

Overview of the Energy Assistance Program Virginia Department of Social Services

A Presentation to
The State Board of Social Services

December 14, 2011

Overview of the Energy Assistance Program (EAP)

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- The Energy Assistance Program (EAP) in VA is 100% federally funded by the Low-Income Home Energy Assistance Program (LIHEAP) block grant.
- LIHEAP was established through the Low Income Home Energy Assistance Act, Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).
- LIHEAP is a block grant. States, tribes and territories receive an annual allocation based on a federal appropriation versus receiving funds based on the number of eligible households participating in the program. Unlike other block grant programs, the federal appropriation for the program changes each year.
- In Virginia, the EAP includes four components:
 - Fuel, Crisis and Cooling Assistance (administered by the DSS); and
 - Weatherization Assistance (administered by the Department of Housing and Community Development - DHCD). The Code of Virginia requires that 15% of all LIHEAP funds are provided to DHCD for Weatherization Assistance.

Components of the EAP administered by DSS

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- **Fuel Assistance:** is a supplemental program that provides assistance purchasing primary home heating fuel or paying primary home heating utility bills.
- **Crisis Assistance:** is intended to meet a household's emergency heating need, when other resources are not available.
 - Types of assistance include: primary heat security deposits, payment of primary heat utility bills, purchase of primary heating equipment and/or repair/replacement of heating equipment.
- **Cooling Assistance:** provides for the purchase or repair of cooling equipment, one-time payment of cooling utility security deposit, and payment for electricity to operate cooling equipment.

Select eligibility criteria for EAP

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- EAP operates seasonal components, providing assistance during the coldest and hottest months of the year. EAP benefits are not intended to cover all costs – supplemental offset.
- LIHEAP statute directs grantees to target households with the lowest incomes and highest energy costs (high energy burden) and households with vulnerable individuals (individuals 60/over, disabled or child under 6).
- Eligible households must have a heating/cooling expense; the maximum income limit is 130% of the federal poverty limit (FPL.) To be eligible for Cooling Assistance, the household must include at least one vulnerable individual.
- Because EAP funding is limited and only offers supplemental assistance, efforts are coordinated with other energy assistance programs like the Dominion Virginia Power EnergyShare Program.

Application Periods

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- **Fuel – Second Tuesday in October through the Second Friday in November.**
- **Last week in September:**
 - Pre-printed applications sent to households that received Fuel Assistance in the prior year; and
 - Pre-approval notices to current SNAP recipients that live at the same address

Application Periods

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- **Crisis – November 1 through March 1; primary fuel January 1.**
- **Cooling – June 15 through August 15.**

