

Forest and Watershed Restoration Act (FAWRA) Guidelines

This document provides guidelines for FAWRA projects.

Note: federal, state or local government agency, tribal entity, corporation or organization may apply to the Board to develop projects in partnership with the Energy, Minerals and Natural Resources Department (EMNRD), Forestry Division (Forestry Division). The Board evaluates the project application and recommends projects to the Forestry Division. The Forestry Division may fund any projects initiated through FAWRA and may choose to enter into agreements to implement projects at its own discretion.

Eligibility

In order for a project to be eligible it must meet **all**: 1) Funding Requirements below; 2) Project Type Requirements; and 3) Minimum Qualifications.

Funding Requirements

Funds authorized by FARWA and deposited into the Forest Land Protection Revolving Fund can only be used on **one or more** of the activities below:

1. On-the-ground restoration projects (NMSA 68-4-5(A)(1));
2. Project planning (NMSA 68-4-5(A)(2));
3. Economic development programs to advance the use of small-diameter trees and woody biomass removed for hazardous fuel reduction and forest and watershed restoration (NMSA 68-4-5(A)(3));
or
4. Workforce development for wood utilization projects (NMSA 68-4-5(A)(4)).

Project Type Requirements

Proposed projects must meet the requirements of either #1 **AND/OR** #2 below:

1. a large-scale forest and watershed restoration project on any lands in the state that (NMSA 68-4-2(E)(1)):
 - a. increases the adaptability and resilience to recurring drought and extreme weather events of the state's forests and watersheds;
 - b. protects water sources;
 - c. reduces the risk of wildfire, increases the adaptability and resilience to recurring drought and extreme weather events of the state's forests and watersheds, **or**
 - d. restores burned areas or tins forests and includes a related economic or workforce development project or a wildlife conservation or habitat improvement project.
2. Be a project that creates or maintains a buffer in or around a wildland-urban interface (NMSA 68-4-2(E)(2)). *House Bill 175 of 2025 defines "wildland-urban interface" as the area, line or zone where structures and other human development met or intermingle with undeveloped wildland or vegetation fuels.*

Minimum Qualifications

Proposed projects must also meet #1 **AND if on PRIVATE land must meet #2** below:

1. The project must be for public benefit, and one of the following (NMSA 68-4-5(B)(1)):
 - a. is part of a current state forest and watershed health plan or forest action plan, a community wildfire protection plan, other comprehensive forest and watershed treatment plan or wildlife conservation or habitat improvement plan approved by the board (NMSA 68-4-5(B)(1)(a)); or
 - b. incorporates actions recommended by current plans or, where new plans are developed, seeks to integrate forest, fire and water management with community and economic development plans (NMSA 68-4-5(B)(1)(b)); or
 - c. protects watersheds that are the source of drinking or irrigation water (NMSA 68-4-5(B)(1)(c)); or
 - d. targets a high-risk area (NMSA 68-4-5(B)(1)(d)); or
 - e. will create or maintain a buffer in or around a wildland-urban interface (NMSA 68-4-5(B)(1)(e)); **or**
 - f. has obtained all requisite state and federal permits and authorizations necessary to initiate the project, if the project is other than planning project (NMSA 68-4-5(B)(1)(f)).
2. If the project includes treatment of private lands, the Forestry Division must make a written determination that the incidental benefit to a private landowner is outweighed by the fire reduction or watershed benefits to the state (NMSA 68-4-5(B)(2)).

Project Scale (NMSA 68-4-2(E)(1))

New Mexico's fire-adapted forests need comprehensive changes in forest structure and fuel loading to significantly alter wildfire behavior, reduce wildfire losses, ensure firefighter and public safety, and improve landscape resiliency. Large-scale projects provide the largest benefit for the lowest cost for forest and watershed restoration projects and is required by statute.

WUI Buffer Projects (NMSA 68-4-2(E)(2))

WUI buffer projects are selected based on their ranking in risk of catastrophic wildfire and includes local factors such as cooperator and Forestry Division District capacity to manage projects, landowner interest and engagement and contractor availability.

