LIHEAP

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January 1994

The Challenger

Labor Coalition on Public Utilities
204 South Ashland Avenue • Chicago, Illinois 60607 • Fax (312) 243-0492 • (312) 243-7172

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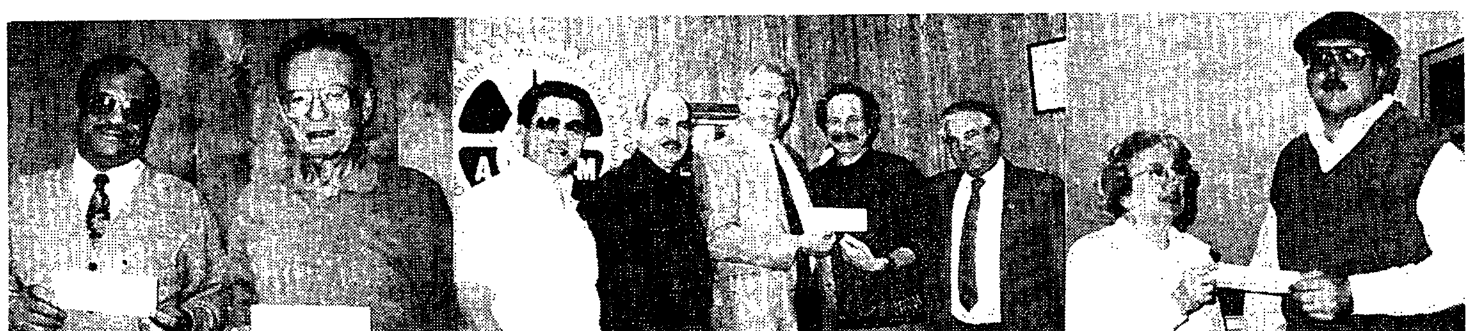

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At this conference Battelle Pacific Northwest Laboratory reported that light at night (LAN) and EMR might increase the risk of breast cancer. Both LAN and EMR reduce production of melatonin by the pineal gland, It was theorized that since melatonin has been shown to suppress the growth of tumors, use of electric power might cause increased risk of breast cancer.

Sister Rosen traveled to Pittsburgh, together with five other participants from the Chicago area, to attend the third annual conference November 12-13 of the National EMR Alliance. Highlight of the intensive two-day meetings was a talk by Paul Brodeur,author of a new book, "The great power line cover-up".

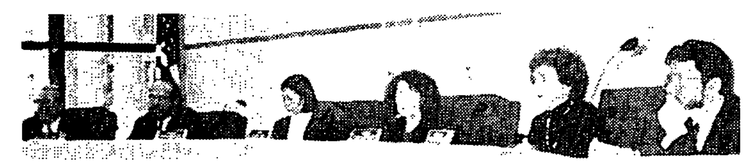
Brodeur outlined four key issues for citizen action groups in 1994:

(1) Breast cancer - one in eight women now get breast cancer. Utility workers show a six-fold increase in breast cancer. EMR may be a key factor in the spread of breast cancer as well as other cancers.

(2) Schools - Studies in Sweden now show children near high power lines to be especially at risk for leukemia. There has recently been a 30% increase in childhood leukemia. Parents in every school can demand "hazard-free school zones". Gaussmeters can be used to test school buildings.

(3) Property damage - Realtors report homes near power lines sell for 10% less. Increasingly, courts recognize fear of cancer in property devaluation.

(4) Misconduct of utilities, who hire "expert consultants" to testify that studies have been inconclusive.



ICC Commissioners voting against gas investigation.

How to apply for utility aid

by Lauricee Brown, LCPU Energy Assistance Director.

At LCPU we can help you fill out applications for the Low Income Home Energy Assistance Program (LIHEAP). We also provide referrals with counseling, energy tips and suggestions for low-cost or no-cost ways to do budgeting and planning about how to keep utilities on or get them reconnected. Call (312) 243-7172 for an appointment.

We will come to unions on request to explain this program. Some of the places where we have presented the LIHEAP program include United Transport Workers Local 2014, and Machinists Local Lodge 48 members now on strike at Weil Pump and Machinists Senior Citizen Club No. 1580.

The federally- and state-funded LIHEAP program is designed to assist eligible low-income households pay for winter energy services. LIHEAP provides a one-time benefit to eligible households to be used for energy bills. The amount of the payment is determined by income, household size, fuel type, and geographic location.

Emergency assistance is available if your household is disconnected from an energy source needed for heating and/or if a delivered-fuel supplier has refused to deliver and your tank contains 10% or less.

To apply, you must bring: (1) proof of gross income from all household members for the 30-day period prior to application date. (2) proof of social security number (card) of all household members. (3) A copy of your current heat and electric bills, if you pay for your home energy directly. (4) If you rent, bring proof of your rental agreement or receipt which must state your monthly rent amount. (5) If members of your household receive AFDC, you must bring their medical eligibility card.

Chicagoans pictured with Paul Brodeur at Pittsburgh EMR conference: Carolyn Matthews (Southwest Community Congress), Lois Rosen (LCPU), Rita DeBoer (Barrington), Brodeur, Hazel Montgomery & Annetta Allen (SCC).

Blast gas cover-up - cont.

in River West. I urge you and the other Commissioners to (reject) this proposed order."

Therese Sherman, a River West victim, wrote Chairwoman Craig, "There are still many unsolved mysteries from the days and weeks leading up to the firestorm.....The dead lie sleeping in their graves at 824 No. Racine but their families lie awake and wonder.....I urge you, let the State's Attorney conduct their public investigation. Let me ask some questions."

The Chicago Reader on November 12 ran a full-length feature story by Harold Henderson, entitled "Blowing smoke - Two years after the River West explosion, Peoples Gas and the ICC are still resisting a public investigation." Henderson detailed the Labor Coalition's 11-year fight for gas pipeline safety, calling LCPU "a small feisty consumer-advocacy group run by Chicago unionists".

Gregory Palast, LCPU economist, told reporter Henderson, regarding the ICC staff's accepting Peoples Gas explanations, "It's like the police asking robbers "did you rob anything?' and taking their word for it." The story concluded, "We don't know the truth here. But if Peoples Gas and the ICC staff are right that the system is safe.....what are they so afraid of?"

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Sister Rosen traveled to Pittsburgh, together with five other participants from the Chicago area, to attend the third annual conference November 12-13 of the National EMR Alliance. Highlight of the intensive two-day meetings was a talk by Paul Brodeur, author of a new book, "The great power line cover-up".

Brodeur outlined four key issues for citizen action groups in 1994:

(1) Breast cancer - one in eight women now get breast cancer. Utility workers show a six-fold increase in breast cancer. EMR may be a key factor in the spread of breast cancer as well as other cancers.

(2) Schools - Studies in Sweden now show children near high power lines to be especially at risk for leukemia. There has recently been a 30% increase in childhood leukemia. Parents in every school can demand "hazard-free school zones". Gaussmeters can be used to test school buildings.

(3) Property damage - Realtors report homes near power lines sell for 10% less. Increasingly, courts recognize fear of cancer in property devaluation.

(4) Misconduct of utilities, who hire "expert consultants" to testify that studies have been inconclusive.

ICC Commissioners voting against gas investigation.

How to apply for utility aid

by Lauricee Brown, LCPU Energy Assistance Director.

At LCPU we can help you fill out applications for the Low Income Home Energy Assistance Program (LIHEAP). We also provide referrals with counseling, energy tips and suggestions for low-cost or no-cost ways to do budgeting and planning about how to keep utilities on or get them reconnected. Call (312) 243-7172 for an appointment.

We will come to unions on request to explain this program. Some of the places where we have presented the LIHEAP program include United Transport Workers Local 2014, and Machinists Local Lodge 48 members now on strike at Weil Pump and Machinists Senior Citizen Club No. 1580.

The federally- and state-funded LIHEAP program is designed to assist eligible low-income households pay for winter energy services. LIHEAP provides a one-time benefit to eligible households to be used for energy bills. The amount of the payment is determined by income, household size, fuel type, and geographic location.

Emergency assistance is available if your household is disconnected from an energy source needed for heating and/or if a delivered-fuel supplier has refused to deliver and your tank contains 10% or less.

To apply, you must bring: (1) proof of gross income from all household members for the 30-day period prior to application date. (2) proof of social security number (card) of all household members. (3) A copy of your current heat and electric bills, if you pay for your home energy directly. (4) If you rent, bring proof of your rental agreement or receipt which must state your monthly rent amount. (5) If members of your household receive AFDC, you must bring their medical eligibility card.

Chicagoans pictured with Paul Brodeur at Pittsburgh EMR conference: Carolyn Matthews (Southwest Community Congress), Lois Rosen (LCPU), Rita DeBoer (Barrington), Brodeur, Hazel Montgomery & Annetta Allen (SCC).

Blast gas cover-up - cont.

in River West. I urge you and the other Commissioners to (reject) this proposed order."

Therese Sherman, a River West victim, wrote Chairwoman Craig, "There are still many unsolved mysteries from the days and weeks leading up to the firestorm.....The dead lie sleeping in their graves at 824 No. Racine but their families lie awake and wonder.....I urge you, let the State's Attorney conduct their public investigation. Let me ask some questions."

The Chicago Reader on November 12 ran a full-length feature story by Harold Henderson, entitled "Blowing smoke - Two years after the River West explosion, Peoples Gas and the ICC are still resisting a public investigation." Henderson detailed the Labor Coalition's 11-year fight for gas pipeline safety, calling LCPU "a small feisty consumer-advocacy group run by Chicago unionists".

Gregory Palast, LCPU economist, told reporter Henderson, regarding the ICC staff's accepting Peoples Gas explanations, "It's like the police asking robbers "did you rob anything?' and taking their word for it." The story concluded, "We don't know the truth here. But if Peoples Gas and the ICC staff are right that the system is safe.....what are they so afraid of?"

Story behind victory - cont

by the father-son team, Randall and Eric Robertson of Lueders, Robertson & Konzen in Granite City. The coalition, known as Illinois Industrial Energy Consumers, was with the intervenors throughout the 10 years. It included Amoco Chemicals Company, Caterpillar Inc., Ford Motor Company, Acme Steel Company, General Motors Corporation, Nabisco Brands Inc., and Reynolds Metals Company.

Substantial political strength was added by unity of government agencies, won after overcoming the 1987 debacle when the Governor, Attorney General and Cook County State's Attorney in that year proposed a rate hike, much to the consternation of all the other intervenors.

Counted among the final victorious intervenors were Attorney General Roland Burris (representing also Office of Consumer Services Alvin Grandys and Public Counsel Steve Moore, whose agencies no longer exist); Cook County State's Attorney Jack O'Malley, whose Assistant State's Attorney in the cases was Tom Rowland; Chicago Mayor Richard M. Daley, whose chief lawyers were Pat Giordano, in the coal contract cases, and Ron Jolly; and the Illinois Department of Transportation.

Since the settlement, the Illinois Industrial Energy Coalition has invited the Labor Coalition and other intervenors to work with them in a new coalition to design and implement Demand Side Management programs for more cost-effective electricity usage and to reduce waste.

This good news must be balanced against the effects of government cutbacks and sharply reduced foundation support. These cut-backs and reductions threaten the ability of the public interest and government agencies to continue their work of protecting consumers because of diminished staff and resources.

Contract settled, laid off Edison workers recalled

400 Com Ed union workers, laid off June 4, were called back early August, following union ratification of a one-year contract settlement. Edison has 12,000 unionized employees. The lay-offs, first since the 1930's, were a thinly disguised attempt to panic the workers and union into concessions.

Nevertheless, the union won guarantees of job security and current wages until mid-1995. 3% bonuses will be paid if company operating and maintenance maximum-cost-savings goals are reached. The union was able to beat back a number of work-rule concessions Edison demanded. The agreement permits hiring of more part-time workers and eliminates one paid holiday. Four standing holidays will be replaced with floating vacation time.

In July families of 32 deceased workers sued Edison, charging the men died as a result of exposure to asbestos. Six seriously ill Edison workers also sued.

We urge all unions to reprint all or parts of **The Challenger** in your newspapers and bulletins. **The Challenger** is free to union members. Bulk orders are available at cost. Subscription is $5 per year to others.

LABOR COALITION ON PUBLIC UTILITIES
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The Challenger

Labor Coalition on Public Utilities

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ELECTRIC RATES TO PLUNGE 25% FOR 12 MONTHS !!

Consumers win $1.34 billion refund, $339 million rate cut

Consumers have won an historic victory in an out-of-court settlement with Commonwealth Edison that will result in a 25% reduction in electric rates for the coming year.

Edison's agreement to pay a $1.34 billion refund in payments over 12 months beginning December 1 amounts to the largest electric rate refund in the world ever.

A $339 million rate cut begins at the same time and will continue after the refunds have been fully paid, averaging a 6% cut in present rates.

The money will be received in credits on current ratepayers' bills. Attempts to repay former customers were abandoned because of the difficulty of Edison locating and assigning refunds to those who have moved away or been shut off.

Family bills will be $22 a month lower

Residents of single family dwellings will average $272.16 in credits on their bills for the coming year. This amounts to a savings to each family of $22.68 a month, of which $18.41 is the refund and $4.27 is the rate rollback.

Apartment and condominium residents' rates will average $132.24 less for the year, about $11.02 a month, of which $8.94 is the amount of refund and $2.08 is the rate cut.

(continued on page 2)

LCPU President Carmen P. Gambino speaks at September 27 press conference. Behind, left to right, James O'Connor, Chairman, Commonwealth Edison; Howard Learner, General Counsel, Business & Professional People for the Public Interest; Mayor Richard M. Daley; Susan Stewart, Executive Director, Citizens Utility Board.

Labor Coalition calls Edison settlement a major step in halting the flight of jobs and industries

The Labor Coalition on Public Utilities joined in hailing the announcement by Commonwealth Edison and consumer/government intervenors that agreement had been reached to end the 10-year-long litigation on rates and refunds.

Carmen P. Gambino, President of the Labor Coalition on Public Utilities and Vice President of Chicago Local 458-3M of the Graphic Communications International Union, AFL-CIO, declared at the groups' joint September 27 press conference that the agreement was "a major victory for all who live or work in the Edison service area".

Gambino stated that, "The Labor Coalition has long called for lower electric rates to make Northern Illinois once again attractive to business and industry". The agreed-upon $339 million rate cut and $1.34 billion refund mean, he said, that "We can now hope to halt the flight of industries to neighboring areas with lower electric rates.

"These industries have taken tens of thousands of jobs with them, good-paying union jobs. In addition, many industries have chosen in recent years not to locate in Chicago because of high electric rates.

(continued on page 3)

Buy your raffle tickets now!!

The Labor Coalition is conducting a Thanksgiving raffle. First prize is $2,000, second prize $750, third prize $250, and ten prizes of $100 each. Tickets are $5, or $25 for a book of six. Call the Labor Coalition office, 243-7172, for tickets.

Drawing will be held Thursday, November 18, at Graphic Communications International Union Hall, 204 South Ashland, Chicago. Sandwiches will be available at cost beginning at 4:30 pm.

A meeting will be held at 5:30 pm. to take action on Peoples Gas pipeline safety and to hear from Tom Baker, LCPU Research Director, about rate hikes, job loss and technological change in telephone service. Raffle drawing will be at 6:30.

At the Labor Coalition Dinner, June 4, Teamsters Hall

Left to right: George New, Chairman, Chicago Area Black Lung Association with two retired miners, William Thomas and John Klovanich; Carmen P. Gambino (GCIU 458-3M), Paul Giblin (UAW Region 4), Martin Heckmann (SEIU), Senator Carol Moseley Braun, Jerre McPartlin (HERE 1), Hermoline Saxton (CWA District 4), Susan Stewart (CUB Executive Director); Lauren Rosenthal and Howard Learner with son David, and Illinois Treasurer Dawn Clark Netsch.

Left picture, Bill Heneghen, UFCW 1540, seated center, with family and friends; Bill Taylor (OCAW 7-507) and Frank Rosen (UE District 11); seated from left, Charles and Manny Tuteur (ACTWU), Joyce and Ben Solomon (AFT), Lou Pardo (IAM 113) and Edna Pardo (League of Women Voters), Dr. Sidney Bild and Bernice Bild (Coalition for New Priorities), Miriam Canter and, standing, David Canter (County Commissioners office).

Electric rates to plunge 25% - cont

Small commercial and industrial businesses will recoup $1,757.16 this next year, $146.43 a month, $113.45 in refunds and $32.98 in rate decrease.

Under terms of the agreement, typical annual bills for single-family homes not heating with electricity will be $540 for the next year, dropping to 11th place among large U.S. cities. This will rise to $702 after the refund is paid out, placing Edison fourth in the country, behind New York City, Philadelphia and San Francisco/San Jose.

Most major U.S. cities will still have lower rates than Edison. Ratepayers in Los Angeles, who enjoy public power, pay $602 annually, $100 less than the new Edison rates.

Agreement cancels out all six pending rate cases.

The settlement brings to a close six legal actions involving Edison's rates, which consumer and government intervenors have been fighting since 1983. The six cases are:

* The court appeals of the ICC's 1993 rate orders involving the ICC's determination of appropriate costs of Edison's Byron 2, Braidwood 1 and Braidwood 2 nuclear power plants and the extent to which they are needed, whether Edison may recover "deferred accounting charges" and rate of return issues. Consumer and government intervenors, including the Labor Coalition, all had cross-appeals of these orders pending.

* The court appeals of the ICC's 1985, 1989 and 1993 rate orders involving the costs of Edison's Byron 1 nuclear power plant. Consumer/government intervenors were paid $248 million in 1992 in partial refund on Byron 1 overpayments. Further appeals were pending.

* Court appeal by consumer/government intervenors of the 5% interest rate ordered to be applied to a $418 million refund ordered in 1990. This refund stemmed from the Illinois Supreme Court voiding the ICC's December 1988 rate hike. Consumer/government intervenors appealed for a 9% interest rate, as was paid in the $248 million refund.

* Three court appeals by consumer/government intervenors challenging the amount of refund awarded ratepayers after the ICC reduced the differential between summer and winter residential rates in 1988.

* An investigation being conducted by the ICC of how much refund Edison owes customers because it did not lower rates when the 1986 Tax Reform Act lowered the federal income tax rate for corporations from 46% to 34%.

* Litigation over Edison's excessive western coal contract costs 1985-1992. Edison had been paying $32 a ton to Decker Coal in Montana, owned by Peter Kiewit Sons, during a strike at Decker and while prices on the spot market were $4 to $5 a ton. Edison has since negotiated the contracts down to market price.

Unity of Labor, consumers, industry and government; the story behind the victory

It was the broad coalition formed by LCPU, consumer groups, large industrial corporations and state and local government agencies in ten years of struggle against skyrocketing electrical rates that made this victory possible.

All the ingredients for success were painstakingly put together. Legal, research and political talent was contributed from each organization. They met frequently over the years to plan their strategies, divide the work and iron out any differences of approach.

Lead lawyers came from Business and Professional People for the Public Interest - Douglas Cassel, now with DePaul University, and Howard Learner, who carried the final negotiations to a successful close with Edison officials. Learner and Cassel were devoted and brilliantly skillful.

The April 1991 referendum on public power, initiated by LCPU, had helped to create the political climate for the recent settlement. Public anger at Com Ed rates was dramatically revealed by the 4 to 1 vote expressing voter willingness for Chicago to buy out Edison's Chicago facilities.

It was also LCPU that first demonstrated to the coalition the connection between high electric rates and job loss. Many businesses have since testified that electric rates were a factor in their deciding where to locate.

The Labor Coalition lawyers included Deborah Dobish, Marilyn Pearson and, more recently, Gil Cornfield of Cornfield and Feldman. Executive Director Lois Anne Rosen and past president Martin Heckmann also attended strategy meetings.

The Citizens Utility Board was a major player, under the leadership of their Executive Director Susan Stewart. CUB especially contributed a strong on-going public relations that kept ratepayers across the state informed about the issues in each case.

Representing low income residential consumers was Attorney Allen Cherry of Legal Assistance Foundation. His clientele included South Austin Coalition Community Council, Northwest Austin Council, Action Coalition of Englewood, National Peoples Action, Logan Square Neighborhood Association, Northwest Community Organization, Chicago South Community Organization, and others. Cherry brought the needs of low-income families to every discussion.

Important business support came from a coalition of 20 of Edison's largest industrial users, making up 15-20% of Edison sales. They were represented

(continued on page 4)

White Sox Tickets, Anyone?

Call Illinois Commerce Commission (312) 814-2850

Halting flight of jobs and industries - cont.

"We need these lower rates to attract business and provide jobs. We need healthy growing businesses in the Chicago area to provide new jobs and put our laid-off members back to work. The cost of power affects all families, all commercial and real estate property, our schools, hospitals and libraries.

"In the words of one company official, we in Illinois have seen that the effect of utility rates is direct and dramatic. Utility rates go up and jobs are lost. Utility rates go down and jobs are gained."

It was the Labor Coalition who first brought to public attention the effect of high utility rates on job loss. The Labor Coalition's former president, Martin Heckmann, in a statement widely distributed in January of 1988, asserted, "LCPU believes that electric energy prices must be reduced to halt the flight of industry to areas with lower electric rates. Further job loss will negatively affect this region, its commercial and retail industries, its wage earners and its citizens. Northern Illinois can no longer afford the drain on its economy because of rates charged by Edison."

Gambino pointed out that even with the 6% rate cut provided in the settlement, Edison's 6.26-cents-per-kwh rates still will top all Midwestern states.

RATES COMPARED

Comparison of Commonwealth Edison to other Midwestern utilities for average electric rates for industrial users, in cents per kilowatt-hour.

State	Utility	Cts kwh Avg.
Illinois	Commonwealth Edison*	6.26
Michigan	Consumers Power	5.09
Indiana	N Indiana P.S.	4.89
Missouri	Util. Corp United	4.84
Illinois	Illinois Power	4.67
Indiana	Indiana/Mich Ele	4.61
Iowa	Iowa Elec L&P	4.61
Wisconsin	Northern States Power	4.45
Minnesota	Northern States Power	4.34
Wisconsin	Wisc Electric	4.13

* Commonwealth Edison rate includes proposed 6 percent reduction

SOURCE: Citizens Utility Board

Proposed utility tax hike a bummer

Mayor Daley's proposal to augment the city budget by a $15 million hike in the city tax on electric bills is a very bad idea, the Labor Coalition Executive Committee voted at its October meeting. It was expected to bear heaviest on businesses and on the poor.

Thoughts that ratepayers wouldn't mind because it would come out of the refund settlement are cynical in the extreme. The refund ends in 12 months; the tax hike would go on and on, and increase every time the electric bills increase because they are a percentage of the bills.

"It's a regressive tax," observed a Civic Federation spokesman, noting that the city tax is close to, if not the highest, in the nation. "It's one more nail in the coffin of businesses being competitive."

Robert Ladevich, energy manager of A. Finkl & Sons, a Chicago-based steelmaker with 450 employees whose electric bill would increase $30,000 under the plan, said. "You get to a point where you consider if it's really reasonable to stay in an area that looks upon you as something that can be exploited."

NTIC National Tra ning and Information Center
810 N. Milwaukee Ave. □ Chicago, ois 60622-4103 □ (312) 243-3035

General LIHEAP Facts: The Low Income Home Energy Assistance Program (LIHEAP) is the primary source of funding for state energy assistance programs. LIHEAP began in FY1981 and has never been adequately funded. Last summer Congress appropriated $1.475 million for LIHEAP for FY 1995. The Clinton Administration is proposing to cut $475 million from this appropriation.

The Department of Commerce and Community Affairs reports that at current benefit levels this cut would mean more than 120,000 fewer households would receive energy assistance in Illinois.

Several Illinois Congresspeople have sent letters protesting the proposed cuts in LIHEAP to President Clinton. Leon Panetta, the Director of the Office of Management and Budget, has answered some of these letters and included a fact sheet which tries to justify the Administration's proposed cuts in LIHEAP. A copy of the Administration's fact sheet is attached.

The following was prepared by the National Training and Information Center and the Illinois Affordable Budget Coalition to refute each of the Administration's claims.

What has happened to home heating costs?

The Clinton Administration's Argument

- Nationally and in real terms since the late 1970's:
  Fuel oil prices have dropped 40%;
  Electricity prices have dropped by 13%.

- From 1981 to 1989, the percentage of income of households at or below 150% of poverty guidelines devoted to heating has dropped by one-third.

LIHEAP REALITY

- In Illinois from 1981 to 1992:
  Natural gas prices have increased by 25%;
  Electricity prices have gone up by 54%.

  The majority of households heat with natural gas not fuel oil. For Illinois, in FY 1993, 86.5% of LIHEAP recipient households heated with natural gas.

- Percentage of income devoted to home energy:

  FY1981
  All U.S. households: 4.8%
  Low income households: 18.0%
  FY1985
  All U.S. households: 4.1%
  Low income households: 13.4%
  LIHEAP households: 15.6%
  FY1990
  All U.S. households: 3.1%
  Low income households: 10.3%
  LIHEAP households: 13.2%

- In Illinois in FY 1993, the average low income household paid 14% of its annual income for annual home energy bills. During the winter, monthly energy costs can be 20% to 50% of a low income family's monthly income.

- In FY 1981, 90.0% of LIHEAP recipient households had incomes of $8,000 or less. In FY 1985 and FY 1990, the percent of LIHEAP recipient households with incomes of $8,000 or less were 83.0% and 78.1%, respectively. **In 1981, $8,000 bought a lot more than in 1990.**

- In Illinois, for FY 1993, 84.1 of LIHEAP recipients had incomes of $8,000 or less.

Have resources for low income households increased?

The Clinton Administration's Argument

- A substantial increase in Earned Income Tax Credit ($21 billion for FY1994-98).
- Food Stamps will be expanded by $2.5 billion between FY1994-98.
- Anticipated welfare and health care reforms will address the problems of low income persons more comprehensively than LIHEAP.

LIHEAP REALITY

- The Earned Income Tax Credit is a tax credit to households earning $23,050 or less with at least one dependent child.

  In FY 1993, only 14.9% of Illinois LIHEAP household reported wage income. **This means that more than 86% of LIHEAP households in Illinois will not receive the Earned Income Tax Credit.**

- The Administration intends to increase Food Stamp an average of $500 million per year. Who can say for certain that these increases will actually be appropriated in future years?

- The Administration has not won its health care reform and few details are available on welfare reform proposals. No one can say for sure these anticipated reforms will increase low income households' resources to pay energy bills.

- From FY1981 to FY1993, LIHEAP as been cut by $1.6 billion after factoring in inflation or **53.9%.**

- States have often used oil overcharge dollars (from DOE price gouging settlements) to supplement LIHEAP funding. This is a rapidly diminishing resource for energy assistance. In fact, oil overcharge funds have not been available since 1990 in Illinois.

Is the allocation of LIHEAP dollars to states unfair?

The Clinton Administration's Argument

- LIHEAP is distributed according to an outdated formula, based on decade old census and fuel price data.

LIHEAP REALITY

- LIHEAP is allocated to states according to same percentages used every year since FY1984. If this is unfair, the most logical approach would be to update the percentages using 1990 census data and more current fuel prices. Doing so might not benefit cold weather states like Illinois for which 1990 census data reports a decline in population. Nor would it necessarily favor cold weather states in New England that are more dependent on fuel oil since fuel oil prices have declined.

The Clinton Administration's Argument

- LIHEAP is primarily used for heating assistance--only 2% is used for cooling.

LIHEAP REALITY

- Its not just warm weather states that use LIHEAP for cooling assistance. Indiana, Kansas, Nebraska, and New Jersey also provide cooling benefits.

The Clinton Administration's Argument

- All states receive LIHEAP. Warmer states (Florida, California, Texas, Arizona, Alabama and South Carolina) receive $146 million in FY1994, over 10% of all FY1984 funding.

LIHEAP REALITY

- Warm weather states provide heating assistance as well as cold weather state. In FY1993, Alabama and South Carolina did not offer cooling assistance. LIHEAP benefits are for heating, crisis assistance and weatherization. Florida, California, and Arizona did not differentiate between heating and cooling. In Texas, 22% of FY1993 LIHEAP dollars went to heating assistance, 35% to cooling assistance, 18% to crisis assistance and 14% to weatherization.

The Clinton Administration's Argument

- "Tropical Hawaii" received $1.5 million in LIHEAP funds for FY1994. The Virgin Islands and Guam, and Commonwealth of Puerto Rico receive a total of close to $2 million.

LIHEAP REALITY

- Hawaii has roughly the same population as Maine. For FY1993, Hawaii received $1.5 million in LIHEAP and Maine received $17.3 million.

What are the other sources of energy assistance funding?

The Clinton Administration's Argument

- Housing subsidy programs and some public housing include a utility rate component.

LIHEAP REALITY

- In Illinois, only 14.7% of LIHEAP households live in subsidized housing. 16% are home owners and 63.7% are renters in non-subsidized housing units.

The Clinton Administration's Argument

- The Low Income Weatherization Assistance Program received $20 million FY1994 and the Administration has asked for $250 million in FY1995.

LIHEAP REALITY

- No one doubts that weatherization, as well as broader energy efficiency measures, are important in reducing the energy burden of low income families. The DOE's weatherization program is still woefully under funded given the problem. **In Illinois, about 4,000 households are weatherized using DOE funds each year. At that rate, it will take more than 150 years to weatherize every low income family's housing unit in the state.**

- In FY1993, over $450 million was spent by non-federal sources such as utilities, fuel vendors and States to leverage Federal energy assistance.

- The Federal government encouraged States to find additional resources from non-Federal sources through its leveraging fund program because it recognized that more resources were needed to help low income energy consumers. Now that States have shown some success in finding these resources, the Federal government wants to drastically reduce its share of assistance. LIHEAP has never been adequately funded. These other resources--state dollars, fuel funds and rate discount programs, etc.--are welcomed additions to helping to make home energy affordable.

Why do we need energy assistance if low income households have legal protection against utility disconnections?

The Clinton Administration's Argument

- According to a 1990 survey, all or most of the utility companies in 40 states have winter restrictions against cutting off utilities.

LIHEAP REALITY

- The Administration's survey looks only at regulated utilities. Low income households do not have the same protection if the heating source uses fuel from non-regulated sources.

  More importantly, our experience in Illinois shows what really happens when a state has a partial winter moratorium on shut-offs. Disconnections can be legally done under certain circumstances throughout the winter. Low income households who fall behind in bills are not necessarily disconnected during cold months. They are disconnected in April or May. These families may go without utility service all summer. There is no law or regulation in Illinois that says a utility has to reconnect these families when weather grows cold again unless they pay their entire back bills.

For More Information:

David Rose, National Training and Information Center at (312) 243-3035

and

Bobbi Bennett, Illinois Affordable Budget Coalition at (618) 457-2413

Fact Sheet on LIHEAP

LIHEAP is a discretionary block grant, created in 1981, through which States distribute energy assistance to low-income beneficiaries. Beneficiaries are assisted with cooling, heating, energy crises and weatherization.[1] To fund priority investments, the Administration proposes to reduce funding for LIHEAP to $730 million in FY1995. This proposal would move $745 million of the $1,475 million advance appropriation to FY1996.

Streamlining the Program

The Administration proposes to work with Congress to:

- better target LIHEAP dollars to States with the greatest need;
- amend eligibility requirements so that funds can be targeted better at low-income households with unusually high energy costs;
- extend the availability of the FY1994 emergency fund indefinitely;
- give States increased flexibility in how they may use LIHEAP funds for one-time expenditures such as weatherization and energy conservation measures;
- give States additional incentives to leverage private sector energy assistance resources.

