

**MINNESOTA STATE PLAN FOR BLOCK GRANT FUNDS
available under the
LOW INCOME HOME ENERGY ASSISTANCE ACT
(Title XXVI of the Omnibus Budget Reconciliation Act of 1981)**

**for the
ENERGY ASSISTANCE PROGRAM - 1983**

**ENERGY ASSISTANCE OFFICE
Training and Community Services Division
Minnesota Department of Economic Security**

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A. Program intent. The Minnesota Energy Assistance Program (EAP) is designed to assist low income households with their home heating energy payments by reducing energy consumption and costs. This is a program which:

- provides for equitable assistance distribution without eliminating households' responsibility for paying their energy bills.
- encourages self-sufficiency through energy conservation, alternative energy projects, education, financial planning assistance, and coordination with other self-sufficiency programs.
- is designed under democratic principles that incorporate general public opinion.
- is planned to provide all of these functions with minimal administrative costs.

This program is intended to assist eligible households that can not pay their own energy costs without jeopardizing their future ability to secure other basic needs. An eligible household should receive energy assistance payments when the household has no potential for replenishing resources necessary to maintain current or future self-sufficiency. The ability to carry out the program's full intent may be limited by the availability of federal funds.

B. State program administration. The Department of Economic Security, Division of Training and Community Services has been designated by the Governor as the grantee of record for the federal Low Income Home Energy Assistance Block Grant. The Office of Energy Assistance Programs will administer the block grant in compliance with federal law and will monitor local agencies to insure compliance with the law, the State Plan, and Program Operating Procedures.

C. Local agency applications and requirements. Each local agency designated to receive an Energy Assistance Program allotment will submit an application to the State. Each application will be in the form required by the State and will contain assurances that the local agency will meet the conditions and requirements of this plan. Local agencies may propose plans that depart from the State Plan. The State will define major departures. When major departures affecting households are proposed, the local agency must conduct a public participation process following the State's procedure. No local grant agreement will be finalized until the required local application has been approved. The State will act on submitted applications within two weeks of receipt of the application.

As part of the required application, local agencies must assure that they have the capacity to carry out the following requirements. Further details regarding specific administrative requirements will be issued in the form of Operating Procedures.

1. Priority of payments for eligible households. In the event that federal funds allocated to the State are severely restricted, the State will prioritize assistance payments to households which contain one or more individuals who are elderly (age 60 or over) or handicapped.

The State will determine the adequacy of funds based on previous funding levels, the anticipated number of eligible households, and actual applications received during the first month of program activity. When the State declares that prioritizing must be implemented, local deliverers must first prioritize the elderly and handicapped and may further prioritize based on local needs. Emergency situations must receive priority, thus agencies must define locally those conditions which will be considered emergencies. Further, local agencies must assure that the highest level of assistance is furnished to households which have the lowest incomes and highest energy costs in relation to income and family size.

2. Coordination for verification of income. The local agency must assure that agreements will be secured with agencies, offices, and/or institutions that will provide applicant income verification.

The burden of providing required verification of income rests with the applicant except in the cases of elderly or handicapped households for whom the burden would be excessive. Agency and household responsibilities for income verification must be defined locally. The State standard for acting on an application will be two weeks from the date the application is completed to notification of the household and the household's vendor of the authorized assistance. When the responsibility for providing verification has been given to the household, the two-week standard will not begin until the household has provided all required documentation. In emergency cases, processing of payments must be immediate as indicated by the emergency. After an application has been authorized for payment upon verification of eligibility, no longer than two weeks should be allowed to process the first assistance check. These standards may be waived by the State based on the availability of federal funds .

Local agencies must assure that, within the agency, the persons responsible for intake and verification do not certify eligibility. Certification and authorization for payment must be completed by staff persons other than those completing intake and verification.

3. Public relations. For the purposes of this program, "public relations" is defined to include the use of statewide and local media, brochures, posters, mailings, and public speaking engagements to inform the public about all aspects of energy assistance. The local agency must assure that its public relations effort will make use of all available media such as direct mailings, newspaper releases, radio and television announcements, notices in area church bulletins and newsletters, posters, brochures, and public speaking engagement availability. In addition, information made available to the public should include data related to the impact of rising energy costs and the effect of high costs on low income households. Conservation, alternative energy development, and energy educational resources must be part of local public relations efforts. These efforts should include information on eligibility documentation requirements; locations, dates, and times for intake at decentralized sites; a telephone number within the area to call collect or toll free for information; and a 24-hour local emergency contact.

