

ISSUE BRIEF

FUELS FUNDS AND STATES WORKING TOGETHER: MODEL PROGRAMS FOR RAISING ADDITIONAL FUNDS FOR LOW INCOME ENERGY ASSISTANCE

FINAL REPORT

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NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION/NATIONAL FUEL FUNDS NETWORK

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Summary: This Issue Brief reports on examples of fuel funds working together with state-administered Low-Income Home Energy Assistance Programs (LIHEAP) and state-funded energy assistance programs, including public service benefit programs. The objective is to provide states and other interested parties with models for developing effective partnerships with fuel funds and public benefit programs to increase funds available for low-income energy assistance.

Three criteria or strategies of revenue enhancement were used as guides to the selection of programs and agencies for inclusion in this study: increasing revenues; reducing administrative costs, primarily through streamlining administrative procedures and information management practices; and increasing revenues from partnership activities.

Projects were selected from the following states: Colorado, Maryland, Minnesota, Montana, Nevada, New Jersey, North Carolina, Pennsylvania, Oregon and Wisconsin. It is important to remember that the programs that are highlighted here serve as examples only. Many other programs were considered as interesting or had as promising approaches that can be used to begin the process of validation and replication. They are not models in the formal sense (i.e., statistically tested, validated observations).

The key audiences for this Issue Brief are the LIHEAP state directors and coordinators, fuel fund directors and staff, corporate supporters (both utilities and non-utilities), and state governments who play an active role in ensuring access to affordable energy for low-income families.

Conclusions: The following general observations can be offered:

- The need for low-income energy assistance is vast. Only about 16 percent of eligible households are receiving assistance through any of the programs outlined in this paper. This need has been made greater in the last few years due to rate increases, weather crises, state-level budget shortfalls, lack of growth of federal LIHEAP and related funding to keep pace with the increased demand, high unemployment, and an increased number of non-LIHEAP qualified households in need of energy assistance. None of these conditions are seen to be improving and demand is increasing by as much as 30% in some states. In addition, LIHEAP funding appears to have leveled off at between \$1.9 and \$2.0 billion a year.
- The primary method now being used to increase the overall levels of revenues that are available for low-income energy assistance has come through the process of deregulation and the creation of societal benefits pools in at least twenty states. These pools of funds are developed using local deregulation processes, administrative and regulatory rule making, negotiation with utility interests, and political advocacy on the local level.
- Leveraging as practiced by the LIHEAP program allows for counting charitable giving to increase the amount of LIHEAP funds to a state, but does not imply that the fuel funds, state programs or nongovernmental assistance providers will be given any of those leveraged resources for their own programs. There are cases where the state LIHEAP office may determine to give grants to nongovernmental programs to be used primarily as matching funds to corporate or individual contributions.

Methodology: There were three strategies of revenue enhancement that were used to guide the selection of programs and agencies to include in this Issue Brief; these strategies are:

- first, where there was concrete evidence of increased revenues (including, but not limited to, “leveraging” as used in the LIHEAP program);
- second, where there were reduced costs (primarily through administrative procedures and/or information management practices); and
- third, where there was cost avoidance through partnership activities which had a positive impact on the overall ability to increase the amount of low-income assistance dollars.

It should be noted that the states and organizations covered in this study constitute a representative sample of each of the three models or strategies. Many other examples exist.

For the purposes of this Brief, partnerships are defined as an informal set of arrangements among like-minded persons working towards common goals who are willing to take shared risks and enjoy shared profits. It is this definition of partnership that has guided this investigation. All the partnerships that are highlighted here have at a minimum the involvement of the LIHEAP state office and an energy assistance organization (usually a fuel fund).

Moreover, the partnerships that are the focus of this paper are oriented towards the specific goal of increasing the availability of funds for direct low-income energy assistance from established sources of income (e.g., LIHEAP allocations and supplemental funds, public or societal benefit funds where they exist, utility contributions through bill payer programs or through rate adjustments, and rate payer funding pools created generally from deregulation actions).

