The Role of the States in Providing Telephone and Energy Assistance to Low-Income Households

Introduction

States help low-income residents afford telephone and home energy services in many and varied ways. All states and the District of Columbia make available to their residents federal Lifeline and Link-Up funds, and each state administers the federal LIHEAP and DOE Weatherization Assistance Program. In addition, several states develop, finance, and manage state programs and/or mandate that local service providers develop their own programs. This section of the report identifies and describes the many different government and utility-related energy and telephone assistance programs in each state. In an effort to facilitate comparisons among these state programs, each state program description is organized with the following information:

- Program name and summary
- Benefits
- Funding
- Eligibility
- Participation

The program summary offers a brief description of the program and its purpose. The section on benefits describes the specific payment or service available to eligible households. The funding section describes federal and nonfederal funding available to a program. The eligibility section refers to the criteria households must meet to receive benefits. The section on participation provides the number of households in a state that receive benefits in a given year.

Telephone Assistance Programs

Lifeline and Link-Up help eligible low-income households establish and maintain local telephone service by providing discounts on services offered by local telephone providers.

Benefits—Lifeline and Link-Up

Both Lifeline and Link-Up offer a benefit in the form of a credit on the qualified subscriber's telephone bill. Under the Lifeline program, the basic federal monthly credit for an eligible household is between $8.25 and $10, depending on the level of matching support offered in each state. The federal government matches the state contribution with $1 for each $2 from the state, with a maximum federal match of $1.75 per household per month. In 2006, seven states offered no state funding for Lifeline and program participants in those states received a monthly credit on their telephone bill of $8.25 (see table 1).

Most states do provide a monthly $3.50 contribution per subscriber in order to leverage the maximum federal match. In 2006, 10 states contributed more than $3.50 per subscriber. In Massachusetts, the monthly state contribution was a $8.79 credit, while Kansas contributed up to $7.50 per month per subscriber. The District of Columbia, which limits the price that Lifeline subscribers pay to $3 per month or $1 per month for recipients age 65 or older, supplemented the federal benefit with a $6.28 credit, or an $8.28 credit for older subscribers. The state contribution for California was $5.92 per month per subscriber; for Colorado, was $6.50. Five other states—Maryland, New Mexico, Rhode Island, Vermont, and Wyoming—also contributed between $4.44 and $5.39 per Lifeline subscriber (see table 1).

In the case of Link-Up, the benefit typically is a one-time credit against the charge for telephone installation. The discount, which is funded through the federal Universal Service Fund, equals 50 percent of the connection fee, up to a maximum credit of $30. In most states, the only assistance available for installation of telephone service is the federal credit. However, some states supplement this credit with state funds. llinois has a Universal Telephone Service Assistance Program (UTSAP) that matches the Link-Up credit, resulting in free installation or a maximum credit of up to $60 for an eligible

household. UTSAP is funded by voluntary contributions from Illinois ratepayers.
The state of Washington approved a $0.13 surcharge on local telephone bills to fund the Washington Telephone Assistance Program (WTAP). When combined with the federal Link-Up program, WTAP covers the cost of telephone service installation for qualified low-income households. Similarly, the Wisconsin Universal Service Fund (WUSF) reimburses local telephone providers for any portion of an installation charge that is not covered under the federal Link-Up program, thereby ensuring that telephone service installation is offered at no cost to qualified households.

Funding—Lifeline and Link-Up

Forty-three states and the District of Columbia provide state funding for Lifeline. In 19 states, local telephone providers independently recover the cost of providing the state portion of this benefit through their rates to non-Lifeline subscribers. The other 24 states have established state universal service funds and mandated specific funding mechanisms to provide the state portion of the Lifeline benefit. Table 6 summarizes state universal service funds used by states to generate the state portion of the Lifeline benefit to eligible subscribers.

Data on 2005 state funding for Lifeline were available for 13 states from state staff or industry surveys and reports (see table 2). For the other states, an estimate of state funding was developed by multiplying the state portion of a Lifeline monthly credit over 12 months (generally $3.50 x 12 = $42) by the number of participating households.[6]

The federal Link-Up program is basically the sole source of financial assistance to help low-income households pay for telephone service installation. A few states, however, offer support to supplement the federal Link-Up program, including California ($12 million in 2005), Wisconsin ($808,507 in 2005), Illinois ($492,021 in 2005), and Washington ($260,988 in 2005).

Eligibility—Lifeline and Link-Up

In the eight states that do not provide any matching funding for Lifeline service, the telephone service provider is required to qualify applicants based on their participation in one of the following federal assistance programs:

- Medicaid
- Food stamps
- Supplemental Security Income (SSI)
- Federal public housing assistance
- Low-Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Program
- Temporary Assistance for Needy Families (TANF), and
- Head Start

Twenty-four states that supplement federal funding for Lifeline use one or more of the eight federal assistance programs listed above as proxies for income eligibility (see table 3). Other states, including Alaska, Connecticut, Massachusetts, Maryland, and West Virginia, use state-administered assistance programs as proxies for Lifeline eligibility.

Alabama, Colorado, Maryland, Montana, South Carolina, and Virginia have the most restrictive categorical eligibility standards. Alabama and Montana limit Lifeline support to households on Medicaid, a program that has complex eligibility rules and often burdensome application processes. In Colorado, households qualify for Lifeline if they qualify for Old Age Pension, Aid to the Blind, Aid to the Needy Disabled, or Supplemental Security Income. As a result, only very-low-income older and disabled persons are eligible for Lifeline discounts.

