N00I0006

Office of Home Energy Programs

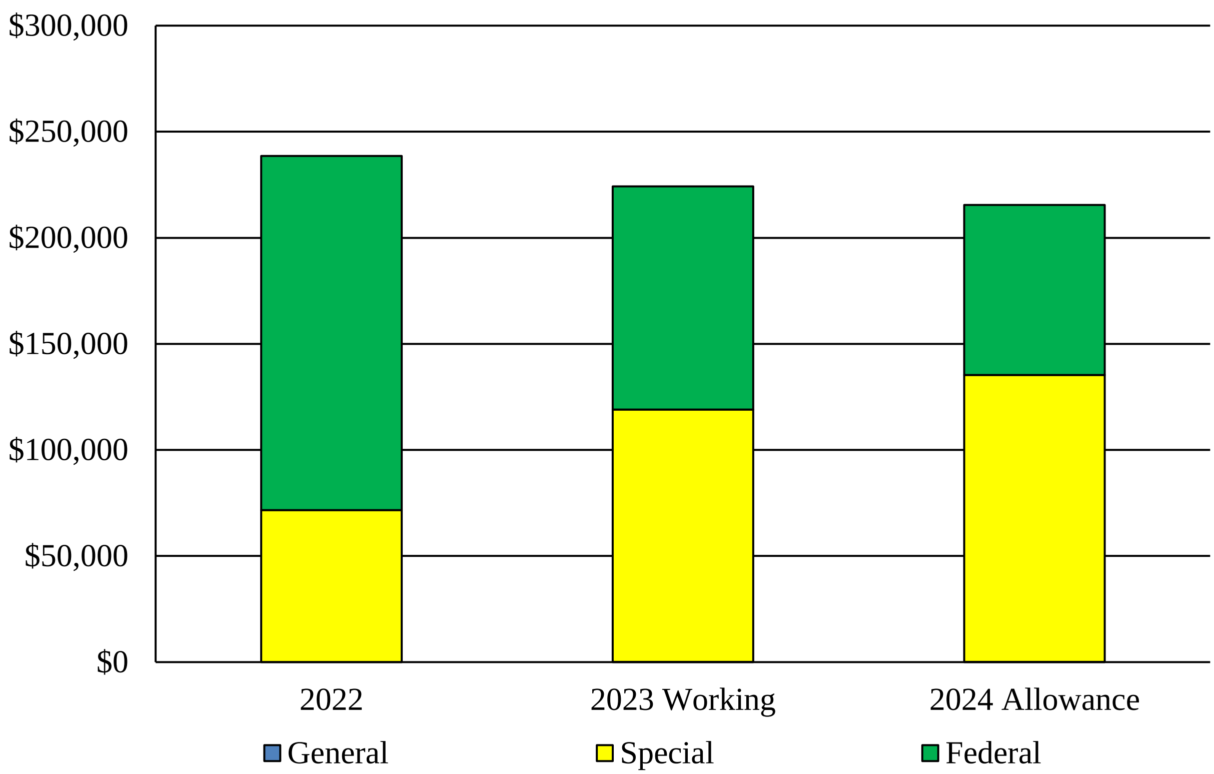
Department of Human Services

Executive Summary

The Office of Home Energy Programs (OHEP) within the Department of Human Services (DHS) Family Investment Administration (FIA) primarily provides energy assistance benefits in the form of bill payment assistance for electric and heating customers and arrearage assistance to electric and natural gas customers.

Operating Budget Summary

Fiscal 2024 Budget Decreases \$8.8 Million, or 3.9%, to \$215.4 Million
(\$ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

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- Federal funds decrease by a total of $25.1 million in the fiscal 2024 allowance compared to the adjusted fiscal 2023 working appropriation, primarily due to one-time and limited-time federal stimulus funds for energy and water assistance, including funds appropriated through a fiscal 2023 deficiency appropriation.

- Special funds from the Strategic Energy Investment Fund (SEIF) increase by $16.2 million in the fiscal 2024 allowance compared to the fiscal 2023 working appropriation due to increases in available revenue resulting from higher than anticipated Regional Greenhouse Gas Initiative (RGGI) auction proceeds.

Key Observations

- ***Energy Assistance Applications Decline in Fiscal 2022 but Increase Significantly During the First Half of Fiscal 2023:*** Total applications for energy assistance benefits in fiscal 2022 decreased by nearly 20% compared to fiscal 2021 totals, reflecting lower demand for energy assistance. However, applications between July and December 2022 are significantly higher compared to applications over the same period a year ago, as demand for energy assistance has once again grown due to inflation in the energy sector and colder winter weather. The number of recipients for all four energy assistance programs and average benefit size have increased in fiscal 2023 to date.

- ***Low Income Household Water Assistance Program (LIHWAP) Approves First Applications in Fiscal 2023:*** DHS began to accept applications for household water assistance under the LIHWAP program in January 2022, and the first applications were approved in February 2022. Through September 2022, the program received a total of 16,257 applications and provided benefits to 8,208 households. A total federal fund allocation of $14.1 million through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of 2020 and the American Rescue Plan Act (ARPA) of 2021 was previously made available to Maryland and will remain available through the end of federal fiscal 2023. At this point, it is unclear if federal funds for the program will continue beyond fiscal 2024.

- ***Denial Rates Decrease for Three Out of Four Programs, but Missing Information Remains the Most Common Reason for Denial:*** Denial rates for both bill payment assistance programs have decreased, to 22% for the Electric Universal Service Program (EUSP) bill payment assistance program, and 23% for the Maryland Energy Assistance Program (MEAP). Denial rates for the two arrearage assistance payment programs remain noticeably higher in comparison, at 53% for the EUSP arrearage assistance program and 66% for the gas arrearage assistance program. Denial rates for the two bill payment assistance programs have decreased for two years in a row, while denial rates for the two arrearage assistance programs have shown more variation in recent fiscal years.

Operating Budget Recommended Actions

1. Adopt committee narrative requesting a report on energy assistance application processing times and denial rates.

2. Adopt committee narrative requesting an update on the status of the implementation of categorical eligibility for energy assistance programs.

Updates

- ***Energy Assistance Processing Times:*** Through November 1, in fiscal 2023, increases in application processing times compared to fiscal 2022 occurred in 14 local administering agencies (LAA), while 6 saw decreases. Average processing times in 4 LAAs exceeded 40 days, while 6 had average processing times of fewer than 20 days. In addition, 4 LAAs processed at least 30% of applications in longer than 55 days during this time period.

- ***Implementation of Categorical Eligibility:*** DHS has continued to take steps toward the implementation of categorical eligibility for energy assistance benefits, including planning for the integration of OHEP into the new Eligibility and Enrollment (E&E) System (part of the Maryland Total Human-services Information Network System (MD THINK)), which is used for eligibility determinations for other cash assistance programs, prior to the beginning of the fiscal 2024 program year. DHS also continues to work toward the realignment of administration of OHEP programs under its local departments of social services (LDSS), with a goal of establishing a unified LDSS administrative model by July 1, 2023.

Operating Budget Analysis

Program Description

OHEP is a program within DHS FIA. The services provided by OHEP include cash benefits for energy assistance programs; budget counseling; and referrals, including for weatherization services provided through the Department of Housing and Community Development (DHCD) that include heating/cooling equipment repair and replacement. OHEP administers two main energy assistance programs for residential customers: (1) MEAP provides bill payment assistance for home heating bills, natural gas arrearage assistance, and crisis assistance for a variety of heat sources and for electric customers; and (2) EUSP provides bill payment and arrearage assistance for electric customers. MEAP is federally funded by the Low Income Home Energy Assistance Program (LIHEAP). EUSP is funded by a combination of sources: (1) a ratepayer surcharge on electric bills; (2) an allocation of revenue from RGGI carbon dioxide emission allowance auctions (budgeted through the SEIF); and (3) when available, if needed, LIHEAP.

These programs are administered using LAAs, which are primarily LDSSs, community action agencies (CAA), or local government offices in each county and Baltimore City. Two LAAs service multiple counties: (1) the Southern Maryland Tri-County Community Action Committee, Inc. serves Calvert, Charles, and St. Mary’s counties; and (2) ShoreUp! Inc. serves Somerset, Wicomico, and Worcester counties. All other LAAs serve one jurisdiction. Beginning in fiscal 2024, OHEP plans to transition administration of energy assistance programs to LDSSs under a unified administrative model with other DHS administered benefit programs.