The intent of this Issue Brief is to create the interest and momentum among readers to support a more significant dialogue, collection of more complete and ongoing information, and creation of clear models (and the supporting prototype materials) that can then be expanded through supported pilot programs, and dissemination efforts to more effectively hone the successful practices.

Strategies: At least two strategies are suggested by examining current programs. One approach focuses on increasing federal and state funding. In addition, this approach has included the support of public benefit funds developed by states because of utility restructuring. The second approach could be characterized as the range of efforts that can be broadly termed “social entrepreneurial.” This approach focuses on raising funds from foundations, utilities and other community sources. The assumption used to guide the selection of cases here was that the best approach is to seek strategies to maximize all sources of funding by identifying opportunities for the federal government, states, utilities, fuel funds and other groups to work together to raise additional resources for energy assistance.

Model Cases

This section is divided into three parts. The first part is devoted to revenue enhancement for low-income energy assistance. The second part looks at ways to cut costs primarily through an array of administrative efforts. Finally, the last part focuses on efforts to develop partnerships to directly for increasing revenues for low-income energy assistance.

Part 1: Increasing Revenues

The most direct and probably most important aspect of the solution to the problem of lack of energy assistance funds is the identification, access and direct provision of greater levels of actual revenues. Single or multiple programs in the states of Nevada, New Jersey, Oregon and Wisconsin are highlighted in this section.

The Nevada Fund for Energy Assistance and Conservation: In 2001, while putting the brakes on full-scale restructuring, Nevada established a funding source for supplementing existing low-income energy programs. The administrator of these funds is The Nevada Fund for Energy Assistance and Conservation (NFEAC), which is funded through a mill tax assessment, or Universal Energy Charge (UEC) paid by residential and commercial customers of the seven regulated gas and electricity utilities. The charge is based on consumption and was collected beginning in 2001.

The UEC generates \$10 million annually for low-income energy assistance and conservation; 75 percent of the funds are distributed to LIHEAP-eligible households, and the remaining funds can be used to provide supplemental weatherization. This funding has been hard won; during the 2003 legislative session three bills that would have altered or eliminated UEC funding were introduced, but not passed, by the state legislature.

During 2002 the state LIHEAP office began using federal LIHEAP and NFEAC funds to operate a fixed annual credit energy assistance program that limits the overall energy burden for low-income households. The credit for each household is determined to be the amount sufficient to reduce the percentage of the applying household's income spent on energy to the state median. The lower the income and the higher the usage, the greater the benefit.

New Jersey Universal Service Fund : In 1999, New Jersey adopted Assembly Bill 16 that established a societal benefits charge (SBC) to recover costs of social programs, defined as "a program implemented with Board of Public Utilities (BPU) approval to provide assistance to disadvantaged customers, to provide protection to consumers, or to accomplish a particular societal goal." This includes the winter moratorium program (for utility shut-offs), utility practices concerning "bad debt" customers, low-income assistance, deferred payment plans, weatherization programs and late payment and deposit policies. This money is currently administered by the BPU.

In March 2001, the Board approved a three year comprehensive strategy to promote efficiency and renewable energy programs that included a low-income energy efficiency component called New Jersey Comfort Partners, which is funded by the seven electric and gas utilities that participate. New Jersey Comfort Partners provides energy management and, in some cases, arrears forgiveness for overdue utility balances.

In March 2003 the New Jersey BPU approved the establishment of a statewide Universal Service Fund (USF) program using funds from the societal benefits charge. The program will support a percent of income payment plan for LIHEAP-eligible families. The amount of the first year of funding is estimated to be \$40 million. LIHEAP payments are subtracted from the total amount eligible under the New Jersey law to determine actual energy burden. The total maximum annual USF benefit for any household is \$1,800.