Past & Current Funding Levels ($ in millions)

FY93	FY94	Advance FY95 Approp	FY95 Budget
1,346	1,437	1,475	730

Reasons to Revamp LIHEAP

Home Heating Costs Have Dropped for the Low-Income—According to the Department of Energy and the Department of Health and Human Services, real energy prices have declined since the late 1970's.

- Fuel oil prices decreased by 40% in real terms
- The cost of electricity dropped by about 13% in real terms
- The average percent of income spent for home heating for households with incomes at or below 150% of poverty guidelines dropped by about one-third between 1981 and 1989

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[1] The predecessors of LIHEAP are: the Energy Assistance Program in the Interior Department appropriations for FY1980 (authorized for 1980) and the Home Energy Assistance Act in the Crude Oil Windfall Profit Tax Act of 1980 (authorized for 1981).

Increased Resources for Low-Income Households—The Administration has taken steps to provide low-income families with additional resources:

- a substantial increase ($21 billion between FY1994-8) in the Earned Income Tax Credit will raise incomes for low-income families that work;
- The Food Stamps program expands by $2.5 billion between FY1994-FY1998, and by FY1999 the program expands by about a billion dollars each year, indefinitely. The majority of the expansion assists people with high shelter costs, which always include utility costs.
- anticipated welfare and health care reforms will address the problems of low-income persons more comprehensively.

LIHEAP Heating Assistance Goes to All States Using an Outdated Formula

Under LIHEAP's outdated formula, which is based on census and fuel price data over a decade old, every State in the U.S. receives LIHEAP benefits. While home cooling assistance can help prevent heat-related health problems, LIHEAP funds are used primarily for home heating assistance (only 2% of all funds are used for cooling assistance). Nevertheless, warmer States (Florida, California, Texas, Arizona, Alabama, and South Carolina) received $146 million in FY1994, over 10% of the entire FY1994 appropriation. Tropical Hawaii received about $1.5 million, while U.S. territories such as the Virgin Islands and Guam, and the Commonwealth of Puerto Rico received a total of close to $2 million.

Other Sources of Energy Assistance—Energy assistance to the low-income is already available through other programs, including but not limited to:

- Housing subsidy programs (section 8 certificates and vouchers) that contain a utility component or, in the case of some public housing units, that pay the tenant's utilities directly.
- Dept. of Energy's weatherization assistance program (WAP). WAP got $207 million in FY94, and this year's budget asks for $250 million.
- According to program advocates, in FY1993, over $450 million was spent by non-federal sources such as utilities, fuel vendors and States to leverage Federal energy assistance programs.

Legal Protection Against Utility Cutoffs for Low-Income Households—According to a 1990 survey, all or most of the utility companies in 40 States have winter restrictions against cutting off utilities. Every State in the Northeast and in the West has winter cut-off restrictions, and the majority of States in the Midwest (91%) and the South (87%) had winter cut-off restrictions. These legal protections shield low-income households from the effects of severe weather.

FACTS ABOUT THE ILLINOIS
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

There are 627,505 low income families in Illinois. Many of these are households with young children, persons with disabilities, and people 60 years of age and over. Last year, funds were sufficient to serve only 238,573 of this group -- only 38 percent. An additional 51% reduction in funds will have a devastating impact on these families.

The 1993 LIHEAP Program identified and served 12,934 households who were without heat and were in a potentially life threatening situation.

Who receives assistance?

More than one-fourth of the households were elderly.

More than one-fourth of the households included a disabled person.

More than three-fourths were female heads of households

More than 60 percent did not receive welfare (AFDC).

Six percent were families with small children.

Fifteen percent are wage earners.

More than two-thirds of the assisted households earn less than $6,000 per year. More than 84 percent earn less than $8,000. The median family income in Illinois is $38,664.

Low income families are forced to choose between paying for heating their shelter - or - buying food and medicine.

The average Illinois family pays 3.8 percent of their income for home energy. The average low-income family pays as much as 14 percent.

More than 5,200 households receive energy conserving weatherization services from LIHEAP, saving approximately $1,024,400 in heating costs per year.

In the past year, the number of applicants receiving Social Security has increased by 5.6 percent, further demonstrating the need for the program, particularly among our elderly citizens.

Heating benefits range from $143 to $520, depending upon income, family size, and cost of the fuel used.

LIHEAP never pays the entire bill. The household always has the responsibility to pay most of the energy bill. In fact, LIHEAP only pays 43 percent of the average bill for the lowest income families.

ILLINOIS LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
1993 FACT SHEET

BENEFITS PAID:

Heating Assistance Benefits:	$56,942,433
Emergency Assistance Benefits:	3,927,777
Total	$60,870,210

AVAILABILITY:

Heating assistance Oct. 1 through April 30

Emergency assistance Oct. 1 through Aug. 30, or until funding is exhausted

HEATING ASSISTANCE BENEFITS:

Utility payments--vary by income, household size, location, and fuel type

Payment range $49 to $673

Average payment $266

Numbers of families receiving utility payments - 195,924

Percent of families receiving utility benefits - 81%

Cash payments--vary by location, household income level, and family size

Payment range $50 to $150

Average payment $114

Number of families receiving cash assistance - 40,535

Percent of families receiving heating assistance - 16%

Total number of families receiving assistance - 238,573

Average benefit received $243

EMERGENCY ASSISTANCE: Payments are the minimum amount needed to restore energy source. Families are required to make a good faith effort at maintaining service (10% of their income over the past 90 days) or pay an amount toward the cost of reconnection equal to 10% of the previous 90 days income.

Payment range $50 to $500

Average payment $292

Number of families receiving assistance - 12,943

ILLINOIS LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
1994 FACT SHEET

BENEFITS PAID:

Heating Assistance Benefits:	$52,098,983	(Cash grants plus DVPs)
Emergency Assistance Benefits:	2,348,714	
Total	$54,409,745	YTD (January 28, 1994)

AVAILABILITY:

Heating assistance Oct. 1 through April 30

Emergency assistance Oct. 1 through Aug. 30, or until funding is exhausted

HEATING ASSISTANCE BENEFITS:

Utility payments--vary by income, household size, location, and fuel type

Payment range $71 to $685

Average payment $277

Numbers of families receiving utility payments - 171,372

Percent of families receiving utility benefits - 90%

Cash payments--vary by location, household income level, and family size

Payment range $73 to $170

Average payment $125

Number of families receiving cash assistance - 18,687

Percent of families receiving heating assistance - 9%

Total number of families receiving assistance - 190,070 (cash, DVP, ES)

Average benefit received $280

EMERGENCY ASSISTANCE: Payments are the minimum amount needed to restore energy source. Families are required to make a good faith effort at maintaining service (10% of their income over the past 90 days) or pay an amount toward the cost of reconnection equal to 10% of the previous 90 days income.

Payment range $50 to $500

Average payment $278

Number of families receiving assistance - 8,042

INCOME

HOUSEHOLD INCOME RANGE:	'93 # HOUSEHOLDS	%	YEAR-TO-DATE AS OF 1/28/94 # HOUSEHOLDS	%	% CHANGE
$ 0 - 2,000	16,529	6.9	10,745	5.7	-1.2
2,001 - 4,000	34,037	14.3	21,836	11.5	-2.8
4,001 - 6,000	108,892	45.6	83,647	44.0	-1.6
6,001 - 8,000	41,116	17.2	35,625	18.7	+1.5
8,001 - 10,000	18,438	7.7	17,683	9.3	+1.6
10,001+	19,561	8.2	20,534	10.8	+2.6

SOURCE ?

SOURCES OF HOUSEHOLD INCOME: ?	'93 # HOUSEHOLDS	%	# HOUSEHOLDS	%	% CHANGE
WAGES	35,658	14.9	27,568	14.5	- .4
SOCIAL SECURITY	63,259	26.5	60,976	32.1	+5.6
UNEMPLOYMENT COMPENSATION	8,816	3.7	5,044	2.7	-1.0
SUPPLEMENTAL SECURITY INCOME	54,297	22.8	49,820	26.2	+3.4
AID TO FAMILIES WITH DEPENDENT CHILDREN	91,542	38.4	64,091	33.7	-4.7
AID TO AGED, BLIND & DISABLED	14,998	6.3	12,393	6.5	+ .2
GENERAL ASSISTANCE	5,219	2.2	3,188	1.7	- .5
OTHER INCOME	19,199	8.0	17,023	9.0	+1.0

HOUSEHOLD CHARACTERISTICS

ETHNICITY OF HOUSEHOLD:	COUNT	%	COUNT	%	% CHANGE
ASIAN	3,952	1.7	3,987	2.1	+ .4
BLACK	115,491	48.4	86,036	45.3	-3.1
HISPANIC	20,707	8.7	16,447	8.7	0
AMERICAN INDIAN	332	.1	260	.1	0
WHITE	97,256	40.8	82,566	43.4	+2.6
OTHER/UNSTATED RACE	835	.3	774	.4	+ .1

HEAD OF HOUSEHOLD CHARACTERISTICS:	COUNT	%	COUNT	%	% CHANGE
UNDER 21	353	2.9	4,896	2.6	- .3
21 - 44	67,612	55.6	94,869	49.0	-5.7
45 - 59	19,416	16.0	31,664	16.7	+ .7
OVER 59	31,108	25.6	58,641	30.9	+5.3
FEMALE	92,754	76.2	144,486	76.0	- .2
MALE	28,917	23.8	45,584	24.0	+ .2
WITH ELDERLY MEMBERS	31,469	25.9	59,695	31.4	+5.5
* - WITH YOUNG CHILDREN	7,256	6.0	13,022	6.9	+ .9
WITH HANDICAPPED MEMBERS	32,663	26.8	65,083	34.2	+7.4

*-Children under 1 Year of age

APPENDIX B - LIHEAP PARTICIPANT INFORMATION

TYPE OF PRIMARY FUEL:	1992 PERCENT:	1993 PERCENT:	1994 PERCENT:*
Natural Gas	85.5	86.5	85.1
Propane	4.1	3.8	4.2
Oil	.9	.7	.8
Electricity	8.9	8.5	9.5
Wood	.3	.3	.2
Coal	.1	.0	.0
Other/Unknown/Unstated	.2	.2	.1
HOUSEHOLD ANNUAL INCOME RANGE:			
0,000 - 2,000	8.1	6.9	5.7
2,001 - 4,000	14.6	14.3	11.5
4,001 - 6,000	45.3	45.6	44.0
6,001 - 8,000	17.4	17.2	18.7
8,001 - 10,000	7.7	7.7	9.3
10,001+	6.9	8.2	10.8
PRIMARY SOURCE OF HOUSEHOLD INCOME:			
Wages	12.0	14.9	14.5
Social Security	20.3	26.5	32.1
Unemployment Compensation	3.4	3.7	2.7
Supplemental Security Income	17.0	22.8	26.2
AFDC	36.9	38.4	33.7
Aid to Aged, Blind, and Disabled	2.0	6.3	6.5
General Assistance	4.9	2.2	1.7
Other	3.5	8.0	9.0
ETHNICITY OF HOUSEHOLD:			
Asian	1.6	1.7	2.1
Black	46.3	48.4	45.3
Hispanic	8.2	8.7	8.7
American Indian	.1	.1	.1
White	43.2	40.8	43.4
Other/Unknown/Unstated	.4	.3	.3
HEAD OF HOUSEHOLD CHARACTERISTICS:			
Under 21	2.9	2.9	2.6
21 - 44	54.2	55.6	49.9
45 - 50	15.8	16.0	16.7
Over 50	27.1	25.6	30.9
Female	76.2	76.2	76.0
Male	23.8	23.8	24.0
HOUSEHOLD CHARACTERISTICS:			
With Elderly Members	24.8	25.9	31.4
Young Children (Under 1 year)	8.1	6.0	6.9
Persons with Disabilities	19.2	26.8	34.2
HOUSING CHARACTERISTICS:			
Owner Occupied	21.6	19.4	21.8
Renter Occupied	62.6	63.0	58.1
Subsidized Housing	15.8	17.1	19.5
Other Accommodations	.7	.6	.6
Average Household Size	2.6	2.6	2.6

*Year-to-date (January 28, 1994)

IMPACT OF DECREASE AT 51%

Household Income Range	1993 Households	1994 51% Cut
$0 - $ 2,000	16,529	8,429
$ 2,001 - $ 4,000	34,037	17,358
$ 4,001 - $ 6,000	108,892	55,354
$ 6,001 - $ 8,000	41,116	20,969
$ 8,001 - $10,000	18,438	9,403
$10,001 - Up	19,561	9,976
Total	238,573*	121,669*

Household Characteristics

Under 21 Years of Age	6,932	3,535
21 - 44	132,573	67,612
45 - 59	38,071	19,416
Over 59	60,997	31,108
Total	238,573	121,671
With Elderly Members	61,705	31,469
Young Children	14,228	7,256
Persons with Disabilities	64,046	32,263
Other	98,594	50,282
Total	238,573	121,670
Total Assistance	$60,670,210	$30,941,807

Federal Appropriation Information:

FFY 93	$76,613,847
FFY 94	$81,901,740
Proposed FFY 95	$40,131,853

*This assumes the average assistance payment will remain at $282. Should it be decided to serve the same number as in 1993, 238,573 households, the average benefit level would drop to $118.

March 18, 1994

Income Maintenance Branch

Office of Management and Budget
Executive Office of the President
Washington, DC 20503

Please route to:

Keith Fontenot
Bernie Martin
Isabel Sawhill

Decision needed ___
Please comment ___
For your information _x_
Per your request ___
Take necessary action ___

With informational copies for:

IS, BM, KF, LC, CE, MR, Toiv, Kieffer, Grinberg, Forsgren, Palmieri, Cook, Chron, Brian Burke, Elgie Holstein

Subject: Updated LIHEAP Fact Sheet

From: Chris Ellertson

Phone: 202/395-4686
Fax: 202/395-3910
Room: #7026

Attached is an updated LIHEAP fact sheet that reflects HHS's LIHEAP reauthorization policy. (We shared these materials with HHS and incorporated their comments). The fact sheet discusses how the program will be re-targeted at households with the lowest incomes and greatest home heating needs. It also notes that the reauthorization proposes a permanent emergency fund to help States with unusually severe weather. *Note that the proposal to revise the LIHEAP allocation formula is not included in the reauthorization.* (This is a policy option that had been discussed before).

We will share the updated sheet with OMB staff in the legislative affairs shop, as well as other Administration staff who ask for information on LIHEAP.

March 18, 1994

Fact Sheet on LIHEAP

LIHEAP is a discretionary block grant, created in 1981, through which States distribute energy assistance to low-income beneficiaries. Beneficiaries are assisted with cooling, heating, energy crises and weatherization.[1] To fund priority investments, the Administration proposes to reduce funding for LIHEAP to $730 million in FY1995. This proposal would move $745 million of the $1,475 million advance appropriation to FY1996.

Streamlining the Program

The Administration's proposed LIHEAP reauthorization would:

- amend eligibility requirements so that funds can be targeted better at low-income households with unusually high energy costs;
- authorize a permanent emergency fund to help States when there is unusually severe weather;
- encourage State flexibility in the use of LIHEAP funds for activities such as energy conservation education and programs to increase self-sufficiency in meeting household energy costs; and
- give States additional incentives to leverage private sector energy assistance resources.

Past & Current Funding Levels ($ in millions)

FY93	FY94	Advance FY95 Approp	FY95 Budget
1,346	1,437	1,475	730

Reasons to Revamp LIHEAP

Home Heating Costs Have Dropped for the Low-Income—According to the Department of Energy and the Department of Health and Human Services, real energy prices have declined since the late 1970's.

- Fuel oil prices decreased by 40% in real terms.

[1] The predecessors of LIHEAP are: the Energy Assistance Program in the Interior Department appropriations for FY1980 (authorized for 1980) and the Home Energy Assistance Act in the Crude Oil Windfall Profit Tax Act of 1980 (authorized for 1981).

- The cost of electricity dropped by about 13% in real terms.
- The average percent of income spent for home heating for households with incomes at or below 150% of poverty guidelines dropped by about one-third between 1981 and 1989.

Increased Resources for Low-Income Households—The Administration has taken steps to provide low-income families with additional resources:

- A substantial increase ($21 billion between FY1994-8) in the Earned Income Tax Credit will raise incomes for low-income families that work.
- The Food Stamps program expands by $2.5 billion between FY1994-FY1998, and by FY1999 the program expands by about a billion dollars each year, indefinitely. The majority of the expansion assists people with high shelter costs, which always include utility costs.
- Anticipated welfare and health care reforms will address the problems of low-income persons more comprehensively.

Other Sources of Energy Assistance—Energy assistance to the low-income is already available through other programs, including but not limited to:

- housing subsidy programs (section 8 certificates and vouchers) that contain a utility component or, in the case of some public housing units, that pay the tenant's utilities directly.
- the Dept. of Energy's weatherization assistance program (WAP). WAP got $207 million in FY94, and this year's budget asks for $250 million.
- non-Federal sources. According to program advocates, in FY1993, over $450 million was spent by non-Federal sources such as utilities, fuel vendors and States to leverage Federal energy assistance programs.

Legal Protection Against Utility Cutoffs for Low-Income Households—According to a 1990 survey, all or most of the utility companies in 40 States have winter restrictions against cutting off utilities. Every State in the Northeast and in the West has winter cut-off restrictions, and the majority of States in the Midwest (91%) and the South (87%) had winter cut-off restrictions. These legal protections shield low-income households from the effects of severe weather.

Brian Burke - 210 0C-21B

THE WHITE HOUSE
OFFICE OF MEDIA AFFAIRS

FOR IMMEDIATE RELEASE
FEBRUARY 18, 1994

CONTACT: ERNIE GIBBLE
202.456.7150

PRESIDENT ANNOUNCES
$300 MILLION IN EMERGENCY HEATING ASSISTANCE

The President today made available $300 million in emergency home heating assistance funds to those states that experienced extremely cold weather during January.

The money will be distributed by the Department of Health and Human Services to 23 states under a new formula designed to direct aid to states with the most severe weather conditions and with significant numbers of low-income households.

The Administration sought, and received, authority from the Congress in the recent earthquake legislation to distribute existing emergency funds from the Low-Income Heating Emergency Assistance Program (LIHEAP), and to target the funds to those states most in need.

"The unusually cold weather in the northern half of the country has caused very real hardships for millions of Americans, particularly those who simply cannot afford to pay for the additional energy costs they have faced," the President said. "This assistance, carefully targeted, will ease the burden of these families."

In the formula developed by the Administration, $250 million is targeted to the 23 states that had January temperatures totaling 100 "degree days" more than their average over the past 30 years. Eight of those states had temperatures totaling more than 200 degree days above their average during January, and the remaining $50 million will be targeted to those states.

(Degree days are a standard measure of cold temperatures -- the higher the number of degree days, the colder the weather.)

The amount of funds provided to each state is also based on the number of households in the state with income under 125 percent of the poverty level.

LIHEAP provides funds to states, which in turn provide grants to low-income families to assist with home energy costs. Secretary of the Department of Health and Human Services Donna Shalala will issue the funds to states by next week.

States receiving a share of the funds are as follows:

Connecticut	$ 5,395,219
Delaware	$ 286,478
Illinois	$12,019,466
Indiana	$ 2,325,128
Iowa	$ 8,054,083
Kentucky	$ 5,341,115
Maine	$ 8,104,664*
Maryland	$ 6,631,189
Massachusetts	$13,880,163
Michigan	$48,845,949*
Minnesota	$37,399,847*
New Hampshire	$ 3,147,664*
New Jersey	$ 6,944,103
New York	$61,460,518*
North Dakota	$ 8,102,045*
Ohio	$23,927,448
Pennsylvania	$20,483,114
Rhode Island	$ 1,727,532
South Dakota	$ 1,994,310
Vermont	$ 4,798,863*
Virginia	$ 678,471
West Virginia	$ 3,732,291
Wisconsin	$14,720,338*

* Total includes additional funds due to extreme cold weather.

Fact Sheet on LIHEAP

LIHEAP is a discretionary block grant, created in 1981, through which States distribute energy assistance to low-income beneficiaries. Beneficiaries are assisted with cooling, heating, energy crises and weatherization.[1] To fund priority investments, the Administration proposes to reduce funding for LIHEAP to $730 million in FY1995. This proposal would move $745 million of the $1,475 million advance appropriation to FY1996.

Streamlining the Program

The Administration proposes to work with Congress to:

- better target LIHEAP dollars to States with the greatest need;
- amend eligibility requirements so that funds can be targeted better at low-income households with unusually high energy costs;
- extend the availability of the FY1994 emergency fund indefinitely;
- give States increased flexibility in how they may use LIHEAP funds for one-time expenditures such as weatherization and energy conservation measures;
- give States additional incentives to leverage private sector energy assistance resources.

Past & Current Funding Levels ($ in millions)

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- The average percent of income spent for home heating for households with incomes at or below 150% of poverty guidelines dropped by about one-third between 1981 and 1989

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- The Food Stamps program expands by $2.5 billion between FY1994-FY1998, and by FY1999 the program expands by about a billion dollars each year, indefinitely. The majority of the expansion assists people with high shelter costs, which always include utility costs.
- anticipated welfare and health care reforms will address the problems of low-income persons more comprehensively.

LIHEAP Heating Assistance Goes to All States Using an Outdated Formula

Under LIHEAP's outdated formula, which is based on census and fuel price data over a decade old, every State in the U.S. receives LIHEAP benefits. While home cooling assistance can help prevent heat-related health problems, LIHEAP funds are used primarily for home heating assistance (only 2% of all funds are used for cooling assistance). Nevertheless, warmer States (Florida, California, Texas, Arizona, Alabama, and South Carolina) received $146 million in FY1994, over 10% of the entire FY1994 appropriation. Tropical Hawaii received about $1.5 million, while U.S. territories such as the Virgin Islands and Guam, and the Commonwealth of Puerto Rico received a total of close to $2 million.

Other Sources of Energy Assistance—Energy assistance to the low-income is already available through other programs, including but not limited to:

- Housing subsidy programs (section 8 certificates and vouchers) that contain a utility component or, in the case of some public housing units, that pay the tenant's utilities directly.
- Dept. of Energy's weatherization assistance program (WAP). WAP got $207 million in FY94, and this year's budget asks for $250 million.
- According to program advocates, in FY1993, over $450 million was spent by non-federal sources such as utilities, fuel vendors and States to leverage Federal energy assistance programs.

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Comments to:

The Joint Hearing of
<u>The House Education & Labor</u>
<u>Subcommittee on Human Resources</u>

Submitted by:
Mrs. Lillian Drummond
South Austin Coalition
Chicago, IL

March 23, 1994

Good Day,

My name is Lillian Drummond. My address is 5090 W. Congress Parkway, Chicago, Illinois. I am a member and the utility chairperson of the South Austin Coalition Community Council on the westside of Chicago. I am also on the board of Directors of the Affordable Budget Coalition/Foundation of Illinois.

I am 72 years old. I wear many hats: Mother, grandmother, and great-grandmother. For ten years, I have been a community activist and a staunch volunteer of the South Austin community where I live. Working on all issues that involve helping people regardless of race, creed, color, nationality, sex and financial background.

The utility issue is near and dear to my heart. And a priority for me.

One of the proposed budget cuts I am referring to is: The LIHEAP (Low Income Home Energy Assistance Program). I work hard everyday with this outreach program. Reaching out to serve the people who are tying to pay their huge utility bills that seem to keep growing.

In Chicago alone, many of the people who come to apply are disconnected or on the verge of being disconnected. they cannot pay their current bill plus their arrearage. their income is barely enough to cover the basics: rent food, clothing, phone and necessary personal items. These people are caught between a rock and a hard place. Wondering if they should HEAT OR EAT.

At the beginning of the heating season, we sent letters to hundreds of customers whose utilities were shut off. We also had reconnected day last December. Hundreds of people showed up. The coalition members, People Gas, the Local LIHEAP administrators: CEDA, Illinois Commerce Commission and Community Economic Development Association of Cook County, our lawyer negotiated on behalf of the low income people to get them reconnected. Many were turned on, yet many more were denied, and many customers bills were so high the LIHEAP funds were insufficient to restore their services.

Many people view a program such as LIHEAP as a welfare program or "handout", it is not. This energy/utility situation is a matter of life and death. I see the need for this program not to be cut at all. I am a living witness who has seen people using bathtubs for heat, Bar-be-que grills, candles, space heaters and even illegal hookups to survive the winter season. we all know the dangers posed by using these alternatives when their utilities are disconnected. But people have no choice. They will get heat by any means necessary unless there is help.

These budget cuts are being justified by Mr. Panetta and his advisors who say that the average utility cost has gone down for the low income citizens. Well, I have news for Mr. Panetta and his advisors or sources that made that statement; we are not living in the dark ages, we are living in the real world. People are faced with higher and higher utility bills and have smaller and smaller income every year. I have plenty of gas and electric bills as proof that the average utility cost advice you received is only a hoax and deserves to be challenged.

We would like to meet with Secretary Donna Shalala and our own President Clinton face to face to share our experiences and knowledge along with some of the very people whose backs that you are planning to use to balance the budget on. They depend on LIHEAP to keep them alive. This program benefits many low income customers, working poor, unemployed, and people living on a fixed income. If this program is cut, you'll see more homelessness and criminal activities. More children will suffer. I believe in and understand the need for more dollars to begin quality headstart programs and immunization programs; but neither will have nay value if a child has to return to a cold and dark home....

In closing, I could write a book on many more horrible incidents that have happened in the previous months of winters past, due to folks in need of assistance not receiving help. We unfortunately can't help everyone who comes to us, but we are able to help some that come for energy assistance. So I beg all committee members of all parties to please spare THE AXE in favor of no cuts for LIHEAP. May god bless all of you. thank you for your attention. Sincerely, a very dedication senior citizen.

Lillian Drummond

Name	Organization	Tel. #
Brian Burke	WH - Domestic Policy Council	202 456-2995
CAROLYN L. TAYLOR	NORTHWEST Austin Council	312/379-8222
Lillian Drummond	SACCC, ABC Chicago Coordinator	312/626-7563
Patricia Butler	ABC Foundation	312-379-3398
Lauricee Brown	LCPU./ABC Foundation	243-7172
Chris Elkertson	OMB	202/395-4686
JOE MINARIK	OMB	202-395-5873
Fabio A. Naranjo	UNITED CHARITIES	(312) 986-4180
Jennifer Palmer	OMB	395-4790
Ida Galván	Howard Area Comm Ctr. ABC Foundation Council	(312) 262-6622
Sharon K. Sawka	Danville Area Comm. Services	(217) 443-4047
Sister Antoinette, SND	Marillac House	312-722-7440
Bobbi Bennett	ABC Foundation	618-942-7626
Bessie TROTTER	ABC FOUNDATION ACTION COALITION OF ENGLEWOOD	312-471-0080

P. Soy una persona de edad avanzada y las personas que salen a leer mi metro de gas me han sido muy serviciales, a veces ayudandome a identificar problemas con mi calenton que yo no hubiera podido identificar. ¿Quien va hacer esto ahora?

R. Dentro de los siguiente sies años, no van existir personas que vengan a su hogar regularmente a revisar su metro de gas. Ud. tendra que hablarle a la compañia de gas si sospecha que hay un problema.

P. ¿Que va a prevenir de que no se vandalise el metro de gas o las lineas de gas?

R. De nuevo, oficiales del ICC reclaman que el vandalismo no es un problema mayor. Ellos dependen de informacion de los suburbios y areas agricolas en el estado. Metros al exterior de los hogares es algo nuevo para la ciudad de Chicago. No hay garantia que los metros de gas estaran seguros.

P. ¿Van a subir mis tarifas (bill) de gas para pagar por estos nuevos aparatos?

R. Publicamente, la compañia de gas esta diciendo que los $58 millones de dolares que va a costar la instalación de EnScan se va a pagar con el ahorro de los mas de 100 empleados que van a eliminar.

P. Pero cuando los apratos electronicos se empezaron a usar en las lineas de teléfono en lugar de las operadoras, mi bill de teléfono no se mantuvo igual o rebajo, sin embargo mucha gente perdio su trabajo.

R. La compañia de gas esta usando la misma logica.

P. ¿Que puedo hacer para protestar la reducción en servicio, los incrementos de las tarifas, y la perdida de trabajos que esta nueva tecnologia esta causando?

R. Empieze con sus vecinos y organizaciones locales. Adicionalmente comuniquese con su legislador local y del estado y la Comisión de Comercio de Illinois para dar su queja.

Numeros de Teléfono

Compania de Gas "Peoples Gas, Light and Coke Co."
312 431-7005

ICC División de Servicios al Consumidor
312 814-2887

Por favor mande sus comentarios o contribucion exenta de impuestos a:

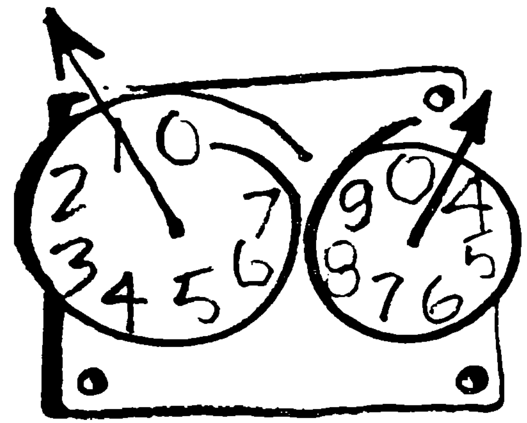
La Coalición de Labor Sobre Utilidades Publicas
204 S. Ashland
Chicago, Il 60607
312 243-7172

Propósito de La Coalición de Labor Sobre Utilidades Publicas

La Coalición de Labor Sobre Utilidades Publicas fue establecida en 1975 por lideres de labor del area de Chicago para promover y protejer los intereses de gente trabajadora como consumidores y productores de servicios de utilidad, y como personas que pagan impuestos. La Coalición participa en casos en frente de agencias reguladoras y las cortes, y tambien testifica en audencias legislativas de parte del consumidor. La Coalición produce una publicación cada dos meses The Challenger, publicaciones sobre temas y reportes, conduce talleres educacionales, y conferencias sobre temas de utilidades publicas, y provee personas que pueden hacer presentaciones para uniones, iglesias, grupos de personas de edad avanzada, y grupos comunitarios.

La Coalición es una organización no lucrativa que apoya imparcialidad en temas de utilidades, y estimula debates y acción dentro del Movimiento de Labor no solamente importante a las uniones si no a la comunidad en general. Las actividades de la coalición han ayudado a traer los temas de importancia de labor como preservación de trabajos y el impacto negativo de los altos costos de utilidades a la comunidad del consumidor en general.

Metros de Gas y sus Derechos



La compañia de gas "Peoples Gas, Light and Coke Company" esta en el proceso de relocar todos los metros de gas residenciales (que miden uso) y los reguladores (que controlan el paso del gas) al exterior de los hogares. Debido a las preguntas y problemas que este cambio esta causando, La Coalición de Labor Sobre Utilidades Publicas le ha formado esta lista de preguntas y respuestas que mas se necesitan.

Promulgado como servicio Publico por:

La Coalición de Labor Sobre Utilidades Publicas

P. ¿Por que esta la compañia de gas moviendo los metros de gas al exterior de los hogares?

R. La razon principal por cual la compañia de gas empezo a colocar los metros al exterior de las casas es para que los metros sean mas accesibles cuando quieren cortar el gas.

P. ¿Que control tengo sobre donde, en mi propiedad, ponen el metro?

R. El Codigo Administrativo de Illinois Sección 500 requiere que exista un "arreglo mutuo" entre el consumidor y la compañia de gas sobre donde se pone el metro, (adentro, afuera, al lado o atras de la casa), aun asi el codigo tambien dice que deberia estar lo mas proximo posible a donde entra el gas al hogar.

