

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES (Filing No H-735)  
109th LEGISLATURE  
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 1586, L.D. 1689, Bill, "AN ACT to Provide Funds for Emergency Home Heating Assistance for Elderly and Other Low-Income Households and for the Winterization, Housing Rehabilitation Technician and Citizens' Assistance Programs and to Correct an Error in the Energy Inventory Reporting Law."

Amend the Bill by striking out everything after the enacting clause and inserting in its place the following:

Sec. 1. Short title. This Act shall be cited as the Emergency Home Heating Act of 1979.

Sec. 2. Legislative purpose. This legislation recognizes that, although all Maine citizens are having to readjust their budgets to cope with dramatic increases in energy prices, many low-income Maine citizens, especially older persons on fixed incomes, are having to choose between fuel and food. For many poor families in Maine there is not enough income to meet the cost of basic necessities. At the same time, there is reason to believe that federal programs designed to cope with this problem will not be in effect, <sup>not be</sup> /adequately funded or

both, in a timely and appropriate manner to meet the needs of Maine's low-income households for this coming winter.

Accordingly, the immediate purpose of this legislation is to supplement federal programs aimed at lessening the impact of high energy costs, including increased rent, on low-income households. The longer term purpose is to reduce the dependence of low-income households on increasingly scarce and expensive nonrenewable sources of energy through a strengthened program of home winterization and repair.

Sec. 3. Definitions. As used in this Act, unless the context otherwise indicates, the following terms shall have the following meanings.

1. Community action agency. "Community action agency" means a Maine nonprofit corporation designated as a community action agency in accordance with the United States Economic Opportunity Act of 1964, Public Law 88-452, as amended.

2. Elderly household. "Elderly household" means a household in which the head of household is 60 years of age or older.

3. Emergency assistance. "Emergency assistance" means the federal categorical program for assistance given to recipients of Aid to Families with Dependent Children and other low-income families with dependent children which have increased fuel or rental costs.

4. Energy for home heating. "Energy for home heating" means all types of energy used to heat a residence, such as oil, kerosene, gas, including bottled gas, electricity and wood.

5. Household. "Household" means any individual or group of individuals who are living together as one economic unit for whom residential heating fuel or energy is purchased in common.

6. Income. "Income" means total cash receipts before taxes, as defined in 45 Code of Federal Regulations §1060.2-2(c)(1), as it existed on October 4, 1979.

7. Local program operator. "Local program operator" means a municipality or community action agency selected pursuant to section 4, subsection 2 of this Act, or such other state agency as may be designated to operate programs funded under this Act in the event that neither a municipality nor a community action agency is both willing and qualified to serve a given area of the State.

8. Low income. "Low-income" means income at or below poverty guidelines.

9. Other low-income/ families with dependent children.  
"Other low-income families with dependent children" means intact low-income families where

deprivation of parental support does not exist and who have children under the age of 18 or under the age of 20 if the child is still attending school and not graduated from high school.

10. Poverty guidelines. "Poverty guidelines" means the federal poverty guidelines set forth in the attachment to 45 Code of Federal Regulations §1060.2-2, as it existed on October 4, 1979.

11. Special circumstance allowance. "Special circumstance allowance" means the federal categorical program for assistance given to recipients of Aid to Families with Dependent Children which have increased fuel or rental costs.

Sec. 4. Home Heating Crisis Assistance Program established.

1. Establishment. There is established a one-time special Home Heating Crisis Assistance Program for the months of December through February of the winter of 1979-80. This program shall be administered by the Executive Department, Division of Community Services, which shall coordinate its outreach and all other activities in administering this program with the Department of Human Services and other appropriate state agencies.

2. Selection of local program operators. The Division of Community Services shall have authority to select local program operators, in accordance with section 5, subsection 3, paragraph C, except that a qualified municipality shall be given first option to serve as local program operator within the municipality. Should

neither a municipality nor a community action agency be both willing and qualified to serve as a local program operator for any given area of the State, the Division of Community Services shall arrange for such area to be served by the Division of Community Services or the Department of Human Services.

3. Uniform Implementation of Home Heating Crisis Assistance Program. In its administration of this program, the Division of Community Services shall provide standard forms for application / and vendor payments and require uniform eligibility criteria to ensure uniform statewide implementation of this program.

