

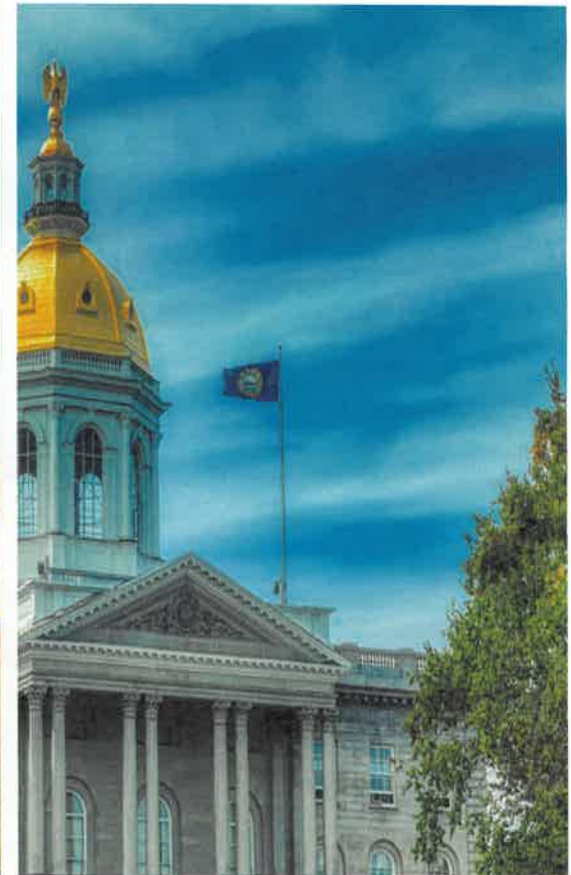


NEW HAMPSHIRE
DEPARTMENT OF

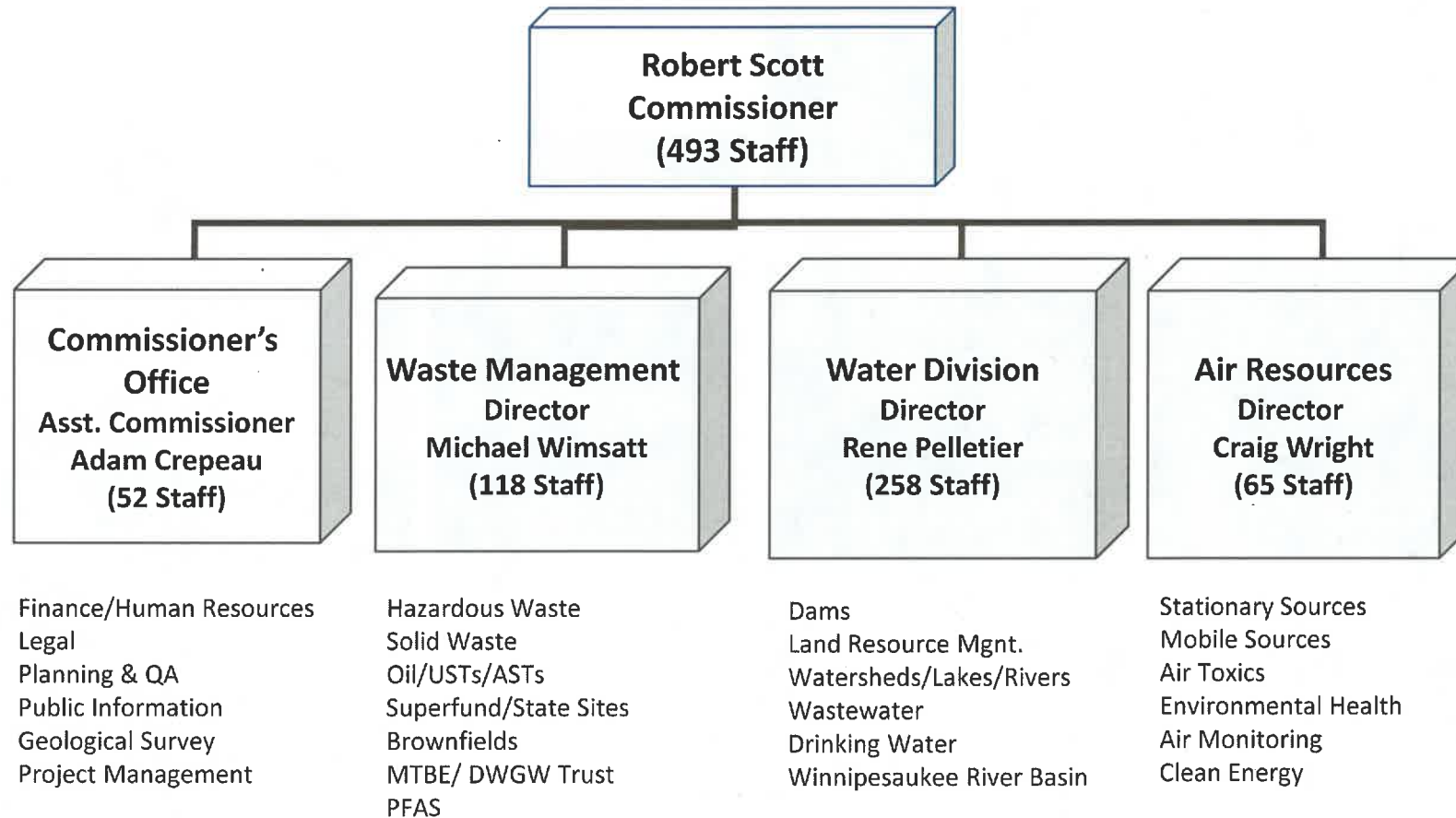
**Environmental
Services**

FY 26/27 Operating Budget
Presentation
House Finance Division 1

February 28, 2025



NHDES Organization Chart





NHDES Core Functions

- Ensure high levels of water quality for water supplies, ecological balance, and recreational benefits
- Manage water resources for future generations
- Regulate the emissions of air pollutants and ensure air pollution levels are below federal standards
- Foster the proper use and management of materials & waste
- Remediate and reuse contaminated sites
- Permitting for numerous programs
- Emergency preparedness and response