P. ¿Entonces yo puedo prohibir que lo pongan afuera?

R. Si.

P. A mi no me importa si esta afuera, pero no quiero que el metro este enfrente de mi casa. Esta muy feo y puede bajar el valor de mi propiedad. ¿Que puedo hacer?

R. Se requiere que la compañia de gas tenga su permiso para colocar el metro enfrente de su casa. Si Ud. no les da permiso no pueden ponerlo enfrente.

P. ¿Como es que la compañia de gas recibe mi permiso?

R. Empleados de la compañia de gas tienen formas de autorización para que Ud. firme y les de permiso de poner el metro de gas enfrente de su casa. La compañia de gas les ha dicho a sus empleados que lo traten de convencer de permitir el metro enfrente de su hogar y si no pueden, tienen instrucciones de notificar al supervisor. No es necesario que Ud. firme esta forma si no esta de acuerdo.

P. La compañia de gas ya colocó el metro enfrente de mi casa. Me dijieron que era la Ley. ¿Que puedo hacer?

R. Hemos tenido reportes que supervisores de la compañia de gas fueron dicho que digan lo que se necesite para obtener su permiso, y esto incluye decirle que es la Ley.

Llame a la compañia de gas si quiere que le remueva el metro de enfrente de su casa. Si se niegan, comuniquese con la División de Servicios al Consumidor de la Comisión de Comercio de Illinois y inicie una queja formal. La oficina de su Concejal tambien puede ayudarle.

P. Cuando instalaron el metro me destruyeron mi césped y flores. Se van a tardar años èn arreglarse. ¿Pueden dejarlo nadamas asi?

R. Es la responsabilidad de la compañia de gas de dejar su propiedad en la condición que estaba antes del trabajo. Otra vez, trate de hablar con la compañia de gas. Si no le responden, la Comisión de Comercio de Illinois o la oficina de su Concejal le pueden ayudar.

P. ¿No es mas fácil de que alguien moleste o vandalise el metro de gas y el regulador si esta por el exterior de mi casa?

R. Oficiales de La Comisión de Comercio de Illinois (ICC) dicen que vandalismo seria mas fácil de identificar por que van a inspeccionar los metros mensualmente en lugar de cada dos meses. Un representante de la Union de trabajadores de gas indica que metros de gas que estan al exterior pueden ser vandalisados mas seguido, y con calentones y aparatos viejos, prendiendo y apagando el regulador puede causar daño a los pilotos y una fuga de gas puede occurir. No hay ninguna protección contra el vandalismo.

P. ¿Que puedo hacer para prevenir que la compañia de gas no ruine la calle y ariesge la salud y seguridad de mi familia colocando el metro de gas por el exterior?

R. Hable con sus vecinos, su club de cuadra, o una organización local, pase un petición negandole el permiso a la compañia de gas que coloce los metros al exterior de las casas, y mande copias a la compañia de gas y a su Concejal.

¿A donde se fue la persona que lee el Metro de Gas?

P. Tengo entendido que la compañia de gas esta usando nueva tecnologia para leer los metros. ¿Cual es esta nueva tecnologia y que tan exacta es?

R. Con esta nueva tecnologia, llamada EnScan, los vehiculos de la compañia de gas pueden leer los metros de gas al pasar por enfrente de sus casas a una velocidad de 30 millas por hora, esten o no esten, los metros por el exterior. Casi 100 empleados que ahora leen los metros van a ser despedidos. La compañia que construye este aparato dice que es exacto el 98.6 por ciento del tiempo.

P. ¿Que tal si se equivoca y no es exacto? ¿Como voy a saber?

R. La compañia de gas le ha dicho al ICC que cuando es necesario que un empleado de la compania de gas salga a proveer un servicio, la exactitud del metro sera revisada.

P. ¿Entonces puedo tener una tarifa (Bill) muy alta por años y no saberlo?

R. La compañia se va ha confiar en la exactitud del aparato y va a revisar la exactitud en revisos al azar en toda la ciudad, pero no va a revisar todos los hogares con regularidad.

Q. I'm a senior citizen and meter readers have been very helpful to me over the years, sometimes identifying problems with my furnace I didn't know existed. Who will do this now?

A. Within the next 6 years there will no longer be meter readers to check your service on a regular basis. You will have to call the gas company if you suspect a problem.

Q. What will stop vandals from damaging the meter or the lines leading up to it?

A. Again, ICC officials claim that vandalism is not a major problem. They cite experience from suburban and rural areas of the state. Outside meters are a relatively new phenomenon in Chicago. There is no guarantee the meters will be safe from tampering or vandals.

Q. Are my rates going to go up to pay for this fancy equipment?

A. The most recent Peoples Gas rate case in front of the Illinois Commerce Commission lists EnScan as one of its reasons for yet another rate increase. Publicly, Peoples Gas officials say the $58 million dollar cost of the system will be offset by laying off almost 100 meter readers.

Q. But when all those electronic devices replaced telephone operators, my phone bill sure didn't stay the same or come down, and a lot of people lost their jobs.

A. The gas company is using the same reasoning.

Q. What can I do to protest the reduction in service, the rate increases and the loss of jobs that this new technology will cause?

A. Start with your neighbors and local organizations, and in addition contact local and state legislators and the Illinois Commerce Commission to complain.

Phone numbers:

Peoples Gas, Light and Coke Co.
312-431-7005

ICC Consumer Services Division
312-814-2887

Please forward any comments, and/or your tax-free contribution to:

The Labor Coalition on Public Utilities
204 S. Ashland
Chicago IL 60607
312-243-7172

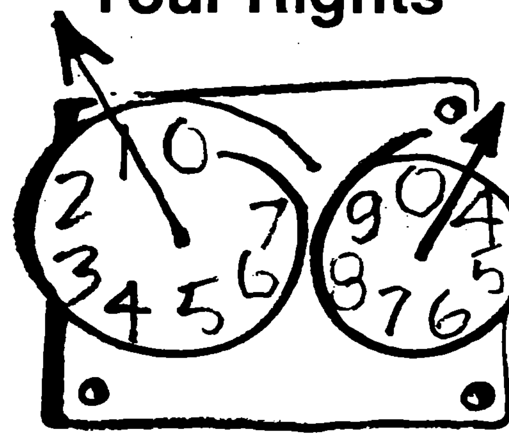
Labor Coalition Purposes and Goals

The Labor Coalition on Public Utilities was established in 1975 by Chicago area Labor leaders to promote and protect the interests of working people as consumers and producers of utility services, and as taxpayers. The Labor Coalition intervenes in rate cases before regulatory agencies and the courts, as well as testifies in legislative hearings on behalf of ratepayers. It publishes a bimonthly newsletter, The Challenger, issues publications and reports, holds educational workshops and conferences on utility concerns and provides speakers to Unions, churches, senior citizens' and community groups.

The Labor Coalition is a not-for-profit organization which promotes fairness in utility issues and stimulates debates and action within the Labor Movement on utility issues of great importance not only to Labor but also to the community at large. Its activities have brought Labor's special concerns, such as job preservation and the negative economic impact of high utility rates, to the larger consumer community.

741

Gas Meters and Your Rights



Peoples Gas, Light and Coke Company is in the process of moving all indoor residential gas meters, (which measure usage), and regulators, (which control the flow of gas), to the outside of homes. In response to the many questions and confusion over this issue, the Labor Coalition on Public Utilites has compiled a list of answers to most often asked questions.

Issued as a public service by the

Labor Coalition on Public Utilities

Q. Why is the gas company moving meters to the outside of homes?

A. The primary reason Peoples Gas began moving meters outside a few years ago is to make them more accessible to the gas company when it wants to shut off the gas.

Q. What control do I have over where they put the meter on my property?

A. Illinois Administrative Code Section 500 requires "mutual consent" by customer and gas company of the location of the meter, (inside or outside, front, side or back of the home), though it also says the meter should be as close to where gas service enters the house as possible.

Q. I don't have to let them put it outside at all?

A. No.

Q. I don't care if it's outside, but I don't want this thing stuck on the front of my house. It'll be ugly and could lower my property value. What can I do?

A. The gas company is required to get your consent for placement of a meter on the front of your house. If you don't give it, they can't do it.

Q. How does the company get my consent?

A. Peoples Gas workers now carry authorization forms with them for you to sign if you consent to putting a meter on the front of your home. They have been told by the company to try to persuade you to sign it, and if they are unable to, then to have their supervisors talk to you. You are not required to sign this form or give consent in any way.

Q. The gas company has already put a meter on the front of my house. They told me it was the law. What can I do about it?

A. There have been reports that supervisors for Peoples Gas have been told to do everything in their power to get the meters outside the homes, even if it means telling customers it is the law.

Call the gas company if you wish to have your meter moved. If they refuse, contact the Consumer Services Division at the Illinois Commerce Commission and file a formal complaint. Your alderman's office may also be of some assistance.

Q. When they put the meter in they destroyed my grass and bushes. It'll take years to get it back in shape. Can they get away with that?

A. The gas company is required to return the property to its original condition. Again, attempt to talk with the gas company. If you get no response, the Illinois Commerce Commission or your aldermanic office are your next routes.

Q. Won't it be easier for someone to tamper with my meter or the regulator if it's on the outside of the house?

A. ICC officials claim tampering will be easier to detect, since meters will be read monthly instead of bimonthly. A representative of the Gas Workers Union warns that outside meters are easier to tamper with, and with old appliances, turning on and off a regulator can cause pilot lights to blow out and gas leaks to occur. There is no guarantee meters will be safe from tampering or vandalism.

Q. What can I do to stop the gas company from ruining my street and risking my family's health and safety with these outside meters?

A. Talk to your neighbors, contact your block club or local community organization if you have one, pass a petition refusing to consent to the placement of meters on the front (or outside) of your homes, and send copies to the gas company and your alderman.

Where Did My Meter Reader Go?

Q. I hear the gas company is using new technology to read meters. What is this technology and how accurate is it?

A. With this new device, called EnScan, gas company trucks will be able to read meters as they drive by at 30 miles per hour, whether or not the meters are inside the home. Almost 100 meter readers currently doing this job will be laid off. The company that makes the devices claims it is accurate 98.6 percent of the time.

Q. What if something goes wrong and it isn't accurate? How will I know?

A. The gas company has stated to the Illinois Commerce Commission that whenever gas company personnel need to come to the home for service, the accuracy will be checked.

Q. So I could go for years with a high bill and not know it?

A. The company will rely on the accuracy of the device and on spot checks throughout the city, but it will not check every home for accuracy on a regular basis.

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Labor Coalition on Public Utilities

204 South Ashland Avenue • Chicago, Illinois 60607 • Fax (312) 243-0492 • (312) 243-7172

ANNUAL REPORT

June 4, 1993

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The Labor Coalition on Public Utilities was established in 1975 by Chicago area Labor leaders to promote and protect the interests of working people as consumers and producers of utility services, and as taxpayers. The Labor Coalition presents Labor's special concerns, such as job preservation and the negative economic impact of high utility rates, to the larger consumer community. The Labor Coalition and its Union constituents bring a level of organization and militancy to the broader community that helps to empower the ratepayers community at large.

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204 South Ashland Avenue • Chicago, Illinois 60607 • (312) 243-7172

LABOR COALITION PURPOSES AND GOALS

The Labor Coalition on Public Utilities was established in 1975 by Chicago area Labor leaders to promote and protect the interests of working people as consumers and producers of utility services. The Labor Coalition intervenes in rate cases before regulatory agencies and the courts, as well as testifies in legislative hearings on behalf of ratepayers. It publishes a bimonthly newslettter, The Challenger, issues other publications and reports, holds educational workshops and conferences on utility concerns, and provides speakers to Unions, churches, senior citizens' and community groups. By providing assistance, information and leadership, the Labor Coalition has helped Unions and other organizations mount campaigns that address crucial utility needs, and unite in coalition with others.

IN THE PUBLIC INTEREST

The Labor Coalition promotes fairness in utility issues from the standpoint of the broader community, rather than from the narrower perspective of a particular Union or section of the Labor Movement. As a result of 17 years of advocacy, the Labor Coalition has stimulated debates and action within the Labor Movement on utility issues of great importance not only to Labor but also to the community at large. Its activities have brought Labor's special concerns, such as job preservation and the negative economic impact of high utility rates, to the larger consumer community.

JOIN THIS FIGHT

The Labor Coalition works closely not only with area Unions and Union coalitions, such as the Coalition of Black Trade Unionists and the Coalition of Labor Union Women, but also with many other consumer advocacy groups, both public interest and government, such as the Citizens' Utility Board, the Affordable Budget Coalition, and city and state consumer protection agencies.

DRAFT PRESS RELEASE

The President today released $300 million in emergency home heating assistance funds to those states that experienced extremely cold weather during January.

The money will be distributed by the Department of Health and Human Services to 23 states under a new formula designed to direct aid to states with the most severe weather conditions and with significant numbers of low-income households.

The Administration sought, and received, authority from the Congress in the recent earthquake legislation to distribute existing emergency funds from the Low-Income Home Heating Energy Emergency Assistance Program (LIHEAP), and to target the funds to those states most in need. The program's normal formula would have required that a portion of any energy funds distributed under the program be sent to states that did not experience severe cold.

"The unusually cold weather in the northern half of the country has caused very real hardships for millions of Americans, particularly those who simply cannot afford to pay for the additional energy costs they have faced," the President said. "This assistance, carefully targeted, will ease the burden ~~of~~ ON these families."

In the formula developed by the Administration, $250 million is targeted to the 23 states that had January temperatures totaling 100 "degree days" more than their average over the past 30 years. Eight of those states had temperatures totaling more than 200 degree days above their average during January, and the remaining $50 million will be targeted to those states.

(Degree days are a standard measure of cold temperatures -- the higher the number of degree days, the colder the weather.)

The amount of funds provided to each state is also based on the number of households in the state with incomes under 125 percent of the poverty level.

LIHEAP provides funds to states, which in turn provide grants to low-income families to assist with home energy costs. The Department of Health and Human Services is expected to issue the funds to states by the end of February.

States receiving a share of the funds are as follows:

Connecticut	$ 5,395,219
Delaware	$ 286,478
Illinois	$12,019,466
Indiana	$ 2,325,128
Iowa	$ 8,054,083
Kentucky	$ 5,341,115
Maine	$ 8,104,664*

Maryland	$ 6,631,189
Massachusetts	$13,880,163
Michigan	$48,845,949*
Minnesota	$37,399,847*
New Hampshire	$ 3,147,664*
New Jersey	$ 6,944,103
New York	$61,460,518*
North Dakota	$ 8,102,045*
Ohio	$23,927,448
Pennsylvania	$20,483,114
Rhode Island	$ 1,727,532
South Dakota	$ 1,994,310
Vermont	$ 4,798,863*
Virginia	$ 678,471
West Virginia	$ 3,732,291
Wisconsin	$14,720,338*

* Total includes additional funds due to extreme cold weather.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

ROUTE SLIP

TO Brian Burke	Take necessary action	☐
	Approval or signature	☐
	Comment	☐
	Prepare reply	☐
	Discuss with me	☐
	For your information	☒
	See remarks below	☐
FROM Chris Ellertson	DATE	

REMARKS

Thanks for the material on LIHEAP -- enclosed is the orig. material & a copy you can share w. Elgie or others. I'm also faxing the LIHEAP fact sheet I did. This may be useful to you in future meetings w. folks on LIHEAP

CE

*U.S. Government Printing Office: 1991 — 298-539

OMB FORM 4
Rev. Jul 91

Fact Sheet on LIHEAP

LIHEAP is a discretionary block grant, created in 1981, through which States distribute energy assistance to low-income beneficiaries. Beneficiaries are assisted with cooling, heating, energy crises and weatherization.[1] To fund priority investments, the Administration proposes to reduce funding for LIHEAP to $730 million in FY1995. This proposal would move $745 million of the $1,475 million advance appropriation to FY1996.

Streamlining the Program

The Administration proposes to work with Congress to:

- better target LIHEAP dollars to States with the greatest need;
- amend eligibility requirements so that funds can be targeted better at low-income households with unusually high energy costs;
- extend the availability of the FY1994 emergency fund indefinitely;
- give States increased flexibility in how they may use LIHEAP funds for one-time expenditures such as weatherization and energy conservation measures;
- give States additional incentives to leverage private sector energy assistance resources.

Past & Current Funding Levels ($ in millions)

FY93	FY94	Advance FY95 Approp	FY95 Budget
1,346	1,437	1,475	730

Reasons to Revamp LIHEAP

Home Heating Costs Have Dropped for the Low-Income—According to the Department of Energy and the Department of Health and Human Services, real energy prices have declined since the late 1970's.

- Fuel oil prices decreased by 40% in real terms
- The cost of electricity dropped by about 13% in real terms
- The average percent of income spent for home heating for households with incomes at or below 150% of poverty guidelines dropped by about one-third between 1981 and 1989

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[1] The predecessors of LIHEAP are: the Energy Assistance Program in the Interior Department appropriations for FY1980 (authorized for 1980) and the Home Energy Assistance Act in the Crude Oil Windfall Profit Tax Act of 1980 (authorized for 1981).

Increased Resources for Low-Income Households—The Administration has taken steps to provide low-income families with additional resources:

- a substantial increase ($21 billion between FY1994-8) in the Earned Income Tax Credit will raise incomes for low-income families that work;
- The Food Stamps program expands by $2.5 billion between FY1994-FY1998, and by FY1999 the program expands by about a billion dollars each year, indefinitely. The majority of the expansion assists people with high shelter costs, which always include utility costs.
- anticipated welfare and health care reforms will address the problems of low-income persons more comprehensively.

LIHEAP Heating Assistance Goes to All States Using an Outdated Formula

Under LIHEAP's outdated formula, which is based on census and fuel price data over a decade old, every State in the U.S. receives LIHEAP benefits. While home cooling assistance can help prevent heat-related health problems, LIHEAP funds are used primarily for home heating assistance (only 2% of all funds are used for cooling assistance). Nevertheless, warmer States (Florida, California, Texas, Arizona, Alabama, and South Carolina) received $146 million in FY1994, over 10% of the entire FY1994 appropriation. Tropical Hawaii received about $1.5 million, while U.S. territories such as the Virgin Islands and Guam, and the Commonwealth of Puerto Rico received a total of close to $2 million.

Other Sources of Energy Assistance—Energy assistance to the low-income is already available through other programs, including but not limited to:

- Housing subsidy programs (section 8 certificates and vouchers) that contain a utility component or, in the case of some public housing units, that pay the tenant's utilities directly.
- Dept. of Energy's weatherization assistance program (WAP). WAP got $207 million in FY94, and this year's budget asks for $250 million.
- According to program advocates, in FY1993, over $450 million was spent by non-federal sources such as utilities, fuel vendors and States to leverage Federal energy assistance programs.

Legal Protection Against Utility Cutoffs for Low-Income Households—According to a 1990 survey, all or most of the utility companies in 40 States have winter restrictions against cutting off utilities. Every State in the Northeast and in the West has winter cut-off restrictions, and the majority of States in the Midwest (91%) and the South (87%) had winter cut-off restrictions. These legal protections shield low-income households from the effects of severe weather.

Low Income Home Energy Assistance Program (LIHEAP)

Program History

The predecessor to LIHEAP started as a temporary measure to help low income families cope with the sudden surge in heating costs in the late '70's and early '80's. Congress appropriated $200 million per year between 1976 and 1979 for emergency energy assistance. In 1980 Congress provided $1.6 billion to meet the heating needs for AFDC, SSI and other needy recipients.

The Low Income Home Energy Assistance Program (LIHEAP) was created by OBRA 1981. States receive block grant funds to assist low income households with residential heating and cooling costs. OBRA 1981 permitted States to provide three types of energy assistance. States could: 1) help eligible households pay their home heating and cooling bills, 2) use up to 15% of their LIHEAP allotment for low-cost weatherization, and 3) provide assistance to households during energy related emergencies. States were allowed to keep a portion of the allotment for administrative expenses, transfer up to 10% of LIHEAP funds to other block grants and carry over up to 10% of LIHEAP funds to the next year. Nearly 30 States took advantage of the authority to transfer funds to other block grants.

The Augustus Hawkins Human Services Reauthorization Act of 1990 made the first major programmatic change to LIHEAP since its inception and extended authorization for the program through FY 1994. Major amendments included: 1) permission for grantees to request a waiver to spend up to 25% of their allotment on weatherization activities, 2) an end after FY 1993 to the authority to transfer funds to other block grants and hold over funds from one year to the next, 3) a provision for forward funding based on a July to June program year, and 4) a new "leverage incentive" grant program which would reward States for adding their own funds and finding other ways to stretch Federal funds (e.g. purchasing fuel in bulk.) The program has since been reauthorized through FY 1995 (with no additional changes.)

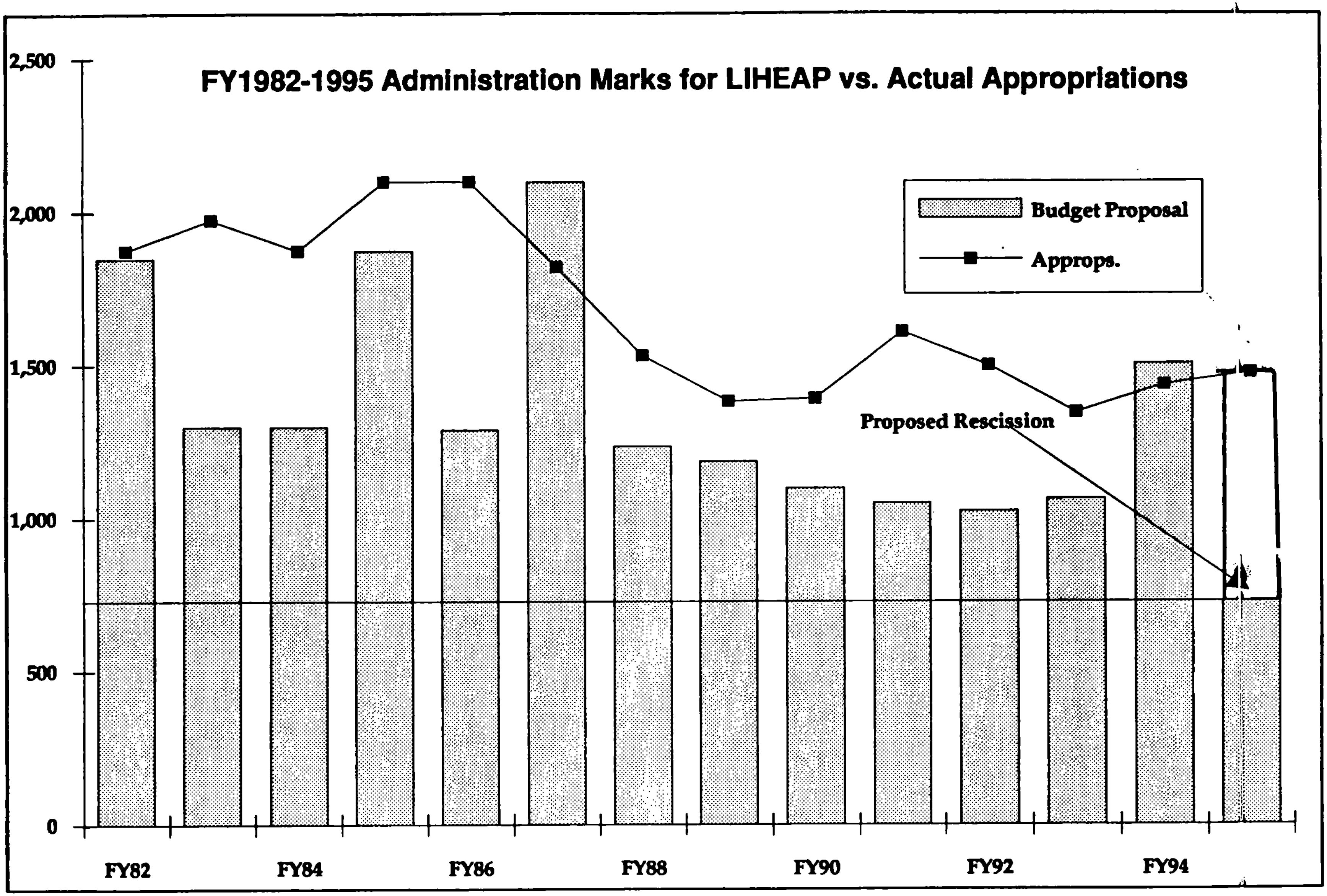
Authorization and Appropriations History

The attached chart shows the funding history of LIHEAP. Appropriations reached their highest point in FY1985 and 1986 at $2.1 billion, and have declined since. In FY 1994, Congress appropriated $1.437 billion. The lowest previous budget request for LIHEAP, $1.025 billion was made in FY 1992.

Number of Recipients and Other Program Statistics

In 1982 about 6 million households received LIHEAP benefits. This climbed to a fairly steady 6.5 million households for 1983-7, then dipped down to 5.8 million in 1989. About 7.3 million households received LIHEAP benefits in FY 1991 which represents about a third of eligible households under State statutes. In FY91:

- 66% of all funds went to heating assistance
- 11% was spent on energy crisis assistance
- 22% was spent on transfers, administration and weatherization (note: transfers to other programs are no longer allowed)
- 1% was spent on cooling assistance.



FY1982-1995 Administration Marks for LIHEAP vs. Actual Appropriations
Budget Proposal
Approps.
Proposed Rescission
2,500
2,000
1,500
1,000
500
0
FY82
FY84
FY86
FY88
FY90
FY92
FY94

THE LIHEAP COALITION

Organizations and companies supporting the Low Income Home Energy Assistance Program

MEMORANDUM

February 15, 1994

TO: LIHEAP COALITION

RE: PRESIDENTS FY 1995 BUDGET SUBMISSION
NEXT COALITION MEETING: MARCH 23

Attached are documents from HHS and the FY '95 Budget describing the severe cuts for LIHEAP proposed by the Administration for FY '95 on February 7th.

The LIHEAP Coalition notice of February 3rd called for organizing aggressive state and local reaction to the proposed cuts and the response has been overwhelming. Please bring to the to the next scheduled LIHEAP Coalition meeting or fax copies of all local and state media coverage, advocacy letters or press releases related to the impact of a $745 million cut to LIHEAP.

At the next meeting, we will map out strategies for the appropriations process and look at current developments in the reauthorization debate, including reactions from HHS.

A reminder:
Please encourage your local Representatives to sponsor House Concurrent Resolution 202 introduced by Congressman Matchley and Markey calling for no reductions in FY '95 appropriations of $1.475 billion and current services for FY '96. There are more than sponsors to date. To become a cosponsor, representatives can sign on by calling John Deasy at Congressman Matchley's office at (202) 225-4911 or Steve Buttacavoli at Congressman Markey's office at (202) 225-2836.

NEXT COALITION MEETING:

WEDNESDAY MARCH 23
3:00 PM - 4:30 PM
AMERICAN ASSOCIATION OF RETIRED PERSONS
6TH & E STREETS, NW
BUILDING A-5 ROOM 130

Helen Gonzales
Natl. Consumer Law Ctr.
(202) 986-6060
(202) 986-6648 fax

Larry White
AARP
(202) 434-3800

Alex Wilson
Edison Electric Institute
(202) 508-5585
(202) 508-5759

U.S. DEPARTMENT OF

HEALTH AND HUMAN SERVICES

Washington, D.C.

THE FISCAL YEAR 1995 BUDGET

REFOCUSING PRIORITIES

To fund priority Administration initiatives, the FY 1995 budget proposes to modify funding for the Low Income Home Energy Assistance program (LIHEAP), and community services discretionary programs.

Low Income Home Energy Assistance Program

The LIHEAP program was originally funded to help offset the effect on low-income persons of increased home heating prices that resulted from the oil embargo of the late 1970's. Since that time, energy prices and the energy burden placed on low income households have decreased substantially. Because of these positive energy trends, it is an appropriate time to look at restructuring LIHEAP. The income problems of many households currently served by LIHEAP are best addressed by programs aimed at overall economic self-sufficiency rather than isolated assistance programs. The Administration is addressing these problems in a more comprehensive fashion through the expanded Earned Income Tax Credit (EITC) for the working poor and through welfare reform for those who receive public assistance.

However, ACF recognizes that a number of low income households continue to bear unusually high energy costs in relation to their incomes. Therefore, we propose to focus LIHEAP more directly on providing long term solutions to the problems of these low income households with very high energy burdens. Targeting of funds will be increased and income eligibility requirements will be refined. In order to achieve more long term solutions, States will be given increased flexibility to use LIHEAP funds for one-time expenditures on weatherization, energy conservation and financial management training, and for continued income support where necessary. States will also be given increased incentives to leverage private sector resources. In FY 1995, the request is for $730 million, a decrease of $707 million from the previous year. The $600 million contingency fund established in the FY 1994 appropriation will remain available in FY 1994 for emergencies. In fact, in response to the sharp increase in energy use caused by the recent cold weather, the President has requested that Congress make $100 million of these funds available for FY 1994.