4. Binding grant agreements. The Division of Community Services shall have authority to enter into binding grant agreements with municipalities and community action agencies to provide for the implementation of the Home Heating Crisis Assistance Program in accordance with applicable law and regulation.

5. Entitlement to amount or form of assistance. This one-time program does not entitle any household to a certain amount or form of assistance.

Sec. 5. Rulemaking for the Home Heating Crisis Assistance Program.

1. Promulgation of rules. In administering this program, the Division of Community Services shall promulgate rules in accordance with the provisions of the Administrative Procedure

Act, Maine Revised Statutes, Title 5, chapter 375 and so as to take effect no later than November 15, 1979, except that the 90-day period provided in the Maine Revised Statutes, Title 5, section 8054, subsection 3, shall not apply to rules promulgated under this section.

2. Scope of rules. These rules shall incorporate the following policies and requirements. The Director of the Division of Community Services shall make such further definition of these policies and requirements as he deems necessary to insure consistent and uniform implementation of this program.

A. Eligibility requirements are as follows:

(1) Those households whose head of household is receiving Supplemental Security Income or a 1979 elderly homeowners tax and rent refund pursuant to the Maine Revised Statutes, Title 36, chapter 901 and those households whose income is at or below 100% of poverty guidelines are income eligible to receive assistance under this program;

(2) To be certified eligible for assistance under this program, a household must be both income eligible and in need of the assistance due to

inability to otherwise procure adequate energy for home heating;

(3) Notwithstanding subparagraphs (1) and (2), a household which is eligible for assistance under the Federal Community Services Administration Emergency Crisis Assistance Program shall not be certified eligible for assistance under this section if funds for that federal program are then available to the local program operator. A household which has been certified eligible for the federal program is not eligible for assistance under this section; and

(4) Notwithstanding subparagraphs (1) and (2), a household which is eligible for or has been certified eligible for assistance under section 7 of this Act shall not be certified eligible for assistance under this section.

B. The sum of all assistance provided under this section to or on behalf of any eligible household shall not exceed \$249.

C. Assistance is to be provided as follows:



(1) For certified eligible households, assistance shall be in the form of vendor payments to the household's supplier or suppliers of energy for home heating, as follows:

(a) Such payments shall be promptly applied by the supplier to the household's account as a future credit;

(b) These credits shall not be applied against surcharges or outstanding balances;

(c) For the month in which the household is certified eligible for assistance under this subparagraph, and for each of the 2 following months, the amount of vendor payment shall be \$83 or the actual cost of energy supplied, whichever is less; and

(d) The sum of all payments under this subparagraph on behalf of an eligible household shall not exceed \$249; and

(2) For certified eligible tenant households which do not directly purchase energy for home heating, assistance shall be provided in the form of vendor payments to the landlord's supplier or suppliers of energy for heating the rental unit, as follows:

(a) Such payments shall be promptly applied by the supplier to the landlord's account as a future credit;

(b) Such payments shall not be applied against surcharges or outstanding balances;

(c) The amount of the payment under this subparagraph shall be based on the need of the tenant household, which shall be determined by multiplying 20% of the actual monthly rent as of October 1, 1979 times 3;

(d) The sum of all payments under this subparagraph on behalf of any eligible tenant household shall not exceed the need of the household as determined in division (c) or \$123, whichever is less;

(e) The landlord shall reduce the monthly rent of any eligible tenant for which payment is made under this subparagraph by one third of the total payment or \$41, whichever is less for the month in which payment is made to the landlord's supplier and each of the following 2 months; and

(f) Tenants whose rent is limited to 25% of income through a federal subsidy program are not eligible for payment under this subparagraph.

D. No direct cash payment shall be made to any household under this program.

E. Priority shall be given to eligible low-income elderly households.

F. Assistance received under this section shall not be considered as income for purposes of determining eligibility or benefits under any income maintenance program, including but not limited to < . . . . . > veteran's benefits, food stamps, supplemental security income or Aid to Families with Dependent Children unless prohibited by federal law; nor shall it be considered income for state tax purposes. Any member of a certified eligible household receiving assistance under this section shall not be eligible for fuel assistance through the General Assistance program unless it can be shown that the assistance previously received has been used for his energy needs and a new need for assistance can be documented.

G. Applications for assistance under this program must be made on or before February 29, 1980.

H. Payments to vendors under this program must be fully utilized on behalf of the eligible household before May 1, 1980. Any amount not so utilized must be returned to the State by May 15, 1980.

