N00I0006
Office of Home Energy Programs
Department of Human Resources

Operating Budget Data

($ in Thousands)

	FY 13 Actual	**FY 14 Working**	**FY 15 Allowance**	**FY 14-15 Change**	**% Change Prior Year**
Special Fund	$54,651	$57,129	$76,674	$19,545	34.2%
Contingent & Back of Bill Reductions	0	0	-8	-8	
Adjusted Special Fund	**$54,651**	**$57,129**	**$76,666**	**$19,537**	**34.2%**
Federal Fund	77,416	85,865	65,614	-20,252	-23.6%
Contingent & Back of Bill Reductions	0	0	-7	-7	
Adjusted Federal Fund	**$77,416**	**$85,865**	**$65,607**	**-$20,259**	**-23.6%**
Adjusted Grand Total	**$132,067**	**$142,994**	**$142,273**	**-$721**	**-0.5%**

- The fiscal 2015 allowance for the Department of Human Resources (DHR) Office of Home Energy Programs (OHEP) decreases by $721,296, or 0.5%, compared to the fiscal 2014 working appropriation after accounting for across-the-board and contingent reductions in fiscal 2015.

- Special funds increase by $19.5 million, or 34.2%, primarily due to higher revenue from the Regional Greenhouse Gas Initiative (RGGI) carbon dioxide emission allowance auctions and the use of prior year Strategic Energy Investment Fund balances in fiscal 2015.

- Federal funds decrease by $20.3 million, or 23.6%, to better align with anticipated federal Low Income Home Energy Assistance Program (LIHEAP) funds in fiscal 2015.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	FY 13 Actual	FY 14 Working	FY 15 Allowance	FY 14-15 Change
Regular Positions	13.87	17.87	17.87	0.00
Contractual FTEs	0.50	0.00	0.00	0.00
Total Personnel	**14.37**	**17.87**	**17.87**	**0.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.28	7.14%
Positions and Percentage Vacant as of 12/31/13	1.00	5.60%

- There are no changes in the number of regular positions in OHEP in the fiscal 2015 allowance, but DHR transferred 4.0 positions from other areas of the Family Investment Administration to OHEP during fiscal 2014. DHR indicates that the positions were transferred to fill additional staffing needs in the office.

- As of December 31, 2013, OHEP had a vacancy rate of 5.6%, or 1.0 position. To meet its turnover expectancy of 7.1%, OHEP must maintain 1.3 vacant positions in fiscal 2015. OHEP may have difficulty meeting its turnover expectancy.

Analysis in Brief

Major Trends

Demand for Energy Assistance: For the second consecutive year, the number of households receiving Maryland Energy Assistance Program (MEAP) and Electric Universal Service Program (EUSP) bill payment assistance decreased. The demand for energy assistance was likely impacted by the mild winter weather in those years. In contrast to the decrease in bill payment assistance, in fiscal 2013, the number of households receiving arrearage assistance increased by 17.2%

Percent of Eligible Households Receiving Benefits Declines: Continuing recent trends, the percent of eligible households receiving MEAP or EUSP bill payment assistance benefits declined in fiscal 2013. DHR anticipates that the recent trend will begin to reverse in fiscal 2014 due to efforts to diversify and enhance outreach. In addition, DHR anticipates that the normalization of winter weather will also impact households receiving benefits.

Consistent with Overall Trends, Benefits to Some Targeted Populations Decrease: The percent of eligible households with a member over age 60 or under age 6 fell in fiscal 2013, consistent with the overall trend in the percent of eligible households receiving bill payment assistance.

Issues

Extreme Cold Could Lead to Increased Energy Assistance Demand: Through January 2014, total spending on benefits is $4.7 million, or 6.7%, higher than the same period in fiscal 2013. The higher spending is driven by an increased number of households receiving all three types of benefits and higher EUSP bill payment benefits. Given the recent extreme cold weather, it is likely that benefit spending will remain higher than in fiscal 2013 throughout the year. Maryland regulations contain some protections from termination during the winter and for certain vulnerable households. An additional protection exists for 55 days while a household is applying for benefits. DHR indicates that the program's data system cannot currently measure application processing times, which may limit the ability to ensure that a household's benefits are determined within the time period of the termination protection.

Regional Greenhouse Gas Initiative Revenue and Allocation: Revenue from RGGI carbon dioxide emission allowance auctions has increased due to program changes announced in February 2013. The allocation of proceeds from RGGI auctions for energy assistance was initially established at 17% in Chapters 127 and 128 of 2008. However, subsequent legislation (the Budget Reconciliation and Financing Acts (BRFA) of 2009 and 2011) raised the share of proceeds provided for energy assistance to 50%. Absent legislative action, the allocation would return to 17% in fiscal 2015. The BRFA of 2014 proposes to continue providing energy assistance at 50% of the revenue.

Proposed Changes to Energy Assistance Programs: In January 2012, the Public Service Commission (PSC) announced that it would conduct a comprehensive review of energy assistance programs in Maryland as a result of concerns raised from a fiscal 2011 *Electric Universal Service Program Annual Report*, including whether the current programs are fulfilling or can fulfill the intended purpose. As part of the review, the PSC staff, in coordination with the Office of People's Counsel, presented an alternative energy assistance program proposal that would have a substantial cost. DHR presented some potential alternative program changes in a response to committee narrative in the 2012 *Joint Chairmen's Report* (JCR). By the 2013 session, no decision was made on any program changes, and the 2013 JCR included committee narrative requesting that OHEP submit a report on planned program changes, the impact of those changes, and a timeline for implementation. In its response, DHR explained that the PSC review is still ongoing, and it is waiting for the outcome of that review before further developing its proposal.

Recommended Actions

1. Adopt committee narrative requesting information on application processing times.

Updates

Low Income Energy Efficiency and Energy Assistance Programs: Committee narrative in the 2013 JCR requested that DHR and the Department of Housing and Community Development (DHCD) report on actions taken to revise existing policies to incentivize EUSP and MEAP participants to accept weatherization or other energy efficiency services if offered to them. The process for referring energy assistance applicants for weatherization services has changed. DHR and DHCD reported that under the new process, applicants must opt out of a referral rather than requiring them to opt in. As of mid-December 2013, this has increased the percent of MEAP applicants being referred for weatherization services.

Federal Performance Measures for the Low Income Home Energy Assistance Program: During 2013, the federal Administration for Children and Families (ACF), within the U.S. Department of Health and Human Services, published a notice of new performance measures for state LIHEAP grantees. DHR initially indicated that it already tracks many of the data measures, but any impact would not be known until the measures have been finalized. ACF has made some changes to the required measures since that time, but the revisions were expected to reduce the required data.

Operating Budget Analysis

Program Description

The Office of Home Energy Programs (OHEP) is a program of the Family Investment Administration in the Department of Human Resources (DHR). The services of OHEP include cash benefits, budget counseling, vendor arrangements, referrals, and assistance with heating/cooling equipment repair and replacement.

OHEP administers two energy assistance programs for residential customers using local agencies, including local departments of social services, in each county and Baltimore City. These programs are (1) the Maryland Energy Assistance Program (MEAP) funded by the federal Low Income Home Energy Assistance Program (LIHEAP) providing bill payment assistance, crisis assistance, and furnace repair/replacement for a variety of energy sources; and (2) the Electric Universal Service Program (EUSP) funded from a ratepayer surcharge and an allocation of revenue from the Regional Greenhouse Gas Initiative (RGGI) carbon dioxide emission allowance auctions (budgeted through the Strategic Energy Investment Fund (SEIF)) that provides both bill payment and arrearage assistance to electric customers.

The key goals of OHEP are to provide access to the benefits and services of OHEP to as many low-income eligible households as possible to help households reduce their home energy cost burden and to meet the immediate home energy needs of eligible households experiencing energy crises by preventing or remedying off-service or out-of-fuel emergencies.