Significant Department-Wide Activities

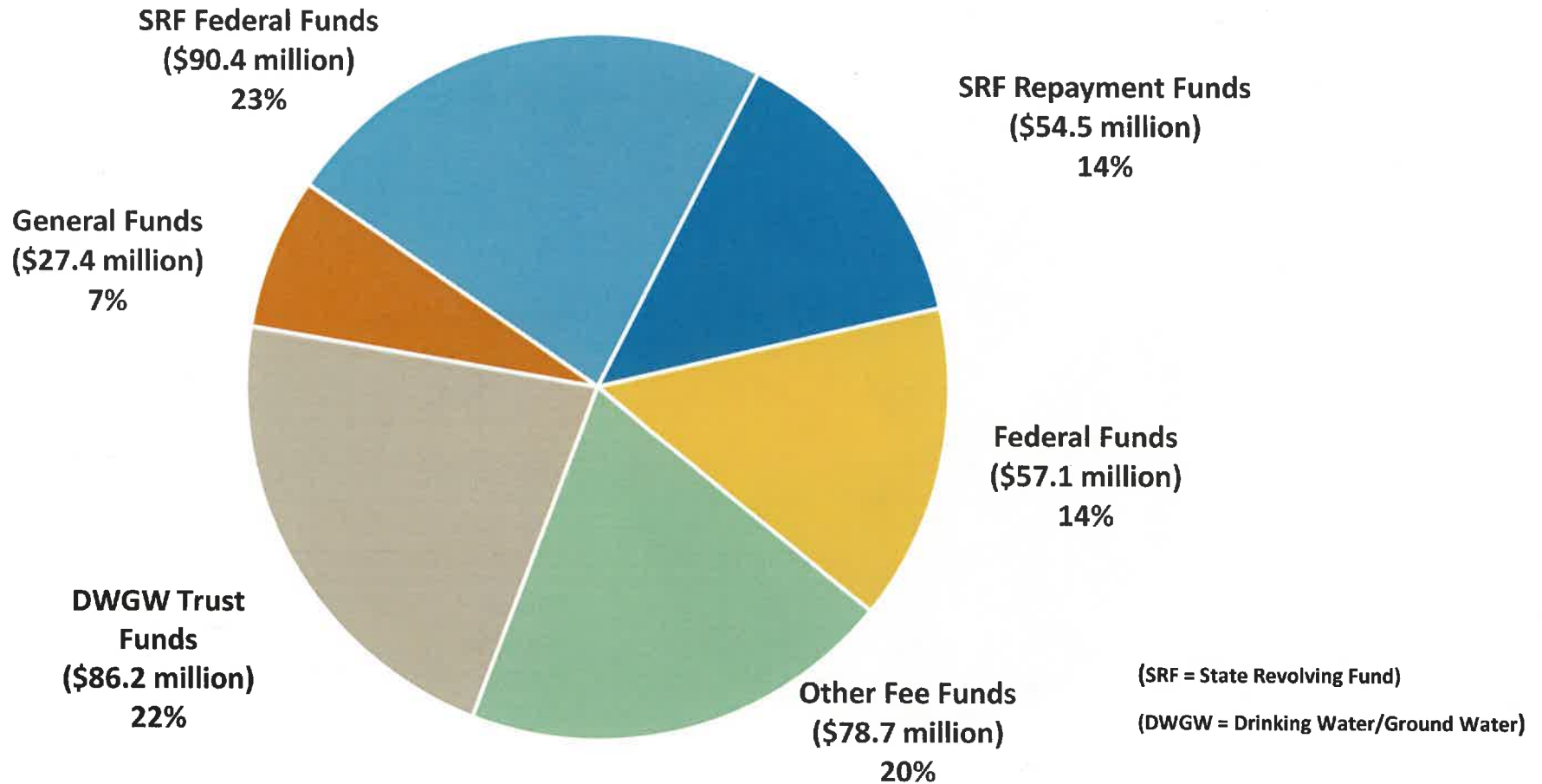


- ▶ Water/Air/Land contamination
 - PFAS, Arsenic, etc
- ▶ Infrastructure
 - DW/GWTF, DWSRF, CWSRF, ARPA, BIL
- ▶ Wetlands and land management improvements
- ▶ Maintenance & operation of state-owned dams
- ▶ Improving data and management systems



