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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

July 12, 1982

B-207686

The Honorable William H. Natcher
Chairman, Subcommittee on Labor, Health
and Human Services, and Education
Committee on Appropriations
House of Representatives



119084

Dear Mr. Chairman:

Subject: State Drawdowns and Use of Low-Income Home Energy
Assistance Program Funds (GAO/HRD-82-100)

On June 1, 1982, we briefed your staff regarding information developed during our ongoing assessment of the State drawdowns of Low-Income Home Energy Assistance Program (LIHEAP) funds for fiscal year 1982. We are providing updated information which we believe will help the Subcommittee's future deliberations on this program. These data address: (1) the current status of State drawdowns on the original and supplemental appropriations; (2) how much fiscal year 1982 money will be used for energy assistance, weatherization, and other block grants; (3) the amounts of fiscal year 1982 funds that States expect to carry over to fiscal year 1983; and (4) the degree to which energy assistance payments duplicate energy assistance that may be included in other programs, such as the Aid to Families With Dependent Children and the Supplemental Security Income programs.

Based on information from the Department of Health and Human Service's (HHS') Federal Assistance Financing System, we prepared two tables (see encs. I and II) showing State drawdowns, as of June 4, 1982, from amounts allocated under the original and supplemental appropriations. Table 1 shows that the 50 States and the District of Columbia had drawn \$1.24 billion from their original allocation of \$1.733 billion and \$82 million from their supplemental allocation of \$122 million. Three States had drawn their entire original and supplemental allocation, while 10 States had not drawn any of their supplemental allocation. Table 2 shows that the remaining 37 States and the District of Columbia had a drawdown balance from the original allocation of \$327 million. This is about 30 percent of these States' original allocation. These same States withdrew 95 percent (\$73 million) of available supplemental moneys.

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HHS has little information on how States are using LIHEAP funds for fiscal year 1982. The latest data available at HHS on the use of these funds is a survey conducted by HHS in March 1982 (see enc. III). Survey results showed that of their \$1.747 billion 1/ original and supplemental allocation, the States expected to spend about \$1.166 billion for heating assistance, \$121 million for energy crisis assistance, 2/ and \$179 million for weatherization, and they had transferred \$53 million and expected to transfer an additional \$40 million to other block grants. The survey did not specify other possible uses of the remaining \$188 million.

Federal Regulations (45 CFR 96.81) require States to report to HHS their plans to carry over fiscal year 1982 money to fiscal year 1983 by August 1, 1982. As part of our current effort to assess whether LIHEAP cash drawdowns comply with Federal statutes and regulations, we determined that Ohio, Kentucky, and Georgia plan to retain some fiscal year 1982 money for obligation during fiscal year 1983, and Massachusetts and Rhode Island expect to obligate all fiscal year 1982 funds this fiscal year.

HHS is currently studying the extent to which welfare programs compensate for energy costs. We will provide information on this matter to you when we receive it from HHS. We identified an HHS' Office of the Inspector General audit report dated April 26, 1982, which discusses how energy assistance payments duplicate the Department of Housing and Urban Development subsidies for energy costs (see enc. IV).

Finally, we are providing a copy of HHS' current draft bill (see enc. V) to amend the Low-Income Home Energy Assistance Act of 1981. This was submitted to the Congress on May 24, 1982. Many changes are envisioned by HHS on the use of LIHEAP funds. These include (1) allowing States to use the funds for weatherization without the current 15 percent limitation and (2) repealing the section limiting to 25 percent the amount of its allotment a State may carry forward for use in the following fiscal year.

1/The survey amount (\$1.747 billion) differs from the total (\$1.855 billion) of the \$1.733 billion and \$122 million allocations referred to earlier by \$108 million. This amount is Illinois' allocation, which was excluded by HHS from the survey.

2/The Low-Income Home Energy Assistance Act of 1981 defines an energy crisis as a weather-related or supply shortage emergency.

We hope that this information is helpful to you. Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of HHS; and other interested committees.

Sincerely yours,



Gregory J. Ahart
Director

Enclosures - 5



TABLE 1
 Low-Income Home Energy Assistance
 State Drawdowns From Original and Supplemental Appropriations
 As Of June 4, 1982

State	Allocation From Original Appropriation	Drawdown	Balance	Allocation From Supplemental Appropriation	Supplemental Drawdown	Supplemental Balance
Alabama	\$14,953,691	\$13,788,978	\$1,164,713	\$1,051,632	\$568,400	\$ 483,232
Alaska	6,007,660	2,240,461	3,767,199	498,512	498,512	-0-
Arizona	6,533,089	3,020,000	3,513,089	459,637	342,000	117,637
Arkansas	11,462,355	7,770,157	3,692,198	806,100	-0-	806,100
California	80,222,063	54,460,951	25,761,112	5,667,400	-0-	5,667,400
Colorado	28,098,408	25,763,911	2,334,497	1,976,046	1,976,046	-0-
Connecticut	36,655,364	32,776,045	3,879,319	2,577,822	2,577,822	-0-
Delaware	4,865,294	4,063,751	801,543	342,156	294,011	48,145
District of Columbia	5,692,638	2,647,920	3,044,718	400,340	400,340	-0-
Florida	23,764,767	16,008,662	7,756,105	1,671,278	1,671,278	-0-
Georgia	18,793,037	12,300,895	6,492,142	1,321,637	1,321,592	45
Hawaii	1,892,562	13,402	1,879,160	133,096	-0-	133,096
Idaho	10,874,662	7,395,390	3,479,272	764,771	764,771	-0-
Illinois	101,455,720	65,500,000	35,955,720	7,134,965	-0-	7,134,965
Indiana	45,936,300	45,936,300	-0-	3,230,512	3,230,512	-0-
Iowa	32,555,671	25,758,314	6,797,357	2,289,507	2,289,507	-0-
Kansas	14,924,135	8,760,000	6,164,135	1,049,533	1,049,533	-0-
Kentucky	23,905,095	13,722,725	10,182,370	1,681,147	1,681,147	-0-
Louisiana	15,325,266	6,046,203	9,279,063	1,077,763	1,077,763	-0-
Maine	23,511,977	2,983,528	1,428,449	1,653,501	1,653,501	-0-
Maryland	28,066,549	22,779,322	5,287,227	1,973,805	1,973,805	-0-
Massachusetts	73,305,497	73,305,197	-0-	5,155,254	5,155,254	-0-
Michigan	96,235,467	70,155,621	26,079,846	6,767,846	6,767,846	-0-
Minnesota	69,395,498	44,050,000	25,345,498	4,880,301	4,880,301	-0-
Mississippi	12,860,005	9,459,600	3,400,405	904,391	-0-	904,391
Missouri	40,525,376	33,066,295	7,459,081	2,849,984	2,849,984	-0-
Montana	10,377,489	6,585,522	3,791,967	729,806	729,806	-0-
Nebraska	16,080,064	12,120,655	3,959,409	1,130,845	1,130,845	-0-
Nevada	3,396,332	2,049,243	1,347,089	238,850	238,850	-0-
New Hampshire	13,878,523	12,536,984	1,341,539	976,020	976,020	-0-
New Jersey	67,943,428	45,480,644	22,462,784	4,778,183	4,778,183	-0-
New Mexico	8,552,796	8,552,796	-0-	601,403	601,403	-0-
New York	222,136,746	145,418,966	76,717,780	15,621,967	-0-	15,621,967
North Carolina	33,122,768	24,113,725	9,009,043	2,329,388	206,156	1,623,232
North Dakota	12,329,836	4,730,906	7,598,930	867,107	867,107	-0-
Ohio	89,752,748	68,935,393	20,817,355	6,311,943	6,311,943	-0-
Oklahoma	13,582,178	9,167,000	4,415,178	955,178	955,178	-0-
Oregon	21,777,454	18,076,816	3,700,638	1,531,519	1,531,519	-0-
Pennsylvania	119,383,825	67,800,000	51,583,825	8,395,775	8,395,775	-0-
Rhode Island	12,069,362	12,021,771	47,591	848,789	-0-	848,789
South Carolina	11,930,383	10,627,200	1,303,183	339,015	-0-	839,015
South Dakota	9,754,251	5,550,000	4,204,251	685,976	685,976	-0-
Tennessee	24,715,349	14,528,654	9,636,695	1,702,966	1,702,966	-0-
Texas	39,543,681	18,926,055	20,617,626	2,780,945	2,780,945	-0-
Utah	12,647,710	9,150,000	3,497,710	889,462	889,462	-0-
Vermont	10,402,447	8,127,934	2,274,513	731,561	731,561	-0-
Virginia	34,188,195	30,345,711	3,842,484	2,404,316	2,404,316	-0-
Washington	34,872,657	21,229,775	13,642,882	2,452,450	1,290,600	1,161,850
West Virginia	15,819,816	11,259,905	4,559,911	1,112,543	1,112,543	-0-
Wisconsin	62,465,912	45,776,738	16,689,174	4,392,972	-0-	4,392,972
Wyoming	5,227,894	4,375,191	852,703	367,656	-0-	367,656
Total	\$1,733,269,690	\$1,240,361,212	\$492,908,478	\$121,995,651	\$81,845,159	\$40,150,492