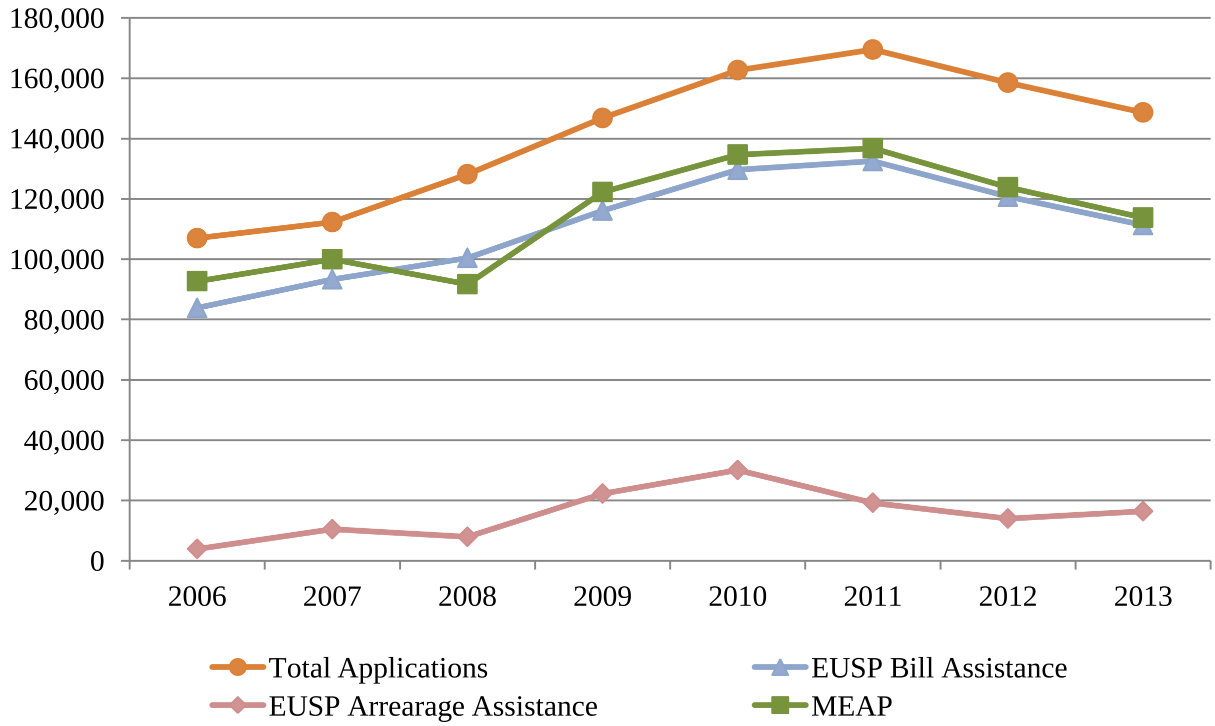
Performance Analysis: Managing for Results

1. Demand for Energy Assistance

After increasing in nearly all years since fiscal 2006, total applications, households receiving EUSP bill assistance, and households receiving MEAP declined in fiscal 2012 by more than 5.0%. As shown in **Exhibit 1**, the demand for energy assistance continued to fall in fiscal 2013 with decreases of:

- 6.2% in total applications;
- 7.8% in households receiving EUSP bill assistance; and
- 8.1% in households receiving MEAP.

Exhibit 1
OHEP Benefits Provision History
Fiscal 2006-2013



EUSP: Electric Universal Service Program
MEAP: Maryland Energy Assistance Program
OHEP: Office of Home Energy Programs

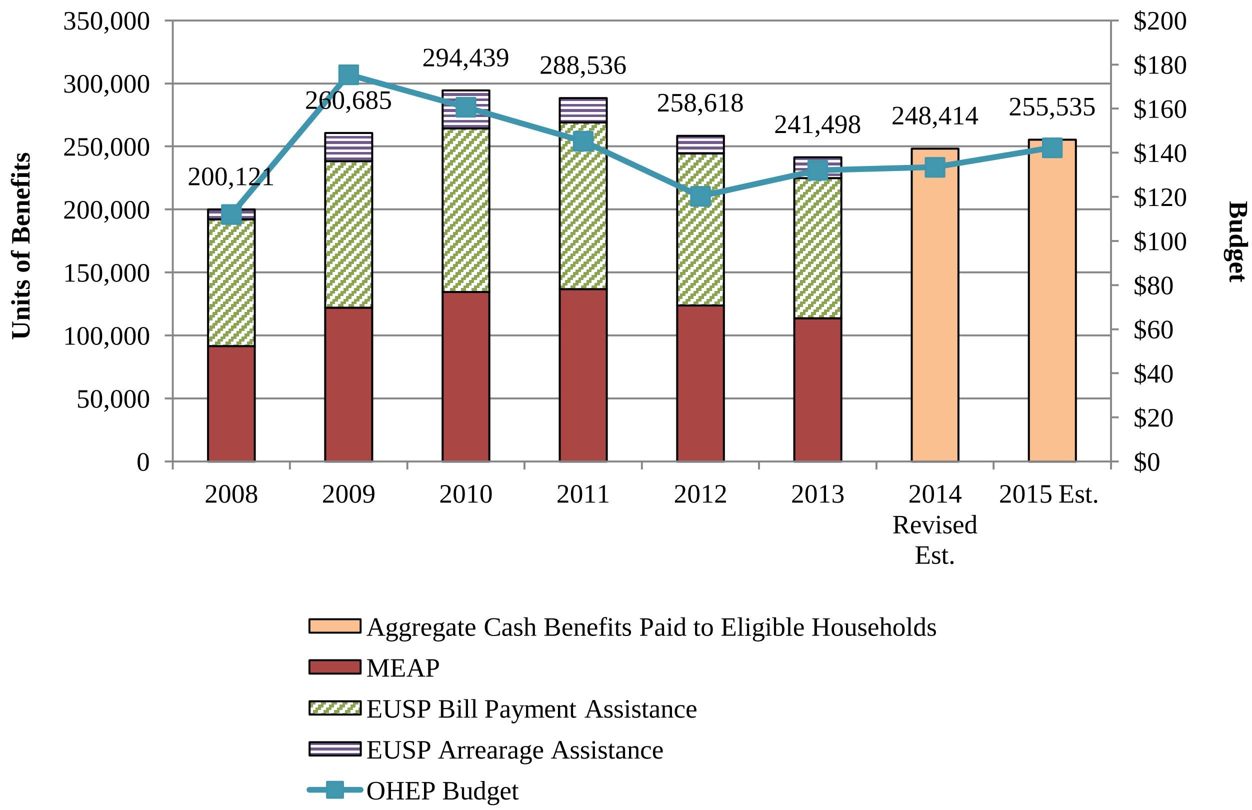
Source: Department of Human Resources

Since the fiscal 2011 peak, the number of households receiving EUSP bill assistance and receiving MEAP in fiscal 2013 has fallen by 16.0 and 16.8%, respectively. DHR indicates that the number of households applying for benefits in fiscal 2012 and 2013 has been impacted by the mild winter weather in these years.

After decreases in the number of households receiving EUSP arrearage assistance in fiscal 2011 and 2012, in part due to funding limitations which led to informal caps on spending in this program, the number of households receiving this benefit increased in fiscal 2013, an increase of 17.2%. Even with this increase, in fiscal 2013, the number of households receiving arrearage assistance was 45.0% less than the peak in fiscal 2010.

As shown in **Exhibit 2**, the aggregate number of cash benefits paid to eligible households has generally, but not always, followed the trend of the OHEP budget. Units of cash benefits are MEAP and EUSP bill payment assistance and EUSP arrearage assistance. In fiscal 2010, the growth in units of cash benefits was able to continue despite lower funding due to adjustments in the benefit level, which allowed more households to be served than would have otherwise been possible.

Exhibit 2
OHEP Outcomes vs. Expenditures
Fiscal 2008-2015 Est.
($ in Millions)



EUSP: Electric Universal Service Program
MEAP: Maryland Energy Assistance Program
OHEP: Office of Home Energy Programs

Note: Fiscal 2014 revised estimate alters the federal fund level from the amount currently included in the fiscal 2014 working appropriation to a level equal to the amount of federal funds released by the U.S. Department of Health and Human Services under the federal fiscal 2014 continuing resolution and the carryover available from State fiscal 2013.

