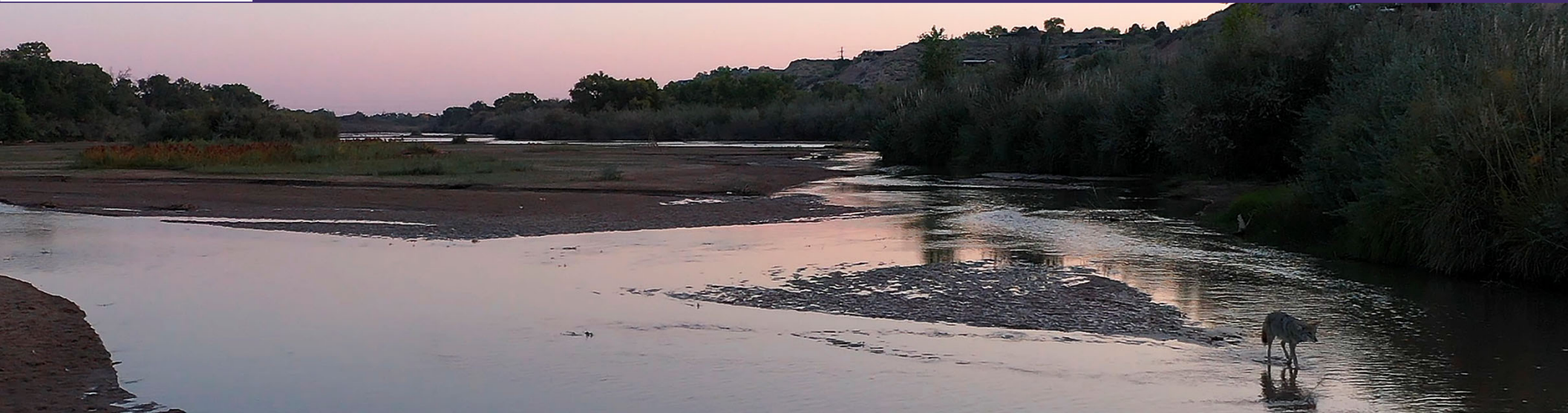




New Mexico Office of the State Engineer/ Interstate Stream Commission



FY27 Budget Priorities

Elizabeth K. Anderson, P.E., State Engineer

Hannah Riseley-White, NMISC Director

House Appropriation and Finance Committee – January 16, 2026



Vision + Outcomes for New Mexicans



Modernize the agency

- Successfully recruited 97 positions (26% of the workforce) reducing the vacancy rate to **20%**
- Implemented **\$1.5 million** in salary increases – thank you!
- Building a **robust IT team and tools** to improve process efficiencies, data management and analytics, and enhance enforcement capabilities

Focus on the Rio Grande

- TX v NM settlement approval expected early this year: **\$65 million** supporting multi-pronged investments in the Lower Rio Grande
 - **~12,000-16,000 acre-feet conserved** and **175 new groundwater meters**
- Ongoing Middle Rio Grande engagement to efficiently move water to Elephant Butte

Plan for New Mexico's water future

- Public engagement and **rulemaking for the Water Security Planning Act**
- Established the Strategic Water Supply Program with NMED to utilize **\$40 million** in initial funding for grants to communities throughout NM
- Continued implementation of Indian Water Rights Settlements



