

## COMMONWEALTH OF VIRGINIA DEPARTMENT OF SOCIAL SERVICES

Office of the Commissioner

Anthony Conyers, Jr. COMMISSIONER

October 1, 2007

#### **MEMORANDUM**

**TO:** The Honorable Timothy M. Kaine

Governor of Virginia

The General Assembly of Virginia

FROM: Anthony Conyers, Jr. Hythey Conyer to

**SUBJECT:** Annual Report on Energy Assistance

The report was prepared pursuant to § 63.2-805 of the *Code of Virginia*. The Department of Social Services is required to submit an annual report on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians.

This is the seventh annual report on the effectiveness of low-income energy assistance programs in the Commonwealth. The report evaluates the effectiveness of energy assistance programs for low-income households and the adequacy of energy assistance benefits. The manner in which low-income households attempt to cope with increases in home energy costs is also addressed.

Additionally, the report discusses the impact of high energy costs on households, decreases in recipient benefit purchasing power and the difficult choices facing vulnerable, low-income individuals and families in the Commonwealth. An analysis of data contained in this report documents the significant and positive impact energy assistance programs have on recipient households as well as the significant shortfall in available resources to serve eligible households.

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Attachment

July 1, 2006 – June 30, 2007

#### **PREFACE**

The *Code of Virginia* requires the Virginia Department of Social Services (VDSS) to report annually on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians. The requirements for the report and the report's content can be found in § 63.2-805.C.5 of the *Code of Virginia*.

This report contains data from the VDSS Energy Assistance Program database as well as data compiled in collaboration with the Department for the Aging, the Department of Housing and Community Development, Dominion Virginia Power and American Electric Power. The VDSS appreciates the contributions made to the report by all people and organizations.

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#### **EXECUTIVE SUMMARY**

The annual report on the effectiveness of energy assistance programs in the Commonwealth evaluates the extent to which these programs meet the needs of low-income Virginians and assesses the adequacy of the services provided to recipient households. The report also addresses whether a duplication of services exists among programs designed to serve these households. Energy assistance services including heating and cooling subsidies, crisis intervention and weatherization are available through a number of programs administered by the Virginia Departments of Social Services, Aging, and Housing and Community Development, and Virginia's major utilities. The report concludes that there is little duplication across programs and that the benefits are distributed to the poorest and most vulnerable households in the Commonwealth, and that additional resources are necessary to accommodate the dramatic increases in energy costs and the rise in poverty within Virginia.

In the past three years, significantly higher home energy costs have created additional hardships for many vulnerable, low-income individuals and families in the Commonwealth. Almost 60% of all households served by energy assistance programs have family incomes less than \$10,000, which is well below the federal poverty limit. These poor families have little room in their budgets to absorb even modest increases in energy costs, making the need for energy assistance services even more critical than previous years.

During state fiscal year (SFY) 2007, energy assistance programs in Virginia provided services to 181,521 households, representing an increase of 763 households from SFY 2006. Total spending across programs during SFY 2007 was \$52,419,041. Due to outreach efforts and the media attention generated by high energy prices, the number of households receiving benefits continues to increase. Energy assistance subsidies continue to offer a benefit that provides less than 25% of a recipient household's energy needs. With reduced program funding and high home energy costs, energy assistance subsidies are likely to provide less assistance each year, leaving many vulnerable Virginians continuing to struggle with their home energy needs and other basic necessities. Included in this report are statistics which highlight the difficult choices these households are forced to make, some of which jeopardize the health, safety and well-being of individual household members. Without additional funds, many of these programs may need to further restrict eligibility and consequently the number enrolled in order to ensure that the benefit maintains value in the energy marketplace.

According to the U. S. Census Bureau and the U. S. Department of Health and Human Services, there are over 805,000 families living at or below 150% of the federal defined poverty limit in Virginia. Over 365,000 of these households have incomes at or below 130% of poverty, meaning they are income eligible for most if not all of Virginia's energy assistance programs. In an effort to increase program awareness and participation, various outreach and enrollment strategies are pursued each year; however, limited funding for energy assistance programs in Virginia make attempts to increase program participation a tenuous initiative at best.

An overview of major energy assistance programs offered by state agencies and utilities and analysis of households served, expenditures, and case denial data are included in the overview of programs. Additionally, the results of surveys of both energy assistance program participants and low-income Virginians that focused on benefit adequacy, program utilization and energy insecurity are included. An analysis of benefit adequacy based on increases in home energy costs and decreases in recipient household purchasing power and the extent to which benefits actually subsidize total energy costs as well as a discussion on recipient household's energy burden is included.

The number of recipient households continues to increase each year, as do the number of potentially income eligible households. Data from surveys, the census and energy assistance programs indicate that less than half of eligible households are receiving assistance. This is alarming given that even recipient households are forced to make difficult choices which can even further compromise health and safety. The need for energy assistance programs in Virginia continues to exist. These programs are part of a safety net that, while not perfect, clearly makes a significant difference in the lives of many low-income vulnerable Virginians.

#### **Study Mandate**

Section 63.2-805.Cof the *Code of Virginia provides in pertinent part:* 

- "5. Report annually to the Governor and the General Assembly on or before October 1 of each year through October 1, 2007, and biennially thereafter, on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians. In preparing the report, the Department shall:
- a. Conduct a survey biennially beginning in 2002 that shall collect information regarding the extent to which the Commonwealth's efforts in assisting low-income Virginians are adequate and are not duplicative of similar services provided by utility services providers, charitable organizations and local governments;
- b. Obtain information on energy programs in other states; and
- c. Obtain necessary information from the Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, to complete the biennial survey and to compile the required report. The Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, shall provide the necessary information to the Department." (See Appendix I for § 63.2-805)."

### **Background**

The 1999 General Assembly established the Legislative Transition Task Force through the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the *Code of Virginia*. The Task Force was formed to work collaboratively with the State Corporation Commission for the phase-in of retail energy competition within the Commonwealth. A Consumer Advisory Board was also created to assist the Legislative Transition Task Force in fulfilling its charge.

A recommendation of the Consumer Advisory Board was to study all aspects of low-income household energy assistance programs in the Commonwealth. This recommendation led to enactment of § 63.1-339, which requires VDSS to prepare an annual report for the Governor and General Assembly on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians.