Performance Analysis: Managing for Results

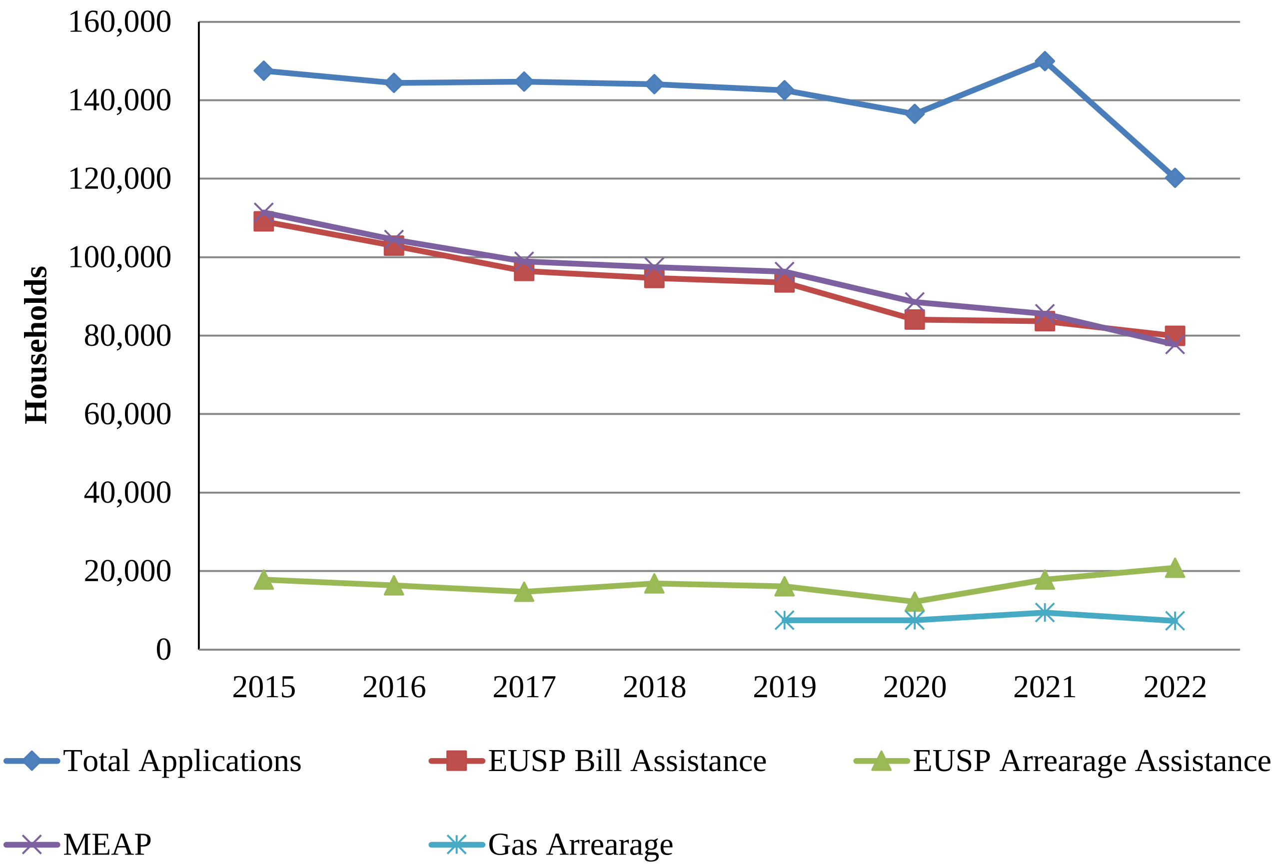
1. Energy Assistance Applications and Recipients Decline in Fiscal 2022

OHEP administers four primary cash benefit programs for energy assistance: (1) electric bill payment assistance through EUSP; (2) electric arrearage assistance through EUSP; (3) bill payment assistance for heating fuels through MEAP; and (4) natural gas arrearage assistance. Additionally, beginning in fiscal 2023, OHEP also provided water bill payment and arrearage assistance through the federal LIHWAP, funded through federal COVID-19 relief funding.

As shown in **Exhibit 1**, total applications for energy assistance benefits have fluctuated during the previous two fiscal years, decreasing by 19.9% in fiscal 2022, following a 9.8% increase in applications in fiscal 2021. After declining for several years, applications grew by their largest year-over-year percent increase since fiscal 2010 during fiscal 2021, reflective of heightened demand for energy assistance following the expiration of the utility termination moratorium that was in effect from March 16, 2020, through November 15, 2020, due to the COVID-19 pandemic.

In comparison, the decrease in applications during fiscal 2022 was the largest year-over-year percent decrease in two decades and was the lowest number of applications since at least fiscal 2001. DHS notes that this decline in total applicants can be partially attributed to the large amounts of supplemental arrearage assistance available in fiscal 2021 through both OHEP arrearage supplemental grants and funds distributed by the Public Service Commission in accordance with the RELIEF Act (Chapter 39 of 2021). Fiscal 2022 applications also do not fully capture increased demand for energy assistance resulting from inflation in the energy sector, which accelerated dramatically between late spring and fall 2022.

Exhibit 1
Energy Assistance Benefits Provision History
Fiscal 2015-2022



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

Source: Department of Human Services

The decrease in applications in fiscal 2022 occurred for all benefit programs, and the number of households receiving benefits declined for all benefit programs except for EUSP arrearage assistance. The total number of households receiving MEAP benefits decreased by 9.2%, and the total number of households receiving EUSP bill payment assistance declined by 4.5% in fiscal 2022. The number of recipients for both programs has declined each year for the past eight years, and fiscal 2022 numbers for both programs were among the lowest in program history. EUSP arrearage recipients increased by 17% following a 45.5% increase the previous year. In fiscal 2022, the number of recipients of EUSP arrearage benefits was the highest since fiscal 2014.

2. Applications, Recipients, and Average Benefit Size Year-to-date Increase

As shown in **Exhibit 2**, through December 2022, fiscal 2023 applications for energy assistance have increased sharply compared to applications during the same period in fiscal 2022. The largest increases in applications year to date were for the two arrearage assistance programs, with gas arrearage assistance applications increasing by 63%, and EUSP arrearage assistance applications increasing by 76%. Applications for the bill assistance programs have increased by approximately 30%.

Exhibit 2
Energy Assistance Applications and Benefit Data
Fiscal 2022-2023
(July through December of Each Year)

	2022	2023	Change	% Change
Applications				
MEAP	65,783	84,944	19,161	29.1%
EUSP Bill Payment	63,702	84,247	20,545	32.3%
EUSP Arrearage	22,438	39,617	17,179	76.6%
Gas Arrearage	9,531	15,565	6,034	63.3%
Receiving Benefits				
MEAP	43,664	47,908	4,244	9.7%
EUSP Bill Payment	42,706	47,806	5,100	11.9%
EUSP Arrearage	7,643	12,417	4,774	62.5%
Gas Arrearage	2,256	4,493	2,237	99.2%
Percent of Bill Paid (Lowest Income Level)				
MEAP Natural Gas and Bulk Fuels	95%	Unavailable		
MEAP Electric Heat (no EUSP)	65%	30%	-35%	
MEAP Electric Heat (if also receive EUSP)	95%	95%	0%	
EUSP Bill Payment Assistance	30%	65%	35%	

	2022	2023	Change	% Change
Average Benefit				
MEAP	$834	$849	$15	1.8%
EUSP Bill Payment	742	939	197	26.5%
EUSP Arrearage	946	1,098	152	16.1%
Gas Arrearage	758	888	130	17.2%
Benefits Paid ($ in Millions)				
MEAP	36.4	40.7	4.3	11.8%
EUSP Bill Payment	31.7	44.9	13.2	41.7%
EUSP Arrearage	7.2	13.6	6.4	88.5%
Gas Arrearage	1.7	4.0	2.3	133.5%
Total Benefits Paid	**$77.0**	**$103.2**	**$26.2**	**34.0%**

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

Source: Department of Human Services; Public Service Commission; Department of Legislative Services

According to residential electricity and natural gas pricing data reported by the U.S. Energy Information Agency in its January 2023 *Short-Term Energy Outlook*, the U.S. monthly nominal residential electricity price increased by 19% between January 2022 and September 2022, and the U.S. monthly residential natural gas price in August 2022 was 23% higher than the price in August 2021. Although electricity and natural gas prices have generally declined throughout fall 2022, winter weather during this time period has also impacted demand for energy assistance due to a higher than average number of heating degree days in December 2022 and projected for the entire winter period lasting from October 2022 through March 2023.

Consistent with the higher number of applications, the number of households receiving benefits has also increased for all energy assistance programs through December in fiscal 2023 compared to the prior year. The arrearage programs saw the largest year-over-year increases in recipients, with EUSP arrearage recipients increasing by 62.5% and gas arrearage recipients almost doubling, increasing by 99%. Households receiving MEAP benefits increased by 9.7%, and households receiving EUSP bill payment assistance benefits increased by 11.9% compared to the previous year.

Average benefit amounts have also increased for all energy assistance programs. Compared to the previous year, the largest increase through December 2022 was in EUSP bill payment assistance benefits (26.5% higher). Average benefit amounts for the two arrearage assistance programs also increased notably, by 16.1% for EUSP arrearage and 17.2% for gas arrearage. These increases are reflective of both increasing energy costs as well as enhanced benefit levels for all programs. Enhanced benefit levels reflect the continued availability of some supplemental LIHEAP funding in fiscal 2023. Recipients of both EUSP bill payment assistance and MEAP are estimated to have approximately 95% of their electric bills paid by the two benefits in fiscal 2023, similar to the percent of bills paid in fiscal 2022. Because of supplemental federal LIHEAP funds available through federal legislation, the percent of electric bills paid through MEAP compared to EUSP was higher in fiscal 2022.

When compared over a two-year period to mid-year data from July to December 2020, the increase in average benefit for all four programs is even more significant. The average MEAP benefit increased by 66%, from $510 to $849 between December 2020 and 2022, and average EUSP bill payment assistance benefits nearly doubled, increasing from $471 to $939 during this period. Average benefits for MEAP had never exceeded $800 prior to September 2021, and average benefits for EUSP bill payment had never exceeded $800 prior to July 2022.