FY27 Budget Objectives

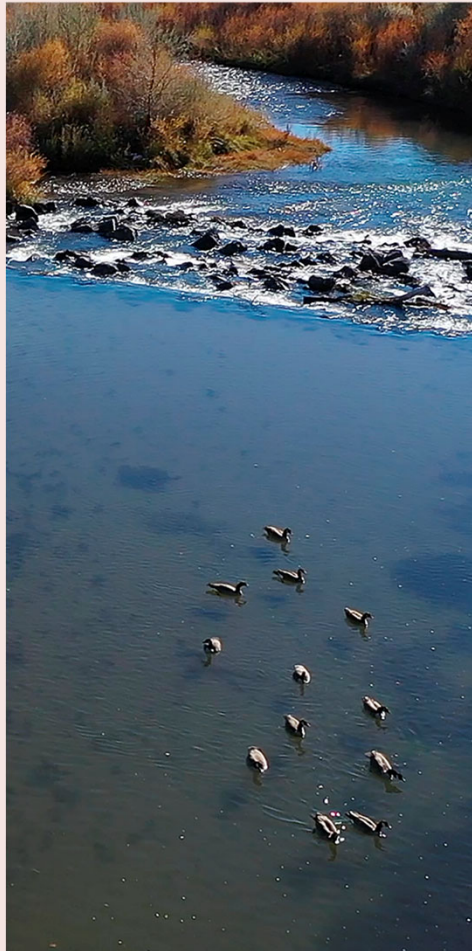
Executive vs LFC Recommendations

INITIATIVE (figures in thousands)	EXECUTIVE	LFC	Funding Gap
Sec. 4 Recurring FY27 Executive Initiatives			
Indian Water Rights Settlements Implementation (4 FTEs)	\$347.5	\$0	\$347.5
Middle Rio Grande Management (3 FTEs)	\$137.5	\$256.3 (Trust Funds)	
Additional Office Space in Albuquerque/Las Cruces	\$150.0	\$0	\$150.0
TOTAL	\$635.0		\$497.5
Sec. 5 and 7 Non-Recurring Appropriation Items			
Rio Grande Litigation and Settlement Implementation (through FY29)	\$22,500	\$0	\$22,500
Rio Grande River Conveyance Work (through FY29)	\$6,000	\$0	\$6,000
Colorado River Litigation and Avoidance (through FY29)	\$2,000	\$0	\$2,000
Implement Water Security Planning Act, 50-Year Water Action Plan and Modernize Agency	\$5,000	\$0	\$5,000
Capitalize Strategic Water Reserve Fund	\$10,000	\$15,500	*
One-time Infusion to Irrigation Works Construction Fund	\$10,000	\$5,000	\$5,000
Acequia Funding (through FY29)	\$2,000	\$2,000	-
Weather Modification	\$2,000	\$0	\$2,000
MRGCD Bosque Management		\$7,000	*
New Indian Water Rights Settlements and Activities (through FY29)	\$35,000	\$0	\$35,000
W.A.T.E.R.S. Database Analysis and Discovery (Section 7 IT C2)	\$1,500	\$0	\$1,500
TOTAL	\$96,000		\$79,000

*LFC allocated more than Exec



Recurring Funding for Administration



INITIATIVE (figures in thousands)	EXECUTIVE	LFC	Funding Gap
Sec. 4 Recurring FY27 Executive Initiatives			
Indian Water Rights Settlements Implementation (4 FTEs)	\$347.5	\$0	\$347.5
Middle Rio Grande Management (3 FTEs)	\$137.5	\$256.3 (trust funds)	
Additional Office Space in Albuquerque/Las Cruces	\$150.0	\$0	\$150.0
TOTAL	\$635.0	\$256.3	\$497.5