The 2002 General Assembly amended § 63.1-339 with the passage of House Bill 747 and created the Home Energy Assistance Program (HEAP). The legislation requires VDSS to conduct a biennial survey to collect data to determine the extent to which the Commonwealth's efforts in assisting low-income households are adequate and not duplicative of similar services provided by utility services providers, charitable organizations and local governments; obtain information on energy programs in other states; and obtain necessary information from other

state agencies, as well as any non-state programs, that elect to participate in HEAP. Section 63.1-339 was recodified effective October 1, 2002, and is now § 63.2-805.

In 2007, the General Assembly amended § 63.2-805 with the passage of House Bill 1692. House Bill 1692 reduced the annual reporting requirement to a biennial reporting schedule beginning October 1, 2007.

In an effort to further analyze program effectiveness and benefit adequacy as well as measure unmet need, the VDSS completed the second biennial survey in SFY 2006. Results, findings and analysis from the aforementioned survey are included in this report. The following annual report assesses the adequacy of low-income energy assistance programs in targeting and serving low-income households. The report also provides discussion on increases in home energy costs, duplication of services among energy assistance programs, benefit adequacy and decreases in benefit subsidy purchasing power as well as information on the difficult choices facing low-income Virginians.

### **Overview of Low Income Energy Assistance Programs**

Virginia's low-income energy assistance programs are available through a myriad of public and private organizations. The largest programs are offered by VDSS which, through the Low-Income Home Energy Assistance Program (LIHEAP) block grant, receives an annual federal appropriation of approximately \$38 million to provide heating and cooling assistance to low-income households. The annual block grant is usually supplemented with the release of LIHEAP contingency funds. Contingency funds are funds released by the President to address a specific or immediate need. Other energy assistance programs are funded by various sources and provide assistance on a smaller scale. For example, the Weatherization Assistance Program is funded by multiple state and federal sources, while EnergyShare, Fan Care and Neighbor-To-Neighbor are utility-funded. (These programs are described below.) Programs operated by the Commonwealth, the Energy Assistance Program (EAP) and the Weatherization Assistance Program, provide statewide assistance. Programs sponsored by utility companies provide assistance in their service areas. The following chart outlines the major energy programs and includes the application period, service area, types of services offered, and the target group of each program.

Program	Application	Service	Assistance	Target
	Period	Area	Provided	Group
EAP – Fuel	Second Tuesday in October to Second Friday in November	Statewide	Pays for primary heating fuel delivery, past fuel bill or payment of heating utility bill	All income eligible households with a heat expense
EAP – Crisis	November 1 to March 15	Statewide	Averts no heat situations through heating equipment purchase/repair, and payment of security deposits	All income eligible households with an energy crisis

Program	Application Period	Service Area	Assistance Provided	Target Group
EAP – Crisis Fuel	January 1 to March 15	Statewide	Averts no heat situations by securing a fuel delivery or maintaining heat utility	All income eligible households with an energy crisis
EAP – Weatherization	Year round	Statewide	Air infiltration measures and heating systems replacement	All income eligible households
Neighbor- To- Neighbor	January 1 to February 28	33 localities in American Electric Power's (AEP) service area	Pays towards past due AEP electric bill once EAP benefits are exhausted	AEP customers only
EnergyShare	December 15 to May 31	Dominion Virginia Power's (DVP) service area	Secures a fuel delivery or maintains a heating utility bill	Elderly, ill unemployed, in crisis
Weatherization	Year round	Statewide	Air infiltration measures and heating system replacement	All income eligible households
EAP – Cooling	June 15 to August 15	Statewide	Purchase and/or installation of a window a/c unit, fan, attic fan or whole house fan and repair of a central a/c unit or heat pump unit or installed fan. Payment of an electric utility bill or security deposit	Income eligible households with at least one vulnerable household member and with a cooling expense
Fan Care	June through September	Statewide	Purchases fans	Age 60 and over
Summer Cooling	June through September	Statewide	Buys or repairs a/c and pays electric utility bills	Age 60 and over

All low-income energy assistance programs base eligibility on income and energy needs. Additionally, some programs have further eligibility criteria such as a vulnerable household member requirement. A vulnerable individual is defined as someone who is 60 years of age or older, a child under the age of six or a disabled individual. In most programs, energy assistance benefits are paid directly to contracted providers who receive authorization to provide assistance to households in their service area.

The following is a summary of services, utilization, expenditures and denial reasons indicative of unmet needs of customers for the public and private sector programs for SFY 2007. Data collection differs among programs as indicated by not applicable (N/A) in columns when data are not available.

**EAP - Fuel Assistance** provides assistance with purchasing primary home heating fuel or paying primary home heating utility bills. All eligible households are assigned a benefit amount based on individual household conditions such as primary energy type, climate zone, income, energy burden, vulnerability conditions present and household size. Due to a reduction in federal funding, the average household payment amount decreased from \$311 in SFY 2006 to \$255 in SFY 2007. The maximum benefit was \$441.

		Multiple I	Program Needs	Re	ason Cases Den	ied
Total Family units Served	Total Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
106,001	\$27,007,872	N/A	N/A	7,288	N/A	N/A

**EAP - Crisis Assistance** provides assistance in meeting a household's immediate emergency heating needs. To be eligible for Crisis Assistance, the benefit provided must insure the crisis is averted. Even using other resources as a supplement, for 870 households the benefit was not enough to resolve the immediate crisis. Types of Crisis Assistance include: one-time heat security deposit; portable space heater for temporary use; buying home heating fuel; paying primary heat utility bill; and purchasing and installing or repairing heating equipment. The average payment amount decreased slightly this year from \$328 per household in SFY 2006 to \$305 in SFY2007. The maximum allowable benefit amount was \$2,190.

		Multiple F	Program Needs	Re	ason Cases Den	ied
Total Family units Served	Total Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
17,924	\$5,473,545	2,290	\$529,809	1,072	870	None

**EAP - Weatherization Assistance** applies energy efficiency measures to the housing structure. The Department of Housing and Community Development (DHCD) administers this component with 15% of the LIHEAP block grant. According to DHCD, the average payment was \$2,744.

		Multiple F	Program Needs	Re	ason Cases Den	ied
Total Family units Served	Total Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
1,762	\$5,454,090	N/A	N/A	N/A	N/A	N/A

**Neighbor-To-Neighbor Program** provides assistance with payment of winter electric bills for American Electric Power (AEP) customers in 33 localities. The average household payment increased from \$91in SFY 2006 to \$110 in SFY 2007. This year, AEP made a one time contribution of \$100,000 to the program. The number of households served increased from 1,210 in 2006 to 1,303 households in 2007.