Some states use only an income test, such as 150 percent of the federal poverty guideline

[6] In several states, Lifeline is provided by multiple telecommunications providers. Each provider may provide some, none, or all of the $3.50 state contribution; and it is quite likely that the state estimates explained above overestimate state funding, as they are based on the premise that all telecommunications providers contribute $3.50 per month for each customer who is a Lifeline participant.

(FPG) in Michigan, and 135 percent of the FPG in Idaho, to determine eligibility. Other states, including Florida, Minnesota, Nevada, New Jersey, Oregon, Pennsylvania, Tennessee, Texas, Utah, and Vermont, require that the household either pass an income test or satisfy a categorical eligibility requirement, such as enrollment in LIHEAP, Food Stamps, Supplemental Security Income, or Medicaid programs. In all, 24 states have set an income limit as a means to determine program eligibility, or adopted the federal guideline of 135 percent of poverty.

In most states, consumers contact the local telephone provider to apply for low-income telephone assistance. A few states require the consumer to apply to a state or county government unit to qualify for assistance. In Colorado, applicants contact the State Department of Social Services, which matches the applicant's Social Security number against a database it maintains of eligible state residents. Once eligibility is determined, the department contacts the telephone provider and authorizes initiation of Lifeline service. Oregon has a similar procedure for determining eligibility. After receiving an application for Lifeline, staff at the Oregon Public Utility Commission's Telephone Assistance Program search for the applicant's Social Security number on a database maintained by the State Department of Human Services to verify that the applicant participates in an approved proxy program.

The eligibility requirements for the Link-Up program parallel the Lifeline requirements. In states that do not mandate Lifeline, Link-Up participants must participate in any one of the following programs:

- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Federal public housing assistance
- Low-Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Program
- Temporary Assistance for Needy Families (TANF), and
- Head Start program.

In states that mandate Lifeline service, the eligibility criteria for Link-Up are the same as those established by the state for Lifeline.

Participation—Lifeline and Link-Up

In the following section, *State Profiles*, the participation section includes both the number of Lifeline participants for a given year and the participation rate of households with total incomes at or below the income limit used by their state to define Lifeline eligibility.

For states that use categorical eligibility criteria—that is, use other low-income assistance programs as proxies for income eligibility—the participation rate is based on an estimated income eligibility limit that is derived using the eligibility criteria of one of the proxy programs. In most instances, the state's own LIHEAP eligibility criteria served as the basis for making such an estimate, primarily because the program has the highest income eligibility criteria among the other proxy programs and, thus, includes the largest number of eligible households.

For the six states (Alabama, Colorado, Maryland, Montana, South Carolina and Virginia) using categorical eligibility criteria that do not include LIHEAP, participation rates were derived from households in the state eligible for Medicaid or Supplemental Security Income (SSI).

Participation rates for the Lifeline program varied widely among the states in 2005. Eight states had participation rates below 10 percent; 18 states between 10 and 20 percent; 19 states between 20 and 50 percent; and 6 states, California, Alaska, Maine, Colorado, Vermont, and South Dakota, had participation rates higher than 50 percent in 2005 (see table 3).

California, which in 2005 had the highest Lifeline participation rate of all states at almost 120 percent, allows applicants to self-certify with their local telephone provider that their household income does not exceed 150 percent of the federal poverty guideline (FPG). Local telephone providers audit a percentage of Lifeline subscribers to verify that they are in fact income-eligible to participate in the program. The fact that California had a participation rate that exceeded 100 percent seems to indicate that households with incomes above 150 percent of the federal poverty guideline also participated in the state program.

The 2005 Lifeline participation rate in Alaska was 85.9 percent. This robust result was most likely due to permissive eligibility requirements (participating Lifeline customers in Alaska must be enrolled in one of the eight qualifying federal programs, or any means-tested program administered by the state or federal government) and the fact that participating customers are allowed to self-certify—under penalty of perjury—that they are enrolled in any of these qualifying programs.

In Maine, the 2005 Lifeline participation rate was 64.6 percent. Again, this is most likely due to permissive eligibility requirements and ease of enrollment. In Maine, state residents can apply to either the local telephone provider or the local community action agency and certify that they are enrolled in one of five proxy programs (food stamps, SSI, Medicaid, TANF, and LIHEAP). Annual certification of customer eligibility is conducted by the carriers. Each carrier submits a list of enrollees in electronic form to the state health and human services department, as well as to the Maine State Housing Authority (the LIHEAP grantee), and these agencies remove ineligible customers from each list.

Maine's community action agency programs (CAPs) promote the benefits of Lifeline to applicants for other assistance programs, such as food stamps. In addition, the state requires local telephone providers to conduct outreach activities and submit an annual report that describes these efforts.

Colorado in 2005 had an estimated participation rate of 59.0 percent. This participation rate seems appropriate given the severely restrictive eligibility criteria for the program. Colorado restricts Lifeline eligibility to persons in the state who are eligible for Old Age Pension, Aid to the Blind, Aid to the Needy Disabled, or Supplemental Security Income. Only very low income older and disabled persons are eligible for Lifeline discounts, and it is estimated that the state Lifeline program serves 59 percent of this small subset of the population.

Vermont in 2005 had a Lifeline participation rate of 60 percent. The state is one of 17 that have adopted income-based eligibility criteria, which require residents to provide documented proof of income eligibility (175 percent of FPG for residents age 65 or older, 150 percent of FPG for others) or participation in one of five proxy programs.

A number of other factors may contribute to the state's high Lifeline participation rate. Vermont promotes the Lifeline program and provides application forms to residents who are applying for food stamps, Medicaid, TANF, or LIHEAP. In addition, the State Department of Taxes includes a Lifeline application in the annual Vermont income tax packet, which is distributed to nearly every household in the state. Vermont also requires local telephone providers to include a flier on the Lifeline program in their monthly bill at least once a year. Of the 11 states with participation rates over 35 percent, all provide state support for the Lifeline program (see table 3) and 7 of the 11 have established state universal service funds (see table 6).

