

Council Memo

Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: August 3, 2026

Re: Utility Assistance Program Internal Audit

Impacted Ward: Citywide

Executive Summary

This year Rubin Brown preformed an audit of the City's Utility Assistance program. The report goes over the findings from the audit and recommended changes to the program, as well as managements response.

Discussion

The Public Health and Human Services (PHHS) department operates the Utility Assistance Program that provides financial assistance for utility services for eligible Boone County residents and Boone Electric customers. Before the COVID 19 Pandemic, PHHS facilitated the CASH and HELP programs, that assisted senior citizens, disabled individuals, and families with minor children in the City, as well as County residents. The parameters of the programs centered around household income limits and physical/age criteria, or emergency status plus presence of minor children. Cash was for was limited for last-resort emergency aid after exhausting alternative programs, and HELP was for one time crisis assistance for immediate stabilization of the household.

The CASH and HELP programs relied on voluntary bill payer donations. Customers of both the City of Columbia Utilities and the Boone Electric Cooperative could sign up for recurring monthly additions to their bills or make one time contributions to either or both funds. While this model helped to foster community focused philanthropy, it also exposed the programs to funding volatility.

After the National Emergency was declared, the federal government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, in which the City was the beneficiary of relief funding. The City used this opportunity to initiate a transition from the CASH and HELP programs, to a structurally funded model by appropriating \$300,000 of CARES act funding to launch the new Columbia Utility Assistance Program. The general eligibility criteria for the Utility Assistance Program is that the household's gross monthly income must be at or below 200% of the Federal Poverty Level (FPL).

In FY23 the City doubled this commitment to \$600,000, using an allocation from the second federal government assistance program the American Rescue Plan Act (ARPA). This allocation continued in FY24, but was split \$300,000 from ARPA and \$300,000 from General Fund reserves. In FY25 the program was fully funded by General Fund reserves at \$600,000. This continued in FY26, but funds were completely expended by December 2025, and an additional appropriation of \$200,000 was approved bringing the FY26 total to \$800,000.

This prompted a review of the program to ensure that the best processes are in place and they represent the best practices. Currently the City pays \$900 for individuals with metered service (water and electric), and 600 for non-metered services (solid waste and sewer). The program also covers \$200 for Boone County electric and water utility services. The average amount per household paid out by the City in FY24 was \$874. In total, this accumulated to \$755,380 in fiscal year 2024, in which \$649,400 came from the General fund and the remainder from CASH and HELP donations.. Comparing the City to other municipalities with similar programs, shows there is an opportunity for significant Program cost savings for the City of Columbia or expansion of program to more households if the spend level was maintained. In the comparison shown in the report, several other municipalities ranged in their utility assistance from \$250 to \$430 in their average household amount. In response to the report, Staff is recommending to restructure our utility assistance framework. Adjusting our approach to a targeted, capped model represents a highly strategic, data driven step forward for both community impact and fiscal responsibility. To implement this recommendation effectively, while maximizing our resources, the following programmatic parameters have been suggested for the upcoming fiscal year: The City of Columbia will allocate a flat \$400,000 for the fiscal year. Rather than a blanket cap, assistance will be tiered to address specific household utility needs while maintaining a balanced average near the recommended \$400 threshold:

Electric Assistance: Up to \$500 available per recipient, per year.

Non-Electric Assistance: Up to \$200 available per recipient, per year. (non-electric excludes solid waste and cycle 99 accounts). We estimate that this funding will give assistance to approximately 900 households, while maintaining a funding level that is more suitable for the limited resources of the General Fund

Fiscal Impact

Short-Term Impact: General fund savings of \$200,000 in fiscal year 2027.
Long-Term Impact: N/A

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
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701 East Broadway, Columbia, Missouri 65201

Date	Action
the next line of action entry.	For each Council action, significant procedural action by a Board/Commission and Interested Parties meeting, enter the action date and brief statement of the action with vote totals, if known. Include ALL information you feel is relevant to this item.

Suggested Council Action

This report is for informational purposes only.