		Multiple I	Program Needs	Re	ason Cases Den	ied
Total Family units Served	Total Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
1,303	\$142,816	N/A	N/A	14	None	55

**EnergyShare Program** provides assistance with heating costs for any energy type to residents in Dominion Virginia Power's (DVP) service area. In anticipation of higher costs for the 2006-2007 heating season, DVP donated an additional \$675,000 to Virginia's EnergyShare program. The average payment was \$273. DVP matches customer contributions up to a maximum of \$50,000.

<b>Total Family units</b>		Multiple I	Program Needs	Re	ason Cases Den	ied
Served	Total Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
6,900	1,881,987	N/A	N/A	None	None	None

**Weatherization Assistance Program**, regulated by the United States Department of Energy and administered by DHCD, installs cost-effective energy efficiency measures to decrease home energy consumption. According to DHCD, the average payment was \$2,826.

		Multiple F	Program Needs	Re	ason Cases Den	ied
Total Family units Served	Total Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
1,605	\$4,381,378	N/A	N/A	None	None	None

**EAP - Cooling Assistance** provides purchase or repair of cooling equipment, one time payment of cooling utility security deposit and payment for electricity to operate cooling equipment. The average payment increased from \$159 in SFY 2006 to \$181 in SFY 2007. In March 2006, Virginia received an additional \$33 million in LIHEAP block grant funds. The release of additional federal dollars presented an opportunity for the State to increase the Cooling Assistance Program allocation, maintain maximum benefit amounts and serve more eligible households. The number of households served through the Cooling Assistance component increased by almost 11% from the previous year.

Total Family units Cost		Multiple I	Program Needs	Re	ason Cases Den	ied	
	Total Family units Served	Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
	43,840	\$7,930,657	1,618	183,528	2,070	1,206	None

**Fan Care Program** purchases fans for the elderly. The Virginia Department for the Aging (VDA) administers this program with \$50,000 provided by Dominion Virginia Power. The average household payment was \$26.

		Multiple I	Program Needs	Re	ason Cases Den	ied
Total Family units Served	Total Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
1,485	\$39,171	N/A	N/A	N/A	N/A	N/A

Note: Statistics on multiple program needs and reasons for case denials were unavailable for SFY 2007.

**Summer Cooling Assistance** administered by the VDA uses LIHEAP funds to purchase window air conditioning units, repair air conditioning systems and pay electric bills for households containing elderly citizens, age 60 and older, who have income at or below 150% of the poverty level. The average payment was \$153.

		Multiple I	Program Needs	Re	ason Cases Den	ied
Total Family units Served	Total Cost	# of Cases	Funds Needed	Excess Income	Benefit too Small	Out of Funds
701	\$107,525	41	\$6,758	16	None	26

#### **Analysis of Program Summary Reports**

During SFY 2007, Virginia's energy assistance programs provided \$52 million dollars in energy subsidies to 181,521 low-income households. An analysis of the program summaries indicates that the number of households assisted during SFY 2007 increased slightly, serving 763 additional households. Administrative data collected from three of the programs (Summer Cooling, EAP – Cooling and Crisis) indicates that for 3,949 recipient households, the benefits received did not fully meet their need. Even with assistance provided, low-income households were required to spend over \$720,000 in additional funding to meet their immediate energy needs. Depending on the program, income in excess of 130 or 150% of poverty resulted in the denial of 10,460 households.

In addition to the programs summarized in this report, numerous other small community and faith-based energy assistance programs operate throughout Virginia. These programs provide assistance to households in their communities, offering assistance that helps defray energy costs. Additional low-income energy assistance programs are described below.

#### **Home Energy Assistance Program**

In anticipation of contributions from utilities, businesses and private citizens, the 2002 Virginia General Assembly established HEAP. Since submission of the last report, the program has received the fifth \$20,000 installment contribution from NiSource, Inc. NiSource is the holding company for Columbia Gas. The corporation pledged \$100,000 over a five year period to be provided in \$20,000 annual increments. In addition to the NiSource contributions, the HEAP has received donations from private citizens.

Beginning in January 2004, the Virginia state income tax form provided a check-off option for contributions to HEAP. In the first year of the HEAP check off, Virginians donated nearly one thousand dollars. Through the tax check-off option, donations to HEAP have increased significantly with total contributions including interest totaling \$77,275. In SFY 2007, \$31,663 was donated to HEAP through the tax check-off initiative. This represents a 49.7% increase in donations from SFY 2006. The HEAP funds received to date have been used to supplement the Fuel Assistance and Crisis Assistance components of the EAP. Virginia will continue to promote the HEAP income tax check-off in 2008.

#### **Effectiveness and Adequacy of Energy Assistance Programs**

For the purposes of this report, the effectiveness of Virginia's energy assistance programs is measured by the percentage of eligible households served, the level to which services meet the needs of target households, the extent to which energy assistance benefits actually subsidize total energy costs and the degree to which programs are duplicative. The data used for this analysis are derived from program administrative data, census data, data from the U.S. Department of Health and Human Services LIHEAP Notebook, results from a random survey of low-income EAP applicant households conducted by Virginia and data from the 2003 and 2005 National Energy Assistance (NEA) Survey Reports.

#### Percentage of Eligible Households Served

The demand for energy assistance programs exceeds available funding and service capacity. According to 211 Virginia's 2006-2007 Annual Report, rent assistance and utility bill assistance rank as the top two of the five categories of unmet needs for citizens of the Commonwealth. These two categories represent 75% of the total unmet needs. Other financial assistance, emergency housing and child care at are also among the top five unmet needs statewide at 12%, 10% and 3.0% respectively. Using the LIHEAP eligibility criteria as a proxy for eligibility across all low-income energy assistance programs, it is clear that many low-income households do not receive assistance in meeting their energy needs. The programs outlined in this report provided benefits and services to 181,521 low-income households during the last fiscal year. These programs provide assistance to eligible households with income up to 150% of the federally defined poverty limits (Appendix II delineates these income levels by family size). According to the U.S. Census Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) and U.S. Department of Health and Human Services, there are 805,657 LIHEAP eligible households in Virginia, with 312,999 of these households containing at least one individual 60 years of age or older. Energy assistance programs in the Commonwealth still serve fewer than 25% of potentially eligible households.

