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Maine Community Action Partnership Supports LD 2006 An Act To Improve the Low-income Home Energy Assistance Program

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Senator Daughtry, Representative Sylvester, Members of the Committee On Labor and Housing, I am Megan Hannan, Executive Director of Maine Community Action Partnership and we support LD 2006 An Act To Improve the Low-income Home Energy Assistance Program.

Maine Community Action Agencies are the local program operators and administrators for the Low Income Home Energy Assistance Program, or HEAP. It is one of our oldest and largest programs and Community Action Agencies (CAAs) administer it across the country. In Maine, nine of our ten agencies have significant staff and infrastructure to serve just under 50,000 households a year, including seniors on fixed incomes and families with young children. We also use this program to introduce and feed our customers into other programs and services they are likely eligible for and may want to use, ensuring we can wrap around the households' needs.

Specific to HEAP, households who are HEAP customers can also be eligible for weatherization upgrades; heating upgrades, including moving from oil to electric heat pumps; the Low Income Assistance Program (LIAP) administered by electric companies (the PUC is looking at changing these rules to open other doors to this program); and we braid the funding with the Emergency Rental Assistance program, our Community Service Block Grant programs, Head Start / Early Head Start programs; and others as appropriate and applicable to the household.

LD 2006 proposes several changes, or "fixes" to the current program, which are not new to those of us who have worked in it for many years. To address each in turn:

- Sec. 1: We agree that a HEAP benefit should not be considered income, and I am happy to assure the committee that Federal law already covers this, so Section 1 is not really necessary;
- Sec. 2: While I am sure MaineHousing might appreciate an additional \$2 million, the HEAP program is especially flush with funds this year.* If the aim here is to support staff to administer the program, it is true staffing has been an issue for the CAAs, as it has been for MaineHousing, the energy suppliers and most Maine businesses. In fact, in several cases, our CAAs have processed emergency oil and gas applications just to find out the oil supplier cannot get oil or gas to the household for anywhere from five days to two weeks. As you see, unfortunately, more funding is not the solution.

- Sec. 4: We very much appreciate the inclusion of a working group to investigate the current policies, procedures and processes that each layer of program administration and applications undertakes. MaineHousing, of course, is beholden to the Federal Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Division of Energy Assistance. I included the entire name so you would easily see that this is not a streamlined program to begin with. That said, there are areas that can be streamlined, and over the years we have discussed them in monthly meetings and in annual “Interested Parties” meetings, which include most if not all of the parties named in Section 4. The 2022 meeting was just held February 17, I have attached an agenda for your information.

The Committee might also be interested to know that in 2019, MaineHousing hired ReEngine Consulting to perform a LEAN analysis of the HEAP process, then engaged MaineHousing and CAA staff in a weeklong Kaizen process to identify sticking points and solutions to move the process and program forward. The reason for the review is, in part, stated in the report’s executive summary:

... the documentation requirements for the HEAP application process have been increasing, necessitating higher levels of evidence to prove eligibility. During that same time, the total number of applications has been following a general downward trend, as stated in the RFP. Additionally, the number of applicants that did not complete the application process has increased. In recent years, MaineHousing has obtained authorization from the Federal Department of Health and Human Services to move some of MaineHousing’s funding to the Weatherization Assistance Program to avoid it lapsing.

In recognizing the challenges it faces in fully utilizing funds while dependably assessing which households are and are not eligible for the HEAP program, MaineHousing engaged ReEngine to ensure that its HEAP application process properly aligns with the vision that MaineHousing leadership has for the program; and to ensure that its Community Action Program (CAP) partners throughout the State of Maine are empowered to succeed through an efficient and accurate application process.

I want to be clear that I am sharing this information with you not to lay blame on any of the interested parties; this is simply to let you know that this is a complex program, and in ensuring that it is administered correctly and with full integrity, it takes time. We have, together, worked on ways to faithfully administer the program more easily and have always had our customers – the people who need and use HEAP and the other services that are gained through it – at the center.

I am sure if we were able, we would prefer to ask for the least possible number of proofs of need, something we know is often difficult to find, keep, track and have available for person after person, program after program that asks for it. We ask low-income people to prove themselves time and time again, to tell too many people again and again – and we should not do that, we don’t need to do that.

As recommended by the bill, MaineHousing and DHHS can and should share information about eligible households’ income, so those people only need to prove themselves once; we know other states do this, and I know that these conversations are happening here in Maine. There are certainly other better practices we can learn, as well, whether through this new working group or those that already exist. I speak to my colleagues across the country formally at least monthly and I always learn from their wealth of collective knowledge; I have no doubt MaineHousing has similar connections.

Thank you again for the opportunity to discuss the complexities of administering HEAP, and how we have worked with our partners to simplify the process, especially for our customers, over the years. I am happy to answer any questions you have.

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* The supplemental ARPA funds (\$55 million) enabled MaineHousing to allocate \$20.9 million of additional HEAP funds in September of 2021. This allocation went directly to the previous year’s customers’ provider ahead of the 2021-2022 heating season, allowing all those who were eligible for HEAP in 2020-2021 to receive a duplicate payment to the vendor equal to their 2021 benefit. The state’s regular HEAP allotment, about \$40 million, means we have \$95 million in HEAP funds, a large portion of which needs to be spent by September 2023.