Source: Department of Human Resources; Governor's Budget Books; U.S. Department of Health and Human Services

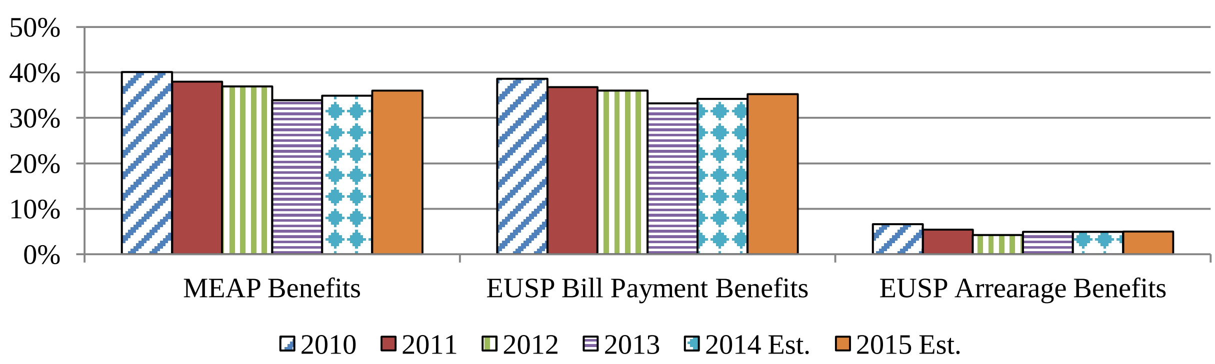
In fiscal 2011, the arrearage assistance benefits were suspended in February due to funding concerns resulting in fewer households receiving this benefit in that year. The substantial reduction in households receiving EUSP arrearage assistance drove down the aggregate number of cash benefits provided, despite modest increases in households receiving bill assistance. In fiscal 2012 and 2013, a combination of spending limits for EUSP arrearage assistance and reduced demand for bill payment assistance led to fewer aggregate cash benefits provided than in fiscal 2011. Overall, in fiscal 2013, spending increased in the program even with the decline in households receiving EUSP bill assistance and MEAP due to increases in the benefit levels for MEAP and an increase in the number of households and average benefits for arrearage assistance.

In fiscal 2014, DHR anticipates the aggregate number of cash benefits provided will increase by 2.9%, while the estimated available funding increases by only 1.0% compared to the actual expenditures in fiscal 2013.

2. Percent of Eligible Households Receiving Benefits Declines

The percent of eligible households receiving benefits may move in a different direction than the number of households receiving benefits due to adjustments in the estimates of eligible households. As shown in **Exhibit 3**, the percent of eligible households receiving MEAP and EUSP bill payment assistance has decreased in recent years. Since fiscal 2010, the percent of eligible households receiving these benefits has fallen by more than 10%. However, DHR anticipates these percentages will begin to increase again in fiscal 2014 due to efforts to diversify and enhance outreach and the anticipated normalization of winter weather from the warmer than average weather experienced in recent years.

Exhibit 3
Eligible Households Certified for Energy Assistance Benefits
Fiscal 2010-2015 Est.



EUSP: Electric Universal Service Program
MEAP: Maryland Energy Assistance Program

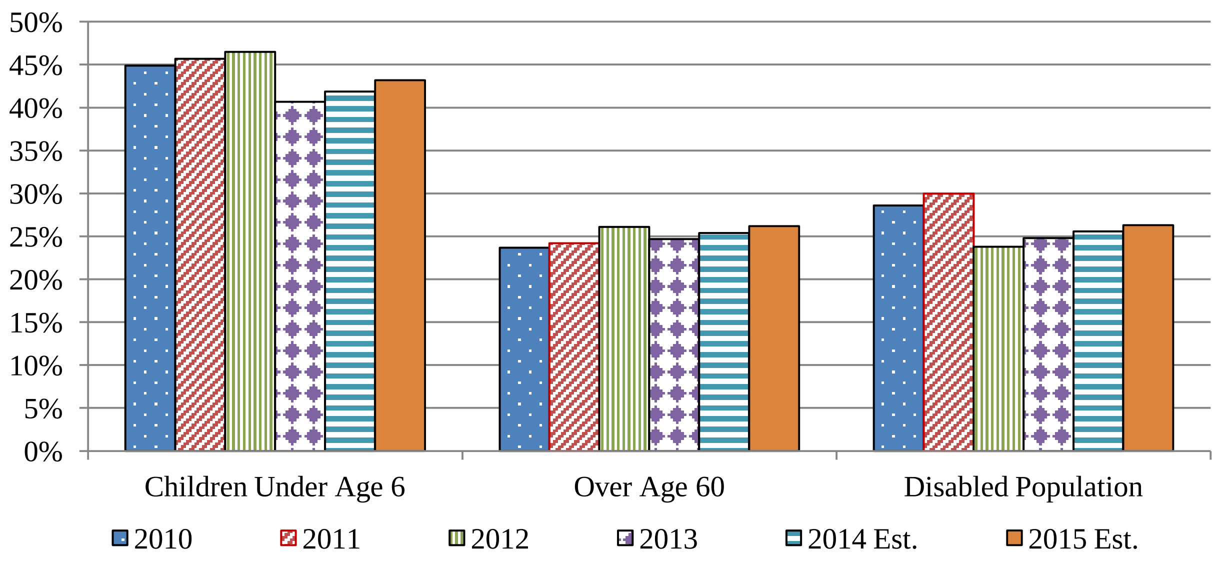
Source: Department of Human Resources; Governor's Budget Books

After declining in fiscal 2011 and 2012, the percent of eligible households receiving arrearage benefits increased in fiscal 2013, consistent with the increased number of households receiving benefits. In fiscal 2014, DHR began a new waiver for the arrearage assistance program. The new Vulnerable Population Waiver allows vulnerable households who have received arrearage assistance of $800 or less within seven years to apply for additional assistance. Under State law, a household can only receive arrearage assistance once every seven years. Vulnerable households are defined as households with a member over age 65 or under age 2 or who is medically fragile. Despite the new waiver, DHR does not anticipate an increase in the percent of eligible households receiving arrearage assistance in fiscal 2014. **DHR should discuss the impact of the new waiver in the arrearage assistance program in fiscal 2014.**

3. Consistent with Overall Trends, Benefits Provided to Some Targeted Populations Decrease

After increases in the percent of eligible households with a member over age 60 or under age 6 receiving benefits in fiscal 2011 and 2012, these fell in fiscal 2013 with decreases of 1.4 and 5.8 percentage points respectively, as shown in **Exhibit 4**. These decreases are consistent with the overall reduction in the percent and number of eligible households receiving benefits.

Exhibit 4
Targeted Populations Receiving Benefits
Fiscal 2010-2015 Est.



Source: Department of Human Resources; Governor's Budget Books

The percent of eligible households with a member with a disability receiving benefits increased in fiscal 2013 by 1 percentage point. However, the performance of OHEP in this area remained more than 5 percentage points lower than the recent peak performance of 30% in fiscal 2011.

Proposed Budget

As shown in **Exhibit 5**, the fiscal 2015 allowance of OHEP decreases by $721,296, or 0.5%, compared to the fiscal 2014 working appropriation after accounting for across-the-board and contingent reductions in fiscal 2015. Aside from changes in energy assistance benefits, the fiscal 2015 allowance of OHEP decreases by a net $11,395.

Personnel expenditures increase by $269,832, which largely ($187,358) occurs as a result of increments planned for fiscal 2015 and positions transferred into the program in fiscal 2014 for which the funds have not yet been transferred. Contracts for local administering agencies decrease by $311,777, accounting for the majority of the nonenergy assistance benefits decrease.

Exhibit 5
Proposed Budget
DHR – Office of Home Energy Programs
($ in Thousands)

How Much It Grows:	Special Fund	Federal Fund	Total
2014 Working Appropriation	$57,129	$85,865	$142,994
2015 Allowance	76,666	65,607	142,273
Amount Change	$19,537	-$20,259	-$721
Percent Change	34.2%	-23.6%	-0.5%

Where It Goes:

Personnel Expenses

Regular earnings including positions transferred into the program in fiscal 2014 and increments planned for fiscal 2015	$187
Employee retirement	32
Annualization of the fiscal 2014 cost-of-living adjustments and increments	31
Employee and retiree health insurance	22
Social Security contributions	14
Accrued leave payout and unemployment partially offset by reclassifications	1
Turnover adjustments	-17

Where It Goes:	
Energy Assistance Benefits	
Strategic Energy Investment Fund due to prior year fund balances and increased revenue	19,476
Electric Universal Service Program	42
Low-Income Home Energy Assistance Program based on anticipated federal allocation	-20,228
Administrative Expenses	
Supplies primarily for outreach activities conducted in partnership with utilities	53
Rental of space for meetings, training, and staff development to allow for technical assistance for local administering agencies	6
Postage, telephone, and interpreter fees partially offset by travel	-9
Call center contract	-20
Contracts for local administering agencies	-312
Total	**-$721**

Note: Numbers may not sum to total due to rounding. The fiscal 2014 working appropriation reflects negative deficiencies and contingent reductions. The fiscal 2015 allowance reflects back of the bill and contingent reductions.

Cost Containment

There is one across-the-board reduction and one contingent reduction reflected in the Governor's spending plan for the fiscal 2015 allowance. This affects funding for employee/retiree health insurance and retirement reinvestment. These actions are fully explained in the analyses of the Department of Budget and Management – Personnel and the State Retirement Agency. OHEP's share of these reductions is $15,274.

Energy Assistance Benefits

The majority of the decrease in the fiscal 2015 allowance occurs in the area of energy assistance benefits, a decrease of $709,902, which is driven by funding availability.

