

Energy and Telephone Assistance in the States

Introduction

The 2007 edition of *Energy and Telephone Assistance in the States: Public Programs That Help Low-Income Households* identifies and describes current programs that federal and/or state governments have developed, authorized, funded, or administered to help low-income households initiate and maintain home energy and telephone service.

These programs vary significantly among the 50 states and the District of Columbia, with regard to the type and amount of assistance, the level of government support, the rate of participation, and the requirements for eligibility. This publication, however, is specifically designed to facilitate comparisons between and among states and across services. The structure and effectiveness of a low-income energy assistance program, for example, may be relevant to policymakers or advocates seeking to create or redesign a low-income telephone assistance program.

Energy and Telephone Assistance in the States: Public Programs That Help Low-Income Households consists of three main sections. The *Federal Programs* section describes the role of the federal government in helping low-income households afford telephone and home energy services. Lifeline and Link-Up are the federal low-income telephone assistance programs. Lifeline reduces the monthly cost of telephone service to eligible low-income households through a credit on local telephone bills. Link-Up provides eligible low-income households with a one-time credit to reduce the cost of installing telephone service.

The Low-Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program (WAP) are the primary federal low-income energy assistance programs. LIHEAP provides eligible low-income households with financial assistance to offset the costs of heating and/or cooling their homes. WAP helps eligible low-income households increase the energy efficiency of their homes, reduce their energy expenditures, and improve health and safety.

The *State Programs* and *State Profiles* sections highlight the government-related assistance programs provided in the 50 states and the District of Columbia that help low-income households afford home energy and telephone services. *State Programs* explores some of the similarities and differences among these programs across all states. Then, in the *State Profiles* section, each profile describes the primary low-income assistance programs that the particular state has developed, administered, authorized, or funded, including key data such as benefit amounts, eligibility requirements, funding, and participation levels. To provide a basic understanding of each state's unique environment, each profile also includes demographic data such as state population, state median income, percentage of households in the state headed by persons age 50 and older, and percentage of households in the state with total income below 150 percent of the federal poverty guideline.

FY2006 Telephone and Energy Assistance in Context.

Telephone Assistance—Recent Developments
Lifeline and Link-Up ensure that low-income consumers can access quality telecommunications services at reasonable and affordable rates. These programs provide discounts to low-income households for the initial installation of phone service (Link-Up) and monthly phone bills (Lifeline). Lifeline and Link-Up have provided assistance to many subscribers, yet many citizens eligible for these programs may remain unaware of their existence and benefits.

In 2004, in an effort to encourage greater participation in the programs, the Federal Communications Commission (FCC) broadened the federal default eligibility criteria to include an income-based criterion of 135 percent of the federal poverty guidelines (FPG), and participation in the Temporary Assistance for Needy Families (TANF) program, and the National School Lunch's free lunch program.

To further help increase awareness and enrollment in state and federal Lifeline and Link-Up programs, the FCC formed a working group

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composed of State Public Utility Commissions and federal FCC employees and created a website (www.lifeline.gov) in 2005 to provide information about the programs to consumers, the industry, and the media. It is too early to tell if the website and actions of the federal/state working group will be effective in increasing Lifeline and Link-Up participation¹.

Energy Assistance

The winter of 2005–2006 (FY2006) was expected to be extraordinarily challenging for consumers in terms of high heating costs and colder-than-average temperatures. Many consumers were expected to face substantial increases in their winter heating bills during this period as a result of rising energy costs exacerbated by the effects of two hurricanes that disrupted natural gas and petroleum production and distribution. It was expected to be especially difficult during this period for low income households, especially those in the Northeast and Midwest, to afford to heat their homes adequately.

In response to the expected increases in home heating costs and the increased need for energy assistance among low- and lower-middle income households, the federal government as well as several state, city, and local governments increased funding to existing energy assistance programs and initiated new ones.

The federal government increased LIHEAP funding by \$100 billion in March of 2006, while the 50 states and the District of Columbia increased funding for energy assistance by almost \$450 million.²

Although these combined increases in energy assistance protected many low income households from the consequences of inadequate energy, many appropriations were “one-time only” and cannot be relied on to meet the energy needs of low-income households currently or in the future.

¹ FCC and NARUC Launch “Lifeline Across America” to Raise Awareness of Lifeline and Link-up Programs: Discount Programs Help Low-Income Households Afford Phone Service. (July, 2005,). Federal Communications Commission. Retrieved January 11, 2007, from FCC Web site: http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-260129A1.doc

² *Low-Income Energy News Archive for 2006*. (n.d.). Retrieved January 11, 2007, from U.S. Department of Health and Human Services, Administration for Children and Families, LIHEAP Clearinghouse web site: www.liheap.ncat.org/news/archive2006.htm.