

SUMMARY OF LOW-INCOME ENERGY ASSISTANCE PORTION
OF SENATE SUBSTITUTE FOR H.R. 3919

The Senate substitute authorizes, for fiscal years 1981, 1982 (and 1983, unless rescinded by a vote of either House), a program of block grants to the States to provide assistance to lower-families for heating and cooling costs. This provision is still open for amendment, and the following summary does not reflect any Senate floor amendments passed after November 28.

A. Funding Level

The amount authorized is \$3 billion for fiscal year 1981 and \$4 billion for fiscal years 1982 and 1983.

B. Eligible Households

All households whose income is less than the Bureau of Labor Statistics lower living standard are eligible for assistance. The BLS lower living standard, which is currently used in various eligibility determinations under the CETA program, is adjusted by family size and geographic location.

In addition, all households which receive food stamps, AFDC, veterans' pensions, and SSI are automatically eligible for assistance regardless of income, except for SSI recipients who live in another household and whose benefits are therefore reduced, SSI children living with non-SSI parents, and SSI recipients living in Medicaid institutions.

Since the provision does not require a minimum benefit, these eligibility requirements serve to limit the eligible population.

C. Allotments to States

Ninety-five percent of the total amount appropriated is allotted by various formulas to the 50 States and the District of Columbia. The basic formula allots half of the funds according to a State's aggregate residential energy expenditure (relative to the total for all States), and half according to heating degree days squared, weighted by number of households below the BLS lower living standard. However, any State's allotment would be increased, relative to either this formula or an alternative formula, by an amount necessary to provide at least \$120 per year to each AFDC, SSI, and food stamp household in the State. Further, no State would receive less than the lower of the amounts it would have received under either of two alternative formulas, also subject to an increase necessary to provide a minimum amount per household. Increases in allotments which result from either the minimum or from the alternative formulas would result in pro rata reductions in the allotments of other States.

The remaining five percent of the total amount appropriated is reserved for the territories, the Community Service Administration's crisis intervention program, and matching grants to States for additional funding under this program.

D. State Plan Requirements

Each State would be required to submit an energy assistance plan, which would be subject to approval by the Secretary of Health, Education and Welfare. The following would be among the provisions allowed or required under an approved State plan:

1. Energy assistance could be given directly to eligible households, in the form of either cash or coupons; to suppliers of energy to these households, in either cash or tax credits; and to operators of subsidized housing projects. Renters and owners would be treated equitably.

2. Priority generally would be given to the lowest-income households.

3. The amount of assistance could vary within the State according to such factors as type of fuel used and degree days in different locations.

4. Energy suppliers receiving assistance would have to agree to various conditions, including notice and delay requirements before shutting off service to eligible households. These notice and delay requirements would not apply to small suppliers.

5. States would be required to provide 50 percent of administrative cost from non-Federal sources. Total administrative costs, other than under exceptional circumstances, would be limited to 10 percent of assistance benefits.

6. Plans would be required to provide for referral, coordination, outreach, monitoring and auditing.

7. States would be required to maintain existing levels of public assistance benefits, except that assistance under this program could replace any public assistance increase made solely to provide energy assistance.

8. Any assets test used for eligibility determination could not count cars, personal belongings, and primary residences.

9. States could reserve up to three percent of funds for emergencies.

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10. Grants to meet the rising costs of cooling are allowed whenever the cooling is medically necessary.

E. Disregard Provisions

1. Any assistance provided under this Act could not be counted as income or resources under any Federal, State or local program of assistance or taxation.

2. The Food Stamp Act would be amended to provide that any increase in public assistance intended primarily to meet the increased cost of home energy would not be counted as income in the Food Stamp program.