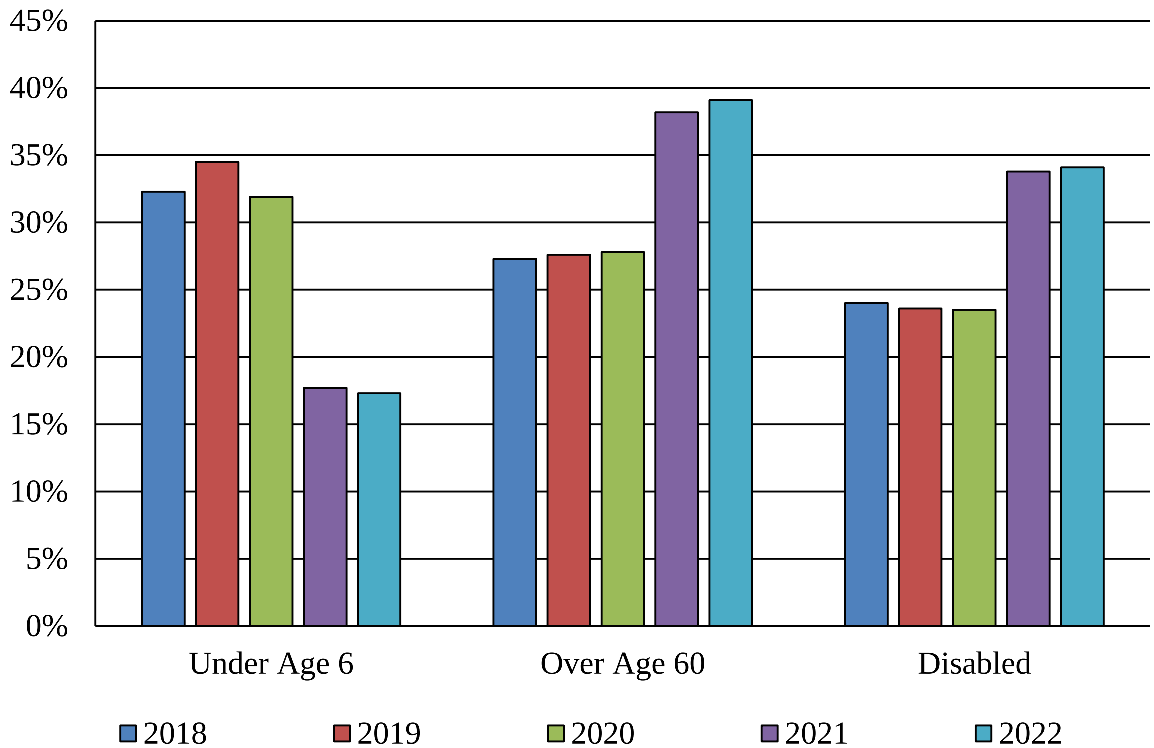
Overall, through December 2022, in fiscal 2023, total spending on energy assistance is approximately 34% higher than fiscal 2022, reflective of the increased number of households receiving benefits and increased average benefit amounts. Total expenditures for energy assistance to date are $26.2 million higher compared to the same period in fiscal 2022, with the largest increase in expenditures occurring for EUSP bill payment assistance ($13.2 million). Although smaller programs overall by total spending, the two arrearage assistance programs have grown significantly with expenditures for gas arrearage benefits more than doubling, and EUSP arrearage benefits increasing by 88.5%. Continued availability of supplemental federal LIHEAP funds in fiscal 2023, in addition to growth in special funds available for energy assistance through the SEIF, support these funding increases.

3. Participation Rates for Vulnerable Populations

As part of its annual Managing for Results submission, DHS calculates the percent of eligible households that receive energy assistance benefits for three vulnerable populations (households with children under age 6, households with an individual over age 60, and households with an individual with a disability). The calculation compares actual OHEP participation numbers to an estimate of the number of households estimated to be eligible for benefits based on U.S. census data.

As shown in **Exhibit 3**, the share of eligible households receiving benefits in fiscal 2022 remained similar to fiscal 2021 levels for each category. Increased participation by households with an individual age 60 and over and households with a member that was disabled have both increased since fiscal 2020 due to policy changes implemented by the department. Among these policy changes were provisions of Chapters 638 and 639 of 2021 that increased maximum income eligibility levels from 175% to 200% of the federal poverty level (FPL) for households with individuals age 67 and older. The Critical Medical Needs Program also assists critically vulnerable individuals in these groups with applying for energy assistance. Chapters 453 and 454 of 2021 expanded access to this program through the establishment of the Power to the People Pilot Program. Although not impacting participation in fiscal 2022, Chapters 665 and 666 of 2022 directed OHEP to establish a uniform redetermination process for individuals age 65 and older in addition to disabled individuals. The redetermination process assists individuals from these groups who applied for energy assistance in the previous year to submit an application to OHEP for eligibility verification. The altered redetermination process is expected to increase program participation by making it easier for these households to retain benefits from one year to the next.

Exhibit 3
Vulnerable Populations Receiving Energy Assistance Benefits
Fiscal 2018-2022



Source: Department of Human Services

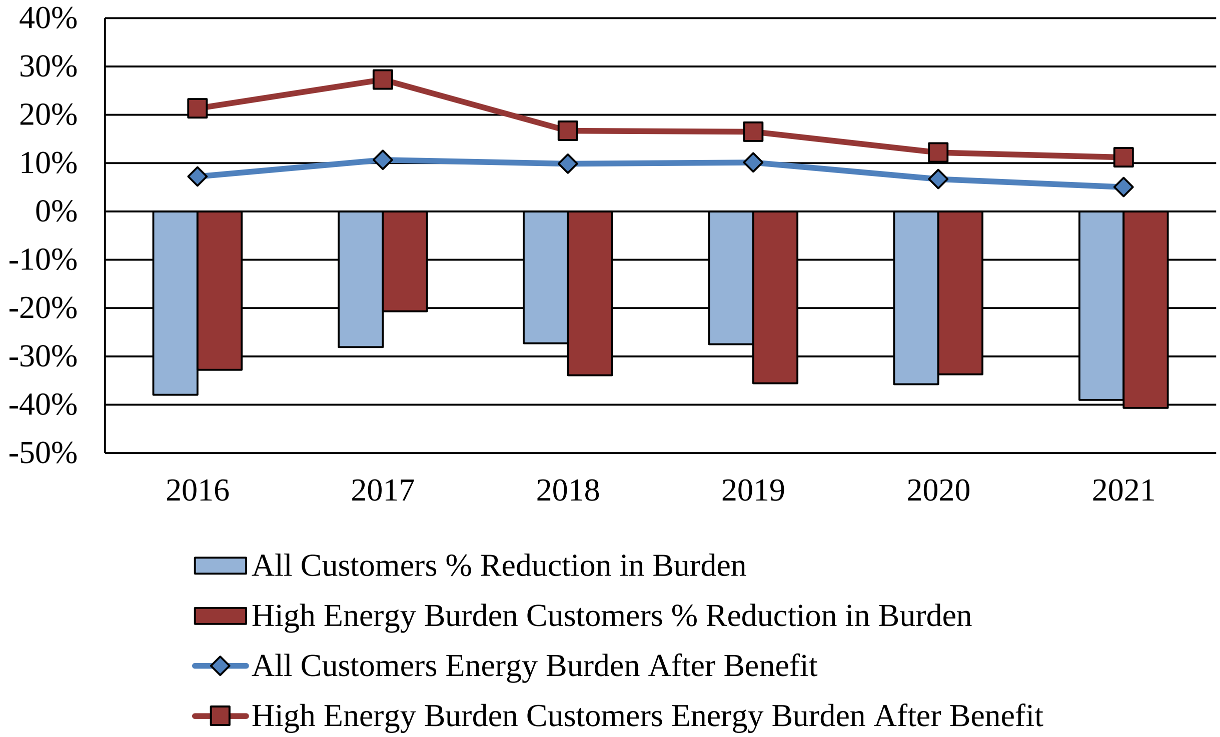
DHS indicates that decreased participation among households with children under age six since fiscal 2020 can be partially attributed to lower need from this group due to the availability of other pandemic-related benefits to households with children. DHS indicates that the annual outreach plan for OHEP continues to include a focus on these households through collaborations through local school systems, child care centers, Head Start programs, and other programs serving children.

4. Benefit Targeting and Energy Burden Reduction

As part of OHEP's performance management procedures, certain LIHEAP performance measures are reported to the U.S. Department of Health and Human Services (HHS) focusing on how well states are targeting energy assistance benefits to those with the highest energy burden (energy cost compared to income) and reducing energy burdens, particularly among high energy burden households (burdens in the top 25% of energy burdens among households that receive bill assistance). Other performance measures include restoration of service and prevention of loss of service due to LIHEAP-funded benefits.

As shown in **Exhibit 4**, in federal fiscal 2021, OHEP benefits funded through LIHEAP reduced the energy burden for all households receiving a benefit by 39% and for high energy burden households by 40.7%. Compared to federal fiscal 2020, the energy burden reduction was 3.2 percentage points higher for all households, and 7 percentage points higher for high energy burden households. Among fuel types, the average percentage reduction in energy burden for all households was highest for natural gas (81.5%), fuel oil (70.6%), and propane (65.9%). For high energy burden households, the average percentage reduction was highest for propane (64.8%), fuel oil (62.6%), and natural gas (47.1%). Average annual energy burden after receiving LIHEAP benefits was 5.0% for all households and 11.2% for high energy burden households in federal fiscal 2021.