Benefit Levels

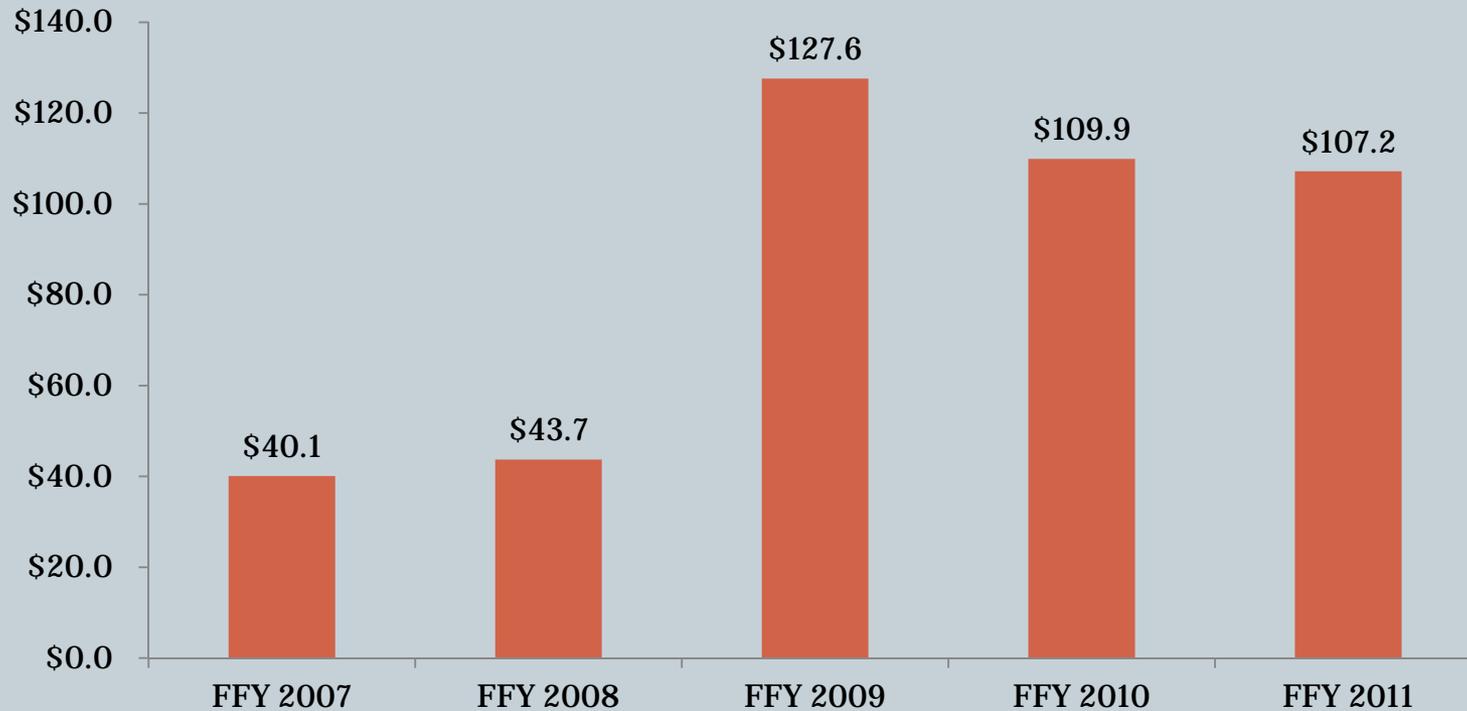
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- **Fuel Assistance - average benefit last winter \$277. Over the last five years, the average benefit for Fuel Assistance has ranged from \$553 to \$231. Fuel Assistance benefits are based on the number of eligible households that apply and available funding.**
- **Crisis Assistance - average benefit last winter \$374 (includes all types of assistance).**
- **Cooling Assistance - average benefit summer 2011 \$325 (includes all types of assistance).**
- **Fuel and Crisis Assistance are offered annually. In addition to providing assistance to households with the lowest incomes and the highest energy costs, the LHEAP statute requires grantees to provide energy crisis intervention through March 15 of each year.**
- **Cooling Assistance is offered based on the availability of federal funding. Virginia has offered Cooling Assistance for the last ten years.**

LIHEAP funding for Virginia

LIHEAP funding (\$M)*

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Note: FFY 2012 funding unknown - operating under a continuing resolution (CR)

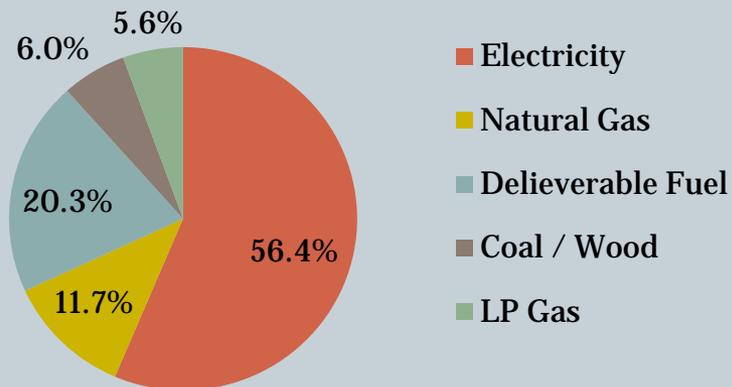
*Includes block and contingency funds

Household information

Households served with vulnerable individuals (FFY 2010-11)