TABLE 2
Low-Income Home Energy Assistance
Summary of States Drawing Supplemental Funds
While Maintaining Balances From Original Appropriations
As of June 4, 1982

<u>State</u>	<u>Balance from Original Appropriation</u>	<u>Award from Supplemental Appropriation</u>	<u>Supplemental Drawdown</u>	<u>Supplemental Balance</u>
Alabama	\$1,164,713	\$1,051,632	\$568,400	\$ 483,232
Alaska	3,767,199	498,512	498,512	-0-
Arizona	3,513,089	459,637	342,000	117,637
Colorado	2,334,497	1,976,046	1,976,046	-0-
Connecticut	3,879,319	2,577,822	2,577,822	-0-
Delaware	801,543	342,156	294,011	48,145
District of Columbia	3,044,718	400,340	400,340	-0-
Florida	7,756,105	1,671,278	1,671,278	-0-
Georgia	6,492,142	1,321,637	1,321,592	45
Idaho	3,479,272	764,771	764,771	-0-
Iowa	6,797,357	2,289,507	2,289,507	-0-
Kansas	6,164,135	1,049,533	1,049,533	-0-
Kentucky	10,182,370	1,681,147	1,681,147	-0-
Louisiana	9,279,063	1,077,763	1,077,763	-0-
Maine	1,428,449	1,653,501	1,653,501	-0-
Maryland	5,287,227	1,973,805	1,973,805	-0-
Michigan	26,079,846	6,767,846	6,767,846	-0-
Minnesota	25,345,498	4,880,301	4,880,301	-0-
Missouri	7,459,081	2,849,984	2,849,984	-0-
Montana	3,791,967	729,806	729,806	-0-
Nebraska	3,959,409	1,130,845	1,130,845	-0-
Nevada	1,347,089	238,850	238,850	-0-
New Hampshire	1,341,539	976,020	976,020	-0-
New Jersey	22,462,784	4,778,183	4,778,183	-0-
North Carolina	9,009,043	2,329,388	706,156	1,623,232
North Dakota	7,598,930	867,107	867,107	-0-
Ohio	20,817,355	6,311,943	6,311,943	-0-
Oklahoma	4,415,178	955,178	955,178	-0-
Oregon	3,700,638	1,531,519	1,531,519	-0-
Pennsylvania	51,583,825	8,395,775	8,395,775	-0-
South Dakota	4,204,251	685,976	685,976	-0-
Tennessee	9,686,695	1,702,966	1,702,966	-0-
Texas	20,617,626	2,780,945	2,780,945	-0-
Utah	3,497,710	889,462	889,462	-0-
Vermont	2,274,513	731,561	731,561	-0-
Virginia	3,842,484	2,404,316	2,404,316	-0-
Washington	13,642,882	2,452,450	1,290,600	1,161,850
West Virginia	4,559,911	1,112,543	1,112,543	-0-
Total	<u>\$326,609,452</u>	<u>\$ 76,292,051</u>	<u>\$72,857,910</u>	<u>\$ 3,434,141</u>

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Social Security Administration

Refer to: SFJ1

Memorandum

Date:

JUN - 7 1982

From: Norman L. Thompson, Director
Office of Energy Assistance *NLT*Subject: Final Results of Telephone Survey on the Low Income Home Energy Assistance
Program

To: Interested Parties

Attached are the final results of the telephone survey on the Low Income Home Energy Assistance Program conducted the week of March 22, 1982 by Regional Office staff. A written copy of the State's response was sent by the Regional Office to the State for confirmation, with a copy to Central Office.

Responses to questions in the survey were entirely voluntary. States reported only estimates of funds to be expended and estimates of households to be served, rather than actual expenditures and households assisted.

If you have any questions regarding this survey, please feel free to contact me at (202) 245-2030.

Attachment

OBLIGATIONS

- o The data in columns B and C were obtained by HHS by a telephone survey conducted the week of March 22, 1962. Each State was provided with a written copy of its response for confirmation.
- o Column A indicates the total grants made to States.
- o Column B represents State estimates of cumulative outlays and obligations made from the total Federal allocation as of March 31, 1962. Funds transferred out of LINEAP are not included.
- o Column C lists the amount of funds reported transferred to other block grants as of March 31, 1962. None of the States reported transferring funds from other blocks into the LINEAP.
- o HHS computed the estimated percent of funds utilized listed in column D by dividing the amount obligated and transferred by the total allocation.

	A	B	C	D
	GRANTS RECEIVED	ESTIMATED OBLIGATIONS FOR LINEAP 3/31/62	TRANSFERS COMPLETED	ESTIMATED PERCENT OF FUNDS UTILIZED
Alabama	\$ 16,005,323	\$ 14,005,818	\$ 767,684	92
Alaska	6,506,172	3,200,000		49
Arizona	6,992,726	1,345,000		19
Arkansas	12,268,455	6,550,542	411,138	57
California	85,888,915	23,000,000	8,500,000	37
Colorado	30,074,454	30,074,454		100
Connecticut	39,233,186	21,700,000		55
Delaware	5,207,450	3,995,000		77
District of Columbia	6,092,978	2,000,000		33
Florida	25,436,045	3,363,636	1,904,000	21
Georgia	20,114,674	17,320,697	1,879,303	95
Hawaii	2,025,658	2,025,000		99.9
Idaho	11,639,433	4,000,000	662,000	40
Illinois	108,590,685			
Indiana	49,166,812	39,200,000		80
Iowa	34,845,178	26,134,000	1,600,000	80
Kansas	15,975,668	9,000,000 ⁽¹⁾	500,000	56
Kentucky	25,586,242	11,000,000	1,800,000	50
Louisiana	16,403,029	5,364,623 ⁽¹⁾	1,532,526	42
Maine	25,165,478	21,483,018		85
Maryland	30,040,354	21,221,829		71
Massachusetts	78,460,451	78,460,451		100
Michigan	103,003,313	47,900,000		47
Minnesota	74,275,799	58,288,820		78
Mississippi	13,764,396	4,116,351 ⁽²⁾		30
Missouri	43,375,360	25,707,949	4,059,384	69
Montana	11,107,295	8,624,225		78
Nebraska	17,210,909	9,300,000	1,612,822	63
Nevada	3,635,182	2,240,000	340,000	71
New Hampshire	14,854,543	11,000,000		74
New Jersey	72,721,611	47,000,000		65
New Mexico	9,154,279	7,095,014		78
New York	237,758,713	178,800,000	16,600,000	82
North Carolina	35,452,156	29,100,000		82
North Dakota	13,196,943	8,591,482	116,068	66
Ohio	96,064,691	65,000,000		68
Oklahoma	14,537,356	10,057,521		69
Oregon	23,308,973	13,238,754	2,177,745	66
Pennsylvania	127,779,600	89,700,000		70
Rhode Island	12,918,151	12,918,151		100
South Carolina	12,769,398	3,044,900 ⁽²⁾		40
South Dakota	10,440,227	6,600,000	975,350	71
Tennessee	25,818,315	12,000,000	1,455,912	52
Texas	42,324,626	16,462,000		39
Utah	13,537,172	8,200,000		61
Vermont	11,134,008	10,500,000	150,000	96
Virginia	36,592,511	32,500,000		89
Washington	37,352,107	22,842,000	1,206,594	64
West Virginia	16,932,359	13,021,789	1,423,624	85
Wisconsin	66,858,884	44,100,000	2,800,000	66
Wyoming	3,595,550	3,529,900		63
Total	\$1,855,291,793 \$1,746,701,106 ⁽³⁾	\$1,147,722,924 ⁽³⁾	\$32,444,150	66 ⁽³⁾