3. Additional rules. These rules shall also include, but not be limited to:

A. Procedures and requirements for applying for assistance under this program;

B. Procedures for certification of eligible applicants;

C. Criteria for selection of local program operators shall include, but are not limited to:

(1) An adequate accounting system with appropriate fiscal controls to ensure no overpayments on behalf of eligible households or of the total funds received from the Division of Community Services;

(2) Ability to utilize a reasonable number of personnel to take applications for a reasonable amount of time, some of which should be in the evenings and on weekends;

(3) Ability to provide outreach for this program which shall include utilizing a reasonable number of personnel to make in-home visits to elderly and disabled households and to assure adequate publicity of this program among residents of the area to be served;

(4) Sufficient administrative staff so that a person or persons not involved in intake of applications can be assigned to verify that applications are correct and complete and to certify as to eligibility for assistance;

(5) In the case of a municipality, written notice to the Director of the Division of Community Services of a vote, after notice and hearing of the municipal officers, as defined in the Maine Revised Statutes, Title 30, section 1901, subsection 7, that the municipality requests designation as a local program operator for this program. The notice must be signed by the chief municipal officer and be received by the Director of the Division of Community Services on or before November 1, 1979; and

(6) In the case of a community action agency, written notice to the Director of the Division of Community Services of a board vote at a duly held board of directors' meeting that the agency requests designation as a local program operator for this program. The notice shall be signed by the president or chairman of the board or his agent and be received by the Director of the Division of Community Services on or before November 1, 1979;

D. Allocation formula for the initial disbursement of program funds to local program operators. The formula shall include percentages of low-income and elderly population in the local area to be served and shall be developed in conjunction with the State Planning Office;

E. Reporting requirements of local program operators, which at a minimum shall include a breakdown every 2 weeks of the number of households certified and the amount of assistance to be provided these households and monthly reporting of all expenditures and obligations;

F. Conditions for participation in the program by vendors, which shall include at least:

(1) Reconnection of utilities or delivery of fuel is to be made upon vendor's/notice of certification for payment; <sup>receipt of</sup>

(2) For any remaining balances, the customer is to be offered a/deferred payment arrangement or a level payment <sup>reasonable</sup> plan;

(3) A reconnection charge is to be paid by the customer only where such a charge was company practice prior to September 1, 1979; and

(4) No security deposit is required to be paid except where the deposit was required by state law or explicit regulation prior to September 1, 1979 and, where so required, is included in a deferred payment arrangement;

G. Requirements for review of denials of assistance, which shall include at least:

(1) Provisions for notifying the applicant in writing of the reasons for denial of assistance, that he may appeal the denial and that he may submit additional information, in writing, orally, or both, which the applicant believes would justify a favorable determination;

(2) Provisions to ensure that the local program operators' review of appeals will be made in a timely manner and by a person other than the one making the initial determination;

(3) Provisions for notifying the applicant in writing of the local program operator's final decision and that he may request a review of the denial by the Director of the Division of Community Services or his designee who shall have authority to override the decision of the local program operator; and

(4) The methods which the local program operator must employ to publicize the existence of the appeal process;

H. Requirements governing use of administrative funds, which shall not exceed 5% of the total funds allocated to a local program operator;

I. Provisions for distributing information to all applicants for assistance under this program on available home winterization and repair services and services offered by the State Office of Energy Resources, including the home energy audit service;

J. Procedures and requirements for notifying each certified eligible household of the form and amount of assistance to be provided it. This notification must be made within no more than 21 days of the local program operator's issuance of notification to the appropriate vendor or vendors of a household's certification for payment under this Act; and

K. Other matters relevant to the funding and operation of this program.

**Sec. 6. Monitoring and accountability of Home Heating Crisis Assistance Program funds.** The Division of Community Services shall assign adequate staff and establish appropriate internal procedures to assure adequate program monitoring, fiscal control and accountability of program funds.



Sec. 7. Emergency assistance for certain households receiving Aid to Families with Dependent Children and for other low-income families with children.

1. Administration. The Department of Human Services shall  
← administer a Special Circumstance Allowance or an Emergency  
← Assistance Program, or both, as the commissioner deems appropriate  
← for the months of December through February of the winter of  
← 1979-80, subject to availability of federal matching funds. The  
department shall coordinate its outreach and activities in  
administering this program with the Executive Department,  
Division of Community Services and other appropriate state  
agencies. The department is authorized, but not required, to  
delegate the operation of all or part of its assistance program  
under this section to the Division of Community Services unless  
such delegation is prohibited by applicable federal law.