Under the Link-Up program, only the actual number of program participants in a given year is shown (see table 4).

Other Telephone Assistance Programs in the States

In 2006, Arizona'a Telephone Assistance Program (TAP) received $2 million in funding from Qwest to provide low-income, medically needy persons with a monthly credit towards the cost of telephone service (local service rate and subscriber line charge) as well as a once-per-year installation charge. Applicants for the program must be Qwest customers and provide a doctor's certification to receive benefits. The program served 8,500 Qwest subscribers in 2005.

In Pennsylvania, in 2005 the Universal Telephone Assistance Program (UTAP), administered by the Salvation Army and monitored by the Pennsylvania Public Utility Commission's Bureau of Consumer Services, received $1,143,146 in funding from Verizon and provided an average benefit of $78 to help low-income state Verizon customers pay their overdue local telephone bills. Established as part of a public utility commission order that provides an alternate form of regulation for Verizon (formerly known as Bell Atlantic), UTAP is funded by Verizon for the benefit of Verizon customers who are Lifeline participants.

A number of states include programs targeted at older or disabled persons. In 2005, Arizona's Senior Telephone Discount Program provided a 17 percent discount on the cost of flat-rate local telephone service, inside wire maintenance, and $6.75 in basic federal support per month to low-income elderly persons who are customers of Qwest. During 2005, the program assisted 2,200 eligible participants. In Minnesota, the Telephone Assistance Program provided an additional $1.75 credit to senior or disabled Lifeline participants. In Texas and West Virginia, low-income older and/or disabled persons were also eligible for additional discounts on their monthly local telephone bills.

Energy Assistance Programs

The Low-Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program (WAP) are the primary sources of government-funded residential energy assistance for low-income households. LIHEAP primarily provides assistance for heating, cooling, and crisis situations in the form of cash assistance to participating households or direct payments on their behalf to utility providers. LIHEAP also provides funding for low-income weatherization assistance. WAP delivers energy conservation services to low-income households. LIHEAP is funded by grants from the U.S. Department of Health and Human Services (HHS). WAP operates primarily with funding from the U.S. Department of Energy (DOE). Funding for each program is distributed to the states and then typically allocated to local governments, nonprofit agencies, or other local organizations to implement the programs.

Low Income Home Energy Assistance Program (LIHEAP)

Benefits

The amount of assistance available to individual LIHEAP recipients varies widely among the states and is difficult to compare because some states express the benefit as an average, whereas other states express it as a maximum. In general, states have the authority to decide how funding is allocated among the various LIHEAP program components, although federal regulations provide certain limits, such as preventing states from allocating more than 15 percent (25 percent with a waiver) for weatherization or 10 percent for administration. Table 7 lists the heating, crisis, and cooling benefit levels by state for 2006. Table 10 shows how each state allocates its LIHEAP funding among program components.

The LIHEAP statute requires states to ensure that the highest level of assistance will be furnished to those households that have the lowest incomes and the highest energy costs or needs in relation to income. To accomplish this objective, states have developed specific calculations for determining benefit levels based on income, energy costs, and energy burden to assure that benefits are equitably distributed. Following are three main methods of assuring that benefits are equitably distributed:

1. Percentage of Income Payment Plan (PIPP) (used, for example, by North Dakota and Ohio.

2. Burden based targeting—Determining individual client energy burdens and factoring them into LIHEAP benefit determinations, as used by Arizona, Louisiana, New York, and California.

3. Cost-based method—Basing LIHEAP benefits on actual heating costs benefit matrices to

ensure that those with the highest costs and lowest incomes receive the highest benefits, as used by New Hampshire, Minnesota, Washington, and Wisconsin.

Heating

Of the 39 states that reported a maximum benefit amount for heating assistance in FY2006, Alaska's upper limit was the highest, at $2,975; Florida's maximum benefit of $150 was the lowest reported by any state. Forty-two states and the District of Columbia allocated 60 to 90 percent or more of their LIHEAP funding to heating assistance (see table 10). Of all the states, Connecticut and Maryland allocated the largest portion of their funds to heating assistance (90 percent of funding); and Florida, the smallest portion (14 percent).

Cooling

In FY2006, 12 states allocated funds for cooling assistance. Among these, Texas provided the highest maximum benefit of $1,200, and Alabama, the lowest, at $190 (see table 7). Alabama (30 percent), Oklahoma (25 percent), and Florida (22 percent) allocated the largest percentage of LIHEAP funding for cooling (table 10). Indiana allocated only 2 percent of LIHEAP funds to cooling, and reserved those benefits for older residents. Eight other states allocated between 4 and 19 percent of funding for cooling in FY2006. Arizona, California, Louisiana, New Mexico, North Dakota, and Texas integrated cooling funds with funds for heating and/or crisis assistance (see table 10).

Crisis

Forty states set aside between 1 and 35 percent of their LIHEAP grant for crisis assistance in FY2006 (see table 9). Crisis assistance funds are used to assist low-income households that receive a utility disconnection notice or experience other household energy-related crises. Some states do not offer separate crisis benefits per se but provide expedited processing of heating or cooling requests resulting from a crisis situation. Maryland, for example, did not designate a specific percentage of LIHEAP funds for energy crises in FY2006 but allowed clients to receive expedited payments of up to $417 in such cases.

