



**Fiscal Year 2027 Operating Budget**  
**Office of Home Energy Programs - N00I0006**  
Response to Department of Legislative Services Analysis

Senate Budget and Taxation Committee  
Health and Human Services  
Senator Cory McCray  
March 6, 2026

House Appropriations Committee  
Health and Social Services  
Delegate Emily Shetty  
March 9, 2026

Honorable Chair and Members of the Subcommittee, on behalf of the Maryland Department of Human Services (DHS), we thank Governor Moore, Lieutenant Governor Miller, the Department of Budget and Management (DBM), and the Budget Committees for their support. We thank Department of Legislative Services Analyst Suveksha Bhujel for her analysis and assistance leading up to today's hearing. Joining me at the table is Rigel Moore, Director of the Office of Home Energy Programs (OHEP), and Roman Napoli, Chief Financial Officer, and . We have senior members of our leadership team, including Augustin Ntabaganyimana, Executive Director of the Family Investment Administration (FIA), and Courtney Thomas Winterberg, Director of the Allegany County Department of Social Services, and the acting OHEP Director for about 18 months; we thank Courtney for her service.

The Maryland Department of Human Services, through the Family Investment Administration's Office of Home Energy Programs (OHEP), provides bill assistance to low-income households in the State of Maryland to make their energy costs more affordable and help with the prevention of loss and the restoration of home energy service. Energy assistance to Marylanders is primarily through four main programs:

The **Maryland Energy Assistance Program (MEAP)** provides financial assistance with home heating bills. Payments are made to the fuel supplier and utility company on the customer's behalf. MEAP funds are primarily through the federal low-income home energy assistance program (LIHEAP).

The **Electric Universal Service Program (EUSP)** is OHEP’s electric assistance grant. EUSP funds are specially funded through the Maryland Strategic Energy Investment Fund (SEIF), which is funded in turn through the Regional Greenhouse Gas Initiative (RGGI).

**Gas Arrearage Retirement Assistance (GARA)** and **Electric Arrearage Retirement Assistance (EARA)** help customers with large, past due electric and gas bills.

These programs all work together to help low-income Maryland households with their home energy needs. As of 2025, Marylanders can apply for all four programs at the same time through the Maryland Benefits One Application.

### Households Receiving OHEP Benefits

Program	SFY24 Total 7/1/2023-09/30/2024	SFY25 Total 7/1/2024-09/30/2025	Change	Percentage
MEAP	94,197	128,926	+ 35,729	36.9%
EUSP Bill Payment	112,132	130,046	+ 17,914	16.0%
EUSP Arrearage Retirement	29,605	35,470	+ 5,865	19.8%
Gas Arrearage Retirement	8,675	11,729	+ 3,054	35.2%
Crisis	N/A	1,258	+ 1,258	100%

- Receiving Benefits means those that have been approved and processed for a benefit.
- OHEP’s 90-day curing period ends on September 30th of each year, allowing June applicants a three month period to satisfy their eligibility requirements post denial.
- It is important to note that SFY24 crisis season applications were not counted therefore not reflected within this reporting period.

We appreciate the opportunity to provide updates on the important progress our office has made in serving Marylanders during the past year.

### Responding to the Allegany (Westernport) and Garrett Counties Summer 2025 flooding.

In the aftermath of the May 2025 flooding in Western Maryland that upended lives and rendered whole communities unrecognizable, the Moore-Miller administration rallied a whole government response to ensure no Western Marylander was left behind.

DHS and the Maryland Department of Housing and Community Development (DHCD) moved quickly [to provide \\$1 million](#) in emergency relief funds to help eligible households affected by the disaster replace damaged water heaters and heating and cooling systems. OHEP played a critical role in ensuring that Western Marylanders benefited from a statewide increase in energy assistance that translated into higher

electric and gas benefit amounts paid to Maryland families. The higher benefit amounts kept families from having to choose between cooling or heating their homes and putting food on the table in the aftermath of an unprecedented natural disaster. Additionally, the use of Multi-Agency Relief Centers helped Western Marylanders obtain food assistance, cash support, birth certificates, transportation, and clothing vouchers.

### **Reducing Average Processing Times by 25 Days**

During 2025, we were able to significantly reduce statewide processing times by 25 days, an 87.49% reduction. This is the result of shifting to paperless processing through the Maryland Benefits One Application platform and improving how we handle categorically eligible applications, and mass certification from participating agencies. We worked with developers to enhance the current system and identify duplicate categorical eligibility (CE) applications in staging, eliminating the need for local administering agencies to review these applications manually. OHEP also added system logic to identify CE applications missing the utility account numbers needed for processing, triggering an automated Request for Additional Information (RFAI) letter, reducing administrative burden on local administering agencies (LAAs).

