

# MAINE STATE LEGISLATURE

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John Elias Baldacci  
Governor

## Maine Department of Health and Human Services

Commissioner's Office

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Augusta, ME 04333-0011

Brenda M. Harvey  
Commissioner

September 18, 2006

Senator Elizabeth M. Schneider, Chair  
Representative Christopher R. Barstow, Chair  
Joint Standing Committee on State and Local Government  
State House  
Augusta, Maine 04333

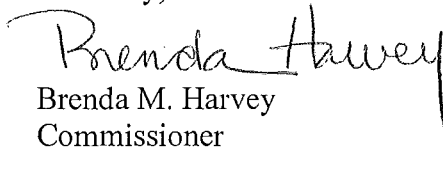
Dear Senator Schneider, Representative Barstow:

During the second session of the 122<sup>nd</sup> Legislature, the Joint Standing Committee on State and Local Government voted to make L.D. 1846, *An Act to Streamline Criteria for Municipal General Assistance for Heating and Utility Allowance*, a Resolve. The Resolve directed the Department of Health and Human Services to convene a working group to examine ways for municipalities to distribute more heating assistance.

The working group was made up of the representatives from each of the agencies and organizations on the general assistance committee established in Resolve 2003 as well as at least one representative from Maine State Housing Authority and at least one representative from a community action program.

The Department of Health and Human Services was charged with reporting the committee's findings and recommendations, including suggested legislation no later than December 15, 2006. The final report including recommendations from the working group is attached. It reflects the work of the group and should not be viewed as the Administrator's position at this time.

Sincerely,

  
Brenda M. Harvey  
Commissioner

BMH/klv

Attachment

*Our vision is Maine people living safe, healthy and productive lives.*

To: Members of the Joint Standing Committee on State and Local Government

From: Heating Assistance Funding Working Group

Date: September 5, 2006

Re: *Resolve, Directing the Department of Health and Human Services to Establish a Working Group to Examine Ways for Municipalities to Distribute More Heating Assistance* (Resolves 2005, c. 146)

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## **Introduction**

In the second session of the 122<sup>nd</sup> Legislature, Representative James Schatz of Blue Hill submitted LD 1846, *An Act to Streamline Criteria for Municipal General Assistance for Heating and Utility Assistance*, to address the funding shortfall in the low income heating assistance program (LI-HEAP). The bill would have created a one-time (2006) municipal/state funded supplemental heating program to help offset funding shortfalls. LD 1846 originally proposed to enable municipalities, after a vote of the local legislative body, to authorize the agencies responsible for administering the LI-HEAP program to issue to qualifying residents of the municipality additional assistance to make up for the funding shortfall. The cost for providing the additional assistance would have come from the General Assistance (GA) program, which is funded with municipal and state revenue.

The milder than anticipated winter and the Legislature's approval of a \$5 million appropriation to remedy the 2006 heating assistance program funding shortfall had an impact on the direction the State and Local Government Committee took on the bill. Although the 2006 heating crises had been addressed, the Committee members believed that the issue deserved more attention and directed the Department of Health and Human Services (DHHS) to convene a working group (see Attachment 1) to examine the ways municipalities could provide additional heating assistance to low-income individuals, including through the municipal general assistance program, particularly during periods of unmet need under LI-HEAP.

## **Working Group Findings and Recommendations**

Over the course of two meetings, the 18-member working group analyzed the initial proposal and developed a different set of recommendations that they believed more appropriately addressed the problem at hand. In its first meeting, the working group came to two important conclusions. First, LI-HEAP funding sustainability is necessary to ensure that ongoing heating assistance can be provided to low income Mainers. Second, the General Assistance program is not the right avenue for addressing funding sustainability issues.

Guaranteed Minimum Funding. In order to ensure that Maine is financially able to assist those in need at times when heating costs are increasing and federal funding sources are diminishing, the working group concluded that the state needs a heating fuel assistance program fund that guarantees a minimum level of funding for fuel assistance. Legislation drafted by the working group (see Attachment 2), proposes that beginning on July 1, 2007 and annually thereafter, the minimum level of assistance provided under the fuel assistance program must be equal to the previous year's total federal and state appropriation adjusted by inflation. The inflationary index used to calculate the minimum funding requirement would be created through the state's rulemaking process.