In FY2006, states including Arizona, Louisiana, New Mexico, North Dakota, and Texas integrated heating, cooling, and crisis funds, while others including Connecticut, Idaho, Illinois, and Kentucky integrated heating and crisis funds. In other cases, states specified a dollar amount for crisis assistance rather than designating a percentage of LIHEAP funds (see table 10).

Weatherization

The primary source of funding for weatherization projects in the states is the Department of Energy's Weatherization Assistance Program. States are also allowed to supplement DOE grants with additional funding from LIHEAP, utilities, state programs, and other sources (see table 13).

In FY2006, 45 states set aside a portion of their LIHEAP grant to help fund weatherization projects. States have the flexibility to allocate up to 15 percent of LIHEAP funds (25 percent after receiving a waiver) for this purpose (table 10). California set aside 25 percent of it's LIHEAP funds ($24.7 million) after receiving a waiver to extend the 15 percent limit, while 13 states set aside between 15 and 20 percent. The median LIHEAP funding set aside for states to complete weatherization projects in FY2006 was 15 percent. In FY2003 (the most recent year for which this data is available), 10.5 percent of available LIHEAP funds were used for weatherization, and during FY2004, 112,000 households received weatherization services through LIHEAP funding.

Funding—LIHEAP

Federal funding for LIHEAP comes in the form of a formula-derived block grant. States may also receive emergency and contingency funds under LIHEAP. In FY2006, regular LIHEAP block grants to states and the District of Columbia ranged from $2.1 million (Hawaii) to $247.9 million (New York), with a median grant of $20,979,412 (see table 8). For a reminder of how the Department of Health and Human Services allocates LIHEAP funds, please see page 12 of this report.

Energy and Telephone Assistance in the States

While the regular allocation of LIHEAP funds may not change substantially from one year to the next, emergency/contingency funds can vary greatly because of changing conditions. For example, the cold winter of FY2006 coupled with anticipated high heating costs resulted in several states receiving substantial increases in emergency/contingency funding. Twenty-five states in the Northeast and Midwest received contingency funds in 2006 that were between 147 and 435 percent higher than those received in 2005, while 25 states, mostly in the South and Atlantic regions, and the District of Columbia received contingency funds in 2006 that were between 23 and 95 percent less than those received in 2005. Overall, there was a 146 percent increase in contingency funding to states between 2005 and 2006.

Some states in FY2006 also reported LIHEAP funding from other sources. These included FY2005 carryover funds (a LIHEAP grantee may request that up to 10 percent of its funds payable be made available for the next fiscal year), FY2006 leveraging awards (an award to states that use their own or other non-federal resources to leverage federal LIHEAP dollars), and FY2005—2006 REACH grants awarded during FY2006.

In FY2006, 30 states supplemented federal LIHEAP funds with state funds, 18 more states than did so in FY2000. State funds totaled over $400 million, an unprecedented amount due to record high energy prices, especially natural gas and heating oil. State contributions ranged from $500,000 (Utah) to more than $75 million (Ohio) (see table 9). Mechanisms employed by the states to generate energy assistance funds were quite varied and included regular and one-time appropriations (Colorado, Delaware, Idaho, Iowa, Kentucky, Maine, Maryland, Massachusetts, Montana, New Jersey, New Mexico, North Carolina, Oklahoma, Pennsylvania, Tennessee, Utah, Washington, and Wyoming), state petroleum violation escrow (PVE) funds (California, Indiana), state universal service funds or trust funds (Georgia, Illinois, Michigan, Missouri, Nevada, Vermont, Wisconsin), and utility settlement funds (Oregon) (see table 9).

States maximize their funding in a variety of ways, including adjusting income limits and benefit levels and changing the allocation of funds among the categories of heating, cooling, crisis, and weatherization from one year to the next. Therefore, the data set forth for each state must be recognized as historical information and not necessarily predictive of the future.

Eligibility—LIHEAP

The LIHEAP statute establishes overall eligibility criteria for the states to use in determining which households will receive benefits. The upper limit on income for eligibility is the greater of 150 percent of the federal poverty guideline or 60 percent of the state median income. States can set lower income limits but may not set them below 110 percent of the federal poverty guideline. Five states—California, New York, Oregon, Rhode Island, and Wyoming—used the maximum income allowed (60 percent of state median income) in determining eligibility for LIHEAP in FY2006. Three states—Michigan, North Carolina, and Oklahoma—used the minimum income allowed (110 percent of the federal poverty guideline or $22,000 for a family of four) in determining LIHEAP eligibility.

Households receiving Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), food stamps, and certain veterans benefits are also eligible (see table 10). States may give priority to those households with the highest home energy costs or needs in relation to income.

Participation—LIHEAP

States must report the total number of assisted households under each LIHEAP program component. Table 11 lists these numbers for all 50 states and the District of Columbia. The report does not identify a total number of households that receive at least one type of LIHEAP assistance because some households may receive benefits from more than one program category.

Weatherization Assistance Program (WAP)

Benefits—WAP

Through WAP, weatherization crews and contractors of community action agencies or other local agencies install energy-efficiency measures in the residences of eligible low-income households. Comparing the level of investment in WAP homes across states has limited value because some states establish a maximum amount available for any WAP home, while others list the average amount of investment across all homes in the state. In FY2006, among the states that identified a maximum, the ceiling on investments per home varied from $1,506 in California to $5,652 in Florida. Among the states that identified a statewide average level of assistance,[7] benefits varied from $1,721 in Louisiana to $6,000 in Alaska. Many states in FY2006 adopted the Department of Energy's standard average of $2,744 (see table 11).[8]

As described below, many states receive funding for weatherization from other sources, such as LIHEAP allocations, utility surcharges, or even state appropriations to enhance their weatherization efforts. The states may use these resources to weatherize additional homes, provide additional services in DOE-funded homes, and, in some places, support communitywide efficiency initiatives.