LIHEAP

In any given year, the State's LIHEAP allocation may vary based on both the federal appropriation level and the State share of the appropriation. Despite an overall increase in LIHEAP funding in the federal fiscal 2014 budget, with nearly all funds allocated, Maryland is one of four states that has experienced a reduction in funding.

The fiscal 2015 allowance includes a total of $67.0 million from LIHEAP, of which $65.6 million is included in OHEP. The fiscal 2015 allowance of LIHEAP closely reflects the LIHEAP allocation received by Maryland in recent years. Maryland's recent allocations of LIHEAP were:

- $69.8 million in federal fiscal 2012;
- $70.4 million in federal fiscal 2013; and
- $68.5 million in federal fiscal 2014.

In fiscal 2014, OHEP also has $7.8 million of LIHEAP available from federal fiscal 2013 to spend, providing a total level of available funding of $76.3 million. However, the appropriation of LIHEAP in fiscal 2014 in DHR is $86.6 million. Because of the overstated LIHEAP included in the fiscal 2014 appropriation, the fiscal 2015 allowance of LIHEAP decreases by $19.6 million in total and by $20.3 million in OHEP compared to fiscal 2014. The difference in the total decrease versus the decrease in OHEP is the result of a higher expected cost for the OHEP data system in the Office of Technology for Human Services (OTHS) in fiscal 2015. After accounting for the LIHEAP actually available to DHR in fiscal 2014, the fiscal 2015 allowance for LIHEAP decreases by $9.3 million rather than $19.6 million

EUSP

The fiscal 2015 allowance of EUSP in DHR increases by $766,836 compared to the fiscal 2014 working appropriation. The majority of this increase is expected to be used to support the OHEP data system in OTHS. The increase of EUSP in OHEP is less than $70,000, including an increase of $41,671 for energy assistance benefits.

Section 7-512.1 of the Public Utilities Article sets the level of ratepayer funding for EUSP at $37.0 million. In recent years, surcharges paid by ratepayers for EUSP has resulted in total collections exceeding the statutorily authorized level by:

- $1.8 million in fiscal 2010;
- $2.0 million in fiscal 2011;
- $2.7 million in fiscal 2012; and
- $4.1 million in fiscal 2013.

In July 2013, the Public Service Commission (PSC) requested that its staff present a proposal to adjust ratepayer surcharges to collect EUSP at the statutorily authorized level. PSC staff submitted this proposal in November 2013, and the proposal was adopted by PSC in December 2013, with the changes effective February 1, 2014. These adjustments lowered the residential ratepayer surcharge from $0.37 to $0.36 and commercial and industrial customer surcharges by 14%. Fiscal 2015 will be the first full year of collections at the revised levels.

Appropriations of EUSP in DHR have exceeded the statutorily authorized level of collections in recent years because of the recent overcollections. The fiscal 2015 allowance of EUSP of $41.0 million is 10.7% higher than the statutorily authorized level, despite the reductions in the surcharge that should return collections to the statutorily authorized level. **DHR should comment on why EUSP is included in the fiscal 2015 allowance at a level higher than is statutorily allowed to be collected, despite the change in collections. DHR should also comment on the impact on the program when collections are returned to the statutorily authorized level.**

SEIF

The fiscal 2015 allowance of the SEIF in OHEP increases by $19.5 million primarily due to higher revenue, which is discussed further in Issue 2, and the use of prior year fund balances. The SEIF in OHEP is used only for energy assistance benefits.

The fiscal 2014 appropriation understates the SEIF that is likely to be available to OHEP for energy assistance benefits in that year. Current estimates of the RGGI proceeds that will be available to OHEP in fiscal 2014 are $40.4 million, which is $22.7 million higher than the amount that is currently included in the fiscal 2014 working appropriation.

Available Resources

As discussed, the fiscal 2014 working appropriation does not accurately represent the resources available to DHR for the energy assistance program, including administrative expenditures. **Exhibit 6** presents information on the available resources in fiscal 2014 and 2015 compared to planned expenditures. As shown in this exhibit, sufficient revenue is available to cover currently planned expenditures in fiscal 2014, and there is some cushion to cover the $20 million supplemental benefit announced on February 24, 2014, which is not reflected in Exhibit 6. However, fiscal 2015 expenditures may be impacted from this supplemental benefit because fewer carryover funds would be available if the RGGI revenue allocation is not changed as proposed in the BRFA.

Exhibit 6
Available Revenue versus Expenditures
Fiscal 2014-2015
($ in Millions)

	2014	**(Under Current Law) 2015**	**(Under Proposal in BRFA of 2014) 2015**
Excess Revenue from Fiscal 2014		$36.7	$36.7
LIHEAP Allocation	$68.5	67.0	67.0
LIHEAP Carryover	7.8	0.0	0.0
Total LIHEAP	**$76.3**	**$67.0**	**$67.0**
SEIF Revenue	$40.4	$11.6	$34.0
SEIF Fiscal 2013 Fund Balance	24.3		
Total SEIF	**$64.7**	**$11.6**	**$34.0**
EUSP	$40.2	$37.0	$37.0
Total Available	**$181.1**	**$152.3**	**$174.7**
Total Expenditures	**$144.4**	**$145.1**	**$145.1**
Excess Revenue / Deficit	**$36.7**	**$7.2**	**$29.6**

BRFA: Budget Reconciliation and Financing Act
EUSP: Electric Universal Service Program
LIHEAP: Low Income Home Energy Assistance Program
SEIF: Strategic Energy Investment Fund

Note: Total expenditures represent the appropriation level and include the appropriation for the Office of Home Energy Programs data system in the Office of Technology for Human Services

Source: Governor's Budget Books; Department of Legislative Services; U.S. Department of Health and Human Services; Department of Human Resources

Issues

1. Extreme Cold Could Lead to Increased Energy Assistance Demand

Year-to-date Benefits and Expenditures

As shown in **Exhibit 7**, through January in fiscal 2014, applications for MEAP have been relatively flat, while applications for EUSP bill payment assistance have increased by 1.2%. EUSP arrearage assistance has increased by 24.5%. Households receiving EUSP bill payment assistance and MEAP benefits are approximately 3.5% higher than fiscal 2013, while households receiving arrearage assistance have increased by 20.0%.

Exhibit 7
OHEP Applications and Benefits Data
July through January

	Fiscal 2013	Fiscal 2014	Change	% Change
Applications				
MEAP	106,190	106,488	298	0.3%
EUSP Bill Payment	102,025	103,293	1,268	1.2%
EUSP Arrearage	13,103	16,308	3,205	24.5%
Receiving Benefits				
MEAP	71,194	73,594	2,400	3.4%
EUSP Bill Payment	70,293	72,829	2,536	3.6%
EUSP Arrearage	9,646	11,573	1,927	20.0%
Average Annual Benefit				
MEAP	$545	$533	-$12	-2.2%
EUSP Bill Payment	326	354	28	8.6%
EUSP Arrearage	943	911	-32	-3.4%
Benefits Paid ($ in Millions)				
MEAP	$38.8	$39.2	$0.4	1.1%
EUSP Bill Payment	22.9	25.8	2.9	12.5%
EUSP Arrearage	9.1	10.5	1.5	16.0%
Total Benefits Paid	**$70.8**	**$75.5**	**$4.7**	**6.7%**
Supplemental MEAP	$13.9	$0.0		
Total w/Supplemental	**$84.7**	$75.5	**-$9.1**	**-10.8%**

EUSP: Electric Universal Service Program
MEAP: Maryland Energy Assistance Program
OHEP: Office of Home Energy Programs

Source: Department of Human Resources

Spending on energy assistance benefits has increased by 6.7%, excluding the supplemental benefits provided in fiscal 2013, with increases for each type of benefit:

- EUSP arrearage assistance (16.0%);
- EUSP bill payment assistance (12.5%); and
- MEAP (1.1%).

The increases are largely driven by the increased households receiving each type of benefit, as average benefits for MEAP and EUSP arrearage assistance have decreased in fiscal 2014. DHR increased the EUSP bill assistance benefits in fiscal 2014 through an increase in the percent of the household's bill paid, which has led to a higher average benefit.

Cold Weather Risk

Based on current expenditures, it would appear that OHEP would have sufficient funding in fiscal 2014 to meet all of the demand in that year. However, as we saw during previous winters, daily temperatures can significantly impact demand for energy assistance benefits. Extreme temperatures can lead to unexpected bill increases, as heating and cooling systems must work harder to keep homes and businesses at comfortable levels. Moderate and mild temperatures can ease winter heating and summer cooling costs, as heating and cooling systems require less effort to keep homes at comfortable temperatures.