A lack of awareness about the programs clearly contributes to the relatively lower percentage of households served. As outlined in the SFY 2004 annual report, Virginia has pursued various methods of outreach and enrollment strategies to increase program awareness and participation; however, due to limited program funding and significant increases in home energy costs, drastic increases in program participation would only further reduce already low, in comparison to costs, benefit subsidies.

#### Percentage of Vulnerable Households Served

Given that the majority of LIHEAP income eligible households do not receive assistance, steps have been taken to ensure households with the lowest incomes and the highest energy costs or needs are awarded the highest benefits. The two groups of low-income households identified as having the highest home energy needs are households with vulnerable individuals and households with high energy burdens. Though Virginia considers a variety of factors in the determination of benefits, priority is given to households with one or more vulnerable members. These individuals include low-income seniors, disabled individuals and children under the age of six. The largest of the three EAP programs, Fuel Assistance, provides a weighted benefit for households containing at least one vulnerable individual. Additionally, due to funding limitations, the second largest program, Cooling Assistance, requires that households contain at least one vulnerable individual as a condition of eligibility.

Vulnerable individuals face a number of environmental factors that place them at significant risk of injury or death due to high residential energy costs. Although many low-income households are forced to suffer without air conditioning in the summer or heat during the winter, the effects of energy insecurity can be particularly harmful to children and seniors. Of additional concern are the choices these individuals and families are often forced to make while trying to maintain stable safe temperatures in their homes.

The Fuel Assistance Program represents 58% of all households served by energy assistance programs included in this report. As illustrated in the following pie chart, a large percentage of Fuel Assistance households contain at least one vulnerable individual. Additionally, since the Cooling Assistance Program requires that households contain at least one vulnerable individual, all 43,840 cooling recipient households include vulnerable household members.

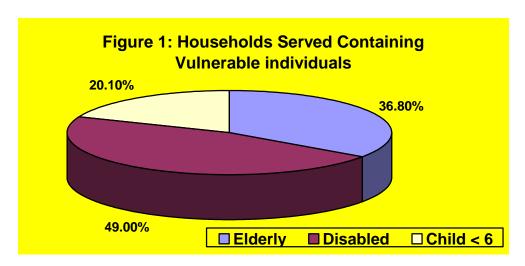


Figure 1 shows the proportion of total Fuel Assistance households served that included at least one vulnerable member in SFY 2007. Households with elderly (age 60 or older) total 36.8%, households with disabled total 49.0% and households with young child (under age 6) total

20.1%. Note: Individuals can be included in more than one vulnerability category. This data is derived from EAP administrative data for the winter season 2006-2007.

#### **Extent to which Benefits Meet Household Need**

While Virginia's energy assistance programs provide support to low-income households, studies show that the need for energy assistance far exceeds the capacity of current funding. According to the survey conducted by VDSS in 2006, among those participating in the Fuel Assistance component of EAP, 37% say their benefit covered one to 25% of their heating bill, while 35% say it covered 26 to 50% of their bill. Only 5.0% of recipients indicated that their benefit covered the entire bill. The percentage of benefit coverage among Cooling Assistance recipients was much less. There was much less participation in the Cooling Assistance component than the Fuel Assistance component by many households surveyed. Thirteen percent of households that did receive Cooling Assistance indicated that the benefit met one to 25% of their needs, while 7.0% said it covered between 26 and 50% of their needs.

Reduced program funding and significantly higher home energy costs have made energy affordability even more elusive for low-income Virginians. According to an energy cost survey completed in December 2006, from 2005 to 2006, energy costs in Virginia decreased slightly by an average of 7.43% overall. Even with the slight decline in energy prices, the impact was not enough to offset the decrease in federal funding, resulting in a substantial drop in the purchasing power of energy subsidies. The National Energy Assistance Directors' Association (NEADA) recently released study findings that found between the winter seasons of 2002-03 and 2006-07, the share of heating expenditures covered by the average LIHEAP grant was projected to decrease between 12 and 19% depending on a household's energy type. According to the study, a drop in purchasing power will continue as the federal appropriation for LIHEAP is expected to decrease by 25%; this will result in a 9.0% reduction in the average benefit subsidy.

The average benefit subsidy for Fuel Assistance in SFY 2007 was \$271. The hardships encountered when experiencing high home energy costs are even more devastating when combined with drastically lower household income. In Virginia, the annual income of 57% of recipient households is less than \$10,000. Unfortunately, projections are grim. According to the most recent data available from the NEADA, home energy costs are expected to remain significantly higher than previous years.

Even though the average benefit subsidy does not fully meet the needs of low-income households, studies show energy assistance programs significantly reduce the energy burden of recipient households. Energy burden is defined as the ratio of household energy expenditure to income. Energy burden is much higher for low-income households than for higher income households. According to the U.S. Department of Health and Human Services, the energy burden for low-income households is twice that of the average of all households and four times that of non low-income households. For the purposes of the report, severe residential energy burden is defined as energy costs exceeding 11% of income. According to the U.S. Department of Health and Human Services, the net effect of LIHEAP benefits is to lower recipient home heating burdens to levels closer to the levels of the average households. This is referred to as the LIHEAP burden offset.

Benefits paid with LIHEAP reduce the energy burden of households. The percentage of households with lower energy burdens increases after LIHEAP benefits have been applied. Figure 2 shows the level of energy burden nationally for recipients of LIHEAP prior to subtracting benefits from residential energy costs (pre-LIHEAP) and after subtracting benefits (post-LIHEAP), as reported by the 2005 NEA survey. The data reveals that LIHEAP programs can have a tremendous impact on recipient households. In 2005, LIHEAP benefits reduced the proportion of households with a severe residential energy burden by 10%.

