

**National Energy Assistance Directors' Association**  
**Status of State LIHEAP Funding: State Survey**  
**April 30, 2007**

The federal Low Income Home Energy Assistance Program (LIHEAP) provides heating and cooling assistance to more than 5.7 million households annually. Federal funding was increased from \$2.1 billion in FY 2005 to \$3.2 billion in FY 2006 as a result of rising numbers of households seeking assistance and continuing high energy prices.

The FY 07 Continuing Resolution reduced funding to \$2.1 billion, resulting in states cutting grant levels, eliminating crisis assistance and closing programs to new applicants. Grants have been reduced on average from \$454 to \$314. As a share of home heating costs, the average grant has declined 31.3% to 22.6% for heating oil, 47.4% to 38.3% for natural gas, 35% to 25.3% for propane and 57.3% to 37.8% for electricity. This is because the decline in energy prices has not offset the impact of the proposed reduction in program appropriations.

The Supplemental Emergency Spending bill contains \$400 million in additional FY 07 funding for LIHEAP and the President has \$220 million in emergency spending authority. If these funds were made available, states would be able to continue serving households who are struggling with high arrearages as a result of high prices as well as provide adequate funding this summer to address cooling needs.

The following provides a summary of responses from 34 states and the District of Columbia on the status of program funding: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Jersey, New Mexico, New York, Oklahoma, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

A background description of the LIHEAP is included at the end of the state program status summaries. It also includes tables showing the number of recipients by state and state-by-state allocations under the FY Continuing Resolution and the Emergency Supplemental.

Contact: Mark Wolfe, NEADA  
mlwolfe@neada.org  
202-237-5199

## Summary Status of State LIHEAP Programs

Alaska is running very low on funding and will continue to accept applications through April 30. The state is still processing applications received in March and it is possible that those applications will exhaust all remaining funds. The state does not have any funds available for crisis assistance. Benefit levels are being reduced and the number of households applying for assistance has continued to increase.

Arizona is still taking applications for assistance. The Arizona program requires that local agencies run a year-round program and many divide their allocations on a monthly basis. Most agencies are reporting that they used up their entire monthly allotment by the middle of each month due to a lack of adequate funding. There is special concern about the upcoming summer cooling season as a result of rising electric bills and whether there will be adequate funding to help families avoid shut-offs and heat-related illness.

Arkansas closed its program to new applications on March 31 and remaining funds are being used to provide crisis assistance. Several agencies have run out of crisis assistance and all agencies are expected to be out of funds by the end of May. The state's largest supplier is expected to receive a rate increase that will take effect prior to the start of the summer heating season.

California is still accepting applications for winter heating assistance. As a result of the state's unusually cold winter, they are expecting to receive a higher number of applications for assistance. Several agencies, however, used up their entire utility assistance allocation within a few months due to serving agricultural workers affected by the freeze. The state has minimal funding available to provide crisis assistance.

Colorado will continue taking applications for heating assistance through April 30. Program benefits have been reduced. In FY 06, the average benefit was \$550, the maximum was \$900 and the minimum was \$221. For FY07, the average benefit was reduced to \$317 with a maximum of \$700 and a minimum of \$165.

Connecticut will continue to accept applications through May 1. However, all available funds have been committed to current clients and there are no available funds for cooling. The state's largest utility has raised electric rates by 8% and the second largest will have increased rates by a total of 47% by the end of this summer.

Delaware has no funds remaining for heating assistance and stopped taking applications for assistance on March 31. Although the state will operate a cooling program this summer, as a result of increasing demand for heating assistance, the number of households receiving cooling assistance will be reduced by 79%. One of the state's major electric utilities increased rates by 59%; these rates are being phased in for lower income households.

District of Columbia has closed its program and all funds have been expended (regular and crisis). There is no funding available for a summer cooling program. In FY07 the income guidelines were changed from 150% of the poverty level to 60% of the state's median income. This allowed 78,000 low-income residents in the District to qualify under the new income eligibility guidelines. In FY06, 26,000 households were approved for the program with an additional \$5.5 million that was distributed during the summer season. As of April 6 (the closing of LIHEAP), 22,399 customers were approved for assistance. Without additional funds the residents that are now eligible to receive benefits, due to the change in eligibility requirements, will not be able to receive assistance.