### **Weatherization Program (Partnership with DHCD)**

Through a partnership with DHCD, OHEP provides essential weatherization and EmPower program referrals. To increase accessibility in FY25, DHS shifted to an opt-out system, streamlining the process by automatically enrolling eligible customers.

### **Improving reporting to focus on the unique households served**

We transitioned to a tracking methodology that reports unduplicated households applying for energy assistance. Under this approach, we are able to determine the unique number of households OHEP serves in a program year, even when those households participate in more than one of our programs.

### **Updating outdated policies to close gaps between written guidance and day-to-day operations**

We updated the OHEP Manual to reflect operational changes and current program requirements that were not incorporated into the 2021 Policy and Procedures Manual. This comprehensive update aligns guidance with current workflows, compliance standards, and system functionality, and introduces user-friendly navigation with each section hyperlinked for quick access to detailed information.

The impact of this update has been substantial. By aligning policy with current practice, the manual closes gaps between written guidance and day-to-day operations, reducing confusion and minimizing the likelihood of processing errors or inconsistent application of policy across jurisdictions. Staff now have clearer direction on eligibility determination, crisis processing, documentation standards, fiscal

coordination, and data entry requirements, strengthening compliance and audit readiness. The improved structure and hyperlink functionality allow staff to quickly locate relevant sections, increasing efficiency, improving productivity, supporting consistent case handling statewide, and enhancing the accuracy and quality of benefit determinations.

### **Improving Service and Coordination through New Bulk Fuel Vendor Contracts**

DHS updated and executed bulk fuel vendor contracts, resulting in clearer service expectations and strengthened coordination between DHS and participating vendors for the benefit of OHEP customers who rely on bulk fuel deliveries. The new contracts formalize delivery timelines, crisis response requirements, payment procedures, and vendor accountability standards, ensuring that eligible households receive timely fuel deliveries, particularly during emergency and no-heat situations

### **Improving systems to strengthen fiscal oversight**

We implemented enhancements to the OHEP Data Management System to monitor real-time benefit expenditures and funding allocations to Local Administering Agencies (LAAs). These improvements not only replaced manual spreadsheets, they strengthened fiscal oversight by providing accurate, up-to-date visibility into program spending, supporting timely funding adjustments, and ensuring resources were distributed efficiently based on demand. The enhanced tracking capabilities also improved financial accountability and enabled more informed decision-making to maintain program continuity and compliance with federal and state funding requirements. Existing logic was updated to administer and track MEAP and EUSP supplemental payments directly in the OHEP system, replacing the use of manual spreadsheets.

### **Integrating call center operations to improve customer service**

We partnered with the DHS Call Center's vendor, Automated Health Systems, to provide households with the ability to speak directly with a live agent statewide, ensuring timely assistance with application status inquiries, program guidance, and crisis support. The implementation of the DHS Call Center strengthened OHEP's customer service infrastructure by centralizing communication, reducing barriers to access, and enhancing responsiveness for vulnerable households seeking energy assistance. Previously, there was no ability for the statewide call center to transfer urgent calls, submit work orders, or provide customer updates for OHEP customers.

## 2026 Priorities:

In 2026 we will prioritize driving down energy costs for Marylanders and expanding access to energy assistance:

1. **Public Service Commission - PC59 Workgroup Phase II:** OHEP will continue to serve as an active member of the workgroup collaborating on a model mechanism to reduce energy costs for low income utility customers. We are pleased that the Public Service Commission has approved a general design concept and look forward to helping drive implementation. Once implemented, this new formula will require that utility companies provide additional energy credits to low income households at the time of implementation in January 2027.
2. **United Benefits Application (Maryland One Application):** We will continue to promote access to energy assistance through Maryland One Application, Maryland's mobile-friendly tool that allows customers to apply for vital benefits in one centralized easy-to-use online location. Marylanders have completed over 300,000 benefits applications in just minutes across vital benefits offerings since the tool's July launch. One Application is reducing the need for Marylanders to complete long paper forms or visit physical offices to access their OHEP benefits.
3. **Solar Energy Initiatives:** We are piloting a community solar program for eligible OHEP households, expanding access to alternative energy sources to more low-income Marylanders.
4. **Tech pilot to automate matching categorically eligible households with missing or incomplete utility account information:** We will rapidly prototype and iterate upon tech pilots to deploy AI to populate missing utility data in customers' applications and ensure fewer Marylanders experience benefits disruptions due to technicalities.
5. **Updates for Local Administering Agencies (LAAs):** We will continue to cut red tape for LAAs by modernizing reporting mechanisms; enhance the process for LAA certification to expand the outreach of our programs and ensure our local partners spend more time with customers and less time filling out paperwork; and reinforce a consistent standard for the delivery of OHEP benefits across the state during our regular LAA trainings.