Funding—WAP

Federal funding for weatherization services comes from two main sources. The primary source is a block grant from the Department of Energy, which has established regulations governing the use of its funds and the qualifications of the service providers, and the second source is LIHEAP. In 23 states, the amount of LIHEAP funding spent on energy efficiency or safety investments, including but not limited to DOE/WAP, exceeded the DOE allotment in FY2006. In that same year, only 10 states did not use LIHEAP for weatherization-related assistance (see table 13).

Eighteen states supplemented federal funds for weatherization assistance with state funds ranging from $16,000 (Utah) to Wisconsin ($41.1 million). Others have statutes or regulations mandating utility low-income efficiency programs. Twelve states reported such programs in FY2006. State-funding mechanisms include the use of petroleum violation escrow (PVE) funds and weatherization trust funds. The states that supplement federal funding with state funds are shown in table 14.

Eligibility—WAP

Recipients of Supplemental Security Income (SSI) or Temporary Assistance for Needy Families (TANF) and any household with income at or below 125 percent of the federal poverty guideline are eligible for WAP. All but 16 states use LIHEAP eligibility criteria to determine WAP eligibility, provided that the state's minimum income limit for LIHEAP is at least 125 percent of the federal poverty guideline. Alaska, which uses 150 percent of the federal poverty guideline for LIHEAP and 60 percent of the state median income (SMI) for WAP, and Delaware, which uses 200 percent of the FPG for LIHEAP and 150 percent of the FPG for WAP, are two states that set different income limits. The others are Connecticut, Kansas, Kentucky, Maine, Michigan, Mississippi, Nebraska, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Virginia, and West Virginia.

Participation—WAP

The cumulative number of homes weatherized since the program's inception is not available on a state-by-state basis. However, with more than 23 million households eligible for WAP in FY2006 alone, the 5.6 million units weatherized represent less than one- quarter (approximately 24 percent) of the homes in need during any given year.

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[7] An average level of assistance means that the state plans not to exceed this amount when all units weatherized are averaged together.

[8] As required by federal rules, DOE has increased the limitation each year since 2000 by an amount equal to the percentage increase in the Consumer Price Index or 3 percent, whichever is less. As a result, DOE's limitation amount for 2002 is $2,744.

Other Energy Assistance Programs in the States

As noted above, many states find or create other opportunities, in addition to their federally funded LIHEAP and WAP programs, to help low-income households afford the cost of residential energy.

Ten states—Alabama, Alaska, Arizona, California, Colorado, Kansas, Louisiana, Michigan, Nevada, and Wisconsin—appropriated funding for low-income energy assistance programs between 2005 and 2006. For example, in Arizona the Utility Repair, Replacement and Deposit (URRD) program uses unclaimed utility deposits to provide emergency energy assistance to eligible low-income household needing repairs to heating or cooling appliances. The program received over $650,000 in funding in FY2005 and served 1,800 households.

Colorado's Property Tax, Rent, and Heat Rebate program is funded through an annual appropriation from the Colorado General Fund ($3,221,271 in FY2006) and in FY2006 provided 38,327 eligible low-income households with a maximum of $192 in rebates for heating costs.

At least 27 state legislatures and/or regulatory bodies have established low-income energy assistance programs and mandated that electric and/or gas utilities collect customer surcharges to provide program funding (see table 15). Many states created these programs or revised existing programs as part of the move to retail electric competition. For example, as part of electric restructuring in Ohio, the state established funding for low-income assistance through a rider that is assessed on all customer bills on a per-kWh basis. Much of the funding from this rider supplements Ohio's Percentage of Income Payment Program (PIPP), which has been available to both gas and electric low-income customers since the 1980s. Through PIPP, participants pay 15 percent of their monthly household income for their gas and electric service. In 2005 the program assisted 209,254 electric customers and 177,914 gas customers in the state.

In Connecticut, all gas and electric public service companies are required by state law to have arrearage forgiveness programs for their customers who receive assistance in paying their utility bills. Eligible customers agree to—and make—regular payments each month based on what the households can afford, and in return, the utility "forgives" that amount from the customer's debt, in effect doubling the customer's payment. In 2005, utilitiy companies forgave almost $14 million in debt and assisted almost 27,000 eligible households.

Low-income households in California are eligible to receive a 20 percent discount on gas and electric service. This discount is offered through the California Alternative Rates for Energy (CARE) program and funded through a ratepayer surcharge. In FY2006 the program granted over $619 million in discounts to approximately 3.6 million low-income utility customers.

Some states adopt other measures to facilitate provision of residential energy assistance. For example, Alabama includes a box on state income tax forms for taxpayers to check if they want to contribute a portion of their refund or payment to the Neighbors Helping Neighbors Fuel Fund, which the state established to support low-income weatherization services. Low-income households in West Virginia are eligible to receive a 20 percent discount on gas and electric service. Utilities provide this discount under the Special Reduced Rate Residential Service (SRRRS) tariff and recover the cost through a tax credit.

In summary, states use a range of resources, such as state appropriations, state agencies, utility providers, private foundations, nonprofit organizations, and individual donors to provide energy assistance in addition to LIHEAP and WAP. These programs sometimes serve those who are ineligible for LIHEAP and WAP, and at other times they complement the federal LIHEAP and WAP programs by providing additional benefits or facilitating higher participation rates.

Seasonal, Health, and Income-Related Disconnection Policies

Most states prohibit or limit the disconnection of residential energy services under certain weather-related conditions to protect households that cannot pay their bills (see table 16). Some states offer these protections during the winter or summer months. Other states prohibit utility disconnections when the temperature rises or falls to a certain level. Many states provide some combination of these two protections or limit the protections to cover only certain groups, such as low-income households, households with children, or those with older or disabled members.

