



National
Consumer Law
Center

NATIONAL HEADQUARTERS
7 Winthrop Square, Boston, MA 02110
(617) 542-8010

WASHINGTON OFFICE
Spanogle Institute for Consumer Advocacy
1001 Connecticut Avenue, NW, Suite 510
Washington, DC 20036
(202) 452-6252

NCLC.ORG

Maryland Senate Finance Committee
Hearing on **SB 905 – Human Services – Silver Energy Savers Program and Energy Assistance Fund**

Written Testimony of Olivia Wein, National Consumer Law Center
February 28, 2022

Position -- SUPPORT

Dear Chairwoman Kelley, Vice Chairman Feldman and Members of the Finance Committee:

Thank you for holding this hearing on **SB 905 – Human Services – Silver Energy Savers Program and Energy Assistance Fund**. My name is Olivia Wein, and I am a longtime resident of Montgomery County, Maryland and an attorney at the National Consumer Law Center, where I focus on energy and utility matters that affect consumers. The National Consumer Law Center (NCLC) is a nonprofit organization that, since 1969, has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people. We submit this testimony on behalf of our low-income clients.

NCLC is a member of the Maryland Energy Advocates and has been actively involved in programs and policies that increase energy affordability for low-income Marylanders, particularly fixed-income older adults, individuals with disabilities, and households with young children. In Maryland and across the country, NCLC has advocated for greater access to home energy benefits. I am writing in support of this bill, because **SB 905 would establish a Silver Energy Savers Program to address the “front door” barrier for Maryland seniors which**

prevents eligible older adults from successfully applying for life-saving federal energy assistance benefits.

SB 905 would establish one-on-one support for low-income seniors aged 60-years of age and older to help them successfully apply for energy assistance. SB 905 would require the Office of Home Energy Programs (OHEP), which administers the Maryland Energy Assistance Program (MEAP, also known as the federal Low Income Home Energy Assistance Program (LIHEAP)), to establish four centers located in Central Maryland, the Eastern Shore, Southern Maryland and Western Maryland to administer the Silver Energy Savers Program. These Centers will provide dedicated phone support to older Marylanders to answer questions about the MEAP application and the numerous forms of documentation. The Silver Energy Savers Program will also transport applications from older applicants to energy assistance intake offices, which is critical for homebound older adults.

These improvements are is greatly needed and will help ensure that eligible seniors can access the life-saving federal energy assistance that will keep their homes at safe temperatures during frigid winters and sweltering summers. SB 905 is timely as federal appropriations for energy assistance are at an all-time high and home energy costs are rising. The projected increase in the total home energy bill for Marylanders from FY 2020 to FY 2022 is 15.6%, adding to the financial burdens on low-income seniors.¹

Of the Maryland households that are eligible for energy assistance grants, about 40 percent are 60 years of age and older.² However, applications for MEAP are complicated and

¹ National Energy & Utility Affordability Coalition, Maryland: Projected Impact of Increased Energy Costs During FY 2022 (current as of Jan.28, 2022) and National Energy & Utility Affordability Coalition, FY23 Maryland by the Numbers,. See attached.

²See U.S. Health and Human Services, LIHEAP Performance Management Tool for Maryland, FY 2021 data for State Income Eligible Households – Members 60 or Over and State Income-Eligible Households-Total, available at https://liheappm.acf.hhs.gov/datawarehouse/custom_reports; see also National Energy & Utility Affordability Coalition, FY23 Maryland by the Numbers, attached.

require numerous documents such as social security cards, income documents and utility bills. Data from the FY2021 Maryland MEAP program shows that there were 148,606 applications for MEAP, but only 85,454 were approved (less than 60%).

