

Out in the Cold: The Reality of Energy Assistance Cuts in Connecticut



Prepared by the
Office of Congressman Chris Murphy
December 3, 2011

Introduction

Created by Congress in 1981, the Low Income Home Energy Assistance Program (LIHEAP) was designed to address the rising cost of home energy, particularly in cold weather states like those in the Northeast. Across the intervening three decades, LIHEAP has enjoyed strong bipartisan support for the role it plays in addressing needs that neither states nor utilities can meet on their own. By providing block grants to states, the program allows local social service agencies to help struggling households pay for a portion of their home heating and cooling needs.

However, the program has come under sustained and serious attack in recent months. Several plans have been proposed that would make severe cuts to the program during the current heating season, despite the continued weakness of the economy and high energy prices.

Congress & Funding for LIHEAP

Earlier this year, House legislation proposed by Appropriations Subcommittee Chairman Rep. Denny Rehberg (R-MT) to fund the Department of Health and Human Services (HHS) in Fiscal Year 2012 (FY12) would cut \$1.3 billion in LIHEAP funds nationally. **For Connecticut, this would mean an estimated \$17.7 million cut (18 percent) in LIHEAP block grants** – from \$98.25 million down to \$80.55 million.

According to the Connecticut Association For Community Action (CAFCA), the House bill would result in a average cut to benefits of \$139.57 per household. In a year when CAFCA is expecting a 4% increase in demand for energy assistance, this is especially dire.

Similarly, legislation passed by the Senate Appropriations Committee in September cut FY12 LIHEAP funds by a similar margin, resulting in a \$27.6 million cut in block grant funding for Connecticut.

The President's budget blueprint for Fiscal Year 2012 also proposed \$2.1 billion in devastating cuts to LIHEAP, crippling Connecticut's block grant with a cut in funding of \$57.4 million – some 58 percent over FY11.

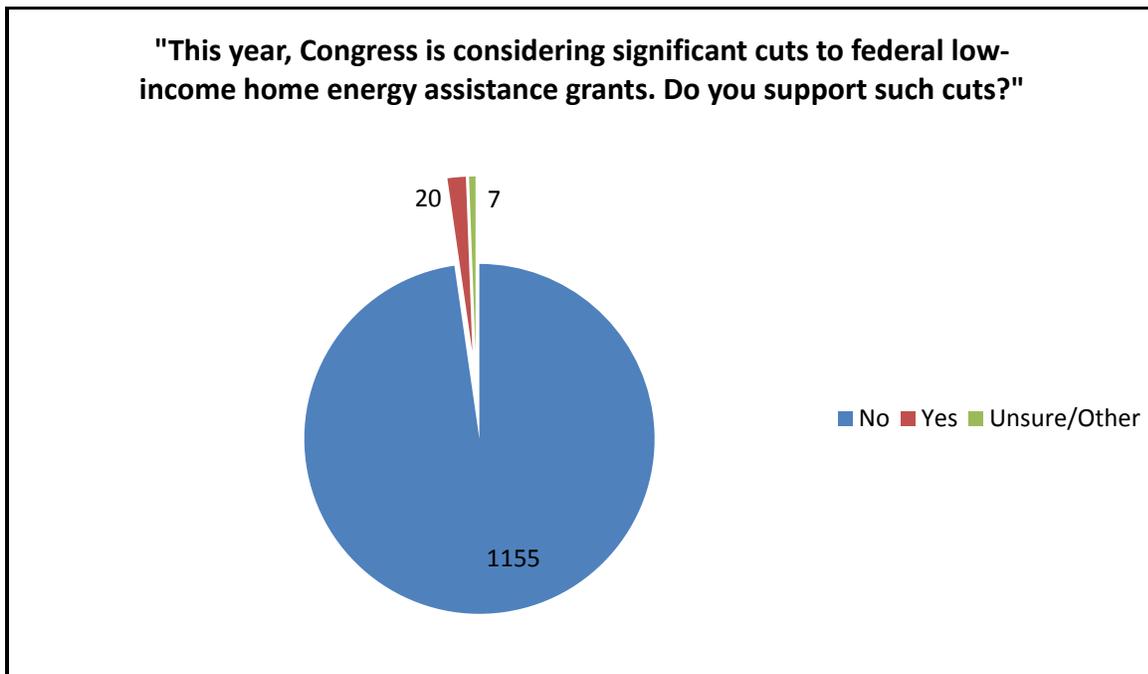
While state law protects gas and electric customers from utility shutoffs when they can't pay their bills, oil heat customers – more than 664,100 Connecticut households – do not enjoy such protections. A 2010 study by the state non-profit Operation Fuel found that Connecticut's poorest households spent 70 percent of their annual income on their home energy bills: for the estimated 133,000 Connecticut households that will receive energy assistance this winter, there's no margin for error when it comes to staying warm.