The State will assume responsibility for statewide public relations and will coordinate with local agencies to assure the timeliness and consistency of information.

4. Outreach. For the purposes of this program, "outreach" refers to an activity implemented outside the confines of the main office of a local delivery agency for the purpose of identifying eligible households, offering intake and verification services, and providing referrals. The local agency must assure that outreach activities will target those households most vulnerable to the effects of cold, especially the elderly and handicapped, those for whom access to assistance programs is especially difficult, and lowest income households. The primary focus of outreach must be to target eligible households that have not previously participated in energy assistance programs.

The local agency must assure that outreach activities will, at a minimum, include the following:

- a. Home visits for elderly and handicapped, and persons unable to leave their homes due to infirmity or fear of harm, or transportation to an intake site if more appropriate.
 - b. Decentralized intake sites throughout the service area to provide program access in isolated or rural areas. This element must also include sites in non-threatening locations such as public libraries, senior citizen centers, congregate meal sites, and churches. Confidentiality of income information and reasonable privacy for the individual must be assured at all intake sites. Every effort should be made to secure sites that are accessible to handicapped persons.
 - c. Scheduled appointments.
 - d. Identification of previously unassisted groups and a systematic approach to targeting these groups.
 - e. Extended office hours and/or home visits for working people.
 - f. Written descriptions of other appropriate human service programs made available to applicants at the time of intake. The nature of these programs must be explained to all applicants.
5. Coordination with other human service providers. Local agencies must assure that linkages will be developed with other human service providers in the area to target potentially eligible households. These linkages are required in order to assure maximum referral of EAP households to service providers and to assure that referrals will be made to EAP. Linkages should include but are not limited to:
- a. Community Action Agencies
 - b. County social service agencies
 - c. Weatherization/conservation programs
 - d. Volunteer Action Centers
 - e. Senior citizen organizations
 - f. Organizations for the handicapped
 - g. Local employment and training services

-In addition to specific referrals to the major service providers in the area, written handouts containing brief descriptions of these services must be provided at intake.

As part of the application process for EAP, applicants will automatically be referred to the U.S. Department of Energy Weatherization Program. The EAP deliverer will provide to the local weatherization program deliverer a copy of the application which includes name, address, phone number, household size, energy source, and EAP eligibility verification. Permission to release this information will be obtained in writing at the time of intake.

6. Local emergency plan. Because funds to aid in emergencies are extremely limited, local agencies must assure that there will be community involvement in a plan to meet the needs of area residents. The written plan must define possible emergencies such as those caused by short-term family energy crisis situations, blizzard conditions making delivery of fuel difficult, long durations of extreme cold causing frozen water pipes or creating an unexpected need for additional fuel, and ice storms causing energy power line damage. This plan must be available for compliance review.

Local agencies must assure that they will coordinate with the following types of local resources:

- a. County and community-level funded programs and volunteer programs prepared to handle emergencies.
- b. Local offices of Emergency Services (Department of Public Safety).
- c. Sheriffs' Offices.
- d. Churches, schools, armories, and other facilities to assure the availability of food and shelter.
- e. Heating energy vendors.

The local emergency plan must provide for a 24-hour emergency contact to aid households in obtaining shelter and emergency deliveries of heating energy.

7. Conservation/repair set aside. A portion of the State's allocation will be set aside for assistance to households experiencing exceptionally high energy consumption, an emergency which affects the heat of the dwelling, or a potentially hazardous energy-related situation. Each local deliverer will receive a portion of the set aside and must assure capability to deliver these funds. The nature of the need for assistance must be documented for each household requesting conservation/repair set aside funds. Based upon documentation, suitable conservation/repair activities should be provided through appropriate private contractors. Local agencies should coordinate conservation/repair activities with those agencies delivering the EAP Weatherization and EAP Repair programs.