Exhibit 4
Energy Burden Reduction for All Fuel Sources
Federal Fiscal 2016-2021

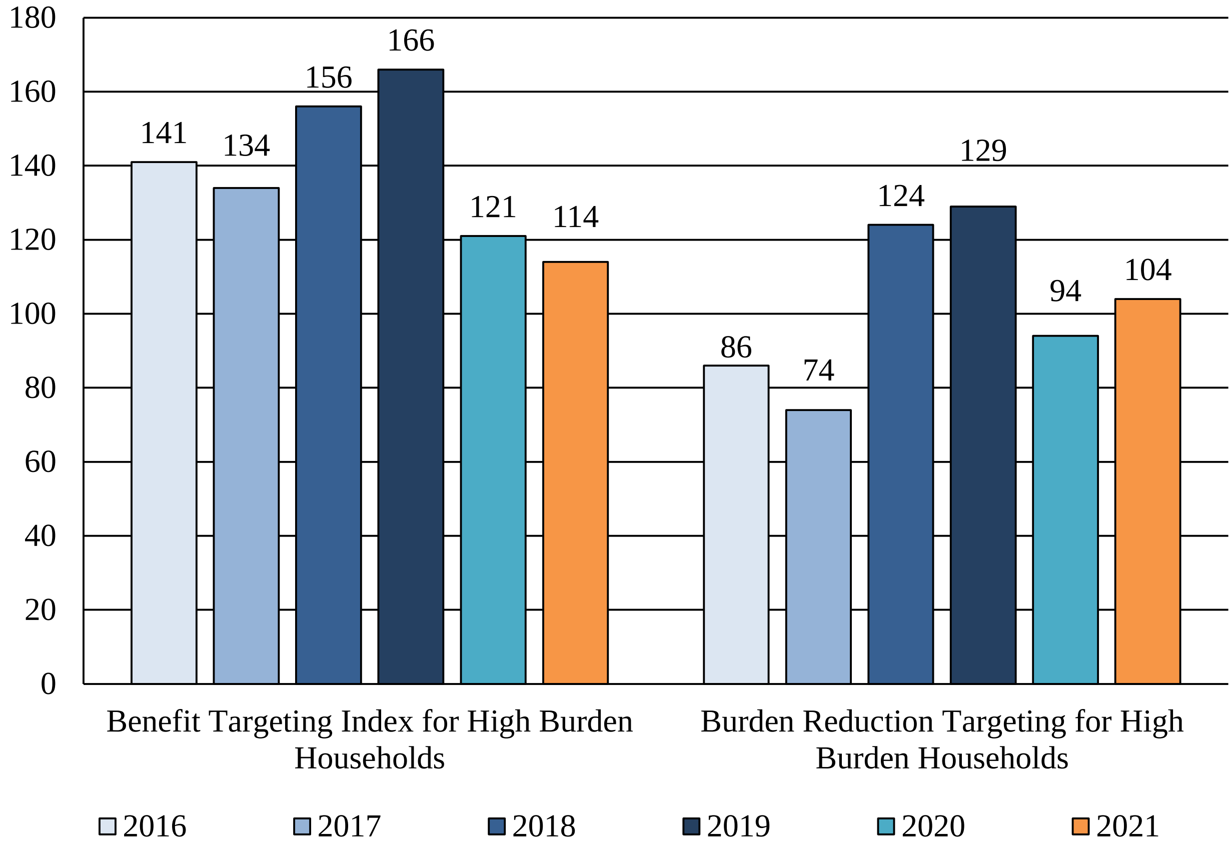


Source: Department of Human Services

The federal performance measures also include a benefit targeting index, which focuses on the extent to which the highest benefits are paid to those with the highest energy burden. A measure of greater than 100 indicates that higher benefits are paid to those with higher burdens, while a measure of less than 100 would indicate that higher benefits are paid to those without the highest burdens. OHEP's formula for determining benefits takes into account annual energy use, cost of energy, income level (through a percentage of bill paid as determined by income relative to the poverty level), an index based on utility service territory, a location adjustment (for MEAP only) for Garrett County due to the longer winter heating season, and type of heating fuel (for MEAP only).

As shown in **Exhibit 5**, Maryland's benefit targeting index decreased to 114 in federal fiscal 2021, a 7 point decrease from the previous year and a 52 point decrease from federal fiscal 2019. However, the benefit targeting index has exceeded 100 in every year since federal fiscal 2016 due to Maryland's benefit calculation formula taking into account energy use and income level. A benefit targeting index of 114 indicates that households with the highest energy burden saw a 14% higher benefit than all households.

Exhibit 5
Benefit Targeting Index
Federal Fiscal 2016-2021



Source: Department of Human Services

The energy burden reduction index measures the difference in the percentage of the energy burden reduction between high-energy burden households and all households. An index of 100 indicates that these households had the same reduction, while an index over 100 indicates that high energy burden households had a greater reduction. After declining below 100 in federal fiscal 2020, Maryland's burden reduction index increased to 104 in federal fiscal 2021. As mentioned previously, high energy burden households experienced a higher reduction of energy burden during federal fiscal 2021 compared to all households.

Fiscal 2023

Proposed Deficiency

The fiscal 2024 budget bill contains a proposed fiscal 2023 federal fund deficiency appropriation for energy assistance programs of $28.2 million. The proposed deficiency includes:

- $21.2 million in supplemental LIHEAP program funds contained in the Infrastructure Investment and Jobs Act and the federal budget Continuing Resolution enacted in November 2022, and

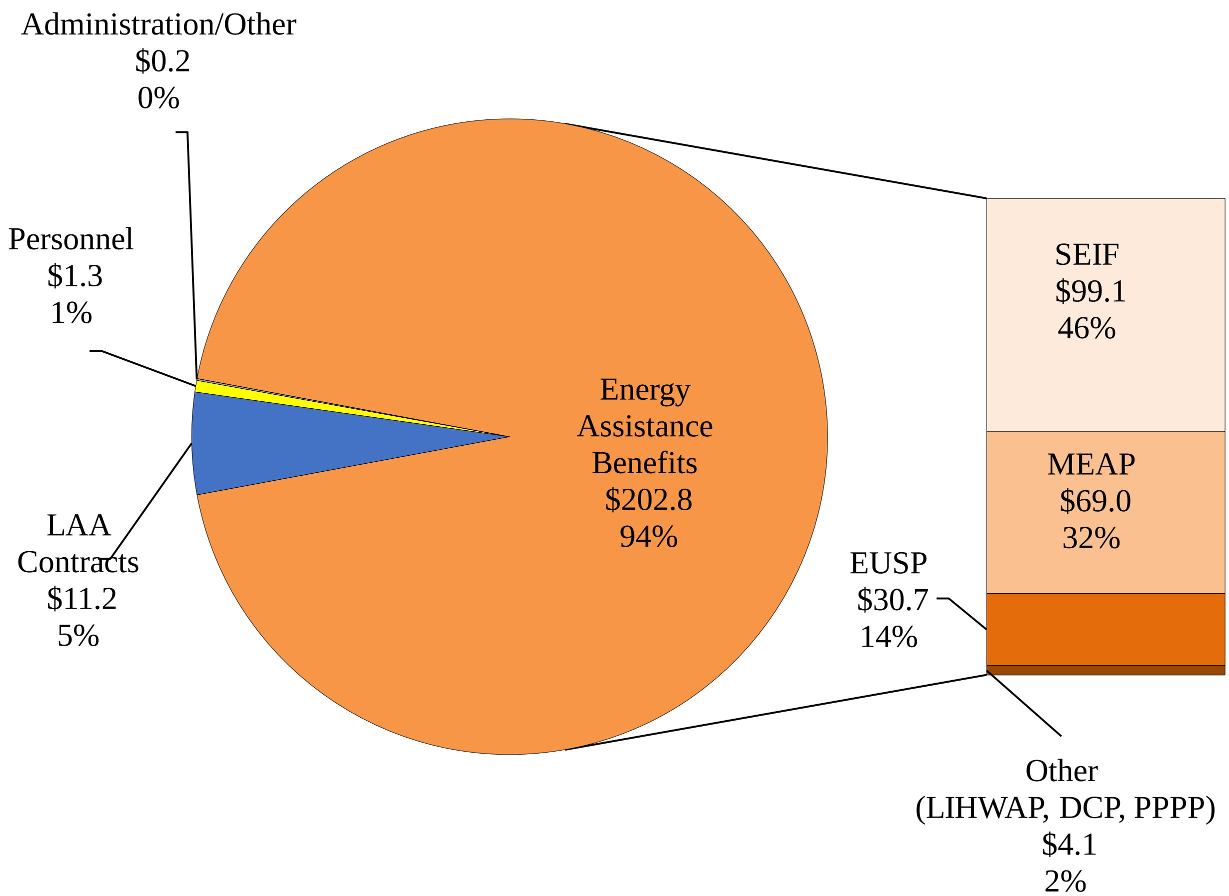
- $6.9 million in LIHWAP program funds from the ARPA and the CRRSA that were unspent in fiscal 2022.

LIHWAP program funds allocated through this deficiency represent the remainder of $14.1 million in total federal funds allocated to Maryland in fiscal 2022 for the establishment of the program, which were unspent at the end of the fiscal year.

Fiscal 2024 Overview of Agency Spending

The fiscal 2024 allowance for OHEP totals $215.4 million. As shown in **Exhibit 6**, 94% of the OHEP budget is for energy assistance benefits. Funding for EUSP program benefits, provided through the EUSP ratepayer surcharge, the SEIF, and a Public Service Commission (PSC) order related to an electric generating facility at Dominion Cove Point, accounts for 60% of the budget ($130 million). The funding level for the EUSP program varies primarily with the availability of SEIF fund balance and RGGI carbon dioxide emission allowance auction revenue allocated by statute for energy assistance. The other two sources are relatively set amounts, with fluctuations in the ratepayer surcharge portion generally limited to adjustments in the allocations between administrative expenses and benefits. Funding for MEAP energy assistance benefits, which are supported through federal LIHEAP funds and include furnace repair/replacement by DHCD, account for 32% of the budget ($69 million). The fiscal 2024 allowance also includes $3.6 million in federal stimulus funds to support LIHWAP and $80,000 in general funds mandated to support the Power to the People Pilot Program.

Exhibit 6
Overview of Agency Spending
Fiscal 2024 Allowance
($ in Millions)



DCP: Dominion Cove Point
EUSP: Electric Universal Service Program
LAA: local administering agency
LIHWAP: Low Income Household Water Assistance Program
MEAP: Maryland Energy Assistance Program
SEIF: Strategic Energy Investment Fund
PPPP: Power to the People Pilot Program

Source: Governor's Fiscal 2024 Budget Books

The second largest category of spending is for LAA contracts (5%). These contracts provide funding for the local offices that administer energy assistance programs, which include CAAs, LDSS offices, and local government offices. Although DHS has outlined a plan to centralize administration of OHEP energy assistance programs under LDSSs beginning in fiscal 2024, the same amount of funding is budgeted for LAA contracts as was budgeted in fiscal 2023. **DHS should comment on the stable funding for these contracts despite the planned change in how the benefits are administered.**

Proposed Budget Change

As shown in **Exhibit 7**, the fiscal 2024 allowance for OHEP decreases by $8.8 million, or 3.9%, compared to the fiscal 2023 working appropriation, after accounting for proposed fiscal 2023 deficiency appropriations including the statewide deficiency appropriation for the 4.5% cost-of-living adjustment provided in November 2022. Federal funds decrease by approximately $25.1 million due to one-time and limited-time supplemental funding for energy assistance, including supplemental LIHEAP and LIHWAP funds. The largest area of increase in the budget is a $16.3 million increase in SEIF revenues allocated for energy assistance, which partially offsets federal fund decreases. Excluding changes related to energy assistance, budget increases in the fiscal 2024 allowance for personnel and other administrative expenses are minimal, growing by $143,000 from the fiscal 2023 working appropriation.

