

Obama to slash home heating assistance for low-income families and seniors

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With the Obama administration set to release its budget next Monday, details of the savage cuts being prepared are coming to the surface. In the largest cut thus far, the administration plans to slash funding in half for the Low Income Home Energy Assistance Program (LIHEAP), which helps the poor, elderly and handicapped pay their heating and cooling costs.

The already underfunded program would see its budget cut to \$2.5 billion from \$5 billion in 2010, leaving funding roughly equivalent to what was available during the Clinton years. In 2009, the program disbursed \$8 billion.

The axing of LIHEAP amounts to a literal death sentence for many of those unable to pay exorbitant utility rates. It will result in more freezing deaths in the winter and heat-related deaths during the summer, as well as more fatal house fires as victims of utility shutoffs desperately seek to keep their families warm in bitter cold temperatures.

Obama has already outlined plans for a five-year freeze on discretionary domestic spending, a \$350 million cut in community block grants that help the poor and cuts in environmental protection. The brutal austerity measures being worked out with the Congressional Republicans will have devastating and tragic consequences for millions already suffering through the worst economic and social crisis since the Great Depression.

The money being taken from vital social programs will be used to pay for the trillions spent on the Wall Street bailout, the extension of Bush-era tax cuts for the richest 2 percent of the US population and the continuation of the administration's criminal wars.

According to a report released Wednesday by the National Energy Assistance Directors' Association (NEADA), record numbers of households over the last

three years have been requesting heating assistance due to the economic downturn and the rising cost of home energy. Demand for assistance is expected to reach a record 8.9 million in fiscal year 2011, even as the program is slashed. The number of households served by LIHEAP has increased from about 5.8 million in FY 2008, to 7.7 million in FY 2009, to 8.3 million in FY 2010.

Mark Wolfe, the executive director of the organization, told the *World Socialist Web Site*, "If funding were cut, 3.1 million households would be eliminated from the program. These are families with little if any discretionary income: the elderly, families with small children, the disabled—that is, the most vulnerable. This is a deeply troubling proposal.

"The demand for assistance has grown because of lost jobs and formerly middle class people losing their incomes," Wolfe said. "It would be one thing if the administration said unemployment is going down to 5 percent. But there are no signs that the number of unemployed and underemployed is falling. And LIHEAP is one way that people make it through the winter."

States projecting at least a 15 percent increase in the number of eligible applications include: Vermont (64 percent), Florida (49.7 percent), Massachusetts (21.1 percent), Wyoming (20 percent), Louisiana (19.5 percent), Texas (17 percent), and Mississippi (15 percent). (See attached table.)

Since the winter of 2005-06 energy prices have increased significantly for heating oil, propane and electricity, NEADA reported. Estimated prices for heating oil have increased 80 percent, from \$1,337 in 2004-05 to \$2,291 in 2010-2011. During the same period, propane prices jumped from \$1,275 to \$2,040 (78 percent) and electricity from \$723 to \$947 (30

percent). Only natural gas prices have moderated, increasing from \$729 to \$753 (5.4 percent). The resulting average price for home heating has increased from \$813 to \$990 per year.

According to a survey by the organization, LIHEAP recipients have already faced significant medical and health problems over the past five years, in part due to energy prices. Nearly one third reported they went without food, over 40 percent sacrificed medical care, and one quarter had someone in the home become sick because the home was too cold. Without LIHEAP assistance, 64 percent reported they would have kept their home at unsafe or unhealthy temperatures and/or had their electricity or home heating fuel discontinued.

“At best the administration’s proposed cuts are ill advised, at worst they are unconscionable,” Jerry McKim, the chief director of the Bureau of Energy Assistance in the Iowa Department of Human Rights, told the WSWS. “At a time when the poor are getting their heat cut, the rich are getting tax cuts.”

McKim said a record number of Iowans—101,000 households—applied for the program, which paid out an average benefit of \$450 in FY 2011. “The first thing that tells you is that more people are struggling to keep up with energy costs” he said. “Seventy percent of the people here heat their homes with natural gas. They’re saying prices haven’t increased over the last year, but they were already unaffordable last year.

“The elderly are cutting back on their medicines, setting their thermostats too low. The administration has taken what was an energy affordability issue and turned into a serious health matter.”

A few years ago, McKim said legislators in Pennsylvania wanted to overturn legal protections that prevent utility companies from terminating service in the winter. They claimed the issue wasn’t that people couldn’t pay their bills, but simply that they wouldn’t. After the law was overturned the number of utility shutoffs increased by 300 percent, he said.

“Now they are saying don’t worry about LIHEAP cuts because states have winter bans on utility shutoffs. First of all, not that many states do. In Iowa winter protection is only for households certified for LIHEAP. If the funding gets gutted we would have to make the guidelines more restrictive. If you don’t get certified that means you do not qualify for winter protection.”

McKim also noted that Obama’s plans to cut

community block grants would reduce funding for agencies that disperse heating assistance along with other aid to the poor and low-income.

The slashing of funding will have dire consequences for the metropolitan Detroit area. Energy giant DTE terminated service to more than 200,000 households in southeast Michigan last year. Nearly a dozen people perished in house fires—including two handicapped brothers, senior citizens and small children—after the utility cut off service to their homes.

“Forty percent of the households receiving LIHEAP in Detroit would be cut off due to the planned budget cuts,” NEADA’s Wolfe said. “Some might find money to pay their utility bills, but others will take it out of health care and food; others will fall behind and get their utilities shut off.” One third of the residents in Detroit are eligible for the program, he said.

Judy Putnam, of the Michigan League of Human Services, told the WSWS, “Families are terribly squeezed already and these cuts are not good news. Unemployment remains high, incomes are falling. It’s very hard for many people to make ends meet and all the state legislature is talking about is supposed ‘abuse’ of the Bridge Card food assistance program and the need to cut welfare.”

The agency issued its annual Kids Count report earlier this week that noted that after a decade of economic slump child poverty in the state had jumped a staggering 60 percent since 2000, from 14 percent to 23 percent in 2009.

More than 663,000 Michigan residents received an average of \$388 in LIHEAP benefits this year. The state estimates total LIHEAP funding could fall from the current \$269 million to \$193 million next year.



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