For example, Alabama prohibits disconnection of residential electric or natural gas service for nonpayment at any time during the year when the National Weather Service forecasts the temperature will be 32°F or below for that calendar day. In Idaho, an electric and natural gas disconnection prohibition is in effect between December 1 and February 28 for utility customers enrolled in the Winter Protection Plan.

Every state, with the exception of Florida, Nebraska, and Virginia, mandates that utilities delay the disconnection of residential natural gas or electric service for nonpayment if a medical professional certifies that such an action would adversely affect the health of the customer or other household member. Most states require that the customer negotiate a deferred payment to extend service during the period of delay.
At least 37 states prohibit utilities from disconnecting residential service for nonpayment unless they first offer the customer the opportunity to extend service by entering into—and adhering to—a deferred payment arrangement.

Table 15: State Mandated Rate Assistance and Energy Efficiency:
(Low-Income Programs Funded through Customer Bill Charges)

State	Year	Program Name	Benefits	Funding	Eligibility Requirement (% FPG or SMI)[a]	Number of Participating Households
Alabama	2005	Utility Rate Assistance	$7.99-$8.61 discount	$1,741,198	SSI/TANF Eligible	16,600
Arizona	2005	Utility Rate Assistance	14-40% bill discount	$6,000,000	150%	34,050
California	2006	California Alternate Rates for Energy	20% discount	$619,046,040	200%	3,623,905
		Low-Income Energy Efficiency	Weatherization benefits	$130,622,968	200%	144,585
Connecticut	2004	Connecticut Arrearage Forgiveness Program	Arrearage forgiveness	$13,900,000	200%	26,739
	2005	UI HELPS and CL&P WRAP	conservation measures	$6,195,000	60% smi	18,421
District of Columbia	2005	Residential Aid Discount	32% winter, 63% summer discount	$2,700,000	150%	13,625
		Residential Essential Service	$142-$189 per year discount	$1,800,000	150%	8,311
Delaware	2005	Delaware Low-Income Fund	$400 energy; $2500 weatherization grant per year	$800,000	250%	1,775
Georgia		Senior Citizen Low-Income Discount	$14.00/month discount	$22,500,000	$12,000-$14,355	90,000
Illinois	2006	Supplemental Low Income Energy Assistance Fund	Supplements LIHEAP	$85,200,000	LIHEAP eligible	Reflected in LIHEAP participation
Indiana	2005	Winter Warmth	$400/yr grant	$5,700,000	LIHEAP eligible	15,321
Kentucky	2006	Utility Payment Arrangements	monthly fixed credit or $37/month for 7 peak months	$2,140,000	110%	2,200
Maine	2005	Electric Transmission and Distribution Utility Statewide Low-Income Assistance Plan	fixed percentage of income payment, reduced rate or credit	$6,300,000	LIHEAP eligible	21,000
	2006	Low Income Appliance Replacement Program	Refrigerator, lightbulb replacement	$1,900,000	150% (170% w/ older, younger member)	2500 regrigerators, 30,000 CFLs

[a] FPG = federal poverty guideline, smi=state median income. ** Electric PIPP only. Gas PIPP not available. [b] November 2005 data
Sources: LIHEAP Clearinghouse; state utility codes and statutes; interviews with state public service commission staff.

Table 15: State Mandated Rate Assistance and Energy Efficiency:
(Low-Income Programs Funded through Customer Bill Charges)

State	Year	Program Name	Benefits	Funding	Eligibility Requirement (% FPG or smi) [a]	Number of Participating Households
Maryland	2006	Electric Universal Service	$401/year grant current/$2000 lifetime past due	$33,000,000	150%	78,668
Massachusetts	2006	Utility Rate Assistance	20-42% discount	$36,000,000	200%	135,068
	2006	Low-Income Conservation Fund	Weatherization benefits	$23,000,000	60% smi	12,000
Minnesota	2004	Utility Rate Assistance	50% discount	$4,700,000	LIHEAP eligible	49,385
	2005	Conservation Improvement Programs	Weatherization benefits	$4,712,388	varies by utility	not available
Montana	2006	Universal Systems Benefits Charge	$358/year per household	$926,000	150%	2,300
Nevada	2006	Nevada Fund for Energy Assistance and Conservation	discounted rate	$10,000,000	150%	reflected in LIHEAP and WAP participation
New Hampshire	2006	Electric Assistance program	15-90 percent discount on electric bill	$13,700,000	185%	28,000
		CORE Low-Income Energy Efficiency Program	$4,000 max. in energy efficiency services	$2,222,887	150%	984
New Jersey	2006	New Jersey Comfort Partners	weatherization and conservation benefits	$23,275,000	175%	6,403*
		New Jersey Lifeline program	senior grant program	$74,000,000	SSI/State welfare	312,000
		New Jersey USF Program	fixed credit payment program	$96,322,000	150%	162,940 [b]
New York		New York Energy Smart	weatherization, education	$128,000,000	varies by utility	not available
Ohio	2005	Utility Low-Income Customer Assistance Programs	discounted rates (vary by utilities)	$30,000,000	varies by utility	not available
		Percentage of Income Plan	payment of 10% of income to primary heating source, 5% to secondary source	$207,000,000 **	150%	387,168
		Electric Partnership Program	weatherization services	$12,000,000	150%	8,000-10,000/year

[a] FPG = federal poverty guideline, smi=state median income. ** Electric PIPP only. Gas PIPP not available. [b] November 2005 data
Sources: LIHEAP Clearinghouse; state utility codes and statutes; interviews with state public service commission staff.