Exhibit 7
Proposed Budget
DHS – Office of Home Energy Programs
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Total
Fiscal 2022 Actual	$0	$71,631	$166,972	$238,603
Fiscal 2023 Working Appropriation	80	118,902	105,214	224,196
Fiscal 2024 Allowance	95	135,210	80,114	215,419
Fiscal 2023-2024 Amount Change	$15	$16,308	-$25,100	-$8,778
Fiscal 2023-2024 Percent Change	18.3%	13.7%	-23.9%	-3.9%

Where It Goes:	**Change**
Personnel Expenses	
Regular earnings	$40
Miscellaneous salary adjustments – departmentwide step increases for certain public facing staff	27
Employee and retiree health insurance	13
Employee retirement system contributions	12
Annualization of November 2022 4.5% COLA	12
Other fringe benefit adjustments	3
Turnover adjustments	-3
Other Changes	
SEIF funds allocated for energy assistance due to higher overall fund revenue	16,261
State Fiscal Recovery Funds to support utility bill and arrearage assistance as mandated by Chapters 638 and 639 of 2021	-570
One-time supplemental federal LIHWAP funds in fiscal 2023 from the ARPA	-3,368
One-time supplemental federal LIHEAP funds in fiscal 2023	-21,244
Other	39
Total	**-$8,817**

ARPA: American Rescue Plan Act
COLA: cost-of-living adjustment
DHS: Department of Human Services
LIHEAP: Low Income Home Energy Assistance Program
LIHWAP: Low Income Household Water Assistance Program
SEIF: Strategic Energy Investment Fund

Note: Numbers may not sum to total due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

Energy Assistance Benefits

In total, funding for energy assistance benefits decreases by $8.8 million compared to the fiscal 2023 working appropriation. The decrease results primarily from a $25.1 million decrease in one-time and limited time federal funding, including a $24.6 million decrease in LIHEAP and LIHWAP funding included as part of a fiscal 2023 deficiency appropriation, and a decrease of $569,885 due to previous year federal stimulus funding available through the ARPA, supporting bill payment and arrearage assistance benefits mandated by Chapters 638 and 639, which does not continue in fiscal 2024. These decreases are partially offset by a $16.3 million increase in special funds allocated from the SEIF due to revenue growth from RGGI auction revenue.

LIHEAP

Total federal LIHEAP funding included in the fiscal 2024 OHEP budget, including both funding for energy assistance and program administrative costs, totals $76.5 million. This represents a slight increase compared to the fiscal 2023 budgeted amount prior to accounting for deficiency appropriations. Including supplemental LIHEAP funding allocated through the deficiency, the total amount of LIHEAP funding contained in the fiscal 2023 working appropriation is $97.7 million. In fiscal 2024, $69 million of LIHEAP funds are budgeted for energy assistance, reflecting the same amount originally budgeted in fiscal 2023. Of the $69 million, approximately $13.0 million is allocated for furnace repair/replacement through DHCD, a slight increase compared to fiscal 2023 ($12.2 million). The actual amount of LIHEAP funds received varies year to year based on the overall block grant funding and the State share of the grant.

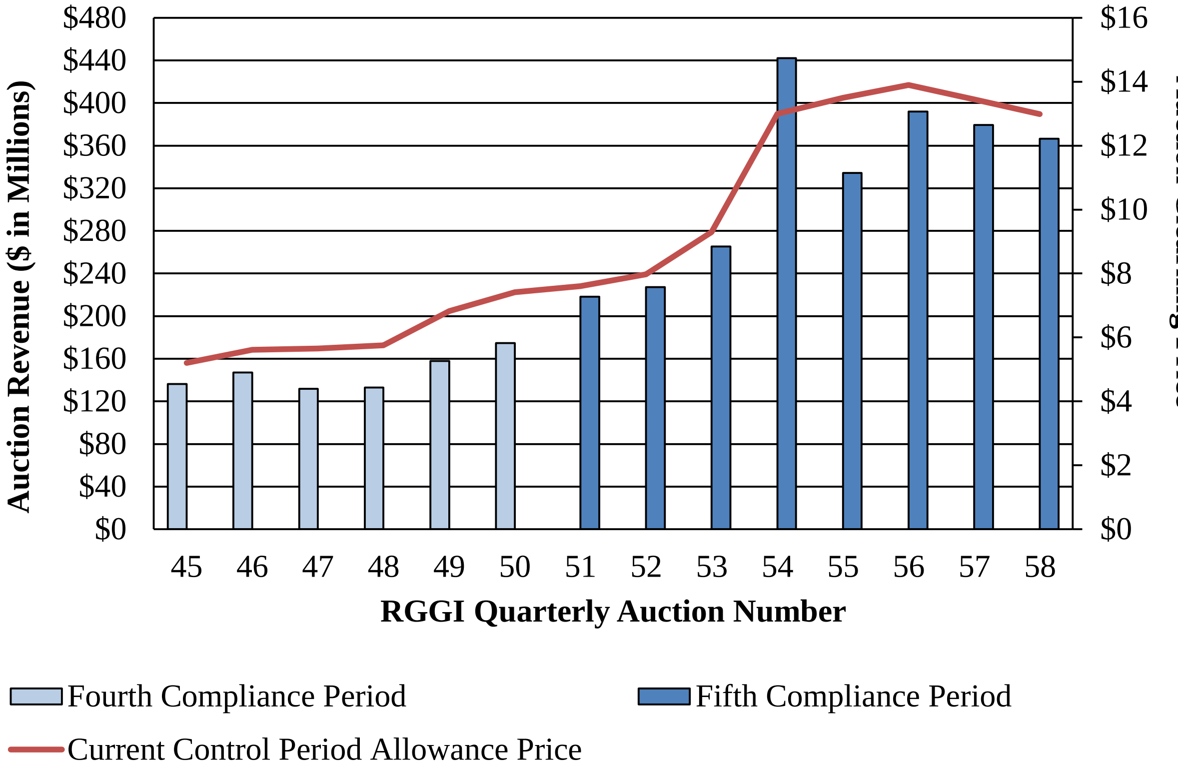
LIHWAP

The fiscal 2024 OHEP budget contains $3.6 million in federal LIHWAP funding, available through the CRRSA. An additional $6.9 million in federal LIHWAP funds available through the ARPA and the CRRSA are included in the budget bill as a fiscal 2023 deficiency appropriation. These funds represent the unspent portion of $14.1 million in total LIHWAP funds allocated to the State as a fiscal 2022 deficiency appropriation last year, to remain available through the end of federal fiscal 2023. Total fiscal 2022 program spending totaled $3.6 million. At this time, no additional federal LIHWAP funds have been made available beyond funds budgeted in fiscal 2024.

SEIF

As required by 9-20B-05 of the State Government Article, at least 50% of the revenue from RGGI auctions is directed to energy assistance. Since the beginning of Maryland’s participation in the RGGI program in 2009, RGGI auction revenue has shown substantial variation. However, over the past six fiscal years, total auction revenues received by Maryland have increased, including substantial increases in fiscal 2022. As shown in **Exhibit 8**, the highest total auction proceeds received by Maryland from a single quarterly RGGI auction was $44.2 million in Auction 54, held in December 2021. The RGGI auction clearing price reached its highest point in program history two auctions later, reaching $13.90 in Auction 56 held in June 2022. In Auction 58, held in December 2022, the most recently held auction, the auction clearing price was $12.99, and the total proceeds from that auction received by Maryland were $36.6 million. As a result of these revenue increases, SEIF revenues budgeted to be available for energy assistance in fiscal 2024 increases by over $16 million.

Exhibit 8
Regional Greenhouse Gas Initiative Auction Revenue
September 2019 to December 2022



RGGI: Regional Greenhouse Gas Initiative

Source: Regional Greenhouse Gas Initiative, Inc.

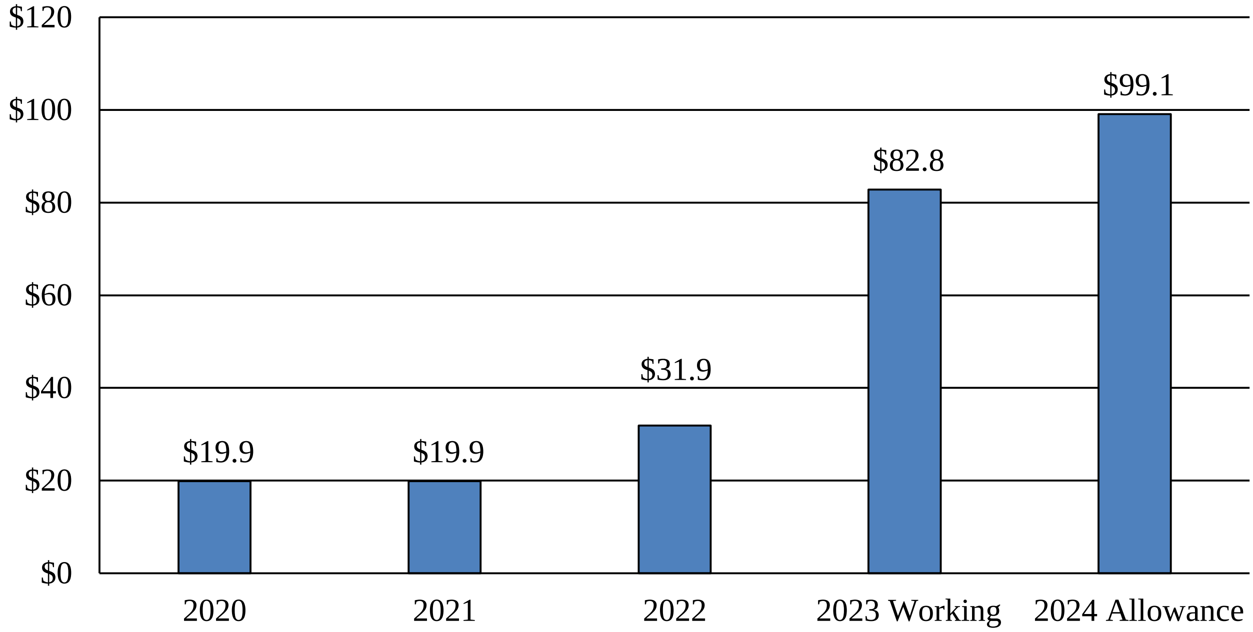
Due to the unpredictability of auction clearing prices, the revenue assumed in the budget for many years did not generally align well with actual auction revenue. This variation has led to a buildup of fund balance due to higher than projected revenues in some years, but other years when revenues were lower than projected resulted in mid-year program reductions, including in the energy assistance program. To stabilize program funding, the Maryland Energy Administration (MEA), the SEIF administrator, began estimating revenue using the minimum clearing prices with the actual overattainment of revenue compared to that minimum used in the following fiscal year (for example, fiscal 2022 overattainment is available for fiscal 2024).