Figure 2 Total Residential Energy Burden 2005 NEA Survey

	Percent of Households Served	
Energy Burden	Pre-LIHEAP	Post-LIHEAP
0 -10%	46%	57%
11 – 20%	33%	31%
>25%	21%	2.0%

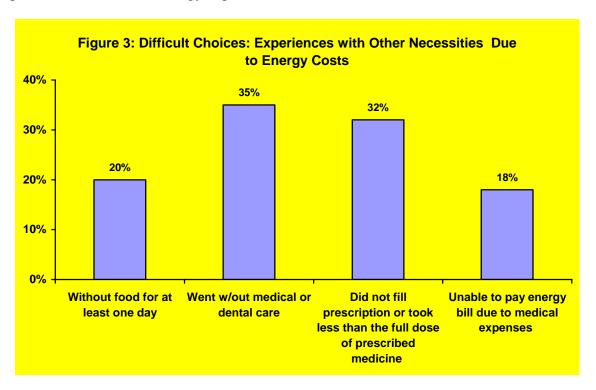
Figure 2 represents total residential energy costs, as that data is more accessible and apparent to recipient households than an expenditure breakdown by individual use. However, data available from the national Residential Energy Consumption Survey (RECS) indicates recipient households spend 36% of their residential expenditures on heating and 8.0% on cooling. Moreover, any reduction in home heating and cooling costs leads to a direct reduction in total residential energy costs.

When evaluating the adequacy of energy assistance benefits, it is important to consider that while energy benefits positively impact recipient households by reducing their energy burden, on average energy subsidies still only cover approximately 25% of a household's energy costs. As a result, low-income Virginians are still faced with significant challenges in meeting their immediate home energy needs while maintaining other basic necessities. The 2003 NEA survey, which includes state level detail for the Commonwealth of Virginia, includes a section on energy insecurity. LIHEAP recipients were asked a series of questions designed to measure energy insecurity and to examine aspects of energy affordability and experiences of households trying to meet their energy needs. What is particularly alarming are the responses to the questions posed regarding the choices low-income households are often forced to make regarding energy bills, food and prescription medicine. According to the survey, the biggest sacrifices made by Virginians were health related with 43% depriving themselves of medical or dental care and 34% choosing not to fill prescriptions or reducing the recommended dosage of their prescribed medication. Twenty-two percent stated that they went without food for at least one day and 20% were unable to pay their energy bills because of their medical expenses.

In 2005, another NEA survey was conducted to collect information on the choices made by LIHEAP households faced with high energy bills. The intent of the survey was to update the information provided by the same recipients as part of similar survey conducted by NEADA in

2003. Although the results of the 2005 study did not include state level detail, the national findings continue to highlight the fact that low-income households face difficult choices in attempting to pay their energy bills.

Figure 3 represents the proportion of total respondents in the 2005 NEA survey where someone in their household went without food, medical care or medicine in the past five years due in part to their residential energy expenses.



#### **Degree to which Programs are Duplicative**

Another important component in assessing the effectiveness of energy assistance programs in the Commonwealth is the degree to which program duplication exists. In examining the major state and utility-based programs, it appears that there is little duplication of services among programs. Each program offers a discrete and complementary energy assistance benefit to low-income Virginians.

The major programs funded by the LIHEAP block grant include the EAP Fuel Assistance Program, the EAP Crisis Assistance Program, the EAP Cooling Assistance Program, and the Weatherization Assistance Program. The three Energy Assistance Programs provide subsidies to offset the costs of heating and cooling or to avoid an energy crisis. The Weatherization Programs serve a very different purpose by helping households make their homes more energy efficient, thus reducing future costs for energy. The Summer Cooling Program operated by the VDA provides subsidies to individuals aged 60 and over to pay electric bills or purchase/repair air conditioners. This program serves relatively few individuals (only 701 were approved during SFY 2007); however, households up to 150% of the poverty level are eligible verses a 130% maximum requirement on other energy assistance programs

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An examination of the major utility-sponsored programs indicates the possibility that a duplication of services may be provided by the EnergyShare Program operated by Virginia Dominion Power and the EAP. The EnergyShare Program provided subsidies to approximately 6,900 households in the past fiscal year, and it is possible that some of those households may have also received EAP assistance.

The other major utility-sponsored program is Neighbor-To-Neighbor sponsored by the American Electric Power Company. This program served 33 localities last year and is administered by VDSS, preventing a duplication of services. VDSS uses the funds from Neighbor-To-Neighbor to supplement the EAP. Funds from Neighbor-To-Neighbor are only used for households when their EAP subsidy has been exhausted.

The full extent of duplication of services and the provision of multiple assistance benefits remains unknown due to privacy and confidentially restrictions on data sharing. However, the VDSS and VDA engage in a data sharing process which enables tracking of households that may request assistance for summer cooling needs from multiple sources. However, it should be noted that even if subsidies are provided by multiple sources and through various programs, it is unlikely that a recipient's total heating or cooling costs would be covered in full.

#### Results of Virginia's Low-Income Household Survey

In 2006, the VDSS conducted a biennial survey regarding the extent to which the Commonwealth's efforts in assisting low-income families in Virginia with energy assistance needs is adequate and non duplicative of similar services provided by utility companies, charitable organizations and local governments. The results of the survey showed that the majority of households received assistance from only one source, their local department of social services, for heating and cooling needs. Utility payments and fuel deliveries were the primary types of benefits received. Over one-third of the households reported that their subsidized benefit covered from one to 25% of their residential heating expenses for the winter. Almost all households surveyed had taken one or more preventive measures to reduce their heating costs such as closing off rooms, turning down thermostats, covering windows with plastic and wearing additional layers of clothing. Nearly half of the low-income households admitted that they sometimes have to choose between purchasing groceries, medication or paying for heating and cooling expenses.

## The Connection between LIHEAP and Child Health<sup>1</sup>

A recent study conducted by the Child Health Impact Working Group in Boston, Massachusetts reveals that each year, energy assistance continues to fall short in meeting the needs of families impacted by rising energy costs. As presented in the below findings, low-income families are caught in the gap between high energy costs and energy assistance, which can jeopardize a child's health and well being.

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<sup>&</sup>lt;sup>1</sup> "<u>Unhealthy Consequences: Energy Costs and Child Health</u>," is a report by the Child Health Impact Working Group, a panel of medical professionals from Boston University School of Medicine, Harvard School of Public Health, Brandeis University and other research organizations, released in November 2006.

- Low-income families facing disproportionately high energy costs are forced to make household budget trade-offs that jeopardize child health such as heat versus food and healthcare.
- Families that face high heating costs resort to alternative heat sources such as space heaters, ovens, candles or charcoal grills that jeopardize child health and safety by creating the potential for carbon monoxide exposure or house fires.
- High energy costs combined with unaffordable housing create budget constraints that
  force low-income families to endure unhealthy housing conditions that threaten child
  health. Because low-income families cannot afford appropriate housing, children can be
  exposed to poor housing conditions as rodent infestations, water leaks, mold and lead
  paint.
- The growing gap between rising energy prices and LIHEAP assistance means more lowincome families accumulate substantial unpaid utility bills, leading to arrearages and disconnections that adversely affect child and family well-being.
- The negative child health impacts of unaffordable home energy extend well beyond the
  winter heating season. Due to overwhelming utility arrearages during the winter, paying
  home energy bills becomes a year-round problem. Families often make budget tradeoffs, spending less for food, medical care and housing, so they can pay down
  accumulated arrearages.

