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# FISCAL IMPACT REPORT

<b>SPONSOR</b>	Martinez	DATE TYPED	02/02/05 HI	
SHORT TITI	LE Weatherization Assi	stance Program	Sl	8 _ 87
			ANALYS	Kehoe

### **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$200.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

#### SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Mortgage Finance Authority (MFA)

#### **SUMMARY**

Synopsis of Bill

Senate Bill 87 appropriates \$200 thousand from the general fund to the Department of Finance and Administration for the purpose of funding the weatherization assistance program.

## Significant Issues

This bill would provide funding for weatherization services to increase the energy efficiency of homes occupied by low-income people, to reduce their total residential energy expenditures and to improve the health and safety of the household members. The program is administered by MFA under a Memorandum of Understanding with the Department of Finance and Administration and operated through community-based nonprofit organizations statewide. The funding contained in this bill would complement the federal Weatherization Assistance Program funded by the U.S. Department of Energy and federal Low Income Housing Energy Assistance Program (LIHEAP), both currently administered by MFA.

### Senate Bill 87 -- Page 2

Federal funding for weatherization programs has declined in recent years. The state's appropriation for weatherization services also decreased from \$1 million in previous years to \$650 thousand in fiscal year 2004 and \$800 thousand in fiscal year 2005.

According to MFA, low-income homes statewide are in dire need of weatherization services. In 20003-04, federal funds totaled \$1.7 million, providing weatherization services for 472 units statewide. State funds totaling \$650 thousand provided services for 225 units.

### FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

The executive *Budget in Brief* recommends an \$800 thousand appropriation for fiscal year 2006 for the weatherization program. The additional \$200 thousand appropriation would fund the weatherization services program at previous year's funding levels totaling \$1 million.

### **ADMINISTRATIVE IMPLICATIONS**

If funding is approved, DFA would enter into a Memorandum of Understanding with MFA for administration of the funds.

## LMK/lg:yr