Beginning with the fiscal 2023 budget cycle, MEA altered its revenue projection method by raising its estimated clearing price to a rolling average of the clearing prices of auctions held during the two most recent fiscal years rather than using the minimum clearing price as done in prior fiscal years. For example, in the fiscal 2024 budget cycle, MEA uses an estimated clearing price of $9.94 for auctions, compared to the minimum clearing price of $2.50 for auctions held during calendar 2023. This increased clearing price used for budget projections reflects the increased auction prices of allowances in recent auctions but still results in a conservative estimate of total auction revenues, as actual auction prices have exceeded $9.94 in each auction since Auction 54 in December 2021. This change allows for budgeting of more anticipated revenue in the current year, instead of delaying increases in revenue to a future year, while still providing a hedge against some decline in prices.

This method of forecasting revenue helps ensure that there is some fund balance available in future years to support spending, but it can also delay the impact of higher revenue receipts on program spending (as has occurred over the past few years particularly when the forecasting was based on the minimum clearing prices), since it is not used until the subsequent budget cycle. This process has led to a fund balance exceeding $134 million at the end of fiscal 2022 and an estimated fund balance of over $50 million at the end of fiscal 2023. MEA projects that the remaining fund balance in the energy assistance subaccount of the SEIF will be drawn down to zero by the end of fiscal 2024, although the end of year fund balances in fiscal 2023 and 2024 are most likely understated if RGGI auction allowance prices remain near current levels or elevated above prices in previous years. Additional discussion on the accounting of SEIF fund revenue and estimates will be included in the MEA budget analysis.

A historical summary of the annual levels of SEIF funds budgeted for energy assistance through OHEP is shown in **Exhibit 9.** The fiscal 2024 allowance includes $99.1 million in SEIF funds, an increase of $16.3 million from the amount included in the fiscal 2023 working appropriation ($82.8 million). Compared to the fiscal 2022 actual spending of SEIF budgeted for energy assistance of $31.9 million, the fiscal 2024 allowance represents an increase of over $67 million. These notably higher levels of SEIF funds budgeted for energy assistance in fiscal 2023 and 2024 compared to actual spending amounts in fiscal 2022 and prior years reflect the significant growth which has occurred in the overall availability of RGGI auction revenue to the State over the two-year period.

Exhibit 9
SEIF Fund Spending for Energy Assistance
Fiscal 2020-2024
($ in Millions)



SEIF: Strategic Energy Investment Fund

Source: Governor's Fiscal 2024 Budget Books

Personnel Data

	FY 22 Actual	FY 23 Working	FY 24 Allowance	FY 23-24 Change
Regular Positions	13.50	14.00	14.00	0.00
Contractual FTEs	0.00	0.00	0.00	0.00
Total Personnel	**13.50**	**14.00**	**14.00**	**0.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	1.05	7.47%
Positions and Percentage Vacant as of 12/31/22	2.00	14.29%
Vacancies Above Turnover	0.95	

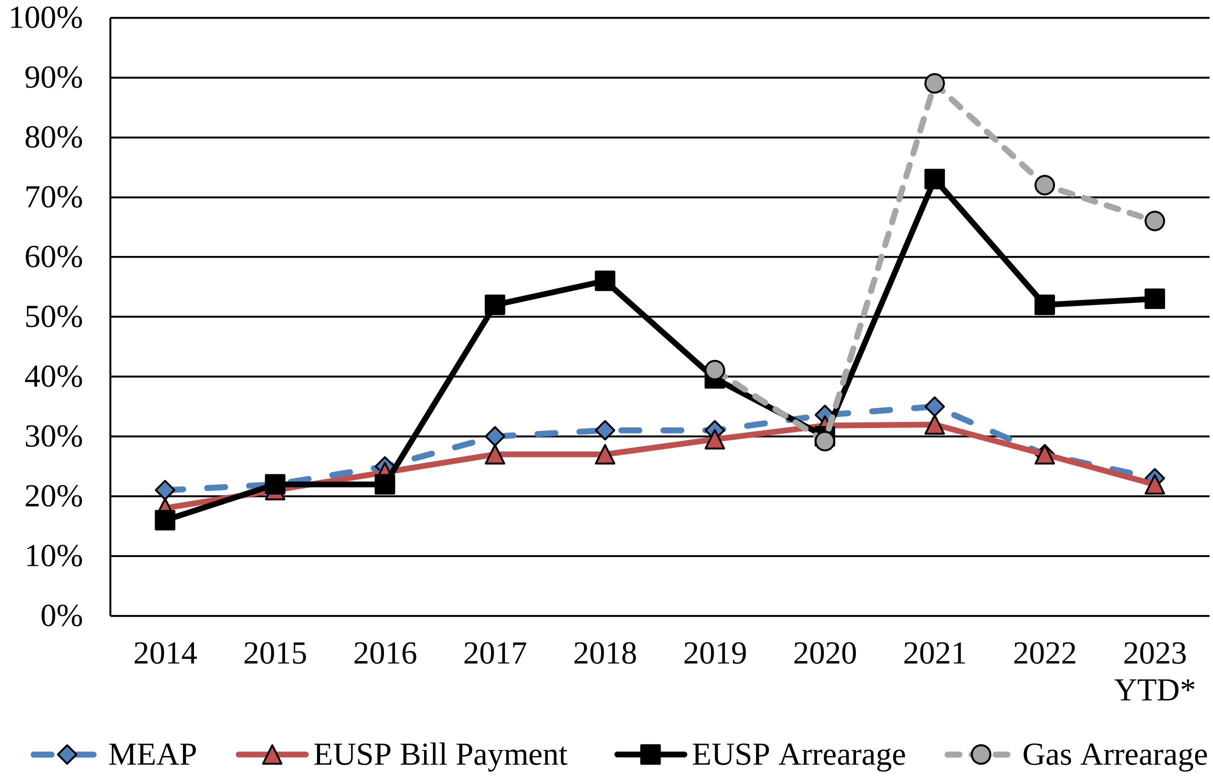
Issues

1. Energy Assistance Denial Rates

In an effort to monitor energy assistance application denial rates, committee narrative in the *Joint Chairmen's Reports* (JCR) in recent years has requested that the department submit a report on application denial rates by benefit type and the most common reasons for application denials by benefit type.

As shown in **Exhibit 10**, denial rates have decreased for three out of four benefit types during fiscal 2023 compared to fiscal 2022, except for EUSP arrearage assistance, which increased slightly to 53%. Gas arrearage assistance saw a 6 percentage point decrease in its denial rate between years but has the highest overall denial rate out of all four programs at 66%. For the two bill payment assistance programs, EUSP bill payment denial rates declined by 5 percentage points to 22%, and MEAP bill payment denial rates declined by 4 percentage points to 23%. Declines in denial rates in fiscal 2022 are consistent with efforts to allow applications to be cured as allowed by Chapters 638 and 639, and other efforts to improve outreach and simplify the application process. Although denial rates for the two arrearage assistance programs have fluctuated widely in recent years, denial rates for the two bill payment assistance programs have remained similar, though year-to-date data in fiscal 2023 shows the second year in a row of decline in denial rates for these two programs.

Exhibit 10
Application Denial Rates by Benefit Type
Fiscal 2014-2023 YTD



EUSP: Electric Universal Service Program
MEAP: Maryland Energy Assistance Program
YTD: year-to-date

*Through November 1, 2022.

Source: Department of Human Services

As shown in **Exhibit 11**, in fiscal 2023 (through November 1, 2022), the most common reasons for denial were due to an application with incomplete information or due to a household having income over the eligibility threshold. These two reasons for denial have remained the most common reasons for denial for all benefit types since fiscal 2021, although denial rates themselves have fluctuated each year. Incomplete information includes, but is not limited to, photo identification, Social Security number documentation, or proof of residence, among other required documents. A denial for incomplete income proof indicates that all required information was submitted except for documentation providing proof of income.

Exhibit 11
Energy Assistance Denial Rates by Benefit Type and Reason
Fiscal 2023 YTD

Program	Denial Rate	Most Common Reason for Denial	Second-most Common Reason for Denial	Third-most Common Reason for Denial
MEAP	23%	Incomplete Information	Over Income	Incomplete Income Proof
EUSP Bill Payment	22%	Incomplete Information	Over Income	Incomplete Income Proof
EUSP Arrearage	53%	Incomplete Information	Over Income	Other – Ineligible
Gas Arrearage	66%	Incomplete Information	Over Income	Other – Ineligible

EUSP: Electric Universal Service Program
MEAP: Maryland Energy Assistance Program
YTD: year to date

Source: Department of Human Services

Chapters 638 and 639 made changes allowing for a period of three months after denial due to missing information for an applicant to provide additional documentation to cure the denied application. DHS reports that 51,625 applications that were initially denied due to missing information were subsequently cured in fiscal 2022.

2. Application Processing Times

Since 2016, committee narrative in the JCR has requested that DHS provide information on application processing times by LAAs to the budget committees. Processing times are reported through two measures: (1) average number of days to process (certify or deny applications); and (2) percent of applications processed within certain time frames. While there are no formal processing time standards, the termination protection time period (55 days) has been used as the measure for timely processing.