Recommendations from the study included: funding LIHEAP to the maximum authorized federal level to allow increased participation and benefit levels, extending outreach to clinicians and health care settings to highlight the connections between high energy costs and child health and requiring utility companies to report data on arrearages and disconnections in supporting the state's ability to request the release of emergency LIHEAP funds.

## The Future of LIHEAP Funding

In FY 2007, LIHEAP operated under a continuing resolution. Grantees received their annual block grant allocation to administer their energy assistance programs; to date, no contingency funds have been released. An attempt by Congress to provide grantees with an additional \$400 million in the 2007 supplemental appropriations bill was vetoed by President Bush, due to the inclusion of a timeline for withdrawal of troops from Iraq. The reduction in federal funding forced many states to make drastic changes in how they administered their FY 2007 programs. Actions taken by other states included: closing heating assistance programs early due to lack of funds, not accepting new applications, reducing benefits and/or not offering a cooling program. A survey of states and the impact of the reduction in LIHEAP funding for FY

2007 is included in Appendix IV. The outlook for adequate funding to grantees does not look promising for next year. The President's proposed budget for FY 2008 includes a 25% reduction in LIHEAP funds.

Virginia's federal block grant award was reduced from \$75 million in FY 2006 to \$38 million in FY 2007. While the additional LIHEAP funds released in March of 2006 provided a 2006 award that was significantly larger than previous years, the failure to release any contingency funds for FY 2007 (as of late August) made the reduction in federal funding from FY 2006 to 2007 even more difficult to address. Although sufficient funding was available to operate the Fuel, Crisis and Weatherization Assistance components, limited funding remained to administer the Cooling Assistance component. To ensure that the 2007 Cooling Assistance component would operate through the scheduled application period, the maximum benefit for electric bill payments was reduced from \$200 to \$100. If the 2007 supplemental appropriations bill proposed by Congress had passed, Virginia would have likely received an additional \$12 million. The additional funding would have been used to supplement the summer Cooling Assistance component as well as the Fuel and Crisis Assistance components in the fall. If the 25% reduction proposed by President Bush for FY 2008 becomes a reality, Virginia's federal block grant award will likely decrease by approximately \$10 million. Other funding sources will have to be identified to supplement the Energy Assistance Program.

#### Conclusion

Due to reduced funding and increased energy costs, Virginia's energy assistance programs are faced annually with the difficult decision on whether to serve more households with a reduced benefit or serve fewer households with a benefit that will cover a larger or stable percentage of energy costs. According to the NEA survey, the average subsidy payment covers 25% or less of a low-income household's residential energy costs. Many recipients who receive energy assistance are forced to choose between basic human needs such as groceries, prescription medication or heating and cooling their homes. Data collected from Virginia's individual energy assistance programs concludes that there is very little duplication among the programs in assisting low-income households with their energy needs.

In FY 2007, Virginia's LIHEAP block grant award was reduced by 49%. The decrease in funding offered a challenge in maintaining benefit levels equal to previous program years. Although, there was sufficient funding to administer the Fuel, Crisis and Weatherization Assistance components, the maximum benefit for electric bill payments, offered through the Cooling Assistance component, was lowered to allow the program to operate through the application period. Larger contributions by utility companies and a slight decline in energy prices were not enough to offset the reduction in federal funding. Even with a slight decline in energy prices in FY 2007, the number of low-income households assisted by energy assistance programs increased slightly in FY 2007. Still, the number served represents less than half of the vulnerable citizens who are eligible to receive benefits. While outreach and enrollment strategies aimed at increasing program awareness and participation are important, their success exacerbates the challenge of shrinking resources in an era of increasing demand.

Funding for energy assistance programs in the Commonwealth continues to be a significant challenge. Many states supplement their LIHEAP block grant with state general funds and use tax revenues. Without an increase in funding or a reduction in demand resulting from a significant drop in energy prices or poverty rates, the energy assistance programs available in the Commonwealth will continue to become less effective over time.

§ <u>63.2-805</u>. Home Energy Assistance Program; report; survey.

A. The General Assembly declares that it is the policy of this Commonwealth to support the efforts of public agencies, private utility service providers, and charitable and community groups seeking to assist low-income Virginians in meeting their residential energy needs. To this end, the Department is designated as the state agency responsible for coordinating state efforts in this regard.

- B. There is hereby created in the state treasury a special nonreverting fund to be known as the Home Energy Assistance Fund, hereinafter the "Fund." Moneys in the Fund shall be used to:
- 1. Supplement the assistance provided through the Department's administration of the federal Low-Income Home Energy Assistance Program Block Grant; and
- 2. Assist the Commonwealth in maximizing the amount of federal funds available under the Low-Income Home Energy Assistance Program and the Weatherization Assistance Program by providing funds to comply with fund -matching requirements, and by means of leveraging in accordance with the rules set by the Home Energy Assistance Program.

The Fund shall be established on the books of the Comptroller. The Fund shall consist of donations and contributions to the Fund and such moneys as shall be appropriated by the General Assembly. Interest earned on money in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes set forth in this section. The State Treasurer shall make expenditures and disbursements from the Fund on warrants issued by the Comptroller upon written request signed by the Commissioner. Up to 12% of the Fund may be used to pay the Department's expenses in administering the Home Energy Assistance Program.