Attached to this testimony is a briefing we provided to the House Environment & Transportation Committee which provides a more detailed overview of our work.

## **Response to DLS Analysis**

- 1. DHS should comment on the reasons for the decrease in participation among households with a child under age 6 and efforts to increase participation. (pg. 4 of the DLS Analysis)***

**DHS Response:** In 2025, we updated our MFR calculation methodology for these indicators to refine the reporting logic. We noted this change in the “One-time/Submission Year Comments” and the “Calculation method(s) or formula(s)”. In parallel, we updated historical data for 2024, but not prior years due to reporting challenges with our data system. Therefore, figures reported for 2023 and 2025 are not directly comparable. We have been unable to validate historical data, and as a result, are not able to comment on the alleged decrease.

- 2. The Department of Legislative Services (DLS) recommends adopting committee narrative requesting data on vulnerable populations and general participation rate measures for energy assistance benefits. [pg. 5 of the DLS Analysis]***

**DHS Response:** We concur.

- 3. DHS should discuss its efforts to ensure correct that funds are used to cover the expenditure and how funds from DCP are available to replace the EUSP revenues, since the fiscal 2027 allowance already budgets the annual contribution of \$400,000 for energy assistance. DHS should also discuss the growth in administrative spending from these funds in recent budgets. [pg. 12 of the DLS Analysis]***

**DHS Response:** DHS submits an annual EUSP Operations Plan to the Public Service Commission which outlines the planned use of DCP, EUSP Rate Payer, and SEIF funding to administer electric bill payment and arrearage benefits. The approved plan is based on available statutory funding for EUSP Rate Payer (\$37 million), \$400,000 for DCP, and the FY26 SEIF appropriation at \$150 million. DHS reduced the EUSP Rate Payer allocation in the FY27 budget submission by \$700,000 to align the appropriation with available funding. The additional \$12.7 million in revenues reflected in the FY27 budget were assigned to EUSP in error.

In Fiscal Year 2026 (FY26), Local Administering Agencies (LAAs) received a 5% increase in funding for program operations—the first increase in four years. The funding, which supports the provision of energy assistance benefits, have also been realigned. The cost-share, previously 40% State Funds (SF) and 60% Federal Funds (FF), transitioned to a 50% SF / 50% FF split within State Fiscal Year 2025 (SFY25). This realignment was driven by the number of households served by each program and associated funding availability.

- 4. DHS should comment on how much of the expenditures that were budgeted from EUSP ratepayer surcharge revenue in error will be covered by SEIF. Given that some of the EUSP overages are associated with administrative expenses, DHS should discuss how it intends to cover those expenses. [pg. 16 of the DLS Analysis]**

**DHS Response:** An additional \$500,000 was budgeted for EUSP in error, and an additional \$200,000 was subtracted for outreach funding. The total amount of \$700,000 will need to be charged to the FY 27 SEIF allocation.

- 5. Given that a position is closed in OHEP and the total positions in DHS remain unchanged, DHS should comment on if or where there is a new authorized position in fiscal 2027. [pg. 18 of the DLS Analysis]**

**DHS Response:** The reduction in PINs displayed in the page 18 DLS analysis table is due to a clean up conducted of DHS-wide personnel data, not a reduction in the OHEP team size. This specific PIN was previously frozen; we are now actively recruiting for this position and hope to fill it in the first half of CY 2026. As previously noted in the DHS Administrative analysis, we have realigned DHS PINs to accurately reflect current operations.

- 6. DHS should comment on if it has seen additional recent growth in applications. [pg. 23 of the DLS Analysis]**

**DHS Response:** The growth in applications has remained relatively consistent with the trends cited in the DLS analysis. Through January 31, 2026, unduplicated applications have increased by 23.37%, comparing fiscal year 2025 and 2026 (year to date).