- (1) Excluding administration
- (2) Estimate as of February 28, 1962
- (3) Excluding Illinois

TRANSFERS OUT OF THE LINEAR

- Data were obtained by HHS by a telephone survey conducted the week of March 22, 1982. Each State was provided with a written copy of its response for confirmation.
- The first two columns identify the other block grants to which funds have been transferred as of March, 1982, and the amount transferred.
- Likewise, the identity of block grants to which States anticipate transfers in the future along with amounts planned are listed under "intended" transfers.
- HHS computed the total listed in the last column by adding the amount already transferred and the amount of the intended transfer.
- Abbreviations used as follows: CSBG - Community Services Block Grant; SSBC - Social Services Block Grant; MCH - Maternal and Child Health Services Block Grant; ADAMHA - Alcohol and Drug Abuse and Mental Health Block Grant; P.H. - Preventative Health Block Grant.

Transfers Completed	22 States	\$53 million
Transfers Intended	19 States	\$40 million
Total	33 States	\$92 million

	AMOUNT	COMPLETED	TO	AMOUNT	INTENDED	TO	TOTAL
Alabama	\$ 747,684		SSBC	\$ 747,685		SSBC	\$ 1,495,369
Alaska	-0-		N/A	70,000		MCH	70,000
Arizona	-0-		N/A	-0-		N/A	-0-
Arkansas	411,138		SSBC	735,097		SSBC	1,146,235
California	8,500,000		SSBC	-0-		N/A	8,500,000
Colorado	-0-		N/A	-0-		N/A	-0-
Connecticut	-0-		N/A	-0-		N/A	-0-
Delaware	-0-		N/A	-0-		N/A	-0-
District of Columbia	-0-		N/A	-0-		N/A	-0-
Florida	1,904,000		SSBC	472,476		SSBC	2,376,476
Georgia	1,879,303		MCH and SSBC	-0-		N/A	1,879,303
Hawaii	-0-		N/A	-0-		N/A	-0-
Idaho	662,000		MCH	-0-		N/A	662,000
Illinois	-0-		N/A	-0-		N/A	-0-
Indiana	-0-		N/A	-0-		N/A	-0-
Iowa	1,600,000		SSBC	-0-		N/A	1,600,000
Kansas	300,000		CSBC	1,400,000		SSBC	2,100,000
Kentucky	1,890,000		Health ⁽¹⁾ and SSBC	450,000		Health ⁽¹⁾ and SSBC	2,340,000
Louisiana	1,532,526		MCH and SSBC	-0-		N/A	1,532,526
Maine	-0-		N/A	-0-		N/A	-0-
Maryland	-0-		N/A	2,200,000		SSBC	2,200,000
Massachusetts	-0-		N/A	-0-		N/A	-0-
Michigan	-0-		N/A	9,623,546		SSBC	9,623,546
Minnesota	-0-		N/A	1,000,000		CSBC	1,000,000
Mississippi	-0-		N/A	700,000		MCH	700,000
Missouri	4,059,384		SSBC	-0-		N/A	4,059,384
Montana	-0-		N/A	834,000		SSBC	834,000
Nebraska	1,612,822		SSBC	-0-		N/A	1,612,822
Nevada	340,000		CSBC	-0-		N/A	340,000
New Hampshire	-0-		N/A	-0-		N/A	-0-
New Jersey	-0-		N/A	6,794,343		MCH and SSBC	6,794,343
New Mexico	-0-		N/A	Unknown		Unknown	-0-
New York	22,200,000		SSBC	5,600,000		SSBC	27,800,000
North Carolina	-0-		N/A	724,000		MCH and P.H.	724,000
North Dakota	116,068		SSBC	-0-		N/A	116,068
Ohio	-0-		N/A	-0-		N/A	-0-
Oklahoma	-0-		N/A	-0-		N/A	-0-
Oregon	2,177,745		SSBC	-0-		N/A	2,177,745
Pennsylvania	-0-		N/A	-0-		N/A	-0-
Rhode Island	-0-		N/A	Undecided		Undecided	-0-
South Carolina	-0-		N/A	-0-		N/A	-0-
South Dakota	975,350		SSBC	-0-		N/A	975,350
Tennessee	1,455,912		ADAMHA	-0-		N/A	1,455,912
Texas	-0-		N/A	-0-		N/A	-0-
Utah	-0-		N/A	332,000		SSBC	332,000
Vermont	150,000		SSBC	-0-		N/A	150,000
Virginia	-0-		N/A	2,000,000		SSBC	2,000,000
Washington	1,206,594		CSBC	2,280,672		SSBC	3,487,266
West Virginia	1,423,624		SSBC	-0-		N/A	1,423,624
Wisconsin	2,800,000		SSBC	3,000,000		SSBC	5,800,000
Wyoming	-0-		N/A	500,000		SSBC	500,000
Total	\$52,544,150			\$39,463,819			\$92,207,969

(1) State did not identify the specific health block.

HEATING ASSISTANCE PART I

- Data were obtained by a telephone survey conducted by EHS the week of March 22, 1962. Each State was provided with a written copy of its response for confirmation.
- The amount which the States estimated would be expended on heating assistance excluding energy crisis intervention is listed under "estimated expenditures".
- The number of households that were to be served by these expenditures are listed under "estimated households".
- EHS computed the estimated average benefit by dividing the estimated expenditures by the estimated households.
- The last column indicates the reported maximum benefit, combining both heating assistance and energy crisis intervention, any households could receive in each State.

