

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2809-01  
Bill No.: SB 810  
Subject: Public Assistance: Energy  
Type: Original  
Date: January 28, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$80,332,001)	(\$82,089,291)	(\$84,142,243)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$80,332,001)</b>	<b>(\$82,089,291)</b>	<b>(\$84,142,243)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Department of Health and Senior Services**, the **Department of Natural Resources** and the **Office of the State Treasurer** stated that they could perform duties under terms of this proposal with existing resources.

Officials of the **Department of Social Services' Division of Family Services (DFS)** stated that they anticipate serving an increased number of consumers through the Low Income Energy Assistance Program (LIHEAP). This includes the Energy Assistance Program (EAP) DFS administers at its county offices and the Energy Crisis Intervention Program (ECIP), which is administered by Community Action Agencies, under contract with DFS.

DFS officials assume the proposal would remove restrictions requiring use of all obligated federal emergency funds before using appropriated Utilicare funds, new costs caused by this proposal would be general revenue obligations, and that DFS would continue to contract ECIP to Community Action Agencies.

133,149 households applied for Energy Assistance in FY 2001 and 110,133 households received aid. The average annual payment for Energy Assistance during FY 2001 was \$240. The average ECIP payment was \$338. DFS officials expect the average annual payment to households under this proposal to be \$578.

The federal Division of Energy Assistance estimates that there are 545,559 households in Missouri which have incomes greater than 60% or less of state median income or 150% of the Federal Poverty Level guidelines (FPL). 229,254 of those households have income above 125% of FPL. Therefore 316,305 eligible households have incomes below 125% of the FPL. DFS officials estimate program costs due to this proposal as follows:

110,133 households assisted under current law/316,305 eligible households with incomes below 125% of FPL = 34.8% expected to be found eligible for services.

133,149 applicants\316,305 = 42.1% expected to apply for services.

545,559 x .348 = 189,885 new eligibles

189,885 x \$578 average annual house hold payment = \$109,736,190 program costs

\$109,736,190 - \$30,275,648 (federal funds expected) = \$79,460,542 General Revenue costs.

ASSUMPTION (continued)

DFS officials anticipate needing new staff to handle increased numbers of applicants:

229,254 potential applicant households with incomes over 125% of FPL x 42.1% expected to apply = 96,516 new applicants.

Currently, the average caseload size for Energy Assistance Technicians is 3,026.

96,516/3,026 = 32 additional EA Technicians needed to maintain service at current levels.  
 (NOTE: EA Technicians work November through April or 6 months of each year.) DFS would not request supervisory or staff support personnel.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Cost - Department of Social Services</u>			
Personal Service (16 FTE)	(\$357,504)	(\$366,442)	(\$375,603)
Fringe Benefits	(\$128,737)	(\$131,956)	(\$135,255)
Expense and Equipment	<u>(\$385,218)</u>	<u>(\$143,837)</u>	<u>(\$148,153)</u>
Administrative Cost to DOS	(\$871,459)	(\$642,235)	(\$659,011)
Program Costs	(\$79,460,542)	(\$81,447,056)	(\$83,483,232)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$80,332,001)</u></b>	<b><u>(\$82,089,291)</u></b>	<b><u>(\$84,142,243)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Small business which sell heating fuels would probably be positively affected as a result of this proposal.

## DESCRIPTION

This proposal would change the Utilicare program. Some of the changes are as follows:

- 1) a household would qualify for Utilicare aid if household income were one hundred and fifty percent (150%) or less of current federal poverty guidelines (currently household income may not exceed 110% of those guidelines) or if household income did not exceed 60% of the state median income;
- 2) the \$150 limit on payments to eligible households would be increased to \$600;
- 3) the limit on total payments for cooling assistance in any single cooling season (the lesser of 5% of the amount appropriated to the Utilicare Stabilization Fund for the most recent fiscal year or \$500,000) would be removed from law;
- 4) the limitation on using general revenue for reconnecting or maintaining service to eligible households which have had service disconnected until federal emergency funds for those services have been obligated would be removed;
- 5) the limit on the amount which the general assembly may appropriate to the Utilicare Stabilization Fund (\$5,000,000 plus a percentage which reflects the increase in the cost of living, up to 7%) would be removed from law;
- 6) low-income weatherization projects partly funded with utilicare funds, in coordination with Department of Natural Resources' low income weatherization assistance program, would comply with federal guidelines (currently, such projects must have a full energy savings payback period of no more than ten years);
- 7) Department of Social Services would coordinate all federal heating assistance programs into the Utilicare program; and
- 8) the sources of income for and uses of the Utilicare Stabilization Fund would be changed.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

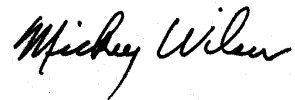
## SOURCES OF INFORMATION

Department of Natural Resources

GVB:LR:OD (12/00)

SOURCES OF INFORMATION (continued)

Department of Health and Senior Services  
Department of Social Services  
State Treasurer



Mickey Wilson, CPA  
Acting Director  
January 28, 2002