- C. The Department shall establish and operate the Home Energy Assistance Program. In administering the Home Energy Assistance Program, it shall be the responsibility of the Department to:
- 1. Administer distributions from the Fund;
- 2. Lead and facilitate meetings with the Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, for the purpose of sharing information directed at alleviating the seasonal energy needs of low-income Virginians, including needs for weatherization assistance services;
- 3. Collect and analyze data regarding the amounts of energy assistance provided through the Department, categorized by fuel type in order to identify the unmet need for energy assistance in the Commonwealth;
- 4. Develop and maintain a statewide list of available private and governmental resources for low-income Virginians in need of energy assistance; and

Appendix I

- 5. Report annually to the Governor and the General Assembly on or before October 1 of each year through October 1, 2007, and biennially thereafter, on the effectiveness of low-income energy assistance programs in meeting the needs of low-income Virginians. In preparing the report, the Department shall:
- a. Conduct a survey biennially beginning in 2002 that shall collect information regarding the extent to which the Commonwealth's efforts in assisting low-income Virginians are adequate and are not duplicative of similar services provided by utility services providers, charitable organizations and local governments;
- b. Obtain information on energy programs in other states; and
- c. Obtain necessary information from the Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, to complete the biennial survey and to compile the required report. The Department of Housing and Community Development, the Department of Mines, Minerals and Energy, and other agencies of the Commonwealth, as well as any nonstate programs that elect to participate in the Home Energy Assistance Program, shall provide the necessary information to the Department. The Department is authorized to assume responsibility for administering all or any portion of any private, voluntary low-income energy assistance program upon the application of the administrator thereof, on such terms as the Department and such administrator shall agree and in accordance with applicable law and regulations. If the Department assumes administrative responsibility for administering such a voluntary program, it is authorized to receive funds collected through such voluntary program and distribute them through the Fund.
- D. Local departments may, to the extent that funds are available, promote interagency cooperation at the local level by providing technical assistance, data collection and service delivery.
- E. Subject to Board regulations and to the availability of state or private funds for low-income households in need of energy assistance, the Department is authorized to:
- 1. Receive state and private funds for such services; and
- 2. Disburse funds to state agencies, and vendors of energy services, to provide energy assistance programs for low-income households.
- F. Actions of the Department relating to the review, allocation and awarding of benefits and grants shall be exempt from the provisions of Article 3 ( $\S$  2.2-4018 et seq.) and Article 4 ( $\S$  2.2-4024 et seq.) of Chapter 40 of the Administrative Process Act ( $\S$  2.2-4000 et seq.).
- G. No employee or former employee of the Department shall divulge any information acquired by him in the performance of his duties with respect to the income or assistance eligibility of any individual or household obtained in the course of administering the Home Energy Assistance Program, except in accordance with proper judicial order. The provisions of this section shall not apply to (i) acts performed or words spoken or published in the line of duty under law; (ii) inquiries and investigations to obtain information as to the implementation of this chapter by a duly constituted committee of the General Assembly, or when such inquiry or investigation is relevant to its study, provided that any such information shall be privileged; or (iii) the publication of statistics so classified as to prevent the identification of any individual or household.

## LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM ELIGIBILITY GUIDANCE

#### **ANNUAL FEDERAL POVERTY GUIDELINES\***

For All States (Except Alaska and Hawaii) and for the District of Columbia

Size of Family	100% of Poverty	130% of Poverty	150% of Poverty
Unit			
1	\$9,800	\$12,740	\$14,700
1	Ψ2,000	Ψ12,710	Ψ11,700
2	\$13,200	\$17,160	\$19,800
3	\$16,600	\$21,580	\$24,900
4	\$20,000	\$26,000	\$30,000
5	\$23,400	\$30,420	\$35,100
6	\$26,800	\$34,840	\$40,200
7	\$30,200	\$39,260	\$45,300
8	\$33,600	\$43,680	\$50,400

Federal law requires that income criteria for use of Low-income Home Energy Assistance Program funds must not exceed 150% of poverty. Virginia uses 130% of poverty.

<sup>\*(</sup>Published in 2006. 130% is used for the VDSS EAP Cooling Assistance Program summer 2006 and Fuel/Crisis Assistance Fall/Winter 2006-07)

## LIHEAP INCOME ELIGIBILITY ESTIMATES<sup>1</sup> FOR VIRGINIA

Federal Fiscal Year (FFY) 2005

Estimates of Federal and State LIHEAP Eligible Households by Vulnerable Group, FFY 2005

Vulnerable Group	Number of LIHEAP Eligible Households (Federal Maximum Standard) <sup>2</sup>	Number of LIHEAP Eligible Households (State Maximum Standard)
All	805,657	365,519
Elderly	312,999	145,179
Disabled	209,531	113,946
Young Child	144,937	68,798

<sup>&</sup>lt;sup>1</sup> State level estimates and the number of eligible households were developed using the U.S. Census Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC). To estimate the number of LIHEAP eligible households for FFY 2005 averages of 2004, 2005, and 2006 CPS ASEC were used. Estimates are subject to sampling error.

Data Source: US Department of Health and Human Services, Administration for Children and Families, LIHEAP Home Energy Notebook FFY 2005

<sup>&</sup>lt;sup>2</sup> The greater of 60% of state median income or 150% of poverty guidelines.

State	Action(s) Taken By States
Alaska	The State continued to accept applications through April 30 <sup>th</sup> . The state did not
	have any funds available for crisis assistance. Benefit levels were reduced and
	the number of households applying for assistance continued to increase.
Arizona	The state program requires that local agencies run a year-round program and
	many divide their allocations on a monthly basis. Most agencies reported that
	they used their entire monthly allotment by the middle of each month due to a
	lack of adequate funding. There was a concern about the up coming summer
	cooling season as a result of rising electric bills and whether there would be
	adequate funding to help families avoid shut-offs and heat- related illnesses.
Arkansas	The State closed its program to new applications on March 31 <sup>st</sup> and the
	remaining funds were used to provide crisis assistance. All agencies ran out of
	funds by the end of May 2007. The state's largest supplier received a rate
	increase that took effect prior to the start of the summer heating season.
California	Due to an unusually cold winter, the State received a higher number of
	applications for assistance. Several agencies used up their entire utility
	assistance allocation within a few months due to serving agricultural workers
	affected by the freeze. Only minimal funding was available to provide crisis
	assistance.
Colorado	The State continued to take applications for heating assistance through April
	30 <sup>th</sup> . Program benefits were reduced. In FY06, 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	The State continued to accept applications through May 1st. All available funds
	were committed to current clients and no funding was available for cooling.
	The State's largest utility has raised electric rates by 8.0% and the second
	largest increased rates by a total of 47% by the end of the summer.
Delaware	The State ran out of heating assistance funds and stopped taking applications
	for assistance on March 31 <sup>st</sup> . The state operated a cooling program as a result
	of increase demand for heating assistance, but the number of households
	receiving cooling assistance was reduced by 79%. One of the state's major
	electric utilities increased rates by 59%; the rates were phased in for lower
	income households.
District of Columbia	D.C. closed its program on April 6 <sup>th</sup> and all regular and crisis funds were
	expended. 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 FY 06,
	26,000 households were approved for the program. Without the additional
	funds, the residents that are now eligible to receive benefits, due to the change
	in eligibility requirements, were not able to receive assistance.
Florida	The State operates a year-round program and allocates funds for both crisis and

