

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 129

(Chairman, Finance Committee)

(By Request – Departmental – Human Resources)

Finance

Economic Matters

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**Energy Assistance Program Act**

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This departmental bill updates the Department of Human Resources' Energy Assistance and Information Program Act to reflect current titles, criteria, and administrative authority. The bill renames the Act the Energy Assistance Program Act and expands who is served to include low-income households with children. It identifies the Community Services Administration's Office of Home Energy Programs (OHEP) as the program administrator. An energy emergency is redefined as a lack of fuel or the imminent discontinuation of energy services supplied by a fuel or utility vendor that will endanger health, safety, or welfare. The bill repeals a reference regarding the transfer of an employee of the Maryland Office of Economic Opportunity (the office previously responsible for this program) to the State Personnel Management System.

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**Fiscal Summary**

**State Effect:** None. The bill codifies existing practice.

**Local Effect:** None.

**Small Business Effect:** The Department of Human Resources has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. The attached assessment does not reflect amendments to the bill.

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## Analysis

**Current Law:** The existing Energy Assistance and Information Program Act states that the Energy Assistance and Information Program is part of the Maryland Office of Economic Opportunity. The office must develop and implement an emergency energy crisis intervention program and a fuel and utility assistance program. It also must maintain liaison with the State and federal offices of economic opportunity; county and city offices concerned with energy programs; citizen groups; and all other State, federal, county, and municipal government agencies. An energy emergency is defined as a condition where discontinuing energy services from a fuel or utility vendor will endanger health, safety, or welfare and either (1) the discontinuation is imminent; or (2) the imminence of the discontinuation is precluded solely by reason of its prohibition.

**Background:** OHEP administers the Maryland Energy Assistance Program (MEAP) and the Electric Universal Service Program (EUSP). Both programs are eligible on a first-come, first-served basis. A single application is required for both programs.

MEAP helps the State's vulnerable populations pay their heating bills, minimize crises, and make heating costs more affordable. Benefits include utility and fossil fuel payments, a Utility Service Protection Program, referrals to weatherization services, waivers on utility fees, and discounts on fuel purchases. Eligible families are those with incomes at or below 150% of poverty with a heating bill responsibility and who are United States citizens. In fiscal 2006, MEAP is expected to serve 83,000 families and pay 40% to 70% of participants' heating bills. The average family benefit is expected to be \$381. The fiscal 2006 MEAP budget allowance is \$36.8 million. However, OHEP advises that it expects actual fiscal 2006 program expenditures to be approximately \$31 million.

EUSP helps the State's vulnerable populations and other traditionally underserved populations pay their electric bills, minimize crises, and reduce their electric costs. Benefits include bill payment assistance, arrearage retirement, and weatherization services. EUSP's fiscal 2006 budget allowance is \$33.2 million.

**Additional Comments:** HB 299 of 2005 transfers the EUSP low-income weatherization component from DHR to the Department of Housing and Community Development (DHCD). The fiscal 2006 proposed budget assumes this transfer and has transferred \$1 million from DHR to DHCD for this purpose. This bill assumes that transfer as well by repealing the definition of "weatherization."

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Human Resources, Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2005  
mp/ljm Revised - Senate Third Reader - March 26, 2005

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