

Enabling Access to Energy Efficiency, Decarbonization, and Healthy Homes Coalition
New Mexico Energy, Minerals & Natural Resources Department (EMNRD)

Budget Narrative

Measure 1: Community Energy Efficiency Development (CEED) Program

As described in the Workplan and the Budget Calculation Spreadsheet Attachment, the CEED Program bases its budget on being fully funded at \$31,575,504. Of this amount, EMNRD proposes to allocate 86 percent of the funding as subgrants to governmental entities for projects serving LIDAC home energy efficiency retrofits. Costs are further broken out by category in the table below.

Direct Costs

Direct costs, not including contractual services described in the 'Contractual' section below, represent 4.9 percent of the total funding. These costs include personnel (salary and fringe), supplies, equipment, and travel. These costs are not included in the indirect cost total.

EMNRD has budgeted for seven staff equaling 2.9 FTE to administer the CPRG CEED Program internally, with support from contracted suppliers as outlined. Salaries are calculated based on FY24 State Personnel Office job classification salaries, with a built-in annual cost-of-living increase of 2%, based on recent actions of the New Mexico Legislature. EMNRD applied an average fringe benefit rate of 32.00% to all personnel listed in the grant. The State of New Mexico uses the approved General Services Department rates for employee benefits. The rates are determined prior to the grant period and submitted with the operating budget request to the New Mexico Legislature for approval. Fringe benefit percentages include group insurance, which varies based on individual coverage of employee, retirement calculated at .02, FICA at .0765 and retiree health care at .1699.

Supplies and equipment costs are based on historical information from prior year grant periods. Costs are based on an allocation formula that includes the number of staff and total program dollars. Special orders or specific items required for a program are charged at 100%. All costs are based on required vendor quotes (three), statewide price agreements, or listed item prices. Supplies primarily cover materials associated with outreach and education and computer equipment of computers and workstations for three staff. The travel budget includes in-state travel for all staff to meet with stakeholders, project partners, project participants and to verify and conduct site visits to inspect projects. In-state travel costs are based on an estimated four nights and 500 miles per month. EMNRD follows the State of New Mexico's Department of Finance and Administration (DFA) Rule 2.42.2 NMAC, Regulations Governing the Per Diem and Mileage Act, NMSA 1978, Sections 10-8-1 *et seq.*, as implemented by the EMNRD Travel Policy (*OFS-112, Travel Reimbursement*). The budget also includes funding for three staff to attend technical assistance workshops out-of-state one time per year.

Contractual

Contractual costs for program operation, 94 percent of funding, listed as subawards in the Budget Calculation Spreadsheet are those associated with direct implementation of the CEED Program, including subawards to coalition partner New Mexico Mortgage Finance Authority (MFA) and other, to be determined, subrecipients for project development. The unnamed recipients include those eligible for CEED Program funding, including tribal, municipal, county governmental entities or the MFA. The remaining contractual costs (8 percent of total funding) cover additional technical assistance contracts as needed (*e.g.*, annual program evaluation), translation (*e.g.*, Spanish, Navajo, other native languages),

marketing and outreach services, a contract to support workforce development and education session trainings in LIDAC communities, and Quality Control Inspection services.

Indirect Costs

An indirect cost rate of 22.57 percent was approved by the U.S. Department of the Interior for salary and fringe benefits, effective March 20, 2024.

