



Village of Biscayne Park Commission Agenda Report

Village Commission Meeting Date: November 10, 2015

Subject: Resolution 2015-53

Prepared By: Mayor David Coviello

Sponsored By: Commission

Background:

The Low Income Home Energy Assistance Program (LIHEAP) is an effective and successful program in meeting the energy needs of low income elderly, disabled veterans and poor working households. If a household is approved by a Florida agency to receive assistance, the resulting credit to an energy provider can cover part of an approved household's heating or cooling costs.

Recently, LIHEAP's appropriation has fallen, despite growing needs for the program. If Congress were to follow the proposed LIHEAP enabling law, Florida looks to gain \$38.5 million and their fair share of the funding.

Thank you to Councilman Alix Desulme of the City of North Miami for forwarding this important legislation to our attention.

Recommendation: Approval of Resolution 2015-53

Attachments: Resolution 2015-53; LIHEAP Fact Sheet

1 **WHEREAS**, the Low Income Home Energy Assistance Program (LIHEAP) has been
2 an effective and successful program in meeting the energy needs of low-income elderly,
3 disabled, veterans and poor working households, and those making the difficult transition
4 from welfare to work, throughout the United States, including Florida; and

5 **WHEREAS**, LIHEAP is not an entitlement, but rather a targeted block grant program
6 which provides flexible Federal-State partnerships and is the foundation for many programs
7 authorized by state public utility commissions to assist low-income customers to meet their
8 bill payment obligations through direct assistance; to prevent service terminations during
9 cold and hot weather emergencies; to make the transition from public assistance to economic
10 self-reliance; to help low-income households remain economically self-sufficient; and

11 **WHEREAS**, federal LIHEAP funding has declined from \$5.1 billion in 2010 to \$3.4
12 billion in 2015; and

13 **WHEREAS**, less than 135,000 Florida households received LIHEAP assistance in
14 2014, or less than ten (10%) of all eligible; and

15 **WHEREAS**, according to the National Energy Assistance Directors Association, many
16 low-income families “will have few choices but to cut back on essential necessities, such as
17 medicine, food, and clothing”; and

18 **WHEREAS**, The National Energy and Utility Affordability Coalition (NEUAC) and
19 other consumer advocate groups support increased LIHEAP funding and have asked that
20 LIHEAP funding be increased to \$4.7 billion for FY 2016, which is the fully authorized
21 funding level approved in the Energy Policy Act of 2005; and

22
23 **WHEREAS**, another impactful solution to increase Florida’s share of funding, without
24 increasing the overall federal LIHEAP budget, is for Congressional budget appropriators to
25 simply “follow enabling law” – the allocation formula actually prescribed by Congress.
26 Florida and other states (especially warm weather states) in great need would see a
27 significant increase in their LIHEAP share, as the enabling law recognizes the dangers of
28 extreme heat as well as extreme cold. It also factors in energy costs and the most recent
29 demographics of population and poverty. In fact, the Congressional Research Service’s latest
30 (June 25, 2015) estimate confirmed that Florida would conservatively gain an additional

1 \$38.5 million in LIHEAP funding - or 55% - if appropriations adhered to LIHEAP's enabling
2 law. This is with no increase in the current federal funding total of \$3.39 billion.

3
4 **NOW THEREFORE IT IS HEREBY RESOLVED BY THE VILLAGE**
5 **COMMISSION OF THE VILLAGE OF BISCAYNE PARK, FLORIDA, AS**
6 **FOLLOWS:**

7 **Section 1.** The foregoing "WHEREAS" clauses are hereby ratified as true and
8 correct and incorporated herein by this reference.

9 **Section 2.** The Village Commission of the Village of Biscayne Park urges
10 the Appropriations Committee of the United States House of Representatives and Congress
11 to appropriate LIHEAP funding of at least \$3.39 billion in the FY 2016 budget; and that
12 Congress follow the enabling law when determining appropriations by state.

13 **Section 3.** That a copy of this resolution be sent to all members of
14 Congress, seeking their support continued funding for this program.

15 **Section 4.** This Resolution shall take effect upon adoption.

16
17 PASSED AND ADOPTED this ___ day of _____, 2015.

18
19 **The foregoing resolution upon being**
20 **put to a vote, the vote was as follows:**

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22 _____
23 David Coviello, Mayor

24
25 Attest:

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29 _____
30 Maria C. Camara, Village Clerk

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33 Approved as to form:

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37 _____
38 John J. Hearn, Village Attorney

Mayor Coviello: ___
Vice Mayor Anderson: ___
Commissioner Jonas: ___
Commissioner Ross: ___
Commissioner Watts: ___



At Issue: The Low Income Home Energy Assistance Program (LIHEAP)

Florida's LIHEAP Funding Jumps +55% if Congress Follows Enabling Law

- LIHEAP needs at least \$3.39 billion in FY16. Between FY09 and FY15, LIHEAP's appropriation has fallen 35% - from \$5.1 to \$3.39 billion – despite growing need for the program.
- If LIHEAP's enabling law is followed, Florida and other affected states would receive their fair share of funding. The US Congressional Research Service (CRS) reports Florida gains \$38.5 million (+55%) if Congress were to just follow LIHEAP's enabling law, even if it level-funds the program in FY16.

Background

LIHEAP isn't an entitlement. If a household is approved by a Florida agency to receive assistance, the resulting credit to an energy provider can cover part of an approved household's heating or cooling costs. Households must apply and be verified as eligible to meet program criteria. Florida prioritizes households with elderly, handicapped, preschoolers and high energy burdens.

