

SENATE BILL NO. 390

June 20, 2019, Introduced by Senator MACGREGOR and referred to the Committee on Appropriations.

A bill to provide regulatory certainty for low-income assistance programs; to ensure that funding is allocated to programs that are the most efficient in promoting self-sufficiency, preventing crisis, and creating an efficient enrollment process; and to prescribe the powers and duties of certain state departments and agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Associated agency partner" means an agency that receives
3 support under the Michigan energy assistance act to provide self-
4 sufficiency services under the Michigan energy assistance program.

5 (b) "Crisis" means that term as defined in section 2 of the
6 Michigan energy assistance act, MCL 400.1232.

7 (c) "Department" means the department of health and human
8 services.

9 (d) "Eligible low-income household" means that term as defined
10 in section 2 of the Michigan energy assistance act, MCL 400.1232.

11 (e) "Energy assistance" means that term as defined in section
12 2 of the Michigan energy assistance act, MCL 400.1232.

13 (f) "Federal poverty guidelines" means that term as defined in
14 section 2 of the Michigan energy assistance act, MCL 400.1232.

15 (g) "Funds" means that term as defined in section 2 of the
16 Michigan energy assistance act, MCL 400.1232.

17 (h) "Heating season" means that term as defined in section 9r
18 of 1939 PA 3, MCL 460.9r.

19 (i) "Long-term program" means a program that provides energy
20 assistance to eligible low-income households for 2 or more
21 consecutive months.

22 (j) "Michigan energy assistance act" means the Michigan energy
23 assistance act, 2012 PA 615, MCL 400.1231 to 400.1236.

24 (k) "Program" means that term as defined in section 2 of the
25 Michigan energy assistance act, MCL 400.1232.

26 (l) "Self-sufficiency" means paying energy bills on time,
27 budgeting for and the ability to provide for energy expenses, and
28 utilizing energy services to optimize on energy efficiency.

29 Sec. 2. (1) If income eligibility is determined by the

1 department, program funds shall continue to be prioritized toward
2 long-term programs that prevent crisis and yield the highest self-
3 sufficiency, as set forth in the Michigan energy assistance act.

4 (2) The public service commission shall ensure that any low-
5 income credit approved under section 6a or 6b of 1939 PA 3, MCL
6 460.6a or 460.6b, including the low-income assistance credit and
7 residential income assistance credit, is distributed and
8 prioritized first toward long-term programs that prevent crisis and
9 yield the highest self-sufficiency.

10 (3) A participating utility may not permit a customer who has
11 successfully completed the program to re-enroll the year
12 immediately following program completion unless either of the
13 following applies:

14 (a) The customer is a senior citizen.

15 (b) The customer is physically or developmentally disabled.

16 (4) This act does not prevent a customer from participating in
17 another program offered by a utility or a federal or state agency.

18 (5) As part of the reporting requirements in section 3 of the
19 Michigan energy assistance act, MCL 400.1233, within 90 days after
20 the effective date of this act, the department, in conjunction with
21 participating agency partners shall develop performance metrics to
22 evaluate whether customers are achieving self-sufficiency. The
23 department shall include in its annual report an assessment of the
24 barriers that exist for customers to achieve self-sufficiency, and
25 recommendations to overcome those barriers for the successful
26 implementation of this act.

27 (6) As part of the report required in section 3 of the
28 Michigan energy assistance act, MCL 400.1233, on a yearly basis,
29 the department shall report on the effectiveness of the

1 participating utilities' affordable payment plans. The report must
2 include the following, at minimum, for each utility:

3 (a) The number of defaults from the program.

4 (b) The number of program participants re-enrolling after
5 previous successful completion of the program.

6 (c) The change in disconnections, timely payments, and payment
7 success rates from the previous calendar year and 3-year rolling
8 average.

9 (d) An assessment of the status of each utility's program in
10 achieving the outcomes prioritized in this act.

11 (e) An assessment of the status of each utility's long-term
12 program in achieving the outcomes prioritized in this act including
13 the impact on customers receiving support through the program
14 compared to not having program support in preventing crisis,
15 yielding the highest self-sufficiency, and impacting residential
16 customers.

17 (f) The department's determination whether each utility
18 program is successful in appropriately achieving the priorities of
19 this act and the performance metrics developed in subsection (5).

20 (g) Steps, if any, that a utility must take to bring its
21 program into compliance with this act.

22 (7) The report required under subsection (6) may include
23 recommendations for legislative action to address any identified
24 barriers to the successful implementation of this act.

25 Sec. 3. (1) The department and associated agency partners
26 shall provide a process for a customer to enroll in a participating
27 utility's long-term program.

28 (2) A participating utility shall make available to a verified
29 customer as described in subsection (3) an automatic opt-in to the

1 utility's long-term program, within program limits. The
2 participating utility must notify an associated agency partner of
3 each new enrollment. The participating utility, in coordination
4 with a participating agency partner, must notify each verified
5 customer of the program benefits and requirements, including
6 further self-sufficiency support, as well as provide the verified
7 customer an opportunity to opt out of the program.

8 (3) A customer of a participating utility is a verified
9 customer if either of the following occurs:

10 (a) The customer has received assistance from the department
11 funded through a federal low-income home energy assistance program
12 block grant for crisis and heating assistance in the current
13 program year.

14 (b) The department has determined the customer's income
15 eligibility under any assistance program that meets the
16 requirements for income determination under the Michigan energy
17 assistance act.

18 (4) A participating utility may provide the department with a
19 list of customers potentially eligible for the program. The
20 department shall verify which of the customers, from the list
21 provided, it has previously verified income for under any other
22 assistance program that meets the requirements for income
23 determination under the Michigan energy assistance act, and shall
24 share the information with the participating utility.

25 (5) When redetermination of eligibility is necessary to
26 maintain participation in a participating utility's long-term
27 program, if the customer is enrolled in an assistance program for
28 which the department must verify income and the customer is meeting
29 all of the requirements of the participating utility's long-term

1 program, the department shall redetermine the customer as eligible.

2 (6) If the report in section 2(6) determines a utility program
3 is not appropriately achieving the priorities of this act, the
4 department shall not expend funds from the Michigan energy
5 assistance act to the applicable utility program unless the utility
6 can show that it has implemented any required changes under section
7 2(6)(g). If the department chooses to fund a program that was found
8 to be out of compliance in the report for the immediately preceding
9 year, the department must provide its rationale for funding that
10 program to the house and senate appropriations subcommittees on the
11 department's budget and the house and senate fiscal agencies.

12 Sec. 4. The requirements in this act must be implemented by
13 the department so that the program may be utilized beginning during
14 the 2019-2020 heating season.