Florida operates a year-round program and allocates funds for both crisis and home energy. Local agencies allocate the funds monthly and prioritize clients. As they spend their monthly allocation, the agencies refer clients to other funding sources. The demand is greater than the funding and without additional funds this summer, there will be a significant reduction in the number of households seeking assistance that will be able to receive assistance.

Georgia closed its program to new applicants on April 6 and there are not enough funds left to run a summer program.

Hawaii does not start its program year until final funding is approved.

Iowa stopped taking applications for assistance on April 16 and all FY 07 funds have now been expended. The summer fill fund has also been depleted and no funds are available for supplemental payments although this was the third highest year for heating costs ever. In addition, Iowa has reduced its average LIHEAP benefit by 30% from last year's level.

Kansas ended its program on March 30 and supplemental benefits will be awarded in mid-June to the qualified winter heating assistance recipients. There are no crisis funds remaining and no summer cooling program will be offered.

Kentucky closed its program on March 31 and all regular and crisis funds have been expended for the current fiscal year. The Commonwealth of Kentucky does not expect to run a summer cooling program. Higher utility and bulk fuel prices greatly increase the demand on program funds. The utility increases vary by provider. Propane, fuel oil and Kerosene costs, according to statewide data provided by agency surveys conducted in October 2006, increased by 12% to 28% from 2005-06. These costs are particularly significant in eastern and rural Kentucky, where these fuels are used as the primary heat source by a large percentage of the households. The agencies in these areas are the first to run out of funds. Further, the state has received an increase in the number of telephone complaints from citizens, regarding the raising cost for their electrical service.

Maine will continue taking applications through April 30. Any remaining funds will be obligated for heating system repairs and replacement by June. There are no crisis funds remaining and there will be no funds available for cooling assistance.

Maryland is not out of funds since it was able to carryover program funds from FY 06. Many applicants who normally apply during the winter were served early and took advantage of the early benefit. Maryland does not have a separate crisis program. In crisis situations, the vendor delivers a minimum delivery at the time of crisis and the complete benefit amount when the applicant is certified for benefits – in gas and electric, a commitment is made to the utility to put a hold on a turn off until payment is received.

Since Maryland experienced an unusually warm first half of winter, enrollment has not increased as the state's early projections expected. This unexpected trend, considering the higher cost of electricity and oil, has helped to conserve LIHEAP dollars to last throughout the program year.

Maryland has never experienced the need to close the program early or turn anyone away. However, the figures for FY08 look very bleak, and the state believes that if additional funding is not provided they will not be able to serve all eligible applicant households. Although energy assistance is not an entitlement program, Maryland has never turned anyone away.

Massachusetts will continue taking applications until May 11. There are no program funds remaining at the state level and as of mid-April, on average, local agencies had expended close to 85% of their program funds. They expect to exhaust their funds by mid-May. No crisis funds are available, other than a statutory reserve and no summer cooling program will be offered. The program expects to see an increase in emergency clients at the end of the winter moratorium on April 30.

Michigan stopped taking applications for crisis assistance for heat and electricity on April 11 due to lack of funds to meet the need. The state usually operates a year-round program. Crisis funds will be fully depleted by April 20 when the applications received by the April 11 cut-off date have been processed. There are no funds remaining for electricity assistance this summer.

Minnesota exhausted all regular funds on April 9 and crisis funds on April 2.

Montana will continue to take applications until April 30. Benefits have been reduced drastically this winter and many households are experiencing large arrearages.

Nebraska stopped taking applications for regular heating assistance on March 31. The state has a year-round crisis assistance component that can be used in place of regular heating and a summer cooling program will be offered.

New Jersey will continue taking applications until April 30 and cooling and supplemental benefits will be available until August. A summer cooling program will be offered.

New Mexico is still accepting applications and does not anticipate running out of funding to assist with crisis applications. The state does not run a separate cooling program. Applicants can receive one benefit each program year. They decide when to come in and apply and which utility expense they want assistance in paying. With that choice some applicants want assistance meeting the expense of summer cooling costs.

New York will continue accepting applications for winter heating assistance (both regular and crisis) through May 15. A summer cooling program will not be offered this year.

Oklahoma is no longer accepting applications and funding for crisis assistance will only last through the end of April. All remaining funds will be utilized for a summer cooling program. The state estimates there are many more households this year with large past due and/or shut-off of service issues than in any previous year.

