



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

MAURA D. CORRIGAN
DIRECTOR

December 5, 2014

The Honorable Bruce Caswell, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable Peter MacGregor, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Caswell and Representative MacGregor:

The attached report, Section 3(5) of PA 615 of 2012, is being posted on line to meet the requirements of DHS boilerplate report Section 621(2) of PA 59 of 2013.

If you have any questions, please contact Terry Beurer, director, Field Operations Administration at 517 373-3570.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Kangas".

Susan Kangas
Chief Financial Officer

cc: Senate and House Appropriations Subcommittees on DHS
Senate and House Energy and Technology Committees
Senate and House Fiscal Agencies



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

MAURA D. CORRIGAN
DIRECTOR

December 1, 2014

The Honorable Bruce Caswell, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, MI 48933

The Honorable Mike Nofs, Chair
Senate Energy and Technology Committee
Michigan State Senate
Lansing, MI 48933

The Honorable Peter MacGregor, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, MI 48933

The Honorable Aric Nesbitt, Chair
House Energy and Technology Committee
Michigan House of Representatives
Lansing, MI 48933

Dear Senators Caswell and Nofs and Representatives MacGregor and Nesbitt:

Section 3(5) of 2012 Public Act No. 615 requires the Department of Human Services (DHS) to report the following information:

Not later than December 1, 2014, and annually after that, the department shall provide a report to the legislature, the senate and house appropriations subcommittees on the department budget, the senate and house committees on issues relating to energy, and the senate and house fiscal agencies on how money from the program created in this act was distributed.

Please see the attached report, which contains the information as required by the Public Act.

If you have any questions, please contact Terrence M. Beurer, director, Field Operations Administration, at (517) 373-3570.

Sincerely,

Karyn Ferrick
Director, Office of Legislative Services

- c: Senate and House Appropriations Subcommittees on DHS
- Senate and House Energy and Technology Committees
- Senate and House Fiscal Agencies

2014 Michigan Energy Assistance Program Report to the Legislature

Public Act 615 of 2012 created the Michigan Energy Assistance Act. This Act requires the Michigan Department of Human Services to establish and administer the Michigan Energy Assistance Program (MEAP). MEAP provides energy assistance to eligible low-income households and must include services that enable participants to become or move toward becoming self-sufficient. Additionally, the Act requires that not more than 30% of the funds received for the program shall be spent outside the crisis season, which begins on November 1 and ends May 31 each year.

Public Act 95 of 2013 created the Low-Income Energy Assistance Fund (LIEAF) charging the Michigan Department of Human Services with expending money from the fund as provided by the Michigan Energy Assistance Act. The Act allows the Michigan Public Service Commission (MPSC) to annually approve a low-income energy assistance funding factor, not to exceed \$50,000,000, to support the LIEAF.

In Case No. U-17377, the MPSC adopted a funding factor of 99 cents per meter/month for all Michigan electric utilities that opted to participate in the funding of the LIEAF. Table 7 (page 9) provides a list of the energy service providers that chose to participate in the LIEAF for fiscal year 2014, and Table 8 (page 10) provides a list of the energy service providers that chose not to participate. The 2014 budget appropriated \$60,000,000 to DHS to operate the MEAP.

As set forth in PA 95 of 2013, “an electric utility, municipally owned electric utility, or cooperative electric utility that elects to not collect a low-income energy assistance funding factor shall not shut off service to any residential customer from November 1 to April 15 for nonpayment of a delinquent account.”

Subsequently, DHS and LARA entered into an Interagency Agreement charging MPSC with the administration of a low-income energy assistance grant process on behalf of DHS in the amount of \$90,000,000. The MEAP was funded by \$50,000,000 collected through the low-income energy assistance funding factor approved by the MPSC; and \$10,000,000 in Low Income Home Energy

Assistance Program (LIHEAP) funds provided by DHS. DHS provided additional LIHEAP funds in the amount of \$30,000,000 to support energy assistance and self-sufficiency efforts for eligible low-income households.

On September 20, 2013, the MPSC invited proposals through an RFP from public or private entities or local units of government for MEAP grants to intervene in energy crisis situations and help eligible low-income households meet home energy costs for their primary residence. This is accomplished through payment or partial payment of bills for one of the following: 1) electricity; 2) natural gas; 3) propane; 4) heating oil; or 5) any other deliverable fuel used to provide heat. The RFP required that proposed energy assistance programs include services that will enable participants to become or move toward becoming self-sufficient.

