



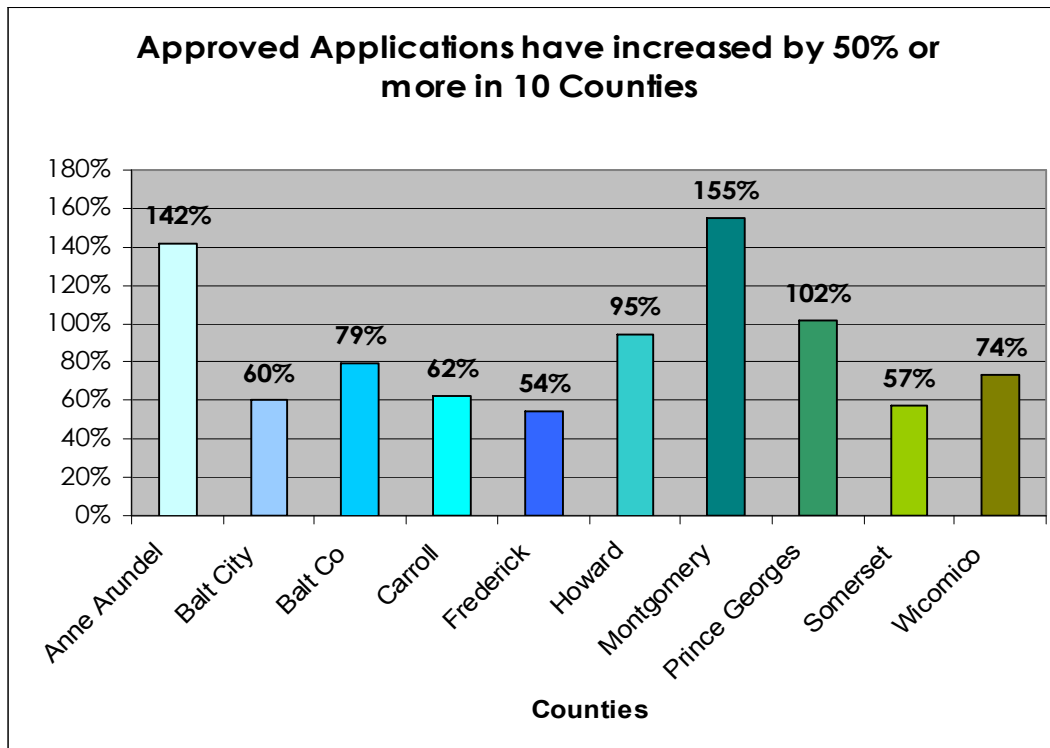
MB&TPI FACT SHEET

MARYLAND ENERGY ADMINISTRATION BUDGET

MARCH 6, 2009

- Maryland Energy Administration (MEA) is an independent unit of State government that advises the Governor on directions, policies and changes to maximize energy efficiency while promoting economic development, reducing reliance on foreign energy supplies, and improving the environment.**

MEA's FY 2010 budget allowance has increased tremendously from \$4.2 million in FY 2009 to \$73.2 million (by \$69 million or 17 times its 2009 budget) due to special funds. The special funds account for Maryland's involvement in the Regional Greenhouse Gas Initiative (RGGI) auction of carbon dioxide allowances. Therefore, MEA's budget does not utilize general funds for the FY 2010 budget. The revenue from RGGI auctions or the Strategic Energy Investment Fund (SEIF) has brought in a total of \$34.4 million from September and December auctions. Since the budget was introduced before the passage of the American Recovery & Reinvestment Act of 2009 (ARRA) or stimulus bill, federal funds have been reduced by \$108,000 (-8.5%).



DHR.FIA. Office of Home Energy Programs

- **Assistance Is In High Demand**

In the past six years (fiscal years 2002 through 2008) total intake and approved applications for OHEP have increased by 50,792 (or 65.6%). Moreover, the needs in ten counties have increased by 50% or more, ranging up to 155% in Montgomery County (see chart above).

- **MEA anticipates \$57.5 million in federal stimulus funds.**

The State Energy Program foresees \$57.5 million in ARRA funding. While, MEA will likely see increases in the FY 2010 budget due to federal stimulus dollars and RGGI auctions, Department of Legislative Services (DLS) observes that MEA may have trouble dispersing the funds due to a lack of “administrative capacity.” DLS recommends that “the allocation in the Budget Reconciliation and Financing Act of 2009 (BRFA) be amended to increase the funding for the Department of Human Resources (DHR) bill assistance by \$21 million.” DHR could use this money for energy assistance for low-income households. MEA strongly objects to this recommendation indicating that the Governor “has already made low income energy assistance a critical priority” by increasing the energy assistance budget from \$98 million to \$132 million. Instead, MEA agrees that the funds should be used to make long-term investments in energy efficiency.

Sources

Department of Human Resources. Family Investment Administration. Office of Home Energy Programs.

Department of Legislative Services. Maryland Energy Administration Analysis of the Fiscal 2010 Maryland Executive Budget. March 2009.

Maryland Energy Administration. About Us. <http://energy.maryland.gov/about/mission/>

Maryland Energy Administration Budget Hearings. March 4, 2009. www.dbm.maryland.gov

See *Maryland Budget & Tax Policy Institute January Policy Report* for more information on Home energy. http://www.marylandpolicy.org/documents/Jan09report_000.pdf

About the Maryland Budget & Tax Policy Institute

The Maryland Budget and Tax Policy Institute is a nonpartisan research organization that provides timely, accurate and accessible analysis of state budget and tax issues. In addition to general budget and tax research and analysis, the Institute examines issues affecting low-income Marylanders and other vulnerable populations and the important community programs that serve them. For additional information, to be added to our e-mail list, or to make a tax-deductible contribution, please visit our website at www.marylandpolicy.org.

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