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## FIA ACTION TRANSMITTAL

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES  
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT  
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF**

*A. Cook for K. Mahon*  
**FROM: KEVIN MAHON, EXECUTIVE DIRECTOR, FIA**

**RE: MARYLAND ENERGY ASSISTANCE PROGRAM (MEAP) FY'97  
OPERATIONS**

**PROGRAMS AFFECTED: ALL FAMILY INVESTMENT PROGRAMS**

**ORIGINATING OFFICE: OPA/ DIVISION OF PROGRAM POLICY AND  
REGULATION**

### **BACKGROUND:**

The Maryland Energy Assistance Program (MEAP) will begin taking applications on November 4, 1996 for the 1996-1997 heating season. This transmittal will address the major MEAP-related issues that will affect local departments of social services this year. Please take special note of Part E: "EAFC Interface with MEAP and USPP", Part F: MEAP Outreach through Cooperation Efforts of FIA and LDSSs, and the "Action Required" section at the end of this transmittal.

### **A. Highlights of Major MEAP Policies and Procedures**

1. **Verification of Information.** For previously eligible households, where the information has already been verified the previous year, verification of the following information is no longer necessary:
  - o proof of identity and residence
  - o proof of citizenship or registered resident (alien) status
  - o Social Security numbers for household members over two years of age

2. **Verification of Social Security Income.** For previously eligible households (those whose Social Security income was verified last year), it will not be necessary to verify the Social Security income, provided the new amount matches the old amount multiplied by 1.026%. However, if the customer applied after January 1, for the previous year's MEAP Program and is applying for the current MEAP Program before December 31, this calculation is not necessary. The client can request verification from the Social Security Administration by calling 1-800-772-1213.
  
3. **Verification of Income/Cash Benefits.** The Local Administering Agencies (LAAs) will contact the Local Departments of Social Services to establish a procedure to verify the income and benefits of MEAP applicants. The LAAs may need additional verification of income from local departments when the cash assistance household has other sources of income, such as earnings, child support, etc. Special arrangements have been made by each LAA to receive LDSS computer information to assist in the verification of income of households with earnings or with zero income.
  
4. **Mail Applications.** The mail application consists of ten questions. The LAA's must send the mail application to households with members who are 60 years of age and over or disabled. The LAA's also have the option of selecting additional groups to receive the mail application. They are:
  - o Households which were eligible in the previous year.
  
  - o Households with incomes from Public Assistance programs such as Temporary Cash Assistance (TCA), and TEMHA (Transitional Emergency, Medical, and Housing Assistance Program) whether or not they participated in the previous year.

This year the LAAs will be given more flexibility in their scheduling of the distribution of the mailout applications. The earliest the form can be shipped to the LAAs is August 5th. However, the LAAs can mail out the applications as soon as the materials are received, but no later than September 23, 1996 to the elderly and disabled. There is no deadline for return of a mail application.

5. **Automated System.** All MEAP local administering agencies (LAA) including Baltimore City, operate a locally-based electronic data system that processes, tracks and controls each MEAP application from initial filing through benefit delivery.
  
6. **Payment/Fuel Oil Discount.** As in the past year, the MEAP fuel grants for households using oil, kerosene, propane, wood and coal minus the 3 percent discount are sent to the supplier in advance of delivery. The household will receive fuel equal to the full benefit but at a reduced price. The supplier will be required to return any remaining balance at the end of the heating season, unless the household paid an amount equal to or greater than the balance, in which case the household's account is credited with the amount of the remaining balance.

**B. New Policies**

**Maryland Partners in Energy (PIE)**

In an effort to reach MEAP eligible households that did not receive MEAP assistance during the 1995-96 heating season but were experiencing difficulty paying their heating bills, a partnership between local fuel funds and local MEAP offices was formed. Applications were accepted beginning April 1, 1996 at the local fuel fund offices through mid July. A flat \$100 grant was given to eligible MEAP households that did not receive a grant during the regular intake season. A total of 2,340 Partners In Energy (PIE) applications were taken and approved. Payments were made by the State MEAP Office. It is proposed to continue the PIE project in FY '97 with an effective date of April 1, to May 30, 1997.