January 2014 was marked by periods of extreme cold. Heating degree days are measured by comparing the mean temperature during the day compared to 65 degrees. According to the National Oceanic and Atmospheric Administration Climate Prediction Center, from July 2013 to February 8, 2014, Maryland has had 1% more heating degree days than normal and 12% more than last year. For some individual weeks in January and February 2014, the deviation from normal and from last year is even more extreme.

There are indications that the weather has led to concerns with various heating fuel sources. PSC issued three press releases in January 2014 asking households to conserve electricity due to the increased demand making the power supply tight. The regional grid is operated by PJM Interconnection, LLC (of which Maryland is part). Governor Martin J. O'Malley also urged conservation of electricity due to the same issue in a press release that month. These types of concerns are more typical during the summer cooling season during periods of extreme heat. Approximately 40% of Marylanders use electricity for home heating, according to the U.S. Energy Information Administration (EIA), and in fiscal 2013, 43.1% of MEAP recipients heated with electricity.

Propane prices spiked during January 2014. As of January 29, 2014, EIA reported residential propane prices of approximately $4.00, which is more than $1.00 higher than earlier in the month and approximately $1.60 higher than October. Prices have started to decrease since then but remain elevated. According to the EIA data released that date, the residential heating oil prices also slightly increased in January 2014. Although relatively few households in Maryland use these heating sources, these price increases may still result in a substantial energy assistance demand. In fiscal 2013, 3.7% of MEAP recipients heated with propane, and 10.2% heated with fuel oil.

Although data on benefits is available for January, the applications that month may not fully reflect the impact of the extreme cold in January 2014, as January bills may have preceded the coldest days, and arrearages may not have accrued to the point where individuals seek assistance. Without data on the full heating season, it is unclear how this extreme cold will impact energy assistance demand, particularly for arrearage assistance. Data already shows a substantial increase in households receiving benefits and spending, particularly for arrearage assistance, and it seems likely that this would continue and result in a higher rate of expenditures in the latter part of the year than was experienced in fiscal 2013. **DHR should comment on whether it has sufficient funds to handle any increase in demand due to the extreme cold weather.**

Utility Termination Protections

Maryland regulations contain some protections for customers from utility terminations. Restrictions on terminations exist in Maryland regulation for:

- terminations that will aggravate an existing serious illness or prevent the use of life-support equipment of any occupant of the premise (with certification from a licensed physician);
- premises which contain an individual who is elderly or handicapped;
- the period November 1 through March 31;
- any day in which the forecast temperature made at 6 a.m. is 32 degrees Fahrenheit or below during an extreme weather period; and
- any day in which the forecast temperature made at 6 a.m. is 95 degrees Fahrenheit or above during an extreme weather period.

An extreme weather period is defined as a 72-hour period beginning at 6 a.m. (three consecutive 24 hour periods) during any one of which the temperature is not forecast to exceed 32 degrees Fahrenheit or is expected to be 95 degrees Fahrenheit or above. The regulations generally prescribe limitations on utility terminations, such as the type of contact that must be made with customers beforehand and the types of certifications that must be made by utilities to allow the termination to proceed, but do not necessarily prevent terminations entirely. Some of the regulations, such as the medical related protection, are subject to time limitations.

In addition, Maryland regulations provide that, if low-income customers are unable to pay the utility bill, the utility is required to make a good faith attempt to negotiate a reasonable alternate payment plan, unless the customer (1) has failed to meet the terms for an alternate payment plan during the preceding 18 months; (2) committed fraud against the utility; (3) committed theft of utility service; or (4) denied the utility access to equipment on the customer's property. The utility is to consider certain factors in developing the alternate payment plan including:

- the size of the delinquent account;
- the customer's ability to pay;
- the customer's payment history;
- the anticipated energy assistance benefits for which the customer may be eligible;
- the length of the time that the debt has been outstanding;
- the circumstances leading to the past due bill;
- hardships that may result from the lack of utility service; and
- any other relevant factor.

Low-income customers are also eligible to participate in the Utility Service Protection Program. The program is designed to assist in preventing terminations. Customers are eligible for the program if the customer is eligible for MEAP, follows a monthly payment plan, and makes payments to reduce the arrearage to a certain level.

Energy assistance applicants also have termination protection during the application period. This protection, known as the 55-day agreement, protects applicants from termination for a period of 55 days while a decision is made on the application. In recent EUSP annual reports (fiscal 2011, 2012, and 2013) submitted by DHR to PSC, DHR has recommended a re-evaluation of the 55-day agreement to understand the impact on customers and to develop and update modifications for certain elements. One of the specific elements requested for review by DHR is the capacity of OHEP to process applications within the 55-day window.

Understanding processing times is critical to ensuring that energy assistance applicants are receiving the protection afforded under the 55-day agreement, and are not subject to utility terminations while the application is being processed. For utilities, the application processing time is also important to ensure that terminations are not suspended indefinitely without understanding whether payments for utility service may be forthcoming from the energy assistance program.

DHR planned to take steps to standardize policies and procedures to ensure that data is being entered into the OHEP data system in a way that would allow for processing times to be tracked. DHR explained, however, that the OHEP data system is not able to measure processing times and that

OTHS and OHEP are working to evaluate the changes that would be necessary in order to obtain these measures.

Absent the ability to measure processing times, it is unclear whether applicants are being afforded the protection available under the 55-day agreement or whether the utilities are receiving information on energy assistance applications in a timely manner. **DLS recommends committee narrative requesting that DHR begin providing information on application processing times.**

Recognizing an expected increase in consumer complaints, phone calls, and online activity related to the high bills, on February 11, 2014, PSC initiated a proceeding to review the extent of current and projected arrearages owed to Maryland utilities and the utilities' policies and procedures related to (1) assistance to customers with arrearages; (2) collections; and (3) terminations of service. PSC set forth a specific set of questions that each utility was to answer by February 21, 2014, providing information on:

- customer calls about higher than normal utility bills;
- the number of requests and denied requests for budget billing, payment plans, and requests for bill extensions;
- the number of residential and small commercial customers with arrearages, aggregate amount of the arrearages, and average amount of arrearages
- the average residential and small commercial bills;
- whether there is a script for customer service representatives in responding to calls for assistance related to higher than normal bills and a copy of the correspondence or information used in responding to the calls (including social media);
- communication efforts related to the potential unexpectedly high bills and steps customers can take to avoid such bill or remediate such bills; and
- the amount of energy assistance received by month, number of accounts subject to the 55-day agreement and either the amount of energy assistance expected for those customers subject to the agreement or the amount of outstanding arrears.

PSC was specifically concerned that, as arrearages increase, utilities may claim that the company is not able to continue to provide service to individuals that cannot bring their account up to date; therefore, a broader range of customers may be at risk for termination. PSC will hold a hearing on this matter on March 4, 2014.

2. Regional Greenhouse Gas Initiative Revenue and Allocation

Chapters 127 and 128 of 2008 established the SEIF, which is composed primarily of revenue received from RGGI auctions, and established an allocation of the revenue from the RGGI auctions to be distributed among various categories of spending.