FY 2026 -- Sources of Funds

TOTAL BUDGET = \$394.2 Million

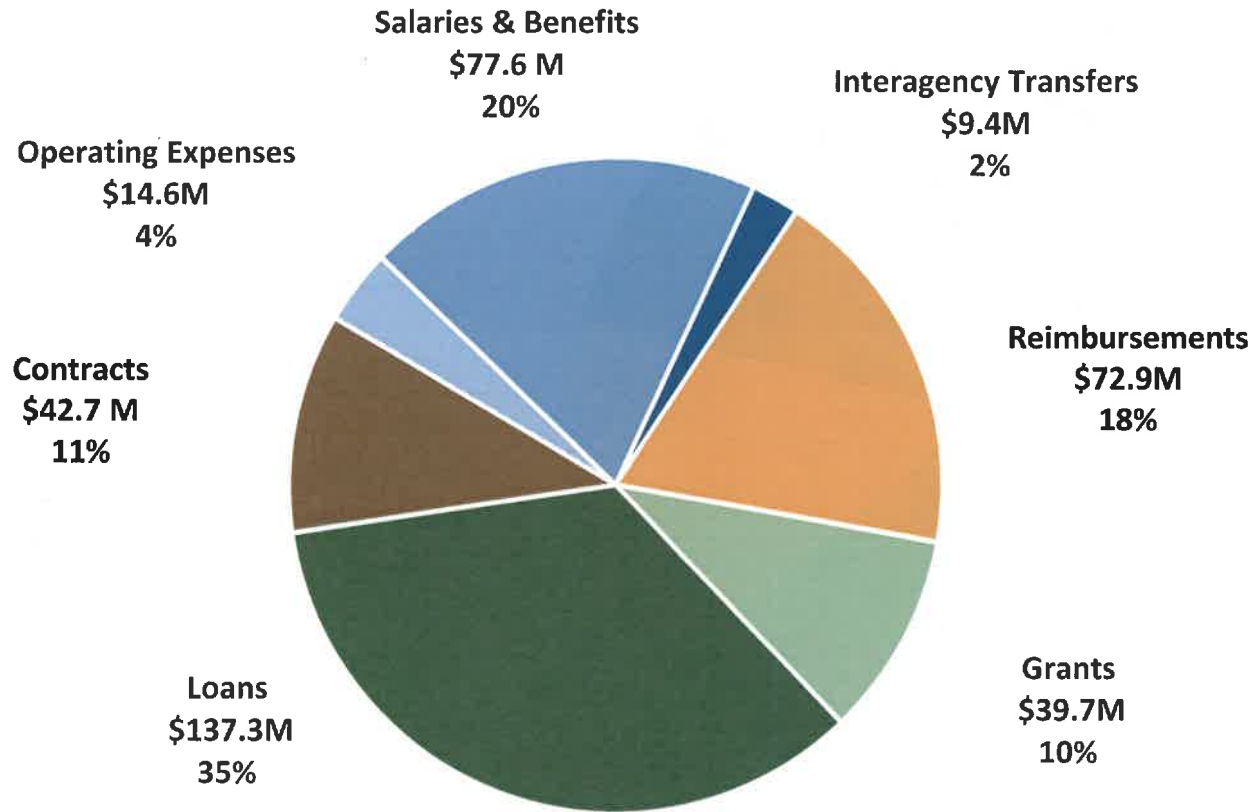


FY 2026 -- Uses of Funds

**Total Budget
(\$394.2 Million)**



74% of all Funds are pass through in the form of grants, reimbursements, loans and



Budget Analysis by Cost Category

Governor's Phase



ANALYSIS OF BUDGET CHANGES BY COST CATEGORIES

(amounts shown in thousands)

	FY 2025	FY 2026	\$ Change	Percent Change	FY 2027	\$ Change	Percent Change
Grants	\$ 40,816	\$ 39,733	\$ (1,083)	-3%	37,520	(2,213)	-6%
Loans	183,950	137,325	(46,625)	-25%	131,200	(6,125)	-4%
Reimbursements	22,710	72,975	50,265	221%	15,660	(57,315)	-79%
Contracts	40,433	42,669	2,236	6%	36,863	(5,806)	-14%
Operating Expenses	15,881	15,719	(162)	-1%	15,385	(334)	-2%
Salaries & Benefits	74,997	77,574	2,577	3%	80,080	2,506	3%
Interagency Transfers	8,446	8,241	(205)	-2%	8,416	175	2%
TOTAL	\$ 387,233	\$ 394,236	\$ 7,003	2%	325,124	(69,112)	-18%

Budget Analysis by Funding Category



ANALYSIS OF BUDGET CHANGES BY FUNDING CATEGORIES

(amounts shown in thousands)

	FY 2025	FY 2026	\$ Change	Percent Change	FY 2027	\$ Change	Percent Change
General Funds	\$ 18,562	\$ 27,359	\$ 8,797	47%	\$ 27,835	\$ 476	2%
Federal Funds - SRF	129,345	90,428	(38,917)	-30%	91,506	1,078	1%
Federal Funds - All Other	57,689	57,123	(566)	-1%	51,958	(5,165)	-9%
Other Funds - SRF	55,354	54,468	(886)	-2%	54,347	(121)	0%
Other Funds - DWGW Trust	39,460	86,179	46,719	118%	28,919	(57,260)	-66%
Other Funds - All Other	86,823	78,679	(8,144)	-9%	70,559	(8,120)	-10%
TOTAL	\$ 387,233	\$ 394,236	\$ 7,003	2%	\$ 325,124	\$ (69,112)	-18%



Budget Analysis Comparison Agency to Governor's Phases

ANALYSIS OF CHANGES BY COST CATEGORIES

(amounts shown in thousands)

