

Kansas Department of

Social and Rehabilitation Services

Don Jordan, Acting Secretary

Senate Utilities Committee

January 24, 2007

Low Income Energy Assistance Program (LIEAP) Update

EES

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Mr. Chairman and members of the Committee, thank you for the opportunity to brief you on the Low Income Energy Assistance Program (LIEAP). My name is Dennis Priest, Assistant Director of Economic and Employment Services for the Department of Social and Rehabilitation Services. LIEAP is a Federal program administered by the agency that provides a one-time a year benefit to eligible low-income households to assist them in paying their heating bill.

Federal funding for the program is distributed to the State in two ways: Block Grant funds which represent the bulk of the funds and are distributed based upon a national allocation formula and Emergency/Contingency funds which are released at the discretion of the President and are not tied to any set distribution methodology. Since the program began in 1982, Federal funding nationwide has increased from \$1.8 billion to last year's \$3 billion plus level (\$1 billion of which was one time only money). The 2007 Federal Block Grant funding has not yet been finalized and the program is currently operating under a continuing resolution based upon a funding level of \$1.98 billion. Based upon this funding, Kansas should receive approximately \$16 million. From the Block Grant funding, SRS transfers 15% to the Kansas Housing Resources Corporation to be used to support their Weatherization Program. This year that transfer will be just over \$2.5 million. For 2007, an additional \$1 million in State funds has also been appropriated to supplement the Federal funding based on action taken by the State Legislature last year.

The LIEAP program in Kansas provides a benefit to any Kansas household that submits an application from mid-January through the last business day of March and meets established eligibility criteria. The following basic criteria must be met: 1) Heating utility has to be in the name of an adult household member, 2) The household must meet a self-payment requirement, 3) The combined gross income

of the household must be at or below 130% of the Federal Poverty level, and 4) The household must meet citizenship or lawful residency requirements. The household must provide appropriate supporting documentation as part of the application process.

In 2006, SRS received in excess of 50,000 applications for LIEAP assistance and almost 41,800 households were approved with an average benefit of \$555 due to the release of additional federal contingency funds last year which amounted to \$10 million for Kansas. An overview of these approved households provides the following demographic information:

- 77% of the households are at or below 100% of the Federal Poverty Level;
- 28% have at least one child age five or younger;
- 40% have a household member that is disabled;
- 24% have a household member that is age 60 or older.

During the 2007 season which began January 16, SRS is expecting to approve a comparable number of households for benefits as in 2006. Because of an anticipated reduction in Federal funding of more than \$10 million, this will reduce the average benefit to slightly more than \$310, assuming a comparable number of approved households. This will result in a net reduction of approximately \$145 from last year.

I will be happy to stand for questions.