Rhode Island closed its heating assistance program on March 30. The state was able to maintain service because it was able to carry forward their FY 06 contingency and supplemental release. Last year the program stayed open till the end of May. Rhode Island is now out of Regular and Crisis funds and they are expecting record number of shut offs this spring and summer. The state's energy hotline has been very busy with LIHEAP households seeking assistance to avoid getting their gas and electric service terminated.

South Carolina concluded the initial heating assistance program on April 30 and will begin taking cooling applications on May 1st. In South Carolina, the LIHEAP program is offered and funds are budgeted over a 12-month program year. There are however never enough funds to serve everyone in need who calls for an appointment or comes to the agency for assistance. Heating is offered Jan-April and again from October 1 - December 31. Cooling is offered May 1 - September 30. Emergency Crisis is offered year round.

Last year the program served over 54,000 households, but this year, with the decrease in funding from 2006, at the current level, only half that number will be served and benefit levels had to be reduced.

Texas is continuing to accept applications. Program funds are expected to last through June 30. Texas administers a year-round energy assistance program due to the geographic and climatic diversity in Texas. The temperature in north Texas may be 30 degrees the same day that the temperature in south Texas is 85 degrees during "winter months." Households in Texas may use their heater one day and their air conditioner the next day during "winter months." Eligible households apply for assistance for energy bills which include all energy consumption in a household (heating and cooling appliances, refrigerators, water heaters, washers and dryers, fans, lamps, computers, etc.). Texas obligates the majority of the LIHEAP funds in the summer months due to the hot climate and the use of cooling appliances.

Electric rates in March 2007 are 24-27% higher than March 2005. Texas assisted more households in the energy crisis component between September 2006 and February 2007 than in any comparable period since 2001. In 2001 Texas paid an average of \$30 per household for Energy Crisis assistance; that amount increased more than 10 times to \$321 per household in 2006.

Utah will continue accepting applications through the end of April. Additionally, the year-round crisis program will continue to assist with cooling assistance in the summer.

Vermont stopped taking applications on the last day of February but extended the crisis program for bulk fuels an additional week. All federal funds have been exhausted and state funds are now being utilized for crisis assistance.

Virginia has stopped taking applications for heating assistance and ended the application period for the crisis assistance program on March 15. Remaining program funds are being used for the summer cooling program. Due to reduced funding the program will not be as large or robust as last summer's program. Several utilities have already been approved for and have instituted electricity rate increases ranging from 5-25%, with the state's largest utility, Dominion Virginia Power, expecting to implement the first of several rate increases on July 1.

Washington will be out of funds by the end of June. Currently, 49% of the state's community action agencies are out of funds, 45% will be out of funds by the end of April and the remaining 6% will be out by the end of June. The state does not have a separate crisis program.

West Virginia is no longer taking applications for winter heating assistance and has no program funds remaining.

Wisconsin will accept applications for heating assistance through May 15. As a result of the cutback in federal funding, the average heating benefit is about 40% lower than the average benefit in FY06. (FY07 = \$258/FY06 = \$439). Currently, 22 of the Wisconsin counties have less than 25% of their allocated LIHEAP crisis benefit funds remaining. Of those 22, 12 counties are completely out of available LIHEAP crisis benefit funds. Wisconsin's moratorium ends this week which will create additional crisis cases. Some counties will likely run out of funds by the end of May.

Wyoming will continue to accept applications through April 30. The state is out of federal funds and is now using state funds to continue funding the program.

Background: Nationally, the total number of families receiving heating assistance reached 5.7 million in FY 2006, the highest level in more than a decade and the number receiving cooling assistance increased from about 315,800 to 541,000, the highest number on record. Preliminary reports from state officials suggest that the number of households applying for energy assistance for FY 2007 is likely to remain at FY 2006 levels. Yet, the program only serves about 15.7 percent of the eligible population.

Families receiving LIHEAP assistance carry a higher energy burden than most Americans – spending on average about 15 percent of their income on home energy bills as compared to 3.4 percent for all other households. Many of these households also have at least one member who is disabled (43 percent) or elderly (41 percent). These families are also very low income: 74 percent have incomes below \$15,000 and 50 percent have incomes below \$10,000.

In FY 2006, LIHEAP was funded at \$3.2 billion, an increase of almost \$1 billion over the amount provided in FY 2005. The increase was provided to help low income families cover the costs of rising home heating and cooling bills as a result of continued higher prices for home heating oil, propane, natural gas and electricity.