Table 15: State Mandated Rate Assistance and Energy Efficiency:
(Low-Income Programs Funded through Customer Bill Charges)

State	Year	Program Name	Benefits	Funding	Eligibility Requirement (% FPG or smi) [a]	Number of Participating Households
Oregon	2007 (expected)	Oregon Energy Assistance Program	$800 grant/year per household	$10,000,000	60% smi	22350*
Pennsylvania	2005	Customer Assistance Plan	$1,800/year per household	$242,784,920	150%	360,799
	2005	Low Income Usage Reduction Program	Electric: $870-$2,361; Gas: $775-$4,526	$27,034,573	150%	Electric heating: 3,910, Electric water heating: 2,887 Electric baseload: 11,090, Natural gas heating: 4,393
	2005	Customer Assistance Referral and Evaluation Services (CARES)	Budget counselling, payment plans, referrals to energy programs	$1,541,938	varies by utility	223,902 (Reflected in LIHEAP participation)
	2005	Hardship Funds	$293-$325 average grant	$2,230,560	varies by utility	17,990
Rhode Island	2004	Rhode Island Utility Discounts	20% discounted rate	$3,900,000	LIHEAP eligible	35,791 [b]
Utah	2005	Home Electric Lifeline Program	Monthly credit up to $8.00	$1,715,278	125%	21,513
Vermont	2005	Efficiency Vermont—Residential Energy Efficiency Partnership	weatherization benefits	$2,147,497	50 percent of tenants must have incomes less than 80% of area median income	1,100
West Virginia	2005	Special Reduced rate Residential Service	Electric customers:$72 per customer; Gas customers: $128	$8,212,251	Social security, TANF, SSI, Food stamps	44,055
Wisconsin	2006	Reliability Law—Low Income Assistance Program	Average $153 towards electric bill	$66,507,425	150%	124,104

[a] FPG = federal poverty guideline, smi=state median income. ** Electric PIPP only. Gas PIPP not available. [b] November 2005 data
Sources: LIHEAP Clearinghouse; state utility codes and statutes; interviews with state public service commission staff.

Table 16: Seasonal, Health, and Income-Related Disconnection Policies in the States, 2006

State	Protection Dates	Protection Temperature (° Farenheit)	Low Income Requirement[a]	Additional Eligibility for Winter Disconnection Protection*
Alabama		< 32°		Ban on disconnections in severe weather and life threatening circumstances
Alaska				15 day delay for seriously ill, older or disabled. Prohibited if customer agrees to deferred or extended payment agreement.
Arizona		< 32° or > 95°		
Arkansas	12/1-3/31	< 32°		Prohibited for disabled or older customers if temperature is above 95°. Prohibited if customer agrees to deferred or extended payment agreement.
California				Prohibited if customer agrees to deferred or extended payment agreement.
Colorado				Prohibited if customer pays 1/10 of bill and agrees to payment arrangement.
Connecticut	11/1-4/15		<125% fpg	Prohibited for unemployed customers with household income below 300% fpg, seriously ill or disabled customers, or those potentially deprived of food or life necessities. Prohibited if customer agrees to deferred or extended payment agreement.
Delaware	11/15-4/15	<20°		
District of Columbia		< 32°		Customer must enter into payment agreement along with physician's certificate
Florida				No state-mandated policies.
Georgia	11/15-3/15	< 32°		Prohibited between 11'15 and 3/15 if customer agrees to deferred payment agreement. Cannot disconnect unless payment is 45 days overdue.
Hawaii				No special protection
Idaho	12/1-2/28			Prohibited 21/1-2/28 for eligible households and with enrollment in Winter Payment Plan. Prohibited if customer agrees to deferred or extended payment agreement.
Illinois	12/1-3/31	< 32°		Between 12/1 and 3/31 utilities must offer customers subject to disconnection a) extended payments over a maximum 12 months and b) information on available energy assistance.
Indiana	12/1-3/15		<125% fpgc	Prohibits disconnection from 12/1-3/15 for customers eligible for public assistance. Prohibited if customer proves hardship and agrees to deferred or extended payment agreement.
Iowa	11/1-4/1	< 20°	<150% fpgc	Prohibits disconnection if customer is eligible for LIHEAP or agrees to a reasonable payment arrangement.
Kansas	11/1-3/31	< 35°		To avoid disconnections when temperature is above 35°, customers must make payment arrangement and meet payments.
Kentucky	11/1-3/31		<130% fpgc	Utility must offer deferred a payment arrangement and determine if the customer is eligible for energy assistance. Utility must delay termination for 30 days if customer eligible for LIHEAP.

Table 16: Seasonal, Health, and Income-Related Disconnection Policies in the States, 2006