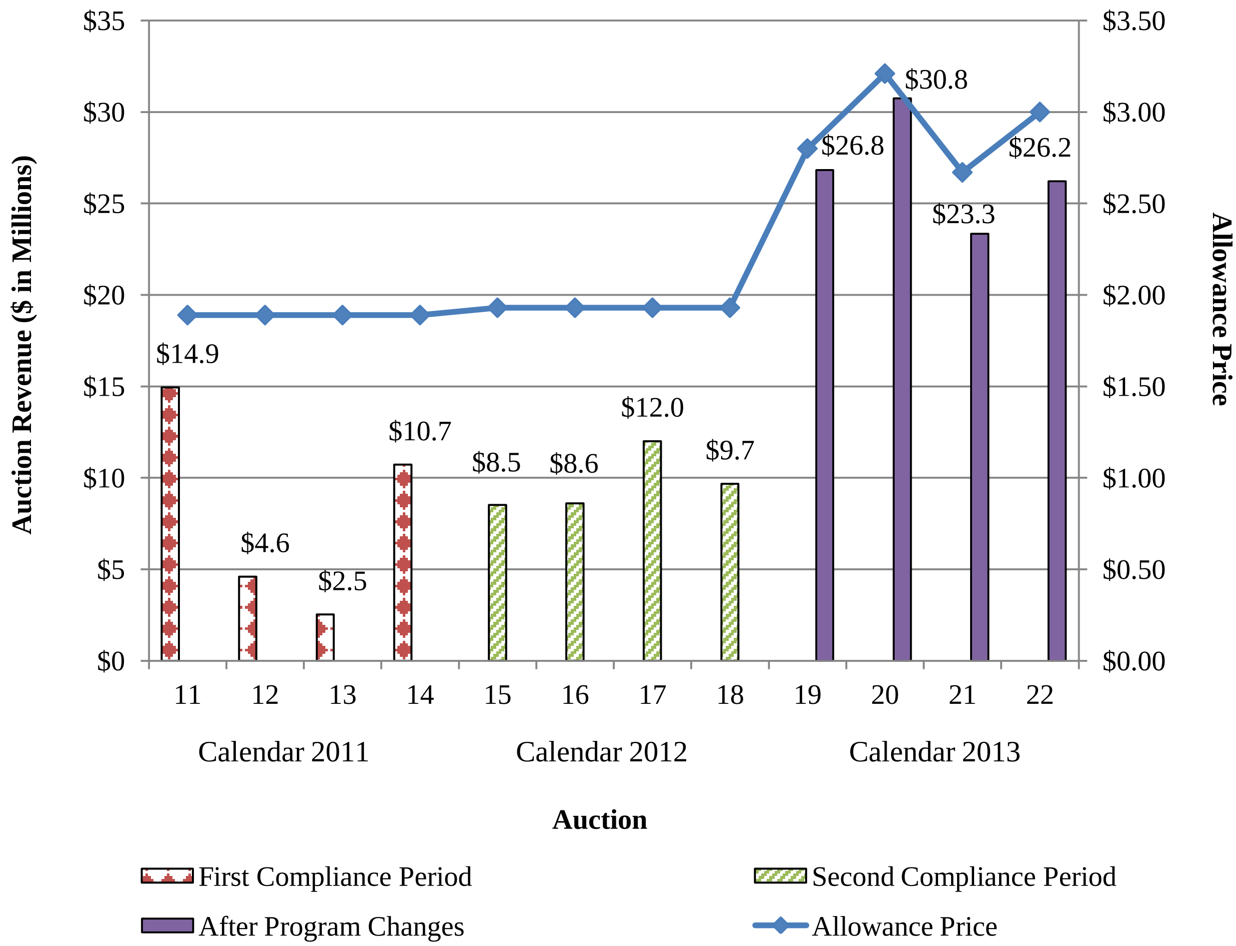
In February 2013, RGGI, Inc. announced changes to the program, including a planned reduction (45.0%) of the carbon dioxide emission allowance cap and adjustments for banked allowances from before the cap change. The allowance cap is further tightened over time with a reduction of 2.5% per year, as originally envisioned.

RGGI Revenue

As shown in **Exhibit 8**, the announcement of the program changes had an immediate impact on the auction revenue in both the auction clearing price and the number of allowances that sold, despite the change in the cap not taking effect until calendar 2014. In the first auction following the announcement, the clearing price rose from the minimum reserve price, where it had been since Auction 9 (September 2010). In addition, all of the allowances offered for sale sold, which had last occurred in Auction 11 (March 2011).

The increase in revenue from the program changes was not anticipated in the fiscal 2013 or 2014 budgets and, as a result, the higher than anticipated revenue in fiscal 2013 largely accrued to the SEIF fund balance. As of the close of fiscal 2013, the energy assistance portion of the SEIF fund balance was $24.2 million. Although some portions of the SEIF fund balance have been appropriated in fiscal 2014 for the Maryland Energy Administration and the Department of Health and Mental Hygiene, the energy assistance portion is not appropriated in fiscal 2014 and remains available for use in future years.

Exhibit 8
RGGI Auction Results for Maryland
Auction 11 through 22



RGGI: Regional Greenhouse Gas Initiative

Source: Regional Greenhouse Gas Initiative, Inc.

SEIF Allocation

The allocation of revenue from RGGI auctions established in Chapters 127 and 128 (17%) was in effect for only two auctions before it was temporarily changed in the Budget Reconciliation and Financing Act (BRFA) of 2009. The BRFA of 2011 once again altered the allocation temporarily. Energy assistance has received up to 50% of the auction proceeds under the BRFA revisions. Absent legislative change, the allocation would return to the distribution provided in

Chapters 127 and 128 in fiscal 2015. The BRFA of 2014 proposes to permanently change the allocation to one that is largely the same as the allocation under the BRFA of 2011, and would provide energy assistance with up to 50% of the RGGI revenue. For illustrative purposes, if $68.0 million of revenue is received as expected in fiscal 2015, given current law, the energy assistance program would receive $11.6 million, while under the proposal in the BRFA of 2014, DHR would receive $34.0 million, an increase of $22.4 million.

Although the BRFA of 2014 proposes to alter the allocation from what would otherwise have occurred, the fiscal 2015 budget relies heavily on fund balance to support the appropriation. For example, the fiscal 2015 allowance of the SEIF for energy assistance relies on approximately $25.6 million of fund balance. If the allocation of RGGI proceeds were to change, as proposed in the BRFA of 2014, only $3.2 million of fund balance would be needed to meet the fiscal 2015 allowance for of OHEP.

Due to the fund balance, the energy assistance program would be able to withstand a return to the allocation of 17% in fiscal 2015; however, in future years, general funds may be required for the energy assistance program to maintain current services without this change. **DHR should comment on how the program might be impacted in the future if the change in allocation does not occur.**

3. Proposed Changes to Energy Assistance Programs

In January 2012, PSC initiated a review of Maryland's energy assistance programs as a result of concerns that arose from the *Fiscal 2011 EUSP Annual Report*, particularly whether the energy assistance programs are currently fulfilling (or could fulfill) the intended purposes and whether the programs are appropriately funded. The review was expected to address issues related to:

- the scope, causes, and trends over time of arrearages and inability to pay bills;
- the goals of the program as developed and recommendations on changes to the goals;
- the sources of funding;
- the eligibility criteria;
- the coordination with other government programs;
- the logistical, mechanical, and technological issues that need to be addressed to improve program efficiency;
- the relative impact on customer bills between increasing bill assistance contributions and writing off greater proportions of uncollectibles; and
- the best practices of other states.

PSC Staff Proposal

As part of the review, the PSC staff worked with the Office of People's Counsel to develop consensus recommendations, referred to as the Affordable Energy Plan (AEP), which would drastically change the energy assistance program in Maryland. The AEP was designed as a percentage of income payment plan (PIPP), and would be available for both natural gas and electric customers. Under a PIPP, a certain percent of a household's income is deemed affordable and is subtracted from a customer's actual (or estimated) energy bill for a year to determine the benefit amount. Under the proposal, the affordable level of the energy bill would be defined as 6% of the household income. The credit would be fixed at the time of the benefit eligibility determination and be based on the estimated energy usage of the household for one year. The proposal also contained an arrearage forgiveness program for pre-program participation arrearages only. Under the arrearage forgiveness program, the household would pay an additional 1% of the household income, for each existing electric and natural gas arrearage, in addition to the 6% required spending on the energy bill. After a set amount of time the amount of the arrearage not paid with this additional spending would be retired. The program also included some funding for crisis assistance and options for energy conservation. The estimated cost of the new program was $250.0 million, although this cost may overstate or understate the true cost of the program.

DHR Alternative Proposal

Committee narrative in the 2012 *Joint Chairmen's Report* (JCR) requested that DHR and PSC submit an update to the committees on (1) the outcome of PSC's review; (2) operational changes resulting from the review; and (3) statutory changes to the program or funding level as a result of the review. The report was due on December 1, 2012. The PSC review was not finished at the time the update was due, however, DHR submitted a response including a discussion of the PSC staff recommendations and recommendations for changes to the department's existing programs that could be implemented instead of the PSC staff proposal and within existing resources.

DHR proposed creating an arrearage forgiveness program, in lieu of the existing arrearage assistance program, but it differed from the AEP. Under DHR's proposal, the arrearage of a customer would be reduced by one-twelfth for each timely arrearage co-payment paid along with the monthly bill. The second major component of DHR's proposed changes was to create a two-tier bill assistance program that would provide a higher benefit level to those customers willing to participate in energy conservation services. DHR explained at the time that it would need to hold stakeholder meetings prior to proceeding with these changes.

Status

Committee narrative in the 2013 JCR requested that DHR provide a report including discussions on (1) whether the department would implement program changes; (2) the program changes to be implemented and the rationale for the program changes; (3) the timeline for the implementation of the changes; (4) the impacts of the changes on customers; and (5) the impact of the changes on the program's funding requirements. In the response, DHR indicated that the proposed changes to the program would be required to be reviewed by PSC and the legislature, but noted that PSC has not completed the review of the PSC staff proposal. DHR was waiting for the completion of that review before taking further action. DHR noted that if PSC pursues an alternative proposal, it would advocate for an opportunity to discuss the agency's proposals.