Table I–4. ILLUSTRATIVE LISTING OF PROGRAMMATIC TERMINATIONS AND REDUCTIONS—Continued

(In millions of dollars)

	1993 Enacted		1994 Estimate		1995 Estimate		Change: 1994 to 1995		Number Change
	BA	O	BA	O	BA	O	BA	O	
Navy Advanced Submarine Systems	128.1	70.5	140.4	120.0	86.0	104.2	–54.4	–15.8	
Navy Ship Self-Defense	216.4	119.0	285.8	229.5	192.3	218.1	–93.5	–11.4	
Navy Standard Anti-Air Warfare Missile	50.1	27.5	62.3	51.0	11.8	31.2	–50.5	–19.8	
Air Force B-2 Bomber	1,189.3	601.8	785.8	807.9	408.5	590.8	–377.3	–217.1	
Air Force Milstar Satellite	1,107.3	560.3	918.4	846.7	625.4	738.5	–293.0	–108.2	
Air Force Joint Surveillance Target Attack Radar System	313.5	158.6	283.1	251.4	190.4	223.8	–92.7	–27.6	
Air Force Tri-Service Stand-off Attack Missile	———	———	265.4	134.3	81.1	132.6	–184.3	–1.7	
Air Force Medium Launch Vehicle	48.6	23.6	71.2	52.1	21.0	39.6	–50.2	–12.5	
Air Force Titan Space Launch Vehicles	147.2	74.5	270.1	187.5	161.1	188.7	–109.0	1.2	
Special Operations Tactical Systems	121.0	67.1	218.0	149.8	167.4	175.6	–50.6	25.8	
Foreign Material Acquisition and Exploitation	9.5	4.5	155.6	77.1	49.9	84.9	–105.7	7.8	
Defense Total	122,388.4	108,346.8	118,404.8	112,664.1	107,987.0	110,490.6	–10,417.8	–2,173.5	25
Department of Energy:									
Lease Elk Hills, Naval Petroleum Reserves	–220.0	–255.0	–211.0	–199.0	–412.0	–398.0	–201.0	–199.0	
Nuclear reactor programs, energy supply research and development	319.0	341.0	245.0	365.0	261.0	268.0	16.0	–97.0	
Nuclear weapons stockpile support	2,186.0	2,068.0	2,121.0	2,140.0	1,616.0	1,768.0	–505.0	–372.0	
Nuclear weapons materials support	1,300.0	1,180.0	1,024.0	1,162.0	878.0	922.0	–146.0	–240.0	
Energy Total	3,585.0	3,354.0	3,179.0	3,468.0	2,343.0	2,560.0	–836.0	–908.0	4
Environmental Protection Agency:									
Targeted Wastewater Assistance	556.0	117.0	558.0	283.0	250.0	397.0	–308.0	114.0	1
Funds Appropriated to the President:									
Assistance to Central and Eastern Europe	400.0	277.6	390.0	346.5	380.0	384.7	–10.0	38.2	1
Department of Health And Human Services									
Health Care Financing Administration:									
Research and Demonstrations	68.3	69.5	86.0	69.6	68.6	74.0	–17.4	4.4	
Medicare Contractors	1,555.6	1,502.8	1,615.3	1,549.6	1,610.3	1,566.0	–5.0	16.4	
Health Professions Curriculum Assistance Program	266.0	245.0	281.0	265.0	266.0	279.0	–15.0	14.0	
Maternal and Child Health Block Grant	666.0	622.0	687.0	653.0	679.0	665.0	–8.0	12.0	
Indian Health Services	1,863.0	1,742.0	1,947.0	1,949.0	1,700.0	1,804.0	–247.0	–145.0	
Low Income Home Energy Assistance Program	1,346.0	1,067.9	1,437.4	2,075.7	730.0	790.9	–707.4	–1,284.8	
Community Services Block Grant	440.9	422.8	464.2	474.9	434.6	465.0	–29.6	–9.9	
Health and Human Services Total	6,203.8	5,672.0	6,517.9	7,036.8	5,488.5	5,643.9	–1,029.4	–1,392.9	7
Department of Housing and Urban Development:									
Public Housing Development	402.0	537.0	598.0	552.0	150.0	529.0	–448.0	–23.0	
Public Housing Modernization	3,193.0	1,547.0	3,230.0	2,164.0	2,786.0	2,501.0	–444.0	337.0	
Severely Distressed Public Housing	300.0	———	778.0	30.0	500.0	146.0	–278.0	116.0	
Elderly Housing New Construction	1,132.0	372.0	1,158.0	381.0	150.0	667.0	–1,008.0	286.0	
Low Income Housing Preservation	600.0	3.0	541.0	44.0	———	94.0	–541.0	50.0	
Congregate Services	21.0	5.0	25.0	11.0	6.0	16.0	–19.0	5.0	
Lead-Based Paint Grant Program	100.0	1.0	150.0	45.0	100.0	75.0	–50.0	30.0	
HOME	1,173.0	212.0	1,275.0	876.0	1,000.0	1,196.0	–275.0	320.0	
HUD Total	6,921.0	2,777.0	7,755.0	4,103.0	4,692.0	5,224.0	–3,063.0	1,121.0	8
Department of Interior:									
Bureau of Reclamation—Construction	501.0	470.0	448.0	640.0	381.0	392.0	–67.0	–248.0	
Fish and Wildlife Service Construction	110.0	73.0	74.0	113.0	35.0	73.0	–39.0	–40.0	
National Park Service Construction	225.0	257.0	202.0	272.0	149.0	235.0	–53.0	–37.0	
Bureau of Indian Affairs Construction	150.0	124.0	167.0	138.0	114.0	114.0	–53.0	–24.0	
Bureau of Reclamation Loan Program	4.0	4.0	14.0	9.0	4.0	7.0	–10.0	–2.0	
Interior Total	990.0	928.0	905.0	1,172.0	683.0	821.0	–222.0	–351.0	5

General and special funds—Continued

LOW INCOME HOME ENERGY ASSISTANCE—Continued

the amounts under this heading in P.L. 103–112 designated by Congress to be emergency requirements, up to $600,000,000 shall remain available until expended: Provided, That all or a portion of the entire amount shall be available only to the extent that a formal budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: Provided further, That the Secretary of the Department of Health and Human Services may determine the appropriate allocation of the requested amounts to any one or more of the jurisdictions funded under Title XXVI of the Omnibus Budget Reconciliation Act of 1981, to meet emergency needs. (Department of Health and Human Services Appropriations Act, 1994.)

Program and Financing (in thousands of dollars)

Identification code 75–1502–0–1–609	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Grants to States	1,345,550	1,436,908	729,800
00.02 Training and technical assistance	479	500	200
10.00 Total obligations	1,346,029	1,437,408	730,000
Financing:			
25.00 Unobligated balance expiring	1		
39.00 Budget authority	1,346,030	1,437,408	730,000
Budget authority:			
Current:			
40.00 Appropriation	1,346,030		
Permanent:			
65.00 Advance appropriation (definite)		1,437,408	730,000
Relation of obligations to outlays:			
71.00 Total obligations	1,346,029	1,437,408	730,000
72.40 Obligated balance, start of year: Treasury balance	452,166	739,801	101,464
74.40 Obligated balance, end of year: Treasury balance	–739,801	–101,464	–40,559
77.00 Adjustments in expired accounts	9,455		
90.00 Outlays	1,067,849	2,075,745	790,905

This program makes grants to States and Indian tribes to aid low-income households with high energy costs through payments to eligible households, energy suppliers, and building operators.

Object Classification (in thousands of dollars)

Identification code 75–1502–0–1–609	1993 actual	1994 est.	1995 est.
25.2 Other services	479	500	200
41.0 Grants, subsidies, and contributions	1,345,550	1,436,908	729,800
99.9 Total obligations	1,346,029	1,437,408	730,000

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96–422), [$400,000,000] *$413,786,000. (Department of Health and Human Services Appropriations Act, 1994.)*

Program and Financing (in thousands of dollars)

Identification code 75–1503–0–1–609	1993 actual	1994 est.	1995 est.
Program by activities:			
10.00 Total obligations	381,457	400,000	413,786
Financing:			
21.40 Unobligated balance available, start of year: Treasury balance	–3,528	–3,528	–3,528
24.40 Unobligated balance available, end of year: Treasury balance	3,528	3,528	3,528
25.00 Unobligated balance expiring	24		
40.00 Budget authority (appropriation)	381,481	400,000	413,786
Relation of obligations to outlays:			
71.00 Total obligations	381,457	400,000	413,786
72.40 Obligated balance, start of year: Treasury balance	274,064	287,683	309,319
74.40 Obligated balance, end of year: Treasury balance	–287,683	–309,319	–324,434
77.00 Adjustments in expired accounts	–7,471		
90.00 Outlays	360,367	378,364	398,671

States are subsidized for administering the refugee assistance program.

Object Classification (in thousands of dollars)

Identification code 75–1503–0–1–609	1993 actual	1994 est.	1995 est.
25.1 Consulting services	5,895	6,071	6,000
25.2 Other services	142	1,000	1,000
41.0 Grants, subsidies, and contributions	375,420	392,929	406,786
99.9 Total obligations	381,457	400,000	413,786

COMMUNITY SERVICES BLOCK GRANT

For making payments under the Community Services Block Grant Act, [section 408 of Public Law 99–425, and the Stewart B. McKinney Homeless Assistance Act, $464,224,000, of which $42,940,000 shall be for carrying out section 681(a) of the Community Services Block Grant Act, including $12,000,000 which shall be for carrying out the National Youth Sports Program: *Provided*, That payments from such amount to the grantee and subgrantee administering the National Youth Sports Program may not exceed the aggregate amount contributed in cash or in kind by the grantee and subgrantee: *Provided further*, That amounts in excess of $9,400,000 of such amount may not be made available to the grantee and subgrantees administering the National Youth Sports Program unless the grantee agrees to provide contributions in cash over and above the preceding year's cash contribution to such program in an amountthat equals 29 percent of such excess amount] *$434,622,000. (Department of Health and Human Services Appropriations Act, 1994.)*

Program and Financing (in thousands of dollars)

Identification code 75–1504–0–1–506	1993 actual	1994 est.	1995 est.
Program by activities:			
00.01 Direct program	440,861	464,224	434,622
01.01 Reimbursable program	278		
10.00 Total obligations	441,139	464,224	434,622
Financing:			
25.00 Unobligated balance expiring	10		
39.00 Budget authority (gross)	441,149	464,224	434,622
Budget authority:			
Current:			
40.00 Appropriation	440,871	464,224	434,622
Permanent:			
68.00 Spending authority from offsetting collections	278		
Relation of obligations to outlays:			
71.00 Total obligations	441,139	464,224	434,622
72.40 Obligated balance, start of year: Treasury balance	167,349	199,437	188,790
74.40 Obligated balance, end of year: Treasury balance	–199,437	–188,790	–158,424
77.00 Adjustments in expired accounts	14,057		
87.00 Outlays (gross)	423,108	474,871	464,988
Adjustments to gross budget authority and outlays:			
88.00 Offsetting collections from Federal funds	–278		
89.00 Budget authority (net)	440,871	464,224	434,622
90.00 Outlays (net)	422,830	474,871	464,988

Object Classification (in thousands of dollars)

Identification code 75–1504–0–1–506	1993 actual	1994 est.	1995 est.
25.1 Consulting services		158	158

JOSEPH P. KENNEDY II
8TH DISTRICT, MASSACHUSETTS

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
SUBCOMMITTEES:
HOUSING AND COMMUNITY DEVELOPMENT
FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE
INTERNATIONAL DEVELOPMENT INSTITUTIONS AND FINANCE

COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEES:
HOSPITALS AND HEALTH CARE
OVERSIGHT AND INVESTIGATIONS

SELECT COMMITTEE ON AGING
SUBCOMMITTEE ON HEALTH AND LONG-TERM CARE

1208 LONGWORTH BUILDING
WASHINGTON, DC 20515-2108
(202) 225-5111

SUITE 605, THE SCHRAFFT CENTER
529 MAIN STREET
CHARLESTOWN, MA 02129
(617) 242-0200

Congress of the United States
House of Representatives
Washington, DC 20515-2108

January 27, 1994

The President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

We congratulate you for your rapid response to the terrible earthquake in Los Angeles. We stand ready to work with you to provide the emergency assistance needed by the tens of thousands of people affected by that tragedy.

As the nation's eyes are turned towards Southern California, we want to call your attention to another natural disaster that threatens more than one hundred-thousand poor families in Massachusetts -- a severely cold winter.

These families are particularly vulnerable to the unexpectedly cold winter because they depend on federally-funded fuel assistance to help pay their heating bills. These funds are allocated at the beginning of each season based on assumptions of normal weather patterns.

Unfortunately, Boston alone has already experienced temperatures 180 degrees below normal and logged 222 degree days more than the 30-year norm for this time of the winter. Central and western Massachusetts have been even colder. Even if temperatures for the rest of the winter returned to normal, energy use for the season would be about 25% above average.

This means that many families have already exhausted their benefits. In fact, the numbers in Boston are astronomical -- 65% of beneficiaries have run out of their fuel assistance benefits, and the coldest month of winter is still ahead of us.

We know that you are well aware of the horrible choices forced on recipients that run out of these benefits. A study conducted by Boston City Hospital between 1989 - 1990 shows that the number of malnourished, underweight children increases dramatically in the three months following the coldest month of the year, in large part because poor parents are forced to choose between feeding their children or heating their homes.

The elderly, who make up about 40% of the recipients of LIHEAP funds, are forced to cancel their health insurance, borrow money, or even sell some of their possessions to pay for heat once their benefits run dry.

Thousands of families simply do without heat when their benefits run out.

Mr. President, last year the Congress created a $600 million contingency fund to the Low-Income Home Energy Assistance Program (LIHEAP). You have the authority to use some or all of those funds on an emergency basis without any further Congressional action. As you reach out your hand to help rebuild Los Angeles, please remember the other victims in Massachusetts and the rest of the Northeast and Midwest who are suffering from extreme winter cold.

We look forward to continuing to work with you in the future.

Sincerely,

S
Edward J. Markey

S
Joseph P. Kennedy II

S
Joe Moakley

S
Barney Frank

S
John Olver

S
Richard Neal

S
Martin Meehan

Congress of the United States
House of Representatives
Washington, DC 20515
January 27, 1994

President William Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

As you are aware, snow, ice, and record-setting low temperatures have caused serious, life-threatening problems across the entire nation. On behalf of Pennsylvania, a state crippled by this harsh weather, we write to you in an effort to avert further human tragedies.

The ability of Pennsylvanians to keep their families warm and out of danger is at an all time high. In many cases, the struggle to keep warm has turned into a struggle to stay alive. Not only is this relentless weather putting Pennsylvania families in grave danger, it is rapidly exhausting the funding for the Low Income Home Energy Assistance Program (LIHEAP).

The mission of LIHEAP is to provide financial assistance to unfortunate families who are unable to pay their energy bills. The weather of late, however, has dramatically increased the demand for this already suffering program. It is with this in mind that we respectfully urge you to release the $600 million in emergency funding made available and designated by Congress as part of the fiscal 1994 appropriations bill for the Departments of Labor, Health and Human Services, and Education.

Countless individuals have already succumbed to this year's cold and unforgiving winter. With a lack of additional assistance, citizens of Pennsylvania, one of the nation's leading recipients of LIHEAP funding, will continue to suffer.

Your assistance in this important matter will truly help Pennsylvanians keep their families out of the reaches of danger. Your support would be greatly appreciated.

Sincerely,

S/ Tom Ridge

S/ John Murtha

SIGNED BY ALL HOUSE MEMBERS

FROM PENNSYLVANIA

United States Senate

WASHINGTON, DC 20510

January 14, 1994

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

We are quite distressed to hear the Administration may propose a reduction in Fiscal Year 1995 funding for the Low Income Home Energy Assistance Program (LIHEAP) of 30 percent or more. A reduction at this time simply is unacceptable. We know you face enormously difficult budget choices. And we are among the strongest Congressional supporters of many competing programs under the jurisdiction of the Department of Health and Human Services, including Head Start. But LIHEAP already has borne more than its share of the deficit reduction burden.

LIHEAP is "advance-appropriated". Congress already has appropriated $1.475 billion in Fiscal Year 1995 funds for the LIHEAP program year, which commences on July 1st. Funding for the program peaked nearly a decade ago at $2.100 billion. Just to keep pace for inflation, the program would require $2.700 billion today. The advance appropriation for Fiscal Year 1995 is just 52 percent of that amount; in other words, purchasing power has been cut in half.

We will not recite the litany of statistics documenting that LIHEAP helps the poorest of the poor in our society. Presumably, you are already aware that LIHEAP benefits reach fewer than 25 percent of the households eligible to receive them. And you must know that home energy costs consume an unreasonably high portion of what disposable income the poor have.

We would, instead, draw your attention to a recent study conducted at the Boston City Hospital. It documented that emergency room visits related to malnutrition consistently peaked immediately after the coldest weather. The conclusion the researchers drew is that families had little money to buy groceries after paying their utility bills. According to the report, "parents know their children will freeze to death before they starve." How can we expect Head Start and similar programs to work if children live in such circumstances?

We stand ready to work with you to resolve these tough budget choices and maintain an adequate funding level for LIHEAP.

Sincerely,

George Mitchell
George J. Mitchell

Jim Jeffords
James M. Jeffords

William S. Cohen

Christopher J. Dodd

John H. Chafee

Daniel Patrick Moynihan

Alfonse M. D'Amato

Howard M. Metzenbaum

Charles E. Grassley

Paul S. Sarbanes

Harris Wofford

Russell D. Feingold

Edward M. Kennedy

Dave Durenberger

Herb Kohl

Arlen Specter

Howell Heflin

Bob Smith

John D. Rockefeller IV

Donald W. Riegle, Jr.

John Glenn

Patrick J. Leahy

The Honorable William Jefferson Clinton
January 14, 1994
Page Three

Carl Levin

Jim Sasser

Bill Bradley

John F. Kerry

Joseph I. Lieberman

Paul Simon

Tom Harkin

Christopher S. Bond

Dan Coats

Jeff Bingaman

Claiborne Pell

John C. Danforth

Carol Moseley-Braun

Frank R. Lautenberg

Ben Nighthorse Campbell

Paul David Wellstone

Kent Conrad

Thad Cochran

Richard G. Lugar

Patty Murray

Thomas A. Daschle

Conrad Burns

Judd Gregg

Barbara Boxer

Dianne Feinstein

Larry Pressler

Byron L. Dorgan

David Pryor

Wendell H. Ford

THE IMPACT OF PROPOSED LIHEAP CUTS STATE BY STATE, FY94 AND EST.FY95

STATE	FY1994 GROSS ALLOTMENTS	FY1995 PROPOSED ALLOTMENTS	LOSS
Alabama	$12,126,599	$6,184,565	$5,942,034
Alaska	$7,740,680	$3,947,747	$3,792,933
Arizona	$5,864,568	$2,990,930	$2,873,638
Arkansas	$9,253,168	$4,719,116	$4,534,052
California	$65,055,673	$33,178,393	$31,877,280
Colorado	$22,682,886	$11,568,272	$11,114,614
Connecticut	$29,590,625	$15,091,219	$14,499,406
Delaware	$3,927,586	$2,003,069	$1,924,517
Dist. of Col.	$4,595,473	$2,343,691	$2,251,782
Florida	$19,187,901	$9,785,830	$9,402,071
Georgia	$15,170,978	$7,737,199	$7,433,779
Hawaii	$1,527,801	$779,179	$748,622
Idaho	$8,847,837	$4,512,397	$4,335,440
Illinois	$81,901,740	$41,769,887	$40,131,853
Indiana	$37,082,807	$18,912,232	$18,170,575
Iowa	$26,281,082	$13,403,352	$12,877,730
Kansas	$12,069,452	$6,155,421	$5,914,031
Kentucky	$19,297,768	$9,841,862	$9,455,906
Louisiana	$12,397,586	$6,322,769	$6,074,817
Maine	$19,170,008	$9,776,704	$9,393,304
Maryland	$22,657,167	$11,555,155	$11,102,012
Massachusetts	$59,191,049	$30,187,435	$29,003,614
Michigan	$77,758,523	$39,656,847	$38,101,676
Minnesota	$56,020,617	$28,570,515	$27,450,102
Mississippi	$10,396,675	$5,302,304	$5,094,371
Missouri	$32,714,753	$16,684,524	$16,030,229
Montana	$10,377,950	$5,292,755	$5,085,196
Nebraska	$12,997,004	$6,628,472	$6,368,532
Nevada	$2,754,413	$1,404,751	$1,349,662
New Hampshire	$11,203,658	$5,713,866	$5,489,792

New Jersey	$54,949,683	$28,024,338	$26,925,345
New Mexico	$7,342,032	$3,744,436	$3,597,596
New York	$179,419,029	$91,503,705	$87,915,324
North Carolina	$26,738,880	$13,636,829	$13,102,051
North Dakota	$11,273,594	$5,749,533	$5,524,061
Ohio	$72,454,330	$36,951,708	$35,502,622
Oklahoma	$11,146,835	$5,684,886	$5,461,949
Oregon	$17,580,195	$8,965,899	$8,614,296
Pennsylvania	$96,374,487	$49,150,988	$47,223,499
Rhode Island	$9,743,184	$4,969,024	$4,774,160
South Carolina	$9,630,991	$4,911,805	$4,719,186
South Dakota	$9,156,133	$4,669,628	$4,486,505
Tennessee	$19,548,225	$9,969,595	$9,578,630
Texas	$31,922,264	$16,280,355	$15,641,909
Utah	$10,540,791	$5,375,803	$5,164,988
Vermont	$8,397,541	$4,282,746	$4,114,795
Virginia	$27,598,963	$14,075,471	$13,523,492
Washington	$28,916,999	$14,747,669	$14,169,330
West Virginia	$12,770,798	$6,513,107	$6,257,691
Wisconsin	$50,426,599	$25,717,565	$24,709,034
Wyoming	$4,220,101	$2,152,252	$2,067,849
		$0	$0

American Gas Association

1515 Wilson Boulevard. Arlington. Va. 22209
Telephone (703) 841-8612

Michael Baly III
President

January 14, 1994

The President
The White House
Washington, D.C. 20500

Re: Low Income Home Energy Assistance Program

Dear Mr. President:

The American Gas Association (A.G.A.) is concerned by reports that drastic cuts for the Low Income Home Energy Assistance Program (LIHEAP) in the FY 1995 budget are being contemplated. We support your original recommended funding of $1.475 billion for the first nine months of the FY 95 LIHEAP program year as the minimum level of funding necessary to sustain an effective program. The recision of $500 million that we understand is being contemplated by the Administration would result in funding far below the minimum necessary to sustain the program.

A.G.A. represents 275 local distribution and transmission companies serving 90 percent of natural gas delivered in the United States. Our member companies, working with low income advocacy organizations, are in the vanguard of assisting low-income families with their energy needs.

Most of our companies support and promote fuel funds which receive contributions from stockholders, employees and customers. While these fuel funds provide millions of dollars each year in heating and cooling assistance, LIHEAP is a vital part of the effort to guarantee low-income families access to fuel in the heating season.

LIHEAP was created to address the impact energy costs have on the well-being of low-income Americans. It targets resources based on income and need. It involves recipients in taking greater responsibility for their energy consumption. LIHEAP has fostered a cooperative effort between the public and private sectors. LIHEAP is a very cost effective, efficient program. It is vitally important that adequate LIHEAP funding be maintained.

In a recent letter, dated December 10, 1993, responding to Senator Harris Wofford's concerns over future LIHEAP funding, you stated "...the percentage of earnings that low income families spend on heating their homes is about half what it was in the 1970s." Unfortunately, this is not the case for those receiving

LIHEAP assistance. Over sixty percent of those receiving assistance live on an annual income of less than $6,000 and the percentage of income they spend on heating has not dropped appreciably in the last decade.

In data issued by the Department of Health & Human Services for FY 1979, comparing income spent for total residential energy, all households spent 4.1 percent while low-income households spent 14.6 percent, three times more. In the same report for FY 1991, the results were 3.2 percent and 11.8 percent, respectively. Low-income families still face an "energy crisis" and are further challenged by precarious living conditions that place them at greater risk if inadequate funding leads them to use unsafe methods to secure heat.

We hope that as you develop your fiscal and human services policies that you will carefully review the need for heating and cooling assistance and the manner in which LIHEAP has addressed this critical need. We hope you agree that LIHEAP serves as a vital role in reducing economic hardships and that you will maintain your original recommended funding level of $1.475 billion.

Thank you for your consideration of this request. Please let me know if we can be of helpful to you in this important program.

Sincerely,

Mike Baly

Michael Baly III

Energy Assistance Helps the Needy Now

To the Editor:

"Small Budget Steps, Right Direction" (editorial, Feb. 8) commends the President's budget for redirecting scarce resources away from consumption and toward investment. I too applaud the President for producing a tough, credible budget.

But I must take issue with your suggestion that the President has "reasonable grounds" for cutting home energy assistance for the poor by half because he wants Congress to "target aid on the truly needy."

I know of few Federal programs more targeted than the Low-Income Home Energy Assistance Program. Nearly three-quarters of the households receiving help through this program have annual incomes less than $8,000, with all but a handful of the rest less than $15,000. The majority of participating households have elderly or disabled members.

I welcome ideas to make the home-energy program more effective, but it should not be targeted into irrelevance.

CHRISTOPHER J. DODD
U.S. Senator from Connecticut
Washington, Feb. 9, 1994

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February, 1994

FACT SHEET ON LIHEAP[1]

ISSUE 1: Isn't it true that residential energy costs have decreased substantially, so that LIHEAP is not as critical a program now as it was in the 1970's and early 1980's?

RESPONSE: Absolutely not. The decontrol of natural gas in the early 1980's led to an increase in gas prices which only recently stabilized, but at a rate higher than that charged prior to decontrol. This fact is important because about 50% of low-income families and individuals use natural gas as the main heating fuel for their home.

While fuel oil prices have decreased from the surges of the 1970's, fuel oil is used as the main heating source for only 12% of such households. 14.4% of poor households use electricity, 10.5% use LPG, roughly 3% use kerosene, and 10.2% use other sources, such as wood and coal, as their primary heating source.

See enclosed Figure E-11 (Analysis of energy trends) which shows that the composite average for all energy fuels is higher than it was when LIHEAP was created.

Finally, the issue is not only the cost of the various fuels but also what percentage of a household's income is used to pay for all home energy costs (which defines a household's **energy burden**).

---

[1] This document was prepared on behalf of NCLC's low-income clients by Helen Gonzales, Staff Attorney in NCLC's Washington, D.C. office.

ISSUE 2: Isn't it also true that the percentage of earnings that low-income families spend on their energy costs (referred to as the energy burden) is less than it was in the late 1970's?

RESPONSE: According to data from the U.S. Department of Health and Human Services (DHHS), the average residential energy burden for individual low-income households is 15.8%. While that is lower than the 18.3% energy burden of 1979, it is still a high and unaffordable burden for most low-income households.[2] *See enclosed Figure K-10.*

Income data: HHS data provides average household income in constant (1979) dollars for *all* low-income, as well as for four categories of such households: the elderly, families with children, households on public assistance and the working poor. For all low-income households, average income has increased from $4110 in 1980 to $4378 in 1990.[3]

With two exceptions, average income also increased by a similar amount within the four subgroups. For the working poor, average income increased from $4923 to $5516 during that same period. Only households on public assistance saw their income decrease during that same period, from $3178 to $3079. *See Figure K-4 also attached.*

ISSUE 3: What household energy expenditures are included in residential energy figures?

RESPONSE: Few of us receive a heating or a cooling bill; what we receive is a utility bill for basic home energy costs. These costs include home heating and cooling, water heating and basic appliances (such as stoves and refrigerators). It is these latter costs that are included in the term "residential energy costs."

ISSUE 4: Isn't it true that LIHEAP assistance is not targeted in a way which assures that the neediest households receive assistance?

RESPONSE: No. LIHEAP funds are targeted to households in need, that is to households with very low income and energy burdens which are higher than those of

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[2] In DHHS' FY 1992 Report to Congress on LIHEAP, data regarding the average energy burden for individual households is presented for the first time. *See* Appendix K, Figure K-10, at p. 170.

[3] Two-thirds of LIHEAP recipient households have annual incomes of less than $8,000, so a home energy burden of almost 16% has a major impact on that household's ability to meet all of its critical needs.

families and individuals who don't receive assistance. Two-thirds of LIHEAP recipients have annual incomes of less than $8,000. According to DHHS, LIHEAP recipient households as a whole have residential energy cost burdens higher than those of low-income households generally, as well as of all households combined.[4]

DHHS reports that all households combined have residential energy burdens of 3.1%, while poor households generally have a burden of 9.6% and LIHEAP recipient households' burden is 11.5%. *See* Table 5 attached.

ISSUE 5: Isn't it true that the distribution of LIHEAP funds to the states is not targeted well, so that states like Hawaii which don't need assistance still get funds anyway?

RESPONSE: NO. LIHEAP assistance helps the poor pay their utility bills.[5] As noted earlier, few households receive only a heating or cooling bill, so LIHEAP does, and should, provide assistance toward paying a household's residential energy or utility bill.

There are LIHEAP-eligible households in Hawaii and other warm weather areas who have very high energy or utility bills (as a percentage of their income). Households can lose their utility service which means not only losing the ability to heat or cool one's home but also the ability to heat water, cook or use a refrigerator. These are all basic, and unaffordable, needs. LIHEAP assistance can help the poor, even in warm weather areas, maintain basic utility service -- a need as critical in a warm weather state as in a cold weather state.

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[4] This data describes **average** energy burden **for all** low-income and all LIHEAP recipient households and is taken from the 1990 DOE Residential Energy Consumption Survey (RECS). It differs from that in Figure K-10 which refers to **average** burden **for individual** low-income households and is derived from special tabulations developed for the subgroups from the March Income Supplement for Current Populations Surveys - 1981, 1986, and 1991.

[5] LIHEAP covers only a small portion of a household's utility bill. HHS only provides data regarding the portion of a household's "home energy" costs (expenses for heating or cooling one's home) covered by LIHEAP assistance. According to this data, while LIHEAP covered a full 25% of home energy costs in 1981, LIHEAP only covered 14% of such costs in FY 1992. *See* Figure K-35 at p. 184.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

Report to Congress for Fiscal Year 1992

U.S. DEPARTMENT OF
HEALTH AND HUMAN SERVICES
Administration for Children and Families
Office of Community Services
Division of Energy Assistance
January 1994

Figure E-11. Index of current dollar prices for fuel oil, natural gas, electricity, and a composite compared to the Consumer Price Index (CPI), 1979 to 1992

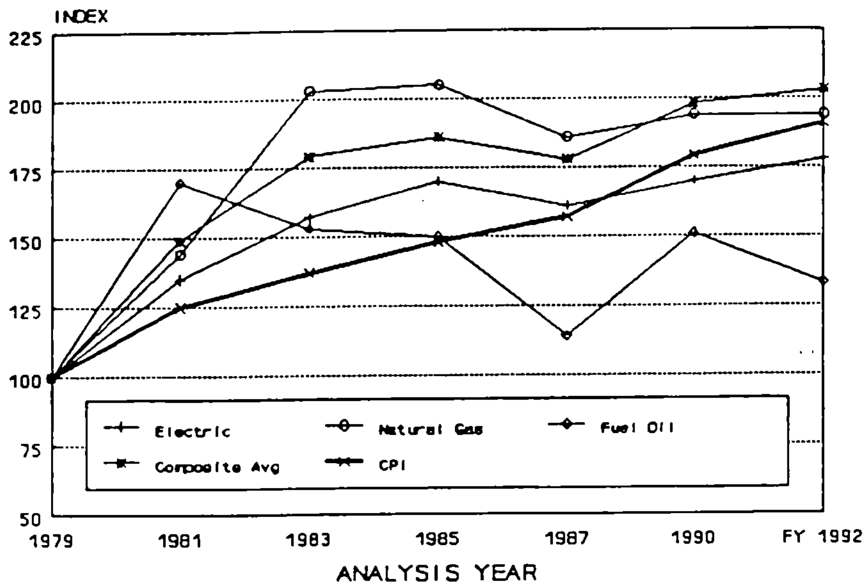
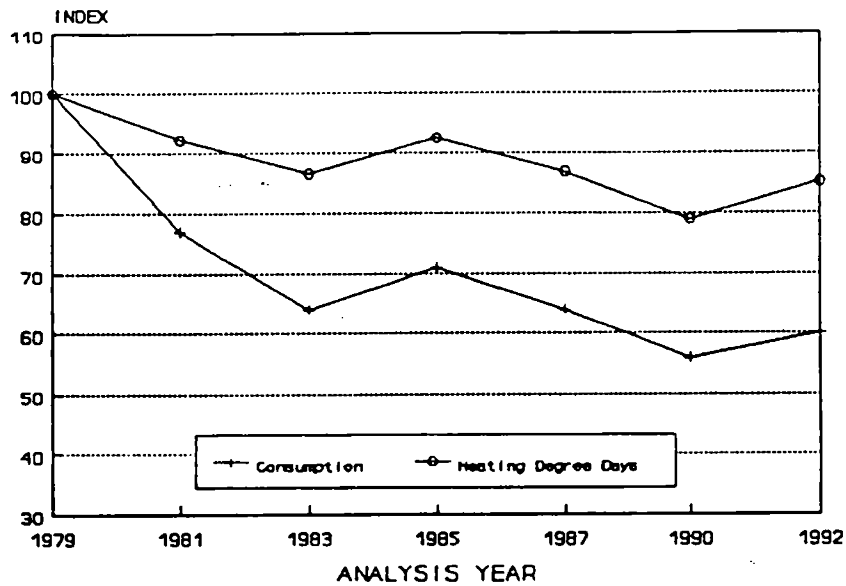


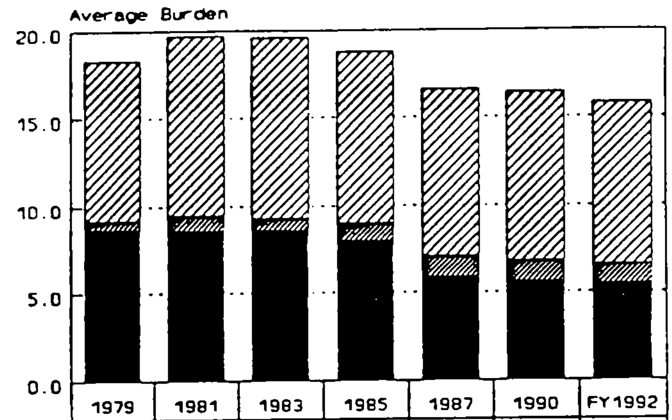
Figure E-12. Changes in heating consumption vs. heating degree days for households with incomes at or below 150 percent of the poverty income guidelines, 1979 to 1992



Figures E-13 and E-14, on the next page, show that average energy burdens for low income households are substantially higher than the average for all households. In FY 1992, the average home heating burden for all households ~~was 1.0 percent,~~ while it ~~was 3.6~~ percent for low income households. In FY 1992, the average residential burden was 3.2 percent for all households, while it was 10.7 percent for low income households. Over time, the gap between the burden for low income and all households has diminished somewhat. In 1979, the average home heating burden for low income households was 4.5 times that of all households, while in 1992, the average burden for low income households was 3.6 times that of all households.