Table 1: CEED Program Budget By Year

BUDGET BY YEAR						
CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs						
Personnel						
1 Program Manager - \$85,426/yr. (pay band 75) @ 50% +	\$42,713	\$43,567	\$44,439	\$45,327	\$46,234	\$222,280
2 Program Coordinators - \$76,025/yr. (pay band 70) @100%	\$152,050	\$155,091	\$158,193	\$161,357	\$164,584	\$791,274
1 Grants Coordinator - \$75,648/yr. @ 5 % + 0.02 annual pay increase	\$3,782	\$3,858	\$3,935	\$4,014	\$4,094	\$19,684
1 Bureau Chief - \$96,662/yr. @ 5 % + 0.02 annual pay increase	\$4,833	\$4,930	\$5,028	\$5,129	\$5,232	\$25,152
1 Communications Coordinator - \$83,553 @ 5% + 0.02 annual pay increase	\$4,178	\$4,261	\$4,346	\$4,433	\$4,522	\$21,741
1 Fiscal Support - \$96,235 @ 5% + 0.02 annual pay increase	\$4,812	\$4,908	\$5,006	\$5,106	\$5,208	\$25,041
TOTAL PERSONNEL	\$212,368	\$216,615	\$220,948	\$225,366	\$229,874	\$1,105,172
Fringe Benefits						
Program Manager @ 32% of salary cost	\$13,668	\$13,942	\$14,220	\$14,505	\$14,795	\$71,130
Program Coordinator @ 32% of salary costs	\$48,656	\$49,629	\$50,622	\$51,634	\$52,667	\$253,208
Grants Coordinator @ 32% of salary costs	\$1,210	\$1,235	\$1,259	\$1,284	\$1,310	\$6,299
Bureau Chief @ 32% of salary costs	\$1,547	\$1,578	\$1,609	\$1,641	\$1,674	\$8,049
Communications Coordinator @ 32% of salary costs	\$1,337	\$1,364	\$1,391	\$1,419	\$1,447	\$6,957
Fiscal Support @ 32% of salary costs	\$1,540	\$1,571	\$1,602	\$1,634	\$1,667	\$8,013
TOTAL FRINGE BENEFITS	\$67,958	\$69,317	\$70,703	\$72,117	\$73,560	\$353,655
Travel						
Travel for 3 staff to attend EPA/DOE technical assistance and other workshops						
Airfare: 3 @ \$800 round trip + \$50 luggage fees	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$12,750
Per Diem: 3 staff X 4 days @ \$83/day	\$996	\$996	\$996	\$996	\$996	\$4,980

BUDGET EMNRD

<i>Hotel: 3 staff X 3 nights @ \$250/night</i>	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$11,250
<i>Local Mileage:</i>						
<i>500 mi/mo. @ \$.67/mi x 12 mo.</i>	\$4,020	\$4,020	\$4,020	\$4,020	\$4,020	\$20,100
<i>Local Hotel @ 4 nights/mo. @ \$150/night x 12 mo.</i>	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	\$36,000
<i>Per Diem: 5 days/mo. @ \$71/day x 12 mo.</i>	\$4,260	\$4,260	\$4,260	\$4,260	\$4,260	\$21,300
TOTAL TRAVEL	\$21,276	\$21,276	\$21,276	\$21,276	\$21,276	\$106,380
Equipment						
TOTAL EQUIPMENT	\$0	\$0	\$0	\$0	\$0	\$0
Supplies						
<i>Office related supplies and software to support outreach meetings, trainings, etc.</i>	\$4,250	\$4,250	\$4,250	\$4,250	\$4,250	\$21,250
<i>Laptop computer and accessories x2</i>	\$4,790	0	0	0	0	\$4,790
TOTAL SUPPLIES	\$9,040	\$4,250	\$4,250	\$4,250	\$4,250	\$26,040
Contractual						
<i>Subawards to for CEED Program projects - governmental entities (tribal, municipal, county, or MFA)</i>		\$5,425,000	\$5,425,000	\$5,425,000	\$5,425,000	\$5,425,000
<i>Outreach services for marketing, community events, and translation services - contractor TBD</i>	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000
<i>Program Technical Assistance - program administrative services; energy audit modeling/software, program evaluation, technical assistance - contractor TBD</i>	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
<i>Program Quality Control Inspection Services - contractor TBD</i>	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000	\$380,000
<i>Contractual for workforce development and educational training - contractor TBD</i>	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$600,000
TOTAL CONTRACTUAL	\$5,931,000	\$5,931,000	\$5,931,000	\$5,931,000	\$5,931,000	\$29,655,000
OTHER						
TOTAL OTHER	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DIRECT	\$6,241,641	\$6,242,458	\$6,248,177	\$6,254,010	\$6,259,960	\$31,246,247
Indirect Costs						
<i>Indirect costs on personnel and fringe benefits (22.57%)</i>	\$63,269	\$64,535	\$65,826	\$67,142	\$68,485	\$329,257
TOTAL INDIRECT	\$63,269	\$64,535	\$65,826	\$67,142	\$68,485	\$329,257
TOTAL FUNDING	\$6,304,911	\$6,306,993	\$6,314,003	\$6,321,152	\$6,328,445	\$31,575,504

Measure 2: Pre-Weatherization for New Mexico LIDAC Program

As described in the Workplan and Budget Calculation Spreadsheet Attachment, the MFA bases its budget on being fully funded at \$17,999,800. Of this amount, MFA proposes to allocate 88 percent of the funding as subgrants to non-profit and pre-procured entities for projects serving LIDAC home energy efficiency retrofits.