Unfortunately, the FY 2007 Continuing Resolution did not include the additional \$1 billion in funding for LIHEAP. As a result, states will have few choices but to cut grant levels and the number of households served. The additional funding being considered by the Committee for FY 2007 would provide some relief, but it will not sufficient to offset the full impact of the funding reduction.

Energy prices continue to remain high and unaffordable to millions of low income families. While the average household is expected to save \$75 during the current winter home heating season, the cost of home heating is still significantly higher than even a few years ago. The average price for the period between the winter heating seasons of 2000-01 and 2005-06 for home heating was \$697, in comparison to \$948 last year and a projected \$873 this year. In other words, if this was an average year, households would be spending about \$176 less. (Source: US Energy Information Administration, Short-Term Energy Outlook, 1/9/07).

The funding level contained in the FY 2007 Continuing Resolution would result in a significant decline in the purchasing power of the average LIHEAP grant. The share of home heating costs would decline from 31.3% to 22.6% for heating oil, 47.4% to 38.3% for natural gas, 35% to 25.3% for propane and 57.3% to 37.8% for electricity. This is because the decline in energy prices would not offset the impact of the proposed reduction in program appropriations.

The need for energy assistance is great and growing. Funding LIHEAP at \$5.1 billion would allow states to increase grants to help families pay the higher cost of home energy and plan for a continued increase in the number of households applying for assistance. In the last two years alone, the number of households receiving assistance has increased by almost one million.

<b>LIHEAP: FY 07 Appropriations Status (\$'000)</b>			
<b>State</b>	<b>FY06 1/</b>	<b>FY 07 Continuing Resolution 2/</b>	<b>Supplemental</b>
			<b>Conference</b>
Alabama	\$31,972	\$16,770	\$5,482
Alaska	18,473	10,704	124
Arizona	15,400	8,110	2,652
Arkansas	23,336	12,796	4,184
California	157,624	89,963	29,415
Colorado	44,841	31,367	362
Connecticut	71,105	40,920	1,041
Delaware	10,954	5,431	1,776
District of Columbia	8,165	6,355	536
Florida	49,797	26,534	8,676
Georgia	40,025	20,979	6,860
Hawaii	2,567	2,113	129
Idaho	14,772	12,235	141
Illinois	193,811	113,259	14,845
Indiana	75,335	51,280	592
Iowa	52,053	36,343	419
Kansas	27,721	16,690	5,458
Kentucky	45,319	26,686	8,726
Louisiana	32,671	17,144	5,606
Maine	45,146	26,509	306
Maryland	61,889	31,332	10,244
Massachusetts	126,474	81,853	944
Michigan	154,670	107,529	1,241
Minnesota	110,848	77,469	894
Mississippi	27,466	14,377	4,701
Missouri	78,219	45,240	7,018
Montana	22,789	14,351	166
Nebraska	28,642	17,973	207
Nevada	7,247	3,809	1,245
New Hampshire	27,740	15,493	179
New Jersey	115,044	75,986	879
New Mexico	12,491	10,153	301
New York	382,245	248,112	2,862
North Carolina	72,412	36,976	12,090
North Dakota	24,680	15,590	180
Ohio	164,224	100,194	7,109
Oklahoma	29,542	15,415	5,040
Oregon	25,116	24,311	280
Pennsylvania	202,321	133,273	1,537
Rhode Island	23,131	13,473	156
South Carolina	25,278	13,318	4,355
South Dakota	20,117	12,662	146
Tennessee	47,138	27,033	8,838
Texas	84,005	44,144	14,434
Utah	23,285	14,576	169
Vermont	20,902	11,613	134
Virginia	75,052	38,166	12,479
Washington	41,226	39,988	462
West Virginia	24,543	17,660	3,245
Wisconsin	99,835	69,733	805
Wyoming	9,284	5,836	67
Territories/HHS Training Funds	3,793	2,951	261
Leveraging	27,225	27,225	
<b>Total</b>	<b>\$3,159,960</b>	<b>\$1,980,000</b>	<b>\$200,000</b>

1/ FY 06 funding included a \$1 billion supplemental funding. The Adm. currently has \$20 million in emergency authority remaining.