- 7. DHS should comment on the reasons for the high percentages of applications processed beyond 55 days for the Caroline County DSS; the Montgomery County Department of Health and Human Services; the Southern Maryland Tri-County Community Action Committee, Inc.; and the Howard County Community Action Council. [pg. 30 of the DLS Analysis]**

**DHS Response:** We continue to closely monitor application processing timeliness across all jurisdictions. As noted in the DLS analysis, statewide performance has improved significantly over the past three fiscal years. The percentage of applications processed beyond 55 days has decreased from 29% in FY24, to 12.5% in FY25, and further to 7.91% in FY26 (as of November 1, 2025). While this progress reflects focused operational improvements, continued oversight and targeted support remain a priority for the department.

**Caroline County** has faced internal changes that have led to productivity stagnation, which DHS is actively addressing. Beginning January 12, 2026, DHS leadership assisted with restructuring Caroline County's internal workflows, eliminating outdated practices, and implementing strengthened case-tracking and

queue-management protocols. Staff received targeted retraining on program requirements to ensure accurate and consistent eligibility determinations. The agency also adopted best-practice processing models from other high-functioning agencies to increase efficiency and throughput.

To accelerate progress, the agency reassigned additional staff to focus exclusively on reducing the backlog of pending applications. DHS approved the implementation of mass certification to expedite eligible case approvals and rapidly decrease aging caseloads. Central OHEP is also conducting bi-weekly performance check-ins to reinforce accountability, monitor progress, and sustain productivity gains.

The backlog trajectory is moving in the right direction, and the corrective actions and surge staffing strategies now in place position Caroline County to achieve continued and measurable improvement in timeliness and compliance in the near term.

**Montgomery County** has experienced a 25% year-to-date increase in applications between FY25 and FY26 while simultaneously reducing the percentage of applications exceeding 55 days by 11.9 percentage points compared to FY25. State OHEP staff are working closely with the county to provide technical assistance and further streamline internal processes, enhance efficiency, and sustain processing improvements amid increased demand.

**Southern Maryland** has faced staffing and leadership challenges this fiscal year due to employees being out on extended leave. As of November 1, 2025, 24.5% of applications exceeded 55 days. This local administering agency continues to engage in bi-weekly technical assistance meetings with the State OHEP Office to strengthen workflow management and accelerate processing times. We have instituted bi-weekly check-ins with OHEP leadership and the implementation of mass certification across Southern Maryland's Tri-County region.

**Howard County Community Action Council** has made notable progress through targeted staff training and process modernization efforts, reducing applications processed over 55 days by 16.6 percentage points compared to FY25. The State OHEP Office remains actively engaged to support continued performance improvement and long-term sustainability.

**8. DLS determined that the information provided complies with the language restricting the special funds, and DLS therefore recommends the release of \$250,000 in withheld special funds. DLS will process a letter to this effect if no objections are raised by the committees during the budget hearings. [pg. 32 of the DLS Analysis]**

**DHS Response:** We concur and thank the budget committees in advance.

**9. DLS recommends restricting funds pending submission of a report on energy assistance application processing times and denial rates. [pg. 32 of the DLS Analysis]**

**DHS Response:** We concur.

**Response to DLS Operating Recommended Actions (pg. 33 of the DLS Analysis)**

- 1. Reduce general funds for personnel expenses. The Office of Home Energy Programs administrative costs are supported with special and federal funds.**

**Budget action: -\$46,229 GF**

**DHS Response:** We concur.

- 2. Add the following language to special fund appropriation:**

**, provided that \$250,000 of this appropriation made for the purposes of administrative expenses may not be expended until the Department of Human Services submits a report with data on energy assistance application processing times by local administering agencies (LAA) and overall program denial rates. The report shall include:**

- (1) the number of applications received;**
- (2) the average number of days to process an application; and**
- (3) the number and percentage of applications processed within 30 days, 55 days, and longer than 60 days.**

**The report shall discuss the primary reasons for any substantial changes in processing times that have occurred for individual LAAs between fiscal 2026 and 2027 year-to-date data. The report shall also provide application denial rates separately by benefit type as well as the share of application denials by reasons separately by benefit type. Data shall also include the number of applications initially denied due to incomplete information that were subsequently cured due to applicants providing missing information within the additional three months, as allowed under Chapters 638 and 639 of 2021. Fiscal 2026 end-of-year actual data for denial rates shall be included in the report as well as fiscal 2027 data current through November 1, 2026. The report shall be submitted by December 31, 2026, and the budget committees shall have 45 days to review and comment from the date of receipt of the report. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled if the report is not submitted.**

**DHS Response:** We concur. DHS will be able to provide the requested OHEP data; however, we ask for a submission date of January 31, 2027 in order to analyze and validate the data.