Although no review or decision has been made about PSC's proposal or DHR's alternative proposal, the department did hold two stakeholder workgroup meetings on the alternative proposal. During these meetings, DHR reported that several concerns were expressed that would need to be addressed in implementing the proposal. These concerns primarily related to the cost and scope of information technology changes required for the department and the utilities, resources which would be needed to pay grants in 12 months rather than one time per year, resources to provide self sufficiency and energy conservation services to customers, and challenges with tying grants to customer behavior.

The 2013 JCR also requested PSC provide information on the outcome or status of its review. PSC explained that the review is ongoing. In the analysis of PSC, DLS recommended committee narrative requesting PSC, in consultation with DHR, submit a report on the outcome or status of the review, including anticipated ratepayer impacts and the impacts on recipients of energy assistance benefits.

Recommended Actions

1. Adopt the following narrative:

Energy Assistance Application Processing Times*:* In the fiscal 2011, 2012, and 2013 Electric Universal Service Program Annual Report, submitted by the Department of Human Resources (DHR) to the Public Service Commission, DHR has recommended a re-evaluation of the 55-day agreement regarding utility termination protection for energy assistance applicants. One of the elements that DHR has specifically recommended for evaluation is the capacity of the Office of Home Energy Programs (OHEP) to process applications within the 55-day window. DHR indicates the OHEP data system is not able to track application processing times, but the department is evaluating changes that would be necessary to track this information. The committees are concerned that, without the ability to track processing times, energy assistance applicants may be subject to utility terminations unnecessarily given the 55-day agreement protections. The committees are also concerned about the impact of possible extended processing times on utilities awaiting information on applicant eligibility. The committees, therefore, request that DHR provide information by local administering agency on (1) the average number of days to process applications; (2) the number and percent of applications processed within 30 days, 55 days, and longer than 60 days; and (3) the number of permanent and temporary/contractual staff available to process applications.

Information Request	**Author**	**Due Date**
Application processing times	DHR	On the 15th of each month beginning August 2014 through June 2015

Updates

1. Low Income Energy Efficiency and Energy Assistance Programs

In Maryland, low-income energy efficiency and weatherization activities are administered by the Department of Housing and Community Development (DHCD), while DHR administers low-income energy assistance. In addition to the weatherization assistance program, DHCD operates the Low Income Energy Efficiency Program, similar to weatherization, a multi-family energy efficiency program funded by ratepayers through the EmPOWER Maryland program, and other energy efficiency activities funded through other special or federal fund sources. The programs have different eligibility criteria; households earning up to 60% of the statewide median income are eligible for weatherization assistance, while households earning up to 175% of the federal poverty level are eligible for energy assistance.

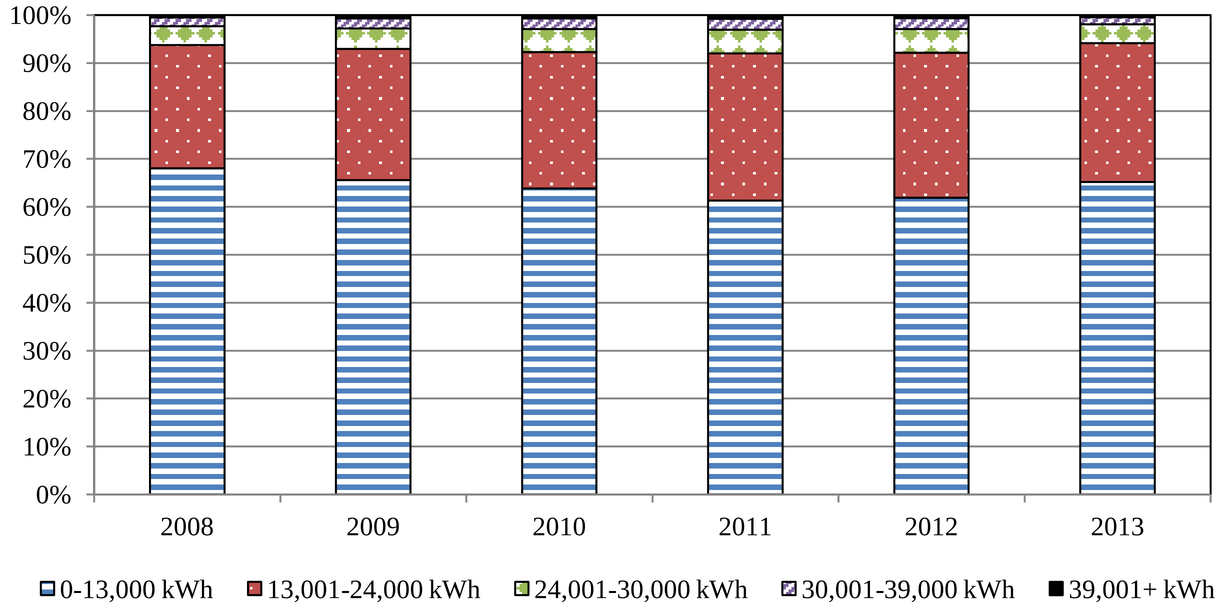
Background

In the past, as part of the energy assistance application process, an individual could request a referral for weather assistance, and the information would be provided to DHCD. Energy assistance recipients are not required to accept weatherization or energy efficiency services if offered to them.

Energy assistance benefits in Maryland are currently a function of income (as a percent of the federal poverty level), usage, cost, service territory, and whether an individual lives in subsidized housing with heat included in the cost. However, DHR caps electricity usage for individuals receiving benefits. For those individuals without electric heat, the maximum usage is 14,000 kilowatt hours (kWh) and for those with electric heat, the maximum usage is 24,000 kWh. Households receiving assistance with electricity usages above those limits are essentially responsible for the entire overage.

Exhibit 9 provides information on the proportion of households receiving EUSP that use various amounts of electricity. In general, between fiscal 2008 and 2013, the majority of energy assistance recipients have usage that is below the average use of households in Maryland (13,000 kWh or less), ranging from a low of 61.3% in fiscal 2011, to a high of 68.0% in fiscal 2008. Fewer than 6.0% of energy assistance clients used more than the 24,000 kWh cutoff. Although only a limited number of energy assistance recipients are high energy users, the impact of high electricity use can strain household’s budgets and can strain EUSP and MEAP, by resulting in higher benefit amounts.

Exhibit 9
Electricity Use by Energy Assistance Clients
Fiscal 2008-2013



kWh: kilowatt hours

Source: Department of Human Resources

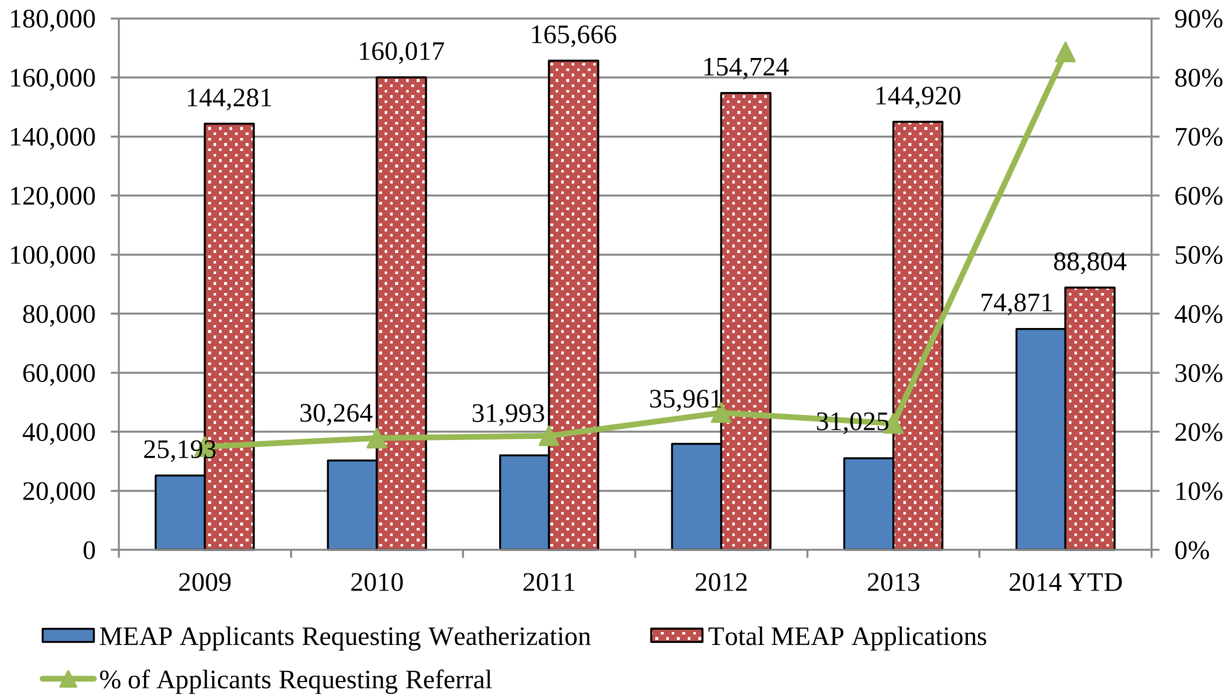
During the 2013 session, some new efforts were planned or were being considered to focus energy efficiency on high energy use energy assistance clients or to incentivize participation in energy efficiency programs. A program funded from the Customer Investment Fund, resulting from the Exelon Corporation and Constellation Energy Group merger and implemented by DHCD and Baltimore City, targets high energy use energy assistance clients. DHR, as discussed in Issue 3, is considering a revision to the energy assistance program to incentivize energy assistance clients to participate in energy efficiency activities through a proposal to alter the benefit structure in the energy assistance program to provide higher benefits to those participating in these programs. As discussed earlier, this program is still under consideration. Committee narrative in the 2013 JCR requested DHR and DHCD report on actions taken to revise existing policies to incentivize EUSP and MEAP participants to accept weatherization or other energy efficiency services if offered to them.