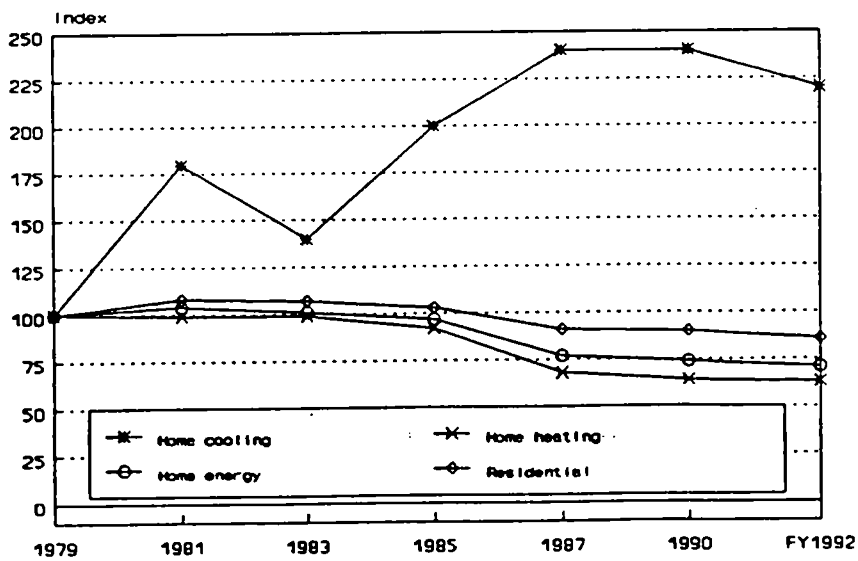
Figures K-10 and K-11 show how expenditure changes and income changes combine to bring about changes in gross energy burden. Average residential burden for low income households increased by 8 percent between 1979 and 1981 and then fell throughout the 1980s. In 1992, average residential burden was 14 percent lower than it was in 1979. As might be expected from the end use trends, home heating burdens fell constantly from 1979 to 1992, when they were 37 percent lower than they were in 1979. Home energy burdens, however, fell by only 29 percent because home cooling burdens increased dramatically.

Figure K-10. Per low income household average burden of expenditures for residential energy, home energy, home heating, and home cooling, 1979 to 1992



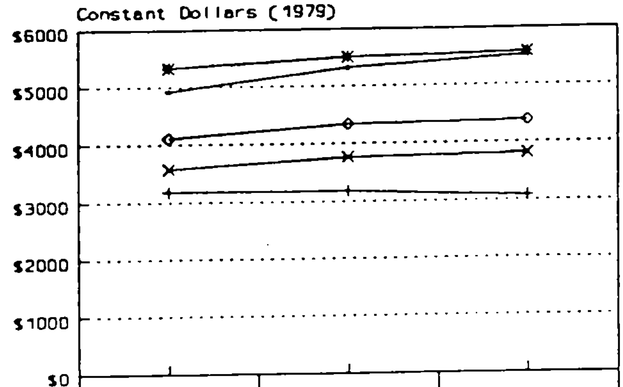
	1979	1981	1983	1985	1987	1990	FY1992
Other	9.1	10.2	10.3	9.8	9.5	9.6	9.2
Home cooling	0.5	0.9	0.7	1.0	1.2	1.2	1.1
Home heating	8.7	8.6	8.6	8.0	5.9	5.6	5.5
Residential	18.3	19.7	19.6	18.8	16.6	16.4	15.8

Figure K-11. Indices of per low income household average burden of expenditures for residential energy, home energy, home heating, and home cooling, 1979 to 1992



Figures K-4 through K-6 present information on income trends for the four analysis groups. Figure K-4 shows the trends in constant dollar household income for 1980, 1985, and 1990.

Figure K-4. Average household income in constant (1979) dollars by analysis group, 1980 to 1990[11]



	1980	1985	1990
Elderly	$3578	$3769	$3812
With children	$5330	$5501	$5573
Public assistance	$3178	$3179	$3079
Working poor	$4923	$5317	$5516
All low income	$4110	$4336	$4378

This table can be examined at two levels. First, looking at 1990, we can see that certain groups have lower income than the average for all low income and others have higher income than the average. Public assistance households had the lowest average income (30 percent lower than the average for all low income households in 1990), and elderly households also had incomes that were below the average. Households with children and working poor households had incomes that were substantially higher than the average for low income households.

Over time, most of the groups appeared to follow the same general pattern, with income growing slightly from 1980 to 1985. However, from 1985 to 1990, average income fell for public assistance households, while it rose slightly for the other three groups.

Figure K-5 shows the trends in the number of households in the analysis groups with incomes below 150 percent of the poverty line, and figure K-6 shows the share of the low income population represented by the analysis groups. In general, from 1980 to 1990, the size of the analysis groups grew at about the same rate as did the overall low income population. The share of low income households that were elderly did decline somewhat, from 43 percent in 1980 to 38 percent in 1990. No other group changed by more than 2 percentage points.

[11] Special tabulations were developed for the analysis groups from the March Income Supplement for Current Population Surveys - 1981, 1986, and 1991.

Nationally, all households decreased their average residential energy expenditures by 1.2 percent, from $1,208 in FY 1991 to $1,194 in FY 1992. Low income households decreased their average residential energy expenditures by 1.1 percent, from $1,023 in 1991 to $1,012 in FY 1992. LIHEAP recipient households decreased their average residential energy expenditures by 0.8 percent, from $1,025 in FY 1991 to $1,017 in FY 1992.[3]

Table 5. Residential energy: Average annual household consumption, expenditures, and burden by all, low income, and LIHEAP recipient households, by main heating fuel type, United States, fiscal year 1992[1/] (See also table B-1, Appendix B)

Main heating fuel	Fuel consumption (mmBTUs)[2/]	Fuel expenditures	Energy burden[3/]
		All households	
All fuels	100.3	$1,194	3.1%
Natural gas	120.1	1,184	3.1
Electricity	52.7	1,097	2.9
Fuel oil	129.8	1,508	4.0
Kerosene	81.6	1,216	3.2
LPG[4/]	87.3	1,307	3.4
Other[5/]	57.1	952	2.5
		Low income households	
All fuels	87.8	$1,012	9.6%
Natural gas	106.7	1,008	9.5
Electricity	42.9	855	8.1
Fuel oil	111.3	1,236	11.7
Kerosene	80.3	1,188	11.2
LPG	77.0	1,187	11.2
Other	49.0	874	8.3
		LIHEAP recipient households	
All fuels	95.5	$1,017	11.5%
Natural gas	126.2	1,109	12.6
Electricity	50.9	757	8.6
Fuel oil	92.7	1,079	12.2
Kerosene	83.7	1,280	14.5
LPG	67.3	1,006	11.4
Other	44.2	758	8.6

[1/]Data are derived from the 1990 RECS, adjusted to reflect FY 1992 heating degree days, cooling degree days, and fuel prices. Data represent residential energy used from October 1991 through September 1992.

[2/]A British Thermal Unit (BTU) is the amount of energy necessary to raise the temperature of one pound of water one degree Fahrenheit. MmBTUs or mmBTUs refer to values in millions of BTUs.

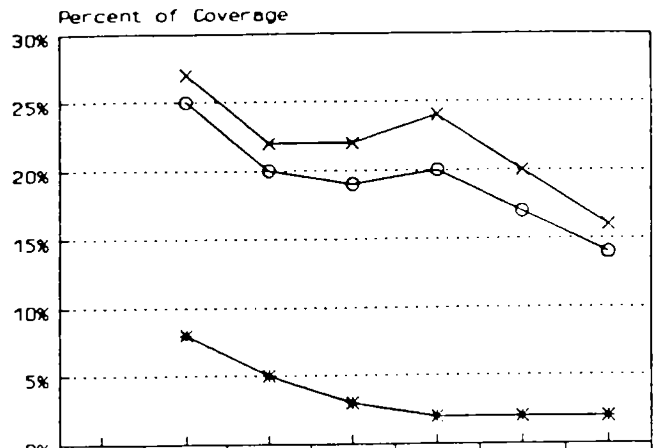
[3/]Energy burden is the percent of household income used for residential energy expenditures. Income has been calculated using national and regional average income data from the March 1992 Current Population Survey (CPS), which reports income for calendar year 1991. Energy burden has been calculated by first calculating average residential energy expenditures from the 1990 RECS for each group of households and dividing the adjusted figures for FY 1992 by the average income for each group of households from the March 1992 CPS. See Appendix B for a further discussion of the calculation of energy burden.

[4/]Liquefied petroleum gas (LPG) refers to any fuel gas supplied to a residence in liquid compressed form, such as propane or butane. It is usually delivered by tank truck and stored near the residence in a tank or cylinder.

[5/]Households using wood, coal, and other minor fuels are categorized together under "other."

[3]The consumption and expenditure figures for FY 1991 cited in this report are projected from the 1990 RECS.

Figure K-35. LIHEAP coverage statistics for home energy bill, home heating bill, home cooling bill, and percentage of low income households receiving heating or cooling assistance



	1979	1981	1983	1985	1987	1990	FY1992
Cooling bill		8%	5%	3%	2%	2%	2%
Heating bill		27%	22%	22%	24%	20%	16%
Home energy		25%	20%	19%	20%	17%	14%
Participation rate		46%	37%	38%	37%	31%	29%

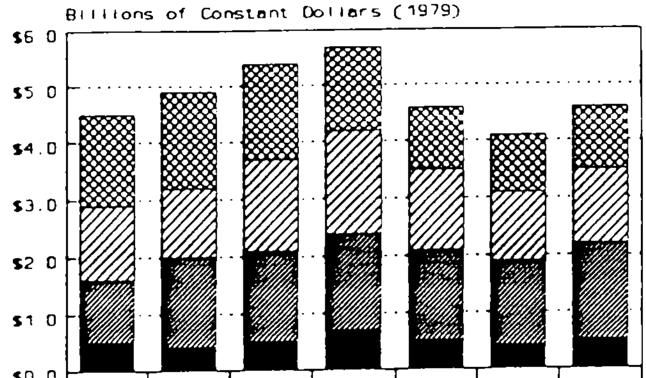
To summarize, during the early 1980s, both average and total energy bills were growing. The LIHEAP program covered a significant part (about 25 percent) of the home energy bill in 1981. Toward the end of the 1980s, average and total energy bills were falling, as was LIHEAP funding. The combined result was a substantial decrease in the share of low income households receiving LIHEAP, and a moderate decline in the LIHEAP coverage of the total home energy bill.

Geographic trends in LIHEAP coverage

There were some substantial shifts in the distribution of the low income home energy bill between 1979 and 1992. During the 1980s, there was a narrowing of the difference between the average energy bills for households in the colder regions – the Northeast and the Midwest – and those for households in the warmer areas – the South and the West (Figures K-17 and K-18). These trends were influenced by falling consumption for home heating, increased incidence of home cooling (raising the home cooling bill in the South), and a relative rise in the average price of fuel in the West (raising the home energy bill in the West). In addition, the number of low income households grew by only 21 percent in the Northeast, while it grew by closer to 40 percent for the other three regions. These two factors combined to reduce the relative share of the energy bill in the Northeast.

Figure K-36 shows the total constant dollar (1979) residential energy bill by region. The bill for the Northeast was lower in 1992 than it was in 1979 (in constant dollars), while the bill for the other three regions grew. In 1979, the Northeast accounted for 36 percent of the total home energy bill. By 1992, the Northeast's share of the total home energy bill fell to 24 percent. In 1992, the South accounted for 38 percent of the total home energy bill, up 13 points from 1979, while the share for the Midwest and the West was roughly the same in 1992 as it was in 1979.

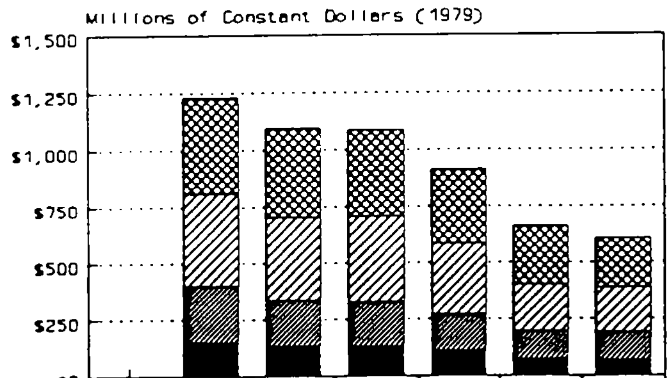
Figure K-36. Total constant dollar (1979) home energy expenditures in billions, by region, 1979 to 1992



	1979	1981	1983	1985	1987	1990	FY1992
Northeast	$1.6	$1.7	$1.7	$1.5	$1.1	$1.0	$1.1
Midwest	$1.3	$1.2	$1.6	$1.8	$1.4	$1.2	$1.3
South	$1.1	$1.6	$1.6	$1.7	$1.6	$1.5	$1.7
West	$0.5	$0.4	$0.5	$0.7	$0.5	$0.4	$0.5
All low income	$4.5	$4.9	$5.5	$5.7	$4.6	$4.0	$4.5

Figure K-37 presents data on the regional distribution of LIHEAP funds for the period of 1981 to 1992. In constant dollars, LIHEAP funding declined for all regions between 1981 and 1992. In terms of the share of LIHEAP dollars, in FY 1992, the Northeast received 36 percent, the Midwest received 32 percent, the South received 20 percent, and the West received 12 percent. Over time, the regional shares have remained relatively stable.

Figure K-37. Total constant dollar (1979) funds used for fuel assistance in millions by region, 1979 to 1992



	1979	1981	1983	1985	1987	1990	FY1992
Northeast		$424	$389	$378	$331	$259	$218
Midwest		$404	$366	$379	$311	$206	$197
South		$253	$203	$197	$162	$123	$123
West		$151	$136	$132	$111	$74	$69
All low income		$1,232	$1,094	$1,085	$914	$662	$607

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February 2, 1994

President William Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

On behalf of our low-income clients, we are writing to express our deep concern regarding reports of a possible 30 - 50% cut in the 1994/1995 "advance appropriations" for the Low Income Home Energy Assistance Program (LIHEAP). Retaining the $1.475 billion adopted by Congress just last year is of critical importance to our clients.

A cut of the magnitude being reported (30 - 50%) would mean that 1.2 to 2.6 million *fewer* households, or roughly 4.2 to 7.3 million individuals, would be left out in the cold next winter. Currently LIHEAP provides assistance to about 24% of the federally-eligible population. Slicing that figure by a further 30% or 50% is unimaginable.

The National Consumer Law Center is a national, non-profit organization which provides technical assistance and support to legal services programs and other low-income organizations and individuals across the country in the areas of energy and consumer law. Since the early 1980's, NCLC has done considerable work in areas relating to LIHEAP, low-income weatherization and related state and utility programs, all of which are intended to help make utility costs more affordable for low-income consumers.

While the National Consumer Law Center and its clients understand the budget squeeze facing your Administration and Congress, we believe that LIHEAP is a critical safety net program especially for families with children and the elderly.

As discussed further below and in the attachment to this letter, the need for energy payment assistance, *in conjunction with weatherization*, continues to be of critical importance for the following reasons:

o unaffordable utility costs continue to be a crisis for our clients and other low-income households;

o as the enclosed table from HHS demonstrates, energy prices overall have not fallen.[1]

o it is important to note that **over 50% of low-income households heat with natural gas, while only 13% of low-income households use fuel oil** as their primary heating source;[2]

o unlike fuel oil prices, **natural gas prices have increased since the early 1980's.**[3] While such prices have recently begun to stabilize, they have done so at a rate that is unaffordable for most low-income households;

o while the percentage of income poor households pay for residential energy has decreased from its high point in 1981, the poor continue to pay three to four times what all households pay for these expenses, 11.8% versus 3.2%, respectively;[4]

o similarly, while the percentage of income paid by the poor for heating costs alone has been reduced from 7.2% in 1981 to 3.9% in 1991, that compares to only 1% of income paid for these same expenses by all households;[5]

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[1] *See*, the U.S. Department of Health and Human Services (DHHS), Administration for Children and Families, Office of Community Services, Division of Energy Assistance, "Low Income Home energy Assistance Program: Report to Congress for Fiscal Year 1991," Analysis of energy trends, Figure E-11, composite average energy line, at p. 92. [Hereinafter HHS FY 1991 Report.]

[2] HHS FY 1991 Report, *supra*, Figure E-1, p. 87.

[3] HHS FY 1991 Report, *supra*, Figure E-11, p. 92.

[4] HHS FY 1991 Report, *supra*, Figure E-15, p.94.

[5] HHS FY 1991 Report, *supra*, Figure E-13, p.93.

o two-thirds of LIHEAP-recipient households have annual incomes of less than $8,000,[6] so an energy burden of almost 4% for heating and almost 12% overall for residential energy costs still constitutes a crisis for these families and individuals;

o the continued high level of energy cost burdens borne by low-income households, combined with the cuts in LIHEAP and the increase in poverty levels, have led to increases in the rate of utility arrearages and shutoffs;[7]

o LIHEAP has contributed more than its share to deficit reduction during the past eight years, suffering a **cumulative loss** of over $4 billion in funding and almost 4 million households served, from FY 1985 to FY 1993;[8]

o the current structure of the LIHEAP program has allowed states, utilities and others to work together in a public-private partnership.

LIHEAP'S ROLE AS A SAFETY NET PROGRAM

How LIHEAP Provides Assistance

The LIHEAP program provides a multi-level approach to the problem of unaffordable utility costs. First, the bulk of the LIHEAP funds are used for payment assistance to help households maintain utility service, rather than forcing them into situations where they face immediate utility shutoff before they can get assistance. Left to fend on their own, millions of households find themselves with insufficient resources to pay all of their monthly bills. Many of these households are faced with the choice of paying off some of their utility bill, even though they may still lose their utility service because they can't pay the entire bill, or using those funds instead for other basic necessities. LIHEAP assistance can help them meet their monthly obligations, especially during the winter or summer months.

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[6] HHS FY 1991 Report, *supra*, Table D-1, p. 69.

[7] See HHS FY 1991 Report, *supra*, Figure E-10, p. 92.

[8] This figure is reached by using FY 1985 funding as a base and deducting the funding each year from that base year figure; those totals are then all added up to reach the $4 billion amount.

Second, up to 15% or more of the state's LIHEAP funds may be set-aside for weatherization purposes,[9] to address the longer term problem of unaffordable utility costs. We believe this combination of short-term and long-term approach is what is needed to effectively address the crisis still faced by millions of low-income consumers.

Third, because of the large amount of funds being used to help households maintain utility service, most states have been able to leverage those funds to get additional resources from the utilities and others. In 1990, Congress included a leveraging incentive fund in the LIHEAP reauthorization legislation, to further encourage states to do more in this vein.[10] This public-private partnership has increasingly helped fill some of the void left by the years of declining federal funding for LIHEAP.

Finally, the program does allow states to use some of the funds to help households who may find themselves in an energy crisis situation.[11] While we believe providing some funds for "crisis assistance" makes sense, we believe that states need to more broadly define what constitutes a crisis. Under current state practice, not law, households cannot get such assistance unless their utility has been shut off or they have a notice of impending termination of service.[12] This practice forces households to place themselves in an untenable situation if they need further payment assistance. This is clearly a practice which needs to be changed.

Payment Assistance Provides Safety Net

While some may argue that providing utility payment assistance is not an appropriate use of funds, our clients and other low-income families and individuals would take issue with that claim. For millions of poor individuals, LIHEAP assistance can mean the difference between maintaining utility service on a regular basis and termination of such service. More pointedly, without LIHEAP assistance these individuals would be forced to make difficult choices between paying their heating/cooling bills or buying food, medicine, clothes for their children or equally important necessities.

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[9] Under 42 U.S.C. Sec. 8624(k) states may use up to 15% of their funds for weatherization; they may also seek a waiver of this limit from the Secretary of DHHS to use up to 25% of funds for this purpose.

[10] 42 U.S.C. Sec. 8626a.

[11] 42 U.S.C. Sec. 8623(c).

[12] Under 42 U.S.C. Sec. 8622, "energy crisis" is defined as "weather-related and supply shortage emergencies and other household energy-related emergencies."

For those who argue that LIHEAP does not provide "self-sufficiency," our clients would respond that that is exactly what LIHEAP does provide. By helping households maintain utility service (not just for heating/cooling but also for other basic day-to-day needs), LIHEAP permits these households to have more control over their lives and the resources they do have.

Targeting Assistance to Those Most in Need

Two-thirds of LIHEAP households have annual incomes of less than $8,000 - these are clearly the poorest of the poor. Further, data from the U.S. Department of Health and Human Services (DHHS) indicates that while low-income households generally pay 10.1% of their income for all residential energy costs, versus 3.2% for all households, LIHEAP recipients pay 12.4% of their income for such expenses.[13] Similarly, for heating cost burdens, LIHEAP recipients have a higher burden (at 4.7%), than low-income households generally (at 3.3%) and than all households combined (at 1%).[14]

The LIHEAP statute provides that the highest level of assistance should be furnished "to those households which have the lowest incomes and the highest energy costs in relation to income, taking into account family size."[15] As indicated above, LIHEAP recipients do pay a higher percentage of their income for residential energy expenses than LIHEAP eligible households generally. Can targeting of assistance be improved? Absolutely. Like any other program, LIHEAP can be refined in ways which will more effectively target those households more in need.

NCLC has worked with many states, with local low-income advocates and public utility commissions and others over the years to help improve the design of the program. We have pioneered percentage of income-types of programs which help to better target assistance to households with the highest energy burdens (defined as energy costs as a percentage of income), as required by the LIHEAP statute. Unfortunately, not all states implement their programs in a way which more rationally approaches the problem of uneven energy burdens. We have also helped states to leverage additional resources to bring to bear on the continued, energy crisis facing the poor.

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[13] See HHS FY 1991 Report, *supra*, Table 5 at p. 17.

[14] HHS FY 1991 Report, *supra*, Table 7 at p. 19.

[15] 42 U.S.C. Sec. 8624(b)(5).

The fact that the program's design can be improved, that better enforcement efforts by the U.S. Department of Health and Human Services and more technical assistance should be given to the states, however, **does not** change the fact that millions of low-income families and individuals continue to face an energy crisis. Proposing a cut of 30 - 50% in a program which if anything needs major funding increases does not address design factors about which your Administration may have concerns. Suggesting changes to the program at its currently funded level could make a good program even better. Taking away the basic character of the program is to deny the crisis which the poor are facing day in and day out regarding unaffordable utility costs.

Coordination With Weatherization is Critical

Weatherization is a key component toward solving this unaffordability problem **but** it alone cannot solve the problem. NCLC supports a more coordinated approach among LIHEAP, the U.S. Department of Energy's Low-Income Weatherization Assistance Program (WAP), utility weatherization efforts and housing rehabilitation. We support greater resources for DOE's weatherization program, as we work toward obtaining more utility Demand Side Management resources for weatherization of low-income homes. NCLC is also working on ways to creatively finance low-income weatherization from other, private sources.

Poverty Rate Forces More Households into Seeking Assistance

While 1992 showed signs of economic recovery, Census data revealed that the number of Americans living in poverty continued to increase, with 1.2 million more households living in poverty in 1992 than in 1991.[16] Equally disturbing is the poverty level amongst children and the elderly. In 1992, 21.9% of children lived in poverty, an increase of 2.3% from 1989. Nearly half of these poor children lived in families with incomes of less than half the poverty line during 1992. Almost 13% of seniors (12.9%) were living in poverty during 1992, up from 11.4% in 1989.

[16] Data regarding poverty rates are from Center on Budget and Policy Priorities, "Poverty Remains High in 1992 Despite Economic Recovery," October 28, 1993.

Nationwide, an estimated 52% of households receiving LIHEAP heating assistance from October 1, 1991 through mid-March 1992, had at least 1 child 18 years or younger.[17] Of these 52% of households with children, about 79% were at/or below 110% of poverty (the poverty income guidelines for LIHEAP).[18] Since FY 1985, roughly one-third of households served included a senior member; for FY 1991, that percentage was closer to 31%.[19]

Given the continued high rate of poverty generally but especially for children and seniors, LIHEAP clearly continues to fill an important role in the safety net for poor families.

LIHEAP's Role in Helping Children

"Heat or Eat" Dilemma. On September 8, 1992, Boston City Hospital released the findings of a study which dramatically demonstrate the effects of cold weather and high energy costs on low-income children.[20] The three-year project found that the number of clinically underweight children going to BCH's Emergency Room increased dramatically in the period immediately following the coldest month of the winter.

The study, which took place between July 1, 1989 and July 31, 1992, examined the weight of more than 11,000 medically indigent, predominantly minority children aged six months to two years. After ruling out chronic illness, the researchers postulated that the increased prevalence of low weight following the coldest month each year reflected increased caloric demand because of cold stress and illness and decreased caloric availability (or lack of available food) due to families having to pay high heating bills. According to the BCH principal study director,

> [c]linically we refer to this phenomenon as the heat or eat effect. Parents know children will freeze before they starve. From a health point of view, the choices are intolerable.

---

17 This information is based on results of the March 1992 Bureau of the Census' *Current Population Survey.*

18 *Id.*

19 HHS FY 1991 Report, *supra*, Table D-6, p. 77.

20 Boston City Hospital Study, "Seasonal Changes in Weight For Age In A Pediatric Emergency Room: A Heat Or Eat Effect?" September 1992.

Correlation Between Utility Shut-Offs and Hunger. Besides reviewing children's weight, the study surveyed a subsample of 269 respondents to determine their utility service experience. The survey revealed that 28% of this group had been threatened with a utility shut-off while nearly 20% had experienced at least one day without heat during the previous winter months. More pointedly, children whose parents had suffered through a utility shutoff or the threat of a shutoff were found to be twice as likely to be classified as hungry or at risk of being hungry. Only 16% of the subgroup reported being on fuel assistance during the previous winter.

This is the first study to document the effect on young children of the "heat or eat" choices faced by low-income families every year. Nevertheless, the continued, documented unaffordability of utility costs raises the specter of a nationwide crisis facing poor children.

Elderly Households Served

The elderly poor face these same types of struggles every winter and summer. The 1990-91 Consumer Expenditure Survey reported that energy costs averaged 37% of after-tax income for persons over age 65 with annual incomes under $5,000 and 16% of after-tax income for elderly families with incomes between $5,000 - $10,000.

Medical problems may make it difficult for seniors to reduce their utility bills by lowering their thermostats in the winter. Households whose primary heating source may have been terminated often turn to portable kerosene burners or electric space heaters. These heat sources are often inadequate to protect families, especially seniors, from severe cold and are frequent sources of fires.

Furthermore, senior households face greater risks during heat waves if they have insufficient air conditioning. For example, Philadelphia's Medical Examiner found that 111 people died of heat-related causes in that City during the heat waves in the summer of 1993. Most of those that died were over age 60 and many either had no air conditioning because their electricity had been terminated or if they did have air conditioning they reported that they were afraid to use it because of the high cost. (While fans are cheaper to use, The Centers for Disease Control and Prevention advise that using fans when the temperature rises past 90 degrees can actually be counter-productive by making perspiration evaporate more quickly.)

LIHEAP is one of the few programs which seniors are willing to participate in, which makes it all the more important as a lifeline program.

Utility Affordability = Housing Affordability

LIHEAP assistance is also an integral part of any effort to make housing affordable since housing/shelter costs include both rent and utility expenses. Increasingly, the obvious connection between utility costs and housing affordability is being documented. A July, 1990 study, for example, found that utility cut-offs were one of the housing-related issues contributing to homelessness in Northern Kentucky.[21] According to a June, 1991 report, "[u]tility terminations are clearly a precipitating factor in housing abandonment."[22] Under rules established by the U.S. Department of Housing and Urban Development (HUD), utility shutoff is grounds for eviction in public housing.

According to HUD standards, housing - - defined as rent, plus utilities - - is considered affordable for a low-income household if it consumes no more than 30% of the household's income. According to a 1992 report,[23] more than 81% of low income renters exceeded this percentage nationwide in 1989. In fact, 56% of low-income renters nationwide spent at least 50% of their income on housing and utility expenses. For low-income homeowners, the findings were just as grim, with 69% spending more than 30% of their income on housing and utility costs. In 37 of 44 metropolitan areas reviewed, this report found that more than half of the low-income homeowners were paying more than 50% of their income on housing and utilities.

As is clear from the data provided in this letter, and attachments, Mr. President, LIHEAP continues to fill a critical role in the lives of our low-income clients and other low-income families and individuals. Any cut in the program will have a real impact on these households but a cut of the magnitude currently being reported - - of 30 to 50% - - would be devastating for the millions of households who would be left to their own, inadequate resources to cover one more, unaffordable necessity of life.

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21 *See* Executive Summary, "Homelessness and Low-Cost Housing In Northern Kentucky: An Analysis And A Strategic Action Plan," prepared by the Northern Kentucky Coalition for the Homeless.

22 *See*, "An Examination of the Relationship Between Utility Terminations, Housing Abandonment, and Homelessness," Liz Robinson, Executive Director, Energy Coordinating Agency of Philadelphia, Institute for Public Policy Studies, Temple University.

23 Center for Budget and Policy Priorities, "A Place To Call Home: The Low Income Housing Crisis in 44 Major Metropolitan Areas," 11/92.

We urge you to continue to support this program at its currently funded level. We also offer whatever assistance we can as both the funding and reauthorization issues proceed in Congress.

Sincerely,

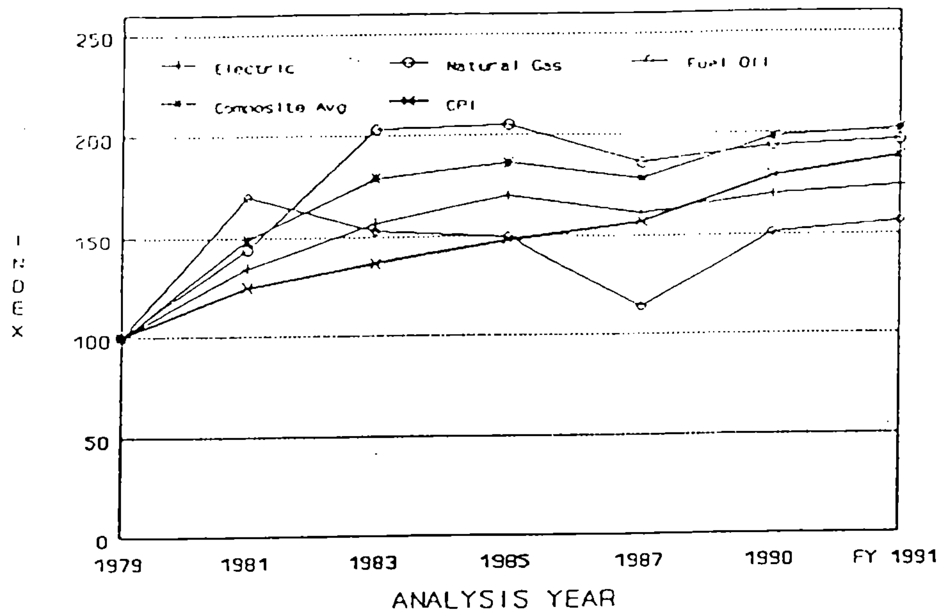
Helen C. Gonzales

Helen C. Gonzales
Staff Attorney

Enclosures

Analysis of energy trends

Figure E-11. Index of current dollar prices for fuel oil, natural gas, electricity, and a composite compared to the Consumer Price Index (CPI), 1979 to 1991



From U.S. Department of Health and Human Services, "Low Income Home Energy Assistance Program: Report to Congress for Fiscal Year 1991," October, 1992.