Additional considerations include the following:

- The proposed FAWRA project is part of a larger scale project or located within a comprehensive forest and watershed restoration planning area.
- Project size is designed to increase landscape resilience to natural disturbance (*e.g.*, fire, insects, flooding).
- The project is strategically located to impact a large part of the watershed.
- The project is located and designed to implement or otherwise align with one or more existing landscape-scale plans, such as a state forest and watershed health plan or forest action plan, a community wildfire protection plan, or other comprehensive forest and watershed treatment plan or wildlife conservation improvement plan.
- Projects incorporate actions recommended by current plans or, where new plans are developed,

seek to integrate forest, fire, and water management with community and economic development plans.

- Projects support watersheds that are a source for drinking or irrigation water. This includes the Rio Grande and its tributaries, as well as any watershed directly upstream of a reservoir or an irrigation or acequia system.
- Projects target an area at high or medium/high risk of catastrophic wildfire as defined in the State Forest Action Plan.

Private Lands

While projects may be located on public or private lands, all projects that include private lands must comply with New Mexico's Anti-Donation Clause (N.M. Const., art. IX, Sect. 14), and be administered by the Forestry Division. In order to comply with the Anti-Donation Clause, the project's purpose and primary benefit must be for the greater public, and any benefit to a private individual is merely incidental. Furthermore, the Forestry Division must make a written determination that the incidental benefit to a private landowner is outweighed by the fire reduction or watershed restoration benefits to the state.

Projects that include private lands, in whole or in part, must also be part of a larger landscape planning effort to increase forest and watershed protection and resiliency. Phased projects will require multi-year landowner access agreements between the landowner(s) and EMNRD. The Forestry Division must submit projects proposals involving private lands to the EMNRD, Office of General Counsel for review prior to submittal to the FAWRA Advisory Board.

Project Priority

Projects that are eligible for funding shall be given priority if the project does one or more of the following:

1. leverages federal, state, local, tribal or private sources and, if available, support from other public or private water, forest, fire, wildlife habitat or economic development programs (NMSA 68-4-5(C)(1)); OR
2. is in an area (NMSA 68-4-5(C)(2)):
 - with a wood supply that can be used for biomass energy production;
 - where small diameter trees may be put to commercial use; or
 - where traditional forest products may be produced; OR
3. is clustered around priority areas that can supply a useful amount of wood products for industry (NMSA 68-4-5(C)(3)); OR
4. creates incentives to increase investment by federal, state, local, tribal or private entities, including investment by downstream water uses to manage forested headwaters and water sources (NMSA 68-4-5(C)(4)) ; OR
5. is identified by the board as a high-risk area (NMSA 68-4-5(C)(5)).

Leverage

In order to increase effectiveness and improved outcomes, one of FAWRA's requirements is to foster partnerships and cooperation between federal, state and county agencies, tribal entities, political subdivisions of the state, soil and water conservation districts, the forest products industry, and other public or private organizations (NMSA 68-4-4(2)). These public and private organizations need to be dedicated to forest or watershed conservation and restoration programs or projects, wildlife conservation,

habitat improvement programs, or projects for the purpose of co-funding or leveraging funding for priority projects (NMSA 68-4-4(2)).

Project Readiness

FAWRA funds may be considered for planning projects with sufficient commitment to project implementation. For example, projects that require a NEPA analysis and the NEPA is complete or in process will receive more consideration (See NEPA below).

National Environmental Policy Act (NEPA)

Projects on public lands requiring NEPA clearance will be considered complete if the following criteria is met:

- Necessary state and federal permits and authorizations are completed (if other than a planning project);
- If located on National Forest System lands:
 - The Categorical Exclusion or Decision Memo is signed; and
 - If outside of Mexican spotted owl (MSO) Protected Activity Centers (PACs), MSO critical habitat, and MSO recovery habitat; OR if inside MSO PAC or critical or recovery habitat, the necessary MSO surveys to confirm non-presence are completed or started in the current fiscal year; and
 - If a prescribed burning project with no trees greater than 9" diameter at breast height cut in MSO PACs; and
 - If commercial firewood gathering projects, are outside of MSO habitat.