STATE	A ESTIMATED EXPENDITURES	B ESTIMATED HOUSEHOLDS	C ESTIMATED AVERAGE BENEFIT	D ESTIMATED MAXIMUM BENEFIT (INCLUDING CRISIS)
Alabama	\$ 8,802,928	190,603	\$ 46	288
Alaska	3,850,000	7,500	780	1,162
Arizona	3,200,000	35,000	91	700
Arkansas	4,795,957	30,000 ⁽⁶⁾	96	293
California	53,000,000	650,000	82	600
Colorado	24,000,000	82,000	293	450
Connecticut	31,500,000	75,000	420	1,360 ⁽²⁾
Delaware	3,713,646	14,300	256	680
District of Columbia	4,465,274	10,000	447	750
Florida	16,732,344	120,000	139 ⁽¹⁾	722
Georgia	13,982,539	97,100	144	682
Hawaii	1,825,000	24,000	76	372
Idaho	8,000,000	26,000	308	460
Illinois		500,000		750
Indiana	28,000,000	125,000	224	643
Iowa	24,984,000	89,000	281	822
Kansas	9,000,000	60,000	150	501
Kentucky	5,100,000	32,000	159	250 ⁽³⁾
Louisiana	5,364,623	116,433	46	55 ⁽²⁾
Maine	19,100,336	48,000	398	645
Maryland	18,592,312	71,777	259	800
Massachusetts	66,491,383	175,000	381	730 ⁽²⁾
Michigan	72,100,000	600,000	120	430 ⁽²⁾
Minnesota	57,000,000 ⁽⁷⁾	120,000	475	885
Mississippi	10,207,639	66,717	153	200
Missouri	31,167,302	146,000	213	828
Montana	5,200,000	15,000	347	1,250
Nebraska	10,200,000	32,000	319	1,125
Nevada	1,600,000	8,000	200	700
New Hampshire	10,795,539	23,000	469	650
New Jersey	35,500,000	200,000	278	750
New Mexico	6,621,685	38,000	174	600
New York	167,800,000	1,000,000	168	450
North Carolina	21,286,000	146,000	146	714
North Dakota	7,597,500	12,156	625	2,842
Ohio	60,500,000	320,000	189	650
Oklahoma	8,657,521	70,938	122	300
Oregon	14,663,438	86,255	170	550
Pennsylvania	85,834,700	375,000	256	480 ⁽⁴⁾
Rhode Island	7,400,000	33,000	224	780
South Carolina	9,036,041	60,666	149	210
South Dakota	6,000,000	16,000	375	795
Tennessee	16,473,370	72,556	227	250
Texas	14,962,000	200,000	75	180
Utah	9,500,000	27,000	352	1,250
Vermont	7,300,000	20,000	365	none
Virginia	32,500,000	96,252	338	900
Washington	20,881,853	110,000	190	625
West Virginia	8,000,000	33,472	150	400
Wisconsin	37,000,000 ⁽⁶⁾	140,000	264	344 ⁽²⁾
Wyoming	3,895,650	10,020	389	1,300
TOTAL	\$1,166,400,580⁽⁵⁾	6,196,935⁽⁵⁾	\$ 188⁽⁵⁾	

- (1) Includes cooling
- (2) Heating maximum only
- (3) Heating or crisis maximum
- (4) Crisis maximum only
- (5) Including Illinois
- (6) Estimated households served through March 31, 1962
- (7) Includes administration

HEATING ASSISTANCE PART II

- o Data were obtained by a telephone survey conducted by HMS the week of March 22, 1982. Each State was provided with a written copy of its response for confirmation.
- o Column A indicates the maximum income a household may have and still be eligible for LIHCAP in each State. All income criteria reported by States were converted to a percentage of the poverty income guidelines for purposes of comparison. Some maximum levels exceed 150% of poverty because 60% of the State median income is above that level. States were permitted to choose the higher level.
- o Those States which consider assets in determining eligibility are indicated in column B.
- o Those States which consider vulnerability to energy costs in determining eligibility are indicated in column C.
- o A list of those categorical groups receiving an automatic payment without filing an application are indicated in column D. The following abbreviations are used: AFDC - Aid to Families with Dependent Children, SSI - Supplemental Security Income, GA - General Assistance, AAND - Aid to the Aged, Blind and Disabled, St. Supp. - State Supplemental under the AAND program, PS - Food Stamps.
- o Those States providing eligibility for college students living in dormitories or similar facilities are listed in the last column.

STATE	A 4-PERSON HOUSEHOLD INCOME MAX AS % OF POVERTY	B ASSETS TESTS	C VULNERABILITY TEST	D AUTOMATIC PAYMENT CATEGORIES	E ELIGIBLE COLLEGE STUDENTS
Alabama	(1)	Yes		AFDC, SSI, St. Supp.	
Alaska	176		Yes		Yes
Arizona	125(2)		Yes		
Arkansas	80(2)	Yes	Yes	F.S.	
California	130	Yes	Yes		
Colorado	123	Yes	Yes	(4)	
Connecticut	150	Yes	Yes		
Delaware	135		Yes		Yes(6)
Dist. of Col.	151		Yes		
Florida	100		Yes		
Georgia	125		Yes		
Hawaii	62	Yes	Yes	AFDC, SSI, GA, AAND	
Idaho	125		Yes		
Illinois	125		Yes	AFDC	
Indiana	115		Yes		
Iowa	150		Yes		
Kansas	162		Yes		
Kentucky	100	Yes	Yes		
Louisiana	143	Yes	Yes	AFDC, SSI, F.S.	
Maine	125				
Maryland	161		Yes		Yes(6)
Massachusetts	169		Yes		
Michigan	173		Yes	AFDC(5), GA	
Minnesota	173		Yes		
Mississippi	125	Yes	Yes		
Missouri	151		Yes		
Montana	125				
Nebraska	147	Yes	Yes		
Nevada	125(2)		Yes		
New Hampshire	125		Yes		
New Jersey	125		Yes	AFDC, SSI	
New Mexico	130		Yes		
New York	150			AFDC, SSI, GA	
North Carolina	150(7)	Yes	Yes		
North Dakota	150	Yes	Yes		
Ohio	150		Yes		
Oklahoma	120	Yes	Yes		
Oregon	123		Yes		
Pennsylvania	125		Yes		
Rhode Island	134		Yes		
South Carolina	95				
South Dakota	150		Yes		
Tennessee	100(2)		Yes		
Texas	120	Yes	Yes	AFDC, SSI, PS	
Utah	151		Yes		Yes
Vermont	125	Yes	Yes		
Virginia	150(3)	Yes	Yes		
Washington	125		Yes		
West Virginia	100		Yes		
Wisconsin	150	Yes	Yes	SSI	
Wyoming	148		Yes		

(1) There are no income eligibility criteria because only categorical recipients are eligible.
 (2) There are different criteria for elderly and/or handicapped.
 (3) Eligibility varies by location.
 (4) AFDC, Aid to Needy and Disabled, Aid to Blind, Old Age Pension, Non-categorical refugees.
 (5) AFDC paid under title IVA or with State funds.
 (6) Must reside in private housing and meet the eligibility criteria.
 (7) LINE of the 1980 Poverty Level (non-farm).

- o Data were obtained by a telephone survey conducted by NRS the week of March 22, 1982. Each State was provided with a written copy of its response for confirmation.
- o The amount which the States estimated would be expended on energy crisis intervention under 2604(c) of P.L. 97-35 is listed "estimated expenditures".
- o NRS computed the estimated average benefit by dividing the estimated expenditures by the estimated number of households.
- o Column D indicates the maximum income a household may have and still be eligible for crisis assistance. Where States reported an actual dollar amount or a percent of another income measure (e.g., LLS, median income), NRS converted data to a percent of poverty level.

	A	B	C	D
	ESTIMATED EXPENDITURES	ESTIMATED HOUSEHOLDS SERVED	ESTIMATED AVERAGE BENEFIT	4-PERSON HOUSEHOLD INCOME MAX AS % OF POVERTY (1)
Alabama	\$ 2,400,798	29,907	\$ 80	125
Alaska	250,000	750	333	176
Arizona	495,000	2,200	225	125(2)
Arkansas	440,000	913	482	100(2)
California	5,400,000	45,000	120	130
Colorado	2,100,000	8,500	247	125
Connecticut	1,500,000	7,500	200	150
Delaware	243,265	1,500	162	135
District of Columbia	164,510	1,096	150	151
Florida	575,336	6,275	92	100
Georgia	24,400	244	100	125
Hawaii	200,000	2,000	100	62
Idaho	0	0		
Illinois	3,257,720			
Indiana	8,850,026	15,000	590	115
Iowa	1,150,000	5,751	200	150
Kansas	1,000,000	6,370	157	162
Kentucky	12,400,000	60,000	207	100
Louisiana	0	0		
Maine	358,420	1,200	299	125
Maryland	3,695,112	18,475	200	161
Massachusetts	784,604	1,750	448	169
Michigan	24,000,000	60,000	400	171
Minnesota	0	0		
Mississippi	425,318	2,780	153	125
Missouri	1,300,000	(6)		151
Montana	248,000	680(4)		125
Nebraska	400,000	2,000	200	147
Nevada	100,000	725	138	125
New Hampshire	568,186	3,700	154	125
New Jersey	5,000,000	15,000	333	125
New Mexico	0	0		
New York	5,000,000	20,000	250	150
North Carolina	2,096,000	14,000	150	150
North Dakota	260,000	1,200	217	150
Ohio	14,409,703	80,000	180	150
Oklahoma	0	0		
Oregon	300,000	1,500	200	115
Pennsylvania	8,944,572	(6)		125
Rhode Island	2,400,000	20,000	120	154
South Carolina	644,860	12,937	50	95
South Dakota	300,000	2,000	150	150
Tennessee	467,000	23,500	20	100(2)
Texas	1,000,000	(6)		120
Utah	159,564	10,000	16	151
Vermont	500,000	2,600	192	150
Virginia	0	0		
Washington	4,000,000	10,000	400	125
West Virginia	1,000,000	5,000	200	100
Wisconsin	1,700,000(5)	11,000	155	150
Wyoming	5,000	20	250	148
TOTAL	\$120,519,394	513,073	\$207(3)	