As of November 29, the average per-gallon price for heating oil in Connecticut was \$3.84, some 79 cents higher than at this time in 2010, and \$1.14 higher than at this time in 2009 (according to the Connecticut Department of Energy & Environmental Protection). Low-income spending on home energy in Connecticut has grown by well over 100% since 2005 – a rate that's significantly higher than the rest of the country (according to HHS). While the economy continues to struggle, the price of heating with fuel isn't getting any less expensive.

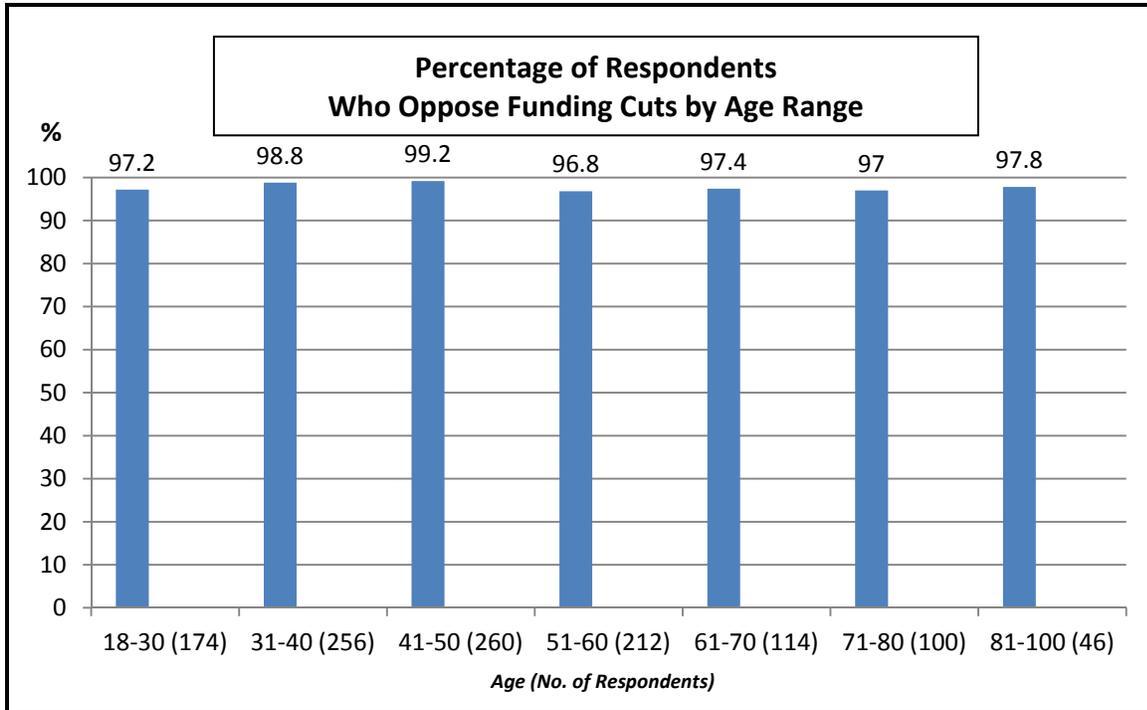
The Office of Congressman Chris Murphy conducted a survey of potential LIHEAP beneficiaries in Connecticut to both assess the impact of these proposed cuts and gauge the level of demand as we head into this winter heating season. Surveys were distributed to residents who visited community action agencies throughout the state, where applications for energy assistance and other programs are accepted.

Survey Results

The Congressman's office received **1,203 responses** from residents across the state, with respondents' ages ranging from 18 to 100 years old. **Of the 1,182 respondents who answered the survey question regarding cuts to energy assistance, 1,155 – nearly 98 percent – reported that they do not support funding cuts during the current heating season.**



Of the 1,154 respondents who answered the second question asking whether they were applying for heating assistance this winter, all but 24 reported that they were – some 98 percent. That support did not vary by age group, as the following chart vividly demonstrates.



