

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: House Bill 1454

SHORT TITLE: Payments for LIEAP/CIP/Utility Payments Only

SPONSOR(S): Representative Burr

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available (x-)		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES	0	0	0	0	0
EXPENDITURES	No estimate available.				
POSITIONS (cumulative):	No estimate available.				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
North Carolina Department of Health and Human Services					
County Departments of Social Services					
EFFECTIVE DATE: When becomes law.					

BILL SUMMARY:

This bill requires that all funds received by individuals through the Low Income Energy Assistance Program (LIEAP) and Crisis Intervention Program (CIP) must be used to pay for utility services only. An individual who uses the payment for anything other than a utility service will be in violation of the law and subject to action by the local department of social services.

ASSUMPTIONS AND METHODOLOGY:

Low Income Energy Assistance Program

This bill will require changes of program administration at local Departments of Social Services in monitoring compliance with LIEAP. Currently for LIEAP, individuals are deemed eligible automatically if they receive food stamps and have an energy expense or if they apply during the open two week application period in November and meet qualifications of income <130% of

Federal Poverty Level and have an energy expense. The one-time check is mailed to qualified recipients in February. There is no additional follow-up on the use of the funds by the local DSS. This bill requires that the check is to only be spent for utility services. This would require additional staff time in program monitoring, reviewing receipts from recipients and/or utility companies, and calling individuals to ensure compliance. The amount of additional staff time and staff needed at local DSS' is not known.

Limitations of Use

This bill limits the use of the funds for the LIEAP program. Currently, the LIEAP program may pay for the purchase of wood, kerosene, electric, gas, and other energy methods; this bill requires that the check only be spent for utility services. Individuals who would currently qualify for the program may not qualify after enactment of this bill if they do not have a utility expense, ie. the individual's utility expense may be included in their rent payment or they may purchase wood or kerosene for their heating source.

Crisis Intervention Program's Current Practice

Currently, for the CIP program individuals may apply at any time and must have a dire need for an energy assistance payment, such as they will lose their electric or gas if their bill is not paid. The recipient presents their overdue bill notice to local DSS and the DSS remits payment to the company. The funds are paid directly to the utility company and this bill would have no fiscal impact on current management of this program.

Actions Required

Also, the bill requires the DSS to take action against an individual who uses the LIEAP or CIP payment for anything other than the utility service; this will require DSS to develop some guidelines and/or rules regarding the type of action for the violation. The enforcement may be an issue in getting recipients to follow-up with receipts, etc. Currently local DSS' do not have actions against recipients of LIEAP or CIP for use of funds and this will be a new procedure. Since CIP payments are made directly to the utility company, there would be no violation occurrences or actions necessary.

Cost Estimate, Not Available

Since local DSS' have different processes and available resources for program administration, a survey of each would be required to determine what additional time and resources would be needed for the additional monitoring and taking appropriate action when violations occur. Therefore, a reasonable estimate of any additional resources that may be required is not readily available.

SOURCES OF DATA:

North Carolina Department of Health and Human Services, Office of Economic Opportunity

TECHNICAL CONSIDERATIONS: none

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