Local agencies must assure that they will comply with the following requirements:

- a. Local definitions. Households will only be eligible to receive set aside funds when one or more of the three eligibility criteria can be documented. Agencies must locally define high consumption, emergencies which affect the heating of a dwelling, and potentially hazardous energy-related situations.
- b. Identifying households. Due to limited funds the availability of the set aside should not be publicized in the media. Households must be identified through appropriate referral networks and through the energy assistance application process. Applicants must be offered a State-developed conservation needs assessment questionnaire. This will aid in identifying households in need of conservation/repair assistance.

Listed below are limitations for use of set aside funds:

- a. No more than \$500 per household may be expended to complete energy related repairs.
 - b. This assistance may be in addition to the household's heating assistance, but may not be used to purchase energy.
8. Agreements with energy vendors. Consistent communication with vendors must be assured. Information transfer may be accomplished through meetings with vendors and should be maintained with regular communication throughout the duration of the program. The local agency must assure that vendors will respond to telephone certification of household eligibility and authorization of payment in emergency cases. The agency must keep a list of all vendors that enter into agreements to participate in this program.

Cooperation with participating vendors is important. If a vendor fails to comply with any part of the State's required agreement, the local agency's first responsibility is to try to negotiate and secure cooperation, keeping in mind that withdrawing the agreement may interrupt the delivery of energy to program participants. This may be accomplished through language changes that clarify the intent of the agreement. The intent of all terms of the agreement as outlined below must be maintained. If a vendor refuses to comply with all terms, the local agency must withdraw the agreement and make no further payments to that vendor. Payments will be made to a home energy vendor on behalf of eligible households only if the vendor agrees to the following terms:

- a. To charge the household in the supplier's normal billing process and assure charges are not increased because of a household's eligibility for this program. Billing in advance of service is not allowed.
- b. To apply any credit remaining from the 1979-80 energy assistance program (ECAP) to a customer's incurred delivery costs before applying payments from EAP to the account.

- c. When an applicant's account may include such items as gasoline, machine parts, engine oil, etc., assure that payments from this program are applied to only home energy costs.
- d. Customers may be disconnected for non-payment by large vendors (regulated utilities) only in accordance with the Minnesota Public Utilities Commission Disconnection Rules. Customers may be disconnected for non-payment by small vendors (unregulated utilities) only after notifying the household of the availability of EAP assistance and notifying the local program deliverer of intent to terminate service to the household.
- e. Any deposits and additional charges to the customer may be paid only where such a charge was company practice prior to September 1, 1982.
- f. Re-connection of service shall be negotiated upon certification for payment and satisfaction of the above requirements.
- g. All credits attributable to payments from this program remaining in a customer's account shall be refunded to a local agency when a client ceases to be a customer of the vendor or upon written request by the local agency. Any credit remaining in the customer's account as of May 31, 1983, must be returned to the local agency.
- h. The vendor must notify the local EAP delivery agency if more than one assistance grant from any EAP source has been assigned to an account.
- i. The local delivery agency and the State shall have access to the books and records of the fuel supplier or utility company for the purposes of audits and other examinations required for the proper administration of the program. Information concerning customer involvement in this program is not to be released as credit information or shared with anyone who is not a party of this contract or an authorized representative of a party of this contract.
- j. Records of fuel costs, consumption, date of delivery, etc., must be available to the local agency or the State.
- k. Not to discriminate against eligible households in offering deferred payment or budget payment plans; or in conditions of sale, credit, delivery, or price.
9. Assistance to renters. The local agency must assure that owners and renters will be treated equitably under this program and that duplications of assistance will not occur. A rental household paying energy costs as an undesignated portion of rent may receive assistance upon verification of rental costs.

For those rental households that pay energy costs directly to energy suppliers and receive no utility subsidies, eligibility determinations and assistance amounts must be calculated in the same manner as for households owning their residence.

For public-housing households that receive a utility allowance, the annual portion designated for heat must be subtracted from the eligibility table assistance amount.

10. Fraud procedures. Local agencies must assure that they will provide for the investigation and prosecution when appropriate of suspected fraud. When a suspected fraud case involves more than one county or crosses county lines, it must be reported to the State.
11. Budget for administrative portion of grant. State-required budget forms must be submitted prior to release of funds. To the extent that administrative dollars must be earned, a reduction in the program dollar amount of the grant may necessitate a reduction in administrative dollars.