The Stories behind the Numbers

While there's clear and strong opposition across our state to cuts in low-income energy assistance, those numbers don't fully reflect the realities of the people who rely on these vital programs every year. Among the hundreds of survey responses were seemingly endless stories of families struggling to make ends meet, forced to seek help in paying their bills because of a lost job, a sick child, or a disabled spouse. While those stories alone could fill an entire book, several notable quotes are excerpted below.

"I have 2 babies, 2 and 4 years old. I work my butt off just to try to keep a roof over our heads. I am not looking for a handout. I just need help. I work as much as I can and still barely make it."

– Linda, 30
Waterbury

"I do not support the cuts because with the price of oil/gas being so high, any little bit helps. We spend around \$2,000 - \$2,500 a year on oil. I lost my job a week after my daughter was born and can't afford to pay for daycare just to have a job. The small amount we got last year was huge help to us."

– Alyson, 30,
Columbia

“I DO NOT SUPPORT such cuts because federal low-income home energy assistance grants have been my ray of hope in an unpredictable world of drastic change.”

– Christina, 28
Bridgeport

“I have a disabled wife who had a stroke. I had to quit my job to take care of her. [We’re] not able to keep up with the cost of living.”

– John, 63
New Britain

“I cannot afford to pay all of my utilities. Still being laid-off, yes, I’m applying for energy assistance. My daughter has lupus and can’t be in the cold. Just trying to pay rent, food, lights, etc. is a challenge by itself.”

– Gloria, 59
New Britain

“No, I do support these cuts. It always seems that low-income recipients are always the ones targeted when cuts are done.”

– Margie, 56
Enfield

“My children and I will have no heat and I don’t want to see them suffer, shivering.”

– Amber, 36
Waterbury

“No, I do not support such cuts. Because there are many families that work hard but are still not able to fully support their families, and assistance like this is irreplaceable to those families.”

– Leigha, 25
New Britain

“Frozen pipes = frozen me. Illness due to low or no heat creates extra cost for medical bills.”

– Martha, 60
Windham

“I live in elderly housing, heated by electricity. Without help with the winter heat, I would freeze. At 73, I feel the cold much more than I used to.”

– Lydia, 73
Andover

“Paying bills is our biggest challenge. With two girls (11 years and 8 years), the bills seem endless. As I am unemployed, we find it difficult to [make] ends meet.”

– Thad, 37
Middletown

“There are a great number of people who rely each year and throughout the year on these programs – what will replace them if they get cut?”

– Hillary, 49
Middletown

“No, I do not support cuts without the assistance, many families with children would suffer including my own.”

– Anita, 36
South Windham

Conclusion

While the federal government’s long-term debt is clearly unsustainable, cutting deeply into the basic elements of our social safety like LIHEAP will do little to restore fiscal order – and could do immeasurable damage to working families across our state. In the midst of a recession when job and wage growth remain anemic, demand for energy assistance programs is only expected to grow this season.

It’s clear that this important program needs to be protected from the short-sighted budgetary whims of congressional leaders. Rather than leave the program at the mercy of year-to-year funding battles, Congressman Murphy will introduce legislation to provide a dedicated revenue stream that will ensure annual full funding of LIHEAP.

Congressman Murphy’s legislation, the *Guaranteed Energy Assistance Act of 2011*, will assess a small per-barrel fee on oil produced in federal waters to fully fund the Low Income Home Energy Assistance Program. Those funds will be deposited in a federal “LIHEAP Trust Fund” so that funds for this program can’t be raided to support other activities.

Earlier this year, the Congressman wrote to the five largest American-based oil companies, asking for their help in funding cash-strapped low-income heating programs in Connecticut. None of the five firms volunteered any such assistance, despite the previous year’s record-breaking profits for their industry.

Survey Background

The surveys circulated by Congressman Murphy’s office asked for the respondent’s name, age, and town of residence. Additionally, they provided space for narrative answers to two questions: 1) “This year, Congress is considering significant cuts to federal low-income home energy assistance grants. Do you support such cuts? Why or why not?” and 2) “Are you applying for heating assistance this winter? If so, please explain some of the challenges you and your family are facing this season.”

The surveys were first distributed on the 4th of October, and were continually circulated throughout the month at community action agencies throughout the state where energy assistance application are accepted.