**C. Important MEAP Policies Continued from Prior Years**

1. **Refund of Unused MEAP Grant.** Any portion of a MEAP grant that is not used by May 15, 1997, must be returned to the state for future use, except the balance may be applied as a credit when an amount equal to or greater than the balance was paid on the account by the household.
2. **Variable Grant For Very Low Income Households.** MEAP households whose income fall below 50% of the federal poverty guideline (this normally includes TCA recipients) may receive an increased variable grant based on actual annual consumption. For many households in this group (known as Level I) this sliding scale would result in a higher MEAP grant.
3. **Start-Up Dates.** The start-up date for applicants that did not receive a mail application is November 4, 1996. Although actual grant funds are not expected to arrive before December 15, **all persons who are interested in MEAP are urged to apply as early as possible so they can complete the delivery of their benefit when funds become available.** MEAP applicants will sign a statement indicating that they are aware that their grant cannot be delivered until federal funds arrive.
4. **Energy Crisis Assistance.** The Energy Crisis Assistance (CA) component of MEAP will be continued this year. Starting November 18, 1996, households that are experiencing a heat-related emergency (either utility shut-off, threat of shut-off, lack of heating fuel, broken furnace or fuel burner) at the time of MEAP application or before MEAP certification may qualify for Energy Crisis Assistance. Under Energy Crisis Assistance up to \$180 (or no more than the amount of the grant if less than \$180) may be advanced from the MEAP grant to be used

immediately (within 18 or 48 hours) to resolve the crisis. Energy Crisis Assistance does not require a separate application. Rather, the regular MEAP application is taken and handled in an expedited manner. Often Energy Crisis Assistance consists of a guarantee of payment rather than an actual check. If, after the MEAP application is processed, the applicant is eligible for MEAP, a single MEAP check is issued that includes the CA that was advanced. This check equals the full MEAP grant for which the applicant qualifies. The 3 percent discount applies only to the balance of the grant, not the CA portion. In cases where a check is issued for the CA, the second check will equal the difference between the MEAP grant and the CA check. In either case, the total amount issued for a MEAP-eligible household is the same whether the CA is received or not. (If after the MEAP application is processed it is determined that the applicant is not eligible for MEAP, the CA is still issued but would be considered an overpayment and collection efforts would be initiated.)

The Energy Crisis Assistance grant may take the form of a payment or guarantee to a vendor for fuel or utility service, repair of a furnace or fuel burner, or temporary shelter.

5. **Social Security Numbers Required. All members of the MEAP household 2 years of age or older must have a Social Security Number to complete the MEAP application.** Those who do not have a social security number but have applied for one must provide proof that an application was made (Social Security will provide this). The LAA may assign a temporary number until the new number is received. No application need be denied because a social security number is not available if the above action was taken.
6. **Utility Service Protection Program (USPP).** The MEAP benefit may be applied to the household's utility arrearage for first time participants only. **Exception -** In the Delmarva Power and Baltimore Gas and Electric Company service territories, the MEAP grant can be used to reduce arrearages for repeat USPP customers. The Public Service Commission at BG&E's and Delmarva's request, granted a waiver for the 1996-97 heating season.
7. **Residents of Public or Subsidized Housing (Section 8)**  
Energy assistance is available to residents of subsidized housing who are responsible for paying their own heating costs and who meet all other eligibility criteria for the program. Residents of subsidized housing who are directly responsible for paying their own heating costs are only eligible for the minimum benefit for their fuel type.

