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Testimony on Behalf of Maine Equal Justice 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

Good morning President Jackson, Speaker Talbot Ross, and members of the Committee on Appropriations and Financial Affairs. My name is Ann Danforth. I'm a Policy Advocate at Maine Equal Justice, a nonprofit legal aid provider working to increase economic security, opportunity, and equity for people in Maine.

Thank you for the opportunity to testify today 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.

My testimony will focus on our support for the \$450 Winter Energy Relief Payments; the \$40 million in funding for additional heating assistance through the Low Income Home Energy Assistance Program (LIHEAP) and the \$10 million in funding for emergency energy assistance in an amount up to \$800 per household for families who are not or are no longer eligible for assistance through LIHEAP or Energy Crisis Intervention Program (ECIP).

Families in Maine are struggling

Maine Equal Justice has seen first-hand that families across the state, and in particular, families with low income, are suffering from the economic impacts of the pandemic and the war in Ukraine. According to the most recent Census data, more than 1 in 10 (11.5%) Mainers were in poverty in 2021¹ – that is, a family of four living below \$27,479 annually². That's a little over \$500 a week.

Overall inflation coupled with high energy costs are stretching these family budgets even more. According to a recent federal report, inflation reached the highest it has been in 40 years, with the prices of food and everyday basic necessities going up,³ and the price of heating oil recently reaching a

¹ <https://data.census.gov/table?q=poverty+maine&tid=ACST1Y2021.S1701>

² <https://www.census.gov/content/dam/Census/library/publications/2022/demo/p60-277.pdf>

³ <https://www.newscentermaine.com/article/money/business/maine-daily-cost-of-inflation-gas-stations-coffee-shops-grocery-stores-greenhouses-during-covid19-pandemic-ukraine-war/97-d2e93f51-49b7-4d50-b4e2-8c2bf0b2677b>

record high.⁴ With temperatures dropping and winter here, Maine Equal Justice is receiving more and more calls each week from families in need of heating assistance who fear that the help that is currently available won't be enough to keep them warm throughout the winter given the extreme heating costs they are facing.

State and federal relief measures can help

Relief provided by the federal and state governments over the past years – in the form of stimulus payments, Child Tax Credit payments, the state \$850 relief payment, and more – have shown us the positive impact that we can anticipate from the \$450 relief payment provided for in LD 3. As Maine Equal Justice has worked with partners to ensure families across the state receive their \$850 direct relief payments, we have heard stories about how these direct payments have helped struggling families stay on their feet.

One Blue Hill mother shared that payments “have helped put food in my kids’ bellies on a schedule that I can actually count on.” Another parent from Thomaston shared “This makes my life a little easier because I am a single mother. This money alleviates stress around paying for my car to get back and forth for work in order to put food in my son’s mouth.”

The positive impacts of direct income support are supported by the data, which show their huge poverty reduction effects.⁵ Unfortunately, most of these relief programs have expired, despite ongoing need, and, as a result, the poverty reduction effects are beginning to be reversed.

The proposed additional heating assistance in LD 3 in the form of supplemental LIHEAP funds, emergency energy assistance, and \$450 energy relief payments will help families get through this winter in this unpredictable economy.

LD 3 could be further strengthened by minor technical changes to increase access to relief programs

While we strongly support LD 3, there are two very minor technical changes we would like you to consider because we think it would strengthen the bill and ensure it has the intended impact:

- **Add language to ensure those with the lowest income receiving assistance through the General Assistance program are not inadvertently harmed, as was done with the \$850 relief payments.** When the \$850 relief payments were established in 2021, language was included to ensure that relief payments were not counted as income or a resource in the General Assistance Program. We encourage you to include this same language this time around. Without the addition of this language, families who need the \$450 the most will not see the net gain that this legislation intends.

Sec. L-6. Application to municipal general assistance program.

⁴ <https://www.mainepublic.org/business-and-economy/2022-11-29/maine-heating-oil-prices-dip-from-record-highs>

⁵ <https://maineequaljustice.org/about-us/blog/statement-on-the-release-of-census-income-poverty-and-health-insurance-data-for-2021/>

For purposes of the municipal general assistance program established pursuant to the Maine Revised Statutes, Title 22, chapter 1161, relief payments are not income as defined in Title 22, section 4301, subsection 7, may not be considered to reduce need, as defined in Title 22, section 4301, subsection 10, and may not be considered a potential resource as defined in Title 22, section 4317.

- **Extend the filing deadline for people to receive the \$450 payments.** The way the bill is currently written, people must have filed a state tax return by October 31, 2022 in order to receive the \$450 payment. We encourage you to consider extending the October 31st date to ensure that people have notice and a prospective opportunity to file for this new winter energy relief payment. We recommend extending this date to the income tax filing deadline for 2022 tax returns which we believe to be April 18, 2023. This would give people a chance to take action to access this benefit once it becomes available, whereas if the date stayed at October 31st, there would be nothing they could do to gain eligibility if they had not already filed in the past. We heard from Mainers who missed the October 31 deadline for the \$850 and they will be excluded from the \$450 if the deadline is not extended. Moreover, it would give more recent Maine residents the opportunity to get this benefit if they were full year residents in 2022, as the way the bill is currently written, only people who were full year residents in 2021 are eligible for the \$450.

Conclusion

We appreciate the opportunity to submit testimony in strong support of LD 3, and the opportunity to offer these proposed minor technical amendments that would help ensure that every eligible Maine person benefits from this important relief package. I am happy to answer any questions you may have.