New Jersey (NJ) Shares Unclaimed Utilities Deposit Trust Fund Income: NJ Shares, the fuel fund nonprofit within the state, operates in a significantly different manner than LIHEAP or, in some cases, most other fuel funds. First, the major source of funding for NJ Shares comes from unclaimed utility deposit trust funds that are held in the New Jersey Department of Treasury. The use of these funds is negotiated annually with the state. The state earmarks 75 percent of unclaimed utility deposits as a special fund for energy assistance. In 2003, NJ Shares received \$1.6 million from the unclaimed utility deposits. The other major source of funds for NJ Shares is ratepayer contributions done through the seven electric and gas utilities using a bill insert program. These contributions are tax deductible. The seven major investor-owned utility companies cover the administrative costs of running this nonprofit organization, and some provide matching funds for their customer contributions.

Second, NJ Shares provides temporary financial emergency assistance to households who do not qualify for other types of assistance, such as LIHEAP or TANF, who have exhausted all other available resources of assistance, and have demonstrated a good faith effort to pay their energy bills. The grants are administered by 50 community-based organizations that serve as intake agencies. These agencies make a determination of eligibility and process grant applications.

NJ Shares has taken the route of not directly aligning itself with LIHEAP and TANF processes and criteria. When the discussion and decisions around who should administer the USF were undertaken, there was an agreement on the part of both the NJ Shares Board and the BPU that NJ Shares would not administer the USF funds. This model of non-federally driven fuel funds with strong cooperative involvement of all the major utilities in the state is, however, one that may make even more sense in some states as reflected in the arrangements in Colorado and Connecticut, for instance. This strategy depends upon the overall political environment, the composition of the households in need, and the availability of outside revenues beyond federal monies.

Oregon Public Purpose Charge: Providing yet another structural location of low-income energy assistance funds, the Oregon Housing and Community Services (OHCS) is the state housing finance agency, providing financial assistance and affordable housing for low- and moderate-income Oregonians. The department also administers federal and state anti-poverty, homeless and energy assistance community service programs.

While supporting LIHEAP efforts in the state, the OHCS also took the initiative in January 2004 to early release allocations of the Oregon Energy Assistance Program (OEAP) during the time when there was no Congressional action on LIHEAP funding. The smooth transition of the funding helped to address a common issue in all low-income energy assistance programs—how to help mitigate the impact of cash flow problems to allow partner agencies to keep the processing of claims flowing when the assistance is needed. OEAP is an energy assistance

program funded by a meter charge for customers of Pacific Power and Portland General Electric. The assistance funds are distributed to eligible households through local community action agencies.

Signed in 1999, Oregon's restructuring law provided about \$18 million in new funding for low-income energy assistance and weatherization programs through a \$60 million Public Purpose Charge (PPC). The PPC is equal to 3 percent of the total revenues collected by electric utilities and funds "new cost-effective local energy conservation, new market transformation efforts, the above market costs of new renewable energy resources and new low-income weatherization." In allocating the \$10 million for rate assistance that came from a meter charge on customers of the state's two investor-owned electric utilities, the level chosen "was an attempt to bring the state's total bill assistance funding up to the peak level of LIHEAP funding in 1985, which was about \$20 million for LIHEAP rate assistance in that year" as highlighted in the legislation. In this case, LIHEAP served as a standard or benchmark for amounts of funding levels for state-based funds. By 2003 the amount had increased to \$21 million.

The funds are distributed through local agencies that operate LIHEAP, but are accounted for separately. The law requires that priority assistance be "directed to low-income electricity consumers in danger of having their electricity service disconnected." The law requires that the money be expended in the service area of the electric company from which funds were generated.

The other major provider of low-income energy assistance funds is Oregon HEAT. Oregon HEAT is a partnership of individuals, public and private utilities, and community and state agencies with the mission of "raising and coordinating resources to help low-income Oregonians meet their household energy needs and move them to energy self-reliance." The majority of its funding comes from customers of utilities that distribute donation envelopes in billing statements, large corporate donations and in-kind support. Oregon HEAT receives no federal or state operating support and no United Way income. Pacific Power began in 2003 to match each customer dollar donated to Oregon Heat.