How LIHEAP's Enabling Law is Supposed to Work

LIHEAP's enabling law requires funds **under** \$1.975 billion be disbursed through the program's "old" formula, which favors cold weather states. Funds **over** \$1.975 billion are to flow through LIHEAP's "new" formula, which improves benefits to warm-weather and growth states.

The Problem

LIHEAP's "new" formula has been unfairly overridden within annual 'Labor/ HHS' and continuing appropriations bills. This wording shunts almost \$1 billion from LIHEAP's "new" formula to its "old" one without explanation. **This takes millions of dollars away from thousands of at-risk Floridians.**

FY16's SENATE REPORT LANGUAGE OFFERS A STEP IN THE RIGHT DIRECTION

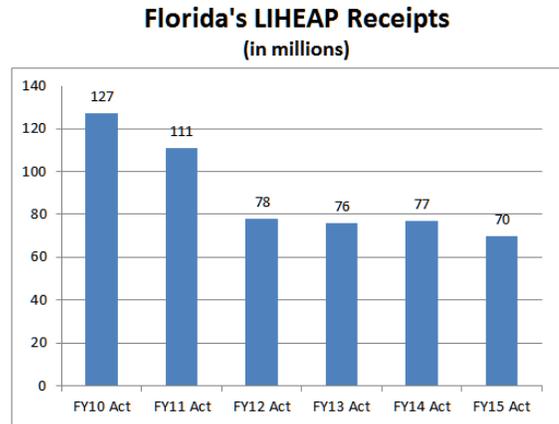
Given the Senate's recognition of the LIHEAP formula diversion issue, the following language now accompanies its FY16 Labor/HHS Appropriations bill: *"Since FY 2009 appropriations language has modified the statutory formula for allocating funds to States. As a result, the vast majority of funding is allocated based on historical allocation levels, and a much smaller amount based on dynamic factors such as the number of low income households and home heating and cooling costs by State. The Committee directs the Secretary to submit a report within 90 days of enactment of this act on the average home heating and cooling costs of low-income households by State and the average LIHEAP assistance payment by State."*

Further, HHS should include in future budget justifications estimated State allocations as proposed in the budget request, and, if different, based on the underlying statutory formula, home heating and cooling costs of low-income households by State and the average LIHEAP assistance payment by State."

At Issue: The Low Income Home Energy Assistance Program (LIHEAP) – Page 2

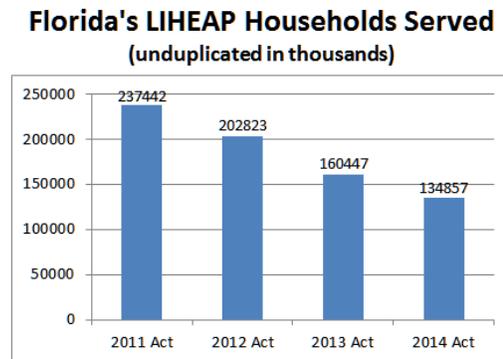
The Congressional Research Service's 6/25/15 estimate confirms Florida gains an additional \$38.5 million in LIHEAP funding, a 55% gain, if appropriators follow LIHEAP's enabling law, even if funded at \$3.39 billion in FY16!

For FY15, Florida received \$70.6 million, down from Florida's FY10 peak of \$127 million – a 45% decrease. **Florida could again be short-changed in FY16**, unless Appropriators remedy this long-smoldering fair share issue, or boost overall funding.



The Need for LIHEAP is Growing

- More than 2 million Florida households qualified for LIHEAP last year, yet only 7% of these eligible households actually received assistance! Nationally, 20% of eligible households received assistance. Florida's ability to serve less than the US average is directly attributable to diversion of its needed share of LIHEAP's "new" formula funds.
- In 2013, the national poverty rate was 14.5% and 45.3 million Americans lived in poverty, these numbers are unchanged for their all-time highs.³
- Florida's poverty rate climbed from 12.1% in 2007 to 17.1% in 2012, and was 17% in 2013.³



LIHEAP Prioritizes Vulnerable Households

- Florida's priority demographics for LIHEAP are those who are at especially high risk from **hot weather, which takes more lives than all other kinds of severe weather combined**. With warm-weather averages reaching an all-time high in July 2015, Florida's need for LIHEAP is more critical than ever.¹
- Nationally, state LIHEAP administrators report that nearly 90% of LIHEAP recipient households had at least one vulnerable person – a senior age 60 or older, a child under 18, or someone with a disability.²

Dangers of Extreme Heat and Other Mitigating Factors Need to be Considered

LIHEAP's enabling law calibrates for the dangers of extreme heat and cold, energy costs and current poverty demographics. We urge appropriators to trust enabling law to do its job.^{1,3}

Learn More about LIHEAP in Florida - <http://www.floridajobs.org/job-seekers-community-services/community-services/lowincome-home-energy-assistance-program>

Learn More about FPL's Payment Assistance Programs - <http://www.fpl.com/help>

1 – NOAA – July hottest month on record - <http://www.cnn.com/2015/08/20/us/noaa-global-climate-analysis/>

2 - "2011 NEADA Survey Summary Report" http://neada.org/wp-content/uploads/2013/05/FINAL_NEADA_2011_Summary_Report1.pdf

3 - <http://www.statista.com/statistics/205451/poverty-rate-in-florida/>