

An interview with George Coling of the National Fuel Funds Network

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The WSWS spoke with George Coling at the recent National Energy and Utility Affordability Conference in Ft. Lauderdale, Florida. Coling is executive director of the National Fuel Funds Network.

Lawrence Porter: There is a huge crisis in funding for LIHEAP [heating assistance]. Last year they were threatening to make large cuts; this year it may be cut in half. What impact will this have on the population?

George Coling: If the budget comes through in fiscal 2012 at \$2.57 billion, it will mean that about 3.3 million households who received federal funding last year won't be able to get it this year. (This is the best estimate of the National Energy Assistance Directors Association.)

LP: 3.3 million households—so somewhere close to 7 or 8 million people?

GC: Something like that, yes. The current level of people who receive care is 9.6 million. A program with a flexible dollar grant means the administrator of the grant can cut the people getting the previous amount, or change the amount and give it to the same number of people. It's going to be different in every state.

LP: Is there expected to be greater need this year than last year?

GC: There are expected to be more applications during the current fiscal year, 2011, than there were in FY 2010. If the program is cut, there will have to be proportional cuts, either in the amount of people, or the level of benefits. The other thing that's happening, though, is a complete drop in parts of the program.

As a matter of fact, Illinois just dropped their summer cooling program not long ago. When the appropriation for FY2009 went up to \$5.1 billion, that made it a fully functional national program that had cooling programs

in the warm weather states, and in some of the northern states as well. With the decreased funding, Illinois decided to keep the number of people higher who will receive benefits, but will cut out the cooling program in the summertime. And that is a public health gamble.

LP: Going forward, is it a situation where there will be more hardship? There are more people unemployed. From what was said this morning, we can expect big cuts for the coming year.

GC: LIHEAP has two kinds of funding, block grants to the states and emergency contingent funds that are at the discretion of the administration—for heat waves usually, and other kinds of things. The block grants are fixed for each state, whereas for the smaller emergency contingent fund, in 2010 it was \$500 million of the \$5.1 billion total. That amount is kept in reserve and the president has to essentially declare an emergency. They can spend parts of it for different emergencies.

LP: It seems like there is a defensiveness that is now taking place on reports of fraud in the LIHEAP program, and not much talk about the need for more resources that are needed. One person at the conference asked, "Why isn't there a guarantee of funding, rather than going through this process to get federal funding every year?"

GC: There is kind of a historical answer to that, based on the Social Security and Food Stamps programs growing out of the New Deal, and the Johnson administration programs of the "War on Poverty." LIHEAP was conceived in 1981, and Congress did not make it an entitlement program.

I think the need was there, it just wasn't perceived in 1981. I'm not aware of what the poverty statistics were, but I think that they probably dipped during the Clinton years, and are now back up to about what they were in 1981. The situation, anecdotally, and based

upon what our members tell us in the program, is that now working class families—not necessarily persistently poor as we all know—are saying they need this kind of assistance. They are the ones who are being hit by \$4 a gallon gasoline and everything else.

For instance, I just talked with one of our members in an energy assistance program, and her criterion entry level for the program is 200-300 percent of the poverty level. And she's saying she's dealing with people who say, "I've worked all my life, and I've never been eligible for anything. I'm so happy I can get this help."

You know, if you're retired and you have your money pretty well locked in, and then all of a sudden your bills go up, you'd really like to have your home made more efficient. So I think that is a good example—more and more folks that are above the federal poverty level are eligible.

LP: I also understand that only one-fifth of those who are eligible receive aid.

GC: Right.

LP: That's an extraordinary number. If there are that many people in need, it seems to me that programs should be expanding.

GC: I've worked at this job for 14 years trying to push that point! The definition of who is eligible in the law is 150 percent of the federal poverty line, or 60 percent of the state's median income—however the state wants to make the decision. If you take the number of people across the US that would meet those criteria, and looked at the number of actual LIHEAP recipients, it's 15-20 percent.

LP: Do you think that energy should be based on need? In most states, it is based on profit—DTE in Detroit is a pretty good example. In Michigan, 400,000 families had their utilities shut off last year.

GC: All I can say is, that's the system, it's an investor-owned system. There are the co-ops and the municipality owned.

LP: What is the purpose of this kind of conference?

GC: The purpose of this conference is to educate professionals in the field, on the practices and policies affecting and improving energy affordability. More than just LIHEAP or fuel funds, it's about energy efficiency and other programs as well. So the workshops are case studies.

We try to bring in speakers with cutting-edge analysis or background in energy issues. It's a professional

development program. There are non-profits, tribals, and state governments; also people that deliver energy assistance.

LP: In your opinion, has there been an enormous expansion of energy assistance in the last 20 years?

GC: There has been on the charity side—the so-called fuel funds have multiplied, they are in more places than they used to be. The main source is when one gets their energy bill from, say DTE, there is the check-off box on the bill. There is a partnership by a non-profit—in Detroit it would be the THAW fund, which will match whatever the customer donates. And the non-profits have their own fundraising strategies—direct mail, walks.



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