

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2150-01
Bill No.: HB 872
Subject: Energy: Public Service Commission; Utilities
Type: Original
Date: March 6, 2007

Bill Summary: Requires households receiving assistance under the Utilicare Program to attend financial planning or budgeting classes administered by the agency providing such assistance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$17,396,000)	(\$18,845,700)	(\$20,295,300)
Total Estimated Net Effect on General Revenue Fund	(\$17,396,000)	(\$18,845,700)	(\$20,295,300)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Public Service Commission** state this proposal will have no fiscal impact on their agency.

According to officials from the **Department of Social Services - Family Support Division (FSD)** would be required to establish a financial planning or budget class for elderly, disabled and individual households who are eligible under the Federal Low Income Home Energy Assistance Program (LIHEAP), also labeled Utilicare for the state of Missouri, before assistance is awarded.

Currently, FSD contracts with the 19 Community Action Agencies that provide services statewide. FSD administers three programs within the LIHEAP year (October through September): Energy Assistance (regular heating program), Winter Energy Crisis Intervention Program and Summer Energy Crisis Intervention Program. There were estimated over 144,967 unduplicated households assisted in the FY06 program year for these three areas. Each contracted agency would be required to administer the financial planning course for each head of household who would qualify before any assistance payment can be made to the energy provider.

FY 06, number of households that were assisted:

125,065	EA households
63,326	Winter ECIP households
<u>36,182</u>	Summer ECIP households
224,573	Households assisted

FSD assumes 80% of ECIP households are duplicates of the EA households to equal 144,967 unduplicated households assisted in FY06 program period. In spending projections for the program, FSD has estimated a 10% increase (14,497 each year) in households assisted for each year:

144,967	FY06
159,464	FY07
173,960	FY08
188,457	FY09
202,953	FY10

ASSUMPTION (continued)

The 19 Missouri Community Action Agencies (CAA) provide other services for the community. Most provide some type of life skill course that would include budgeting or financial planning. CAAs bill for these classes based upon hours provided and number of individuals served. The average cost per hour is \$25 with the average length of a budget/financial planning course being 4 hours long (averages based upon information received by FSD). Cost of the required course for each head of household would equal \$100:

\$17,396,000 FY08
 \$18,845,700 FY09
 \$20,295,300 FY10

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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GENERAL REVENUE

<u>Cost - DOS - Contract Costs</u>	<u>(\$17,396,000)</u>	<u>(\$18,845,700)</u>	<u>(\$20,295,300)</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$17,396,000)</u>	<u>(\$18,845,700)</u>	<u>(\$20,295,300)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

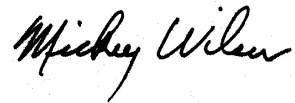
FISCAL DESCRIPTION

This proposed legislation requires individuals receiving assistance through the Utilicare Program within the Department of Social Services to attend a financial planning or budgeting class given by the agency providing the assistance.

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

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Department of Social Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 6, 2007