D. Application. Any Minnesotan may apply for the heating payment portion of EAP with the local deliverer serving the county of his/her residence between November 1, 1982 and May 31, 1983. No automatic assistance payments will be made. An application process is required for each household. Information collected on applicants is considered private data as defined by the Minnesota Government Data Practices Act.

E. Household definition. "The term 'household' means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily provided in common or who make undesignated payments for energy in the form of rent." (Older American Act Amendments of 1981, Pub. L. 97-115)

When applying this definition for the purpose of determining household income, the local agency may use either of the following procedures; the procedure used must be the one most advantageous to the household:

1. Count only the persons in the household at the time of application to determine household size. The income of these household members during the time for which income is being determined must be included in the total household income.
2. Count as household members all persons who resided in the household during the time for which income is being determined. When a person is counted as a household member, that person's income for the time s/he resided in the household must be included in the total household income.

F. Eligibility. Payments will only be made to or on behalf of households with incomes less than or equal to 60% of the State's median income. Eligibility will also be based on an asset limit. Households failing to meet either the income or asset requirements will not be eligible to receive assistance. Though a household must be income and asset-eligible to participate in the program, every eligible household's amount of assistance will be based on income in relation to energy costs. No household is automatically or categorically entitled to assistance under this program.

Income is defined as total constructive cash receipts before taxes from all sources during the eligibility period being considered. Household income will exclude loans, any irregular or small amounts which are difficult to compute or consider, or income specifically exempted by law. Medical expenses in excess of three percent of the household's income paid within 12 months preceding the date of application and not reimbursed are deductible from income. Allowable medical deductions are those defined by the Internal Revenue Service. The applicant must provide documentation of paid medical bills. Local agencies will use the State's procedure to expedite Medicaid recipient eligibility determinations.

Certain adjustments to gross income, such as unreimbursed employee expenses, will be allowed when determining eligible household income. Non-cash expenses, such as business-related depreciation will be added back to the household's net profit or loss. Net losses will be allowed only to the extent that they do not exceed 50 percent of earned or other income. For the purposes of this program, capital outlay purchases will not be considered expenditures when determining income.

The 12 months preceding the date of application will be considered when determining income. When the household's 12-month income exceeds eligibility guidelines, the household's income may be computed using the 90 days preceding application to determine eligibility. Since these households demonstrate less need for assistance because their annual incomes exceed that of other eligible households, the program payment for 90-day eligibility will be reduced as published in the State assistance table.

Further details and clarification of the income definition and asset limit will be developed by the State in the form of Operating Procedures.

G. Assistance amounts and limitations on payments.

1. Amounts of assistance. Assistance amounts will be calculated by using average home heating energy costs as the basis for determining maximum levels of assistance. As costs vary for heating fuel types within the State, so will assistance amounts. The maximum assistance amounts will not exceed a percentage of the average home heating cost by geographic area and be proportional to income level by family size. It is not the intent of this program to pay 100 percent of the annual heating costs of any household. Households will receive the determined assistance amount or an amount equal to actual heating energy costs, whichever is less.

Agencies must use the eligibility tables developed and provided by the State. The following tables will be required for use in determining eligibility:

- a. EAP eligibility table - 12 month income.
- b. EAP eligibility table - 90 day income.
- c. EAP eligibility table - renters with undesignated heating costs.