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Attachment 2

CONTINUED NEED FOR LIHEAP[1]
(January, 1994)

Background

Table 1 below provides a profile of funding for the Low Income Home Energy Assistance Program (LIHEAP) for 1985 through its 1994/1995 program year. With diminished funding available for LIHEAP, states face a constant struggle: do they try to help more people, even if the assistance level they get is less than desirable, or do they try to give meaningful benefit amounts to fewer people. **Table 1** below demonstrates this struggle in a stark manner.

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[1] This fact sheet was prepared by Helen Gonzales, Staff Attorney in the Washington, D.C. office, on behalf of NCLC's low-income clients.

Table 1. LIHEAP Program Profile [2]

Fiscal Year	**Funding**[3]	**Average Benefit** (heating /crisis)	**Households Served** (heating /crisis)
1985	$2.10 billion	$242	6.8 million
1986	$2.01 billion	$231	6.7 million
1987	$1.825 billion	$217	6.8 million
1988	$1.530 billion	$217	6.2 million
1989	$1.383 billion	$204	5.9 million
1990	$1.442 billion[4]	$210	5.8 million
1991	$1.610 billion[5]	$215	6.1 million
1992	$1.500 billion[6]	$190	6.4 million
1993	$1.346 billion[7]	$215	5.2 million
1993/94	$1.437 billion[8]		
1994/95	$1.475 billion[9]		

As the table above demonstrates, when states chose to raise the average benefit level to a more sustainable level in FY 1993, the impact of that decision left 1.2 million households with no where to turn. **That this fact is true even at a time when the states were leveraging over $400 million from non-federal sources for the program provides some sense of what will happen if the federal dollars are reduced by 30 - 50%. As the level of federal**

[2] The information in this table is from the U.S. Department of Health and Human Services, Annual Reports to Congress on LIHEAP, FY 1985-FY 1991, and Telephone Survey Results Regarding FY 1992 (12/2/92) and FY 1993 (8/20/93).

[3] From FY 1985 through FY 1993, the program has suffered a cumulative funding loss of $4.154 billion and a cumulative loss of 3.9 million households served.

[4] Funding was $1.393 billion but, due to extreme cold weather in December, 1989 and sharp increases in fuel costs, the program received a $50 million supplemental.

[5] The actual appropriations for FY 1991 was $1.415 billion but a $195 million contingency fund was also created, to be triggered if fuel oil prices sharply increased. This fund was triggered in January, 1991, based on December, 1990 fuel prices.

[6] The total funding for FY 1992 was $1.5 billion, with $405,607,000 of these funds not available until September 30, 1992.

[7] $682 million of this amount was not available until 9/30/93, so states had to find other funds to "cover" this amount.

[8] These funds were appropriated on an "advance" basis.

[9] Congress adopted this "advance appropriations" just last year.

Act, the percent of income poor families and individuals pay for these expenses will only get worse. *See* the enclosed fact sheet on current water rates which low-income households are already facing.

Isolating the energy burden (energy costs as a percentage of income) for home heating alone replicates the gap in the burden facing low-income households as compared to all households, as indicated in the following table.

Table 3. Average Percent of Income Spent for Home Heating
(1979 - 1991)

	1979	1981	1983	1985	1987	1990	FY 1991	
All Hhlds	1.8%	1.7%	1.6%	1.5%	1.1%	1.0%	1.0%	
Low-Inc. Hhlds	7.2%	7.2%	5.9%	6.0%	4.7%	3.8%	3.9%	

<u>High Energy Burdens Lead to Utility Shut-offs</u>

Given the continued high energy burdens faced by low-income households and the cuts in LIHEAP which provides a major source of assistance toward affordable utility bills, it is not surprising that the percent of poor households being disconnected - - "with heat interruptions" in DHHS' parlance - - has begun to increase. **Table 4** shows that while there was a decrease in low-income households with "heat interruptions" in the 1985/86 through 1987/88 heating seasons, the winters of 1989/90 and 1990/91 have seen an increase in such shutoffs. The shutoffs in 1990/91 are almost double those in 1987/88, a fact which underscores the hardships faced by poor families.

Table 4. Low-Inc. Hhlds With Heat Interruptions, Due to Inability to Pay
(1983-84 to 1990-91 Heating Seasons)

	1983-1984	1985-1986	1986-1987	1987-1988	1989-1990	1990-1991
Number (rounded off-in millions)	1.204	.704	.576	.469	1.001	1.125
Percent	5.5%	3.3%	2.7%	2.2%	3.6%	4.0%

It should be noted that the increase in utility shutoffs corresponds to the onset of major cuts in LIHEAP, from $1.825 billion in FY 1987 to $1.5 billion in FY 1988 and $1.383 billion in FY 1989. This 24% cut over two fiscal years led to an almost doubling of utility shutoffs. **Cutting the program by 30-50%, raises the specter of another million or so households losing vital service during the heating season.**

Poverty Rate Forces More Households into Seeking Assistance

While 1992 showed signs of economic recovery, Census data revealed that the number of Americans living in poverty continued to increase, with 1.2 million more households living in poverty in 1992 than in 1991.[10] Equally disturbing is the poverty level amongst children and the elderly. In 1992, 21.9% of children lived in poverty, an increase of 2.3% from 1989. Nearly half of these poor children lived in families with incomes of less than half the poverty line during 1992. Almost 13% of seniors (12.9%) were living in poverty during 1992, up from 11.4% in 1989.

Given the continued high rate of poverty generally but especially for children and seniors, LIHEAP clearly continues to fill an important role in the safety net for poor families.

[10] This and following data regarding poverty rates are from Center on Budget and Policy Priorities, "Poverty Remains High in 1992 Despite Economic Recovery," October 28, 1993.

Profile of LIHEAP Households. For FY 1991 (the last year for which information is available), roughly 50% of LIHEAP households had average annual incomes of less than $6,000, with another 22% earning only between $6,000 and $8,000 annually.[11] Clearly, the energy burden described above is one which they cannot absorb by themselves.

The table below provides a picture of the households served for some typical years. As is clearly demonstrated, in the early years of the program, FY 1981 and 1982, the overwhelming majority of households served had incomes less than $6,000. FY 1985 begins to indicate a change so that an increasing number of households served are in the $6,000 - $9,999 income range. For FY 1991, the percent of households served that fall into that category increased to 36.3%, documenting the vulnerability of a broader range of households to high energy burdens.

Table 5. Profile of Households Served by LIHEAP
(Percents)

Annual Incomes < $6,000 / Annual Incomes > $6,000 / Elderly

FY	<$2,000	$2,000 to $3,999	$4,000 to $5,999	$6,000 to $7,999	$8,000 to $9,999	$10,000 to $15,000+	Elderly in Hhld.
'91	6.3%	12.4%	27.4%	22%	14.3%	17.6%	30.6%
'90	13.1%	16.3%	28.8%	19.9%	10.4%	11.4%	35.1%
'89	6.9%	16.5%	33.6%	22.3%	9.3%	11.4%	34.5%
'85	9.3%	22.8%	34.2%	16.7%	8.5%	8.4%	33.3%
'82	10.0%	32.0%	30.0%	16.0%	6.0%	6.0%	46.0%
'81	8.8%	38.2%	25.3%	9.4%	4.0%	2.9%	39.0%

11 *See* "LIHEAP Report to Congress for FY 1991," *supra*, p.69.

ATTACHMENT 3

Table II*
WATER AND SEWER BILLS FOR SSI FAMILIES OF 1 PERSON

STATE	City	SSI Income for 1	4000 gallons Water	Percent Income on Water	4000 gallons Sewer	Percent Income on Sewer	Combined Water & Sewer	Percent Income on Combined
Alabama	Birmingham	$407	$8.31	2.04%	$3.96	0.97%	$12.27	3.01%
Alabama	Mobile	$407	$5.50	1.35%	$9.23	2.27%	$14.73	3.62%
Arizona	Phoenix	$407	$5.12	1.26%	$4.50	1.11%	$9.62	2.36%
Arizona	Tucson	$407	$9.75	2.40%	$5.60	1.38%	$15.35	3.77%
Arkansas	Little Rock	$407	$5.82	1.43%	$7.25	1.78%	$13.07	3.21%
California	Bakersfield	$630	$7.34	1.17%	$8.50	1.35%	$15.84	2.51%
California	Fresno	$630	$5.38	0.85%	$5.51	0.87%	$10.89	1.73%
California	Los Angeles	$630	$8.72	1.38%	$5.23	0.83%	$13.95	2.21%
California	Oakland	$630	$10.80	1.71%	$6.78	1.08%	$17.58	2.79%
California	Sacramento	$630	$10.37	1.65%	$6.89	1.09%	$17.26	2.74%
California	San Diego	$630	$8.50	1.35%	$19.24	3.05%	$27.74	4.40%
California	San Francisco	$630	$6.80	1.08%	$10.20	1.62%	$17.00	2.70%
California	San Jose	$630	$10.08	1.60%	$15.30	2.43%	$25.38	4.03%
California	Stockton	$630	$8.69	1.38%	$12.99	2.06%	$21.68	3.44%
California	Ventura	$630	$7.35	1.17%	$14.41	2.29%	$21.76	3.45%
Colorado	Colorado Springs	$465	$9.67	2.08%	$9.35	2.01%	$19.02	4.09%
Colorado	Denver	$465	$4.99	1.07%	$4.19	0.90%	$9.18	1.97%
Connecticut	Bridgeport	$766	$17.24	2.25%	$9.75	1.27%	$26.99	3.52%
Connecticut	Hartford	$766	$7.21	0.94%	$0.00	0.00%	$7.21	0.94%
Connecticut	New Haven	$766	$16.46	2.15%	$9.73	1.27%	$26.19	3.42%
DC	Washington	$422	$5.02	1.19%	$9.32	2.21%	$14.34	3.40%
Delaware	Wilmington	$407	$4.84	1.19%	$7.45	1.83%	$12.29	3.02%
Florida	Fort Lauderdale	$407	$7.80	1.92%	$9.18	2.26%	$16.98	4.17%
Florida	Jacksonville	$407	$5.54	1.36%	$8.80	2.16%	$14.34	3.52%
Florida	Lakeland	$407	$4.80	1.18%	$11.59	2.85%	$16.39	4.03%
Florida	Miami	$407	$4.50	1.11%	$6.47	1.59%	$10.97	2.70%
Florida	Orlando	$407	$4.51	1.11%	$18.12	4.45%	$22.63	5.56%
Florida	St. Petersburg	$407	$8.94	2.20%	$11.07	2.72%	$20.01	4.92%
Florida	Tampa	$407	$3.85	0.95%	$9.40	2.31%	$13.25	3.26%
Florida	Palm Beach County	$407	$8.10	1.99%	$11.75	2.89%	$19.85	4.88%
Georgia	Atlanta	$407	$6.75	1.66%	$6.00	1.47%	$12.75	3.13%
Georgia	Augusta	$407	$3.84	0.94%	$4.85	1.19%	$8.69	2.14%
Hawaii	Honolulu	$412	$7.21	1.75%	$21.23	5.15%	$28.44	6.90%
Illinois	Chicago#	$407	$8.81	2.16%	$6.87	1.69%	$15.68	3.85%
Illinois	Joliet#	$407	$11.82	2.90%	$11.75	2.89%	$23.57	5.79%
Indiana	Fort Wayne	$407	$8.58	2.11%	$3.76	0.92%	$12.34	3.03%
Indiana	Gary	$407	$9.30	2.29%	$6.80	1.67%	$16.10	3.96%
Indiana	Indianapolis	$407	$8.75	2.15%	$6.28	1.54%	$15.03	3.69%
Iowa	Davenport	$407	$12.70	3.12%	$8.32	2.04%	$21.02	5.16%
Iowa	Des Moines	$407	$7.68	1.89%	$9.16	2.25%	$16.84	4.14%
Kansas	Wichita	$407	$5.80	1.43%	$6.16	1.51%	$11.96	2.94%
Kentucky	Louisville	$407	$7.69	1.89%	$7.76	1.91%	$15.45	3.80%
Louisiana	Baton Rouge	$407	$8.98	2.21%	$6.66	1.64%	$15.64	3.84%
Louisiana	New Orleans	$407	$11.34	2.79%	$9.88	2.43%	$21.22	5.21%
Louisiana	Shreveport	$407	$7.58	1.86%	$6.89	1.69%	$14.47	3.56%
Maryland	Baltimore	$407	$3.50	0.86%	$4.96	1.22%	$8.46	2.08%
Massachusetts	Boston	$536	$8.36	1.56%	$11.17	2.08%	$19.53	3.64%
Massachusetts	Lawrence	$536	$6.75	1.26%	$7.00	1.31%	$13.75	2.57%
Massachusetts	Salem	$536	$10.50	1.96%	$6.45	1.20%	$16.95	3.16%
Massachusetts	Springfield	$536	$5.45	1.02%	$5.45	1.02%	$10.90	2.03%
Massachusetts	Worcester	$536	$6.85	1.28%	$5.28	0.99%	$12.13	2.26%
Michigan	Ann Arbor	$438	$5.40	1.23%	$9.60	2.19%	$15.00	3.42%
Michigan	Detroit	$438	$4.06	0.93%	$7.52	1.72%	$11.58	2.64%
Michigan	Flint	$438	$10.70	2.44%	$14.59	3.33%	$25.29	5.77%
Michigan	Grand Rapids	$438	$12.51	2.86%	$8.02	1.83%	$20.53	4.69%
Michigan	Lansing	$438	$9.50	2.17%	$11.96	2.73%	$21.46	4.90%
Michigan	Saginaw	$438	$3.43	0.78%	$8.95	2.04%	$12.38	2.83%
Minnesota	Minneapolis	$488	$4.25	0.87%	$7.75	1.59%	$12.00	2.46%
Minnesota	St. Paul	$488	$6.12	1.25%	$8.50	1.74%	$14.62	3.00%
Mississippi	Jackson	$407	$10.20	2.51%	$6.45	1.58%	$16.65	4.09%
Missouri	Kansas City	$407	$10.30	2.53%	$4.65	1.14%	$14.95	3.67%
Missouri	St. Louis	$407	$6.75	1.66%	$10.68	2.62%	$17.43	4.28%
Nebraska	Omaha	$431	$4.95	1.15%	$7.72	1.79%	$12.67	2.94%
Nevada	Las Vegas	$443	$6.91	1.56%	$9.94	2.24%	$16.85	3.80%

* SSI income information from Committe on Ways and Means, U.S. House of Representatives, *Overview of Entitlement Program, 1993 Green Book* (July 7, 1993). Water and sewer rate information is taken from Ernst & Young, *Water & Wastewater - 1992 Rate Survey* (1992).

Table II (continued)
WATER AND SEWER BILLS FOR SSI FAMILIES OF 1 PERSON

STATE	City	SSI Income for 1	4000 gallons Water	Percent Income on Water	4000 gallons Sewer	Percent Income on Sewer	Combined Water & Sewer	Percent Income on Combined
New Jersey	Jersey City	$438	$7.55	1.72%	$7.50	1.71%	$15.05	3.44%
New Jersey	Newark	$438	$7.57	1.73%	$9.01	2.06%	$16.58	3.79%
New Jersey	Trenton	$438	$10.65	2.43%	$12.74	2.91%	$23.39	5.34%
New Mexico	Albuquerque	$407	$7.42	1.82%	$7.78	1.91%	$15.20	3.73%
New York	Albany	$493	$3.75	0.76%	$3.75	0.76%	$7.50	1.52%
New York	Buffalo	$493	$7.97	1.62%	$9.08	1.84%	$17.05	3.46%
New York	New York City	$493	$5.05	1.02%	$6.87	1.39%	$11.92	2.42%
New York	Rochester	$493	$8.96	1.82%	$4.60	0.93%	$13.56	2.75%
New York	Syracuse	$493	$4.57	0.93%	$1.49	0.30%	$6.06	1.23%
North Carolina	Charlotte	$407	$5.30	1.30%	$7.00	1.72%	$12.30	3.02%
North Carolina	Greensboro	$407	$3.45	0.85%	$4.50	1.11%	$7.95	1.95%
North Carolina	Raleigh	$407	$6.61	1.62%	$5.28	1.30%	$11.89	2.92%
Ohio	Akron	$407	$9.37	2.30%	$9.49	2.33%	$18.86	4.63%
Ohio	Canton	$407	$4.55	1.12%	$2.42	0.59%	$6.97	1.71%
Ohio	Cincinnati	$407	$6.16	1.51%	$10.38	2.55%	$16.54	4.06%
Ohio	Cleveland	$407	$3.13	0.77%	$5.30	1.30%	$8.43	2.07%
Ohio	Columbus	$407	$6.42	1.58%	$7.74	1.90%	$14.16	3.48%
Ohio	Dayton	$407	$5.98	1.47%	$7.20	1.77%	$13.18	3.24%
Ohio	Toledo	$407	$4.03	0.99%	$8.23	2.02%	$12.26	3.01%
Ohio	Youngstown	$407	$6.60	1.62%	$10.63	2.61%	$17.23	4.23%
Oklahoma	Oklahoma City	$471	$7.81	1.66%	$8.64	1.83%	$16.45	3.49%
Oklahoma	Tulsa	$471	$8.72	1.85%	$8.20	1.74%	$16.92	3.59%
Oregon	Portland	$409	$7.53	1.84%	$10.13	2.48%	$17.66	4.32%
Pennsylvania	Allentown	$439	$8.67	1.97%	$4.06	0.92%	$12.73	2.90%
Pennsylvania	Harrisburg	$439	$3.60	0.82%	$8.04	1.83%	$11.64	2.65%
Pennsylvania	Lancaster	$439	$6.40	1.46%	$6.96	1.59%	$13.36	3.04%
Pennsylvania	Philadelphia	$439	$6.81	1.55%	$21.15	4.82%	$27.96	6.37%
Pennsylvania	Pittsburgh	$439	$14.63	3.33%	$3.70	0.84%	$18.33	4.18%
Pennsylvania	Scranton	$439	$9.71	2.21%	$7.48	1.70%	$17.19	3.92%
Pennsylvania	York	$439	$12.92	2.94%	$10.92	2.49%	$23.84	5.43%
Rhode Island	Providence	$471	$3.66	0.78%	$5.42	1.15%	$9.08	1.93%
South Carolina	Charleston	$407	$6.70	1.65%	$13.77	3.38%	$20.47	5.03%
South Car	Columbia	$407	$4.15	1.02%	$8.20	2.01%	$12.35	3.03%
South Car	Greenville	$407	$3.52	0.86%	$9.33	2.29%	$12.85	3.16%
Tennessee	Chattanooga	$407	$10.02	2.46%	$12.44	3.06%	$22.46	5.52%
Tennessee	Johnson City	$407	$11.22	2.76%	$11.22	2.76%	$22.44	5.51%
Tennessee	Knoxville	$407	$9.53	2.34%	$13.29	3.27%	$22.82	5.61%
Tennessee	Memphis	$407	$3.29	0.81%	$2.35	0.58%	$5.64	1.39%
Tennessee	Nashville	$407	$11.65	2.86%	$11.65	2.86%	$23.30	5.72%
Texas	Austin	$407	$9.98	2.45%	$12.77	3.14%	$22.75	5.59%
Texas	Beaumont	$407	$9.02	2.22%	$7.14	1.75%	$16.16	3.97%
Texas	Corpus Christi	$407	$6.56	1.61%	$9.88	2.43%	$16.44	4.04%
Texas	Dallas	$407	$5.29	1.30%	$11.73	2.88%	$17.02	4.18%
Texas	El Paso	$407	$4.09	1.00%	$5.25	1.29%	$9.34	2.29%
Texas	Fort Worth	$407	$9.45	2.32%	$8.85	2.17%	$18.30	4.50%
Texas	Houston	$407	$12.60	3.10%	$11.12	2.73%	$23.72	5.83%
Texas	San Antonio	$407	$7.20	1.77%	$8.16	2.00%	$15.36	3.77%
Utah	Salt Lake City	$413	$6.36	1.54%	$3.15	0.76%	$9.51	2.30%
Virginia	Norfolk	$407	$8.02	1.97%	$4.80	1.18%	$12.82	3.15%
Washington	Seattle	$435	$6.04	1.39%	$12.65	2.91%	$18.69	4.30%
Washington	Spokane	$435	$7.20	1.66%	$12.56	2.89%	$19.76	4.54%
Washington	Tacoma	$435	$9.30	2.14%	$13.41	3.08%	$22.71	5.22%
Wisconsin	Milwaukee	$510	$7.00	1.37%	$5.19	1.02%	$12.19	2.39%
	Average		$7.64		$8.53			

Water and Sewer bills as of 1/1/92.
Maximum SSI payment as of 1/1/91.

#In Illinois SSI benefits are decided on a case by case basis

Table III (continued)
WATER AND SEWER BILLS FOR AFDC FAMILIES OF FOUR

STATE	City	AFDC For 4 people	7000 gallons of Water	Percent Income on Water	7000 gallons of Sewer	Percent Income on Sewer	Combined Water & Sewer	Percent Income on Combined
New York	Albany#	$687	$11.20	1.63%	$11.20	1.63%	$22.40	3.26%
New York	Buffalo#	$687	$7.97	1.16%	$9.08	1.32%	$17.05	2.48%
New York	New York City	$687	$10.10	1.47%	$13.74	2.00%	$23.84	3.47%
New York	Rochester#	$687	$13.73	2.00%	$8.05	1.17%	$21.78	3.17%
New York	Syracuse#	$687	$9.14	1.33%	$2.97	0.43%	$12.11	1.76%
North Carolina	Charlotte	$297	$9.10	3.06%	$12.50	4.21%	$21.60	7.27%
North Carolina	Greensboro	$297	$6.90	2.32%	$9.00	3.03%	$15.90	5.35%
North Carolina	Raleigh	$297	$11.81	3.98%	$9.58	3.23%	$21.39	7.20%
Ohio	Akron	$413	$16.72	4.05%	$17.89	4.33%	$34.61	8.38%
Ohio	Canton	$413	$9.10	2.20%	$9.17	2.22%	$18.27	4.42%
Ohio	Cincinnati	$413	$10.91	2.64%	$16.33	3.95%	$27.24	6.60%
Ohio	Cleveland	$413	$7.33	1.77%	$10.60	2.57%	$17.93	4.34%
Ohio	Columbus	$413	$9.85	2.38%	$13.18	3.19%	$23.03	5.58%
Ohio	Dayton	$413	$11.00	2.66%	$10.94	2.65%	$21.94	5.31%
Ohio	Toledo	$413	$6.05	1.46%	$13.49	3.27%	$19.54	4.73%
Ohio	Youngstown	$413	$12.55	3.04%	$16.18	3.92%	$28.73	6.96%
Oklahoma	Oklahoma City	$423	$11.53	2.73%	$15.12	3.57%	$26.65	6.30%
Oklahoma	Tulsa	$423	$12.26	2.90%	$12.43	2.94%	$24.69	5.84%
Oregon	Portland	$541	$11.28	2.09%	$10.13	1.87%	$21.41	3.96%
Pennsylvania	Allentown	$514	$12.56	2.44%	$6.27	1.22%	$18.83	3.66%
Pennsylvania	Harrisburg	$514	$6.04	1.18%	$16.09	3.13%	$22.13	4.31%
Pennsylvania	Lancaster	$514	$11.20	2.18%	$12.18	2.37%	$23.38	4.55%
Pennsylvania	Philadelphia	$514	$11.53	2.24%	$27.07	5.27%	$38.60	7.51%
Pennsylvania	Pittsburgh	$514	$21.76	4.23%	$6.10	1.19%	$27.86	5.42%
Pennsylvania	Scranton	$514	$32.17	6.26%	$13.09	2.55%	$45.26	8.81%
Pennsylvania	York	$514	$18.95	3.69%	$19.11	3.72%	$38.06	7.40%
Rhode Island	Providence	$632	$5.71	0.90%	$8.26	1.31%	$13.97	2.21%
South Carolina	Charleston	$252	$10.70	4.25%	$28.93	11.48%	$39.63	15.73%
South Car	Columbia	$252	$8.15	3.23%	$14.15	5.62%	$22.30	8.85%
South Car	Greenville	$252	$6.16	2.44%	$16.55	6.57%	$22.71	9.01%
Tennessee	Chattanooga	$238	$20.82	8.75%	$21.77	9.15%	$42.59	17.89%
Tennessee	Johnson City	$238	$17.58	7.39%	$17.58	7.39%	$35.16	14.77%
Tennessee	Knoxville	$238	$17.73	7.45%	$23.14	9.72%	$40.87	17.17%
Tennessee	Memphis	$238	$6.58	2.76%	$4.11	1.73%	$10.69	4.49%
Tennessee	Nashville	$238	$24.30	10.21%	$24.30	10.21%	$48.60	20.42%
Texas	Austin	$221	$16.76	7.58%	$23.51	10.64%	$40.27	18.22%
Texas	Beaumont	$221	$13.34	6.04%	$11.28	5.10%	$24.62	11.14%
Texas	Corpus Christi	$221	$10.80	4.89%	$13.48	6.10%	$24.28	10.99%
Texas	Dallas	$221	$10.03	4.54%	$19.29	8.73%	$29.32	13.27%
Texas	El Paso	$221	$7.89	3.57%	$8.04	3.64%	$15.93	7.21%
Texas	Fort Worth	$221	$15.85	7.17%	$13.20	5.97%	$29.05	13.14%
Texas	Houston	$221	$19.38	8.77%	$19.46	8.81%	$38.84	17.57%
Texas	San Antonio	$221	$10.20	4.62%	$13.26	6.00%	$23.46	10.62%
Utah	Salt Lake City	$470	$6.36	1.35%	$8.00	1.70%	$14.36	3.06%
Virginia	Norfolk	$410	$13.90	3.39%	$9.60	2.34%	$23.50	5.73%
Washington	Seattle	$624	$13.00	2.08%	$26.30	4.21%	$39.30	6.30%
Washington	Spokane	$624	$9.50	1.52%	$12.56	2.01%	$22.06	3.54%
Washington	Tacoma	$624	$12.15	1.95%	$20.61	3.30%	$32.76	5.25%
Wisconsin	Milwaukee	$617	$10.75	1.74%	$7.34	1.19%	$18.09	2.93%
	Average		$12.35		$13.81		$26.16	

Water and Sewer bills as of 1/1/92.
Maximum AFDC payment as of 1/1/91.

@ Michigan has different AFDC rates in different counties; the rates provided for these cities
# New York has different AFDC rates in different counties; the rates provided for these cities

Friday, December 24, 1993

The Boston Globe

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A cold-hearted cutback

The Clinton administration is contemplating severe cuts in the Low Income Home Energy Assistance Program, which last year helped 5.2 million households pay their utility bills.

The president has pledged to uncover and eradicate flaws in the welfare system. But fuel assistance is not part of the problem. If authorized, cuts of one-third or more in the $1.4 billion program will exacerbate the "heat or eat" dilemma faced by many elderly, children and disabled, especially in the Northeast.

Last year, researchers at Boston City Hospital found that among poor children treated in the hospital's emergency room in 1989 through 1991, the percentage who were underweight as a result of malnutrition almost doubled in the winter.

A study by the Gerontology Institute at the University of Massachusetts documented elderly who skipped meals and sold their cherished possessions, including wedding rings, to stay warm.

The state, which supplied $17 million in fuel assistance in 1988, has reduced its contribution to just $2 million. Further federal cuts will be felt – to the bone – by many of the 150,000 Massachusetts households that now depend on the program.

In a few states, fuel assistance is added directly to welfare checks. Federal reformers would make better use of their time by ending this potentially abusive practice. In Massachusetts, where 24 nonprofit groups oversee the $57 million in federal fuel funds, assistance is clean and efficient.

On fuel assistance, Clinton and his "New Democrats" are looking suspiciously like the former Bush administration. The Massachusetts congressional delegation might place a few personal calls to the president and remind him that while work-centered welfare reform may resonate in these parts, cold indifference does not.

TOPEKA CAPITAL-JOURNAL

Sunday, December 19, 1993

also: Russell (KS) News
12/27/93

Judgment needed on cuts

A report out of Washington last week said the Clinton administration is considering drastic cuts in the Low Income Home Energy Assistance Program, a Carter carryover that helps millions of low-income families heat their homes and will cost nearly $1.44 billion this winter.

Last winter, that program aided 5.2 million households, the bulk of them occupied by the elderly or disabled or single mothers with small children.

The talk is, that program would be slashed perhaps by more than half to free up money for administration proposals such as Head Start.

This is another White House bad idea.

Consider Head Start: How can a child learn anything, Head Start or no, if they're bundled up in an icy bed somewhere trying to keep warm? How can they learn if they're in a hospital emergency room with pneumonia? How does letting senior citizens shiver and sneeze advance the public health and welfare?

Where is Joycelyn Elders on this one? She's outspoken enough on a variety of other issues, why not here?

It's true that, in many cases, there are some last-ditch alternatives. For example, it is now against the law for Kansas utilities to cut off service during cold weather to customers who can't pay their heating bills. If Kansas didn't get its $12 million share of the LIHEAP money, presumably everyone who needed heat would still be served. But to do so merely shifts the support from a federal subsidy to local homeowners, who pay the extra cost through a rise in their own bills.

But for the allegedly populist Clinton administration to even consider such a thing is astonishing.

No wonder no one at the Office of Management and Budget or at the Department of Health and Human Services would discuss the matter with the media. Leon Panetta and Donna Shalala are wiser than that.

How about those who work for them?

Bangor, (ME) News

Thursday, December 16, 1993

EDITORIALS

Heat: a necessity

The proposed Clinton budget for 1995 slashes funds for heating-oil assistance by up to one-half. New England and other cold-weather regions are wondering if this is the same administration that is trying to sell the public a revolutionary health care package.

Although it should concern the president that the heating subsidies have sent a chill into his relationship with scores of frost-belt governors and representatives to Congress — politicians whose support he will need in the coming donnybrook over medical reform — the real problem is out in the cold, where the heating-oil truck pulls up.

In suggesting a radical reduction in the Low Income Home Energy Assistance Program (LIHEAP), of 33 percent to 50 percent, possibly shaving a few hundred million off a $1.44 billion line item, someone in the administration missed the link between a warm living space and physical well-being.

Last year, 5.2 million U.S. households benefited from the LIHEAP heat subsidies. They were, by federal definition, poor. Close to home (Sens. Mitchell and Cohen already have reacted negatively and forcefully to the cuts), about 63,000 Mainers received checks under the program in the winter of 1992-93. That was an increase of 6,000 over the previous winter, due primarily to the recession.