	Fiscal Year 2026				Fiscal Year 2027			
	Agency	Governor	\$ Change	Percent Change	Agency	Governor	\$ Change	Percent Change
Grants	\$ 41,269	39,733	(1,536)	-4%	38,833	37,520	(1,313)	-3%
Loans	137,325	137,325	-	0%	131,200	131,200	-	0%
Reimbursements	17,975	72,975	55,000	306%	15,660	15,660	-	0%
Contracts	42,632	42,669	37	0%	36,825	36,863	38	0%
Operating Expenses	15,696	15,719	23	0%	15,357	15,385	28	0%
Salaries & Benefits	76,927	77,574	647	1%	79,407	80,080	673	1%
Interagency Transfers	8,176	8,241	65	1%	8,330	8,416	86	1%
TOTAL	\$ 340,000	\$ 394,236	\$ 54,236	16%	325,612	325,124	(488)	0%

Budget Analysis Comparison Agency to Governor's Phases



ANALYSIS OF CHANGES BY FUNDING CATEGORIES

(amounts shown in thousands)

	Fiscal Year 2026				Fiscal Year 2027			
	Agency	Governor	\$ Change	Percent Change	Agency	Governor	\$ Change	Percent Change
General Funds	\$ 29,470	\$ 27,359	\$ (2,111)	-7%	\$ 29,878	\$ 27,835	\$ (2,043)	-7%
Federal Funds - SRF	90,436	90,428	(8)	0%	91,514	91,506	\$ (8)	0%
Federal Funds - All Other	57,138	57,123	(15)	0%	51,976	51,958	\$ (18)	0%
Other Funds - SRF	54,478	54,468	(10)	0%	54,358	54,347	\$ (11)	0%
Other Funds - DWGW Trust	31,180	86,179	54,999	176%	28,920	28,919	\$ (1)	0%
Other Funds - All Other	77,298	78,679	1,381	2%	68,966	70,559	\$ 1,593	2%
TOTAL	\$ 340,000	\$ 394,236	\$ 54,236	16%	\$ 325,612	\$ 325,124	\$ (488)	0%



NHDES Operating Budget Changes

- Changes Between Agency and Governor's phases
 - Reduction of General Funds by 10% (approx. \$2.7 Million per year)
 - Removal of general fund contributions to State Air Permit and Lake Restoration programs
 - Moved 11 positions to other funding sources
 - Unfunded 2 new position requests
 - Reduced wastewater state aid grant appropriations
 - Added Funding for PFAS 3M Settlement Fund reimbursements (\$55M in FY 26)
 - Received General Fund offset in lieu of large fee increase for Dam Safety Program
 - Consolidation of Permitting staff between F&G, DNCR with NHDES
 - Moving 4 positions from Fish & Game and 2 from DNCR.

State Aid Grants Summary



	HB398 FY23/24	HB 2 FY24/25
Beginning Balance: 7.1.23	\$ 7,802,376	\$ 27,900,000
Less:		
FY 24 Payments	438,314	10,891,993
FY 25 Payments	575,920	10,319,889
Est New Awards FY 25	645,340	
Balance as of 06.30.25	6,142,802	6,688,118

	HB398	FY2026	FY 2027
Maintenance Payments		10,254,722	9,718,495
FY Maint from FY25 new		773,312	773,312
Est New Awards FY26	1,202,741		1,202,741
Est New Awards FY27	1,769,144		
TOTAL	2,971,885	11,028,034	11,694,548
FY26/27 Budget		8,918,441	8,605,266
Difference	3,170,917	(2,109,593)	(3,089,282)
<u>Status of Carry Over for FY 26/27</u>			
HB2 Carryover 07.01.25		6,688,118	
FY26 Difference		(2,109,593)	
FY27 Difference		(3,089,282)	
Est. Net Balance 06/30/2027	\$ 3,170,917	\$ 1,489,243	

TECHNICAL CORRECTIONS



1. Add additional funds for unanticipated dam removal grants
2. Add footnote F to class line for Reimbursements from PFAS lawsuit Settlement No impact to budget.
3. Revise budget for changes to positions and funding for LRM Data Check Tool

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