**3. Adopt the following narrative:**

***Energy Assistance Participation Rates: The committees are interested in receiving data on energy assistance participation rates for vulnerable populations as well as general participation rate measures for fiscal 2026. General participation rate measures should be reported separately by program. The data should be submitted with the Managing for Results (MFR) submission during the fiscal 2028 budget process.***

**DHS Response:** We concur.



# **Office of Home Energy Programs Briefing**

**House Environment and Transportation Committee**

**January 21, 2026**

# Agenda

1. Overview of OHEP Programs, Funding, and Administration
  2. OHEP Enrollment Numbers
  3. OHEP Eligibility and Categorical Eligibility
  4. Utility Affordability
  5. OHEP Initiatives
  6. Questions
- 

# Office of Home Energy Programs

## Program

**Maryland Energy Assistance Program (MEAP)**

**Gas Arrearage Retirement Assistance (GARA)**

**Electric Universal Service Program (EUSP)**

**Electric Arrearage Retirement Assistance (EARA)**

## Description

Core heating assistance for income-eligible households. In addition to natural gas, includes assistance for oil, propane, and other bulk fuels

Arrearage forgiveness for natural gas customers

Electric bill payment assistance

Electric arrearage retirement and forgiveness



# OHEP Funding Sources

## Federal Low Income Energy Assistance Program (LIHEAP)

- Maryland Energy Assistance Program (MEAP)
- Gas Arrearage Retirement Assistance (GARA)

### Federal Funding Sources

- Low-Income Home Energy Assistance Program (LIHEAP)

### Grantor

- U.S. Dept. of Health and Human Services (HHS)

### Appropriated Award Amount

- SFY25 LIHEAP Award Totaled in \$82,128,060

## State Special Funds

- Electric Universal Service Program (EUSP)
- Electric Arrearage Retirement Assistance (EARA)

### State Special Funding Sources

- Maryland Strategic Energy Investment Fund (MSEIF), Regional Greenhouse Gas Initiative (RGGI)
- Rate payer contribution

