

Michigan LIHEAP Talking Points

Families Receiving LIHEAP are the poorest of the poor

- 82% of LIHEAP recipients are at or below 100% of the federal poverty guidelines. In 2019 for a family of 3, this means a monthly income of \$1,777.
- Half of all recipients are at or below 75% of the federal poverty guidelines. This would be a monthly income of less than \$1,333 for a family of 3.

LIHEAP keeps life-essential energy on in Michigan extreme weathers

- As the 12th coldest state in the nation, Michigan winters can be harsh with avg. temperatures at 21.7 degrees F.
- Customers without energy often resort to unsafe home heating practices – generators in the home, unmonitored flamed sources, etc.

The Energy Burden for vulnerable, low income households is real

- Home energy can be a crippling financial burden for an essential need. For families under 100% of the poverty guidelines, at least 18% of the household income is needed for household energy.
 - This grows for those under 50% of the federal poverty guidelines to upwards of 33%.

Highly Vulnerable households are the primary recipients of LIHEAP

- Households with a senior, disabled or child 5 years or younger represents a vast majority of recipients for LIHEAP in Michigan.
 - 68% of State Emergency Relief recipients are highly vulnerable households
 - 46% of Home Heating Credit recipients are highly vulnerable households
 - 63% of Michigan Energy Assistance Program recipients are highly vulnerable households

LIHEAP funding helps, but it still doesn't meet the need

- At just over \$160 million LIHEAP is the largest single resource to meet energy assistance needs in Michigan. However, 40% of the nearly 978,000 eligible don't get help. The remainder, 448,000 households receive LIHEAP through 3 different programs.

Contrary to Myth, "No Shut-off" Policies don't stop the need for assistance

- Shut-off protection policies are often limited in scope and are never year-round. The reality is that once the protection is over, the vulnerable household ends up with an outstanding bill they cannot afford to pay and shut-off risk is increased. This makes the system inefficient and increases risk for the beginning of the cold season and during summer peak months. Not to mention, it leaves a gap for essential energy sources like refrigeration and cooking. Bottom line is that LIHEAP helps with the root problem: affordability.

LIHEAP must be funded at a minimum of current levels

- At roughly \$162 million LIHEAP is the largest single resource to meet energy assistance needs in Michigan.

- LIHEAP is not an entitlement program. Congress must appropriate it yearly.
- In Michigan, agencies, non-profits, state agencies, and utilities work together to help find a solution to energy self-sufficiency. We are unique in this effort.

Other Items of note:

We do not support a “Super Block Grant” for LIHEAP at this time

- There is speculation that if LIHEAP is funded that it could be a part of a “super block grant”. A “super block grant” could risk the benefits of the existing LIHEAP programs.
- LIHEAP is already a block grant program and works effectively now.
- The current block grant program allows set funding to be utilized for low income energy assistance via three different dedicated programs within the state. Over the last several years, Michigan has been working to enhance and meet the needs of vulnerable energy customers through these programs, starting with the development of MEAP. These efforts to create energy self-sufficiency could be jeopardized if LIHEAP changes.

We do not support a change in the LIHEAP funding formula at this time

- There LIHEAP funding formula has a complicated history, but has evolved to address the needs of the states. Federal energy assistance conceived in 1980 was meant to primarily address home heating. However, in 1984 the funding formula was modified to provide funding for the warm weather states in need of cooling assistance. Hold harmless provisions are in place and essentially the formula kicks in if LIHEAP funding reaches levels above \$2.25 billion.
- Some states are advocating a change in the LIHEAP formula. Our focus is really about protecting the program which the Administration has suggested to eliminate.

Unfortunately we don’t have Veteran/Military Specific Data for Michigan, but a national survey tells us a significant number of veterans are recipients

- Our State DHHS does not track veteran status. Some of our individual MEAP programs are just beginning to track veteran/military status and it is only on a voluntary basis.
- What we do know, is a FY 2011 national NEADA survey found that 20% of LIHEAP recipient households were military families. Of the military families, 7% are currently serving in the military and 93% are veterans.

What about Energy Efficiency and Weatherization? Are we doing enough and how does LIHEAP play a role?

- Energy efficiency, waste reduction and weatherization are all a part of the total energy assistance plan to help families become self-sufficient.
- A portion of LIHEAP can be used by states to support weatherization. For FY 17, Michigan allocated \$6 million for a total of 833 homes weatherized. Funding is also available from the Weatherization Assistance Program (WAP). The federal allocation for that program was \$15,282,760 for FY 17. This allowed an additional 1,474 homes to be completed.
- In addition, in Michigan utility companies participate in energy waste reduction programs, with specific funding targeted to low income households.