In January 2004 Oregon HEAT received a \$1.8 million settlement from the Williams Energy Marketing Company. A board member of Oregon HEAT read about the Williams settlement for market manipulation in several other western states and urged the Oregon HEAT Executive Director to become involved in getting a part of Oregon's share of the settlement of \$15 million. With the help of a lobbyist from Eugene Water and Electric Board, a successful campaign was mounted to include their organization into the process for determining what to do distribute the settlement funds. The Oregon PUC took a position that "every penny should be returned to ratepayers through a one-time credit, with consumer-owned utilities having an equally strong and similar position." The investor-owned utilities did not take a position on the distribution of funds.

The successful argument came from the economic burden of energy cost effort. Testimony was offered that "...low-income Oregonians were disproportionately damaged by the market manipulations of Williams Company and therefore should receive a larger share of the settlement....low-income Oregonians who qualify for LIHEAP and Oregon HEAT assistance pay utility expenses ranging between 15-25 percent of household income in contrast to the average of all Oregon households of 7-10 percent. As a class, low-income Oregonians

qualifying for LIHEAP and Oregon HEAT suffered damages up to three times greater than all Oregonians.”

Information used during these arguments served to shed light on the broader need for bill payment assistance. Oregon HEAT Executive Director Jay Formick stated that, “More than the money, the Attorney General’s decision to help low-income people is a huge win for low-income Oregonians. It demonstrates a high level of awareness of the needs of low-income people at the highest levels of state government in Oregon that is very gratifying and gives me great hope.”

Wisconsin Home Energy Assistance Program: The Wisconsin utility restructuring legislation (Wisconsin Act 9, 1999) did not enact comprehensive restructuring, but did provide a statutory framework for continuation and expansion of public benefits programs, including low-income rate assistance and conservation. Only Wisconsin and Vermont have passed and implemented legislation authorizing a public benefits program that was not part of the overall utility restructuring program. The enabling legislation reassigned the responsibility of the public benefits programs that had been established, overseen and operated by investor-owned utilities under the Public Service Commission (PSC) regulatory supervision to state management within the Department of Administration’s program WHEAP.

Funding for the low-income energy portion of the public benefits fund (PBF) varies from year to year and comes from three sources:

- prior utility (gas and electric) low-income expenditures,
- a new access fee, or customer charge, on all electric bills, and
- current year’s federal LIHEAP and weatherization allocations.

Since 2001 the Division has integrated the low-income PBF funds with LIHEAP to create one program that addresses total home energy costs.

Like California, Massachusetts and New York, the Wisconsin public benefit program, which is called “Wisconsin Focus on Energy” (The Focus Program), provides for continued low-income energy assistance. In addition, half of the funds are intended for development and use of renewable energy, market transformation, energy efficiency improvement, home and building designs, and education and training. Within that framework, the state continues to collect funds for existing utility-funded low-income programs and authorized new funding for a total of \$50 million for fiscal 2002-2003. This amount is adjusted annually, with rate assistance receiving 53 percent (\$26.5 million) of the funds.

Several low-income energy pilot projects were funded by the governor’s office using funds from oil overcharge funds beginning in the late 1990s. Keep Wisconsin Warm Fund (KWFF) has been successful in using seed money and grants from these funds to leverage or match other private sector contributions. These programs have been so successful, in 2002-2003, the Wisconsin Department of Administration provided KWFF with a \$500,000 matching grant authorizing a dollar-for-dollar match for donations.

KWWF has had a particularly successful set of fund raising activities which have generated considerable public attention to not only the problem of low-income energy assistance, but have also helped to raise the profile of the charitable efforts beyond the more traditional utility company support. A successful 2003 project was conducted with Culver's restaurants throughout Wisconsin. Five percent of all sales during a single day were dedicated to energy assistance programs, with all money collected remaining in the county in which it was collected; the amount collected was \$25,000. This general model of committed resources from gross sales could be replicable across all areas of the private sector and, depending upon corporate structures, can be developed with a modest amount of fuel fund direct involvement.

