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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/12

SPONSOR Papen LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Regional Housing Authority Oversight SB 175

ANALYST Chabot

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$250.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Mortgage Finance Authority (MFA)  
 Department of Finance and Administration (DFA)  
 State Auditor Office (SAO)

### SUMMARY

#### Synopsis of Bill

Senate Bill 175 appropriates \$250.0 thousand from the general fund to the DFA for expenditure in fiscal years 2013 and 2014 for the purpose of funding the oversight of the regional housing authorities by the New Mexico Mortgage Finance Authority. This bill is endorsed by the Mortgage Finance Authority Act Oversight Committee.

### FISCAL IMPLICATIONS

The appropriation of \$250.0 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund. The appropriation is deemed nonrecurring because it is a multi-year appropriation.

### SIGNIFICANT ISSUES

According to MFA, in order to ensure appropriate oversight and continued success in the authorities' transition, another appropriation is needed to pay for oversight expenses. Those expenses now include capacity building, technical assistance, and oversight, which services

exceed the available funding. In the absence of an appropriation, MFA cannot afford to carry out its assigned oversight duties, and continue to provide capacity building and technical assistance. MFA would like the appropriation be limited to FY13 with recurring appropriation for each year.

DFA provides the following review of funding for MFA oversight responsibilities:

- 2007--\$850,000
- 2008--\$350,000
- 2009--\$250,000
- 2010--\$28,000
- 2011--\$150,000

### **ADMINISTRATIVE IMPLICATIONS**

MFA enters into a joint powers agreement with DFA for expenditure of funding. Funding for oversight in FY12 was through a special appropriation.

### **OTHER SUBSTANTIVE ISSUES**

MFA should include all know funding requirements in the appropriation budget request made to DFA. This should allow a more consistent level of funding for oversight requirements.

GAC/lj:amm