2. Rulemaking. The department shall promulgate rules to  
cover all aspects of administration of this program. These rules  
shall be issued so as to take effect on or before November 15,  
1979 and in accordance with the Administrative Procedure Act,  
Maine Revised Statutes, Title 5, chapter 175, except that the  
90-day period provided in the Maine Revised Statutes, Title 5,  
section 8054, subsection 3, shall not apply to the issuance of  
these rules.

3. Scope of rules. These rules shall be in accordance with existing department rules and applicable federal law and shall incorporate the policies, <sup>standards</sup> and requirements included in sections 4 and 5,

of this Act unless prohibited by applicable federal law.

4. Eligibility for assistance provided under this section. Rules promulgated under this section shall incorporate the following eligibility requirements unless prohibited by applicable federal law.

A. Households which are receiving Aid to Families with Dependent Children and whose income is at or below 100% of poverty guidelines are income eligible to receive assistance under this section.

B. Other low-income families with Dependent Children with household income at or below 100% of poverty guidelines are income eligible to receive assistance under this section.

C. To be certified eligible for assistance under this **program** a household must be both income eligible and in need of the assistance due to inability to otherwise procure adequate energy for home heating, food or other allowable requested assistance.

D. No household which has been certified eligible for assistance under section 5 of this Act or under the Community Services Administration Emergency Crisis Assistance Program is eligible for assistance under this section.

5. Monitoring and accountability of funds appropriated to the Department of Human Services. The Department of Human Services shall assign adequate staff and establish appropriate internal procedures to assure adequate program monitoring, fiscal control and accountability of program funds.

Sec. 8. Audit. The Department of Audit shall conduct a special audit of funds appropriated under this Act. The Department shall report the results of its audit to the Legislature's Joint Committee on Performance and Audit, on or before December 31, 1980.

Sec. 9 . Federal expenditure limits raised. In order to implement the purposes of this Act and to provide for the expenditures necessary for the operation of State Government for the fiscal year 1979-80, the federal expenditure limits of the following accounts are increased by the following amounts:

POLICY AREA UMBRELLA PROGRAM APPROPRIATION	AMOUNT ADDED TO EXISTING FEDERAL EXPENDITURE LIMIT
07 EXECUTIVE DEPARTMENT	<u>1979-80</u>
0052 Division of Community Services	
3028.1 Community Services	
Personal Services	\$ 100,000
All Other	6,899,000
Capital Expenditures	1,000
0052 Executive - Division of Community Services	
3028.2 Community Services - Energy	
Personal Services	114,637
All Other	3,496,363
03 HUMAN SERVICES	
0138 Social Welfare - Aid to Families with Dependent Children	
3319.1 Social Welfare - Aid to Families with Dependent Children	
All Other	3,000,000

The Governor is authorized to adjust the federal expenditure limit should such adjustments be required as a result of any change in the federal share.

Sec. 10. 5 MRSA §5010, sub-§4, as enacted by PL 1979, c. 372, §2, is repealed and the following enacted in its place:

4. Penalty provisions. Any owner or lessee of a primary storage facility covered by this section who fails to provide the information required by this section or who knowingly or recklessly supplies false or misleading information shall be

guilty of a violation of Title 17-A, section 453. Any owner or lessee of a primary storage facility who, in fact, supplies false or misleading information is subject to a civil penalty of \$2,500, payable to the State, to be recovered in a civil action.

Sec. 11 . 22 MRSA §5203, as enacted by PL 1977, c. 571, §1,  
is amended by inserting at the end the following:

The Division of Community Services shall implement this evaluation program. The Office of Energy Resources shall periodically evaluate the implementation of this program.

Sec. 12. 22 MRSA §5204, last ¶, as enacted by PL 1977, c. 571, §1, is repealed as follows:

~~The Division of Community Services shall review and evaluate the home winterization program and report its findings to the Legislature.~~

Sec. 13. 22 MRSA, §5204, sub-§§4, 5 and 6 are enacted to read:

4. Cost-effectiveness. To ensure that those winterization procedures are implemented that provide the greatest energy savings per dollar of materials and labor.

