



Senate Fiscal Agency
P.O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 353 (as introduced 5-23-23)
Sponsor: Senator Veronica Klinefelt
Committee: Energy and Environment

Date Completed: 5-30-24

CONTENT

The bill would amend the Michigan Energy Assistance Act to do the following:

- **Expand eligibility for energy assistance by increasing the qualifying household income from 150% of the Federal poverty level (FPL) to 200% of the FPL.**
- **Delete a provision specifying that money from the Low-income Energy Assistance Fund may be used for the Michigan Energy Assistance Program's (MEAP) crisis season and prohibiting more than 30% of the Fund from being spent outside of the crisis season.**

Generally, the Act requires the Department of Health and Human Services (DHHS) to provide energy assistance through payment or partial payment of bills for electricity, natural gas, propane, heating, oil, or other heating fuels for eligible low-income households through MEAP. "Eligible low-income household" means a household with a household income of no more than 150% of the FPL. Under the bill, the term would mean a household with a household income of no more than 200% of the FPL.

The Act allows the DHHS to use funds from Federal energy assistance programs and any funds collected or appropriated to fund MEAP. The DHHS can only use money from the Low-Income Energy Assistance Fund for energy assistance.

The Act allows the DHHS to use money in the Fund for the MEAP's crisis season, which begins on November 1 and ends on May 31 of each year. The Act specifies that up to 30% of the funds received for MEAP may be spent outside of the crisis season. The bill would delete these provisions.

Additionally, "crisis" means one of the following:

- An individual or recipient has received a past due notice on an energy bill for his or her household.
- A residential fuel tank is estimated to contain no more than 25% of its heating fuel capacity.
- A stated need for deliverable fuel or a nontraditional fuel source in which there is no meter or regular energy bill provided.
- A notice that the balance in a prepayment account is below a minimum account.

The bill would delete this term.

MCL 400.1232

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government compared with current law, as the bill would not change the low-income energy assistance funding factor or allow the low-income energy assistance funding factor to collect more than \$50.0 million. Though the bill has no overall fiscal impact to MEAP because the amount collected is fixed annually, some of the changes in the bill could change the distribution of the funding. As the bill would raise the eligible FPL from 150% to 200%, there would be potential for additional households to be eligible for assistance but not able to access assistance if funding were exhausted. Currently, because MEAP grantees stop accepting applications once funding is exhausted, it is not known the exact number of households currently eligible, at 150% FPL, who are unable to access assistance. The Michigan Public Service Commission has estimated that the current unmet need is approximately 8,900 households representing approximately \$8.0 million. As the bill would remove the definition of crisis and reference to crisis season, it is possible that the \$50.0 million could be fully spent earlier in the fiscal year than in previous fiscal years given the current law requirement for 70% of the expenditures to occur between November 1 and May 31 of each fiscal year.

Fiscal Analyst: John P. Maxwell

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