	home energy. Local agencies allocate the funds monthly and prioritize clients. As the monthly allocations were spent, the agencies referred clients to other funding sources. There was a significant reduction in the number of households seeking assistance that were able to receive assistance.
Georgia	The State closed its program to new applicants on April 6 <sup>th</sup> . There were not enough funds left to run a summer cooling program.
Hawaii	The State did not start its program year until final funding was approved.
Iowa	The State stopped taking applications for assistance on April 16 <sup>th</sup> . All FY07 funds were expended. The summer fill fund was also depleted and no funds were available for supplemental payment, although this was the third highest year for heating costs ever. In addition, Iowa reduced its average LIHEAP benefit by 30% from last year's level.
Kansas	The State ended its program on March 30 <sup>th</sup> . Supplemental benefits were awarded to mid-June to the qualified winter heating assistance recipients. There were no crisis funds remaining and no summer cooling program was offered.
Kentucky	The State closed its program on March 31 <sup>st</sup> and all regular and crisis funds were expended for the current fiscal year. The Commonwealth of Kentucky did not run a summer cooling program. Higher utility and bulk fuel prices greatly increased the demand on program funds. The agencies in eastern and rural Kentucky where the first to run out of funds.
Maine	The State continued to accept applications through April 30 <sup>th</sup> . Remaining funds were obligated for heating system repairs and replacement by June. There were no crisis funds remaining and no funds were available for cooling assistance.
Maryland	The State did not run out of funds since it was able to carryover funds from FY06. Many applicants who normally applied during the winter were served early and took advantage of the early benefit. Maryland does not have a separate crisis program. Vendors deliver a minimum delivery at the time of crisis and the complete benefit amount when the applicant is certified for benefits.
Massachusetts	The State continued to take applications through May 11 <sup>th</sup> . There are no program funds remaining at the state level and local agencies had expended on average 85% of their program funds by mid-April. Their funds were exhausted by mid-May. No crisis funds were available, other than a statutory reserve and a summer cooling program was offered. The program saw an increase in emergency clients at the end of the winter moratorium on April 30 <sup>th</sup> .
Michigan	The State usually operates a year-round program, but stopped taking applications for crisis assistance for heating and electricity on April 11 <sup>th</sup> due to a lack of funds to meet the need. Crisis funds were fully depleted by April 20 <sup>th</sup> when applications received by the April 11 <sup>th</sup> cut-off date were processed. There were no funds remaining for electricity assistance this summer.
Minnesota	The State exhausted all regular funds on April 9 <sup>th</sup> and crisis funds on April 2 <sup>nd</sup> .
Montana	The State continued to take applications until April 30 <sup>th</sup> . Benefits were reduced

	drastically for winter and many households experienced large arrearages.
Nebraska	The State stopped taking applications for regular heating assistance on March
	31 <sup>st</sup> . The State has a year-round crisis assistance component that was used in
	place of a regular heating. A summer cooling program was offered.
New Jersey	The State continued to accept applications until April 30 <sup>th</sup> . Cooling and
	supplemental benefits were available until August. A summer cooling program
	was offered.
New Mexico	The State continued to accept applications and did not anticipate on 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
	can 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	The State continued to accept applications for winter heating assistance (both
	regular and crisis) through May 15 <sup>th</sup> . A summer cooling program was not
	offered this year.
Oklahoma	The State stopped taking applications early and funding for crisis assistance
	only lasted through the end of April. All remaining funds were 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	The State closed its heating program on March 30 <sup>th</sup> . The State was able to
	maintain services because it carried over FY06 contingency and supplemental
	releases. Last year, the program was open until the end of May. The State ran
	out of regular and crisis funds and a record number of shut-offs were expected
	for spring and summer.
South Carolina	The State concluded its initial heating assistance program on April 30 <sup>th</sup> and
	started taking cooling applications on May 1 <sup>st</sup> . The LIHEAP funds are offered
	and budgeted over a 12 month program year. Last year the program served
	over 54,000 households, but this year with the decrease in funding, at the
	current level, only half were served and the benefit level had to be reduced.
Texas	The State continued to take applications. Program funds lasted through June
	30 <sup>th</sup> . The State administers a year-round energy assistance program due to the
	geographic and climatic diversity in Texas. Eligible households apply for
	assistance for energy bills which include all energy consumption in a
	household. Texas obligates the majority of the LIHEAP funds in the summer
	months due to the hot climate and the use of cooling appliances.
Utah	The State continued to accept applications through the end of April. The year-
	round crisis program continued to assist with cooling assistance in the summer.
Vermont	The State stopped taking applications on the last day of February, but extended
	the crisis program for bulk fuels an additional week. All federal funds were
	exhausted and state funds were utilized for crisis assistance.
Virginia	The State completed its fuel and crisis assistance programs, accepting

	applications through March 15 <sup>th</sup> . Remaining program funds were used for the
	summer cooling program. Due to the reduction in funding, the program was
	not as large as the FY06 program and the maximum electric bill payment was
	reduced from \$200 to \$100.
Washington	The State ran out of funds by the end of June. In the beginning of April, 49%
	of the State's community action agencies were out of funds, 45% ran out of
	funds at the end of April and the remaining 6.0% ran out of funds by the end of
	June. The State does not have a separate crisis program.
Wisconsin	The State accepted applications for heating assistance through May 15 <sup>th</sup> . As a
	result of cutbacks in federal funding, the average heating benefit was about
	40% lower than in FY06. In April, 22 counties had less than 25% of their
	allocated LIHEAP crisis benefit funds remaining. Of those 22, 12 counties
	were completely out of available LIHEAP crisis benefit funds.
Wyoming	The State continued to accept applications through April 30 <sup>th</sup> . The State ran out
	of federal funds and resorted to state funds to continue funding the program.

Note: Information on states was compiled from a survey titled <u>"Status of State LIHEAP Funding: State Survey"</u>, conducted by the National Energy Assistance Directors' Association (NEADA), published April 30, 2007.