The MPSC received 16 proposals by the October 7, 2013 deadline. All grant proposals were reviewed by a nine member evaluation team comprised of staff from DHS and the MPSC. The proposals were evaluated in accordance with the following selection criteria: 1) experience and financial stability of the organization; 2) management summary; 3) work plan, and 4) project budget. The evaluation team's recommendations were based on the proposals that best met the stated grant objectives. Please see attached for more information on the MEAP providers who were awarded grants for 2013.

On October 24, 2013, the MPSC approved MEAP grants for 14 organizations totaling \$89,615,000 as follows:

- Barry County United Way – \$122,670 to provide energy assistance program services to low-income households in Barry County.
- Consumers Energy Company – \$10,870,837 to provide energy assistance program services to low-income households in its utility service territory throughout the State of Michigan.
- DHS – Bureau of Community Action and Economic Opportunity – \$7,000,000 to provide energy assistance program services to low-income households statewide.
- Downriver Community Conference – \$1,500,000 to provide energy assistance program services to low-income households in Wayne and Monroe Counties.
- DTE Energy – \$16,000,000 to provide energy assistance program services to low-income households in its utility service territory throughout the State of Michigan.
- Flat River Outreach Ministries, Inc. – \$33,075 to provide energy assistance program services to low-income households in the Lowell School District.
- Lighthouse Emergency Services – \$300,000 to provide energy assistance program services to low-income households in Oakland County.
- Michigan Community Action Agency Association – \$8,000,000 to provide energy assistance program services to low-income households statewide.
- SEMCO ENERGY Gas Company – \$1,000,000 to provide energy assistance program services to low-income households in its utility service territory throughout the State of Michigan.
- Society of St. Vincent de Paul of the Archdiocese of Detroit – \$2,250,000 to provide energy assistance program services to low-income households in 39 counties throughout the State of Michigan.
- Superior Watershed Partnership – \$1,000,418 to provide energy assistance program services to low-income households throughout the 15 counties in Michigan’s Upper Peninsula.
- The Heat and Warmth Fund – \$15,538,000 to provide energy assistance program services to low-income households in 67 counties throughout the State of Michigan.
- The Salvation Army – \$13,000,000 to provide energy assistance program services to low-income households statewide.
- TrueNorth Community Services – \$13,000,000 to provide energy assistance program services to low-income households in 61 counties throughout the State of Michigan.

On November 12, 2013 the State Administrative Board approved the MEAP grant awards and the grant term began November 13, 2013 and ended August 31, 2014.

Grantees spent a total of \$88,618,448.68 during the term of the grant. Seven grantees returned funds totaling \$996,551.32. Grant funds totaling \$79,483,834.84 were spent assisting low-income households with energy bills; \$5,738,059.38 was spent on low-income self-sufficiency programs; and \$3,396,554.46 was spent on administrative costs.

During the grant term, grantees served 87,647 unduplicated low-income households with energy bills totaling \$79,483,834.91. In compliance with PA 615 of 2012, only 26% (\$23,409,502.57) of the MEAP grant funds was spent outside the crisis season (November 1 through May 31).

Table 1 provides the number of unduplicated TANF¹ and Non-TANF households served.

Table 1		
Unduplicated TANF / Non-TANF Households Served		
TANF Households	Non-TANF Households	Total Households
45,416	42,231	87,647

Table 2 provides unduplicated household demographics:

Table 2	
Households Demographics	
Household Type	Households Served
Contains at least one member age 60 or older	15,710
Contains at least one member age 2 or younger	9,911
Contains at least one member age 3, 4 or 5	14,363
Contains at least one member that is handicapped	19,693

¹ TANF eligible clients are low-income households with: (a) a related child under age 18; (b) an unemancipated child, age 18 or under, who is a full-time high school student living with an adult caretaker; or (c) a pregnant woman living in the home.