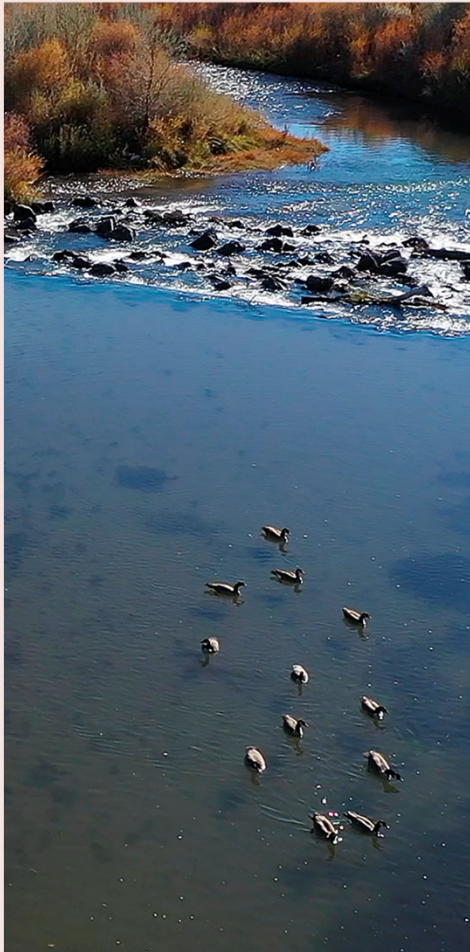
- Expand water management and administration in the Middle Rio Grande to help water users share the available supply and ensure New Mexico's continued compliance with the Rio Grande Compact.

Funding Source:

- The LFC recommendation would fund this appropriation through the IWCF Trust Fund, further depleting an already diminishing fund and exacerbate the Agency's reliance on the IWCF Trust Fund. *This should be funded through the General Fund.*



Rio Grande Critical Needs

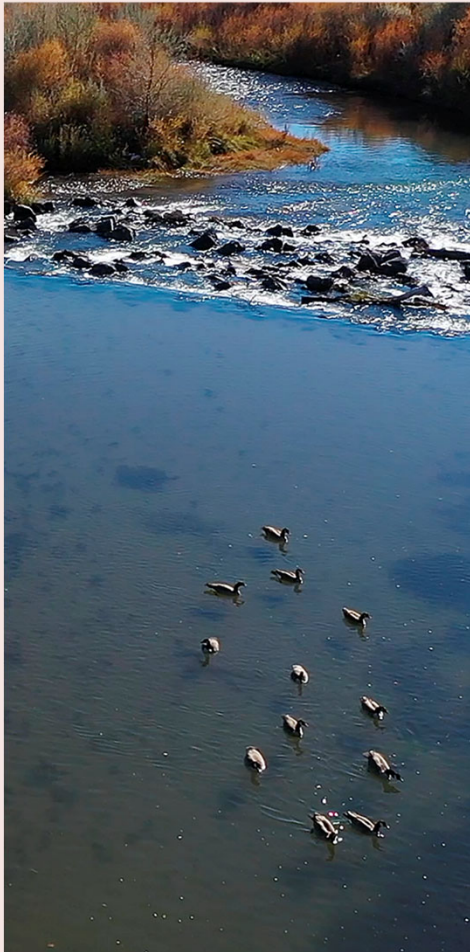


INITIATIVE (figures in thousands)	EXECUTIVE	LFC	Funding Gap
Sec. 5 and 7 Non-Recurring Appropriation Items			
Rio Grande Litigation and Settlement Implementation (through FY29)	\$22,500	\$0	\$22,500
Rio Grande River Conveyance Work (through FY29)	\$6,000	\$0	\$6,000

- Critical need to *continue* supporting the *full slate of solutions* in the Lower Rio Grande including:
 - Groundwater Conservation – 2026-2028 Program
 - Stormwater Management and Aquifer Recharge
 - Brackish Water Development
 - Ecosystem and Habitat
 - Community and Stakeholder Engagement
- River channel conveyance work to manage *habitat and increase deliveries* to Elephant Butte Reservoir