2. Limitations on payments. All similarly situated households will receive equal amounts of assistance. Renters responsible for purchasing heating energy will be assisted in the same manner as home owners. Eligible households must receive the full assistance amounts determined under the requirements of this plan. Local limitations on payments beyond those outlined below must be based on public comment in the service area.
- a. Payments for primary heating source. The household must designate the primary heating source currently used by the household. The assistance amount will be determined based on the primary source or dual sources as indicated in c below. At least 50 percent of the total assistance amount must be applied to the primary heating energy source.
 - b. Payments for supplementary heating costs. When a household has a supplementary heating source, it must be declared at the time of application. The household may assign an amount not to exceed 50 percent of the total assistance amount to its supplementary heating source.
 - c. Payments for households declaring dual heating sources. When a household declares that its dwelling is heated equally by two energy sources, the household will be eligible to receive assistance equal to the average of the assistance amounts for the heating sources.
 - d. Payments for energy utilities. Payments may be made to a household's energy utilities at the time of application only for amounts past due. Energy utilities are considered those energy suppliers that are not directly providing heat in the dwelling.
 - e. Payments for households cutting their own wood for primary heat. Assistance amounts for households cutting wood for primary heat must be based on no more than \$80 per cord. Up to fifty percent of the total assistance amount may be paid directly to the household in one payment. The household may use the remaining portion of the assistance to pay bills for delivery of supplementary home heating energy, utilities, or other energy-related purchases, repairs, or improvements. If the household is current with all other energy payments, the entire amount of assistance may be paid directly to the household.
 - f. Payments for households purchasing wood for primary heat from a vendor. Households that purchase wood as a primary heating source will receive assistance in the form of vendor payments which are made upon presentation of actual bills that document delivery of wood. The maximum amount of assistance to a household will be based on the current price per cord being charged by the household's wood vendor not to exceed \$80 per cord. Payments to supplementary heating vendors, utilities, and reimbursements are allowable as for other households. If a local delivery agency is a wood vendor, the eligible household must sign a statement attesting to the fact that the amount of wood being paid for has actually been received by the household. Payment must not be authorized without this signed statement.

- g. Renters paying for heat as an undesignated portion of rent. When payments are made to or on behalf of rental households with undesignated energy costs, the maximum amount of assistance must not exceed a prorated amount of their heating costs as determined, or the amount indicated on the assistance table for similarly situated households which pay for heat directly to a vendor, whichever is less.
- h. Payments for residents of subsidized housing. Residents of publicly subsidized housing will be assisted only to the extent that the determined assistance amount exceeds that portion of their annual utility subsidy designated as heating allowance. Only subsidized households which are directly responsible for paying heating bills are eligible to receive assistance.
- i. Reimbursement payments to households. Heating energy bills paid by the household may be reimbursed only when the household is current with all other energy payments and when the local agency has determined that the household will be able to maintain a heat source through the heating season. Only bills dated after September 30, 1982 through bills including service for May, 1983 may be reimbursed. Reimbursements will be made in the form of direct payment to the household.

H. Forms of payment. Local delivery agencies are required to assist households based on their primary heating source using one or a combination of the following options, observing the limitations in section E (Household definition).

- 1. Payment on presentation of a bill for delivery of heating energy. This form of payment requires that an internal line of credit and bill payment process be established by the local agency which includes notification to the household and the household's vendor of the total amount of assistance. This form of payment is required for households that purchase wood from a vendor.
- 2. Vendor line of credit. A line of credit may be extended to a household's primary heating energy vendor which equals the amount of assistance remaining after any payments to a supplementary heating source and/or utility. The line of credit payment must not exceed \$400 and must also not exceed the household's anticipated costs during the period for which the credit will remain on account ending May 31, 1983. No lines of credit may be extended after March 31, 1983.

Any amount remaining on a customer's account from a line of credit payment under this program must be returned by the vendor upon termination of the account or recalled by the local agency on May 31, 1983.

- 3. No local agency will require partial payment of regular energy bills for any applicant.

I. Appeal process.

1. Local agencies and the State are responsible for providing an appeal process for dissatisfied households experiencing the types of denials listed below. The State agrees to provide a fair hearing through the State Office of Administrative Hearings to any household not satisfied with the local and State appeal determinations. Causes for appeal include:
 - a. Application is denied.
 - b. Notification of application status is not provided within two weeks. (While operating under priority procedures, notification of priority status will be given at time of application. Written notification will be provided when funding allows applications to be processed.)
 - c. Payment is less than the household believes it should be.
 - d. Payment is made in a lesser amount or duration than the household was originally authorized to receive.
2. The following provisions have been made to allow for a local appeal of denial of assistance. Equal opportunity will be given all Minnesotans to apply for EAP. In order to maintain this equality, local agencies must make known to all applicants the procedures for review of the partial or complete denial of assistance under the program. Local agencies must develop appeal procedures which include the following provisions:
 - a. A statement on the program application notifying all applicants that a written procedure for appeal is available.
 - b. A written notice that may be sent to applicants stating the reasons for denial of assistance, that s/he may request a review of the denial and may submit additional information (in writing or orally) which the applicant believes would warrant a favorable determination.
 - c. A procedure for reviewing the denial of an application for assistance within one week if such is requested by the applicant. This will include a step-by-step outline of the review process and assignment of review responsibilities to a senior level official other than the person making the initial determination.
 - d. A format for notifying the applicant in writing of the local agency's final decision.
 - e. A written description of the above required procedures must be developed by the local agency, maintained on file, and available for public inspection.
 - f. Local delivery agencies must set aside potential amounts of assistance at time of initiation of an appeal.

