

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Rawson DATE TYPED: 02/16/03 HB _____

SHORT TITLE: Weatherization Assistance Program SB 355

ANALYST: Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	\$1,000.0		See Fiscal Impact Narrative	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		See Narrative	Recurring	Federal

(Parenthesis () Indicate Revenue Decreases)

Duplicates House Bill 705

SOURCES OF INFORMATION

New Mexico Mortgage Finance Authority (MFA)
 Department of Finance and Administration (DFA)
 Energy, Minerals and Natural Resources Department (EMNRD)
 Legislative Files

SUMMARY

Synopsis of Bill

Senate Bill 355 appropriates \$1,000,000 from the general fund to the Department of Finance and

Administration for the purpose of funding the Weatherization Assistance Program to increase the 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, Senate Bill 355 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