Direct Costs

Direct costs including contractual services described in the 'Contractual' section below, represent 88 percent of the total funding. These costs are those associated with the delivery of services to the LIDAC Communities. These costs include initial assessments for scope of work, final inspections, delivery of services, labor, supplies, equipment, transportation of materials, and travel. These costs are not included in the indirect cost total.

Contractual

Contractual costs for program operation, 88% of funding, listed as subawards in the Budget Spreadsheet are those associated with direct implementation of the Pre-Weatherization Program, and are subawards to service providers that MFA has procured consistent with 2 CFR 200. These recipients are non-profit entities that are existing service providers for the NM Weatherization Assistance Program, in addition to a weatherization training academy that will assist with final inspections and training.

Indirect Costs

Indirect and administrative cost amounts are replicated using the U.S. Department of Energy Weatherization Assistance Program requirements. MFA indirect costs include the following expense line items: Administrative staff compensation, Telephone, Building Depreciation, Property Taxes, Utilities, Building Insurance, Building Maintenance & Repair, Janitorial Expenses, Office Expenses. Indirect costs are computed based on direct costs plus an allowance of \$25,000 per subaward. Direct costs include Personnel, Fringe Benefits, Travel, Contracts, Other Direct Costs. Total direct costs allocated to the program times the indirect cost rate of 10% determines the indirect costs allocated to the program. Actual direct costs applied to the indirect cost rate will be used to determine amounts actually charged to the grant for the program year. MFA personnel will not be allocated to the direct costs and represents one third of the total indirect costs.

MFA will administer the grant through the following major roles and responsibilities:

- Service provider procurement and contract renewal.
- Managing and procuring training for service providers.
- Field compliance through 5% minimum unit inspections.
- Assurance of eligible costs through Invoice approval
- General monitoring that includes fiscal, programmatic, and technical compliance.
- Expenditure management and coaching of leveraging other funding sources.
- Communication and problem solving with service providers to assist in meeting program goals.

The Service Provider indirect costs include maintenance, operation, and insurance of vehicles, maintenance of tools, storage of materials, outreach, client intake, reporting, training and technical assistance, administrative staff compensation, telephone, facility maintenance, utilities, building insurance, maintenance, and office expenses.

Table 2: Pre-Weatherization Program Budget By Year

BUDGET EMNRD

BUDGET BY YEAR						
CATEGORY	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Direct Costs						
Contractual						
<i>Subawards for Pre-Weatherization Program projects. Existing procured MFA service providers to cover the entire state.</i>	\$3,168,000	\$3,168,000	\$3,168,000	\$3,168,000	\$3,168,000	\$15,840,000
TOTAL CONTRACTUAL	\$3,168,000	\$3,168,000	\$3,168,000	\$3,168,000	\$3,168,000	\$15,840,000
OTHER						
TOTAL OTHER						
TOTAL DIRECT	\$3,168,000	\$3,168,000	\$3,168,000	\$3,168,000	\$3,168,000	\$15,840,000
Indirect Costs						
Indirect Costs						
<i>MFA Admin Costs Indirect costs on personnel and fringe benefits (12%)</i>	\$144,000	\$144,000	\$144,000	\$144,000	\$144,000	\$720,000
<i>Service Provider Admin Costs Indirect costs on personnel and fringe benefits (12%)</i>	\$288,000	\$288,000	\$288,000	\$288,000	\$288,000	\$1,440,000
TOTAL INDIRECT	\$432,000	\$432,000	\$432,000	\$432,000	\$432,000	\$2,160,000
TOTAL FUNDING	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$18,000,000