fish.



Key Programs & Funding Challenges

1) Overview of Key Programs (by Agency)

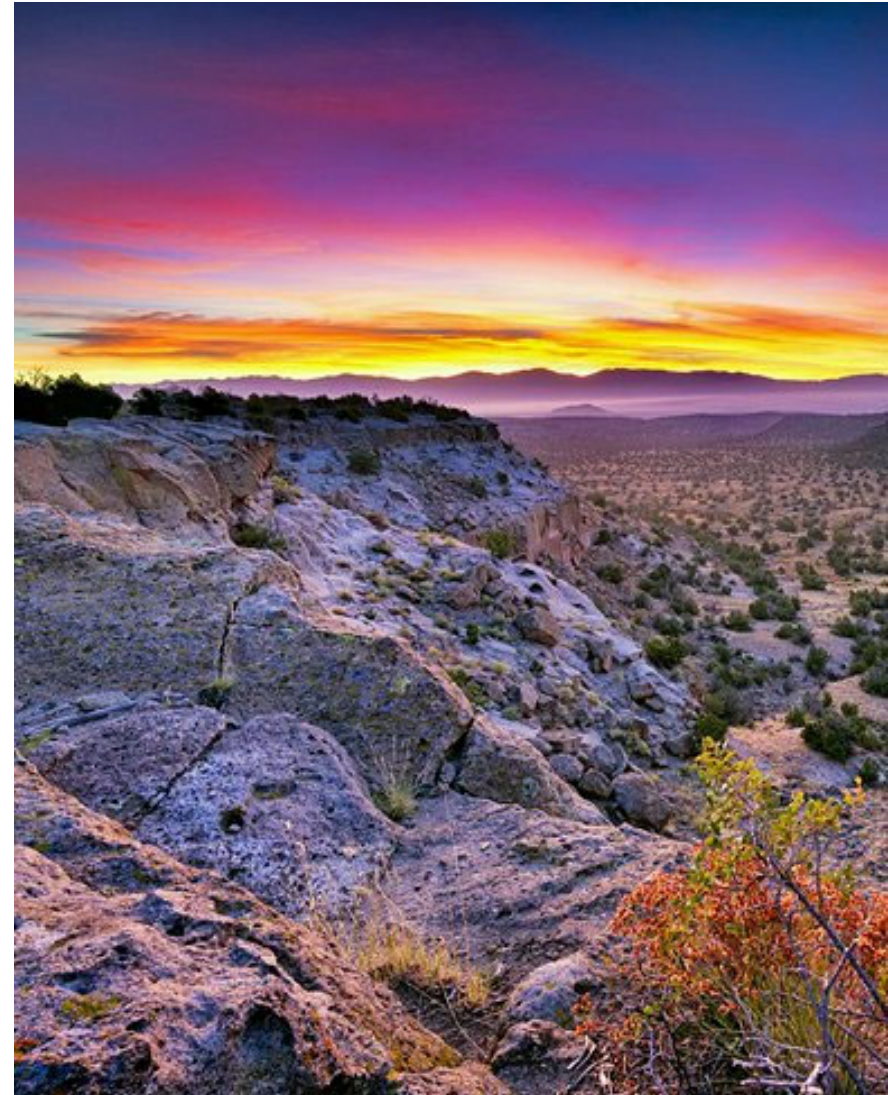
EMNRD	Forest & Watershed Restoration Act (FAWRA)
	Natural Heritage Conservation Act (NHCA)
NMDA	Soil & Water Conservation Districts
	Healthy Soils
	Noxious Weed Management
NMED	River Stewardship
EDD	Outdoor Equity Fund
	Outdoor Recreation Trails+ Grant
DCA	Prehistoric & Historic Sites Preservation Act
DGF	Game & Fish Outdoor Recreation Act/ Wildlife Conservation Act

2) Historical Funding

- Variable and short term for some, non-existent for others.

3) Challenges Presented by Current Funding Model

- Too short-term, many projects require a 2–5-year planning horizon, which can preclude/delay project initiation and completion.
- Historically has been below program capacity/interest or has not provided funding at all.
- This funding gap has meant we have left federal dollars unused that could have been available to support these projects for lack of a required state match.
 - Across all programs: \$1.00 of state funding on averages can leverage \$1.20 in federal program dollars (e.g., LWCF, USFS Grant Programs, Bipartisan Infrastructure Law, etc.).



Efforts to Obtain Sustainable Funding



A. Agricultural & Natural Resources Trust (2020)

- Would have created a trust fund (initial seed funding = \$150M from General Fund).
- Established new Office of the Agricultural & Natural Resources Trust in the Office of the Governor with a 9-Member Governance Board.
- The New Office would have been authorized to award grants to agencies & NGOs to promote, preserve, and enhance the wildlife, multiple use, natural resources, or environmental heritage of NM.
- Limitations:
 - Duplicated existing programs;
 - Added additional review requirements to programs that already had them; and
 - Not completely consistent with constitutional limitations.

A. Land of Enchantment General Obligation Bond (2022)

- Would have provided \$50M over 4 years to the agencies/programs on the prior slide pursuant to a preset formula.
- Funds would then be expended utilizing existing programs/authorities, subject to applicable G.O.B limitations.
- Limitations:
 - Required ballot effort/voter approval;
 - Limited to capital projects (not all conserv. projects meet this requirement); and
 - General Obligation Bonds statewide are subject to available bonding limits and competing priorities.

Lessons Learned Going Forward

What have the recent efforts to establish sustainable conservation funding taught us?

- That there is an unmet need;
- Any funding source should leverage existing programs; and
- We should not layer new administrative structures on top of existing programs.

Where does that leave us?

- We take the best concepts from those prior efforts and establish a new model going forward. Modified trust fund concept that leverages last year's GOB efforts and prior trust fund efforts.
- Using a structure drawn from other funding models/approaches already in state statute.
- With the goal of providing a funding vehicle that provides some certainty over realistic project development timelines.