3. Applicants may request a continued appeal at the State level only after the local appeal process has been completed and the local agency has made a determination. An applicant must request a State-level appeal by writing to the Office of Energy Assistance Programs. When a State-level appeal is requested, the local agency must immediately send all documents pertaining to the initial appeal, including the telephone number and address of the applicant, to the State.
4. The State office will take the following action:
 - a. Review the initial appeal determination in light of the supporting documentation.
 - b. Request additional information from the applicant or local agency as necessary.
 - c. Issue a determination, providing a copy to the applicant and the local delivery agency within 14 working days from the date the information is received by the State office.
 - (1) If the decision of the local agency is reversed, making the applicant eligible for assistance, all documents will be returned to the local agency for processing.
 - (2) If the applicant is determined ineligible for assistance, the State office will hold all documents for 30 days pending further appeal.
 - d. If additional information concerning an applicant's eligibility becomes available at any time during the continued appeal process, the State will review the applicant's eligibility immediately.
 - e. Upon the issuance of the State office determination, the applicant has 30 days to request a formal hearing. If such a request is filed, the case will be turned over to the Office of Administrative Hearings for hearing before a State Hearing Examiner.
5. The State assures that hearings will meet these standards:
 - a. Must be held in a place reasonably convenient to the claimant.
 - b. The claimant is afforded an opportunity to review the case file.
 - c. The hearing officer is a State employee who is not involved in the decision being appealed.
 - d. The following rights are guaranteed the claimant:
 - (1) Permitted to be accompanied by a representative.
 - (2) Allowed to present oral and/or written statement, and other evidence.
 - (3) Have witnesses subpoenaed.

(4) Cross examine witnesses.

(5) Bring a language interpreter if needed.

e. Testimony is given under oath.

f. The hearing is recorded and the decision is based on the record.

J. Unobligated funds. When heating payment program spend-down analysis indicates that funds will remain unobligated, EAP monies will be reprogrammed, transferred, or carried over for activities allowable by federal law. These activities must result in reducing the burden of energy costs on low income Minnesotans.

K. Reporting. Local agencies must comply with all State reporting requirements.

1. Semi-monthly reports are required the middle of each month and on the last working day of each month.

2. Monthly reports are due on the 14th working day of each month showing program status for the whole agency as of the last day of the preceding month. These reports will not be required on months when a quarterly report is due.

3. Quarterly reports are to be filed in January 1983 showing status through the end of December 1982; April, showing program status through the last day in March; July, showing the status through June; and October, showing final status. This report will consist of:

a. One report for the agency as a whole and one for each of the constituent counties served by the agency.

b. An income/fuel type matrix table will be completed for the agency as a whole.

4. Weekly automated reports are required to monitor program spend-down. This weekly data report will be gathered by phone and will include the total number of households assisted and total program funds authorized.

L. One percent discretionary set aside. One percent of the State's allocation will be set aside to provide discretionary program funds to local agencies. These funds may be used to meet energy-related needs of income-eligible households. Discretionary funds must not be used for local administrative activities. Local agency governing boards must approve a plan to be submitted to the State for the use of discretionary funds. The State-approved local plan will be considered a part of the local agency's contractual agreement for Energy Assistance Program funds.

M. State plan modifications. This plan is proposed without knowledge of the extent of federal energy assistance funding for 1983. Modifications may be made in this plan based on Minnesota's allocation of funds.