

April 17, 2014

WHAT'S IN THE MAYOR'S PROPOSED FY 2015 BUDGET FOR ENERGY ASSISTANCE?

The District's Department of the Environment provides assistance to low-income households to pay heating bills through the Low-Income Home Energy Assistance Program (LIHEAP). This program helps tens of thousands of DC households each year, providing between \$250-\$1,500 for one-time benefits (or up to \$800 for emergency benefits) to qualified households. The amount of assistance is determined by type of energy used, type of assistance needed, and household income and size.

Total funding for LIHEAP in FY 2015 is proposed to be \$13.5 million from both local and federal dollars, a 5 percent increase over FY 2014 and the first increase in four years. The new funds will provide a modest increase in LIHEAP assistance for households that receive Supplemental Assistance Nutrition program (SNAP) benefits, under a program known as "Heat and Eat" that helps families receive larger SNAP (food stamp) allotments.

Outside of the Heat and Eat funding, however, both federal and local funds for the basic LIHEAP program would see a decrease in FY 2015 under the proposed budget. This means that the number of households getting utility assistance would decline.

Preserving and ensuring a sufficient funding for LIHEAP is an important strategy to prevent homelessness and to preserve affordable housing, because it prevents families from getting behind on utility payments.

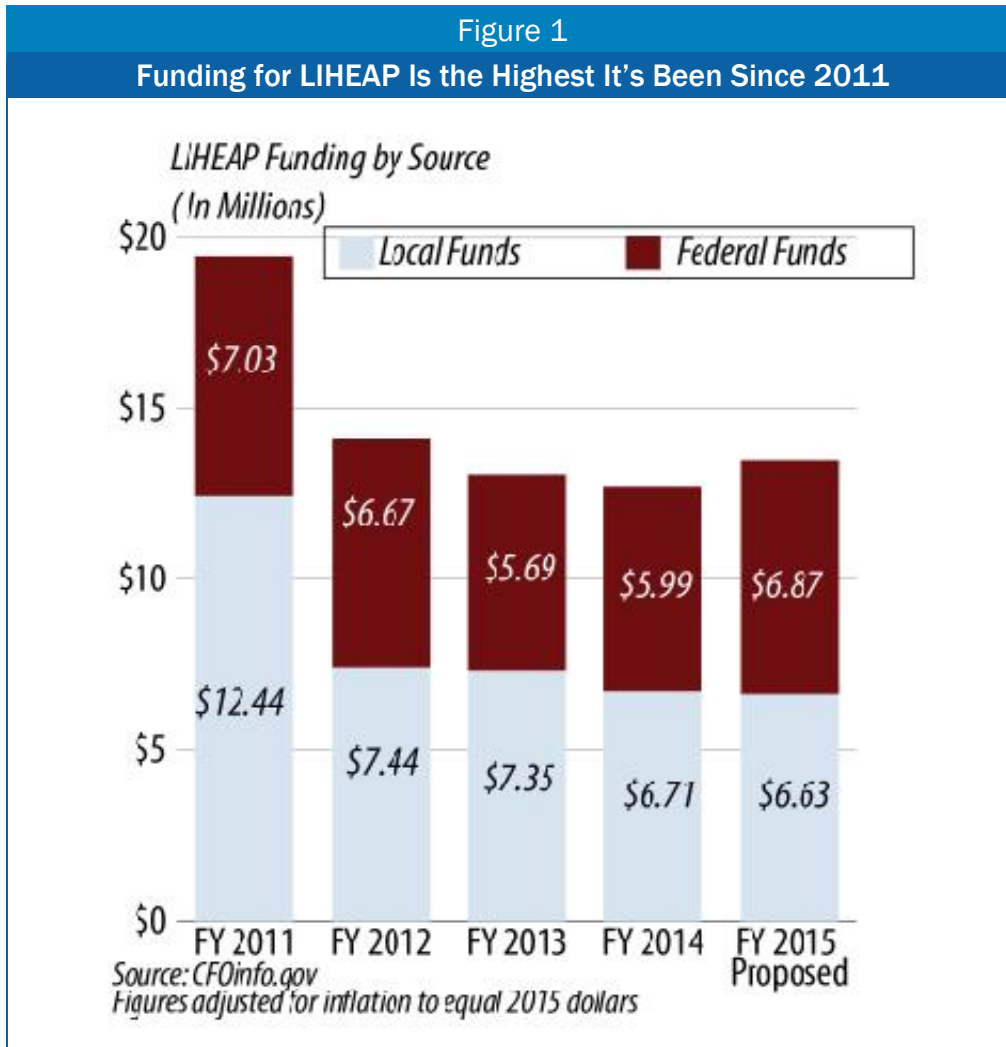
KEY FINDINGS

MAYOR'S FY 2015 BUDGET PROPOSAL

- Includes \$13.5 million in total funds from both federal and local resources. The FY 2015 proposed budget is a 5 percent increase from FY 2014.
- Includes \$1.3 million of local funds to ensure that residents receiving Supplemental Nutrition Assistance (SNAP) will still qualify for additional food assistance under the "Heat and Eat" program.
- Excluding the new Heat and Eat funds, support for basic energy assistance is proposed to decrease by 5 percent from FY 2014 to FY 2015. This means that the number of households getting energy assistance is likely to decline.
- Proposed funding for LIHEAP in FY 2015 is nearly one third lower than it was four years ago, and the number of DC households assisted has fallen sharply as a result.

Analysis of the FY 2015 Budget for Energy Assistance

The proposed FY 2015 budget for energy assistance is \$13.5 million, a 5 percent increase in funding from FY 2014, after adjusting for inflation (unless otherwise noted all figures are adjusted for inflation equal to FY 2015 dollars). The FY 2015 budget includes \$6.9 million in local funding — an increase of \$900,000 — and \$6.6 million in federal funding. (See **Figure 1**.) Even with this increase, total funding for energy assistance will be about the same as in FY 2012 and FY 2013 and well below funding in FY 2011, when the program provided \$19.5 million in assistance.



Since 2011, federal funding for LIHEAP has fallen 47 percent, from a high of \$12.4 million to just \$6.6 million expected in FY 2015. DC's energy assistance program was primarily funded by the federal government until FY 2004, when the District's leaders decided to expand local funding to increase the total amount for energy assistance. Local funding has been between \$6 million and \$7 million per year since FY 2011.

The proposed FY 2015 budget includes \$1.3 million in local funding for the District’s “Heat and Eat” initiative. SNAP recipients are eligible for higher benefits if they receive energy assistance. Until recently, DC and 17 states created Heat and Eat programs which give SNAP recipients a nominal LIHEAP subsidy — typically just a dollar — to maximize their SNAP benefits.

In the 2014 Farm Bill, Congress raised the minimum qualifying energy assistance subsidy to \$20. Now a SNAP recipient needs to receive at least \$20 in energy assistance before being eligible for higher SNAP benefits. The District's proposed FY 2015 budget would raise the Heat and Eat benefit from \$1 to \$20.01 so that all households would be able to keep receiving the higher SNAP allotments.

Outside of the \$1.3 million increase for Heat and Eat, funding for basic LIHEAP assistance for households struggling to pay utility bills will decrease by 5 percent from FY 2014. This means that the number of households getting utility assistance may decline. In FY 2011, LIHEAP served about 28,000 households, but by FY 2013 this number decreased to about 21,000, a drop of one-fourth. (More recent figures are not available.) It is likely that fewer than 21,000 households will get help in 2015, continuing the slide in energy assistance in the District.