Table 3 provides the number of unduplicated households served and MEAP funds spent broken down by poverty level:

Table 3		
Unduplicated Households Served, Income Levels & Total MEAP Funds Spent		
Poverty Level	Households Served	Total MEAP Funds Spent
0 - 25%	16,872	\$14,970,946.19
26 - 50%	12,761	\$12,307,556.64
51 - 75%	17,456	\$16,353,751.88
76 - 100%	17,541	\$15,614,161.54
101 - 125%	13,246	\$11,361,878.49
126 - 150%	9,659	\$8,769,812.07
151% +*	112	\$105,728.10
	87,647	\$79,483,834.91

*MEAP grantees were allowed to make exceptions for households that were slightly over 150% FPL if extenuating circumstances existed such as a medical hardship.

Table 4 provides the number of households denied assistance broken down by poverty level:

Table 4	
Households Denied Assistance & Income Levels*	
Poverty Level	Households Denied
0 - 25%	3,025
26 - 50%	1,225
51 - 75%	1,198
76 - 100%	1,621
101 - 125%	1,103
126 - 150%	892
151% +	6,316
	18,475

*Households could be denied due to lack of required eligibility documentation, FPL over 150%, MEAP agency funds were expended at time of application, etc.

Table 5 provides the number of households served and MEAP funds spent by energy type:

Table 5		
Households Served by Energy Type & Total MEAP Funds Spent		
Energy Type	Total Energy Assistance Payments*	Total MEAP Funds Spent
Electric	36,205	\$17,675,522.03
Natural Gas	18,232	\$8,772,567.23
Combined	72,603	\$40,667,209.11
Propane	12,018	\$10,971,836.63
Heating Fuel	687	\$627,013.03
Other	1,075	\$769,686.81
	140,820	\$79,483,834.84

*The column reflects the total number of energy assistance payments made on behalf of low-income households, not the number of unduplicated households served.

Table 6 provides the unduplicated number of households served and MEAP funds spent by county:

Table 6		
Unduplicated Households Served by County		
County	Households Served	Total MEAP Funds Spent
Alcona	186	\$237,864.14
Alger	305	\$283,216.48
Allegan	572	\$492,616.70
Alpena	736	\$677,692.61
Antrim	359	\$368,375.48
Arenac	330	\$364,121.81
Baraga	198	\$145,427.67
Barry	285	\$219,498.76
Bay	1,010	\$826,050.64
Benzie	247	\$299,108.07
Berrien	1,037	\$710,769.11
Branch	218	\$191,485.67
Calhoun	1,339	\$908,312.07
Cass	287	\$192,777.70
Charlevoix	228	\$197,402.44
Cheboygan	502	\$424,661.33

Chippewa	572	\$493,211.04
Clare	750	\$753,498.39
Clinton	175	\$196,603.37
Crawford	193	\$226,166.14
Delta	818	\$706,694.86
Dickinson	305	\$268,601.20
Eaton	249	\$226,263.46
Emmet	326	\$298,839.83
Genesee	5,522	\$5,930,328.05
Gladwin	602	\$566,500.69
Gogebic	408	\$392,635.41
Grand Traverse	453	\$340,153.80
Gratiot	335	\$287,487.26
Hillsdale	668	\$587,871.78
Houghton	609	\$483,265.06
Huron	231	\$181,445.55
Ingham	642	\$541,958.73
Ionia	452	\$266,893.91
Iosco	311	\$333,022.84
Iron	232	\$207,189.07
Isabella	566	\$410,058.37
Jackson	1,134	\$1,234,983.07
Kalamazoo	1,358	\$1,470,597.96
Kalkaska	433	\$498,403.72
Kent	2,536	\$2,099,225.27
Keweenaw	51	\$43,573.42
Lake	572	\$622,529.14
Lapeer	267	\$210,176.62
Leelanau	100	\$96,913.37
Lenawee	394	\$316,690.25
Livingston	392	\$300,982.43
Luce	108	\$81,822.25
Mackinac	294	\$246,554.03
Macomb	3,530	\$1,921,421.11
Manistee	343	\$363,994.72
Marquette	1,251	\$967,337.08
Mason	490	\$447,466.75
Mecosta	664	\$597,767.28
Menominee	276	\$264,695.95
Midland	1,028	\$1,018,077.13
Missaukee	341	\$356,768.46
Monroe	790	\$549,447.17
Montcalm	584	\$382,524.82
Montmorency	197	\$242,794.73
Muskegon	2,978	\$2,510,599.48