- (1) All income criteria reported by States were converted to a percentage of the poverty income guideline for purposes of comparison. Some maximum levels exceed 150% of poverty because 60% of the State's median income is above that level. States were permitted to choose the higher level.
- (2) Different criteria for elderly and/or handicapped.
- (3) Excluding those States that did not report estimated households served.
- (4) Number of households served as of March 31, 1982.
- (5) Estimated expenditures through March 31, 1982.
- (6) Estimate unknown.

WEATHERIZATION

- o Data were obtained by a telephone survey conducted by WHS the week of March 21, 1982. Each State was provided with a written copy of its response for confirmation.
- o The amount which the States estimated would be expended on energy weatherization assistance under section 2605(k) of P.L. 97-35 is listed under "estimated expenditures".
- o DHS computed the estimated average benefit by dividing the estimated expenditures by the estimated number of households.
- o Column D indicates the maximum income a household may have and still be eligible for crisis assistance. Where States reported an actual dollar amount or a percent of another income measure (e.g., LLS, median income), WHS converted the data to a percent of the poverty level.
- o Column E indicates States intending to make some LINEAP payments directly to operators of subsidized housing. This information is included on this table because two of the three States indicated that this assistance would be for the purpose of weatherization.

	A	B	C	D	E
	ESTIMATED EXPENDITURES	ESTIMATED HOUSEHOLDS SERVED	ESTIMATED AVERAGE BENEFIT	4-PERSON HOUSEHOLD INCOME MAX AS % OF POVERTY(1)	SUBSIDIZED HOUSING
Alabama	\$ 2,243,054	2,100	\$1,068	125	
Alaska	(2)				
Arizona	730,000	358	1,308	125	
Arkansas	503,500	394(6)	1,278	125	
California	5,100,000	5,000	1,020	130	
Colorado	1,700,000	16,300	104	125	
Connecticut	3,200,000	16,200	198	150	(8)
Delaware	729,796	800	912	135	
Dist. of Col.	853,896	3,000	285	151	
Florida	3,564,715	3,836	929	125	
Georgia	2,818,955	4,698	600	125	
Hawaii	0	0			
Idaho	1,500,000	1,500	1,000	125	
Illinois	15,218,358	12,000	1,268		(8)
Indiana	6,890,445	3,800	1,813	115	
Iowa	3,255,567	3,000	1,085	125	
Kansas	1,000,000	1,200	833	125	
Kentucky	3,565,764	2,000	1,793	125	
Louisiana	0	0			
Maine	3,526,796	2,779	1,269	125	
Maryland	3,500,000	5,632	621	161	
Massachusetts	3,500,000	50,000	70	169	
Michigan	5,500,000	3,700	1,486	125	
Minnesota	10,409,325	5,900	1,764	125	
Mississippi	1,125,000	1,045	1,077	150	
Missouri	4,000,000	4,000	1,000	151	
Montana	1,500,000			125	
Nebraska	1,600,000	3,000	533	147	
Nevada	300,000			150(7)	
New Hampshire	2,228,181	1,500	1,485	125	
New Jersey	2,500,000	2,000	1,250	125	
New Mexico	0	0			
New York	28,400,000	160,000	178	150	19,600,000(4)
North Carolina	2,250,000	1,348	1,669	150	
North Dakota	1,479,610	1,500	986	150	
Ohio	11,462,912	10,000	1,146	125	
Oklahoma	2,070,000	2,070	1,000	120	
Oregon	2,701,587	2,251	1,200	125	
Pennsylvania	10,000,000				
Rhode Island	1,000,000	2,000	500	100	
South Carolina	1,789,557	1,377	1,300	95	
South Dakota	(2)				
Tennessee	2,911,824	744(3)		125	
Texas	4,000,000	6,000	667	125	1,000,000(4)
Utah	607,638	1,200	506	151	
Vermont	1,560,367	1,500	1,040	125	
Virginia	1,700,000			150	
Washington	3,223,481	3,000	1,074	125	
West Virginia	1,898,165			125	
Wisconsin	5,400,000	4,300	1,256	125	
Wyoming	200,000	171	1,170	148	165,000
TOTAL	\$178,738,490	353,403	\$ 464(5)		

(1) All income criteria reported by States were converted to a percentage of the poverty income guideline for purposes of comparison. Some maximum levels exceed 150% of poverty because 60% of the State's median income is above that level. States were permitted to choose the higher level.
 (2) When States have not made a final determination as to the amount of funds, if any, to be used for weatherization.
 (3) The State reported the number of households it had served.
 (4) New York and Texas indicated the funds were to be used by the building operators for weatherization. Wyoming did not indicate how the funds were to be spent.
 (5) Excludes those States that did not estimate households to be served.
 (6) Estimated expenditures as of March 31, 1982.
 (7) State is serving only elderly and handicapped applicants.
 (8) State may use supplemental appropriation for building operators.
 (9) State may revise plan to provide weatherization assistance to building operators.



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Memorandum

Date APR 26 1982

From *R. P. Kusserow*
Richard P. Kusserow
Inspector General

Subject OIG Audit Report - Low Income Energy Funds Are Duplicating
HUD Subsidies for Energy Costs, ACN 01-20252

To John A. Svahn
Commissioner of Social Security

This letter is an alert to a condition disclosed during our audit of the Low Income Energy Assistance Program in Providence, Rhode Island that has nationwide implications and warrants immediate attention. We determined that 257 individuals residing in Housing and Urban Development (HUD) Federally-subsidized Section 8 housing in Providence received heating assistance totaling \$116,000 under the Low Income Energy Assistance Program for 1981. Since Section 8 subsidies include allowances for energy costs, these households are not generally vulnerable to rising energy costs and the low income energy payments duplicate the HUD benefits. We estimate that 3,830 households in the State of Rhode Island, received about \$1.7 million in duplicative heating aid.

The Low Income Energy Assistance Program is being funded as a "Block Grant" for fiscal year 1982 and vulnerability may no longer be a Federally enforceable criteria. However, the program is Federally-funded and duplicate heating payments unnecessarily increase program costs. If the data developed in Providence is representative of other States, significant amounts of Low Income Energy Assistance Program funds are duplicating HUD subsidies for energy and utility costs in Section 8 of HUD's Housing Assistance Payments Program for Lower Income Families. In order for States to properly identify households receiving HUD energy subsidies, an agreement should be entered into with HUD, which would provide for HUD to furnish States with a recipient and/or address listing of households receiving Section 8 subsidies.

Background

The stated purpose of the "Home Energy Assistance Act of 1980" (Title III of Public Law 96-223) is:

"to make grants to States to provide assistance to eligible households to offset the rising costs of home energy that are excessive in relation to household income."

While the Public Law does not specifically address vulnerability to rising fuel costs, the Code of Federal Regulations, Title 45 Section 160.152, states that heating assistance will be provided to individuals if it is determined they are vulnerable to rising fuel costs. We were informed by HUD officials that Section 8 subsidies include provisions for paying household energy and utility costs and that these costs are redetermined and adjusted annually making vulnerability of individual households receiving such subsidies unlikely. This fact was recognized in an SSA Regional Memorandum, dated April 10, 1981, which stated that Section 8 and public housing tenants would generally not be vulnerable to the rising cost of home energy and would not be eligible for a Low Income Energy Assistance Program grant. However, the State agencies which administer the program have, to date, depended on the applicant to declare if energy assistance is being provided through another source such as a Section 8 subsidy.

