

Large numbers of US households to be denied heating assistance this winter

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The ongoing economic crisis has driven up the number of American households applying for home heating assistance this winter. Federal funds, however, are likely to be slashed virtually in half from last year.

Funding for the Low Income Home Energy Assistance Program (LIHEAP) for fiscal year 2012, which began October 1, is expected to total \$3.5 billion—over \$1.5 billion less than last year. The amount has not been agreed upon due to political wrangling in Congress. Obama’s standing proposal for the full 2012 LIHEAP budget is only \$2.5 billion.

The administration has released only \$1.7 billion of the LIHEAP funds pending congressional action on the official budget. The funds are distributed on a state-by-state basis. Each state is allocated a certain share of the total LIHEAP funds and handles the applications and disbursement of funds.

States agencies are dealing with a substantial increase in the number of households applying for heating assistance. The anticipated shortfall means that tens or even hundreds of thousands of households applying for aid throughout the country are being put on waiting lists.

Some states have tightened eligibility for assistance. For example, Pennsylvania has reduced eligibility to households at 150 percent of the federal poverty level or less. (The official poverty line is set at just over \$20,000 a year for a family of four.) Last year, the state’s requirement was 160 percent of the poverty level.

In virtually every state, successful applicants will receive less cash this year to pay utility bills.

According to a report by the National Energy Assistance Directors’ Association (www.neada.org), entitled the National Energy Assistance Survey, approximately 10 million households are expected to

apply for LIHEAP assistance this year—up from 8.9 million who received assistance last year. The report is based on a survey of 1,768 families. The findings indicate that nearly 90 percent of the households that received LIHEAP funds last winter had “at least one vulnerable member—defined as someone who is age 60 or older, age 18 or younger, or disabled—for whom a loss of heat in the winter or cooling in the summer could have serious health and safety implications.

“Because of the difficulty they faced in paying their utility bills, these vulnerable households were forced to make choices that carry serious health risks. As many as 37 percent went without medical or dental care, and 34 percent did not fill a prescription or took less than their full dose of prescribed medication. In addition, 19 percent became sick because the home was too cold.”

The survey reports that nearly two-thirds of the recipient households said that even though the LIHEAP benefits were low (averaging \$417 per year), they would have kept their homes at temperatures too low to be healthy if they hadn’t received assistance.

The state of Connecticut is receiving only \$46.4 million this year as compared to \$115 million last year. Agencies are preparing to distribute their drastically reduced LIHEAP funds to 20,000 more households than in 2010-11. Dr. James H. Gatling, president of New Opportunities Inc, in Waterbury, Connecticut, one of the 12 nonprofit agencies that process LIHEAP applications in the state, said at a recent press conference, “We’re seeing people we have never seen before come through our doors. We don’t have enough shelters or school buildings to put people in if they can’t heat their homes.” He added: “If we don’t provide for this program, there are people in this state who are going to die this year.”

The Obama administration’s plan would provide \$81

million for Massachusetts, compared with \$183 million last winter. John J. Drew, President/CEO of Action for Boston Community Development (ABCD) described the situation faced by the poor this winter as “a natural disaster equal to or worse than any we have experienced.”

He said, “The funding under consideration in Washington, D.C. right now is totally inadequate. We are on the cusp of frigid weather in the cold, northern states and they are talking about funding that will provide only a half tank of oil for the seniors and low-income families we serve. Most oil companies won’t even deliver that small an amount. At that level, we will have all of our 24,000-plus client-families out of benefits before Thanksgiving.”

With the cost of fuel oil going up to almost \$4 per gallon, the cost of heating an average New England home this year is estimated at \$3000—\$650 more than last winter. Approximately 65,000 people in the northeastern state of Maine, one of the poorest in the country, are expected to apply for home heating benefits. Dale McCormick, director of the Maine State Housing Authority, the agency that administers LIHEAP in Maine, said “This is a double whammy and we are going to have families in dire straits.” Maine’s share of Obama’s LIHEAP disbursement is under \$24 million—less than half the \$58 million allotted last year.

The state of New York has been allocated \$235.5 million in LIHEAP funds from the disbursement, but depending on the outcome of the debates in Washington, the state is poised to lose as much as \$152.3 million from last year’s funding. By far, the most populous of the Eastern seaboard states, New York’s LIHEAP funding has become a point of contention between the Senate and the House of Representatives, each body wanting to fund the state on a different percentage of the total disbursement. The Senate bill would keep the state at 12 percent, still meaning a huge cut in funds, while the House bill would lower funding to 10 percent.

Other cold-weather states LIHEAP allocations are in limbo as the Senate and House bills are debated. Ohio, Michigan and Wisconsin are affected by the uncertainty.

In the face of the across-the-board cuts in federal home heating aid, residents of Southeast Michigan face \$175 million in rate increases just granted by the

Michigan Public Service Commission (MPSC) to DTE Energy. This increase was granted despite the conglomerate’s record profits in 2011 of \$202 million.

The rate increase will be reflected immediately in customers’ bills this month. The MPSC also announced that in the first eight months of 2011, DTE shut off utilities to 138,629 homes.

Adding insult to injury, the *Detroit Free Press* recently revealed that low-income Detroit residents who had applied for the federal home weatherization program were abandoned when the city’s Human Services Department became ensnared in a corruption scandal and had to return \$9.2 million in economic stimulus money.



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