If the anticipated federal fuel assistance block grant were inadequate to meet the minimum funding level, the Maine State Housing Authority would be authorized, by financial order and approval of the Governor, to withdraw the necessary funds from the state's fuel assistance reserve fund. Furthermore, the Legislature would be required to ensure that the funds withdrawn are returned to the fuel assistance fund before the end of the fiscal year. The proposed legislation would also increase the amount the Governor could allocate from the State Contingent Account and authorize the use of those revenues to meet the minimum assistance requirements.

Rep. Schatz agreed to submit the two working group proposals to the 123<sup>rd</sup> Legislature.

Role of the General Assistance Program. While the GA program has a role to play in ensuring that individuals can obtain basic necessities, the differing eligibility standards between LI-HEAP and GA programs make blending the two challenging. In addition, requiring the GA program to fund a portion of the fuel assistance program shortfall places financial burdens on property taxpayers as well as on DHHS's budget. The working group members concluded that General Fund revenues should be used to adequately fund this important statewide program.

That being said however, the working group concluded that the GA program is a valuable resource that may be available to people that apply for heating assistance through the LI-HEAP program. To ensure that Maine people are aware of the services that they may be eligible for through GA, the working group drafted language that will be added to the MSHA heating assistance brochure (see Attachment 4). The purpose of the addition to the brochure is to insure that the administrators of the heating assistance program are made aware of potential available resources and share that information with their clients.

The MSHA representative on the working group agreed to add the additional information to the brochure.

## Attachment 1

### Working Group Membership List

- Mary Frances Bartlett, City of Augusta
- Cindy Boyd, Department of Health and Human Services
- Sue Charron, City of Lewiston
- Jo-Ann Choate, Maine State Housing Authority
- Kate Dufour, Maine Municipal Association
- Robert Duranleau, City of Portland
- Vicky Edgerly, City of Biddeford
- Judy Frost, Western Maine Community Action
- Brenda Harrington, City of Rockland
- Christine Hastedt, Maine Equal Justice
- Ana Hicks, Maine Equal Justice
- Darryl McKenney, Town of Waldoboro
- Stacey Parra, Town of Rockport
- Rep. James Schatz, Blue Hill
- Donald Strout, Town of Corinth
- Eleanor West, Washington-Hancock Community Action
- Dolores Vail, Maine Council of Churches
- Shawn Yardley, City of Bangor

**An Act to Guarantee Minimum Levels of Heating Assistance Funding**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 30-A MRSA §4992-A**, as amended by PL 2001, c. 439, Pt. GG, §1, is further amended to read:

**1. Fuel Assistance Reserve Fund.** If funds are appropriated pursuant to this section, the authority shall use the funds to establish and capitalize the Fuel Assistance Reserve Fund. The authority shall keep the Fuel Assistance Reserve Fund, referred to in this section as the "fund," separate from all other funds managed by the authority and use the fund only under the conditions set forth in this section. The authority shall use the Fuel Assistance Reserve Fund to ensure that fuel assistance benefits for the State's eligible elderly and low-income residents are available prior to the beginning of the heating season. Funds appropriated or allocated to carry out the purposes of this section may not lapse, but must carry forward from year to year.

**6. Minimum Assistance Required.** Notwithstanding any other provision in this section, beginning on July 1, 2007 and annually thereafter, the aggregate level of assistance provided under the fuel assistance program for each state fiscal year must be equal to the previous year's total federal and state allocation and appropriation adjusted by a factor for energy inflation for the most recently available calendar year as determined by the authority and adopted by rule. Rules adopted pursuant to this subsection are routing technical rules as defined in Title 5, chapter 375, subchapter 2-A.

If the authority reasonably anticipates that funds are inadequate to meet the minimum level of assistance required by this subsection or will not be received in a timely manner to meet the purposes of the program, the authority shall notify in writing the State Controller of the need to withdraw additional money from the fund. These funds must be allotted by financial order upon the recommendation of the State Budget Officer and approval of the Governor. If money is withdrawn from the fund for the purposes of this subsection, the fund must be recapitalized from any federal fuel assistance funds subsequently received to cover the same period for the same purpose. The Legislature shall ensure that the amount of funds withdrawn, less any federal fuel assistance funds received, are fully restored to the fund before the end of the fiscal year in which the funds were withdrawn.

