

**SUBSTITUTE FOR
SENATE BILL NO. 353**

A bill to amend 2012 PA 615, entitled
"Michigan energy assistance act,"
by amending sections 2, 3, 4, and 5 (MCL 400.1232, 400.1233,
400.1234, and 400.1235), and by adding section 4a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 (a) "Categorical eligibility" means policies that make a
3 household eligible for energy assistance based on the household's
4 involvement in other low-income assistance programs that utilize
5 similar eligibility criteria.

6 (b) "Commission" means the Michigan public service commission
7 created under 1939 PA 3, MCL 460.1 to 460.11.

8 (c) ~~(a)~~"Crisis" means 1 of the following:

1 (i) An individual or recipient has received a past due notice
 2 on an energy bill for ~~his or her~~ **the individual's or recipient's**
 3 household.

4 (ii) A residential fuel tank is estimated to contain not more
 5 than ~~25%~~ **30%** of its heating fuel capacity.

6 (iii) A stated need for deliverable fuel or a nontraditional
 7 fuel source in which there is no meter or regular energy bill
 8 provided.

9 (iv) A notice that the balance in a prepayment account is below
 10 a minimum amount.

11 (d) ~~(b)~~—"Department" means the department of **health and** human
 12 services.

13 (e) ~~(e)~~—"Eligible low-income household" means, **until September**
 14 **30, 2025**, a household with a household income of not more than 150%
 15 of the federal poverty guidelines. **After October 1, 2025, eligible**
 16 **low-income household means a household with a household income of**
 17 **not more than 60% of the state median income and whose electric**
 18 **utility does not opt-out of collecting low-income energy assistance**
 19 **funding factor under section 9t of 1939 PA 3, MCL 460.9t.**

20 (f) ~~(d)~~—"Energy assistance" means a program to assist eligible
 21 low-income households in meeting their home energy costs for their
 22 primary residence through payment or partial payment of bills for 1
 23 or more of the following:

24 (i) Electricity.

25 (ii) Natural gas.

26 (iii) Propane.

27 (iv) Heating oil.

28 (v) Any other deliverable fuel used to provide heat.

29 (g) **"Energy burden" means the percentage of annual household**

1 income required to pay a household's home energy bills including
2 electricity and home heating.

3 (h) "Energy insecurity" means an energy burden above 6% of a
4 household's annual income.

5 (i) ~~(e)~~—"Federal poverty guidelines" means the poverty
6 guidelines published annually in the federal register by the United
7 States ~~department of health and human services~~ **Department of Health**
8 **and Human Services** under its authority to revise the poverty line
9 under section 673(2) of subtitle B of title VI of the omnibus
10 budget reconciliation act of 1981, 42 USC 9902.

11 (j) ~~(f)~~—"Funds" means a portion of the money received from the
12 federal low income home energy assistance program block grant that
13 is not used for the home heating credit, money received from the
14 low-income energy assistance fund, or any other money appropriated
15 for this program.

16 (k) ~~(g)~~—"Program" means the Michigan energy assistance program
17 established in section 3.

18 (l) "State median income" means the state median income
19 promulgated by the secretary of the United States Department of
20 Health and Human Services in accordance with procedures established
21 under section 2002 of the social security act, 42 USC 1397a, and
22 adjusted, in accordance with regulations prescribed by the
23 secretary, to take into account the number of individuals in the
24 household.

25 (m) "Vulnerable populations" means households experiencing
26 energy insecurity that have at least 1 member that meets the
27 following criteria:

28 (i) A child under 5 years of age.

29 (ii) An individual with a disability.

1 (iii) An individual who is 60 years of age or older.

2 (iv) An individual who has experienced homelessness in the
3 preceding 12 months and who needs energy assistance to secure
4 housing.

5 Sec. 3. (1) Subject to state appropriations, not later than
6 October 1, 2013, the department shall establish and administer the
7 Michigan energy assistance program statewide to provide energy
8 assistance to eligible low-income households.