8. **Medicare Deduction Not Counted as Income**

**In the past the Medicare deduction was added to the Social Security check and in some cases made the applicant ineligible for a MEAP grant. The Medicare deduction will not be counted as income.**

D. **Utility Service Protection Program (USPP)**

Beginning November 1, 1996, the Utility Service Protection Program (USPP) will be in effect. USPP is mandated by the Public Service Commission (PSC) for every gas and/or electric utility company that serves a Maryland resident. Since there is no moratorium in effect to prevent utility service cut-offs, USPP participation is the only way that low-income households can assure continuous utility service during the winter. USPP also provides access to budget billing service (even monthly payments) and long term arrangements for arrearage repayment. The main features of the program are as follows:

1. USPP is a year-round voluntary program available to all MEAP recipients who use gas or electricity even if their primary heat source is some other non-regulated fuel. To join USPP a household must be eligible for MEAP and normally file for USPP at the time of application.
2. To calculate USPP payments, the utility company uses the dollar amount of the household's annual gas and/or electric usage from the year just ended. The current MEAP grant is subtracted from this yearly "annual base". The resulting figure, the "adjusted annual base", is divided by 12 and the result then becomes the USPP budget billing monthly payment which the household must pay during the next 12 months. (For example, a MEAP household which used \$900 for gas or electric heat last year and which qualifies for a \$300 MEAP grant this year would be required to pay \$50 per month under USPP:  $\$900 - \$300 = \$600$  divided by 12 = \$50.) The utility company notifies the customer, usually on monthly bills, about USPP payment amounts.
3. USPP households are protected from utility termination if they pay their monthly USPP amount. If the household uses more gas or electricity than expected during the year, the dollar amount of this excess consumption will be reflected in periodic adjustments to the USPP budget billing monthly payment.
4. USPP households which fail to pay the USPP monthly payment may be sent a warning notice and dropped from USPP. At that time their entire unpaid usage must be paid in accordance with whatever agreement they can arrange with their utility company. USPP households dropped from the program can re-enter USPP by paying certain amounts determined by PSC regulations.

5. Level I MEAP recipients (those households with incomes less than 50% of poverty) are entitled to a special winter protection clause that operates as follows: these households (which include many TCA recipients) are protected from utility service termination during the winter (November through March, inclusive) if they pay at least the equivalent of \$40 per month. This provision in no way lowers the amount that Level I households will eventually have to pay. It does, however, give them added protection from utility termination during the winter, but any amount they do not pay on their monthly USPP payments will be charged against them in seven (7) installments during the seven non-winter months (April through October inclusive). For example, consider a Level I household whose USPP monthly payment is \$60, and assume that from November to January the \$60 payments are made. In February and March, however, the household only pays \$25 each month. The total paid for the winter, \$230, is more than the equivalent of \$40 per month ( $\$40 \times 5 \text{ months} = \$200$ ) so the service will be maintained. However, this customer is \$100 behind on the monthly USPP payments since over the five winter months he should have paid \$300 (5 months x \$60 per month). This \$100 shortfall will be divided by 7 and assessed at \$14 per month from April to October. This \$14 "Special Agreement" will be required in addition to the regular \$60 USPP monthly payment.

6. To qualify for USPP, a customer's unpaid utility bill must be \$400 or less. The MEAP benefit may be applied to the prior utility bill for first time participants only. **BG&E and Delmarva Power obtained a waiver which allows their customers to use the MEAP benefit to reduce arrearages for repeat USPP participants.** Applicants should be referred to other available sources in other utility service areas when the MEAP benefit cannot be applied.

Arrearage amounts are required to be put into an arrearage repayment arrangement (Special Agreement or SA). The payback period for this arrearage can be no more than 48 months. The exact monthly amount of a special agreement varies by household income and size of the arrearage. Each utility company is required to formulate an acceptable method of computing this arrearage payment. With Baltimore Gas and Electric Company customers, for example, this payback amount is the greater of either 1/48th of the arrearage or \$10 (for Level I), \$15 (for Level II), or \$20 (for Level III). For example, if a Level I household began USPP with a \$370 arrearage, they would make a \$10 per month special agreement payment for 37 months.

7. It appears that the USPP, while it is a volunteer program, offers significant benefits, particularly in that it spreads out the current bill and old bills over relatively long periods of time. Any questions on the practical operation of USPP should be addressed to either the MEAP-LAA, the local utility company, or the Public Service Commission. The Department of Human Resources strongly endorses USPP and encourages clients to participate.

