

Colorado Legislative Council Staff

**STATE
FISCAL IMPACT**

No State General Fund Impact

Drafting Number: LLS 01-0726	Date: January 10, 2001
Prime Sponsor(s): Rep. Snook	Bill Status: House Finance
Sen. Hernandez	Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING THE PROVISION OF ADDITIONAL FUNDING FOR THE LOW-INCOME ENERGY ASSISTANCE PROGRAM, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2000/2001	FY 2001/2002	FY 2002/2003
State Revenues General Fund			
State Expenditures Cash Fund	\$ 10,000,000	\$ 0	\$ 0
FTE Position Change	0.0 FTE	0.0 FTE	0.0 FTE
Other State Impact: None			
Effective Date: Upon Signature of the Governor			
Appropriation Summary for FY 2000/2001: Department of Human Services \$10,000,000 CF: Severance Tax Trust Fund (operational account)			
Local Government Impact: None			

Summary of Legislation

The bill authorizes the General Assembly to appropriate no more than \$10.0 million CF from the operational account of the Severance Tax Trust Fund to the Department of Human Services (DHS), Low-Income Energy Assistance Program (LEAP). The appropriation is authorized for the current fiscal year.

State Expenditures

The bill is assessed at having a fiscal impact of \$10.0 million CF for FY 2000-01.

Operational Account - Severance Tax Trust Fund. Adequate revenue is available in the account to accommodate this one-time appropriation to the Department of Human Services. This account includes one-half of the severance tax receipts credited to the trust fund. Moneys in the account are used to fund the following programs in the Department of Natural Resources (DNR): Oil

and Gas Conservation Commission; Geological Survey; Minerals and Geology; and Water Conservation Board. The State Treasurer has provided the following information on the operational account:

- FY 2000-01 Beginning Balance —\$21,958,607
- FY 2000-01 Appropriation to DNR —\$4,629,134
- FY 2000-01 Anticipated Receipts —\$9.3 million
- FY 2000-01 Projected Fund Balance — \$26.6 million

Department of Human Services, Low-Income Energy Assistance Program. The LEAP program provides financial assistance with heating bills to qualifying low income recipients. Persons served by the program include Old Age Pension recipients, Temporary Aid to Needy Families (TANF) recipients, and persons whose income is 185 percent of the federal poverty level. Current year funding for LEAP is:

\$ <u>19,494,654</u>	Total
1,625,000	CFE (Colorado Energy Assistance Foundation)
16,369,654	FF (Office of Energy Assistance)
1,500,000	FF (TANF)
4.6	FTE

The DHS anticipates serving approximately 70,000 households in the current fiscal year, with an average annual payment per household of \$500. Under HB 01-1107, the average payment per household will increase by \$100 to \$600 per year per qualifying household. It is not anticipated that the number of households served by the program will increase significantly, rather the bill will ensure an adequate level of benefits to qualifying households. The additional \$10.0 million will be earmarked for benefits only, no administrative costs will be incurred at either the state or county level.

State Appropriations

The fiscal note indicates that the Department of Human Services should receive a cash funds appropriation of \$10.0 million for the current fiscal year, FY 2000-01. The source of the cash funds is the operational account of the Severance Tax Trust Fund. The bill includes the necessary appropriation clause.

Departments Contacted

Human Services
Natural Resources
Treasury