

energy efficiency of homes occupied by low-income people, reduce their total residential energy expenses and to improve their health and safety.

Significant Issues

The Weatherization Assistance Program (WAP) is a federal grant program administered by the U. S. Department of Energy (DOE) and implemented and administered in New Mexico by the MFA under a Joint Powers Agreement with the Department of Finance and Administration. MFA works through community-based non-profit organizations to distribute the funds. DOE expects financial participation from the states to supplement the program and increase the number of assisted households.

If enacted, House Bill 705 will provide \$1 million in weatherization assistance funding from the general fund. It is expected DOE will provide an addition \$1.7 million for the program for fiscal years 2003-04, sufficient funding for approximately 826 units. As of June 30, 2002, 973 applicants are on a waiting list for home weatherization assistance.

Households with incomes at or below 125% of poverty level are eligible for the program. Priority for funding is given to the elderly, disabled and families with children. Dwellings weatherized from 1992 to present are ineligible for assistance. Work to be done in homes is determined through an energy audit approved by DOE, are based on a cost-benefit analysis and the average cost per unit may not exceed \$2,568. Typically, weatherization work includes weather-stripping and caulking of the exterior environment, repair of broken windows, insulation, repair of furnaces or heating units, installing carbon monoxide detectors, etc.

FISCAL IMPLICATIONS

The appropriation of \$1,000.0 contained in this bill is recurring. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the general fund.

During fiscal years 2001-02 DOE funding was \$1.2 million and state funding was \$1 million from the general fund; in fiscal year 2002-03 DOE funding was \$1.7 million and state funding was \$666.7 from Severance Tax Bond funds. DOE funding for 2003-04 is estimated to be \$1.7 million. In past years, funding for the weatherization program has been requested by the Department of Finance and Administration as special appropriations, until last year, when the appropriation was requested from Severance Tax Bond funding.

LMK/prr