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FISCAL IMPACT REPORT

SPONSOR Martinez ORIGINAL DATE 1/30/2020
LAST UPDATED _____ HB _____
SHORT TITLE Low-Income Residential Energy Conservation SB 153
ANALYST Hawker

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB114

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Bill

Senate Bill 153 appropriates \$2 million from the general fund to the department of finance administration for expenditure in fiscal years 2021 and 2022 for the purpose of the Mortgage Finance Authority (MFA) to provide for a residential energy conservation program to increase energy efficiency and reduce energy expenditures of homes occupied by low-income persons in New Mexico.

Not more than 10 percent of this appropriation may be used for administrative expenses. Any unexpended or unencumbered balance remaining at the end of fiscal year 2022 shall revert to the general fund.

FISCAL IMPLICATIONS

SB153 appropriates \$2 million from the general fund for a residential energy conservation program. Any unexpended or unencumbered funds remaining at the end of fiscal year 2022 will revert to the general fund. MFA may use up to 10 percent of the appropriation for administrative expenses.

SIGNIFICANT ISSUES

The appropriation in SB153 supports the MFA’s New Mexico EnergySmart (weatherization) program. New Mexico EnergySmart weatherizes the homes of approximately 750 low-income families each year using funds from utility company sources and two federal sources, the Weatherization Assistance Program and the Low-Income Home Energy Assistance Program. On average, homes receive \$6 thousand in energy efficiency upgrades that may include insulation, caulking, new windows and/or new heating systems. An average reduction of \$250 per year in utility costs can be realized through the program.

Based upon income eligibility, more than 200 thousand households across New Mexico are eligible of the New Mexico EnergySmart program, MFA’s current wait list has over 2.3 thousand households.

ADMINISTRATIVE IMPLICATIONS

MFA’s Community Development Department’s currently administers a weatherization program with federal, state and utility company funds. This appropriation would be administered as part of that program. MFA currently works with three service providers in different regions, serving the entire state who are able to utilize the funding during the two-year funding period.

RELATIONSHIP

SB114 creates a community energy efficiency development block grant program through Energy, Minerals, and Natural Resources.

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