Results of Review

We reviewed the Low Income Energy Assistance Program payments made to residents of Section 8 housing in the City of Providence, Rhode Island and performed surveys of the Massachusetts and Connecticut State Plans.

Individuals residing in Section 8 housing in Providence, Rhode Island were allowed to apply for and receive heating assistance under the Low Income Energy Assistance Program. The State agency took no action to identify subsidized households and did not address the issue in its State Plan. We obtained Section 8 housing listings and reviewed 665 identified individuals. Our examination showed that 257 of the 665 individuals (40 percent) had received duplicate heating assistance. The average heating assistance received in Providence was \$454 per household and total overpayments were \$116,000. HUD statistical reports indicate there were 9,575 families living in Section 8 housing in the State of Rhode Island as of March 31, 1981. We estimate that 40 percent or 3,830 of these families received duplicate heating assistance. Based on the \$454 average payment identified in Providence, we believe that these 3,830 households received about \$1.7 million in duplicate aid in Rhode Island.

Since our review, Rhode Island has initiated a procedure to not pay heating assistance to individuals identifying themselves as residing in Section 8 housing. State officials will also attempt to obtain a listing of all individuals in the State residing in Section 8 housing in order to perform an independent review.

In Massachusetts, statements were included in the State Plan that Commonwealth personnel should be aware that some individuals might not qualify for aid because they were in subsidized housing. However, no data on individuals or units receiving Section 8 housing subsidies was provided to the intake agencies, nor was there any requirement for the intake agency to verify through independent review the data contained in the application. In our opinion, this indicates that the same conditions identified in Rhode Island may be occurring for the 41,973 Section 8 HUD-subsidized households in Massachusetts.

In Connecticut an attempt was made in 1981 to identify individuals residing in Section 8 housing that applied for heating aid. Under the State Plan, the Connecticut Department of Community Affairs was to furnish the Community Action Program with a listing of Section 8 subsidized housing units. However, the listing was not made available until March 1981 and no action was taken to recover duplicate payments made up to that point. In Connecticut, HUD statistics show that there were 16,060 Section 8 subsidized units as of March 1981.

Data is not available to make a valid statistical estimate of the duplicative energy payments on a nationwide basis. However, our limited audit data indicates this amount could total \$95 million, based on the average 1981 low income energy payment of \$226 for an estimated 40 percent (the level in Providence) of the 1,045,000 Section 8 housing units in the nation.

Recommendations and SSA Comments

Based on our limited review, we believe there is a need for prompt action to eliminate Low Income Energy Assistance payments to households that receive Section 8 housing subsidies from HUD. Accordingly we recommended that SSA:

- o initiate an agreement with HUD for the release of the names and addresses of all individuals receiving Section 8 housing subsidies to State agencies administering energy assistance payments. This would allow an independent verification of eligibility at the time of application for energy assistance payments.

SSA agreed (see attachment) and stated that the Office of Family Assistance would work with HUD to develop guidelines to assure that all local housing authorities provide complete and usable listings of Section 8 households to State agencies administering energy assistance.

- o have the Regional Commissioners include this item in their financial reviews of the Low Income Energy Assistance Programs for fiscal year 1981, as directed by SSA's Regional Office Directive 81-3 dated July 20, 1981. If the 1981 review has already been completed in certain States, a separate review should be undertaken.

SSA agreed and stated that the Office of Family Assistance was preparing a transmittal to SSA regional offices which would emphasize that treatment of Section 8 households needs to be pinpointed in all State financial reviews.

If you or your staff wish to discuss these matters further, please let me know or contact Philip Kropatkin, Acting Assistant Inspector General for Auditing. We would appreciate receiving a status report by May 28, 1982 on the progress being made in implementing our recommendations. A copy of this report is being sent to other interested Departmental officials.

Attachment (not included)



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

MAY 24 1982

The Honorable Thomas P. O'Neill
Speaker of the House
of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed for the consideration of the Congress is a draft bill "To amend the Low-Income Home Energy Assistance Act of 1981 to include emergency assistance generally, to remove certain burdensome and unnecessary Federal administrative requirements on State programs, and for other purposes." When enacted, the bill may be cited as the "Energy and Emergency Assistance Amendments of 1982". A section-by-section summary of the draft bill is also included for your convenience.

The bill would amend the Low-Income Home Energy Assistance Act of 1981 (which is title XXVI of the Omnibus Budget Reconciliation Act of 1981) in order to achieve two broad objectives. First, it would expand the scope of the block grant established under title XXVI to include emergency assistance, as well as home energy assistance, for low-income households. As amended, the block grant would supersede the authority for emergency assistance now available to States as an option under the AFDC program in part A of title IV of the Social Security Act. By combining these authorities, States will have increased flexibility to assist any low-income household (not just families with dependent children) needing emergency assistance, regardless of whether the emergency relates to home energy.

The second objective is to remove some Federal requirements that accompany this block grant which, after a year's experience with the program, appear unnecessary or duplicate other provisions of Federal law. If a requirement is not essential to assure achievement of a program purpose, then this Administration believes that States should be given the freedom and the responsibility to manage their own programs. When the opportunity arises in connection with congressional action on other block grant authorities administered by this Department, we will be proposing similar amendments to achieve the same advantages, and to maintain the comparability of requirements under those block grants.

We urge that the Congress give prompt and favorable consideration to these amendments to enhance the important social legislation it enacted last year.

We are advised by the Office of Management and Budget that enactment of this draft bill would be in accord with the program of the President.

Sincerely,

/s/ Dick Schweiker

Secretary

Enclosures

Section-by-Section
Summary of the
"Energy and Emergency Assistance
Amendments of 1982"

Short Title

The first section states the bill's short title.

**Transfer of Emergency Assistance Authority to
Block Grant for Energy Assistance**

Section 2 of the bill would make a series of amendments to the Low-Income Home Energy Assistance Act of 1981 (title XXVI of the Omnibus Budget Reconciliation Act of 1981) to broaden the purpose for which the block grant may be used to include emergency assistance to low-income households. Section 2603 of the Act would be amended to add a new paragraph (B), defining emergency assistance. It would include temporary financial assistance (or in-kind assistance of food, clothing, and shelter) and emergency medical assistance and social services. It also overlaps with energy assistance; it includes home energy assistance in the form of energy crisis intervention. Paragraph (B) of section 2 adds a provision, to section 2611 of the Act, repealing sections 403(a)(5) and 406(e) of the Social Security Act, the statutory authorization for emergency assistance under the AFDC program.

Definitions

Section 3 of the draft bill amends section 2603 of the law to revise two existing definitions and delete another which, in light of subsequent amendments, becomes unnecessary. Paragraph (1) clarifies the definition of energy crisis intervention: it means assistance to low-income households necessitated by weather related or supply shortage emergencies, or because the household is unable to secure home energy for financial or other reasons. Paragraph (2) deletes the existing definition of home energy. Instead, it states that home energy assistance (the term now to be used throughout the Act) may include, if the State so chooses, low-cost residential weatherization or energy-related home repair for low-income households. (The purpose of this provision is to make clear that the deletion of a reference elsewhere in the Act to these activities should not suggest that they are not a permissible use of grant funds.)

Authorization of Appropriations; Allotments

Section 4 of the bill makes amendments to the sections of law authorizing appropriations for the block grant program and establishing the allotment process. Subsection (a) amends section 2602(b), to reduce the authorization for each of fiscal

years 1983 and 1984 to \$1.3 billion, the amount requested for this program in the President's 1983 budget and to clarify that the authorized amount includes funding for both grants and Federal administrative costs, for which, for fiscal year 1983, \$2.2 million has been budgeted.