**E. E AFC Interface with MEAP and USPP**

1. According to the Code of Maryland Regulations (COMAR 07.03.08.05H(3)) when an energy-related emergency "occurs during a period when the Maryland Energy Assistance Program (MEAP) is operational, the applicant shall verify that application has been made to MEAP and that any available MEAP benefits have been used." This year, each Local Department will have the flexibility and option to assist or not assist families in need of help with their utilities. Local department policy regarding E AFC may vary from jurisdiction to jurisdiction, therefore, the local policy pertaining to E AFC should be verified.

2. The important dates to consider in this process are:

August & September	Mail applications sent to selected FY '96 MEAP households.
11/1/96	USPP takes effect
11/4/96	Applications are accepted for MEAP, WEATHERIZATION, and USPP
11/18/96	Energy Crisis Assistance begins
November/ December	Tentative Payment Start Time*
3/31/97	Last day for MEAP applications
4/1/97	Partners in Energy (PIE) applications taken at Local Fuel Funds.
5/15/97	Any unused MEAP benefits must be returned by the energy supplier, except as noted.

\* It should be noted that payments to fuel suppliers are contingent upon receipt of federal funding.

3. If the MEAP crisis assistance component has started, and a household is experiencing a heat-related emergency (that is, if they are threatened with gas and/or electric turn-off, the utility is actually turned off, or they have less than 3 or 4 days supply of heating fuel such as oil, coal, wood, kerosene, etc.), MEAP will take an application, perform a preliminary eligibility test, and contact the vendor. Many MEAP vendors will also deliver in such circumstances, even though MEAP funds may not have arrived yet or the crisis program has not started, because they are confident that the payment will be made (the MEAP denial rate is quite low, and they can be assured of up to \$180 from the Energy Crisis Assistance benefit or no more than the amount of the grant if less than \$180).

It may happen, however, that the vendor refuses to deliver, or the MEAP benefit or Crisis Assistance is too small to guarantee delivery of fuel or utility service. In such cases, **MEAP will refer the applicant to the LDSS** with the "Referral to EAFC" form DHR/MEAP 626.

When properly filled out, form 626 will be sufficient verification of the fact that all available MEAP funds were used. If the local department has reason to question the referral, the MEAP worker whose name and phone number appear on the form should be contacted. EAFC may then be authorized if all other technical, financial, and verification requirements are met. **NOTE: Remember, each local DSS will have the option of what types of situations will be served or not served and the amount of assistance given. The policies will vary from county to county.**

**(NOTE: If an applicant for EAFC fuel/utility assistance does not have the EAFC referral form, but does have, on his copy of the USPP application and/or MEAP document, clear indication of the need for additional help to meet the emergency, these documents can be accepted as verification that MEAP funds are not available. In this circumstance, the EAFC applicant should not be referred back to MEAP.)**

4. **While MEAP is in operation (i.e., 11/4/96 - 3/31/97) all EAFC fuel/utility grants are documented as follows:**
  - a. The MEAP "Referral to EAFC" FORM (or other documentation) is attached to the Emergency Assistance Application (Form DHR/IMA 531A).
  - b. **At the top of page 4 of the 531 in the section entitled "Verifications Attached",** the EAFC worker should note that the MEAP "Referral to EAFC" form is attached. If some other form of verification is used, such as a copy of the MEAP grant check or denial letter, this document is noted in the "Verifications Attached" section.

**F. MEAP Outreach Through Cooperative Efforts of FIA and LDSSs**

As in past years, MEAP will devote considerable resources at both the state and local level for publicity to reach all eligible households. Local departments of social services are encouraged to assist MEAP to the extent possible in outreach efforts. A few specifics are:

1. Envelope stuffers for TCA, TEMHA, and NPA-FS recipients will be mailed once



in October 1996. A supply of the stuffers will be sent shortly to the local Departments from the DHR Warehouse. These stuffers are for the waiting rooms.

