

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR

**ASSEMBLY, Nos. 3096 and 4049**

**STATE OF NEW JERSEY  
218th LEGISLATURE**

DATED: FEBRUARY 5, 2019

## SUMMARY

- Synopsis:** Directs certain unclaimed electric and gas utility deposits in Unclaimed Utility Deposits Trust Fund and societal charge revenues be paid to Statewide nonprofit energy assistance organizations meeting certain eligibility criteria.
- Type of Impact:** Reallocation of Dedicated State Resources.
- Agencies Affected:** Board of Public Utilities.

### Office of Legislative Services Estimate

Fiscal Impact	<u>Fiscal Year 2020</u>
<b>Annual Reallocation of Unclaimed Utility Deposits</b>	\$1.5 million to \$4.5 million
<b>One-Time Reallocation of Dedicated State Resources</b>	\$25,000,000

- The Office of Legislative Services (OLS) determines that 75 percent of the Unclaimed Utility Deposits Trust Fund will be reallocated from a non-profit selected by the State Treasurer, to a non-profit organization that meets certain specific criteria. Based on recent fiscal years, the amount is likely to be between \$1.5 million and \$4.5 million in each year, and the amounts will be expended for the same purpose of administering electronic and gas utility bill payment assistance to ratepayers.
- This bill will reallocate \$25 million in State resources from dedicated Board of Public Utilities (BPU) accounts that receive their funding from the Societal Benefits Charge (SBC) to the same non-profit organization receiving Unclaimed Utility Deposits Trust Fund monies for the administration of a utility bill payment assistance grant program.
- The OLS assumes that, absent this bill, the \$25 million would be spent on the purposes of each dedicated account either in FY 2020 or in a subsequent fiscal year. The OLS assumes further that the bill will not alter SBC rates because SBC-funded BPU program accounts are anticipated to carry FY 2020 year-end closing balances greater than \$25 million.

## **BILL DESCRIPTION**

This bill requires that unclaimed property deposits from electric and gas public utilities in the Unclaimed Utility Deposits Trust Fund (trust fund) be paid to a Statewide nonprofit energy assistance organization meeting certain criteria. Under the bill, in order to be eligible to receive trust fund monies, a Statewide nonprofit energy assistance organization designated by the Board of Public Utilities (BPU) is required to: 1) have a network of no less than 200 partner organizations that collectively have a physical presence in every county in the State, providing secure, online or in-person grant application access; 2) have a board of directors comprised of not less than five electric or gas public utility representatives; and 3) have an on-site customer service call center providing access to assistance offered in a minimum of 150 languages. Within 10 months after the trust fund administrator disburses grant monies to the assistance organization designated by the BPU, and annually thereafter, the assistance organization is to issue a report to the BPU providing the number of applicants applying for household utility assistance grants, the number of households receiving utility assistance grants, the average amount of assistance provided to households, the average gross income of households receiving assistance, the methods and procedures used for the verification of household income or hardship, and any other information the BPU requires.

Further, the bill provides that beginning with the State fiscal year starting on July 1, 2019, the board is to dedicate \$25 million from available balances collected through the societal benefits charge (SBC) to provide grants to help pay the electric and gas public utility (utility) bills of households seeking temporary assistance from a Statewide nonprofit energy assistance organization having the same qualifications as stated in the previous paragraph.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS determines that this bill will reallocate 75 percent of the Unclaimed Utility Deposits Trust Fund deposits, approximately \$1.5 million to \$4.5 million per year, from a non-profit selected by the State Treasurer, to a non-profit organization that meets certain specific criteria. The bill will also reallocate \$25 million from dedicated SBC-funded BPU accounts to the same non-profit organization for the administration of a utility bill assistance grant program. The OLS assumes that, absent this bill, the Unclaimed Utility Deposits Trust Fund deposits would have been used for the same purposes but possibly through a different non-profit entity, and that the \$25 million would be spent on the purposes of each dedicated SBC-funded account either in FY 2020 or in a subsequent fiscal year. The OLS assumes further that the bill will not alter SBC rates because SBC-funded BPU program accounts are anticipated to carry FY 2020 year-end closing balances greater than \$25 million.

The SBC is imposed on all electric and gas utility customers, including State and local government entities. According to the BPU response to an FY 2019 OLS Discussion Point, the SBC raised \$746.3 million in calendar year 2017, of which \$582.3 million was remitted to the BPU with collecting utilities retaining the remaining \$164.0 million for BPU-approved purposes.

The BPU allocated the \$582.3 million to the Clean Energy Fund and the Universal Service Fund. The Supplementary Information section of the Governor's FY 2019 Budget, which is available online only, shows no anticipated FY 2019 Universal Service Fund year-end closing balance and an anticipated FY 2019 Clean Energy Fund year-end closing balance of \$149.7 million.

According to the BPU response to an FY 2019 OLS Discussion Point, payments from the Unclaimed Utility Deposits Trust Fund deposits to the Affordable Housing Alliance to administer a utility assistance program between FY 2014 and FY 2018 ranged from \$1.5 million to \$4.5 million per year. The Supplementary Information section of the Governor's FY 2019 Budget, which is available online only, shows approximately \$3.5 million in anticipated deposits and expenditures in FY 2018 and FY 2019, leaving a fund balance of approximately \$500,000 in each year, which it carried forward from FY 2017.

*Section: Authorities, Utilities, Transportation and Communications*

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).