

MAINE STATE HOUSING AUTHORITY
EFFICIENCY MAINE TRUST
OFFICE OF THE GOVERNOR

Report of the Working Group on LIHEAP

The Low Income Home Energy Assistance Program (LIHEAP) is a supplemental program providing fuel assistance to low-income households in the State of Maine, and responding to energy-related crises affecting those households.

The Maine State Housing Authority and Efficiency Maine Trust have been meeting with the Governor's staff to consider how to address the current LIHEAP funding for FFY 2012. The Working Group has identified \$10 million of additional assistance for low income households this winter.

If there is any additional federal funding for the LIHEAP program, it likely will not come within the next month or so. Therefore, we recommend the following steps be taken as a unified strategy.

Recommendations

Recommendation 1: MaineHousing to use LIHEAP Weatherization Funds for Fuel Assistance

Normally 15% of LIHEAP funds are set aside for weatherization. This year, MaineHousing has repurposed \$4,333,541 or three-quarters of its LIHEAP weatherization funds to fuel assistance. A quarter of the 15% will be used for emergency repairs to boilers and furnaces that are inoperable – households with no heat.

In addition, MaineHousing, the Community Action Agencies (CAAs), and private contractors decreased the need for LIHEAP funds by \$4 million by weatherizing 4,830 low income dwellings over the last two years.

Recommendation 2: EMT Weatherization, Supplemental Heating Devices, and CFLs

The Efficiency Maine Trust (EMT) will use \$5 million that is dedicated for low income benefits to weatherize electrically heated homes. This will save 3,800 kWh per home. This will weatherize about 700 homes, saving 2,660,000 kWh and \$380,380 per year. EMT also will spend \$1 million for basic energy upgrades and, where appropriate, install cost-effective alternative energy supplemental heating devices, such as pellet stoves. EMT is donating 250,000 energy efficient compact florescent light bulbs, which will be distributed to more than 40,000 homes per month. The bulbs are distributed to local food pantries by the Good Shepherd Food Bank. This will save \$800,000 per year.

Recommendation 3: Keep Maine Warm – Private Fundraising

The Governor, a bipartisan group of elected leaders, and business leaders would make a concerted effort to raise private funds for Keep Maine Warm, a collaborative fundraising effort of the United

Ways of Maine and Maine's Community Action Agencies. The funds are distributed by the local community action agencies. The Governor's staff has had initial discussions with representatives of Keep Maine Warm.

Recommendation 4: Neighbors Helping Neighbors

During the run up in fuel prices in 2008-09, Maine hastily implemented a response based on the Keeping People Warm at Home section of *Maine's Energy Emergency Response Action Plan*, which involved asking neighbors to check on neighbors, and creating and coordinating neighborhood teams to help deliver fuel, food, and winterization. Some of the infrastructure, like the warming centers, 211-Maine, and fuel centered community groups put in place then, remain to this day and is being implemented at the local level.

Basically, the idea is to create and mobilize decentralized local community response teams using 211-Maine, United Ways, faith-based organizations, volunteer postal carriers, local and regional leaders, local business leaders, Volunteer Maine, and local volunteer groups. The teams would check in on people at risk, encourage the use of local warming centers, and facilitate the creation of additional neighborhood teams.

If there is a significant escalation in price or lack of supply, the Governor's Director of the Office of Communications will be the single point of contact for a team of county coordinators.

The coordinators would:

- Encourage the formation of and coordinate neighborhood teams
- Coordinate donations of fuel, food, and energy efficiency materials
- Facilitate education and communications through local media
- Direct people in need to 211
- Encourage teams to help winterize homes of the most vulnerable like seniors and people with disabilities to reduce energy costs by putting plastic on windows, wrapping pipes, and sealing cracks.

A summary of Keeping People Warm at Home is attached.

Analysis

Recent Past

Fuel assistance funds from the U.S. Department of Health and Human Services have fluctuated greatly over the last 10 years; with funding peaking at \$76.3 million in FFY 2009. LIHEAP grant awards for the last five years beginning in FFY 2008 have been: \$44 million, \$76.3 million, \$58.2 million, \$55.7 million, and \$38.5 million. Also over the last 10 years there has been a run-up in oil prices from an average price per gallon of \$1.09 in 2002 to \$3.21 per gallon in 2011. The LIHEAP grant for this year is actually higher than the 10-year average of \$31,290,221. What's different is the amount of oil it can buy.

The volatility of LIHEAP funding and oil prices makes contingency planning essential.