	Fuel	Crisis
Elderly	33.1%	22.4%
Disabled	44.1%	39.1%
Child under 6	21.5%	24.6%

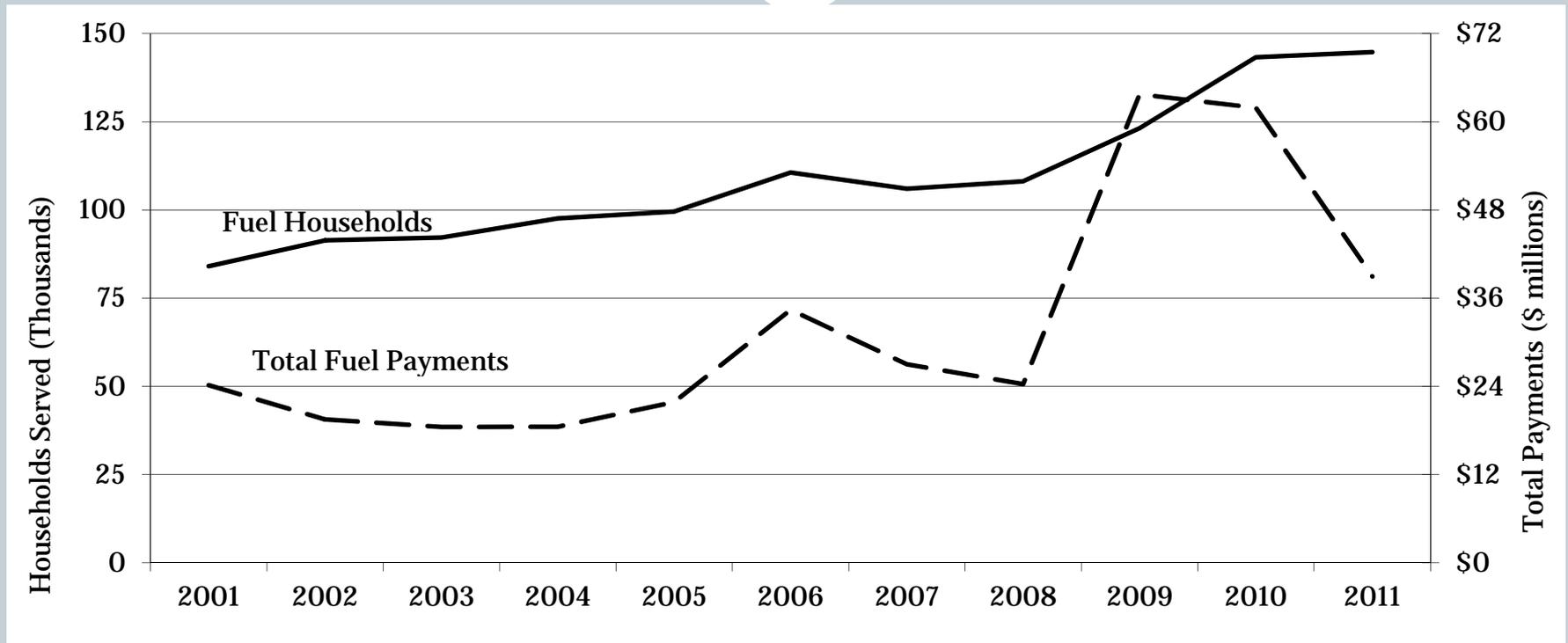
Energy source utilization for Fuel Assistance households (FFY 2010-11)