9 (2) The department may use funds received from a federal
10 energy assistance program and any funds collected or appropriated
11 to fund the program. The department shall distribute the funds
12 described in this subsection for energy assistance and may use a
13 portion of the funds for necessary administrative expenses.
14 Necessary administrative expenses ~~shall~~**must** be calculated using an
15 established cost allocation methodology.

16 (3) Energy assistance must **prioritize vulnerable populations**
17 **and, as appropriate for the household,** include services that will
18 enable participants to become or move toward becoming self-
19 sufficient. ~~, including assisting~~**Services that assist participants**
20 **in becoming self-sufficient include, but are not limited to,**
21 **providing assistance to help** participants in paying their energy
22 bills on time, assisting participants in budgeting for and
23 contributing to their ability to provide for energy expenses, and
24 ~~assisting participants in utilizing energy services to optimize on~~
25 ~~energy efficiency.~~**referral to weatherization or energy waste**
26 **reduction programs and services.** By October 1, 2014, each entity
27 that carries out a contract with the department under this section
28 shall provide or coordinate these services. The department shall
29 attempt to coordinate its efforts with the efforts of other state

1 departments or agencies to assist low-income households in becoming
2 or moving toward becoming self-sufficient **and reducing energy**
3 **insecurity.**

4 (4) The department shall develop a simplified, single
5 application for all applicants to use to apply for energy
6 assistance under the program. The single application ~~shall~~**must** be
7 made available to all entities that contract with the department to
8 provide services under the program.

9 (5) Not later than December 1, 2014, and annually ~~after that,~~
10 **thereafter**, the department shall provide a report to the
11 legislature, the senate and house appropriations subcommittees on
12 the department budget, the senate and house committees on issues
13 relating to energy, and the senate and house fiscal agencies on how
14 money from the program ~~created in this act~~ was distributed.
15 **Beginning with the program year that begins October 1, 2025, the**
16 **annual report required under this subsection must be filed no later**
17 **than March 1, 2027.**

18 (6) The department shall notify participants that they are
19 eligible for other services under the program including, but not
20 limited to, energy waste reduction products and services offered by
21 an energy provider or a home weatherization assistance program.

22 Sec. 4. ~~(1)~~The department shall only use money from the low-
23 income energy assistance fund for energy assistance.

24 ~~(2) Money from the low income energy assistance fund may be~~
25 ~~used for the program's crisis season, which begins on November 1~~
26 ~~and ends May 31 each year. Not more than 30% of the funds received~~
27 ~~for the program shall be spent outside of the crisis season.~~

28 **Sec. 4a. (1) The department may establish guidelines for**
29 **verifying eligibility of all applicants to ensure assistance funds**

1 are provided only to eligible low-income households. In
2 establishing guidelines under this subsection, the department shall
3 consider opportunities to incorporate categorical eligibility.

4 (2) An electric provider, natural gas provider, or other
5 energy provider is not required to verify eligibility of program
6 applicants.

7 Sec. 5. (1) The department, in consultation with the Michigan
8 ~~public service commission~~, may contract with different public or
9 private entities or local units of government to provide energy
10 assistance.

11 (2) The department shall include clear performance metrics in
12 any contract with an entity under this section.

13 ~~(3) Except as provided in this subsection, an entity with~~
14 ~~which the department contracts under subsection (1) shall use not~~
15 ~~less than 92% of the funds received from the department for energy~~
16 ~~assistance. An entity with which the department contracts under~~
17 ~~subsection (1) may, upon approval from the department, use less~~
18 ~~than 92% but not less than 90% of the funds received for the~~
19 ~~program for energy assistance.~~**The department, in consultation with**
20 **the commission, shall set a minimum allocation of funds that must**
21 **be used by entities with which the commission contracts under**
22 **subsection (1) for energy assistance.**

23 (4) By October 1, 2025, the department, in consultation with
24 the commission, shall provide guidelines on the provision of self-
25 sufficiency services. Beginning with the program year that begins
26 on October 1, 2026, the guidelines must be incorporated into the
27 performance metrics developed under subsection (2).