The success of the KWWF fundraising program with Culvers resulted in a corporate request to expand its effort to thirteen other states. They did not, however, want to deal directly with 13 other sets of state structures and locating the proper partners. There are no existing mechanisms for coordination and implementation of this type of program nationwide on the public or nonprofit side of the assistance house. KWWF is working now to locate interested parties, generate enthusiasm, work out the implementation problems, etc., for thirteen additional states, all out of Wisconsin.

This is important from a modeling perspective because it could be easily replicable across the country if there were sufficient administrative and coordinating assistance. Returning to the basic assumptions of this study, at what point does the return on investment warrant creating such a multi-state coordinating effort? Who should develop, field test, and produce the materials and handbooks that would be the natural outgrowth of these sorts of efforts? While LIHEAP programs may have more general resources available and are organized into federal regions, as a federal government agency, it is unclear whether they should be in the main position of corporate fundraising.

Part 2: Reducing Program Administrative Costs

While not as exciting or newsworthy as large new sources of public benefits funds or legal settlements, strategies that can be used to reduce the share of funds allocated for administrative costs can result in increased funds for program assistance. The cases that are highlighted in this section illustrate the wide variety of ideas and efforts that have been undertaken to consolidate programs, reduce administrative costs and eliminate redundancies in the complex system of low-income assistance programs.

Colorado – Raising Operating Funds: Energy Outreach Colorado (EOC) (formerly known as the Colorado Energy Assistance Foundation), secured funding to purchase computers, printers and faxes for the state of Colorado's LIHEAP office and weatherization programs. During the 2001 gas crisis, EOC presented a private foundation with a preliminary request to provide \$500,000 for the purpose of updating computers, printers and faxes for both the LIHEAP and weatherization programs. The preliminary grant request was accepted, and a request was made by the foundation for a complete proposal. The foundation then provided a grant was awarded for \$250,000 with the stipulation that it had to be matched by an additional \$250,000 of new money (non-LIHEAP or EOC existing funds) – ultimately providing the dollars needed to manage the entire proposal. The LIHEAP program purchased the computers as quickly as possible and was reimbursed once the funding foundation provided its match. The EOC worked

for nearly a year to secure the additional \$250,000 – raising dollars from utilities, oil and gas companies, foundations and individuals.

This was the second time in its history that EOC played a key role in securing new computers for the Colorado LIHEAP program. In 1992, at the request of the LIHEAP program, a utility underwrote a study to determine the benefits of computerizing parts of the LIHEAP processing. The study suggested such a large return on investment for any entity willing to fund the purchase that five investor-owned utilities and one municipality provided \$250,000 to secure computers and printers for every LIHEAP county office in the state.

Maryland – Energy Expo and Cooperative Intake: In February 2004, The Victoria Q Adams Fuel Fund in Baltimore held its second Energy Expo with Baltimore Gas and Electric, the state (OHEP) and city LIHEAP programs, representatives from the Maryland Office of Peoples Counsel and the Maryland Public Service Commission. The Expo was held during “Energy Assistance Week” declared by Governor Ehrlich (February 23-29) to increase awareness, to encourage households to apply for assistance, or to make contributions to the Maryland Fuel Fund or the many other charitable energy programs.

The Expo brought together all the relevant players and programs involved in the energy assistance field in one place and at the same time in order to allow customers to solve their energy problems. The Expo serves as an example of reducing administrative costs for both government programs and the charitable fuels by using joint intake for LIHEAP, the state’s Universal Service Program, and the fuel fund. By centralizing all services at one site, it reduced the case management time needed for telephone referrals and consultations.

Montana – Central Database System Evaluation: With the help of a central database system, the state LIHEAP office has been able to verify whether the payment matrix, which is adjusted annually to fit the state’s LIHEAP grant and account for differences in household income, fuel costs, fuel efficiency, dwelling type, dwelling size and local climate, is achieving its “intended outcome of reducing heating cost burdens to the state average.” The state hired an information technology firm to develop a report that allows it to examine and document the impact of LIHEAP heating assistance based on actual data. The findings?

