

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING UTILITY CUSTOMERS' FINANCIAL CONTRIBUTIONS FOR LOW-INCOME UTILITY ASSISTANCE.

Prime Sponsors: Representative Kennedy
Senator Hansen

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Phone: 303-866-3147
Date Prepared: May 12, 2021

Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

New Cash Fund (with Continuous Appropriation)

Significant Cost Increase in Third Year

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/16/21.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment
L.020	Bill Sponsor amendment - changes fiscal impact but not appropriation

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$395,037 General Fund to the Department of Human Services for FY 2021-22, based on the assumption that the Department will require an additional 1.4 FTE. This provision also appropriates \$27,709 cash funds from the Energy Outreach Colorado Low-Income Energy Assistance Fund to the Office of the Governor for FY 2021-22, based on the assumption that the Colorado Energy Office will require an additional 0.2 FTE.

L.020 Bill Sponsor amendment **L.020** (attached) requires the Department of Human Services to: 1) implement a program to make fuel assistance payments by crediting the payments to recipients' electronic benefits transfer service cards; 2) make the fuel assistance payments to households that receive SNAP benefits but do not receive Low-income Energy Assistance Payment (LEAP) benefits; and 3) contingent upon the receipt of sufficient outside funding, develop a database connection between the LEAP eligibility system and the Colorado benefits management system to better determine which households already receive SNAP and LEAP benefits and which households receive SNAP benefits and also qualify for the fuel assistance payments.

The Department may seek federal funds as well as gifts, grants, and donations to fund the development of the database connection, but the connection will not be implemented until sufficient outside funding is secured. Please see the Legislative Council Staff memorandum analyzing amendment L.020 (attached) for a more detailed discussion of the consequences of receiving sufficient outside funding versus not receiving sufficient outside funding.

The amendment adds reporting requirements related to the program's budget and specifies limits for the allocations of revenue collected via the Energy Assistance System Benefit Charge. Please see the Legislative Council Staff memorandum analyzing amendment L.020 (attached) for a more detailed discussion of these requirements.

If adopted, the amendment will decrease state revenue starting in FY 2023-24 by \$4.1 million to the newly created, continuously appropriated Supplemental Utility Assistance Fund, along with the corresponding state expenditure.

Legislative Council Staff and JBC Staff agree that amendment L.020 would change the fiscal impact of the bill beginning in FY 2023-24 but that it does **not** change the appropriation required for FY 2021-22. For additional information, see the Legislative Council Staff memorandum analyzing amendment L.020 (attached).

The Committee should adopt Amendment J.001 regardless of whether it adopts Amendment L.020.

Points to Consider

1. *General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$48.0 million General Fund for bills that require General Fund appropriations for FY 2021-22. This bill requires a General Fund appropriation of \$395,037 for FY 2021-22, reducing the \$48.0 million set aside by the same amount.

2. *Future Fiscal Impact*

While this bill would require general fund appropriations of \$395,037 and cash fund appropriations of \$27,709 for FY 2021-22, expenditures are expected to increase in the out years. The following tables provide detail on the fiscal impact depending on the adoption of amendment L.020:

Fiscal Impact with Amendment L.020

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Cash Fund	\$27,709	\$22,454	\$2,990,933	\$2,990,664
General Fund	\$395,037	\$455,317	-	-
Total	\$422,746	\$477,771	\$2,990,933	\$2,990,664

Fiscal Impact without Amendment L.020

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Cash Fund	\$27,709	\$22,454	\$6,403,163	\$6,403,163
General Fund	\$395,037	\$455,317	\$735,718	\$735,449
Total	\$422,746	\$477,771	\$7,138,881	\$7,138,612

3. *Legislative Authority*

Is it necessary to "continuously appropriate" money in the Supplemental Utility Assistance Fund? This method of funding essentially moves related expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.