Households Served and Payments for Fuel Assistance

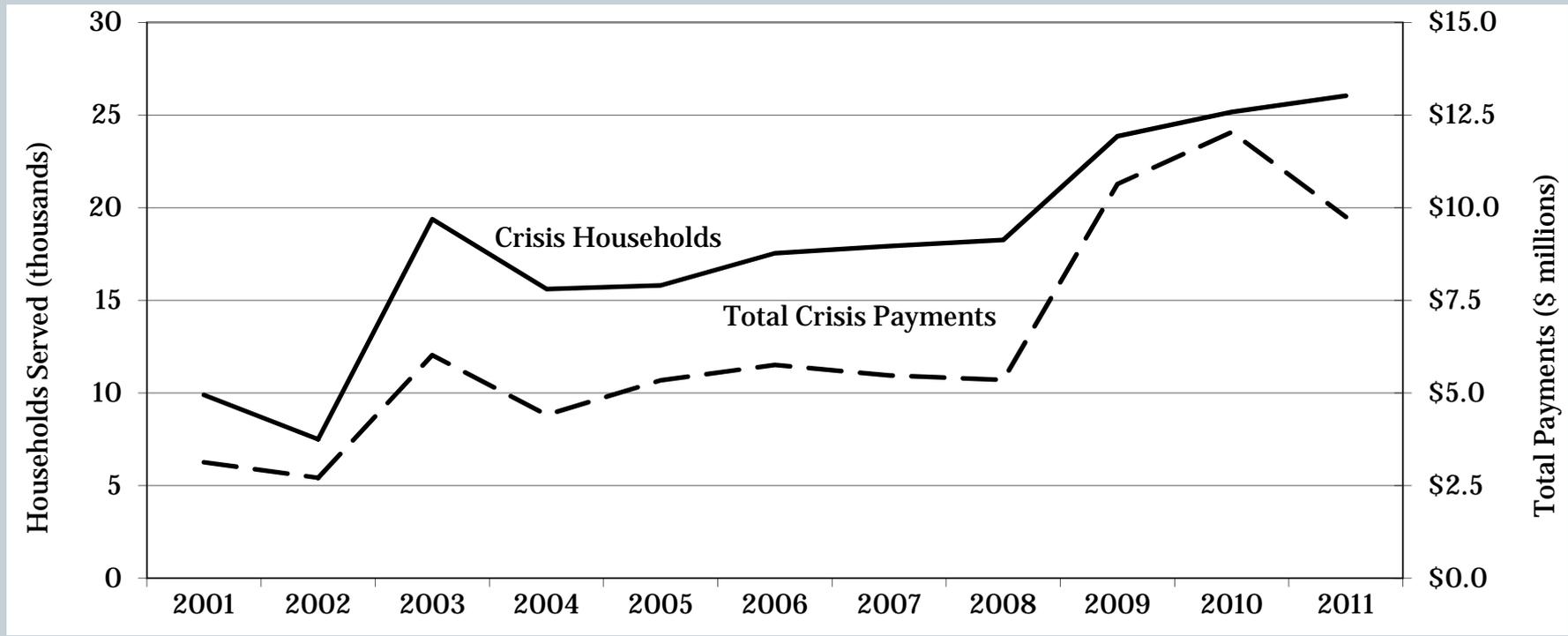
Fuel Assistance - Households and Total Payments

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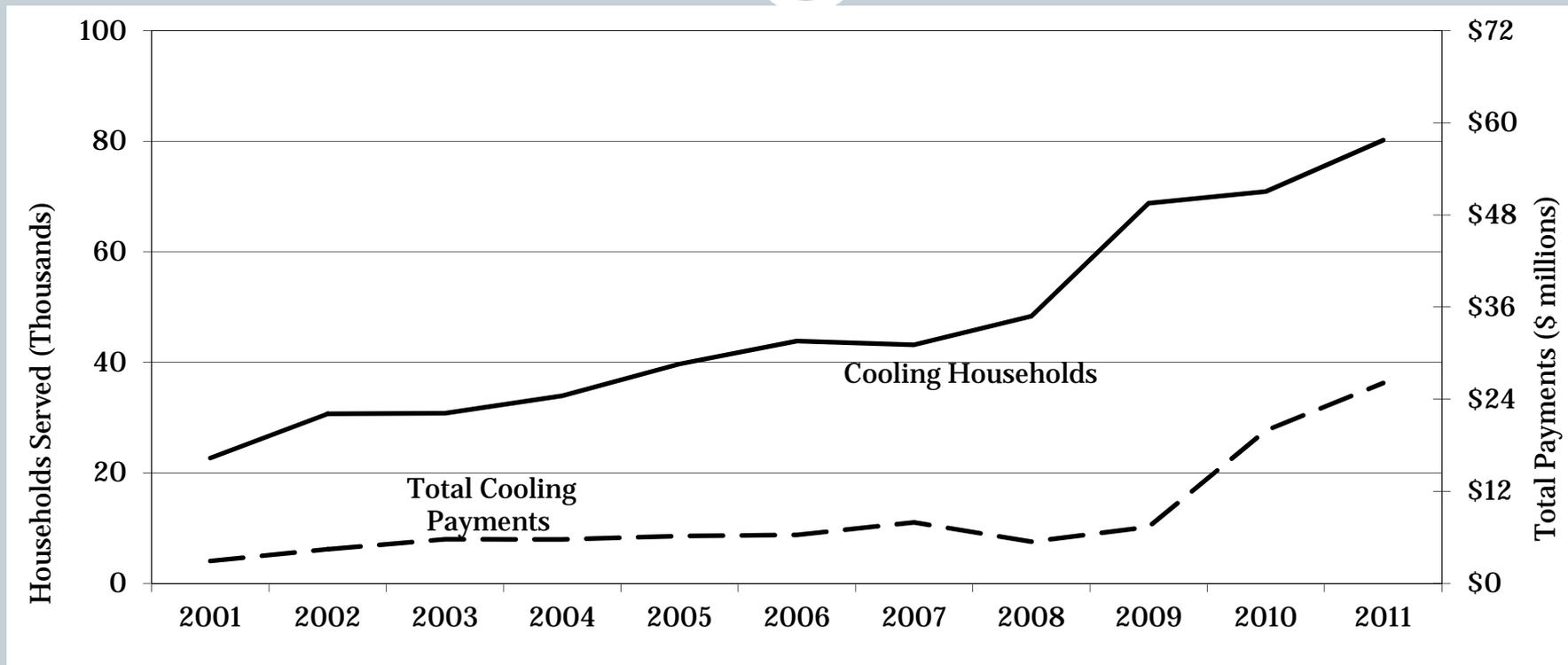
Households Served and Payments for Crisis Assistance

