

Washington cuts funding for emergency utilities assistance

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Even as the number of households applying for emergency assistance with their utility bills is expected to reach record levels, the federal government has dramatically reduced funding for the Low Income Home Energy Assistance Program (LIHEAP). If the US Senate fails to appropriate additional money for LIHEAP when it reconvenes later this month, the program will see its financing reduced to \$3.3 billion in fiscal year 2011 (FY 2011), a \$1.8 billion decline over the previous year.

While the US House of Representatives requested \$5.1 billion for LIHEAP in its proposed FY 2011 budget, which began in October 2010, the Senate has thus far only approved \$3.3 billion. Unless the Senate takes action to match the amount approved by the House of Representatives before the start of the next congressional session in January, LIHEAP's funding will remain at the \$3.3 billion level.

The consequences of this will be devastating. Some experts are projecting that 10 million households will seek help during the 2010-2011 winter heating season this year, up from 8.8 million last year and 7.7 million the year before. In a September 21 letter to Congress, the National Energy Assistance Directors' Association (NEADA) noted, for example, that "Colorado is projecting the number of applicants [for utilities assistance] to increase by at least 15 percent," while Maryland, which has an early enrollment, had already seen a 5 percent jump in the number of households seeking help.

The 35 percent reduction in LIHEAP financing will force the state agencies that administer the funds to slash the size of the subsidies they offer, turn qualified applicants away, or both. "It will put a lot of families in dire straits," George Coling, director of the National Fuel Funds Network, told the *World Socialist Web Site*.

In Emmet County, Iowa, for example, the Upper Des Moines Opportunity, Inc. (UDMO), which gives out LIHEAP aid in the area, is cutting the average size of its grants in half—from \$600 to \$300. Describing the situation facing his organization, UDMO supervisor Jim Jenson told the *Estherville Daily News*, "We're getting less and less from the federal and state governments and there's more need."

The LIHEAP director for the entire state of Iowa, John Brunquist, told the Fort Dodge *Messenger* that thus far his agency had only received 75 percent of its total funding request for the first quarter. "We were notified last week (the week of October 24) that we'd be receiving \$30.4 million," Brunquist said. The newspaper reports that last season the federal government gave Iowa a total of \$72.7 million for the program.

In Vermont, local television station WCAX carried a program on October 28 describing the utilities crisis in the state. "Winter is right around the corner. But many of the state's utility assistance programs are broke," it noted.

The Warmth Program, administered by the Champlain Valley Office of Economic Opportunity, has only \$25,000 on hand to help clients. Forced to push back the start date on which it begins giving out grants to November 1, the agency expects it will run out of money in just two weeks.

A representative from Shareheat, another Vermont program, is "facing a several thousand dollar deficit," the news station reports. Adding to Shareheat's problems, a representative told WCAX in late October, "We just got word from Washington that it would appear that we are heading into the fuel season with a serious cut in LIHEAP heat funding."

Even at its previous \$5.1 billion funding level,

LIHEAP was woefully underfunded. In March 2010, David Fox of the National Low-Income Energy Consortium told the *World Socialist Web Site* that during years in which LIHEAP received the maximum amount of federal financing allowed by law, the program was only able to serve 20 percent of all eligible households nationwide.

The skyrocketing demand for emergency assistance is an expression of the depth of the economic crisis. According to an annual survey conducted by the NEADA, “60 percent of LIHEAP recipients reported that the primary reason they had trouble paying their energy bill in 2009 was because they had lost their job or had reduced income (up from 37 percent in 2008).”

In its letter to Congress two months ago, the NEADA noted that the reduction in LIHEAP funding targets the neediest layers of society. “Families receiving LIHEAP assistance include some of the nation’s most vulnerable households: 92 percent have an elderly household member, a disabled household member, or a child in the home. In addition, many suffer from severe medical conditions including chronic bronchitis (21 percent), heart disease (51 percent), and asthma (46 percent).”

The consequences of gutting the already inadequate level of government aid for were documented earlier this year in an investigation conducted by the Citizens’ Inquiry into the Dexter Avenue Fire. This study found that there is a direct link between utility shutoffs and deadly house fires, as desperate families unable to pay their bills or receive help turn to unsafe methods to stay warm and light their homes.

With this years \$1.8 billion reduction in LIHEAP funding, utility shutoffs will accelerate. In Michigan, for example, from January through September of this year—that is, before the start of the 2010 heating season—296,013 households have had their gas and/or electricity service terminated.

Despite this, on October 30, Michigan utility provider DTE Energy requested a \$253 million rate increase from the Michigan Public Service Commission. On the same day, the company reported an increase in its third-quarter profits, from \$151 million in 2009 to \$163 million in 2010.

In the lead up to the winter heating season, when DTE, the government, and the media know that tens of thousands will be shut off for unpaid bills, the campaign to blame rate hikes on so-called “energy

thieves” continues.

On November 4, Detroit’s ABC news affiliate carried an exposé on the work of “illegal hookup guys,” complete with shots of an individual getting electrocuted as he tried to restore power to a needy household. For its part, National Public Radio had a program two days earlier exploring the depth of the “energy theft” crisis in the Detroit area, which reportedly has 3.3 million utility customers and 60,000 reported incidents of “energy theft.” The reporter all but ignored the fact that the existence of unauthorized hookups is the result of the desperate poverty in the city, the utility company’s exorbitant rates, and the absence of significant aid to help people, the latter of which will worsen with the gutting of LIHEAP funding.

In Detroit, the Committee Against Utility Shutoffs (CAUS) is waging a campaign to mobilize working people against the criminal shutoff policies of the utility companies and for the public ownership of these corporations and the provision of gas, electricity, as well as telephone and internet service, as a basic social right.



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