Average Application Processing Time by Jurisdiction

As shown in **Exhibit 12**, through November 1, 2022, in fiscal 2023, the statewide average number of days to process an application is 28 days. This average represents an increase of 2 days compared to the fiscal 2022 average. Increases in the average number of days to process applications have occurred in 14 LAAs since between the periods, while 6 saw decreases. The largest increases in average application processing times occurred in the LAAs for Prince George's and Montgomery counties. As of November 1, 2022, the LAAs for Montgomery, Prince George's, and Washington counties and the Southern Maryland Tri-County Action Committee, Inc. (Calvert, Charles, and St. Mary's counties) all had average processing times over 40 days. Six counties had average processing times of under 20 days (Baltimore, Carroll, Garrett, Harford, Kent, and Talbot counties).

Exhibit 12
Average Days to Process Energy Assistance Applications
Fiscal 2021-2023*

	2021	2022	2023*	Change 2022-2023*
Allegany County DSS	30	92	38	-54
Anne Arundel County CAC	29	26	33	7
Baltimore City Mayor's Office of Children and Family Success	39	39	35	-4
Baltimore County DSS	13	11	15	4
Caroline County DSS	15	16	24	8
Human Service Programs of Carroll County, Inc.	19	16	11	-5
Cecil County DSS	26	24	28	4
Dorchester County DSS	23	19	32	13
Frederick County DSS	20	21	28	7
Garrett County CAC	6	9	5	-4
Harford County CAC	12	14	17	3
Howard County CAC	40	27	26	-1
Kent County DSS	14	16	10	-6
Montgomery County Department of Health and Human Services	35	30	54	24
Prince George's County DSS	70	16	44	28
Queen Anne's County DSS	20	19	22	3
Southern Maryland Tri-County Community Action Committee, Inc. (Calvert, Charles, and St. Mary's Counties)	21	39	42	3

	2021	2022	2023*	Change 2022-2023*
Neighborhood Service Center (Talbot County)	6	9	15	6
Washington County CAC	12	27	41	14
Shore UP! (Somerset, Worcester, and Wicomico Counties)	21	14	22	8
Total	**30**	**26**	**28**	**2**

CAC: Community Action Council
DSS: Department of Social Services

*Through November 1, 2022.

Source: Department of Human Services

Applications Processed Beyond the 55-day Guideline

As shown in **Exhibit 13**, through November 1, 2022, in fiscal 2023, statewide, 13% of applications have been processed in longer than 55 days, an increase of 3 percentage points from the fiscal 2022 average. The LAA in Montgomery County has processed 51% of applications in longer than 55 days, the highest percentage statewide. The LAAs serving Allegany, Prince George's, and Washington counties, in addition to the Southern Maryland Tri-County Action Committee, Inc. (Calvert, Charles, and St. Mary's counties) each had 30% or more of applications processed beyond the 55-day guideline. **DHS should comment on the increases in processing times and percentages of applications processed beyond 55 days that have occurred for the Montgomery County Department of Health and Human Services, the Prince George's County Department of Social Services, the Washington County Community Action Council, and the Southern Maryland Tri-County Community Action Committee as well as efforts to reduce the processing times.**

Exhibit 13
Applications Processed Beyond the 55-day Guideline
Fiscal 2021-2023*

	2021	2022	2023*	%Change 2022-2023*
Allegany County DSS	12%	59%	30%	-29%
Anne Arundel County CAC	7%	6%	10%	4%
Baltimore City Mayor's Office of Children and Family Success	21%	27%	21%	-6%
Baltimore County DSS	1%	0%	0%	0%
Caroline County DSS	1%	2%	2%	0%
Human Service Programs of Carroll County Inc.	1%	0%	0%	0%
Cecil County DSS	1%	1%	1%	0%
Dorchester County DSS	4%	1%	5%	4%
Frederick County DSS	1%	1%	1%	0%
Garrett County CAC	2%	2%	1%	-1%
Harford County CAC	0%	1%	1%	0%
Howard County CAC	18%	14%	4%	-10%
Kent County DSS	2%	2%	1%	-1%
Montgomery County Department of Health and Human Services	12%	8%	51%	43%
Prince George's County DSS	56%	1%	37%	36%
Queen Anne's County DSS	2%	1%	0%	-1%
Southern Maryland Tri-County Community Action Committee Inc. (Calvert, Charles, and St. Mary's Counties)	3%	27%	32%	5%
Neighborhood Service Center (Talbot County)	0%	1%	2%	1%
Washington County CAC	0%	9%	34%	25%
Shore UP! (Somerset, Worcester, and Wicomico Counties)	5%	1%	0%	-1%
Total	**14%**	**10%**	**13%**	**3%**

CAC: Community Action Council
DSS: Department of Social Services

*Through November 1, 2022.

Source: Department of Human Services

3. LIHWAP Benefits

In June 2021, HHS announced the release of emergency funding to states through the federal ARPA and CRRSA to establish LIHWAP to provide water assistance to low-income households as part of broader pandemic relief efforts. LIHWAP is the first federal program to exclusively focus on water and wastewater bills for low-income households. According to HHS, several major water utilities in Maryland reported an increase of over 75% in water bill arrearages since the beginning of the COVID-19 pandemic, with need most concentrated in Baltimore City and Prince George's County. Nationwide, rate increases for water and wastewater systems have accelerated in recent years due to increased costs for the maintenance of aging water infrastructure, risks posed by climate change and cybersecurity, and other factors.

Under federal program guidelines, grantees must use federal LIHWAP funds to reduce arrearages and rates charged to recipient households as well for administrative expenses and program outreach. Similar to other energy assistance benefit programs administered by OHEP, LIHWAP grants are paid directly to water utilities on behalf of eligible recipient households. As part of program development, DHS was required to submit a LIHWAP State plan to HHS for approval to access funding. Nationwide, HHS reports that as of September 30, 2022, LIHWAP programs are serving over 433,000 households across the country.

Program Operations

DHS utilizes categorical eligibility for determining LIWHAP assistance eligibility. Participants receiving other DHS benefits, including energy assistance through MEAP, and public assistance through the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income, and Temporary Cash Assistance (TCA) are automatically eligible for LIHWAP. For households not determined to be categorically eligible, applicants must meet federal program requirements including providing a current water or wastewater bill showing arrearages of at least $100 and must have a total household income not exceeding 60% of the State median income or 150% FPL. Allowable benefits range from $100 to $2,000 and are one-time only. The size of a household's benefit is determined based on household water cost burden, with households with the highest water cost burdens given priority. Household income and size are also used to calculate benefit levels.

Benefit Issuances

DHS began accepting applications in January 2022, with the first applications being approved and benefits issued in February 2022. Through September 2022, DHS reports receiving 16,257 applications for the program statewide with LIHWAP assistance provided to a total of 8,208 households. Average statewide LIHWAP benefits for this period were $502 for water and $450 for wastewater bills.

Spending

Maryland's allocation of LIHWAP funding totaled $14.1 million and will remain available for use through the end of federal fiscal 2023. The fiscal 2024 allowance for OHEP budgets $3.6 million for the program, which represents the estimated remaining amount of LIHWAP funding following estimated program expenditures for fiscal 2023. Since the original $14 million allocation was one-time in nature, it is not yet known if federal funding will be allocated for the program following fiscal 2024. **DHS should comment on how it will ensure that remaining federal LIHWAP funding budgeted in fiscal 2024 will be exhausted prior to the spending deadline for the funds and if there are any plans to continue to support low-income households in Maryland with water arrearages through this program after these funds are exhausted.**

In addition to LIHWAP funding allocated to DHS, during fiscal 2023, DHCD received an allocation of $20 million in federal funds available from the ARPA State Fiscal Recovery Fund to be used for a Water Utility Assistance Program to provide grants to utilities to pay down outstanding arrearages for households impacted by the COVID-19 pandemic. This program is separate from the LIHWAP program administered by DHS, however in both programs funds are distributed directly to the utility company for arrearage relief. **DHS should comment on how it is coordinating with DHCD to avoid duplication between the two programs and the benefits being issued.**

Operating Budget Recommended Actions

1. Adopt the following narrative:

Energy Assistance Application Processing Times and Denial Rates: The committees are interested in continuing to monitor energy assistance application processing times by local administering agencies (LAA) and overall program denial rates. The committees request that the Department of Human Services (DHS) provide by LAAs:

- the number of applications received;
- the average number of days to process an applications; and
- the number and percent of applications processed within 30 days, 55 days, and longer than 60 days.

The report should also note any changes in application processing times occurring during fiscal 2024 due to the transition of the administration of programs from LAAs to local departments of social services as part of efforts to implement a unified administrative model for categorical eligibility determinations for energy assistance programs.

In addition, the committees request that DHS provide application denial rates separately by benefit type as well as the share of application denials by reason separately by benefit type. Data should also include the number of applications initially denied due to incomplete information that were subsequently cured due to applicants providing missing information within the additional three months, as allowed for under Chapters 638 and 639 of 2021. Fiscal 2023 end-of-year actual data for denial rates should be included in the report as well as fiscal 2024 data current through November 1, 2023.

Information Request	**Author**	**Due Date**
Application processing times and denial rates	DHS	December 31, 2023

2. Adopt the following narrative:

Implementation of Categorical Eligibility for Energy Assistance Programs: The committees are interested in continuing to be updated on administrative changes to energy assistance programs and request that the Department of Human Services (DHS) submit a report providing an update on the status of the implementation of categorical eligibility for energy assistance. The DHS Office of Home Energy Programs (OHEP) has begun to take necessary steps to implement categorical eligibility to reduce administrative costs, simplify the application process, and reduce denial rates, and previously indicated that key changes would be implemented prior to July 1, 2023, including:

- integration of the OHEP Data Management System with DHS's new Enrollment and Eligibility system; and

- establishment of a centralized administrative model through local departments of social services (LDSS) for energy assistance programs.