A couple of points the Clinton administration should keep in mind as it recrunches the numbers for '95:

■ Given the federal guideline for average household size (2.8 people), the LIHEAP program provided heated domiciles to approximately 14 million people last winter. To put that number in perspective, it is equal to 40 percent of the 35 million people First Lady Hillary Clinton has been reminding the country are without health-care coverage. Anyone personally familiar with their economic predicament could point out to her that these groups of poor — the cold and the uninsured — are one and the same. Freezing them is not the answer to the nation's health-care cost crisis.

■ In the interest of federal frugality, Mr. Clinton should avoid the old pattern of recovering false savings from the heating-assistance budget, on paper, only to pump larger subsidies into the program later to ward off the real cold. Before the kinks were worked out of this program (it was known by other acronyms, HEAP, LEAP, etc. years ago), the government would cut the program in the fall to save money, then react humanely in the winter when genuine needs arose. Lawmakers would rush to appropriate funds to the program. Then, early in the spring, the money would show up when no one needed it.

Selling its health care program to the American people will be difficult, but the greater challenge for the Clinton administration is to restore the credibility of the federal government. In this part of the country, where the public is familiar with the cost of winter heat and the consequences of not having any, the proposal to slash LIHEAP was a step backward.

La Crosse (WI) Tribune

Wednesday, December 15, 1993

OUR VIEW: Heating

How much is warmth worth?

As the days become chillier, it is hard to believe the Clinton Administration is considering giving a lump of coal for Christmas to millions of poor American families.

According to advocates for the poor and some congressional aides, President Clinton might propose cutting by as much as half the Low Income Home Energy Assistance Program (LIHEAP) in his upcoming budget.

Such a cut would be a mistake. Although LIHEAP will spend about $1.44 billion this winter to help heat 5.2 million households, that is a relatively small price given the dangers of a program cutback.

Without adequate money available to use their furnaces, many families resort to less efficient and more hazardous forms of heat. Others may stop using heat altogether, risking illness or death. In Pennsylvania alone, more than three dozen low-income people have died in fires in recent years due to faulty heating sources, such as candles.

During his term, when President Bush tried to scale LIHEAP back, we opposed the proposal as cold-hearted. The same criticism would apply here, but comes with the added concern that cutbacks also are counter-productive to Clinton's stated policy goals.

LA CROSSE Tribune

Publisher: Sanders Hook

Editor: David Fuselier

Opinion editor: Ted Vollmer

While not confirming that it is considering a LIHEAP cutback, Clinton Administration officials say it may need the LIHEAP funding for the laudable goal of bolstering the Head Start program. While Head Start would indeed reach more children with more funding, what good is that if those same children are trembling at night or become deathly ill due to a lack of heat?

Clinton also supports universal health care. A LIHEAP scale-back would be inconsistent with that goal as well.

LIHEAP does not fully fund heating; it merely subsidizes it. Its primary beneficiaries are senior citizens and single-parent households and benefits are paid directly to the utilities. Last year, LIHEAP cost a relatively small $1.35 billion, paying an average $215 per household.

Although it is important for the nation to examine its spending programs and help fight the deficit, it should not do so at the expense of people least able to fight for themselves.

Niagara Falls (NY) Gazette

Saturday, December 18, 1993

Clinton: Rethink heat cuts

IN THE COLD: *These plans would hurt the Northeast.*

We know federal money is tight. But the Clinton administration should reconsider its plan to make deep cuts in the program that helps millions of low-income Americans heat their homes.

The Low Income Home Energy Assistance Program will spend $1.44 billion this winter to help poor families, particularly those who are elderly, disabled or have children, pay their utility bills. Last winter the program reached 5.2 million households.

Bill Clinton

The federal government distributes program funds to states, which use the money to help poor families pay for fuel, avert a shutoff or reconnect their utilities and for weatherization.

But the administration is considering slashing the budget by a third to help pay for proposals like expanding Head Start, an education program for young children.

This plan will disproportionately hurt the Northeast, where heat can be a life-or-death situation. The Northeast also has a large elderly population and has been hard hit by the economic downturn. Heat here is a necessity; children need to be alive before they can enter federal preschool.

Clinton should think long and hard on this one. Tying it into welfare reform is one thing, as is helping the poor find jobs. The elderly have a responsibility to plan for their future and children of the elderly should help their parents before the government must. Still, there's always going to be some people who will still need help. The government shouldn't just leave them out in the cold.

Sharon (PA) Herald
Friday, December 17, 1993

OUR VIEW

LIHEAP FUNDING

Money should be found to help folks keep warm

DECEMBER'S moderate weather so far is a great aid — not only to low income people in Pennsylvania who can't afford the high rates of heating fuel, but also to the state's coffers.

Every day that the extreme cold holds off this winter, the state will be ahead of the funding challenge it has inherited from the federal government's cuts in low-income energy assistance.

The controversy between federal and state government over which should fund LIHEAP, the Low Income Home Energy Assistance Program, isn't new this year.

Every year for some time now, the federal government has cut off more of its monetary assistance, leaving the states to pick up the tab.

For Pennsylvania, this is a major burden because of the cold belts along Lake Erie and in the mountainous northern and central parts of the state.

Also, this state's population includes a large percentage of senior citizens who are on fixed incomes and have major problems when temperatures plunge below zero.

Others severely affected by the extreme cold are low-income families whose homes aren't properly insulated. Winds blow through one door and out the other in some of their houses, bringing discomfort even when the weather is moderately cold.

If they set their thermostats too low, young children and elderly family members are at risk for respiratory illnesses. If they set their thermostats for comfort, they can't meet the high fuel bills at the end of each month and risk having their fuel cut off by the utility companies.

Allowing people to freeze in their homes isn't the solution.

Although Congress considers financing quite carefully when it comes to its own members' salaries, benefits and perks, and for demonstration projects to curry favor with the voters in their districts, they're more callous when it comes to low-income energy assistance.

Congress hasn't been known to have any major qualms about cutting this federal funding to the states.

This increases the state's share of the energy assistance, forcing it to limit the number of weeks families can apply for the one-time grants to offset the funding cut.

With a moderate December, those limitations don't present major hardships for the low-income families. If they can obtain aid for January and February when the temperatures are lowest, they can make it through another winter.

With this in mind, a state House panel decided to use some of the revenues from a tax on liquor to fund Pennsylvania's energy assistance program this year.

It's a fair source.

That 18 percent wholesale tax on liquor was established in the 1930s for flood relief, but, like most taxes that are imposed for a specific one-time purpose, it never removed.

The tax was spurred by the Johnstown flood and has been collected for more than 60 years now, going directly into the state's general fund.

It certainly can be used for a host of legitimate expenses there, but transferring some of it to a fund for relief from the cold would be appropriate. Especially if that would be a permanent fund.

Proposed is use of $30 million from the $122 million generated from that liquor for the heating aid. One suggestion is to use the liquor tax money this year to how the process works. Others think it should be permanent.

The one-year experimental basis is appropriate.

The shorter application period is expected to decrease the number of applicants from last year's 500,000, so the money from that fund should suffice.

However, heating assistance for low-income families is a need that apparently will be around permanently. No one knows how cold any winter will be, but everyone knows that the amount of aid required will increase with the severity of the weather.

The state should be prepared to take care of the people who need the aid most, regardless of how long the severe cold lasts in any given year.

Seattle Post-Intelligencer

A Hearst Newspaper

The voice of the Northwest since 1863

In the P-I

Nation's poor need heat too

One of President Clinton's most favored programs to help the poor survive the cold of winter faces a deep cut unless saved by the White House or Congress.

It's the highly effective program to help the very poor pay heating bills during the winter months, the Low Income Home Energy Assistance Program.

Begun under former President Jimmy Carter and a survivor of even the many budget cuts under President Ronald Reagan, the program is popular because it works. Typically, it pays grants of about $185 per year to help the poor pay utilities for heat, be it provided by natural gas, oil or electricity.

Unfortunately, the budget proposed by Donna Shalala for her Department of Health and Human Services would cut the heating assistance program from the current year's appropriation of $1.475 billion by nearly two-thirds, to about a half-billion.

For an elderly person living off a $487 per month Social Security check, the heating assistance program can mean not having to choose between heat and food. The health impacts of the program are obvious.

About 80,000 people in Washington state benefit from the heating assistance program, 14,800 of them in Seattle and King County. The utilities in the state mount their own privately funded programs to help the poor pay for heat. Unfortunately, they do not cover all the people who need help. State officials estimate only about a third of those eligible for heating assistance actually receive it.

During last year's presidential campaign, candidate Clinton spoke in favor of the successful federal program to help the poor stay warm in winter. It would be a shame for President Clinton to send to the Congress a budget that would severely cut a program he was right as a candidate to praise.

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EDITORIALS

A Dollar Helps

Reports that funding for a low-income energy assistance program might be cut is one good reason the area should continue supporting the Dollar-Help program. It assists many area residents having difficulty paying their winter heating bills.

Mayor Freeman Bosley Jr. and St. Louis County Executive George "Buzz" Westfall are honorary co-chairmen of this year's Dollar-Help campaign. It raised $525,000 last year. Laclede Gas Co. customers contribute by overpaying their monthly gas bills by $1. Laclede Gas adds an extra $1, to a maximum of $48,000, for every $5 donated.

But this program, along with Union Electric's Dollar More project, wouldn't begin to replace the money the community would lose if federal funding for the Low Income Home Energy Assistance Program is reduced. The Clinton administration reportedly may cut energy assistance's $1.4 billion annual budget by one-third. The savings reportedly might be used to finance welfare reforms or to expand other programs, such as Head Start. The possibility that the program's budget might be cut shows the fiscal problems the administration will face in trying to put some of its ideas into practice. President Bill Clinton has said his proposals, ranging from reforming the welfare system to adding more police officers in urban areas, won't necessitate tax increases.

Everyone hopes he can keep this promise, but many are concerned about programs he might sacrifice in order to finance his own domestic agenda. Reducing home heating aid would have a big impact. Missouri gets about $32 million a year, with up to $7 million of it going to low-income and elderly residents in the St. Louis area. Perhaps the president intends to offer a more effective way to serve many of those now relying on LIHEAP. Otherwise, he shouldn't allow this nation to turn its back on poor needing heat aid this winter.

Opinion

Out in the cold

▶ **Fuel aid is vulnerable again – but not for good reasons.**

Editorial

Top Clinton administration officials are being contradictory and callous in urging a substantial cut in federal fuel assistance while advocating a national health plan that emphasizes preventive care. Low fuel prices this year are no justification for gutting the program.

A warm home is as basic to health as good nutrition and childhood immunizations. Fuel aid is a wellness strategy. Deny it, and there will be higher expenses at the other end – in the emergency room, where the elderly with hypothermia and poor children with chronic colds will turn as a last resort.

President Clinton saw enough suffering while roving around New Hampshire in winter to understand the connection. In the past he has advocated more money for weatherization and heating aid. Now, however, he is reported to be considering the recommendation of Health and Human Services Secretary Donna Shalala to cut between a third and a half of the $1.5 billion program.

All of this must sound familiar to the 24,000 New Hampshire families who depend on fuel aid. Every year, fuel aid gets placed on the chopping block. For the past decade, New Hampshire Sen. Warren Rudman helped rescue the money. A Democratic majority in Congress railed that Republicans in the White House didn't care if people froze or died of heat prostration (fuel aid goes air conditioning in the South as well).

Now, however, Rudman has retired and top Democrats favor shredding the program. Its advocates are worried.

The threat to fuel aid is not an indictment of the program. It is evidence of an irrational federal budget and the president's inability to make sense of it, for all the talk of change and new priorities.

Fuel aid is vulnerable because it is not an entitlement, guaranteed by law like food stamps, Medicaid and military pensions. It requires an annual appropriation and is competing with other programs on Clinton's wish list at a time of shrinking discretionary spending.

Continuing a program that works gets few plaudits. So, to make room for new spending – for breast cancer research, Head Start, welfare reform and lots of money for fighting crime, Shalala wants Clinton to take a hunk out of fuel aid.

The fuel assistance program works. In New Hampshire, it is administered at the county level, through nonprofit Community Action Programs. There is no fraud or waste. Half of the recipients are elderly. The check goes straight from the government to the utility or oil dealer. The amount, from $200 to $500, is based on the family's income. The assistance helps but rarely covers a person's entire season's bill.

Several mild winters and this season's low oil prices – the lowest since 1976, adjusted for inflation – don't mean the program isn't vital. They have allowed the program to make up for a 20 percent cut in the program's funding several years ago.

Any substantial cut would have repercussions – either on health of the poor and the elderly or on the budgets of local welfare departments, to whom those in need would turn.

At issue is not whether the federal government needs more money but how it spends what it has. This week came the disclosure that the state may have figured out how to milk another $126 million from Shalala's Medicaid budget in a scam to bail out the state's general fund. That amount alone is 10 times what the state would get in fuel aid.

Such is the way of Washington, where a president will cut the heart out of a program that works before putting a tourniquet on one that's hemorrhaging money.

State officials will bemoan any cuts in fuel aid while they assiduously work the Medicaid loophole – and never question whether the two somehow may be related.

Don't cut heat aid for poor

Doesn't president know it gets cold up here?

PRESIDENT CLINTON will spend the holidays in the relative warmth of Washington D.C. Maybe it's time he traveled north for a cold winter night in Western New York.

Just one day of sub-freezing temperatures may remind the president of the importance of warm shelter, a standard many families struggle to maintain because of the rising cost of gas and electricity.

And yet, the Clinton administration is considering deep cuts in a program that helps millions of families heat their homes. The recipients are poor and frequently elderly or disabled.

In Erie County, the Home Energy Assistance Program (HEAP) benefits 65,000 families, most of them with incomes below $15,000 a year.

More than half of the county's funding — $8 million of a $13.5 million federal grant — goes toward emergencies such as helping families after utility shut-offs.

The rest of the money provides annual payments for families who can not afford to pay their home heating bills. In most cases, the maximum grant is $130 a year for gas customers and $265 for electric users.

"We've seen this program do a lot of good," says Kevin Duggan, the county's director of energy programs.

In a good year, the county will run out of HEAP money by April or May. Duggan said the cuts under consideration by Clinton will result in the program ending in February or March — when the weather is coldest.

The reports out of Washington say the $1.44 billion program may be cut by a third or more in Clinton's 1995 budget. The administration wants to use the savings to fund new proposals such as expanding Head Start.

However well-intentioned it may be, the idea is bad. The nation shouldn't have to choose between a program to keep the needy warm and another to educate preschool children.

And Clinton, who spent at least one winter at Yale Law School, should know better.

The Scrooge approach

It appears that tighter federal spending limits in fiscal year 1995 are leading the Clinton administration and Congress to consider slicing food and energy assistance programs for the poorest of the nation's poor.

That may please ultraconservatives with long bootstraps and iron hearts, but it means millions of their countrymen will slip deeper into poverty and hopelessness. Which bodes ill for everyone else in the country.

The government's three largest welfare programs – Social Security, Medicare, and Aid to Families with Dependent Children – are exempt from any cuts, of course: Social Security and Medicare because their beneficiaries have lobbied effectively for immunity; AFDC because it is a safety net without which millions of people would be living on the streets, making a lot of better-off Americans uncomfortable.

But supplemental programs like the Emergency Food Assistance Program, the Low Income Home Energy Assistance Program, and the Child and Adult Care Food Program, are all on the Clinton administration's cutting block as next year's budget is being prepared.

The child and adult food program has a $1.3 billion budget.

The emergency food program costs taxpayers $120 million to provide food to food pantries, rescue missions, soup kitchens, meals on wheels, and homes for the elderly.

The energy assistance program will spend $1.44 billion this winter to help more than five million elderly, disabled and otherwise poor Americans pay or reduce their heat bills. More than 70 percent of eligible households have incomes of less than $8,000 and the average annual benefit is $215 per family, hardly a windfall.

The three programs together cost just under $3.74 billion, a not inconsequential sum. And yet it is only about four-tenths of 1 percent of the one-trillion-dollar federal budget. It does not seem an unreasonable amount to keep millions of Americans from starving or freezing each year.

If the expenditure still seems inordinate, consider that the entire budget for the three programs would not buy two B-2 bombers, which are costing taxpayers an astronomical $2 billion each and are as unneeded as they will be ineffective.

If Clinton and Congress must choose between bombers and bread, the choice should be clear. Americans need only look to Russia to see what happens when bombers win out.

Sheboygan (WI) Press Thursday, December 16, 1993

OUR VIEW

A PRESS EDITORIAL

Poor families must not be left out in the cold

Tough budget cuts are necessary to reduce the federal deficit, but not in a program that pays to heat the homes of low-income families.

The Clinton administration is considering cutting as much as one-half the money in the Low Income Home Energy Assistance Program next year.

The program, administered by the states, provides money for needy families to pay for fuel, avert a shutoff or reconnect their utilities, and weatherize their homes. Last winter, the program spent $1.44 billion and helped 5.2 million households.

In Wisconsin, the program is projected to help 130,000 households pay their fuel bills this winter, according to officials of the state Department of Health and Social Services. In addition, 12,000 households are expected to get crisis heating assistance, 1,200 to get help with emergency furnace repairs, and 6,100 to get non-emergency weatherization for their homes.

Many Sheboygan County households are among those served. Ann Wondergem, manager of the Social Services Division of the county's Department of Human Services, said her division used the funds to help 3,305 families pay their heating bills last season. Local participation went up 30 percent last winter.

Unlike some government programs, heating assistance aid directly answers a social need. Most states pay the utility or heating oil company directly.

The proposed cuts in the program are particularly galling because President Clinton said in August he would work to increase funding for the program. As he pointed out at the time, it not only helps people in need, it creates jobs for low-income people in weatherizing homes.

If the president and his budget-cutters think the heating assistance program is unnecessary, we invite them to try a Wisconsin winter in an unheated home.

It would change their priorities.

Press editorials express the views of the newspaper's editorial board. Readers are encouraged to comment on editorials through letters to the editor.

There's still time to save fuel aid

Snow and cold transforms New England into a winter wonderland for many residents, especially those able to enjoy the recreation and beauty of the landscape this time of year.

But for a great many residents, particularly senior citizens on fixed incomes and poor families with young children, these days are just the beginning of the long, bitter struggle to stay warm.

A federally subsidized fuel assistance program has, over the years, helped many senior citizens and poor families survive winter's freezing temperatures. High rents and grocery bills compounded by a bad economy have forced more residents this year to apply for this assistance.

News from Washington this week that plans are under way to cut the fuel assistance program in half in 1995 reached this region at a bad time, according to those who work with the elderly and the poor.

Christmas is just days away; the region is coming out of its first snowfall and residents are bracing themselves against plunging temperatures, they say.

We understand their concern for the anxiety such news produces. It is precisely this time of year that so effectively underscores the vital importance of fuel assistance.

We urge Western Massachusetts legislators to persuade the president to abandon this proposal while there is still time.

REAL POVERTY

Needy poorly served by nation's wealth

This is the nation we have become.

The Associated Press reports federal spending limits are forcing the Clinton administration to consider deep cuts in some programs that help poor families with such basics as heating and emergency food.

In addition, the AP reports, some programs that help the poor might not see budgets grow as quickly as Clinton envisioned. Included in this category are Head Start, an early childhood development program, and WIC, a supplemental feeding program for low-income pregnant and nursing women, infants and children.

Now consider this. In 1991, nearly half of all federal entitlements went to households with incomes more than $30,000, according to an article by Peter G. Peterson in the October issue of The Atlantic. The amount of money involved? More than $400 billion. (A total of $200 billion went to households with incomes of more than $50,000, Peterson wrote.)

Yet the Clinton administration can't come up with $1.44 billion to fund Low Income Home Energy Assistance Program, which helps millions of poor families heat their homes in the winter.

And consider this, again from Peterson. Of the $46 billion the federal government will pay out as the cost of the 1994 home-mortgage interest deduction, 80 percent — $36.8 billion — will go directly to households with incomes of more than $50,000.

Yet the White House is having a rough time coming up with $120 million to fund The Emergency Food Assistance Program, which supplies commodities to food banks, soup kitchens, rescue missions, homes for the elderly, and meals-on-wheels programs.

Our poverty has nothing to do with money. It is a poverty of spirit.

Athens (TN) Post Athenian Wednesday, December 15, 1993

Heating assistance program needs saved

We're all for cutting the federal budget — as most concerned citizens are — but the problem is that federal bureaucrats often look at the wrong programs to cut back on to save very little.

Such is the case of the Clinton administration proposal to slash the heart from the Low Income Home Energy Assistance Program.

The Low Income Home Energy Assistance Program, or LIHEAP, will spend nearly $1.44 billion this winter to help poor families, particularly those that are elderly or disabled or support children, pay their utility bills.

Last winter, the program reached 5.2 million households. Many of those helped by the program are right here in our community.

Congressional aides and advocates say the program's budget may be slashed by a third or more than half in President Clinton's 1995 budget to help pay for administration proposals like expanding Head Start.

John Hanger, a member of the Pennsylvania Public Utility Commission, which regulates investor-owned utilities in that state, says LIHEAP keeps people alive and warm in the winter.

"It may not be a big program in Arkansas, where it's warmer, but in Harrisburg and Erie and Philadelphia, this is the difference between being able to just get through the winter and suffering and perhaps dying," Hanger said.

Families who are unable to pay their utility bills may resort to "desperate substitutes" for heat and lighting, such as candles, kerosene heaters or space heaters, he said. Fires started by dangerous heating and lighting substitutes have caused 39 deaths in Pennsylvania alone in the last five years.

There are ways to save government dollars, but we don't believe this is a program that should be cut. Too many people rely on the heating assistance program to stay warm and too many will suffer if it is underfunded.

We urge members of Congress to hold the president's feet to the fire on this idea and not let up until he realizes we don't need to do away with programs which serve the public well.

Federal government must not cut LIEAP

A recent news item in the daily newspapers didn't receive much prominence, but it illustrates well how the federal government often fails to get its priorities straight.

The story told how the Clinton administration is considering massive cuts in a program devised in the late 1970s to help needy people stay warm during the winter. The Low Income Energy Assistance Program (LIEAP) was created during the Carter administration to help poor families and individuals pay a portion of their high utility bills during the cold-weather months. It originally was funded by the so-called "windfall profits tax" levied on the oil companies following oil embargoes by Arab states.

Currently budgeted at $1.4 billion nationwide for this winter season, the Clinton proposal would cut the program's funding by anywhere from a third to half next year. In Oregon, the 1993-94 budget is $17 million.

We believe such cuts are not only not in the public interest, but show a great disregard for the lives and health of those people who benefit from the program. Unlike a great many government projects to "help the needy," LIEAP has achieved a 15-year record of accomplishing its purpose.

At relatively low cost, beneficiaries — a great many of them elderly or disabled and with income of no more than 125 percent of poverty level — receive one-time grants of about $200 to pay for home heating bills. Most of those have annual incomes of less than $8,000.

Dollar-watching taxpayers need not worry about money being spent on other uses or recipients squandering their grant on "frills." The money is given directly to the utility company or vendor.

Anecdotal evidence is abundant of what those payments, literally lifesaving in some instances, have meant to people. For many recipients, such as seniors on small fixed incomes, facing a choice between buying groceries or paying a winter utility bill massively inflated by greatly increased heating needs is a no-win situation. LIEAP provides a safety net for such people.

Adding to our dismay at the administration's proposal to slash LIEAP funding is the reasoning behind it. The Clinton budget is seeking cuts in LIEAP to facilitate the expansion of other programs, notably Head Start. In this case, its seems the federal government's actions will, in effect, all but dismantle a program (LIEAP) that has provided great value for one (Head Start) whose goals and efforts, however noble, have not produced much of lasting value.

Several studies have found that Head Start youngsters, after a couple of years in the school systems, are no further along in their educational achievement than those who did not participate in the program. And by the same token, those youngsters who do not have the "advantage" of Head Start learning manage to catch up to their peers in relatively short order.

While we're not advocating the abandonment of Head Start, we do find it puzzling that a program that is both more effective (in both cost and results) and more needed would be sacrificed. It seems that the federal government's record of "helping the needy" the past three decades especially has been one of throwing money at the problem without really worrying about results.

How else do we explain that we could take just HALF of the trillions of dollars this country has spent on poverty programs since the 1960s and purchase all the assets of all the Fortune 500 companies PLUS all of the farmland in the United States. It seems with that kind of financial firepower, we should be much closer by now to winning the War on Poverty.

We can, but only if government starts paying attention to what programs work and what programs don't. Accountability in funding only programs that are truly needed and truly effective is a necessary step in getting the federal budget under control.

LIEAP is a prime example of such a program. A number of senators and representatives have loudly protested the proposed cuts in LIEAP, and we urge citizens to join with them in keeping the program intact.

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Serving Licking County

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OUR OPINION

HEAP funds should not be reduced

A program that helps heat homes in Licking County may be left out in the cold because of federal budget cuts.

The Low Income Home Energy Assistance Program is facing an uncertain future as the Clinton administration looks at ways to fund its favored social programs.

HEAP may not be one of those programs, according to advocates for the poor and some congressional aides. They say federal funding for HEAP may be cut in half by 1995.

That would be a crushing blow to a federal program that actually does a lot of good.

The funds are funneled to the states for distribution to local communities. Some of the money goes to low-income households facing a shutoff of utility service or those running out of fuel oil, propane or firewood. The rest helps poor people pay their heating bills during the winter months.

The money goes directly to the utility companies or fuel suppliers, so there is no doubt it is used for its intended purpose.

HEAP funds not only help the poor stay warm but also frees up income to help them put food on the table, clothes on their backs and a roof over their heads.

Over 1,300 Licking Countians counted on emergency HEAP funds to keep their homes warm last winter. Others enrolled in the regular HEAP program for help in paying their monthly utility bills.

These aid recipients include low-income elderly, single-parent families, disabled citizens and the so-called "working poor."

The Licking Countians were among 465,000 Ohioans who were helped by HEAP last winter. That aid amounted to $69 million.

A scaled back HEAP program will mean that more low-income families, elderly and disabled will be faced with the brutal decision of keeping their home warm and cutting back on other necessities such as food, clothing and medicine.

That is a decision no one should have to make in a nation as prosperous as the United States.

We can't think of a better use of federal dollars than to help the poor heat their homes. HEAP should continue to be funded at its current level. Any substantial cuts would be unconscionable.

Shawano (WI) Leader

Tuesday, December 14, 1993

also:

Wisconsin Rapids Tribune
12/22/93

Baraboo (WI) News Republic
12/21/93

Kenosha (WI) News
12/22/93

Portage (WI) Register
12/21/93

Plymouth (WI) Review
12/23/93

Congress should maintain heating fuel assistance

Editorial

It's obvious to most Americans that their federal tax dollars are often spent on wasteful projects that compound the deficit.

All of our readers could name programs which could be cut back or eliminated to reduce federal spending and thus hold the line on the mounting deficit.

But in some cases, spending cuts just don't make sense, and could actually lead to a worse situation.

That's the case with a program which helps millions of low-income families — including thousands in the Leader's readership area — heat their homes each winter.

The Clinton administration is considering deep cuts in the Low Income Home Energy Assistance Program. The cutbacks first came up in September when the Senate Appropriations Subcommittee on Labor, Health, Human Services and Education discussed the issue.

The program will spend nearly $1.44 billion this winter to help the needy pay for heating fuel. Many of those needy are elderly, disabled or with children.

Last winter, 5.2 million households were helped, including 1,012 households in Shawano County, 348 in Menominee County and 1,421 in Waupaca County. Throughout Wisconsin, about 131,000 families were helped.

Shawano County households received $279,932 through the program last year. Menominee County households received $124,916 while Waupaca County households received $411,476.

While middle class Wisconsin residents pay about 3 percent of their monthly budget on heating fuel, low-income families would have to spend about 15 percent of their income on fuel if were not for the federal program.

The money families get through the program averages about $300 a year, according to Wisconsin Gas.

This is not money for luxuries or discretionary items.

It is money for basic survival.

Heating fuel assistance can help stave off illnesses among the children and the weak and feeble. Further, it can prevent deaths and injuries by keeping people from using dangerous alternatives to furnaces. Too often we've seen fatal and injurious fires having been started by faulty space heaters or extension cords services such heaters.

The program not only provides heating fuel assistance, it also helps fund weatherization, reducing the amount of energy used to heat a home and thus reducing the amount of potential assistance in the future.

The program is clearly valuable, not only to the low-income families which directly benefit from it, but also to all of society.

President Clinton and Congress should reject any ideas to slash the heating assistance program and look elsewhere for budget cuts.

OPINION

Democrat and Chronicle
Founded 1833

COMMUNITY

Cut family's source of heat, and you've cut too much

For sheer cruelty, there's nothing like forcing a family to endure a Rochester winter in a heatless home.

Yet that could become a possibility if the Washington grapevine is telling the truth about deep cuts the Clinton administration plans for a program that helps millions of low-income families heat their homes for the winter.

1993 COMMUNITY AGENDA

QUALITY OF LIFE

Congressional aides and advocates say the $1.475 billion budget for the Low Income Home Energy Assistance Program, known as LIHEAP, may be slashed by a third or more than half in President Clinton's 1995 budget.

The irony is that the cuts would be made to finance other programs for the poor, such as expanding Head Start.

Talk about taking from Peter to pay Paul.

Monroe County receives $7.6 million under the LIHEAP program. That money went to 35,000 households here in 1992; 36,000 in 1993. Families received one-time grants of $70 to $185 that were put toward heating bills, toward preventing utility shut-offs or toward guaranteeing fuel oil delivery.

Not all of these people are on public assistance or on Social Security; about half are the so-called "working poor" — they earn too much for public assistance, but too little to live on.

Some of that money also helps cut heating expenses in other ways — helping with weatherization, budget planning and forgiveness of debts.

If it isn't obvious what happens when people don't have enough money for heat, consider a three-year study by Boston City Hospital. Researchers examined the weight of more than 11,000 medically indigent, predominantly minority children aged six months to two years, who entered the emergency room.

In the period immediately following the coldest month of the winter, researchers found a 30 percent increase in underweight children — a condition they attributed to increased demand for food because of cold stress and illness.

Also playing a role: lack of food because of the economic hardship caused by high heating costs.

The local Home Energy Assistance Program works closely with the Community Heating Fund administered by Rochester Gas & Electric Corp., which is supported by private donations from RG&E customers.

Cutting the local HEAP could increase the burden on the heating fund, meaning the fund would have to limit further who could qualify for emergency help.

Further, as RG&E spokesman Mike Power points out, the more heat RG&E provides to families that can't pay, the more the utility will have to raise the rates on families that can pay in order to make up the difference.

Yes, we want our budget watchdogs in Washington to be vigilant. But heatless homes mean hypothermia, malnutriton and worse. Are the budget-watchers so cold-hearted they'd take the heat for that? ❑

Visalia (CA) Times-Delta

Tuesday, December 21, 1993

OUR VIEWS

Save program that helps the poor pay utility bills

Eliminating a federal program that helps people pay their utility bills would hurt people in this area tremendously. Although we recognize the need for cutting spending at the federal level, we think the Low Income Home Energy Assistance Program is too valuable to cut.

President Clinton has targeted the program for a cut of a third or more of its $1.44 billion budget. The Clinton administration figures this program, which was started during the energy crisis of the early 1970s when home heating oil and other energy costs were skyrocketing, has served its purpose and can be eliminated.

That's just not so, especially in an area like Tulare County which has a high concentration of poor and unemployed people.

In this county two agencies which administer the funds for the program — C-Set and Self-Help Enterprises — receive about $620,000 from the Low Income Home Energy Assistance Program. With that money the agencies helped 2,575 families last year pay their energy bills in an emergency.

Typically that money goes to families whose wage-earner has lost a job and then face having their gas and electricity turned off.

Those people have other sources of relief but not enough to make up for the loss of this program. In addition, the Low Income Home Energy Assistance Program includes a conservation component — weatherstripping and insulation at low prices and an energy use assessment. It also includes education to help families budget and save on their energy bills.