Fixed-income, older Marylanders, particularly homebound seniors, face challenges gathering documentation and arranging transportation to local energy assistance offices. Seniors without broadband, computers, or the technical capability and digital proficiency to upload documents, are literally left in the cold because the process for applying for MEAP is so arduous. The Silver Energy Savers Program's dedicated phone line will provide rapid assistance to seniors with questions about the MEAP application and the program. The program will provide follow-up help to ensure applications are complete, providing direct support to seniors in several ways including helping seniors fill out their applications, assistance with gathering documentation, home visits if necessary, and other help. SB 905 establishes a modest, but non-lapsing fund (\$200,000 in FY 2024) for the Silver Energy Savers Program.

In conclusion, NCLC supports SB 905 to protect the health and safety of older Marylanders. SB 905 will help vulnerable seniors by lowering the barriers to life-saving federal energy assistance benefits for eligible households, providing dedicated assistance through the Silver Energy Savers Program. We urge a favorable report on SB 905.

Sincerely,

Olivia Wein, Staff Attorney,
National Consumer Law Center, on behalf of our low-income clients
owein@nclc.org
202-452-6252, x 103






NATIONAL ENERGY & UTILITY AFFORDABILITY COALITION

MAXIMIZE LIHEAP FUNDING IN 2023

Maryland by the Numbers¹

<p>Gross LIHEAP allocation to Maryland in 2021</p> <p>\$97,783,122</p> <p>for utility payment assistance and home weatherization programs²</p>	<p>Only</p> <p>14.05%</p> <p>of the eligible population in Maryland received LIHEAP in 2021</p>
<p>614,032</p> <p># of households eligible for LIHEAP in Maryland³</p>	<p>86,276</p> <p># of low-income households that received LIHEAP in Maryland in 2021</p>

69.85% of LIHEAP recipients in Maryland have at least one vulnerable member:

-  elderly over 60 39.10%
-  disabled 34.11%
-  child under 6 17.29%

Federal home heating/cooling assistance saves Maryland lives.

NEUAC urges Congress to maximize LIHEAP funding for FY23.

www.neuac.org

Why Maximize LIHEAP Funding?

The Low Income Home Energy Assistance Program (LIHEAP) is a critical, life-saving program that targets and serves the most vulnerable households, including older Americans, individuals with disabilities, and families with young children. Many rely on fixed monthly incomes, meaning that their pay does not increase when the cost of heating and cooling their homes increases. LIHEAP recipients make heartbreaking choices every day between food, medicine, or utilities.

LIHEAP is not an entitlement.

Unlike entitlement programs, LIHEAP is funded by the annual congressional appropriations process. While states set eligibility rates, federal statute limits household income to a maximum of 150 percent of the federal poverty guideline, or 60 percent of the state median income. For example, 150 percent of the FY22 poverty guideline for a family of three is \$32,940.⁴ Most LIHEAP recipients earn much less than the maximum thresholds: data show that 82 percent of households served by LIHEAP had an annual household income below \$20,000.⁵

The need for LIHEAP remains high.

In 2020, the national poverty rate was 11.4 percent – the first increase in poverty after five years of decline; 37.2 million people lived in poverty.⁶ The Consumer Financial Protection Bureau found that 38 percent of adults had high likelihood of inability to afford food, healthcare, housing, or utilities.⁷

An unprecedented 14 percent of all adults suffered a layoff in 2020.⁷ More than one quarter of utility customers surveyed who lost jobs reported skipping or needing to skip a utility bill payment.⁸

22% of utility customers reported that they had reduced or put off expenses for basic needs like medicine and food in order to pay their utility bills.⁹

LIHEAP prioritizes vulnerable households, many of whom are also high risk for COVID-19.

More than 90 percent of LIHEAP recipient households have at least one vulnerable person – an adult aged 60 or older, a child aged 18 or under, or an individual with a disability.⁵ The Census Bureau estimated that energy assistance lifted 27,000 children out of poverty in 2020.¹⁰

LIHEAP makes the difference.

The Federal Reserve found that 35 percent of Americans would struggle to pay a \$400 emergency expense.⁷ LIHEAP helps address short-term household energy emergencies and stabilizes families.