5. Supervision. To ensure sufficient on-site supervision of winterization efforts.

6. Report to Legislature. The Division of Community Services shall annually report to the Legislature the following information:

- A. The number of homes winterized;
- B. The condition of installed winterization materials in homes that have been winterized for more than one year; and
- C. An estimate of current annual energy conservation attributable to the winterization program.

Sec. 14. Appropriation. The following funds shall be appropriated from the General Fund to carry out the purposes of this Act.

1979-80

EXECUTIVE DEPARTMENT

Division of Community Services

Home Heating Crisis Assistance

Personal Services	\$ 27,715
All Other	2,484,947
Capital Expenditures	1,750

Provides funds for the General Fund share of 10 project employees, who will operate both this program and the federal crises program, needed office equipment and all other funds for the Home Heating Crises Assistance Program. Position count is omitted because of partial federal funding.

Home Winterization

Personal Services	10,681
All Other	1,038,398
Capital Expenditures	125

Provides funds for housing repair materials, partial funding of 3 existing staff positions, needed office equipment and all other funds for the Home Winterization Program. Position count is omitted because of partial federal funding.

Housing Rehabilitation Technician Program

Personal Services	\$ 4,336
All Other	73,664

Provides state matching funds for continuation of Housing Rehabilitation Technician Program, including temporary partial funding of one existing staff position. Position count is omitted because of partial federal funding.

Citizens Assistance Service

All Other	2,628
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Provides funds for telephone costs of expanded, toll-free Citizens Assistance Service.

TOTAL EXECUTIVE DEPARTMENT	3,644,244
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AUDIT, DEPARTMENT OF

All Other	20,000
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Provides funds for administrative costs including travel and printing of special Audit report on funds appropriated under this Act.



## HUMAN SERVICES, DEPARTMENT OF

All Other	2,603,125
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Provides funds for emergency assistance for certain low-income households with dependent children based on a 50/50 federal-state matching ratio. The Commissioner of Human Services shall notify the Commissioner of Finance and Administration of the actual matching ratio when it is finalized by the Federal Government. Any part of this appropriation not required because of adjustments in the federal percentage shall not be used for another purpose but shall lapse to the General Fund.

TOTAL GENERAL FUND APPROPRIAION	\$6,267,369
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Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.'

Statement of Fact

There are at least 78,134 households in Maine which are presently living on total incomes at or below 125% of federal poverty guidelines (\$8,375 for a family of four and \$4,250 for an individual). Of these households, 53,700 are living on incomes at or below 100% of the poverty guidelines (\$6,700 for a family of four and \$3,400 for an individual). These households will be forced to spend between 11% and 48% of their

total annual income for home heating costs in the winter of 1979-80. As a result of these energy costs, these households will not have sufficient funds for basic necessities such as food, clothing and medical needs.

The immediate purpose of this / <sup>amendment</sup> is to lessen the impact <sup>amendment</sup> of high energy costs on these households. The / <sup>amendment</sup> appropriates funds to both the Division of Community Services and the Department of Human Services. The / <sup>amendment</sup> maximizes limited state resources by making use of all federal matching funds available for these types of programs for home heating and energy assistance programs.

The funds appropriated to Human Services will be used to match funds from the Federal Department of Health, Education and Welfare (on a 50/50 basis or 70/30 basis, if available) to provide energy assistance to recipients of AFDC and other low-income families with dependent children. The Department of Human Services is authorized to delegate operation of its program to the Division of Community Services for the purpose of centralizing federal and state energy assistance program operations unless prohibited by federal regulations.

The appropriation to the Division of Community Services for the Home Heating Crisis Assistance Program will supplement anticipated funds from the Federal Community Services Administration's "Emergency Crisis Assistance Program." The federal program will serve households with income at or below 125% of poverty guidelines. The amendment provides generally that federal funds and federal matching programs be used before the State funds are used.

amendment  
The / also appropriates funds for the Home Winterization and the Housing Rehabilitation Technicians Programs. These appropriations will also allow full use of other available federal funds from the Departments of Energy and Housing and Urban Development. A significant problem with presently available federal winterization funds is that they are primarily restricted to the purchase of winterization materials and do not provide for labor costs in installing these materials. The appropriation under this / amendment will provide 100 slots for winterization labor through June 30, 1980.

The appropriation for the Housing Rehabilitation Technician Project will allow that project to continue for 4 months after which time federal funds will again be available for funding the project.