



**THE MAINE SENATE**  
131st Legislature

**Testimony of Senator Nicole Grohoski on LD 3  
Before the Committee on Appropriations and Financial Affairs**

**21 December 2022**

Greetings President Jackson, Speaker Talbot Ross, and honorable members of the Committee on Appropriations and Financial Affairs. Thank you all for being here today – I appreciate the opportunity to discuss 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*.

Many of our neighbors are in urgent need of heating and housing relief, which is why it's so important that we are here today, continuing to discuss short-term assistance. We have a lot of work to do in the coming session to ensure that we are not in this same position next winter, and I look forward to our efforts together to address the underlying causes of these problems.

I believe it is our duty to both help those in need now and act responsibly with state funds. Since the original bill on this subject, LD 1, was first released to the public, the majority of the feedback I've received from constituents is that the checks are too small for those in need and too large for others. Others have shared their dismay that the proposal removes funding from critical programs that are chronically underfunded and would benefit from the additional funds they would otherwise receive. Indeed, there are other ongoing crises in this state – a failing indigent legal services system and the opioid epidemic, to name just two. I understand this bill is not meant to address all urgent problems; however, it spends funds that we could utilize in the next few months to do so.

In order to limit spending and better target relief to people facing a high energy burden, Senator Bennett and I propose an alternative way to distribute funds. We reviewed data available from the Office of the Public Advocate about energy use and costs for Mainers along with data from Maine Revenue Services about 2021 individual income levels. In short – our proposal:

1. Provides checks on a sliding scale to individuals making up to 300% of federal poverty level,
2. Increases emergency heating funds proposed in LD 3, what we consider to be a safety valve, from \$10 million to \$15 million, with the maximum amount available per household increased from \$800 to \$1200, and
3. Promotes longer term solutions and education.

Our proposal does not:

1. Spend the approximately \$160 million in Federal Medical Assistance Percentage (FMAP) funds as LD 3 proposes, leaving that money for further assessment by the Legislature,

2. Change the funding for LIHEAP (\$40MM) and emergency housing relief (\$21MM) that LD 3 proposes, or
3. Change the proposal to complete the 130<sup>th</sup> Legislature's \$850 relief check program.

I have submitted the details of our proposal for you to review via the online portal, but will take a few minutes to describe our methodology. The primary source of data was the Office of the Public Advocate's recent report produced by the Electricity Ratepayer Advisory Council, which discussed both energy burden and energy poverty. Energy burden compares a household's total energy expenditures to income, and energy poverty generally starts with a minimum energy burden in the range of 6 to 10 percent of household income.

Based on available data about energy poverty and its relation to income levels in Maine, we propose that the relief check portion of this bill be scaled to provide targeted assistance to the following tiers:

- \$800 per person for Tier 1 (up to 100% of FPL)
- \$400 per person for Tier 2 (up to 200% of FPL)
- \$275 per person for Tier 3 (up to 300% of FPL)

These tiers approximate those who are most likely to be experiencing energy poverty, with those in greater need receiving more. Based on data we received from Maine Revenue Services, the total cost would be about \$210.6 million compared to the \$398 million proposed in LD 3. This proposal would send checks to 41% of eligible Maine tax filers, as compared to the 92% that LD 3 proposes. We think that this is a more appropriately targeted proposal to provide relief for those most likely to need it.

We know that this proposal is not perfect. Ideally, we would be able to provide relief checks based on household income, rather than individual income. We would be able to provide more per person to folks who live alone than those who have multiple incomes paying the cost of heating a house. I would be grateful if Maine Revenue Services could inform this committee of other ways that checks could be distributed that more accurately reflect how households in Maine experience the challenges of winter.

It seems clear that income levels can be reset without significantly impacting the check mailing timeline because they have already been adjusted in previous negotiations without concern for implementation time. They were not originally envisioned to follow the same income levels as the previous \$850 relief check program. Additionally, the most urgent needs this bill addresses are through the housing relief program, LIHEAP, and the \$10 million safety valve funding, and that money would all be available immediately. The saying "haste makes waste" comes to mind as we consider the direct relief checks as proposed.

Additionally, we believe that we can utilize the mass mailing of checks to the benefit of our constituents by providing information and resources in that mailing, specifically brochures from 211 Maine and Efficiency Maine. Both of these organizations are able to help folks access short- and long-term programs to meet their energy and housing needs.

Finally, the last part of our proposal is based on feedback from the public we've received that can be summarized by the saying, "Give a person a fish, and they'll eat for a day. Teach a person to fish, and they'll eat for a lifetime." We would like to see a \$100 education incentive from Efficiency Maine which would include an online video and quiz (translated) to inform people of Efficiency Maine's resources and programs. Residents would receive a \$100 check per household after completing the quiz and could request a print version of the very helpful [Energy Efficiency Tips booklet](#). We envision the timeline for offering this education benefit would be more flexible than the other programs in this bill, and it would have long-term benefit to Mainers.

I thank you for your time and consideration of my testimony and that of everyone else. I would be happy to answer any questions.