Social service agencies and utilities both recognize the need for this program. The utilities will be put in the difficult position of terminating service.

We urge the Clinton administration to reconsider. There must be other places where it can save federal money rather than putting poor people in the dark. They are struggling against enough obstacles as it is.

Speak out:

California Senators:

- **Sen. Barbara Boxer**, 112 Hart Building, Washington, D.C. 20510; phone: 202-224-3553. District office: 2250 E. Imperial Hwy., Suite 545, El Segundo CA 90245; 310-414-5700..
- **Sen. Dianne Feinstein**, 331 Hart Building, Washington, D.C. 20510; phone: 202-224-3841; FAX: 202-228-3954. District office: 11111 Santa Monica Blvd., Suite 915, Los Angeles CA 90025; 310-914-7300.

Local congressional representatives:

- **Rep. Bill Thomas**, District 21, 2209 Rayburn House Office Building, Washington, D.C. 20515; phone: 202-225-2915; 4100 Truxtun Avenue, No. 220, Bakersfield, CA 93309; phone: 805-327-3611. Local office: 319 W. Murray Ave., Visalia; phone: 627-6549.
- **Rep. Calvin Dooley**, District 20, 1227 Longworth House Office Building, Washington, D.C. 20515; phone: 202-225-3341; FAX: 202-225-9308; 224 W. Lacey Blvd., Hanford, Calif. 93230; phone: 585-8171. Toll-free: 1-800-464-4294.
- **Rep. Richard Lehman**, District 19, 1226 Longworth House Office Building, Washington, D.C. 20515; phone: 202-225-4540; 2377 W. Shaw Ave., Suite 105, Fresno, CA 93711; phone: 248-0800; FAX: 248-0169. Toll-free: 1-800-248-0803.

Waterville, (ME) Sentinel

Wednesday, December 15, 1993

Our View

Heating assistance funding necessary

Created during the Carter administration in response to the energy crisis, a federal program that helps millions of low-income people heat their homes reportedly is in danger of having its funding axed.

In Maine alone, 63,000 households were assisted by the Low Income Home Energy Assistance Program last year, an increase of 6,000 over the previous winter, primarily as a result of the recession.

Typically, states administer the money which is used to help poor families pay for fuel, avert a shutoff of utilities or for weatherization. The average benefit nationally is $215; more than 70 percent of the recipients — many who are senior citizens and single parents — have annual incomes of less than $8,000.

Without the federal help, most of those same families would be forced to seek aid elsewhere, from local and state welfare programs such as General Assistance.

But the Clinton administration is considering cuts in the $1.44 billion LIHEAP budget of between 33 percent and 50 percent, reportedly to help pay for other administration proposals such as expanding Head Start.

The Maine congressional delegation has already launched protests and three New England Democrats — Maine's George J. Mitchell, Edward M. Kennedy of Massachusetts and Christopher J. Dodd of Connecticut — have written the administration to oppose the heating subsidy cuts.

This is a high priority program for Frost Belt states like Maine where heat is not a luxury but a necessity. Congresswoman Olympia J. Snowe claims LIHEAP is underfunded already so that only 25 percent of Mainers eligible for the program actually get any benefit from it.

In short, the program is absolutely essential to many Maine residents, not only to provide heat but to avoid costly utility disconnects. Without some hope of heating aid, too many families would be faced with repeated crises, the costs of which would be far more expensive than LIHEAP.

Maine is expected to receive a little more than $19 million this winter, or about $300 per household if the same number apply as did last year. Loss of that money in future years will only exacerbate an otherwise bleak situation for many families and force them to find help elsewhere.

We would hope that the rumored cuts are in fact just rumors. This venerable program should receive the funding necessary so that persons with low or fixed incomes won't have to make choices between food, medicine or heat.

COURTLAND MILLOY

When Lives Hinge on an Unpaid Bill

Amber Spencer, 6, could be heard screaming that she and her 5-year-old sister, Asia, were trapped inside their burning apartment. As thick smoke and flames poured out, neighbors could only listen in horror as Amber pleaded, "Please, please help us."

The blaze on Dec. 7 had been caused by candles, D.C. fire officials said. The electricity in the efficiency apartment in Mount Pleasant had been turned off back in October because the children's grandmother could not pay the bill.

But what if Amber and Asia's grandmother had been able to pay that electric bill? Or what if their electricity had not been shut off in the first place?

In Ohio, for example, an emergency utility reconnect order is issued by the state government each fall. Utility companies must reconnect every home and try to work out the best payment plan possible, according to Meg Power, a legislative representative for the National Community Action Foundation, based in Washington.

In Wisconsin, utility company representatives go door to door with representatives of the federal government's low-income home energy assistance program in search of addresses where energy has been cut off.

The District, on the other hand, takes a more conventional approach by forbidding utility companies to shut off service when the temperature drops below 32 degrees.

This obviously was not enough to help the Spencer girls.

Every winter, hundreds of children are killed nationwide in fires caused by desperate efforts to keep warm or to light darkened dwellings. In Philadelphia a few days before Christmas, two children were severely burned when a candle used to provide light toppled over and ignited their apartment. A few weeks before that, in Tempe, Ariz., three children were badly burned when a faulty kerosene heater ignited their home.

In both cases, poor families had become overwhelmed by high utility bills and chose to take a chance with fire. In the District, the Public Service Commission provides $4 million in fuel assistance grants to help poor people pay their utility bills. Some 14,000 to 18,000 people apply for the grants each year. It is thought that thousands more are eligible for the grants but are not aware that they can get help.

Moreover, many residents try to conceal their desperate plight. In Washington, tenants can be evicted for not having utilities.

Rather than expanding the program, the Clinton administration is considering cutting the $1.5 billion in grants by 40 percent. That threatens to make a bad situation even worse.

"Around this time of year, you can go to the malls and find families just hanging out, not to shop, but to stay warm," Power said. "They have turned the thermostats in their homes down below 40, turned out the lights and left the house to save money."

According to Power, more than 4 million households spend hours, if not days, in the dark and cold because their utilities have been shut off. They are mostly urban poor, which means lots of children and elderly people. The United Planning Organization, a Washington-based advocacy group

The Washington Post

WEDNESDAY, DECEMBER 29, 1993

The High Price of Winter

MILLOY, From B1

for the poor, estimates that in the District on any given winter day, several dozen families are suffering in silence, living in the cold and dark.

In many states, where cutting off residential heat during winter months is not an option, cuts in fuel grants to the poor would result in an increase in utility bills for everybody.

According to Faith Matievich, director of customer service for Michigan Consolidated Gas, when the winter cutoff restrictions are lifted in the spring, many families will face utility bills they can't afford. Either they will get assistance, or they will be terminated.

"Uncollectible bills and costly collections programs will be passed on to all customers," she said.

Dennis Kelley, chairman of the National Fuel Funds Network, a private organization based in Silver Spring, said cutting the fuel grants would condemn millions of families to suffer during the winter.

The cuts could result in increased hypothermia and more deadly fires due to the use of unsafe heating alternatives, he said.

A three-year study by Boston City Hospital uncovered what was called a "heat or eat" dilemma faced by the poor. Researchers found a 30 percent increase in underweight children ages 6 months to 2 years after the coldest months of the year. The study attributed malnutrition among infants and the elderly to increased cold stress and lack of food because of the economic hardship caused by high heating costs.

Despite the cuts recommended by his own Office of Management and Budget, President Clinton said in a speech in September that he supports increased funding for energy programs for low-income families.

"A lot of people think of the environment as preserving distant areas that most people never see," Clinton said at a Summer of Service Forum at the University of Maryland. "But the truth is that the people in this country who need a better environment than most may be those who live in the inner cities."

Let's hope he means it, and finds a way to honor the spirit of Amber and Asia Spencer's final plea.

Fergus Falls, (MN) Journal

Thursday, December 23, 1993

Cutting back heating program looks like a chilling prospect

Salazar Comment

▶ POLICY

■ The funds from LIHEAP are used to help families pay for fuel, avoid shutoff, reconnect utilities, and/or weatherize. Millions of these households shelter the working poor and their children.

After crunching through the snow while we work or play outside, after feeling the sting of an icy breath on our cheeks as we travel from a store, job or the car to our homes, it is comforting to feel the rush of warmth as we open our door.

For more than 5 million households, a small portion of this warmth, averaging $215 per household annually, is due to the Low Income Energy Assistance Program, or LIHEAP. Rep. Martin Sabo (D-Minn.), House Budget Committee chairman, says more than 70 percent of these households last year had incomes below $8,000.

President Clinton wants to drastically cut this program in next year's budget. It may be slashed by a third, but could be slashed by more than half.

In fact, the way Clinton seems to be trying to out-Republican the Republicans so much of the time, it won't be surprising to hear the program gets completely scrubbed. Robert Rector, a conservative welfare analyst with the Heritage Foundation, says it has outlived its usefulness. I'm sure Clinton is listening.

The squeeze goes on.

The funds from LIHEAP are used to help families pay for fuel, avoid shutoff, reconnect utilities, and/or weatherize. Millions of these households shelter the working poor and their children. Many shelter the elderly, who are subject to hypothermia if they are not kept warm. And they shelter the sick, the disabled.

At a cost of $1.4 billion spread over so many people, LIHEAP is one of the most cost-effective and helpful government programs.

Clinton says he needs this money for other proposals, like expanding Headstart. Headstart isn't anywhere near being fully funded as it is, and I will not argue a need there. But LIHEAP should not be the loser.

It got its start during the energy crisis of the 1970s and has been needed ever since. Oil prices may have stabilized, but it's risky to assume they will stay that way.

Besides, the price of a barrel of oil is not the only factor to consider. Heating fuel and propane are subject to vagaries of the winter season as well. In October 1989 we paid 67 cents for a gallon of propane. Three months later, in January 1990, we were paying $1.18 because of an extended cold snap across the nation.

They say the culprit is spending caps. But where were the spending caps when Clinton was handing out pork in exchange for a yes vote on the North American Free Trade Agreement? By coincidence, just one piece of the estimated $50 billion in pork he handed out had the same price tag as the entire LIHEAP program — $1.4 billion.

That pork went to Texas for two more C-17 military cargo planes. Not great cargo planes, either. They have a history of technical failures, like doors opening and wings buckling during test flights.

But that was Clinton's choice.

Next winter, when the cut in energy assistance has been made, I doubt that choices being made in chillier environments will make the news — choices that are being currently made, that the cut will make more painful.

These choices are much more basic than Clinton's, but just as important to the choosers. The wrong one could be critical. They will be asking themselves, "Should I buy less food?...let the rent go?...skip this prescription?...or fill my fuel oil tank only halfway full?"

They'll ponder their choices while the snow falls, the wind batters the house and sneaks in the cracks, and the thermometer heads for 29 below.

Ardys Salazar, an occasional contributor to The Journal's Opinion Page, lives in rural Vergas

ST. LOUIS POST-DISPATCH

NEWS ANALYSIS

FRIDAY, JANUARY 7, 1994 5B

GREGORY FREEMAN URBAN VIEW

If Clinton Follows Plan, Many Elderly Face 'Eat Or Heat' Choice

MARY BOWLES IS at her wits' end.

Even though she's on a budget plan, she can't afford to pay her heating bill, plus her medicine and food. At 71, she's got to make a decision.

Stepping out of her door to get her mail and feeling the cold breath of another St. Louis January, she makes a decision: this will be a month that she will go without her medicine, despite her fragile heart condition.

Mary Bowles isn't a real person. But her attitude is very real among many of the area's poor and elderly.

And if President Bill Clinton's administration goes ahead with a decision it's contemplating, we could soon see many Mary Bowleses.

The administration is considering deep cuts in a federally funded program that helps millions of low-income people heat their homes. President Jimmy Carter started the Low Income Home Energy Assistance Program, or LIHEAP, in 1979 to help poor families pay their utility bills in winter. The program was especially designed for the elderly, disabled and those who support children.

Grants are given to states, which then distribute the money. In the St. Louis area, the funds are distributed in the city and Wellston through the St. Louis Human Development Corp., and in St. Louis County through Metroplex.

Nationally, LIHEAP is funded at about $1.47 billion. In its search for areas to cut the budget, the administration is considering reducing the program by as much as $900 million, more than half its current level.

Such a move would be a travesty.

"Heating is a big problem for poor people," said Meg Power, of the National Community Action Foundation in Washington. "If this goes through, it would . . . cut a safety net for the poor," she said.

"This is one of the few programs available to the working poor," she said, adding that a minority of the program's recipients are on welfare.

Power noted that the LIHEAP budget — even at its current level — is inadequate. The budget was trimmed almost yearly during the Reagan and Bush administrations, although never at the level Clinton's administration is contemplating.

The Citizens Energy Corp., a nonprofit energy company based in Boston, released a three-year study in 1992 that showed the number of clinically underweight children coming into Boston's public hospital increased dramatically following the coldest month of the winter.

"Clinically, we refer to this phenomenon as the heat-or-eat effect," said Dr. Deborah Frank, of the hospital's Failure to Thrive Clinic, in the report. "Parents know children will freeze before they starve. From a health point of view, the choices are intolerable. It's hard to tell children to tighten their belts when they're only wearing diapers."

Locally, the contemplated cut could be painful as well. Some 25,000 families in St. Louis receive assistance each year from the program.

"The level of assistance right now is not able to meet the real needs that are there," said Jacqueline Hutchinson, who coordinates energy crisis programs for HDC. "There are an estimated 70,000 families in the city who are eligible under the guidelines, but the money is not there."

Some 20 percent of the households served by the energy program here are elderly and 30 percent are disabled.

"It could mean big problems for a lot of people," she said, adding that the elderly probably would suffer first under additional cuts.

HDC receives $4 million to $5 million a year for residents of the city and Wellston alone. If that budget is trimmed by more than half, programs like Union Electric's Dollar More and Laclede Gas's Dollar Help won't be able to make up the difference.

St. Louisans have been generous this winter: by the end of December, UE customers contributed about $1 million, 32 percent more than the previous year's contributions. Dollar Help, which hopes to raise $500,000 by June 30, has collected about half of that so far, slightly ahead of last year, said Dennis Kelley, director of Missouri EnergyCare.

But St. Louisans' generosity, while helpful, is but a drop in the bucket of what's needed to make sure that the poor don't freeze.

Clinton's administration, in its search to fund the president's domestic agenda, is looking to cut the fiscal budget in a myriad of areas. That decision is commendable, certainly, and much more palatable to voters than increasing taxes.

But the White House shouldn't let its zeal for cutting the budget result in a doubling of people who are forced to choose heating over eating.

Lewiston (ID) Tribune

Wednesday, December 22, 1993

Will Ebenezer Clinton cut off heat to the poor?

The same week in December Ebenezer Scrooge chided clerk Bob Cratchit for squandering coal in the office stove, the Clinton administration is talking of cutting off the supply of heating oil and other energy used to get poor people through the winter.

Where is the Ghost of Christmas Future who will dissuade the government from leaving many Americans not out in the cold, but in in the cold?

Word out of the White House and the Office of Management and Budget says growth in some government programs is forcing administration budget writers to pull back on others to meet spending limits agreed to by Congress and the Bush administration. Among the programs expected to expand are those affecting the homeless. Among those expected to shrink is one affecting the heatless, the Low Income Home Energy Assistance Program.

That program is well known in this region of cold winters, because it is one that helps many people with real need while defying potential abuse. The tax money that goes into it is used to heat homes, and only to heat homes.

Whether the government cuts spending voluntarily or because legislation requires it to, it should do so in ways that protect the safety net that keeps people from starving or freezing to death. Yet the Low Income Home Energy Assistance Program is reportedly joined on the chopping block by the Emergency Food Assistance Program. That is the means by which the government supplies commodities to food banks, soup kitchens, rescue missions, homes for the elderly and meals-on-wheels programs.

Meanwhile, so-called entitlement programs like Social Security and Medicare are exempt from the budget caps, because they are not considered "discretionary" like heat and food. And of course, many wealthy Americans continue to receive government benefits through any number of wasteful programs.

Cut off heat to the poor? Are there no Civilian Marksmanship Programs? Are there no farm subsidies? — J.F.

Chicago Tribune
Monday, December 27, 1993

Cutting heat

WHEELING—I am very disappointed in the Clinton administration's plan to cut 1995 funds for the Low Income Home Energy Assistance Program.

This is a valuable program which provides people with a credit on their utility bills, thereby providing them with the means to stay current on other necessities. I understand from your article that the cuts may help in expanding the Head Start program. Head Start has my enthusiastic support, but LIHEAP keeps people alive.

Every winter I read of many people burned out of their homes or killed because of improper or malfunctioning heating appliances. With the proposed cuts there will be many more such tragedies. It does not help a child to be in Head Start if he burns or is a victim of carbon monoxide poisoning.

Carol Moss

Pittsburgh Post-Gazette
Friday, January 7, 1994

No one should die for lack of heat

The news article "Hill Woman Dies in Home Lacking Heat, Light, Food" (Dec. 22) saddened many who struggle daily to identify people like this who need to know there is help available.

The Dollar Energy Fund has been around since 1983 to help keep the heat and lights on for thousands of families in Pennsylvania. This has been made possible by the shareholders of our participating utility companies who match dollar for dollar their customers who add a buck or more to their utility bills to help their neighbors.

As an independent organization, the Dollar Energy Fund can function without all the red tape of a large bureaucracy and respond quickly in crisis situations.

Unfortunately, the crisis situations are increasing each year as the federal funding for the Low Income Home Energy Assistance Program decreases. The bad news is further cuts in LIHEAP may be coming this year with talk of dramatic decreases involving slashing the program by a third to a half.

Dollar Energy Fund will work very hard with the help of 85 community based organizations, eight participating electric, gas and water companies and, of course, the generous people who contribute to our fund.

Please spread the word that for families who are low-income and who are unable to pay their utility bills, don't resort to unsafe methods of heating or think that there is no help. Contact your utility company so it can help locate agencies close to where you live to help.

CINDY DATIG
Executive Director
Dollar Energy Fund
South Side

This program is very opposite of 'hand-out'

An open letter to The President:

We are writing you in support of the Low Income Energy Assistance Program (LIHEAP) as another harsh winter has arrived in New Hampshire. This program has been one of our most cost effective federal programs in preventing low income households from suffering the ravages that our climate can cause upon our low income citizens.

New Hampshire has long maintained a philosophy of providing "meaningful" benefits for this program. We have been able to maintain this goal despite the fact that the program has already been cut by over thirty-two percent since 1985. A thirty percent reduction in FY 1995 LIHEAP funding would result in 25,000 people (2.36 percent of the State's population) being dropped from our program. It also would result in the benefit level being reduced to a barely marginal level. The proposed sixty-six percent reduction in LIHEAP, eliminates any possibility of providing any "meaningful" benefit to the low income citizens of New Hampshire. In fact, a reduction of that magnitude would transform the program from a proactive one to a reactive one that would only encourage people to not pay their bills so they could qualify as an "energy crisis."

While the cost of heating oil is lower today than it was in the early 1980's, history has shown that this could be reversed overnight. The costs of other sources of energy are not lower than they were in the early 1980's. The cost of both electricity and natural gas have more than doubled since 1980. Low income families in New Hampshire pay close to five times more of their income for energy than the average family and are therefore less able to afford the cost of energy for home heating.

The very opposite of a "hand-out" or self-propelled entitlement, this program allows the working poor and elderly to meet a critical unvarying family budget requirement while retaining self-sufficiency. Weakening this family support will weaken welfare reform, by forcing families into the very system we are working to free them from.

we recognize the unprecedented constraints on the discretionary funds available to be spent by the federal government in the upcoming budget year. However a program as effective as LIHEAP should be funded at least at the level that was included in the FY 1994 Labor, Health and Human Services, Education and Related Agencies Appropriation Act.

Thank you for your attention to this important matter.

Governor Stephen Merrill,
Raymond S. Burton,
Robert C. Hayes,
Ruth L. Griffin,
Bernard A. Streeter, Jr.
Executive Councilors

Olympia, Wa. Olympian Tuesday, December 14, 1993

Senior citizen depends on help for heating

Steve Bloom The Olympian

HEATING HELP: Geneva Hanson says federal assistance helps her keep warm in the winter months.

Cuts threaten home-heating fund

■ **Federal aid:** The Clinton administration is considering deep cuts in a program that assists 2,100 households in Thurston County.

By Joel Coffidis
The Olympian

For 94-year-old Geneva Hanson of Olympia, the $234 in-home heating help she'll get this winter is crucial.

Hanson receives $527 a month in Social Security. Her electric heating bill last month was $78.

"It's very important," Hanson said of the federal relief, administered through the local Community Action Council.

"With that $527, by the time I pay doctors' bills, I don't have very much left."

The Clinton administration is considering deep cuts in the Low Income Home Energy Assistance Program (LIHEAP), the program that helps Hanson and millions of others heat their homes.

Will Graham, a state energy assistance program manager, said the cuts would be "devastating."

"You're going to see a lot of shut-offs," Graham predicted.

The rumored cuts are anywhere from one-third to two-thirds of the nearly $1.44 billion to be spent nationwide this winter, Graham said.

In Washington state, a one-third cut would be "30,000 households who will not get any kind of assistance," Graham said.

"It hurts quite a bit," added John Walsh, executive director for the Community Action Council in Lacey.

The federal program serves about 90,000 households statewide, Graham said. About 275,000 households are eligible for help, according to 1990 census figures.

Despite a similar heating-bill relief program Puget Power operates through The Salvation Army, the need far outpaces the available help, Graham said.

In Thurston County, about 2,100 households are served through LIHEAP; in Lewis County, 1,700; and in Mason County, 850.

"It's also a housing affordability issue to keep people in their homes," sais Walsh, the Lacey activist. "You're dealing with families that are very low income. If you give them a couple hundred dollars it goes a long way."

To be eligible, a family of four may earn no more than $1,495 a month, or $726 for singles.

More than 75 percent of those participating are at or below the federal poverty rate, Graham said. And 55 percent of the homes served get no other help from programs administered by the state Department of Social and Health Services, he said.

The proposal: Cuts in heating aid could make more money available for other federal programs **A2**

Pocatello (ID) Idaho State Journal Tuesday, December 14, 1993

Mother fears cuts will leave family in cold

Program helping poor with heating bills faces cuts

BOSTON (AP) — Christine Porter fears her home will be a colder place if the Clinton administration goes ahead with deep cuts under consideration in a program that helps the poor pay their heating bills.

Porter, a 26-year-old mother of four whose husband is unemployed, will get $145 this winter toward the purchase of heating oil for her three-bedroom apartment in Dorchester. Next year, her allotment could be reduced or cut altogether.

Congressional aides and advocates for the poor, speaking on condition of anonymity, said the program's budget may be slashed by more than half in President Clinton's 1995 budget to help pay for proposals like expanding Head Start.

"My children would be cold. We'd get oil as much as we can, but we'd have to keep it to a minimum so we stretch it out. You try to support your children. It's bad when you can't even support them with heat," Porter said Monday.

The Low Income Home Energy Assistance Program will spend nearly $1.44 billion this winter to help poor families, particularly those including elderly or disabled people and children.

Last winter, the program reached 5.2 million households, including Porter's. She lives with her husband, Jerome, 26, and children Nyeshia, 6, Jerome, 4, Jasyre, 1½, and Joshua, 4 months.

AP Photo

Christine Porter, 26, stands in the basement of her home on Monday. Porter and her four children are one of 5.2 million households that receive money from the Low Income Home Energy Assistance Program to buy heating oil. Porter says her home will be a colder place if President Clinton goes forward with plans to slash the $1.44 billion heating assistance program by one third or more than half.

The budget for the Department of Health and Human Services, which runs the program, is still being drafted.

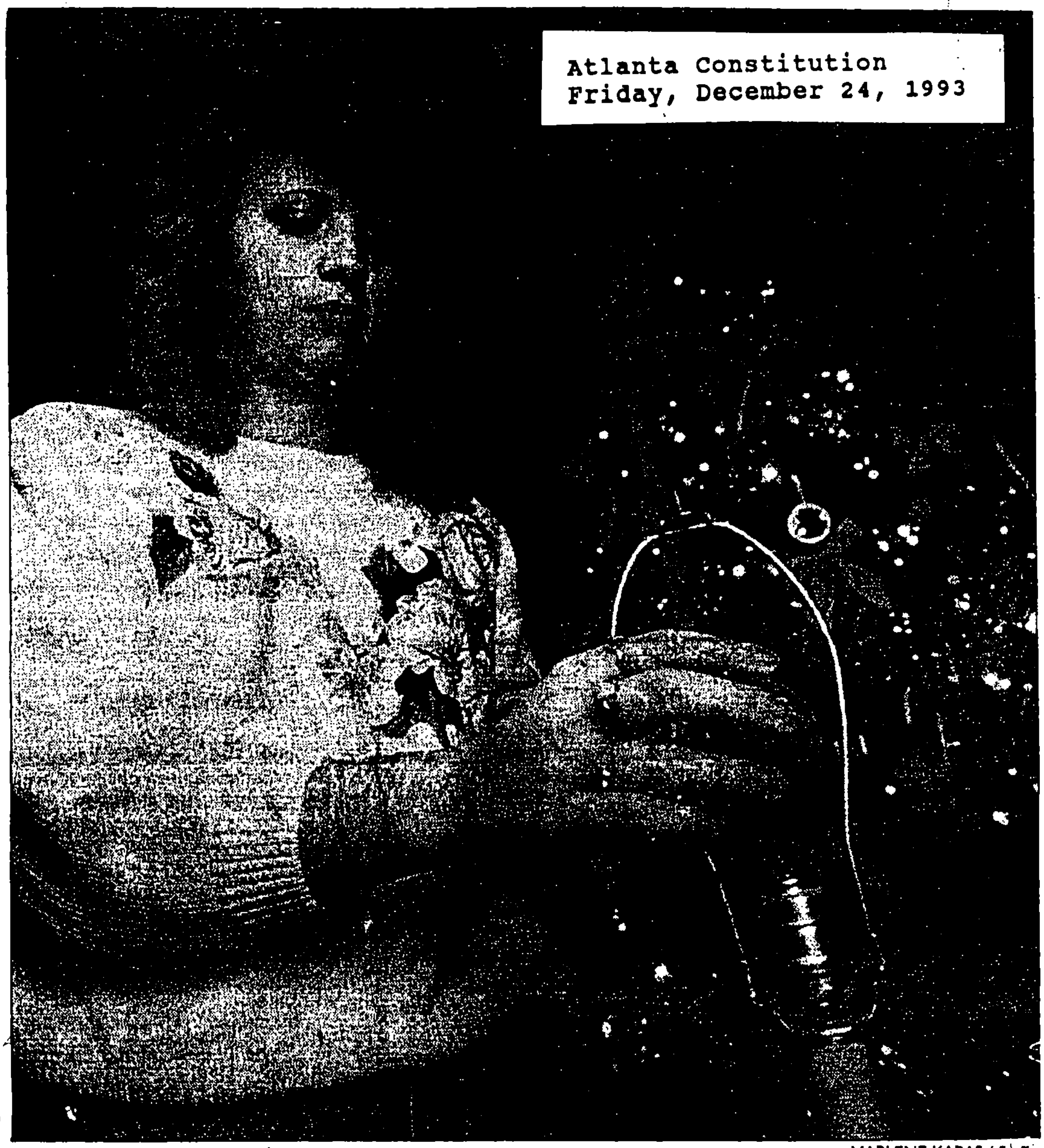
But the budget office's Barry Toiv said the administration "is facing very difficult decisions on a lot of programs because of the very tight spending cap.

Clinton plan chills the poor

President may cut program that helps many pay heat bills

By Frances Schwartzkopff
STAFF WRITER

Atlanta Constitution
Friday, December 24, 1993



MARLENE KARAS / Staff

Keeping warm: Cathy Teasley removes a lightbulb from a lamp in her Chatsworth home to help reduce her family's electric bill.

Cathy Teasley figures if President Clinton spent some time at her family's Chatsworth trailer, he wouldn't consider cutting the program that helps poor families pay heating bills and weatherproof their homes.

The temperature must be at least 70 degrees inside or 9-year-old Joshua's juvenile rheumatic arthritis hurts him. So the heating bill soars to $100 a month — eating into the $1,000 a month Carl Teasley makes working in a kitchen.

The government check for $284 helps, but to make ends meet Cathy Teasley still must wash clothes in cold water, put bulbs in half the light fixtures and fix only one hot meal a day for Joshua and his two sisters.

But the Clinton administration is considering cutting the low-income energy assistance program next year.

'Don't know where I can save'

Suggestions range from cutting a third of the program's $1.44 billion budget to eliminating the program altogether. If the funding is reduced, Georgia's share of the funding pie would drop from $15.4 million to $10 million or less.

"I don't know where I can save," said Lillian Farist. To pay this year's utility bills, the 66-year-old Ellijay resident already has closed off the three bedrooms of her house for the winter, heats only the kitchen and the living room, and sleeps on the couch.

"You cut your food budget until you're mostly consuming carbohydrates and if you've got diabetes, that's bad," said Farist, who has the disease. "I just thank God for tuna fish."

The future of the heating program is part of the bigger debate over what the 1995 budget for the Department of Health and Human Services should look like. The agency's services range from welfare to medical assistance. The money saved from the energy program might be used to expand other programs or to help reduce the federal deficit.

Usefullness criticized

Created during the Carter administration, the program assisted low-income families when skyrocketing Middle East oil prices sent domestic energy prices though the roof. But oil prices have stabilized and some critics say the program has outlived its usefullness.

"It was designed to deal with an energy crisis that has long since passed," said Robert Rector, a welfare analyst with the conservative Heritage Foundation, in Washington. "You cannot afford to simply give away free benefits."

But supporters argue that the need continues.

More than 70 percent of families that received money last year through the program had annual incomes of less than $8,000, said House Budget Committee Chairman Martin Olav Sabo (D-Minn). Most are senior citizens and single-parent households.

"I encourage the administration to look elsewhere for cuts," said U.S. Rep. Cynthia McKinney (D-Ga.). "I certainly don't support taking [money] from essential programs that serve our most vulnerable citizens."

Demand exceeds funds

Only those families earning less than 115 percent of the federal poverty level are eligible, said Alicia Ayotte, the energy consultant for the state Department of Human Resources, which administers the program in Georgia. That amounts to $8,016 for a one-person household and $19,332 for a family of five like the Teasleys.

Demand for the program far exceeds the money allocated to Georgia, state officials said. As a result, the lines outside county welfare offices will probably be long when the state begins taking applications Feb. 1. Caseworkers begin visiting homebound people to take their applications after Jan. 3.

Should Clinton cut the program, "it's really hard to say what we'd cut out because all of [our money] goes to bills already," Cathy Teasley said. "If they would just changes places for a week, they could see how hard it is to survive."

Heating assistance program

The federal low-income energy assistance program helps poor families pay their heating bills, weatherproof their homes and provides money in emergency situations. The Clinton administration is considering cutting the program to reduce the federal deficit or pay for expansion of other programs.

	1994
Individuals to be served*	201,500
Households	65,000
Average benefit	$173
Heating	$11 million
Weatherproofing	$2.6 million
Crisis reserve $300,000	
Administration	$1.5 million

* Estimate based on available funding.

Tops in benefits

The five counties expecting to receive the largest grants in 1994

County	1994 benefits	Households* served
Fulton	$1,661,157	9,602
DeKalb	$796,704	4,605
Cobb	$475,680	2,750
Muscogee	$356,077	2,058
Richmond	$350,661	2,027

* Estimated

Source: Georgia Department of Human Resources.

"It was designed to deal with an energy crisis that has long since passed."

ROBERT RECTOR
Welfare analyst