The report should include an update on the status of these items, in addition to updates on the following:

- the status of an amendment to the Low Income Home Energy Assistance Program state model plan reflecting the option for qualifying applications for the Maryland Energy Assistance Program through this mechanism, and the status of any legislation enacted during the 2023 Legislative Session amending the State's Electric Universal Services Program (EUSP) statute to reflect the option for qualifying applications to the EUSP program through this mechanism;

- the role that non-LDSS local administering agencies have provided during the transition period and will continue to provide in the areas of outreach and other assistance following the transition of program administration to the LDSS model; and

- estimated budgetary impacts of the implementation of categorical eligibility, including actual or estimated cost savings for program administration resulting from a centralized administrative model and estimated cost changes due to any changes in program eligibility enacted for the fiscal 2024 program year.

Information Request	**Author**	**Due Date**
Report on the status of the implementation of categorical eligibility and other administrative changes	DHS	December 1, 2023

Updates

1. Implementation of Categorical Eligibility

Committee narrative in the 2022 JCR required DHS to provide an update on the status of steps taken toward the implementation of categorical eligibility for energy assistance programs. Categorical eligibility refers to the practice of qualifying an applicant for a benefit program based on their prior or concurrent determination of eligibility for another benefit program. DHS has previously outlined its plans for implementing categorical eligibility in an effort to simplify the application process for energy assistance, reduce application denial rates, and reduce administrative costs. Currently, the application and eligibility determination processes for OHEP energy assistance programs are not solely administered through LDSSs, in contrast with the administration of other DHS benefit programs. Additionally, the OHEP Data Management System used to administer OHEP programs is not currently integrated or connected with the systems used by DHS to administer SNAP, TCA, and other benefit programs.

In order to implement categorical eligibility, DHS plans to integrate OHEP with the new E&E system within the MD THINK platform to allow for categorical eligibility determinations and to centralize the administration and eligibility determinations for energy assistance programs through LDSSs instead of the current administrative model that includes a combination of LDSSs, local government offices, and other community action agencies. DHS projects that transition toward a unified administration model will take place by July 1, 2023, and that the integration of OHEP with the E&E system will be complete in time for the fiscal 2024 program year. Existing non-LDSS administering agencies currently under contract with OHEP will continue to play a role in outreach and assisting applicants with completing applications through the E&E consumer portal.

In order to complete the process of implementation of categorical eligibility, other administrative changes are necessary including receiving approval from HHS for an update to the LIHEAP state model plan, and the enactment of legislation to amend the State's EUSP statute. Federal LIHEAP guidelines allow states the option to implement categorical eligibility for the distribution of LIHEAP benefits. Currently, 20 states and the District of Columbia have implemented the categorical eligibility option.

Eligibility for the EUSP program, which is established in State statute, is currently 175% FPL for most households, except for households with one or more members 67 years of age or older, where it is 200% FPL. Legislation has been introduced during the 2023 session that would make the necessary amendments to the EUSP statute required for implementation of categorical eligibility.

2. Work Group on Low-Income Energy Assistance

Chapters 638 and 639 established the Work Group on Low-Income Utility Assistance. Chaired by OHEP, the workgroup held its first public meetings in fall 2021 and continued to meet throughout the 2022 interim to study existing federal and State energy assistance programs, identifying inefficiencies and gaps in accessing benefits for these programs, and to assess the feasibility and need for new programs. In addition to DHS, membership of the workgroup also consisted of representatives from the Maryland General Assembly, PSC, Office of People's Counsel (OPC), DHCD, and other advocates.

As required by Chapters 638 and 639, the workgroup issued a preliminary report on its planned activities and areas for future consideration to the General Assembly in December 2021. Throughout the 2022 interim, the workgroup heard presentations from several participants, and discussions were held considering a variety of topics that were outlined in the workgroup's preliminary report, including the logistics and costs associated with expanding EUSP eligibility from 175% FPL to 200% FPL, various efforts to revise and simplify the application process for energy assistance benefits, including a demonstration of the new MD THINK OHEP application process through the E&E consumer portal, an overview of weatherization programming offered through DHCD, and other aspects of service delivery for energy assistance including outreach to applicants. At this time, the workgroup has not yet submitted a final report including final recommendations to the General Assembly, and the workgroup's planned activities for the 2023 interim are not yet determined.

3. Budget Billing Workgroup

Following an order from PSC directing the formation of a workgroup to study potentially removing the requirement that participants in the EUSP program enroll in a budget billing program, the workgroup convened in November 2021 and issued a final report in March 2022. Workgroup membership included OHEP, OPC, PSC staff, and representatives from utilities. As outlined in the March 2022 PSC report, during fiscal 2023, OHEP will collaborate with utilities to implement aspects of the plan developed by the workgroup, which include removing the budget billing participation requirement from energy assistance applications, ending automatic enrollment of EUSP recipients in a budget billing program by utilities, and working with utilities to modify their current billing systems for EUSP participants to allow for the apportionment of a recipient's EUSP bill payment assistance grant in 12 equal monthly payments to be applied over a customer's next 12 billing cycles.

Appendix 1
2022 *Joint Chairmen's Report* Responses from Agency

The 2022 JCR requested that DHS OHEP prepare three reports. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Energy Assistance Applications Processing Times and Denial Rates:*** Two reports were required, due on December 31, 2022, and June 30, 2023. The report submitted in December contained data on the average number of days to process applications and the number and percent of applications processed within certain timeframes, by jurisdiction. The report also included an update on application denial rates and reasons for denials. Further discussion of this data can be found in Issues 1 and 2 of this analysis.

- ***Implementation of Categorical Eligibility for Energy Assistance Programs:*** A report was submitted providing an update on the status of steps taken by DHS for the implementation of categorical eligibility for energy assistance, including planned integration of the OHEP Data Management System into the new E&E System and the establishment of a centralized administrative model. Further discussion of this report can be found in Update 1 of this analysis.

- ***LIHWAP:*** A report was submitted providing information on the LIHWAP program funding and implementation in Maryland, including data on the number of applicants, households receiving benefits, average benefit size, and total program spending. Further discussion of this report can be found in Issue 3 of this analysis.

Appendix 2
Audit Findings
Family Investment Administration
Department of Human Services

Audit Period for Last Audit:	May 1, 2017 – May 31, 2021
Issue Date:	October 2022
Number of Findings:	10
Number of Repeat Findings:	5
% of Repeat Findings:	50%
Rating: (if applicable)	n/a

The reference audit was for FIA as a whole, while this analysis only provides information on the finding related to OHEP, please see the FIA analysis for information on the remaining findings.

Finding 8: FIA did not conduct monitoring reviews of certain LAAs in accordance with its policy and did not always execute agreements with energy suppliers.

*Bold denotes item repeated in full or part from preceding audit report.

Appendix 3
Object/Fund Difference Report
Department of Human Services – Office of Home Energy Programs

Object/Fund	FY 22 Actual	FY 23 Working Appropriation	FY 24 Allowance	FY 23 - FY 24 Amount Change	Percent Change
Positions					
01 Regular	13.50	14.00	14.00	0.00	0%
Total Positions	**13.50**	**14.00**	**14.00**	**0.00**	**0%**
Objects					
01 Salaries and Wages	$ 2,337,619	$ 1,131,952	$ 1,261,101	$ 129,149	11.4%
02 Technical and Special Fees	384,453	21	3,500	3,479	16566.7%
03 Communication	51,373	31,962	41,162	9,200	28.8%
04 Travel	2,035	982	1,985	1,003	102.1%
06 Fuel and Utilities	71,016	0	11,495	11,495	N/A
08 Contractual Services	225,729,551	194,033,379	213,879,387	19,846,008	10.2%
09 Supplies and Materials	60,592	124,240	131,382	7,142	5.7%
10 Equipment – Replacement	7,698	0	0	0	0.0%
11 Equipment – Additional	12,114	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	9,856,369	649,885	80,000	-569,885	-87.7%
13 Fixed Charges	89,959	7,247	8,569	1,322	18.2%
Total Objects	**$ 238,602,779**	**$ 195,979,668**	**$ 215,418,581**	**$ 19,438,913**	**9.9%**
Funds					
01 General Fund	$ 0	$ 80,000	$ 94,607	$ 14,607	18.3%
03 Special Fund	71,631,082	118,892,492	135,210,041	16,317,549	13.7%
05 Federal Fund	166,971,697	77,007,176	80,113,933	3,106,757	4.0%
Total Funds	**$ 238,602,779**	**$ 195,979,668**	**$ 215,418,581**	**$ 19,438,913**	**9.9%**

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include salary adjustments budgeted within the Department of Budget and Management.

Appendix 4
Fiscal Summary
Department of Human Services – Office of Home Energy Programs

Program/Unit	FY 22 Actual	FY 23 Wrk Approp	FY 24 Allowance	Change	FY 23 - FY 24 % Change
9F01 OHEP Administration	$ 15,489,737	$ 12,469,498	$ 12,632,974	$ 163,476	1.3%
9F02 Maryland Energy Assistance Program	128,236,824	68,963,706	68,963,706	0	0%
9F03 Electric Universal Service Program	33,098,913	30,758,886	30,762,898	4,012	0%
9F04 State Special Benefits	388,754	400,000	400,000	0	0%
9F05 Maryland Strategic Energy Investment Fund	31,947,519	82,817,693	99,079,134	16,261,441	19.6%
9F07 Arrearages and Bill Assistance	9,820,525	569,885	0	-569,885	-100.0%
9F08 LIHEAP Supplemental	16,000,000	0	0	0	0%
9F09 LIHWAP ARPA	2,896,883	0	0	0	0%
9F10 LIHWAP CRSSA	723,624	0	3,579,869	3,579,869	0%
Total Expenditures	**$ 238,602,779**	**$ 195,979,668**	**$ 215,418,581**	**$ 19,438,913**	**9.9%**
General Fund	$ 0	$ 80,000	$ 94,607	$ 14,607	18.3%
Special Fund	71,631,082	118,892,492	135,210,041	16,317,549	13.7%
Federal Fund	166,971,697	77,007,176	80,113,933	3,106,757	4.0%
Total Appropriations	**$ 238,602,779**	**$ 195,979,668**	**$ 215,418,581**	**$ 19,438,913**	**9.9%**

Note: The fiscal 2023 appropriation does not include deficiencies, targeted revenues. The fiscal 2024 allowance does not include salary adjustments budgeted within the Department of Budget and Management.