Current Situation

Congress recently passed the federal FFY 2012 budget and we now have a reasonably close estimate of what Maine will be receiving from US DHHS for LIHEAP funds this season. Maine's grant will be \$38,520,365, and of that amount \$1.5 million will be used to help families who run out of fuel and \$1,444,564 will fund the repair and replacement of heating systems. Maine always has utilized 15% of the LIHEAP grant for weatherization, but this year MaineHousing will apply most of the 15% -- or \$4,333,541 -- to fuel assistance. Barring a supplemental appropriation from Washington, the total for fuel assistance will be \$31,389,760. This will yield benefits that range from \$1,334 for households under 25% of the federal poverty level to \$116 for households at 170% .

Stretching our LIHEAP dollars

Oil Dealers

Oil dealers are doing their part to help keep LIHEAP customers warm. Since the LIHEAP benefit is pre-paid to most dealers, MaineHousing worked with them to give the LIHEAP clients a discounted price. Last year, LIHEAP's special pricing allowed for an additional 408,000 gallons of oil compared to the statewide average oil price. Over the last five years, it has resulted in an extra 2,337,637 gallons.

MaineHousing

Because the Weatherization Assistance Program (WAP) administered by MaineHousing and delivered by the Community Action Agencies has reduced the heating load in more than 4,830 low income homes, 1.2 million more gallons of fuel will be available to heat the homes of low income Mainers.

Normally 15% of LIHEAP funds are set aside for weatherization. This year, MaineHousing is repurposing \$4,333,541 from weatherization to increase fuel assistance.

Community Action Agencies

This year, community action agencies are assisting just as many people -- if not more -- with all of their LIHEAP needs, from scheduling appointments to ensuring oil deliveries, and are doing so with less money to cover the costs of program delivery.

Conclusion

The increase in the price of heating fuel has decreased the buying power of our LIHEAP grant. There is no way that the State of Maine can make up the loss. We can, however, move to lessen the impacts. The current LIHEAP distribution provides the highest benefit to those with the lowest incomes and highest heating needs. This ensures these scarce funds are targeted appropriately.

In summary:

- The MaineHousing repurpose of weatherization funds for fuel assistance will provide a temporary bridge to an era of less funding.
- The EMT strategy will produce long-term reductions in need. The supplemental heating equipment could have immediate impacts.
- The Keep Maine Warm fundraising will provide a coordinated and flexible resource for the local community action agencies to supplement the federal program.
- The Neighbors Helping Neighbors strategy will mobilize local volunteers in an effort to reduce the chances of someone not receiving the help they may need.

(Neighbors Helping Neighbors)

Keeping People Warm at Home

Maine's Energy Emergency Response Action Plan

1. Identify resources and contacts in local communities and establish directory for use by 2-1-1 Maine in triaging calls as well as for public information.
 - a. VolunteerMaine as portal for profile posting- Map these organizations in a way that makes contact with them easy for consumers.
 - i. Partners in this effort: MEMA, Vista Volunteers, CAPs, Area Agencies on Aging, Municipalities, MH staff, DHHS, Legislators, Local and Higher Education Networks
 - ii. Determine keywords for public search of resources (currently under “Conservation/Energy” on VolunteerMaine site).
2. Identify single point of contact per region
 - a. Establish Heat Delivery Response teams per region.
 - i. Determine leadership and clarify responsibilities (Contact information, availability, estimated response time, resources available)
 - ii. Create list of potential responses and plan for facilitating. Things to consider: Is supervision of response required and who provides it?
3. Use media and community networks to inform the public about 2-1-1 access to possible resources.
 - a. CMP insert- January billing cycle [request same from Bangor Hydro and Maine Public Service Company (MPS)].
 - b. PSA by Governor to highlight 2-1-1 website and call center as well as VolunteerMaine- mid-January
 - c. PSA on Conservation Tips (PUC- Efficiency Maine?)
4. Update, reproduce and disseminate existing educational material through established regional and community networks and websites. Create new collateral as needed and resources allow.
 - a. Keep ME Warm brochures (Update needed?)
 - b. Energy Conservation- Insulation Facts (Efficiency Maine)
 - c. Establish website links to Keep ME Warm/VolunteerMaine where they don't currently exist.
 - i. Municipal Offices
 - ii. MEMA
 - iii. CAP Agencies
 - iv. Oil Dealers
 - v. DHHS
 - vi. Faith-based organizations
 - vii. MaineHousing
 - viii. Maine's Area Agencies on Aging
 - ix. Maine.gov

5. Establish community warming centers and local temporary shelter options, as appropriate (reference MEMA listing and expand per unique local circumstances).
 - a. Work with local Heat Delivery Response Teams and municipalities to organize.
 - b. Assess and determine transportation resources for warming center access.
 - c. Work with housing providers, hotel owners, municipal officials, faith-based groups and others to establish temporary emergency housing options in local communities (ex. community rooms, vacant units and others)

6. Finalize plan details and communicate them to all stakeholders in the response network.
 - a. Disseminate message through:
 - i. Group email
 - ii. Newsletter
 - iii. Mailings
 - iv. Other

7. Mobilize response teams as need dictates