

LFC Requester:	N/A
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date 1-20-2024

Bill No: HB177

Sponsor: Dixon, Armstrong, Sen. Woods,
Sen. Campos

**Agency Name
and Code
Number:** NMED-667

**Short
Title:** NM Match Fund

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	100,000.	Nonrecurring	GF

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
	100,000.0	0	Nonrecurring	NM Match Fund

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB177 creates the New Mexico Match Fund administered by the Department of Finance and Administration to make grants to eligible entities for state matching funds for federal grants and to offset higher project costs incurred to comply with federal requirements. The bill appropriates \$100 million (GF, non-reverting) to the fund for use in FYs 2025 and beyond.

FISCAL IMPLICATIONS

HB177 can provide a consistent source of funding for the match requirement for the federal dollars managed by NMED through the Clean Water State Revolving Fund (CWSRF).

NMED has historically obtained required matching funds for the CWSRF from the New Mexico Finance Authority through the Public Project Revolving Fund (PPRF) when available, or alternatively, through the Infrastructure Capital Improvement Plan process. Due to increases in available federal dollars, the dollars required to match those funds have increased as well.

The match for federal grants is typically 20%; \$100 million in state funds could leverage up to \$500 million in federal funds. The matching funds could be used for multiple federal grants in addition to CWSRF. In FY23, NMED executed agreements for 17 new CWSRF projects totaling over \$50 million.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

Allocating a percentage of the Match Fund to agencies for access would provide a level of predictability to the financial and budgetary planning by each agency. Projects often require financial plans for multiple years; with the support of DFA, agencies would be able to maximize match opportunities for available Federal Funds.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

None

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

NMED will not have the match for increased federal dollars and forfeit millions in federal dollars for community-based water infrastructure.

AMENDMENTS