2. More detailed information pamphlets on MEAP and on USPP are also available. A supply of these pamphlets will be sent to each LDSS under separate cover. **PLEASE PUT A SUPPLY OF THESE PAMPHLETS IN WAITING AREAS, ETC. AND GENERALLY MAKE THEM AVAILABLE TO CLIENTS.**
3. Copies of the booklet "If Bills Are Getting The Best of You, There May Be Help" will also be sent to local departments that are within the service territory of the Baltimore Gas and Electric Company no later than November 1, 1996. This booklet is a very valuable resource for low- income persons. The new version has been updated effective October 1996. **Please make these booklets available in waiting areas.**
4. **Posters advertising MEAP are available.** A supply of these posters in a variety of sizes will be sent under separate cover. **PLEASE WRITE THE NAME, ADDRESS, AND PHONE NUMBER of your LOCAL MEAP AGENCY ON THE MEAP POSTERS IN THE SPACE PROVIDED. PLEASE PUT UP AN APPROPRIATE NUMBER OF POSTERS IN WAITING AREAS AND OTHER LOCATIONS WHERE THEY WILL BE SEEN BY THE PUBLIC. PLEASE REMOVE ANY OUTDATED POSTERS AND ENSURE THAT ALL POSTERS ARE REMOVED ON APRIL 1, 1997 SO THAT MEAP IS NOT ADVERTISED DURING A PERIOD WHEN IT IS NOT IN OPERATION.**
5. **DURING EVERY APPLICATION AND RECONSIDERATION THAT IS COMPLETED FROM NOW UNTIL 3/31/97 FOR ANY FIA PROGRAM (INCLUDING TCA, FOOD STAMPS, NPA-MA, TEMHA, AND PAA), THE FIA WORKER SHOULD MENTION MEAP AND USPP AND ENCOURAGE THE APPLICANT OR RECIPIENT TO APPLY. APPLICANTS AND RECIPIENTS WHO ARE INTERESTED SHOULD BE REFERRED TO THE APPROPRIATE MEAP INTAKE OFFICE.**
6. If requested, the Local Departments of Social Services are required to assist the MEAP staff and MEAP applicants in verifying the MEAP applicant's cash assistance benefits as quickly as possible. **The requirement for coordination and cooperation between MEAP and LDSS's is not optional. It is essential for local department staff to cooperate with the LAA's in order to provide timely, high quality service to low income families.**
  - o When a household receiving cash assistance has an adjustment to its grant (i.e., receives less than the maximum allowable amount), the MEAP LAA must contact the LDSS to determine the gross amount of any income in addition to the cash assistance grant. Additional sources of income could be earnings, child support, lump sums, etc..

- o Households experiencing heating related emergencies may qualify for Energy Crisis Assistance benefits from MEAP, as well as Emergency Assistance to Families with Children (EAFC) payments. LAA's regularly make referrals to the LDSS' when the MEAP benefit has been exhausted and households need additional heating funds. Also LAA's receive from LDSS' referrals of potentially eligible households.
- o LAA's provide families with energy assistance counseling. If social services related issues are identified during this process, the LAA will refer the applicants to the LDSS for assistance with food stamps, cash assistance for adults and families with children, medical assistance or other services. This helps low income families to gain access to needed services for which they may be eligible. This action also reduces the probability that applicants will have to choose whether to use their scarce dollars for food or heating.

**Action Required:**

1. Make MEAP and USPP pamphlets and posters and copies of the BG&E booklet available as indicated in Section F2, F3, and F4.
2. Refer EAFC Fuel/Utility applicants to MEAP as indicated in Section E3.
3. When requested, assist MEAP staff in their eligibility determination and verification process.
4. During all application and reconsideration interviews between now and 3/31/97, alert and (where appropriate) refer applicants and recipients to MEAP. (See F5)

Direct questions concerning this transmittal to Kay Finegan (410) 767-7939, Annette Smith (410) 767-7475, Yvonne Wiley Batson (410) 767-7733, or Sue Woolford at (410) 767-7190.

**ACTION REQUIRED OF:** All Local Departments

**ACTION DUE:** November 4, 1996.

**DISTRIBUTION:** DHR Executive Staff      FIA Management Staff      Constituent Services

cc: Sandra Brown, Maryland Energy Assistance Program (MEAP)  
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