State	Protection Dates	Protection Temperature (° Farenheit)	Low Income Requirement[a]	Additional Eligibility for Winter Disconnection Protection*
Louisiana				Disconnection delayed for 63 days if it would be detrimental to the health or safety of household member.
Maine	11/15-4/15		185% fpgc	Prohibited if eligible customer agrees to payment arrangement; prohibited if account is < 3 months overdue or < $50; PUC approval required.
Maryland	11/1-3/31		<150% fpg	Prohibited year-round for customers enrolled in USPP program. Prohibited for all customers between November 1 and March 31 unless utility can prove that disconnection will not endanger the health of any member of household.
Massachusetts	11/15-3/15			Prohibited for households with minors and households that prove hardship. Utility must request permission for householders age 65 or older.
Michigan	11/1-3/31		<200 % fpg	Prohibited for customers age 65+, and those receiving cash assistance, food stamps, and Medicaid.
Minnesota	10/1-4/15	Excessive heat	50% smi	Prohibited if customer declares inability to pay and commits to a payment plan. Prohibited in times of excessive heat or during a heat advisory.
Mississippi	12/1-3/31			Prohibited for customers who can prove extreme financial difficulty and agree to 12 month payment plan.
Missouri	11/1-3/31	< 30°	110% fpg	Prohibited 11/1 - 3/31 for households that apply for energy assistance and agree to payment plan.
Montana	11/1-4/1		<150% fpg[c]	Prohibited for customers age 62+ and households with children. Prohibited if customer is eligible for any public assistance program; Prohibited without PUC approval. Prohibited if customer agrees to deferred or extended payment agreement.
Nevada		<15° or >115°		Prohibited if customer agrees to pay delinquent balance within 60 days; prohibited if resident is housebound or on life support.
New Hampshire	11/1-4/1			Prohibited without PUC approval for customers 65+; Prohibited if arrears <$175 for nonheating, $300 for gas heating and $400 for electric heating. Prohibited if customer agrees to deferred or extended payment agreement.
New Jersey	11/15-3/15		<175% fpg	Prohibited for customers in public benefit program. Prohibited for unemployed customers, and customers unable to pay because of medical expenses, recent death of a spouse, or other uncontrollable circumstances;Prohibited for customers in Winter Protection Program.
New Mexico	11/15-3/15		<150% fpg	Prohibited if customer is LIHEAP eligible. Prohibited if customer agrees to deferred or extended payment agreement.
New York	11/1-4/15		govt. asst.	Utilities must contact social services officials 3 to 5 days after serving final termination notice to persons on public assistance , state payments or SSI. Prohibited if customer agrees to deferred or extended payment agreement.

Table 16: Seasonal, Health, and Income-Related Disconnection Policies in the States, 2006

State	Protection Dates	Protection Temperature (° Farenheit)	Low Income Requirement[a]	Additional Eligibility for Winter Disconnection Protection*
North Carolina	11/1-3/31			Prohibited from 11/1 - 3/31 without PUC approval for customers who are age 65+ or disabled, and eligible for Energy Crisis Intervention Program. Prohibited if customer agrees to deferred or extended payment agreement.
North Dakota				Utilities must delay termination by 30 days for customers who are age 65+, ill, or disabled. Prohibited if customer agrees to deferred or extended payment agreement.
Ohio	11/1-4/15		<150% fpg[c]	Customers required to pay a minimum of $175 in arrears to maintain service under the Winter Reconnect Payment Plan. Prohibited if medical or life support equipment is necessary. Prohibited for Percent of Income Plan customers if they remain current.
Oklahoma		< 32° (day)/20° (night) or >103°	Eligible for public assistance	Prohibited if the household enters into a deferred payment agreement; Delayed for up to 20 days if customer has applied for financial assistance.
Oregon				Prohibited if customer enters written deferred payment plan.
Pennsylvania	12/1-3/31			Prohibited if customer agrees to and maintains a payment agreement.
Rhode Island	11/1-3/31		<60% smi	Prohibited unless customers's delinquent balance is > $500; prohibited for Protected Status customers and customers facing financial hardship. Prohibited if customer agrees to deferred or extended payment agreement.
South Carolina	12/1-3/31			Prohibited if customer agrees and adheres to payment plan..
South Dakota	11/1-3/31			Utilities required to give additional 30 days notice between 11/1 and 3/31. Prohibited if customer agrees and adheres to payment plan.
Tennessee		< 32°		Utilities required to offer payment plan prior to disconnection. Prohibited if customer agrees and adheres to payment plan.
Texas		< 32° or > 95°	<125% fpg[e]	Prohibited for energy assistance client if provider notifies utility of intent to make payment on behalf of the client.
Utah	11/15-3/15		<125% fpg[b]	Prohibited for customers eligible for Winter Moratorium protection. Prohibited if customer agrees and adheres to payment plan.
Vermont	11/1-3/31	<10°		<32° for age 62+. Prohibited if customer agrees and adheres to payment plan.
Virginia				No state-mandated policies.
Washington	11/1-3/31		<125% fpg[c]	Prohibited for customers who apply for energy assistance and enter and adhere to payment plan.
West Virginia	12/1-2/28			Disconnections during protection dates are considered detrimental to the health of the residential customer's household and are prohibited. Prohibited if customer agrees and adheres to payment plan.
Wisconsin	11/1-4/15	heat advisory[f]	<250% fpg	Only allowed for households with incomes above 250% fpg if household does not contain vulnerable members. Prohibited if customer agrees and adheres to payment plan.
Wyoming	11/1-4/30		govt. asst.[d]	Prohibited for customers cannot pay and have exhausted assistance, is seeking assistance, or can only pay in installments. Prohibited for customers who agree and adhere to a payment arrangement.

* All states with the exception of Florida, Nebraska, and Virginia prohibit or delay residential disconnections for nonpayment if serious illness or disability exists in the household or would exist as a result of the disconnection. Most states require written certification from a physician attesting to this fact. [a] fpg = federal poverty guideline, smi = state median income. [b] Customer must agree to payment arrangement. [c] Participants in qualifying low-income assistance programs are eligible for termination protection. The income eligibility limit for the most inclusive qualifying program is listed. [d] Protects customers who are seeking or have exhausted government assistance. [e] Prohibited if customer's energy assistance provider notifies the utility that sufficient payment will be forwarded to continue service. [f] Prohibited if a heat advisory from the National Weather Service is in effect.

Sources: U.S. Department of Health and Human Services; state utility administrative rules; interviews with state LIHEAP program staff.