2/The 07 Continuing Resolution also includes \$181.17 million in contingency funds for FY 07.

3/ The Supplemental also includes \$200 million in emergency funds.

Contact: Mark Wolfe, National Energy Assistance Directors' Association, 202-237-5199, mlwolfe@neada.org. 4/24/07

**Est. Households Receiving LIHEAP Heating & Cooling Assistance by State: FY 05/FY 06**

	Heating Assistance				Cooling Assistance			
	FY 05	FY 06	Diff. 06-05	% Change	FY 05	FY 06	Diff -06-05	% Change
Alabama	48,981	57,713	8,732	17.8%	32,976	56,155	23,179	70.3%
Alaska	9,055	10,700	1,645	18.2%				
Arizona	18,563	24,824	6,261	33.7%				
Arkansas	57,650	74,948	17,298	30.0%		25,000	25,000	0.0%
California	159,000	198,750	39,750	25.0%				
Colorado	96,127	107,500	11,373	11.8%				
Connecticut	62,400	85,400	23,000	36.9%				
Delaware	12,950	15,430	2,480	19.2%	1,920	12,000	10,080	525.0%
District of Columbia	22,405	28,500	6,095	27.2%				
Florida	33,857	32,738	(1,119)	-3.3%	45,482	63,227	17,745	39.0%
Georgia	87,000	102,100	15,100	17.4%		40,000	40,000	0.0%
Hawaii	6,594	6,594	0	0.0%				
Idaho	32,362	33,967	1,605	5.0%				
Illinois	310,000	360,000	50,000	16.1%		55,000	55,000	0.0%
Indiana	132,836	157,987	25,151	18.9%	46,000	53,723	7,723	16.8%
Iowa	85,678	89,638	3,960	4.6%				
Kansas	42,291	55,900	13,609	32.2%				
Kentucky	106,467	107,733	1,266	1.2%				
Louisiana	21,745	31,800	10,055	46.2%	35,749	46,474	10,725	30.0%
Maine	45,000	48,000	3,000	6.7%				
Maryland	83,000	90,000	7,000	8.4%				
Massachusetts	135,068	138,269	3,201	2.4%				
Michigan	441,571	470,670	29,099	6.6%				
Minnesota	117,648	132,000	14,352	12.2%				
Mississippi	61,750	61,750	0	0.0%	29,826	34,300	4,474	15.0%
Missouri	113,162	125,000	11,838	10.5%				
Montana	20,463	22,500	2,037	10.0%				
Nebraska	32,514	39,000	6,486	19.9%				
Nevada	17,557	22,177	4,620	26.3%				
New Hampshire	30,144	33,209	3,065	10.2%				
New Jersey	155,914	165,000	9,086	5.8%				
New Mexico	55,685	67,000	11,315	20.3%				
New York	822,459	856,056	33,597	4.1%				
North Carolina	211,959	243,753	31,794	15.0%				
North Dakota	15,362	15,550	188	1.2%				
Ohio	305,000	345,000	40,000	13.1%	40,000	45,000	5,000	12.5%
Oklahoma	93,144	116,430	23,286	25.0%				
Oregon	58,377	57,874	(503)	-0.9%				
Pennsylvania	327,279	354,065	26,786	8.2%				
Rhode Island	26,692	29,361	2,669	10.0%				
South Carolina	21,148	23,000	1,852	8.8%				
South Dakota	18,200	18,167	(33)	-0.2%				
Tennessee	59,600	60,000	400	0.7%				
Texas 1/	39,535	29,064	(10,471)	-26.5%	44,719	66,411	21,692	48.5%
Utah	34,647	40,000	5,353	15.5%				
Vermont	19,327	21,000	1,673	8.7%				
Virginia	101,669	110,377	8,708	8.6%	39,150	43,717	4,567	11.7%
Washington	72,000	72,000	0	0.0%				
West Virginia	72,266	79,493	7,227	10.0%				
Wisconsin	137,622	150,000	12,378	9.0%				
Wyoming	9,550	11,653	2,103	22.0%				
Total	5,101,273	5,629,640	528,367	10.4%	315,822	541,007	225,185	71.3%

Contact: Mark Wolfe, National Energy Assistance Directors' Association 202-237-5199, mlwolfe@neada.org

1/ Notes: Texas reduced increased benefits in 06 due to increased energy costs and as a result decreased the # of households served.