Water Planning, Education and Engagement

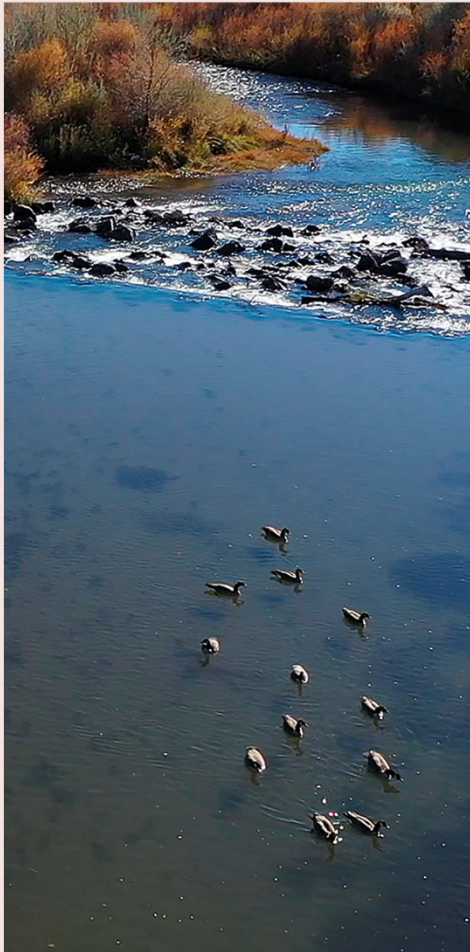


INITIATIVE (figures in thousands)	EXECUTIVE	LFC	Funding Gap
Sec. 5 and 7 Non-Recurring Appropriation Items			
Implement Water Security Planning Act, 50-Year Water Action Plan and Modernize Agency	\$5,000	\$0	\$5,000

- Effective *water planning, education and outreach* will help communities across New Mexico to identify and implement proactive and cost-effective solutions for increasing water security.
 - Stand up the new *regional water planning councils* called for by the Water Security Planning Act and equip them with robust tools
 - Further implement the 50-Year Water Action Plan through multiple *water education initiatives and interagency coordination*
 - Ensure all New Mexicans have *improved access to online data and resources*



Indian Water Rights Settlements

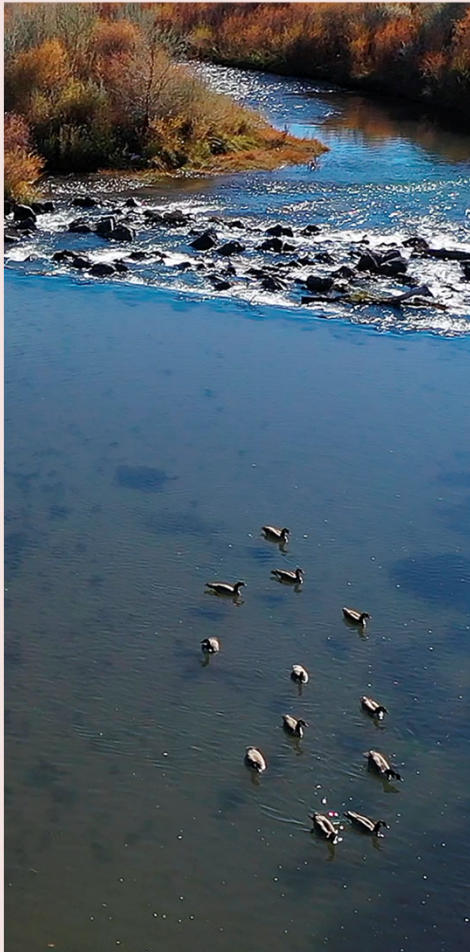


INITIATIVE (figures in thousands)	EXECUTIVE	LFC	Funding Gap
Sec. 4 Recurring FY27 Executive Initiatives			
Indian Water Rights Settlements Implementation (4 FTEs)	\$347.5	\$0	\$347.5
Sec. 5 and 7 Non-Recurring Appropriation Items			
New Indian Water Rights Settlements and Activities	\$35,000	\$0	\$35,000

- *Continue progress* on projects to implement Indian Water Rights Settlements
 - Congressionally approved: Navajo/San Juan; Aamodt; Taos
 - Settlements pending congressional approval: "early money" for critical projects to *benefit Tribal and non-Tribal communities*
- State funding will leverage in excess of **\$3 billion** in federal funding