**Section 2. 5 MRSA §1507**, as last amended by PL 2005, c. 12, §CC-1 is further amended to read:

**§1507. Contingent Account**

The Governor may allocate from the State Contingent Account amounts not to exceed in total the sum of ~~\$2,350,000~~ \$7,350,000. The Governor may allocate from such account amounts not to exceed in total the sum of \$300,000 in any fiscal year in accordance with the purposes specified in subsections 1, 2, 3, ~~4-4(A)~~; an amount not to exceed \$5,000,000 in any fiscal year in accordance with the purposes specified in subsection 4(B); an amount not to exceed \$1,000,000

in accordance with the purposes specified in subsection 5-A; and an amount not to exceed \$1,000,000 in accordance with the purposes specified in subsection 5-B.

#### **4. Emergencies.**

(A) The Governor may allocate funds from such account to meet any emergency expense necessarily incurred under any requirement of law or for the maintenance, in emergency conditions, of government within the scope existing at the time of the previous session of the Legislature or contemplated by laws enacted thereat, or to pay expenses arising out of an emergency requiring an expenditure or money not provided by the Legislature. The Governor shall determine the necessity for such allocations upon consultation with the State Budget Officer.

(B) The Governor may allocate funds from such account when necessary to meet the minimum assistance requirements of the fuel assistance program established by 30-A MRSA §4992-A sub-§ 6.

#### **Summary**

This bill requires that beginning on July 1, 2007 and annually thereafter, the minimum level of assistance provided under the fuel assistance program must be equal to the previous year's total federal and state appropriation adjusted by inflation. If the anticipated federal fuel assistance block grant is inadequate to meet the minimum funding level, the Maine State Housing Authority will be authorized, by financial order and approval of the Governor, to withdraw the necessary funds from the state's fuel assistance reserve fund. The Legislature is required to ensure that the funds withdrawn are returned to the fuel assistance fund before the end of the fiscal year. The bill further increases the amount that the Governor may allocate from the State Contingent Account and authorizes the Governor to expend up to that amount to meet the minimum assistance requirements for the fuel assistance program.

**An Act to Guarantee Minimum Levels of Heating Assistance Funding**

**Emergency preamble.** Whereas, acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, this legislation needs to take effect before the expiration of the 90-day period in order to provide adequate assistance to Maine's eligible elderly and low-income residents to purchase home heating fuel during the 2007 heating season and thereafter; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of public peace, health and safety; now therefore,

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. Appropriations and allocations.** The following appropriations and allocations are made.

**MAINE STATE HOUSING AUTHORITY**

**Fuel Assistance Reserve Fund**

Initiative: Appropriates funds to meet the minimum assistance requirement of the Fuel Assistance Reserve Fund established at 30-A MRSA, §4992-A (6) to ensure that fuel assistance benefits for the State's eligible elderly and low-income residents meet a minimal standard of adequacy and are provided in a timely manner.

**GENERAL FUND**

**2006-07**

All Other

\$5,000,000

**Emergency clause.** In view of the emergency cited in the preamble, this Act takes effect when approved.

**Summary**

This bill provides funds to supplement the Fuel Assistance Reserve Fund.



## **GA Language to be Added to MSHA Brochure**

### **Need More Help with Heating Fuel?**

The LI-HEAP Program helps many Maine people meet their heating needs. But some people will need more help this winter.

**You may be able to get heating help from the General Assistance Program in your town or city**

If you cannot afford the fuel you need, you may be eligible for help from the General Assistance program operated by every city and town in Maine. Please do not wait until you have run out of fuel before contacting your city or town.

### **How to apply for General Assistance**

You can apply for General Assistance at your town office or city hall. If your town doesn't have an office, tell your town clerk or a selectperson you want to apply for General Assistance. Be sure to bring proof of your income and expenses when you apply. Your application will be kept confidential.

### **More Questions?**

If you:

- have questions about the General Assistance Program
- need help in finding out how to apply
- don't get the help you need

you can call the Department of Health and Human Services (DHHS) at 1-800-442-6003. If you are deaf or hard of hearing and have a TTY machine, call 287-6948.