



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5512 (Substitute H-1 as passed by the House)
Sponsor: Representative Earl Poleski
House Committee: Appropriations
Senate Committee: Appropriations

Date Completed: 5-17-16

CONTENT

The bill would amend the Michigan Energy Assistance Act to delay the sunset date of the Act from September 30, 2016, to September 30, 2019.

MCL 400.1236

BACKGROUND

The Michigan Energy Assistance Act required the Department of Human Services (now the Department of Health and Human Services), by October 1, 2013, to establish and administer the Michigan Energy Assistance Program (MEAP) for eligible low-income households (as defined by Federal poverty guidelines published annually) through September 30, 2016. The MEAP, subject to appropriations, provides for energy assistance that will enable participants to become self-sufficient. The program allows for energy bill assistance, assisting participants with budgeting for energy expenses, and using energy services to optimize energy efficiency. Under the MEAP, the Department of Health and Human Services (DHHS) may contract with public or private agencies along with local government to administer the program. The program may use funds received from a Federal energy assistance program and any funds collected or appropriated to fund the program. Not more than 30% of the program funds may be spend outside of the energy crisis season, from November 1 to May 31, and the DHHS must provide an annual report to the Legislature as to how funds were distributed.

The MEAP was created by Public Act 615 of 2012, but a funding mechanism outside of the Federal energy assistance program was not established until the enactment of Public Act 95 of 2013, which established the Low-Income Energy Assistance Fund (LIEAF). Public Act 95 authorizes the Michigan Public Service Commission (MSPC) to approve an annual low-income energy assistance funding factor, also known as a surcharge, for all retail billing meters in the State, regardless of customer class. The funding factor may not exceed \$1 per month and the total amount collected may not exceed \$50.0 million per year. Under MSPC case number U-17377, the Commission collected \$0.99 monthly from September 1, 2013, to August 1, 2014, billing months. From September 1, 2014, to August 1, 2015, billing months, the funding factor was \$0.97 per month. From September 1, 2015, to August 1, 2016, billing months, the funding factor is \$0.98 per month.

FISCAL IMPACT

The bill would have no fiscal impact on State or local government compared with current law, as the bill would extend the MEAP until September 30, 2019. If the sunset on the statutory authority were not delayed as proposed under the bill, the DHHS would no longer have the authority to administer the MEAP by receiving funds collected under the LIEAF annually.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.