

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 323

(Delegate Charkoudian)

Economic Matters

Education, Energy, and the Environment

Social Services Programs - Eligibility and Enrollment

This bill requires the Office of Home Energy Programs (OHEP) to enroll in any fuel and utility assistance program any household with an individual who meets the financial eligibility requirements established by the Department of Human Services (DHS) for the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or means-tested Veterans Affairs benefits. The bill also increases the annual income eligibility level for the Electric Universal Service Program (EUSP) to 200% of federal poverty guidelines (FPG). **The bill takes effect January 1, 2024.**

Fiscal Summary

State Effect: DHS special fund expenditures increase by at least \$15.0 million in FY 2024 for costs associated with increased eligibility for and the auto-enrollment of SNAP recipients in EUSP; out-years reflect annualization. Special fund revenues are not affected.

(\$ in millions)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	15.0	30.0	30.0	30.0	30.0
Net Effect	(\$15.0)	(\$30.0)	(\$30.0)	(\$30.0)	(\$30.0)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Electric Universal Service Program

EUSP, administered by OHEP, helps the State's vulnerable populations and other traditionally underserved populations pay their electric bills, minimize crises, and reduce their electric costs. Benefits include bill payment assistance and arrearage retirement assistance. Funding for the program is provided through fees collected by electric companies (at least \$37.0 million annually) and through an allocation of the revenue generated by the Regional Greenhouse Gas Initiative carbon dioxide emission allowances. When available and if needed, federal Low Income Home Energy Assistance Program funds may also be used to support benefits.

Eligibility for EUSP extends to families with (1) incomes at or below 175% FPG; (2) an electric bill responsibility; and (3) a household member that is a citizen, legal immigrant, or qualified alien. Households must also agree to a budget billing or monthly crediting plan. Chapters 638 and 639 of 2021 expanded income eligibility for a customer age 67 or older to up to 200% FPG.

Households are only eligible for arrearage assistance once every five years except in limited circumstances. Households must also have a past due balance of at least \$300 to receive arrearage assistance.

Other Fuel and Utility Assistance Programs

The Maryland Energy Assistance Program, administered by OHEP, helps the State's vulnerable populations pay their heating bills, minimize crises, and make heating costs more affordable. Benefits include utility and fossil fuel payments, the Utility Service Protection Program, referrals to weatherization services, emergency heating system repairs/replacement, waivers on utility fees, and discounts on fuel purchases. As of fiscal 2019, there is also a gas arrearage component to the program. Eligibility for the program extends to families with incomes at or below 175% FPG with a heating bill responsibility and who are U.S. citizens. Roomers and boarders may receive a benefit separate from the household from whom they are renting.

The Low Income Household Water Assistance Program (LIHWAP), administered by OHEP, is a temporary emergency program to assist low-income households with bill payment and arrearage assistance for household water and wastewater costs. The U.S. Department of Health and Human Services announced the release of emergency funding in June 2021 to establish the program. DHS began accepting applications and

providing benefits in fiscal 2022. Eligibility for the program extends to homeowners, renters, and residents of public housing with a total gross household income of less than 60% of the State median income and who are U.S. citizens. Applicants must provide a water or wastewater bill showing outstanding arrearages of at least \$100 that are 30 days or more past due. Additionally, applicants may be categorically eligible for the program if receiving other energy assistance or cash assistance benefits through DHS.

State Fiscal Effect: DHS special fund expenditures increase by at least \$15,024,000 in fiscal 2024, which accounts for the bill's January 1, 2024 effective date, and by \$30,048,000 annually thereafter.

Categorical Eligibility: Current recipients of SNAP, TANF, SSI, and means-tested veterans programs are generally eligible for all fuel and utility assistance programs (enrollees in these programs are already categorically eligible for LIHWAP). Categorical eligibility is not currently implemented for other OHEP programs. OHEP has begun to take steps necessary to implement categorical eligibility for energy assistance programs in order to reduce administrative costs, simplify the application process, and reduce denial rates.

The OHEP Data Management System is not connected with the systems used to administer other DHS benefits. DHS advises that this system will be integrated with DHS' new Eligibility and Enrollment System to enable categorical eligibility determinations by the next OHEP program year. Furthermore, DHS plans to centralize eligibility determination through local departments of social services and streamline eligibility through alignment with other benefit programs. DHS did not provide a specific estimate of the cost to auto-enroll all current recipients of SNAP, TANF, SSI, and means-tested veterans programs into all OHEP fuel and utility assistance programs. However, the impact on enrolling current recipients of SNAP in EUSP is included in the estimate below.

Auto-enrollment of Supplemental Nutrition Assistance Program Beneficiaries into and Expansion of Eligibility for Electric Universal Service Program: The bill increases the annual income eligibility level for EUSP from 175% FPG to 200% FPG. Under current law, only customers age 67 or older qualify for EUSP at this income level. The bill also requires auto-enrollment of current SNAP recipients into fuel and energy assistance programs.

DHS advises that approximately 32,000 additional households will qualify for EUSP under the bill. This figure represents the number of SNAP households that claim a utility expense but do not currently receive energy assistance. Based on an average annual EUSP bill payment assistance benefit of \$939, DHS special fund expenditures increase by \$15.0 million in fiscal 2024 to reflect the bill's January 1, 2024 effective date. Expenditures increase by \$30.0 million in fiscal 2025 and annually thereafter. These expenditures are likely offset somewhat by administrative savings due to the implementation of categorical

eligibility and auto-enrollment. However, this estimate does not reflect any additional expenditures for EUSP arrearage assistance as this benefit may generally only be received once every five years. The estimate also does not reflect the cost of auto-enrolling current benefit recipients of TANF, SSI, and means-tested veterans programs into EUSP, or auto-enrolling SNAP recipients into other OHEP fuel and utility assistance programs.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Department of Human Services; Public Service Commission; Department of Legislative Services

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