

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 2003-04, 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