

Massachusetts: Hundreds of thousands affected by proposed LIHEAP cuts

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The Obama Administration's platitudes about economic recovery stand in stark contrast to the conditions faced by Massachusetts families whose Low Income Home Energy Assistance Program (LIHEAP) benefits would be cut in half next year under the White House's proposed budget.

Nationally, the Administration's budget proposal for the 2012 fiscal year includes a cut of \$2.5 billion, or nearly 50 percent from FY10 levels, to LIHEAP. While this amount represents less than 0.23 percent of the projected FY12 federal deficit, and less than an average week of spending on the Afghan and Iraq wars, it will have a devastating impact on hundreds of thousands of Massachusetts recipients of fuel assistance and millions in other states, many of whom are already cutting back on food and needed medicines because of high heating bills.

Massachusetts already saw a cut of \$21.1 million, or nearly 10 percent, in LIHEAP funding between fiscal years 2009 and 2010, while applications for assistance skyrocketed because of the economic crisis. Because the program is funded incrementally each year, the final amounts of FY11 funding are not yet available; however, short-term funding is threatened by the federal continuing resolution, which keeps spending at FY10 levels, while the need for fuel this winter is not yet over in the Northeast.

Slightly more than 200,000 Massachusetts families received LIHEAP benefits in the year ending September 30, 2008, according to the state's FY11 plan document. Of these, 68,000 had household incomes either at or below 100% of the federal poverty level.

Kathy Tobin of the fuel assistance program at Action for Boston Community Development (ABCD), a not-for-profit which administers LIHEAP funding in the Greater Boston area, told the WWSW that statewide

there have been an additional 50,000 applications for LIHEAP benefits in the past three years. ABCD has seen an increase of about 10 percent in applications from last year to this, demonstrating that the economy is not improving for thousands of families, even in a state with unemployment below the national average.

The maximum yearly benefit for heating oil is \$1,090 for people at 100 percent of the federal poverty level, which is \$22,000 for a family of four. Families that can document exceptionally high heating bills from the previous winter are eligible for an additional "high energy cost supplement" of \$75.

According to Tobin, the current cost for heating oil in Greater Boston is over \$4 per gallon. At that price, filling an average oil tank of 275 gallons once would exhaust the yearly benefit. If Obama's proposed cuts resulted in 50 percent less benefits per recipient next year, such families would lose a benefit of nearly \$600, or more than 2.5 percent of their yearly gross income. In addition, families who are already struggling would have problems even purchasing oil; according to Tobin, the oil vendors ABCD works with are often not willing to deliver less than 100 gallons at a time.

Tobin told the WWSW that "the economy has not improved for our clients. Incomes remain stagnant and prices from rent to fuel to food to medicine have increased. We continue to assist people who are still finding it difficult to find a job once they were laid off." Recipient families have to crowd into one or two rooms at night to stay warm, and sometimes risk carbon monoxide poisoning by heating their kitchen with an open stove.

In families that are forced to cut corners on food and fuel purchases, children are both chilled and hungry at night, and therefore fall behind in their schoolwork. According to the 2010 Hunger in Massachusetts Fact

Sheet from the Greater Boston Food Bank, 6 percent of household members benefiting from the Food Bank's services were children under 5, while 32 percent were under the age of 18.

Thirty-five percent of ABCD's fuel assistance clients are on fixed incomes, such as Social Security or other pensions. As both big business parties increase their attacks on Social Security and Medicare, such retirees will be squeezed by inflation and fuel assistance cuts, while at best their Social Security benefits remain unchanged.

The upper limit to be income-eligible for LIHEAP in Massachusetts is 60 percent of the state's median income, which works out to slightly less than \$31,000 for an individual and slightly more than \$59,000 for a family of four. The maximum benefit at that level is \$725 per year, including the high energy cost supplement. This amount would buy less than 200 gallons of heating oil at current prices.

In announcing the proposed cuts to LIHEAP, the Administration's budget document casually offers a Department of Energy prediction that the price of West Texas Intermediate crude will be only \$95 per barrel in the last quarter of 2011. Yet the US government's own Energy Information Administration estimates a 36 percent probability that the price will actually be \$110 per barrel. Putting aside such predictions, the EIA reports that nationally the cost of a gallon of home heating oil increased from less than \$3 in October 2010 to \$3.87 on March 7. The latter amount is almost \$1 more than the cost in March 2010.

Massachusetts' LIHEAP benefit is calculated on the cost of heating oil at local terminals plus a price margin, and is above the national average.

On top of the proposed cuts to LIHEAP, the House of Representatives' proposed budget would eliminate funding for the Community Services Block Grant, which helps ABCD run 15 satellite offices in the neighborhoods it serves. In addition to accepting fuel assistance applications, the satellite offices "provide child care, ESOL, education, job training and placement, housing services and homelessness prevention, immigration/citizenship classes, summer jobs for at-risk youth," according to Susan Kooperstein, the organization's director of Public Affairs.

As the federal government seeks to balance its debt on the backs of the working class, such program cuts

will occur in many Massachusetts cities and towns, while no sacrifices are expected of the state's billionaires and multimillionaires.



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