

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may 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 Garcia, T ORIGINAL DATE 1/29/2008  
LAST UPDATED \_\_\_\_\_ HB 119  
SHORT TITLE Alternative energy for Schools Grant Act SB \_\_\_\_\_  
ANALYST Aguilar

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$1,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

Higher education Department (HED)

Department of Finance and Administration (DFA)

Energy, Minerals and Natural Resources Department (EMNRD)

### SUMMARY

#### Synopsis of Bill

House Bill 119 appropriates \$1 million from the general fund to the Energy, Minerals and Natural Resources Department to provide grants to schools to install alternative energy infrastructure.

### FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

### SIGNIFICANT ISSUES

House Bill 119 provides funding and establishes a methodology for distributing the funds to provide grants to schools to install alternative energy infrastructure that will help defray a school's energy costs and provide educational opportunities for students relating to the use of alternative sources of energy.

## **House Bill 119 – Page 2**

Any public school or post secondary educational institutions that has in place an alternative energy project team is eligible to apply for grants.

Schools receiving grants shall use the funding to pay for technical assistance, equipment or installations costs associate with the alternative project.

EMNRD is responsible for administering the grant, promulgating rules, determining eligible projects and awarding grants.

### **TECHNICAL ISSUES**

The appropriation is to EMNRD to carry out the provisions of the Act. It does not specify if a portion of the \$1,000.0 can be used for program administration.

The restriction of the funds to one fiscal year may not allow the agency enough time to develop the start-up of the program (to include creating application materials and determining application processes, standards for awards and review procedures by rule) and make awards that would utilize the entire appropriation amount before reversion.

EMNRD suggest the following amendments for consideration by the Legislature:

The bill should be amended to include an energy efficiency requirement to qualify for an alternative energy grant and allow for a competitive selection process instead of rulemaking.

Page 2, lines 7 through 11: D. "qualified school" means a facility that meets minimum insulation requirements for the building shell, minimum energy efficiency requirements for the heating and cooling and lighting systems and maximum water consumption requirements either in a public school or public post-secondary educational institution in New Mexico and also has in place an alternative energy project team that includes school, community and technical assistance membership; and

Page 3, line 3 change “adopt rules” to “develop a competitive process”.

Page 3, line 19: “(1) meets energy efficiency requirements.” Renumber following sections accordingly.

PA/mt