

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
SENATE  
109TH LEGISLATURE (Filing No. S-400)  
SECOND SPECIAL SESSION

SENATE AMENDMENT "A" to H.P. 1589, L.D. 1691, Bill, "AN ACT Providing Funds for Emergency Home Heating Assistance for Certain Elderly and Low-Income Households and for the Winterization, Citizens' Assistance and Housing Rehabilitation Technician Programs and Correcting 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, 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, coal 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 3-month period beginning December 1, 1979, through February 29, 1980. 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  $\left[ \dots \right]$  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 willing  $\left( \leftarrow \rightarrow \right)$  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 a standard application form 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. Eligibility, amount and form of assistance and rules.

1. Eligibility. To be eligible, a household shall need assistance to obtain adequate energy for home heating, and shall:

A. Have a head of household who is receiving either:

(1) Supplemental social security income; or

(2) Elderly Homeowners Tax and Rent Refund under the Revised Statutes, Title 36, chapter 901; or

B. Have a household income less than or equal to 100% of poverty guidelines; and

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C. Not be eligible under the following restrictions:

(1) Section 7; or

(2) The Federal Community Services Administration Emergency Crisis Assistance Program, if funds for that program are available to the local program operator.

2. Assistance.

A. The sum of all assistance provided under this program for each eligible household shall not exceed \$170 for the 3-month period. Assistance shall be paid as follows:

A maximum of \$70 between December 15, 1979 and January 14, 1980, and any additional assistance up to the maximum of \$170 shall be made available between January 15, 1980, and February 29, 1980.

B. 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. This payment shall not be applied against any outstanding balances. Tenants whose rent is limited to 25% of income through a federal subsidy program are not eligible for assistance under this paragraph. The sum of all assistance provided under this program to or on behalf of any eligible tenant household which does not directly purchase energy for home heating shall not exceed \$75 for the 3-month period, based on the need of the household, which shall be determined by multiplying 20% of the actual monthly rent as of October 1, 1979 times 3. Any such assistance granted shall be paid as follows: A maximum of \$25

between December 15, 1979 and January 14, 1980 and any additional assistance up to the maximum of \$75 shall be made available between January 15, 1980 and February 29, 1980. The landlord shall credit the eligible household for the value of the voucher by adjusting the rent accordingly.

C. The maximum amount of \$170 prescribed in paragraph A and the maximum amount of \$75 prescribed in paragraph B can be changed by future legislative actions.



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 general assistance, 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.

G. 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.

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

I. 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. Rules. Prior to November 15, 1979, the Division of Community Services shall adopt rules as provided by the Administrative Procedure Act, Maine Revised Statutes, Title 5, chapter 375. The 90-day limitation of the Maine Revised Statutes, Title 5, section

8054, subsection 3 shall not apply. The rules may include:

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 applicants or of the total funds received from the Division of Community Services;

(2) Ability to utilize a sufficient number of personnel to take applications. Such persons shall be available to take applications a reasonable amount of time after 6 p.m.;

(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, sec-

tion 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 15, 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 15, 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;

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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 accounts payable;

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 receipt of notice of certification for payment;
- (2) For any remaining balances, the customer is to be offered a reasonable deferred payment arrangement or a level payment 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 30 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 3-month period beginning December 1, 1979 through February 29, 1980, 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 375, except that the 90-day period provided in the Maine Revised Statutes, Title, 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 and requirements included in section 5 unless prohibited by applicable federal law.

4. Eligibility. To be eligible for assistance under this section, a household shall:

A. Need assistance to obtain adequate energy for home heating;

B. Have a household income less than or equal to 100% of poverty guidelines; and

C. Be receiving Aid to Families with Dependent Children or other low-income households with dependent children.

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

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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 Audit and Program Review 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 APPRORIATION	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

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. 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	\$ 25,125
All Other	537,500
Capital Expenditures	1,750

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

funding. If federal funds are available for the purposes of this Act, they shall, whenever possible, be utilized before any expenditures are made from the General Fund.

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	\$1,694,207
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AUDIT, DEPARTMENT OF

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

## HUMAN SERVICES, DEPARTMENT OF

All Other	\$1,437,993
Provides funds for Aid to Families with Dependent Children Fuel Assistance Program.	

TOTAL GENERAL FUND APPROPRIATION	\$3,152,200
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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 4 and \$4,250 for an individual). Of these households, 55,700 are living on incomes at or below 100% of the poverty guidelines (\$6,700 for a family of 4 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 amendment is to lessen the impact of high energy costs on these households. The amendment appropriates funds to both the Division of Community Services and the Department of Human Services. The amendment 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 and 70/30 basis, if available) to provide energy assistance to recipients of Aid to Families with Dependent Children 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 amendment provides generally that federal funds and federal matching programs be used before the state funds are used.

The amendment 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.

(Huber)

NAME:

*David G. Huber*

COUNTY: Cumberland

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(Filing No. S-400)