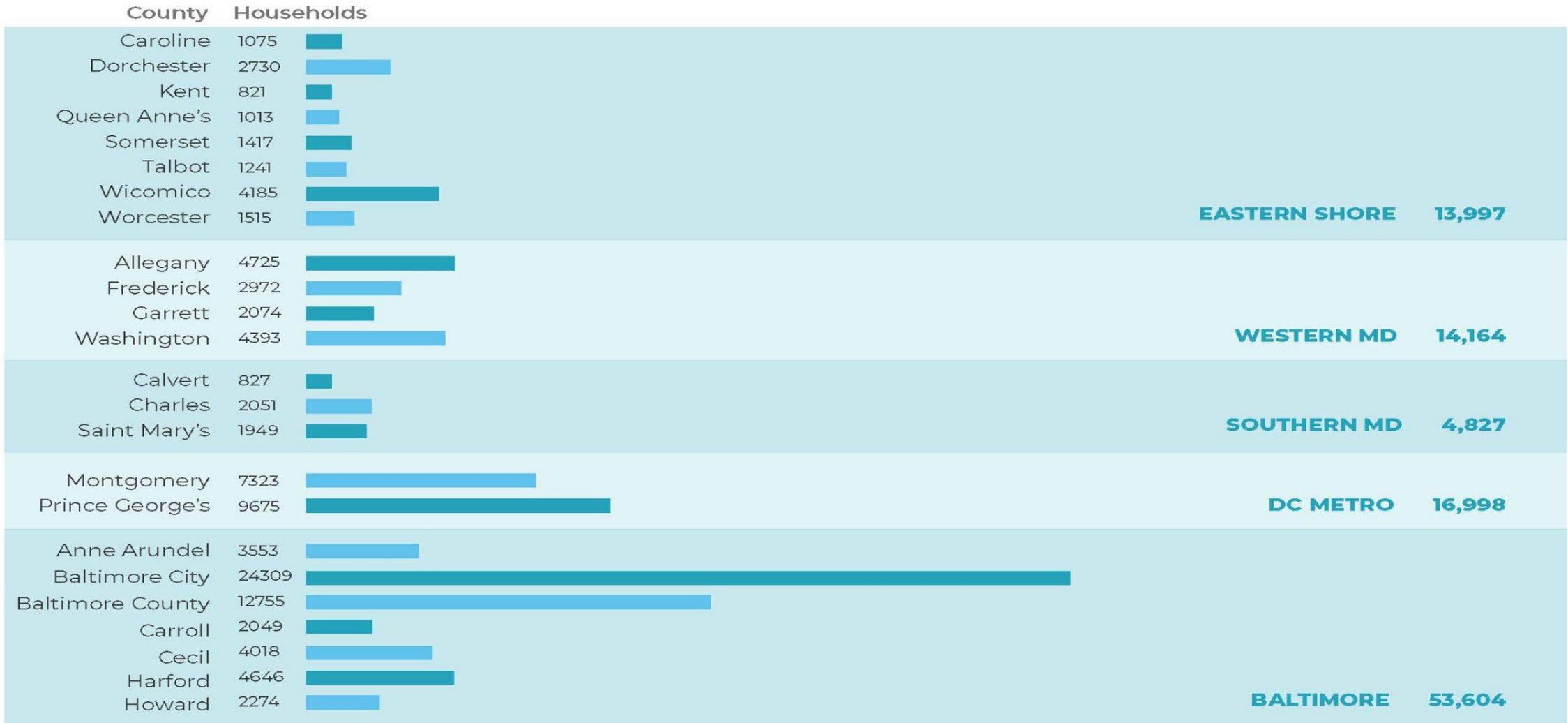
### Grantor

- Maryland Energy Administration (MEA)

### Appropriated Award Amount

- SFY25 MSEIF Award Totaled in \$95,775,318

# LOW INCOME HOME ENERGY ASSISTANCE PROGRAM HOUSEHOLDS SERVED



**Total Served: 103,590**

Totals represent total households served, Federal Fiscal Year 2024 (10/1/2023 - 9/30/2024).

# Federal Funding Implications

- Fall 2025 Federal Government Shutdown and Moore-Miller Administration Response to support OHEP households
- Current Continuing Resolution Expires January 30
  - LIHEAP under U.S. Dept. of Health and Human Services funding package

# Hybrid Administrative Model

- OHEP is administered in partnership with:
  - Community Action Agencies
  - Local Governments
  - Local Departments of Social Services, depending on jurisdiction

## Local Administering Agencies

Allegany County Department of Social Services	Baltimore City Community Action Partnership
Baltimore County Department of Social Services	Anne Arundel County Community Action Agency
Carroll County	Calvert County- Southern MD Tri-County Community Action
Dorchester County Department of Social Services	Charles County- Southern MD Tri-County Community Action
Caroline County Department of Social Services	St. Mary's County- Southern MD Tri-County Community Action
Cecil County Department of Social Services	Somerset County-Shore Up!
Frederick Community Action Agency	Wicomico County-Shore Up!
Garrett County Community Action Committee, Inc.	Talbot County- Neighborhood Service Center, Inc.
Harford County Community Action Agency, Inc.	Queen Anne's County Department of Social Services
Howard County	Prince George's County Department of Social Services
Kent County Department of Social Services	Montgomery County Department of Health and Human Services
Washington County Community Action Council, Inc.	Worcester County-Shore Up!

# Households Receiving OHEP Benefits

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Crisis	N/A	1,258	+ 1,258	100%

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# OHEP Eligibility and Recent Categorical Eligibility Changes

- Targeted, needs-based benefit design
- Vulnerable population
  - Vulnerable Population Waiver
  - Critical Medical Needs Program
- Recent Categorical Eligibility Changes (CH207 of 2023)
  - SNAP, Temporary Cash Assistance, Social Security Income, and Means-Tested Veteran Assistance customers no longer need submit a separate OHEP application.
  - Demand spike (16 -37% increase in enrollment between FY24 and FY25, depending on the program)

## FY 26 Income Guidelines

<b>Household Size</b>	<b>Monthly Income Limits</b>
1	\$2,608
2	\$3,525
3	\$4,441
4	\$5,358
5	\$6,275

# Energy Efficiency Measures

- Weatherization Program (Partnership with DHCD)
  - Solar Energy Initiatives
- 

# Current Initiatives

- Public Service Commission - PC59
  - United Benefits Application (Maryland One App)
  - Tech pilot to automate matching categorically eligible households with missing or incomplete utility account information
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# Questions

For more information, please contact:

Justin Hayes

Acting Director, Office of Government Affairs

Maryland Department of Human Services

[justin.hayes1@maryland.gov](mailto:justin.hayes1@maryland.gov)