Crisis Assistance - Households and Total Payments



Households Served and Payments for Cooling Assistance

Cooling Assistance - Households and Total Payments



EAP and Vendors

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- **Majority of payments are made directly to EAP vendors. Households receive a direct payment under certain circumstances. For example, their utility provider does not participate in the EAP or their primary energy source is coal or wood.**
- **Over 700 vendors participate in the EAP. Vendors include large corporations, small family owned businesses, and non-profit, community organizations/agencies.**

DSS EAP Report and Survey

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- **DSS is required to submit an EAP report to the Governor and General Assembly every two years.**
- **In addition to the report, the DSS is required to conduct a survey to “collect information regarding the extent to which Virginia’s efforts in assisting low-income Virginians is adequate and not duplicative of similar services provided by utility companies, charitable organizations, and local governments.”**

Results from 2010-11 DSS Survey

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- Majority of households received assistance from only one source, their LDSS. Utility payments and fuel deliveries were the primary types of benefits received.
- 29% of households surveyed reported that the EAP benefit covered 26% to 50% of their residential heating expenses, while 49% stated that the benefit covered 1.0% to 25%. On average, the EAP benefit covered 31% of the heating expenses.
- Almost all household had taken one or more preventive measure to reduce heating costs, such as closing off rooms, turning down thermostats, covering windows with plastic, and wearing additional layers of clothing.
- 45% of the low-income households survey stated they had to choose between purchasing groceries, medication, or paying heating and cooling expenses.
- While Virginia's EAP provides support to low-income households, studies show that the need for energy assistance exceeds the capacity of current funding.

Results from a National Energy Assistance Survey

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- In 2011 through a grant from the U.S. Department of Health and Human Services, the National Energy Assistance Directors' Association (NEADA) conducted a new survey to provide updated information on surveys conducted in 2003, 2005, 2008, and 2009.
- The survey documented changes in energy affordability, the need for LIHEAP and the choices low-income households are forced to make with unaffordable energy bills.
- LIHEAP Households are among the most vulnerable in the Country:
 - 40% have someone age 60 or older.
 - 72% have a family member with a serious medical condition.
 - 26% use medical equipment that requires electricity.
 - 37% went without medical or dental care.
 - 34% did not fill a prescription or took less than their full dose of prescribed medication.
 - 19% became sick because the home was too cold.
 - 85% of people with a medical condition are seniors.

Results from 2011 National Survey (continued)

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- **Other key facts reported by the study:**
 - 45% reported that their energy bills were more than \$2,000 in the past year.
 - 35% were unemployed at some point during the year.
 - 52% said that energy bills were more difficult to pay than in the previous year and 48% of those who said that it was more difficult to pay their energy bills reported that the main reason was their financial situation.
- **Nationally, LIHEAP benefits decreased in 2011 year due to the smaller federal appropriation in FY 2011. On average, heating benefits nationally were \$429 in FY 2011, compared to \$483 in FY 2009.**

Results from 2011 National Survey (continued)

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- **Many LIHEAP recipients were unable to pay their energy bills:**
 - 49% skipped paying or paid less than their entire home energy bill.
 - 37% received a notice or threat to disconnect or discontinue their electricity or home heating fuel.
 - 11% had their electric or natural gas service shut off in the past year due to nonpayment.
 - 24% were unable to use their main source of heat in the past year because their fuel was shut off, they could not pay for fuel delivery, or their heating system was broken and they could not afford to fix it.
 - 17% were unable to use their air conditioner in the past year because their electricity was shut off or their air conditioner was broken and they could not afford to fix it.

Questions/Comments