

## **Testimony in Support of LD 3, An Act to Establish the Winter Energy Relief Payment Program to Aid Residents with High Heating Costs and to Finalize the COVID Pandemic Relief Payment Program**

**December 21, 2022**

President Jackson, Speaker Talbot Ross, and distinguished members of the Committee on Appropriations and Financial Affairs, my name is **Maura Pillsbury** and I am an analyst at the Maine Center for Economic Policy. I am here to testify in support of LD 3, An Act to Establish the Winter Energy Relief Payment Program to Aid Residents with High Heating Costs and to Finalize the COVID Pandemic Relief Payment Program. LD 3 would address the urgent and dire need for heating and housing assistance in our state.

There is ample evidence that urgent relief is needed. According to data from the US Census Bureau's Household Pulse Survey,<sup>i</sup> four in ten Mainers are feeling "very stressed" about recent price increases. The war in Ukraine, reduced refining capacity in the wake of the pandemic,<sup>ii</sup> and profit-seeking by oil and gas companies have increased heating costs dramatically.<sup>iii</sup> In the wake of these and other price increases, people are cutting back on heating costs — one in four Mainers say they are trying to spend less on energy and utilities because of inflation. Unfortunately, for many people that comes on top of existing hardship. Last winter, before the increase in oil and gas prices, one in six Maine adults said they regularly couldn't pay their energy bill. This winter will be even worse.

Federal Emergency Rental Assistance is running out, leaving 8500 families in Maine without housing assistance.<sup>iv</sup> According to the Governor's office, 3,000 families are at risk of eviction.<sup>v</sup> This includes asylum seekers in Maine, who cannot earn income due to work authorization restrictions. This leaves their options limited, and their prospects for surviving the Maine winter dire. The \$21 million in this bill for emergency rental assistance is a lifeline for families who will otherwise lose their housing. But this money is likely to run out quickly; under the federal program, Maine has been spending \$500,000 per day on emergency rental assistance.<sup>vi</sup> This proposal doesn't go far enough in addressing this crisis. We urge you to increase the amount of funding for emergency rental assistance.

Mainers need direct and urgent heating relief without administrative barriers. The waiting list for new applicants to LIHEAP is typically months long. Direct payments would be the fastest way to get relief to Mainers struggling right now to pay for heat. In addition, state officials expect existing LIHEAP funding to be inadequate due to increased heating costs.<sup>vii</sup> The state needs added LIHEAP funding to bolster the existing program. According to the National Energy & Utility Affordability Coalition, only 21 percent of the total eligible population in Maine received LIHEAP in 2020.<sup>viii</sup> We need to reach as many Mainers in need as possible as quickly as we can; existing heating support is insufficient.

We also know that while all Mainers are dealing with the impacts of inflation, some are able to weather increased costs better than others. We urge the committee to consider lowering the qualifying income cap to ensure payments are focused on households who most urgently need support. Data from the US Census Bureau's Household Pulse Survey covering the period Sept 14-Nov 14, 2022 shows heating hardship in Maine is especially concentrated among Mainers with low income. In the past year, single adults earning under \$25,000 a year and married couples earning under \$50,000 were three to four times as likely to forfeit other necessities in order to afford heating bills. Among single filers making \$75,000-\$100,000 per year and married filers making \$150,000-\$200,000, one in ten or less reported suffering heating hardships. Reducing the income eligibility limit

to \$50,000 for a single filer and \$100,000 for a married couple would free up almost \$50 million dollars which could be used to increase the check size for the most vulnerable Mainers or support other urgent needs such as housing.

We applaud President Jackson and Speaker Talbot Ross for putting forward this bill. We urge the Legislature to address the urgent need for heating and housing supports by passing this bill, and to consider lowering the income cap for relief payments and instead put that money toward additional emergency rental assistance.

Thank you for your time and I would be happy to answer any questions.

Contact information: **maura@mecep.org**

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<sup>i</sup> All statistics are from weeks 49-51 of the survey, covering the period September 14 – November 14, 2022.

<sup>ii</sup> <https://www.cnbc.com/2022/10/30/diesel-market-in-perfect-storm-as-prices-surge-and-supplies-dwindle.html>

<sup>iii</sup> <https://www.mecep.org/wp-content/uploads/2022/06/Feeling-the-Pinch-Inflation-and-corporate-consolidation.pdf>

<sup>iv</sup> <https://www.mainepublic.org/maine/2022-10-31/municipalities-warn-of-impending-crisis-for-8-500-maine-households-with-rent-relief-nearing-an-end>

<sup>v</sup> <https://www.bangordailynews.com/2022/12/19/news/state/3000-mainers-evicted-pandemic-program-ends/>

<sup>vi</sup> <https://www.mainepublic.org/maine/2022-10-31/municipalities-warn-of-impending-crisis-for-8-500-maine-households-with-rent-relief-nearing-an-end>

<sup>vii</sup> <https://www.mainepublic.org/politics/2022-12-12/maine-housing-director-says-emergency-funding-definitely-necessary-for-heating-assistance>

<sup>viii</sup> <https://neuac.org/wp-content/uploads/2021/02/Maine-State-Sheet-2022.pdf>