Subsection (b) makes various amendments to section 2604 of the Act, the section prescribing the allotment formula. Since the appropriation, and the allotments, represent a combined amount for energy and emergency assistance, the allotment formula, as revised by subsections (b) and (c), would provide that each State and territory (a term defined below) will, for each of fiscal years 1983 and 1984, share \$40,000,000 of the appropriation in proportion to its share of Federal matching for emergency assistance in fiscal year 1981, and the remainder of the appropriation for grants in proportion to its share of the energy assistance funding for fiscal year 1981.

Subsection (d) repeals the provision for ratable reductions in the amount of the allotment, should the appropriation prove insufficient. Such a problem does not arise when the allotment is based on the appropriation.

Subsection (e) repeals the special allotment provisions for the territories, since they would now be covered under the same allotment rules as States.

Subsection (f) adds a definition of "territory" to section 2603 of the Act, including those jurisdictions currently eligible for funding under the Act.

Subsection (g) would repeal the State option to have the Secretary make direct payments to its SSI recipients. No State has elected this option in the past two years and States, using data now available to them, can generally make such payments themselves at a lower administrative cost.

Use of Funds Under Other Block Grants

Section 5 of the draft bill would amend section 2604(f) of the Act to allow transfer of up to 10% from this block grant to any other block grant administered by the Secretary at the Federal level. (Thus, the specific references to the other block grants are deleted and general descriptive language is used.)

Report on Intended Use of Funds; Public Comment

Section 6 of the draft bill would delete the current requirement that an application for the block grant, together with a plan to carry out thirteen assurances, must be sub-

mitted. The application would be replaced with a report on the intended use of the block grant funds. To accomplish this, subsection (a) would revise section 2605(a)(1) to require the submission of the report, require that revisions be promptly submitted if substantial changes are later made in the intended use of funds, and specify that the Secretary may only review the report to see that it describes the following four elements of the program as developed by the State:

- (i) the goals and objectives of the program,
- (ii) the activities that will be funded to accomplish those goals and objectives,
- (iii) the types of households that will be served and the geographic areas within the State in which the program will be operated, and
- (iv) a description of the criteria and administrative methods for disbursing block grant funds.

The report must also be accompanied by assurances by the State that the requirements of subsection (b) will be met.

Section 6(b) of the draft bill would amend section 2605(a)(2) to eliminate the requirement for annual public hearings on the intended use of block grant funds, and instead specify that the State must make the report public, in a manner that will facilitate public review and comment.

Section 6(c) would repeal section 2605(c) of the Act, since its content has been subsumed in the preceding provisions of this section.

The remainder of this section makes conforming amendments to reflect the change from an application to a report of intended use.

Simplification of Federal Requirements

Section 7 of the draft bill would make various amendments throughout the Act designed to repeal Federal requirements or limitations upon the State program that are inconsistent with the approach of a block grant, which are unnecessary to achieve Federal program objectives, or which duplicate other provisions of Federal law.

Subsection (a) would repeal section 2604(c) of the Act, the requirement that States reserve a portion of the block grant for energy crisis intervention.

Subsection (b) (in addition to some minor conforming amendments) would repeal the Federal delineation of households that are eligible for assistance under the block grant, and substitute a reference to "low-income households", the limits of which are to be prescribed by the State.

Subsection (b) would also repeal nine of the numbered assurances contained in section 2605(b). In general, these requirements (detailed below) represent an inappropriate imposition of Federal judgment, upon all States, of the best or most effective way to operate their low-income home energy assistance programs. Further, these provisions unnecessarily restrict a State's flexibility to implement its program. For example, section 2605(b) requires that the greatest amount of assistance be furnished to those with the lowest incomes and the highest energy costs. However, individual States are in a better position than the Federal Government to determine how to set benefit levels for different categories of recipients, taking into consideration the particular circumstances existing within the State. The subjects dealt with, therefore, are largely matters on which the States can be relied upon to develop program specifics that will best serve the needs of their residents.

Specifically, the requirements repealed are:

- paragraph (3), requiring State outreach activities;
- paragraph (4), requiring that activities under this program be coordinated with other related public programs;
- paragraph (5), requiring that the greatest amounts of assistance be furnished to households with the lowest incomes (and to those households which devote the greatest proportion of their income to home energy costs);
- paragraph (6), requiring that, in choosing local agencies to carry out portions of the program, special consideration be given to agencies which had administered Economic Opportunity Act low-income energy assistance or weatherization programs;
- paragraph (7), specifying procedures that must be followed if the State elects to make direct payments to suppliers of home energy;
- paragraph (8), requiring "equitable" treatment of owners and renters;
- paragraph (9), specifying a 10% limit on the proportion of its block grant a State may use for administrative costs, and prohibiting the use of any other Federal funds for the balance of those costs;

- paragraph (11), requiring States to allow and cooperate with Federal investigations under section 2608 of the Act (which would be amended, as described below); and

- paragraph (13), requiring a fair administrative hearing to an individual whose claim for assistance under the block grant is denied or not acted upon promptly.

Further, paragraph (10) would be modified by deleting the requirement that (in addition to procedures to assure proper accounting for and disbursement of funds) the State must monitor assistance provided under the program, and by deleting reference to the audit requirement. The matter of required State audits would be dealt with instead in only one place, section 2605(e) of the Act. The amendment to that section is made by section 7(d) of this bill, described below.

Subsection (c) would amend section 2604(d), the provision dealing with direct payments to Indian tribes. The formula for determining the amount to be paid from the State's allotment depends, under current law, on the number of eligible households within the tribal organization as a proportion of all such households in the State. Since the Act would no longer specify eligible households, the formula is modified to provide for using the ratio of the number of households in the Indian tribal organization with income below 40% of the State median income (adjusted for household size) to all the households in the State with income below that level. Amendments are also included to clarify that the Secretary will determine the amount of the State's allotment that will be paid directly to the tribal organization.

Subsection (d) revises section 2605(e) of the Act, the requirement for a State audit. First, this new subsection generally follows the pattern of the audit provision in section 1928 of the Public Health Service Act (as added by section 901 of the Omnibus Budget Reconciliation Act of 1981), another of the block grants administered by the Secretary. That provision (with amendments which are being separately proposed) provides a simpler statement of (and in certain respects more appropriate) requirements for State audits. Substantively, the audit provision would be changed as follows:

- a financial and compliance audit will be required biennially, rather than annually (this change is also being recommended for section 1928 of the Public Health Service Act);

- the audit is to be conducted in accordance with standards specified by the Comptroller General, rather than "generally accepted accounting principles" (an inapt standard against which to measure an audit);

- the Federal requirement that a copy of the audit be furnished to the State legislature would be deleted; and

- a requirement that the audit must be made public would be added.

Subsection (e) would repeal certain provisions contained in section 2605 of the Act. These repeals are, in general, intended to increase a State's discretion to shape its program, and allow the State sufficient flexibility to determine the most effective manner in which to administer the program. The subsections to be repealed include --

- subsections (f) (precluding the consideration of block grant assistance as income), and (k) (limiting the portion of its grant a State may use for weatherization and home repairs), provisions imposing inappropriate Federal restrictions;

- subsection (h) (authorizing the Comptroller General to "evaluate" block grant expenditures), authority which exists absent this restatement;

- subsection (i) (precluding treatment of certain SSI recipients as households), a conforming change following the repeal of section 2604(g); and

- subsection (j) (permitting States to use whatever procedures they find appropriate to verify income), a provision which seems to have little operative effect.

Subsection (f) repeals paragraph (1) of section 2607(b) (authorizing reallocation of unused funds), paragraph (2)(B) (limiting to 25% the amount of its allotment a State may carry forward for use in the following fiscal year), and paragraph (3) (also pertaining to reallocation).

Subsection (g) amends section 2608 of the Act to specify that, during each fiscal year, the Secretary will conduct several studies, rather than investigations, of States' use of funds under the Act.