Maximize LIHEAP Funding in FY23.

Sources

1. FY2021 Data, HHS; Eligible households, households served and vulnerable statistics supplied from state reports and are preliminary for FY2021, pending final data validation.
2. Gross LIHEAP allocation reflects FY2021 appropriations for regular LIHEAP Block Grants and Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136) appropriations released in FY2020.
3. Eligible households calculated using the federal standard for all states.
4. <https://www.acf.hhs.gov/ocs/policy-guidance/liheap-im-2021-02-federal-poverty-guidelines-optional-use-federal-fiscal-year>
5. <https://neuac.org/wp-content/uploads/2019/01/liheapsurvey2018.pdf>
6. <https://www.census.gov/library/publications/2021/demo/p60-273.html>
7. <https://www.federalreserve.gov/publications/files/2020-report-economic-well-being-us-households-202105.pdf>
8. http://mydocs.epri.com/Docs/public/covid19/COVID-19_survey_report.pdf
9. <https://theconversation.com/energy-is-a-basic-need-and-many-americans-are-struggling-to-afford-it-in-the-covid-19-recession-140416>
10. <https://www.census.gov/content/dam/Census/library/publications/2021/demo/p60-275.pdf>

MARYLAND

Projected Impact of Increased Energy Costs During FY 2022

LIHEAP Households by Main Heating Fuel Type

BACKGROUND

EIA has forecasted higher residential energy expenditures this winter due to higher energy prices and increased heating consumption from an anticipated colder winter.

To understand how the increase in energy expenditures will impact LIHEAP recipients, the most recent Performance Measures data for FY 2020 was used to estimate changes in energy bills and burdens for FY 2022 based on the EIA regional fuel forecasts.

Highlights for Maryland

Average Total Annual Energy Bill of LIHEAP Households Projected in FY 2022:
\$1,931

Estimated Average LIHEAP Benefit Amount Needed in FY 2022 to Achieve FY 2020 Post-LIHEAP Energy Burden Level:
\$859 per household

Main Heating Type with the Highest Projected Energy Bills in FY 2022:
Propane Main Heat

FY 2020 (Reported)

	All	Electricity	Natural Gas	Propane	Fuel Oil
LIHEAP Households	86,929	40,986	35,125	3,296	7,522
Average Main Heating Bill	\$1,210	N/A	\$669	\$1,952	\$1,617
Average Total Energy Bill	\$1,671	\$1,541	\$1,489	\$3,044	\$2,334
Energy Burden Before LIHEAP	10.4%	9.7%	9.2%	17.9%	13.8%
Average LIHEAP Benefit Amount	\$599	\$381	\$560	\$1,443	\$1,241
Energy Burden after LIHEAP	6.7%	7.3%	5.7%	9.4%	6.4%

FY 2022 (Projected)

	All	Electricity	Natural Gas	Propane	Fuel Oil
Average Main Heating Bill	\$1,428	N/A	\$890	\$2,558	\$1,985
Average Total Energy Bill	\$1,931	\$1,699	\$1,789	\$3,755	\$2,771
Energy Burden before LIHEAP	12.0%	10.7%	11.1%	22.1%	16.3%

Percent Change in Average Total Energy Bill from FY 2020 to FY 2022:
15.6%

Average Total Energy Bill (All Households):
FY 2020: \$1,671 **FY 2022: \$1,931**
Reported *Projected*

Range of Benefits for Heating Assistance:
FY20: \$120-\$2,213 **FY22: \$500-\$2,213**
Reported *Planned*

Total Expenditures for All LIHEAP Households:
FY 2020: \$145M **FY 2022: \$168M**
Reported *Projected*

Notes: FY 2020 values are those reported in the FY 2020 Performance Data Form – Module 2. FY 2022 projections are based on adjusting FY 2020 annual values using the 2021 EIA fuel expenditure changes and Winter 2021/2022 expenditure forecasts for the region. Other fuels are excluded. Current as of Jan. 28, 2022