Submission Process for New Projects

Project recommendations may be submitted at any time using the [Forestry Division Submittable Grant Portal](#) (Grant Portal). Before submitting to the Grant Portal, proposal proponents shall coordinate project proposals with the applicable [Forestry Division district office](#), the District where the proposed project is located. To assist with coordination with districts, proponents may use the project recommendation template for new projects located on the Forestry Division's [FAWRA webpage](#).

Note that coordination with district offices is intended to ensure project recommendations meet eligibility requirements. Project recommendations may not be considered if not endorsed by a Forestry Division district office.

Project Review Process

Forestry Division staff, in coordination with the EMNRD, Office of General Counsel, will review projects, confirm project eligibility, and resolve any outstanding issues before forwarding projects to the FAWRA Advisory Board. Once a project is determined to be eligible, District Foresters and partners (if applicable) will be invited to present projects at the next scheduled FAWRA Advisory Board Meeting. Presentations will be made using a pre-defined PowerPoint template, should minimize text, and incorporate maps, photos, and/or other images required to adequately describe the proposed project. Presentations will be

subject to a 15-minute time limit.

The FAWRA Advisory Board will make final recommendations for project funding to the Forestry Division.

FAWRA Advisory Board Meeting Schedule and Format

The FAWRA Advisory Board will meet at least 2 times a year to receive presentations for projects, make funding recommendations, discuss progress on funded projects, and maintain clear guidelines for FAWRA. New projects can be vetted at any meeting.

- Project proponents submit project proposal to the Forestry Division for eligibility six weeks prior to the FAWRA Advisory Board meeting. If there are no submissions by this deadline, the meeting may be cancelled.
- At the meeting, project proponents and district staff present their project to the FAWRA Advisory Board.
- The FAWRA Advisory Board will make recommendations to the Forestry Division three weeks after the meeting.
- Forestry Division determines funding decisions and provides notice of the decisions within four weeks of the meeting.

Prior to the end of each fiscal year the FAWRA Advisory Board will review its guidelines and make updates as needed.

FAWRA Advisory Board meetings are subject to the Open Meetings Act and published on the Forestry Division [Public Meetings and Hearings webpage](#).

Implementation of Approved Projects

FAWRA Funds are transferred by the Office of the State Engineer to EMNRD at the beginning of each fiscal year (July 1). The Forestry Division will develop project work plans with the sponsor or partnering organization, if applicable. The Forestry Division will advertise and hire project contractors following the state procurement code, and may establish agreements with other federal, state, or local government agencies or tribes, pueblos, and nations to participate in the implementation of projects.

Reporting

The Forestry Division will provide an annual report to the Governor and Legislature detailing year-to-date progress made on each project, 45 days prior to the New Mexico Legislative Session. The annual report is posted to the Forestry Division's [FAWRA webpage](#) annually.

Annual reports will include:

1. project name;
2. type of project;
3. project status (workplan/contract pending, ongoing, completed);
4. project location: geographic location, landownership, Forestry Division district;
5. project photos - before and after;
6. leverage (source and amount);

7. funding (expended to date, balance);
8. target metric (*e.g.*, acres or river miles treated, number of landowners/homeowners engaged, plans produced, feasibility study or survey completed);
9. metric accomplished (number or percent completion);
10. landscape priority factor (*e.g.*, fire risk, watershed productivity);
11. sponsor or partnering agency/organization;
12. best outcome delivered by this project achieved to date; and
13. narrative summary of challenges encountered and lessons learned.

(Items 1 through 10 are compiled quarterly. Items 11 and 12 are provided by the District Forester and partners once a year for the Annual Report. Item 13 is summarized by the Forestry Division, Resource Management Bureau.)

Guidelines approved by the FAWRA Board and effective on: