

Oral
report/city mgr.
11-22-05

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 22, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES K. HARTMANN, CITY MANAGER 

FROM: DEBRA R. COLLINS, DIRECTOR, DEPARTMENT OF HUMAN SERVICES 

SUBJECT: UPDATE ON FUEL ASSISTANCE PROGRAMS

On October 27, 2005, I informed City Council of the potential shortfall in the federal/state and private utility companies fuel assistance programs in order to adequately assist low income residents this winter. Department of Human Services (DHS) staff reviewed federal and State action regarding the programs and predicted that there would not likely be sufficient funds to cover a significant portion of low income residents' fuel bills.

Due to the recent action taken by Congressional committees, staff determined that it is timely to provide City Council with a second update, including notification that staff will begin private fund raising to supplement the federal/state program and the utility company programs. Locally, last year DHS received 604 applications for fuel assistance during the 30 day application period. Staff has not received a final tally from the State for applications this year, which were due on November 14, but indications are that applications received from Alexandrians are consistent with the more than 600 applications received last year.

At the federal level, the House and Senate Conference Committee are working toward a compromise appropriations bill in anticipation of the December 17 deadline of the second Continuing Resolution. There are indications that a consensus is building for additional support of energy assistance this winter. The House has proposed a \$1 billion supplement to LIHEAP; the Senate has not yet agreed on a supplement of this size, and the outcome will not be known until a conference committee report is approved by both houses.

On October 29, 2005, Governor Warner sent a letter to Mayor Euille stating that he was committed to supplementing the federal fuel assistance program with State funds, a commitment he made at this year's Virginia Municipal League (VML) meeting. The Governor's letter requested information on any outreach efforts planned by the City. Mayors of large cities across the Commonwealth were sent a similar letter. DHS staff called William Shelton, director of the Virginia Department of Housing and Community Development, the Governor's designated

contact, and relayed the information that City Council had been alerted by staff on October 27, a press release had been issued, energy conservation tips were prepared for the City's website (the tips are now displayed in a link from the City's front web page), and staff were monitoring the situation for possible local action.

DHS staff called Director Shelton again yesterday to determine the progress of the Governor's actions and were informed that, although the actual amount of supplemental State funds has not been made public, there definitely will be a State supplement. State staff, according to Director Shelton, are also monitoring actions on the federal level, so they can determine an appropriate amount of State supplement. The director said that once the amount of supplement has been approved by the Governor, DHS staff will be notified by phone.

As stated in the attached October 27 memorandum, last year the City used locally-donated funds to supplement the federal and utility company programs. DHS staff will once again solicit donations for a local effort to supplement existing programs and possibly to serve residents not eligible under other program guidelines. The DHS staff will use the guidelines outlined below to serve:

- Families that unavoidably miss the November 14 State application deadline;
- Families that have bills that exceed the State's maximum allowed payment;
- Families that include an elderly or disabled member or who have young children, but are 20% above State income eligibility guidelines; and
- Families that need more than the \$500 supplement for the repair of inoperable heating equipment.

Staff plan to work with the School System to place a flyer in all children's backpacks, send the flyer home with Head Start and child care center children, place the flyer on the City's website, and in all libraries. Finally, an update of funding and estimated demand will be provided prior to Council's next legislative meeting.

cc: Michele Evans, Deputy City Manager
Mark Jinks, Deputy City Manager
Rose Williams Boyd, Director, Citizen Assistance
Bernard Caton, Legislative Director
Jack Powers, Director of the DHS Division of Community Programs
Nelson Smith, DHS Director of Community Services

Attachment

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 27, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES K. HARTMANN, CITY MANAGER

FROM: DEBRA R. COLLINS, DIRECTOR, DEPARTMENT OF HUMAN SERVICES

SUBJECT: ENERGY ASSISTANCE ALERT AND OUTLOOK

The Department of Human Services (DHS) Office of Community Services (OCS) provides intake and ongoing services under Virginia's federally-funded Fuel Assistance Program. DHS staff have reviewed recent trends and outlooks in heating fuels cost and has determined that the federal Fuel Assistance program is not likely to be sufficient to prevent low income Alexandrians from evictions or other financial crisis. On average, DHS receives an average of 600 applications a year and approves 525 - 550. The State rules allow a window for application of only 30 days for heating assistance, which began this year on October 11. The State has already mailed applications to all households that received assistance last winter. Last year's average benefit for eligible Alexandria households was \$225 (the Statewide average was \$220).

Final Congressional action on funding for Energy Assistance is pending. There has been mention of additional appropriations this year due to the Gulf Coast hurricanes' impact on supply and cost. However, appropriations currently under review in both the House and Senate are lower than FY 2005. The House version would result in a \$3 million reduction for Virginia, and the Senate version a \$5.4 million reduction. The Virginia General Assembly does not supplement the federal allocation and a portion of the federal allocation is reserved for Cooling Assistance for the summer of 2006.

Energy and utility assistance has evolved into a year around program, although the federally-funded components are seasonal. Dominion Virginia Power offers EnergyShare and Washington Gas offers the Washington Area Fuel Fund (WAFF) to supplement the federal winter energy assistance program. During the 2004-2005 winter season, the WAFF program assisted 174 families with primary heating costs. DHS staff assisted an additional 50 households through the EnergyShare program. In FY 2005, OCS staff solicited over \$92,000 from the faith-based charitable community to prevent heat and utility disconnection. Also, the staff use an average of

\$4,900 in discretionary state and local resources to help 12 families, who do not fit the guidelines of the other programs, keep heat and utility service on.

The general outlook is that energy costs will sharply increase this winter based on shortages caused by the Gulf Coast storms and other factors, such as increased costs for natural gas, electricity and home heating oil in the past two seasons. Staff have seen estimates that range from 25% to as high as 48% increases in home heating costs depending on the type of fuel used. Virginia's last year average benefit of \$225 will not even allow for a 100 gallon delivery of heating oil and may cover only one month's gas or electric usage during the heating season.

In the winter of 2000-2001, fuel costs also skyrocketed and DHS used locally-donated funds to supplement the federal and utility company programs. The guidelines used then, and proposed now for any locally-donated funds received for this purpose, are for households not eligible for the existing programs or which have needs that exceed the resources available under those programs:

- Families that unavoidably miss the November 11 State application deadline;
- Families that have bills that exceed the State's maximum allowed payment;
- Families that include an elderly or disabled member or have young children, but are 20% above State income eligibility guidelines; and
- Families that need more than the \$500 supplement for the repair of inoperable heating equipment.

With increases expected in heating costs this winter, these families will clearly benefit from the flexibility afforded by locally donated funds to supplement the existing fuel assistance programs.

cc: Jack Powers, Director, Division of Community Programs, DHS
Nelson Smith, Director, Office of Community Services, DHS
Ann Moore, Project Coordinator, OCS/DHS