Newaygo	1,055	\$1,256,125.66
Oakland	5,563	\$3,317,128.14
Oceana	519	\$642,531.54
Ogemaw	349	\$364,745.14
Ontonagon	281	\$223,590.56
Osceola	418	\$396,997.83
Oscoda	254	\$268,057.36
Otsego	326	\$281,389.71
Ottawa	670	\$407,226.95
Presque Isle	157	\$194,252.18
Roscommon	382	\$391,994.20
Saginaw	2,975	\$2,909,216.76
Sanilac	326	\$301,159.59
Schoolcraft	286	\$253,570.07
Shiawassee	434	\$441,901.33
St. Clair	1,163	\$729,742.90
St. Joseph	224	\$180,866.12
Tuscola	382	\$370,932.96
Van Buren	517	\$430,630.37
Washtenaw	1,190	\$913,404.03
Wayne	27,072	\$27,430,991.50
Wexford	735	\$693,964.31
Total	87,647	\$79,483,834.91

Table 7 provides a list of the energy service providers that are contributing to the LIEAF, and the dollar amount contributed by each provider. The numbers do not reflect additional MEAP funds spent within each provider's geographic service territory in the form of propane payments, wood payments, etc.

Table 7	
2014 Participating Electric Service Providers	
Electric Service Provider	Funds Contributed to LIEAF
Alger-Delta Cooperative Electric Assn.	\$116,767.53
Baraga, Village of	\$8,475.61
Bay City, City of	\$236,044.66
Chelsea Dept. of Electric and Water	\$32,730.39
Cherryland Electric Cooperative	\$388,529.48
Clinton, Village of	\$15,017.53
Consumers Energy Company	\$21,186,040.99
DTE Energy	\$25,381,633.07
Hillsdale Board of Public Utilities	\$59,138.85
Indiana Michigan Power Company/AEP	\$1,509,552.01
Lowell Light and Power	\$31,403.79
Marshall Electric Department	\$52,881.84
Midwest Energy Cooperative	\$350,946.56
Negaunee Department of Public Works	\$22,850.06
Newberry Water and Light Board	\$16,444.86
Niles Utility Department	\$78,235.18
Northern States Power Co-Wisconsin./Xcel Energy	\$106,641.21
Norway, City of	\$27,216.53
Petoskey, City of	\$59,290.13
Presque Isle Electric and Gas Co-op	\$361,677.38
St. Louis, City of	\$24,210.76
Thumb Electric Cooperative	\$126,847.73
Union City Electric Department	\$17,033.57
	\$50,209,609.72

Table 8 provides a list of the energy service providers that chose not to contribute to the LIEAF.

Table 8	
2014 Non-Participating Electric Service Providers	
Electric Service Providers	Funds Contributed to LIEAF
Alpena Power Company	\$0.00
Bayfield Electric Cooperative	\$0.00
Charlevoix, City of	\$0.00
Cloverland Electric Cooperative	\$0.00
Coldwater Board of Public Utilities	\$0.00
Croswell Municipal Light & Power Dept.	\$0.00
Crystal Falls, City of	\$0.00
Daggett Electric Department	\$0.00
Detroit Public Lighting Department	\$0.00
Dowagiac, City of	\$0.00
Eaton Rapids, City of	\$0.00
Escanaba, City of	\$0.00
Gladstone, City of	\$0.00
Grand Haven Board of Light and Power	\$0.00
Great Lakes Energy Cooperative	\$0.00
Harbor Springs, City of	\$0.00
Hart Hydro, City of	\$0.00
Holland Board of Public Works	\$0.00
HomeWorks Tri-County Electric Co-Op	\$0.00
L'Anse, Village of	\$0.00
Lansing Board of Water & Light	\$0.00
Marquette Board of Light and Power	\$0.00
Ontonagon Co. Rural Electrification Assn.	\$0.00
Paw Paw, City of	\$0.00
Portland, City of	\$0.00
Sebewaing, City of	\$0.00
South Haven, City of	\$0.00
Stephenson, City of	\$0.00
Sturgis, City of	\$0.00
Traverse City Light & Power	\$0.00
Upper Peninsula Power Company	\$0.00
Wakefield, City of	\$0.00
Wisconsin Public Service Corporation	\$0.00
Wisconsin-Electric Power Company d/b/a/ We Energies	\$0.00
Wyandotte Department of Municipal Service	\$0.00
Zeeland Board of Public Works	\$0.00
	\$0.00