Changes to Referral Process

In November 2013, DHR and DHCD submitted the requested report. The report highlighted a key policy change intended to increase the opportunity for energy assistance clients to participate in weatherization assistance. DHR revised the energy assistance application to allow energy assistance applicants to automatically be referred for weatherization services unless the applicant specifically opts out, rather than requiring the individual to opt in to the referral. According to the response, the change in the application was made based on the belief that applicants were not reading the previous opt in section and missing the referral opportunity.

Exhibit 10 provides information on the total number of MEAP applications and the number of applicants requesting weatherization assistance in recent years. As shown in this exhibit, relatively few applicants requested this referral when it was an opt in item on the application, but through December 12, 2013, 84.3% of applicants accepted a referral in fiscal 2014 (during a period when it was an opt out item).

Exhibit 10
Weatherization Assistance Referrals
Fiscal 2009-2014 (Through December 12, 2013)



MEAP: Maryland Energy Assistance Program

Note: Year to date through December 12, 2013. In fiscal 2014, OHEP changed from an opt in referral for weatherization services to an opt out referral.

Source: Department of Human Resources

DHR and DHCD have also developed a regional training plan focused on OHEP intake workers and social service providers to increase awareness of the potential benefits of the weatherization and energy efficiency programs. DHR and DHCD began the training on the Eastern Shore and in Southern Maryland and will later extend training across the entire State. The training began in October 2013.

2. Federal Performance Measures for the Low Income Home Energy Assistance Program

In June 2013, the U.S. Department of Health and Human Services, Administration for Children and Families (ACF) published a notice in the *Federal Register* of its intention to begin requiring the collection and reporting of three new performance measures in federal fiscal 2014. Revisions to the proposed new measures were announced in December 2013. These new measures have not been adopted yet.

New Measures Explained

New measures will calculate (1) a benefit targeting index for high-burden households to measure the degree to which the highest benefits are provided to the recipients with the highest energy burden and (2) an energy burden reduction index for high-burden households to measure the degree to which benefits are adequate to deliver the same energy burden reduction to high-burden recipient households as to low- and moderate-burden recipients. These measures will be calculated with information for all bill assistance households, by main heating fuel, and for all high-energy-burden households (top 25% of energy burden):

- the average annualized gross household income;
- the average annual benefit;
- the annual cost of the main heating fuel; and
- annual electricity cost.

The grantee could choose (as an option) to collect data on the annual consumption of the primary heating fuel and electricity, the supplemental heating fuel, and main cooling equipment.

Another measure would provide an unduplicated count of households where the LIHEAP benefit prevented the loss of home energy services. The new measure would require information on:

- the number of households where utility service termination was prevented with LIHEAP benefits;

- the number of households where a fuel delivery prevented a loss of service with LIHEAP benefits; and

- the number of households where heating or cooling equipment was repaired or replaced prior to failure with LIHEAP benefits.

The third new measure is the percent of unduplicated households where LIHEAP benefits restored home energy. The new measure would require information on:

- the number of households where LIHEAP services led to restoration of utility service;

- the number of households where the LIHEAP benefit results in a fuel delivery to a home that was out of fuel; and

- the number of households where LIHEAP benefits resulted in repair or replacement of inoperable heating or cooling equipment.

Impact of Potential Changes

DHR indicated that OHEP could implement these measures because it currently maintains a centralized database for the new performance measures as initially proposed. According to DHR, the OHEP database currently contains a number of the data elements that would be required for measurement. The data elements that are not currently tracked in the data system could be added under the department’s existing information technology maintenance and enhancement contract. DHR stated that it would begin the process of implementing these changes when the new measures are finalized and a timeline for implementation is provided by ACF. DHR is unable to determine any impacts on the application or data entry processes for OHEP at this time because the final measures are not yet available. Although some changes occurred with the revised measures, the changes reduced some of the measures that would need to be tracked; therefore, the ability of DHR to report on these proposed measures is likely unchanged.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
DHR – Office of Home Energy Programs
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2013					
Legislative Appropriation	$0	$57,937	$87,636	$0	$145,573
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	4	3	0	7
Reversions and Cancellations	0	-3,289	-10,223	0	-13,512
Actual Expenditures	**$0**	**$54,651**	**$77,416**	**$0**	**$132,067**
Fiscal 2014					
Legislative Appropriation	$0	$57,123	$85,860	$0	$142,983
Budget Amendments	0	5	5	0	11
Working Appropriation	**$0**	**$57,129**	**$85,865**	**$0**	**$142,994**

Note: Numbers may not sum to total due to rounding. The fiscal 2014 working appropriation does not include deficiencies or contingent reductions.

Fiscal 2013

OHEP's fiscal 2013 expenditures were $13.5 million lower than the legislative appropriation. Increases totaling $6,812 ($3,619 in special funds and $3,193 in federal funds) occurred by budget amendment due to the cost-of-living adjustment (COLA) provided to State employees in January 2013. These increases were more than offset by special fund cancellations totaling $3.3 million and federal fund cancellations totaling $10.2 million due to the warm winter weather and a decrease in applications. The federal fund cancellation was also impacted by a lower allocation of federal LIHEAP funds than were assumed in budget development.

Fiscal 2014

OHEP's fiscal 2014 appropriation has increased by a total of $10,830; the majority of this increase ($10,146) is the result of the COLA provided to State employees in January 2014 ($5,369 in special funds and $4,777 in federal funds). The remaining increase ($684) results from the increments to be provided to State employees in April 2014.

Object/Fund Difference Report
DHR – Office of Home Energy Programs

Object/Fund	FY 13 Actual	FY 14 Working Appropriation	FY 15 Allowance	FY 14 - FY 15 Amount Change	Percent Change
Positions					
01 Regular	13.87	17.87	17.87	0.00	0%
02 Contractual	0.50	0.00	0.00	0.00	0.0%
Total Positions	**14.37**	**17.87**	**17.87**	**0.00**	**0%**
Objects					
01 Salaries and Wages	$ 1,400,202	$ 899,059	$ 1,184,166	$ 285,107	31.7%
02 Technical and Spec. Fees	288,786	1,250	1,012	-238	-19.0%
03 Communication	58,189	57,567	48,490	-9,077	-15.8%
04 Travel	16,007	3,076	3,114	38	1.2%
06 Fuel and Utilities	9,397	0	0	0	0.0%
08 Contractual Services	129,282,582	141,941,656	140,906,588	-1,035,068	-0.7%
09 Supplies and Materials	92,377	86,361	139,577	53,216	61.6%
10 Equipment – Replacement	831	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	861,549	0	0	0	0.0%
13 Fixed Charges	57,551	5,155	5,155	0	0%
Total Objects	**$ 132,067,471**	**$ 142,994,124**	**$ 142,288,102**	**-$ 706,022**	**-0.5%**
Funds					
03 Special Fund	$ 54,651,356	$ 57,128,850	$ 76,674,348	$ 19,545,498	34.2%
05 Federal Fund	77,416,115	85,865,274	65,613,754	-20,251,520	-23.6%
Total Funds	**$ 132,067,471**	**$ 142,994,124**	**$ 142,288,102**	**-$ 706,022**	**-0.5%**

Note: The fiscal 2014 appropriation does not include deficiencies. The fiscal 2015 allowance does not include contingent reductions.

Appendix 2