“The average heating burden has been reduced by 52.5 percent, and among some of the lowest income households, it was reduced as much as 82 percent. Prior to receiving LIHEAP, some households—those with the lowest incomes—had burdens as high as 27 percent.”

(Source: LIHEAPnetworker Issue # 46)

This solution to outcome measurement is allowing Montana to make fuller use of its limited low-income assistance funding by targeting high-impact households.

Nevada -- Use of Interest on Housing Bond Money: In 2003 the Nevada State Housing Division provided LIHEAP with a one-time allocation of \$2.75 million through interest acquired from housing bond money from the Single Family Mortgage Revenue Program. The money can be used for administrative costs, systems designs and maintenance, and energy assistance for eligible households. In addition to supplementing energy assistance for non-UEC households, the money was used to upgrade the computer systems and conduct program outreach and education.

The overall impact of this highly integrated and collaborative effort is to create for both the users and the managers of the system a “one-stop” type environment similar to that required under the Workforce Investment Act, and found in the one-stop career centers.

New Jersey – Web-Based Giving: In 2003, NJ Shares began a program through iGive.com, the first online charitable shopping mall, to collect donations. Donations are made when consumers do their online shopping through iGive.com. The website enables individuals to shop online at hundreds of merchants and simultaneously support any charitable cause they wish. Up to 25% or more of every purchase is donated to the selected cause at no cost to shoppers or causes. Since its debut in 1997, iGive has raised more than \$1 million for thousands of causes.

This program, and others like it, has been listed here under the reducing administrative costs category for its potential cost savings for fundraising, public relations and marketing for the cause of energy assistance. There are web-based nonprofit companies that specialize not only in niche online fundraising, but also the administrative processing of contributions electronically.

Oregon – Documenting Specific Results of Energy Assistance: Returning to the Williams Company case settlement (see page 6, Oregon HEAT is in the process of planning the use of \$500,000 on a study to document what specific measures can be applied to a household to assess results from having received energy assistance, charitable assistance and LIHEAP. This project will be useful in helping to identify linkages and clear understandings of the role of energy assistance in helping low-income households. Without that insight, it is virtually impossible to establish “model” programs for the efficient use of energy assistance funds.

The project is being undertaken by the Oregon Progress Board. The Board is responsible for implementing the state’s 20-year strategic plan, Oregon Shines. The Board tracks 90 indicators of three overall outcomes: quality jobs for all Oregonians; safe, caring and engaged communities; and, healthy, sustainable surroundings.

Pennsylvania – COMPASS System for Online Application for Assistance: Pennsylvania has established the COMPASS system—Commonwealth of Pennsylvania Access to Social Services Self-Screening questionnaire and system of guidance to points of assistance. The system allows the applicant to apply online for services for which members of a household are eligible from the Commonwealth. The information used to screen clients in COMPASS is confidential and is not retained by the system. The client then uses the online application and applies for all the services he or she needs. At this time, only the cash benefits portion of LIHEAP may be applied for online.

Wisconsin – Energy Services Program Application: Both LIHEAP and the public benefits programs are administered at the county level using a single application that uses an interactive interview process. The application process includes not only direct heating assistance to approximately 100,000 households per year, but also counseling for energy conservation and energy budgets, proactive co-payment plans, targeted outreach services, and emergency furnace repair and replacement. Special accommodations are available if the applicant is homebound.

Part 3: Developing Partnerships

Each of the highlighted programs that appear above in these case studies contains a certain type of partnership. Primarily they are partnerships that are the outgrowth of the management of resources. While each of these partnerships shares some common elements, the individual approaches are as varied as are the partners and number of programs. This section addresses a broader-based partnership with the potential of creating larger scale or more complex efforts.

