

130th Maine Legislature
Joint Standing Committee on Labor and Housing

Testimony of Erik C. Jorgensen, MaineHousing, in favor of

LD 2006, An Act To Improve the Low-income Home Energy Assistance Program

8 March 2022

Senator Daughtry, Representative Sylvester, esteemed members of the Joint Standing Committee on Labor and Housing, my name is Erik Jorgensen, Senior Director of Government Relations and Communications at the Maine State Housing Authority (MaineHousing).

MaineHousing has been helping Maine people own, rent, repair, and heat their homes since 1969. MaineHousing is an independent state authority created to address the problems of unsafe, unsuitable, overcrowded, and unaffordable housing. We are authorized to issue bonds to finance single family mortgages for first-time homebuyers and for affordable multi-family housing.

We are also authorized to administer a number of state and federal programs including rental subsidies, weatherization, fuel assistance, two housing block grants, the low-income housing tax credit program, and homeless grant programs. We receive state general fund revenue for homeless programs and receive a dedicated portion of the real estate transfer tax for the Housing Opportunities for Maine (HOME) Fund.

I am testifying in support of LD 2006, a bill that proposes to provide funding to help with the administration of the HEAP program. HEAP is the Maine version of the federal LIHEAP program and each year it serves more than 30,000 households in Maine.

We agree with representative LaRoche that this program currently has (and has historically had) some challenges around wait times. The program in Maine is delivered through the state's community action agencies. Our CAA partners have worked very hard on this and other programs, but they have been extremely stressed

with staffing levels and COVID absences. Some similar challenges have been faced by fuel vendors and service personnel. The system is stressed overall and that has certainly contributed the issues you've heard about. Just the same- the program has been getting over \$700,000 per week in benefits out to Maine Households.

The program is based in federal rules that specify that the greatest benefit must go to the households with the lowest income AND the highest energy burden. National data suggest that the average limited-income family's energy burden is as much as three times that of other families. Determining this burden is a complex federal-guidelined process that is more involved than the eligibility calculations used by most other government benefit programs – it's not just based on income, but includes considerations around house size, heating equipment, and other factors. Once your eligibility is determined, your benefit is calculated and payment is sent to your heating dealer, where it is placed on account, to be used to offset the cost of your next delivery of oil, gas, wood. Unlike most states, where most people get their heat from one or two large utilities, in Maine we deal with literally hundreds of fuel vendors each year, which adds further complexity. So it's not a cash benefit, but a credit you have on your account, and hopefully you will have it in place at the start of the heating season. HEAP is not designed to be a program that you call to enroll in when you have an eighth of a tank of oil – we have an emergency fuel assistance program for that – that will get you that oil quickly.

That said, we are very concerned about wait times for initial appointments. People need to enroll in the program annually. In some parts of the state those waits are almost nonexistent; in other areas you can end up in a queue that can take weeks to get through. In a reaction to that, we have recently made two mid-year course corrections this winter to ease the application bottlenecks – we've expedited the renewal process for people on fixed incomes; and we've also reformed the application process for another category of recipients, those who live in subsidized housing. Those are important reforms, and we look forward to assessing their effectiveness.

As I noted last week in my testimony around LD 1966 we are working to extend those for next year, and also add two more significant program reforms for the coming year, around categorical eligibility and an online application. We expect both of those to smooth out the application process. We also continue to be in conversation with DHHS around data sharing, but that is more or less on hold while they re-do their "My Maine Connection" computer system. While some of these changes can be done under our existing budget, others will come at a cost so this funding could make a real difference.

We would be happy to discuss those strategies and other possible approaches with the working group that this bill proposes to establish. We already have an advisory group of CAP representatives that meets regularly around our HEAP program; if this bill were to pass we would likely use that group as a core and add some new members.