



Colorado
Legislative
Council
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MEMORANDUM

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March 25, 2009

TO: Representative Marsha Looper

FROM: David Beaujon, Senior Analyst, 303-866-4781

SUBJECT: FY 2008-09 Low-Income Energy Assistance Program Appropriation Under House Bill 08-1387

This memorandum responds to your request for information about the 2008 legislation that provided \$13 million for the Low-Income Energy Assistance program (LEAP) in FY 2008-09. Specifically, you requested information about how this allocation was to occur, and how much of these moneys have been spent or encumbered. This memorandum describes the provisions of House Bill 08-1387 that transfers \$13 million in FY 2008-09 for LEAP. It also describes the current balance of the three accounts that received the LEAP transfer.

Allocation of the Operational Account of the Severance Tax Trust Fund

Overview. State law allocates moneys from the Operational Account of the Severance Tax Trust Fund to two different groups of programs, commonly referred to as Tier 1 and Tier 2 programs. The allocation for Tier 1 programs supports the day-to-day operations of the Department of Natural Resources, including employee salaries in the Colorado Oil and Gas Conservation Commission, Colorado Water Conservation Board, and other divisions.¹ The Tier 2 moneys are primarily used for grants, loans, research, and construction programs that are administered by the Department of Natural Resources. It

¹Section 39-29-109.3 (1), C.R.S.

FY 2008-09 transfers. Table 1 lists the three LEAP transfers authorized by House Bill 08-1387 for FY 2008-09 that are continuously appropriated. It also identifies how much of the transfer has been spent or encumbered as of March 20, 2009, and how much remains available for new spending.

**Table 1
House Bill 08-1387 LEAP Transfers for FY 2008-09**

Fund	FY 2008-09 Transfer	Amount Spent	Amount Encumbered	Amount Unencumbered
GEO Low-Income Energy Assistance	\$6,000,000 (transferred July 1, 2008)	\$1,908,407	\$3,308,283	\$783,310
DHS Low-Income Energy Assistance	\$5,950,000 (transferred January 1, 2009)	None ⁵	None	\$5.95 million
EOC Low-Income Energy Assistance	\$1,050,000 million is scheduled to be transferred April 1, 2009. This amount will be adjusted to reflect the March 2009, severance tax forecast.			

Planned use of unencumbered moneys in the GEO Low-Income Energy Assistance Fund. According to GEO staff, of the total \$783,310 remaining in the GEO Low-Income Energy Assistance Fund for FY 2008-09, \$230,306 is committed for a mailing program to advertise the low-income weatherization program. This program will also provide energy conservation information and compact fluorescent light bulbs for approximately 10,000 people throughout Colorado. The remaining \$553,004 is budgeted for multi-family weatherization projects through June 30, 2009. However, these projects are on hold due to legislation that may reappropriate these moneys. Specifically, the House Agriculture, Livestock, and Natural Resources Committee approved an amendment to Senate Bill 09-216 that reduces the FY 2008-09 appropriation to the Governor's Energy Office Low-Income Energy Assistance Fund from \$6 million to \$5.46 million and transfers the \$0.54 million to the Division of Water Resources. Senate Bill 09-216 is currently on the House Second Reading calendar.

⁵According to the Director of the Human Services' LEAP Office, this money will be spent on April 1, 2009 for home heating assistance.

also includes the LEAP allocations.² Tier 2 programs are subject to proportional reductions if the December or March revenue estimates of Legislative Council indicate that there are insufficient funds to satisfy the amounts specified in statute.³

House Bill 08-1387 and LEAP Funding

House Bill 08-1387 transferred \$7.05 million to the Governor's Office and \$5.95 million to the Department of Human Services from the Operational Account of the Severance Tax Trust Fund for LEAP in FY 2008-09. The funds are then continuously appropriated. It also authorizes additional transfers of \$13 million in fiscal years 2009-10, 2010-11, and 2011-12 from the Operational Account of the Severance Tax Trust Fund. The transfers for fiscal years 2009-10, 2010-11, and 2011-12 are to be allocated according to the following schedule:

- 25 percent to the Department of Human Services Low-income Energy Assistance Fund;
- 25 percent to the Energy Outreach Colorado Low-income Energy Assistance Fund; and
- 50 percent to the Governor's Energy Office Low-income Energy Assistance Fund.

House Bill 08-1387 also created the following annual schedule for the LEAP transfers, beginning with the current fiscal year:

- July 1 — Governor's Energy Office Low-income Energy Assistance Fund;
- January 1 — Department of Human Services Low-income Energy Assistance Fund; and
- April 1 — Energy Outreach Colorado Low-income Energy Assistance Fund.⁴

²Section 39-29-109.3 (2), C.R.S.

³Section 39-29-109.3 (4) (b), C.R.S.

⁴Energy Outreach Colorado (EOC) is a nonprofit organization that provides assistance to persons with limited income pay for home energy costs.