A key example, is the Colorado Outreach Study. One of the keys to effective partnerships is shared information and shared perspectives. Many partnerships break down over the inability to understand a problem from another's point of view. A study was conducted in 2001 by the Colorado Department of Human Services Administration, Energy Outreach Colorado, and Xcel Energy. The purpose of the study was to determine why so few potentially eligible people apply for LIHEAP, the effectiveness of the outreach strategies, development recommendations for improved outreach, and to then conduct a marketing campaign based on results.

The findings included:

- Each key target population viewed LIHEAP differently and that was impacting their willingness to participate (e.g., seniors do not see themselves as “low income,” the low-income and working poor viewed LIHEAP as being used only in a crisis);
- Rural counties responded more strongly than urban counties;
- There will always be a portion of the target population who will not participate regardless of program changes or outreach measures; and,
- The most significant barrier to LIHEAP participation is lack of awareness about the program itself and the details of the program.

This study led to actions including a television media campaign in the Denver area designed to de-stigmatize the low-income emphasis, displays on billboards and bus benches, and point of sale displays in selected grocery pharmacies. These efforts, combined with increased funding, a higher poverty level, three years of bad weather, and price spikes, created an increase in demand. Future program changes were noted, and enrollment recommendations were made and are under consideration in the LIHEAP program.

Crisis Assistance Ministry, North Carolina: Based in the Piedmont area of North Carolina (Charlotte and Mecklenburg County area), the Crisis Assistance Ministry is the lead nonprofit agency in the area for emergency financial assistance distribution. The Crisis Assistance Ministry focuses on the client need first, using a wide and varied set of small-scale, local fundraising activities with all types of partners. Ranging from assistance for households to maintain their gas connections and eviction prevention, to providing household necessities and counseling to low-income households, the Crisis Assistance Ministry has also been able to access and organize professional assistance from lawyers, financial managers and planners in developing their efforts.

Using a technique of organizing and sponsoring business meetings and performing service projects provides, according to the Crisis Assistance Ministry staff, provides a “memorable day of team building and service to the community that I think will take off as businesses look for unique ways to hold impactful off-site meetings.” This approach offers much merit in terms of providing high quality volunteers who can give meaningful, professional-quality assistance to the resource-strapped fuel funds and assistance agencies.

Minnesota eHeat Project: Sponsored by the Minnesota Department of Commerce, the administrating agency for LIHEAP and weatherization, the e-Heat Project is another example of a collaborative project using expert knowledge and assistance to solve problems of low-income energy assistance. The purpose of e-Heat is to design business solutions in a collaborative fashion that draws on all sectors of the energy assistance community. The results of this work will be the basis for designing the LIHEAP and weatherization database and supporting software based on stakeholder input.

Conclusions: The following general observations can be offered:

- The need for low-income energy assistance is vast. Only about 16 percent of eligible households are receiving assistance through any of the programs outlined in this paper. This need has been made greater in the last few years due to rate increases, weather crises, state-level budget shortfalls, lack of growth of federal LIHEAP and related funding to keep pace with the increased demand, high unemployment, and an increased number of non-LIHEAP qualified households in need of energy assistance. None of these conditions are seen to be improving and demand is increasing by as much as 30% in some states. In addition, LIHEAP funding appears to have leveled off at between \$1.9 and \$2.0 billion a year.
- The primary method now being used to increase the overall levels of revenues that are available for low-income energy assistance has come through the process of deregulation and the creation of societal benefits pools in at least twenty states. These pools of funds are developed using local deregulation processes, administrative and regulatory rule making, negotiation with utility interests, and political advocacy on the local level. This money is not guaranteed for low-income energy assistance per se. Some states have created formulas or arrangements based on LIHEAP assistance levels to guide how much of the societal benefit pool will be dedicated to low-income energy assistance direct payments.
- Leveraging as practiced by the LIHEAP program allows for counting charitable giving to increase the amount of LIHEAP funds to a state, but does not imply that the fuel funds, state programs or nongovernmental assistance providers will be given any of those leveraged resources for their own programs. There are cases where the state LIHEAP office may determine to give grants to nongovernmental programs to be used primarily as matching funds to corporate or individual contributions.

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