W.A.T.E.R.S. Database

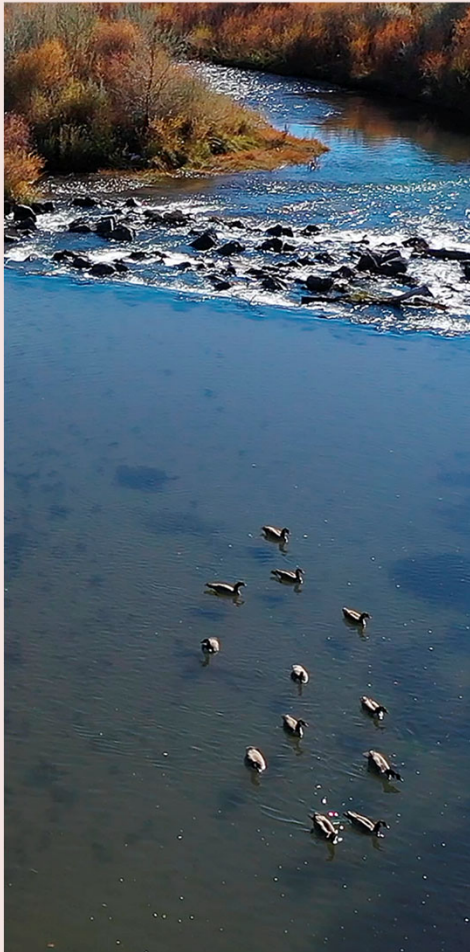


INITIATIVE (figures in thousands)	EXECUTIVE	LFC	Funding Gap
Sec. 5 and 7 Non-Recurring Appropriation Items			
W.A.T.E.R.S. Database Analysis and Discovery (IT C2)	\$1,500	\$0	\$1,500

- Water Data Act implementation
- Replacing the 30-year-old WATERS database used to track and administer water rights = the agency's *largest and most critical database*
 - Public access WATERS through the OSE website for water rights information
 - Agency staff use WATERS to track and administer water rights
- Phased implementation for WATERS upgrade - continue building on the **\$500,000** received during the 2025 Session
- Not just re-building WATERS as is, re-envisioning how we can use technology for agency efficiency and supporting real-time water administration



Trust Funds Solvency



INITIATIVE	EXECUTIVE	LFC	Funding Gap
Sec. 5 and 7 Non-Recurring Appropriation Items			
One-time Infusion to Irrigation Works Construction Fund	\$10,000	\$5,000	\$5,000
Sec. 4 Recurring Operational Budget			
Proposed increase to Operational Budget from Trust Funds	\$0	\$416	\$416

- Funding OSE/ISC operating budget from trust funds – Irrigation Works Construction Fund and Improvement to the Rio Grande Income Fund - *jeopardizes long-term fund solvency* and prevents them from being available for their *originally intended purposes*, including supporting water infrastructure projects.
- The LFC recommendation proposes increasing agency dependency on trust funds.



Other Budget Priorities



Strategic Water Reserve

- Funding will help protect stream flows for compact and species purposes
- New fund was established in the 2025 legislative session with a \$15 million balance cap

Colorado River Basin

- **\$2 million** to protect New Mexico's water resources in the San Juan Basin and San Juan – Chama Project uses in the Rio Grande Basin

Acequia Infrastructure Funding

- **\$2 million** will complement the Acequia and Community Ditch Infrastructure Fund to ensure that historic infrastructure is rehabilitated

Weather Modification

- **\$2 million** will support efforts to pilot new technologies for enhanced precipitation in critical areas of need

BAR Authority Needs

- Long-standing Budget Authority Request (BAR) language for OSE/ISC for the Rio Grande, Pecos Settlement Agreement, Ute Reservoir and NM Unit Fund



New Mexico Office of the State Engineer/ Interstate Stream Commission



Thank you