Nondiscrimination

Section 8 of the draft bill would amend section 2606 of the Act to conform this provision to the nondiscrimination provisions in the other block grants administered by the Department of Health and Human Services.

Post Expenditure Reports

Section 9 of the draft bill would completely revise section 2610 of the Act which currently requires the Secretary to collect various data and submit an annual report to the Congress. Instead, the revised section would require the State to prepare a report, at least once every year, on the activities supported under the block grant, including data on the number and income levels of households assisted and the purposes for which the funds were expended. The report must be made available for public inspection within the State.

Effective Date

Section 10 specifies that the Act is effective for fiscal years after 1982, except that the two amendments revising the audit requirement and specifying a biennial (rather than annual) audit are effective October 1, 1981. By making these amendments apply back to the inception of the block grant, it makes clear that the first audit due will cover the operation of the program for fiscal years 1982 and 1983.

A B I L L

To amend the Low-Income Home Energy Assistance Act of 1981 to include emergency assistance generally, to remove certain burdensome and unnecessary Federal administrative requirements on State programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy and Emergency Assistance Amendments of 1982".

Transfer of Emergency Assistance Authority
to Block Grant for Energy Assistance

Sec. 2. The Omnibus Budget Reconciliation Act of 1981 (hereafter referred to as "the Act") is amended --

(1) by revising the heading of title XXVI to read: "LOW-INCOME HOME ENERGY AND EMERGENCY ASSISTANCE";

(2) by inserting "and Emergency" immediately before "Assistance" in section 2601;

(3) by revising the heading of section 2602 to read "Grants Authorized";

(4) by striking out "to States" and all that follows in section 2602(a) and inserting instead "to States to enable them to provide home energy assistance and emergency assistance to low-income households.";

(5) by adding a new paragraph at the end of section 2603 to read as follows:

"(8) The term 'emergency assistance' means temporary financial assistance (or food, clothing, or shelter) and emergency medical care or social services to meet urgent income maintenance and related needs, and includes home energy assistance in the form of energy crisis intervention."; and

(6) by redesignating section 2611 as section 2611(a) and adding at the end thereof the following new subsection:

"(b) Effective with respect to expenditures made after September 30, 1982, sections 403(a)(5) and 406(e) of the Social Security Act are repealed."

Definitions

Sec. 3. Section 2603 is amended --

(1) by revising paragraph (1) to read as follows:

"(1) The term 'energy crisis intervention' means assistance to low-income households facing weather related or supply shortage emergencies, or who have difficulty obtaining home energy for financial or other reasons.";

(2) by revising paragraph (3) to read as follows:

"(3) The term 'home energy assistance' may include, at the option of the State, low-cost residential weatherization or other energy-related home repair for low-income households.";

(3) by repealing paragraph (2); and

(4) by redesignating paragraphs (3), (4), (5), (6),

(7) and (8) (as added by section 2) as paragraphs (2), (3), (4), (5), (6), and (7), respectively.

Authorization of Appropriations: Allotments

Sec. 4. (a) Section 2602(b) of the Act is amended to read as follows:

"(b) There are authorized to be appropriated for grants (and related Federal administrative costs) to carry out the purposes of this title, \$1,875,000,000 for fiscal year 1982 and \$1,300,000,000 for each of fiscal years 1983 and 1984."

(b) Section 2604(a)(1) of the Act is amended to read as follows:

"Sec. 2604. (a)(1) For each of fiscal years 1983 and 1984, the Secretary shall allot to each State and each territory (as defined in section 2603) an amount equal to its emergency assistance allotment percentage multiplied by \$40,000,000, plus its home energy assistance allotment percentage multiplied by the excess over \$40,000,000 of the amount appropriated under section 2602(b) for grants for such fiscal year."

(c) Section 2604(a)(2) of the Act is amended --

(1) by striking out from subparagraph (A) "a State's allotment percentage" and inserting instead "the home energy assistance allotment percentage, in the case of any State or territory", and by striking out "State" from such

subparagraph and inserting instead "state or territory",
and

(2) by inserting after subparagraph (B) the
following new subparagraph:

"(C) For purposes of paragraph (1), the emergency
assistance allotment percentage, in the case of any State or
territory, is the percentage which the Federal payments
determined to be payable under section 403(a)(5) of the Social
Security Act for fiscal year 1981 to such State or territory
bear to the total of such Federal payments to all the States
and territories."

(d) Section 2604(a)(3) is repealed.

(e) Section 2604(b) is amended by repealing paragraph
(1), by redesignating paragraph (2) as subsection (b) and by
striking out from such subsection (as so redesignated)
"jurisdiction to which paragraph (1) applies" and inserting
instead "territory".

(f) Section 2603 (as amended by section 3 of this Act) is
amended by adding at the end thereof the following new
paragraph:

"(7) The term 'territory' means the Commonwealth of
Puerto Rico, Guam, American Samoa, the Virgin Islands, the
Northern Mariana Islands, and the Trust Territory of the
Pacific Islands."

(g) Section 2604(e) of the Act is repealed.

Use of Funds Under Other Block Grants

Sec. 5. Section 2604(f) of the Act is amended by striking out "providing block grants for" and all that follows in the first sentence and inserting instead "under which the Secretary makes payments, in the form of block grants, to States."

Report on Intended Use of Funds; Public Comment

Sec. 6. (a) Section 2605(a)(1) of the Act is amended to read as follows:

"Sec. 2605. (a)(1) Each State desiring to receive an allotment for any fiscal year under this title shall prepare, in such form as the State finds appropriate, a report of the intended use of the block grant provided under this title. The State shall promptly reflect any substantial changes in its intended use of funds in such revisions to the report as may be necessary. The Secretary shall review the report (including any revisions to it) only to determine that it contains the State's description of (i) the goals and objectives of the program it will conduct with the block grant under this title, (ii) the activities it will support to attain those goals and objectives, (iii) the characteristics of the households to be assisted, and the geographic area or areas of the State in which such activities will be carried out, and (iv) the criteria for and administrative methods of disbursing funds received under this title. Each such report shall be accompanied by assurances by the State that the State will comply with the provisions of subsection (b)."

(b) Section 2605(a)(2) is amended by striking out "conducts public hearings with respect to the proposed use" and inserting instead "makes the report prepared in accordance with paragraph (1) (including any revisions thereto) public within the State on a timely basis and in such manner as to facilitate review of and comments from interested persons and local governments on the intended use".

(c) Section 2605(c) of the Act is repealed.

(d) Section 2604(b) of the Act (as redesignated and amended by section 4 of this Act) is further amended by striking out "an application" and inserting instead "a report".

(e) The heading of section 2605 is amended to read "Report on Intended Use of Funds; Requirements".

Simplification of Federal Requirements

Sec. 7. (a) Section 2604(c) of the Act is repealed.

(b) Section 2605(b) of the Act is amended --

(1)(A) by striking out "application" in the portion of such subsection that precedes paragraph (1) and inserting instead "report", and

(B) by striking out "the chief executive officer of" in such portion;

(2) by inserting "only" immediately after "under this title" in paragraph (1), and by striking out the comma and all that follows and inserting instead a semicolon;

(3) by amending paragraph (2) to read as follows:

"(2) make payments under this title only with respect to low-income households (as defined by the State);

(4) by repealing paragraphs (3), (4), (5), (6), (7), (8), (9), (11), and (13);

(5)(A) by striking out from paragraph (10) "including procedures for monitoring the assistance provided under this title," and all that follows and inserting instead a semicolon,

(B) by redesignating paragraph (10) as paragraph (3) and adding "and" after such paragraph:

(6)(A) by striking out from paragraph (12) "plan described in subsection (c)" and inserting instead "report required by subsection (a)", and

(B) by redesignating paragraph (12) as paragraph (4), and striking out "; and" at the end of such subparagraph and inserting a period instead.

(c)(1) Section 2604(d)(2) is amended by striking out "Indian households described in subparagraphs (A) and (B) of section 2605(b)(2)" and inserting instead "Indian households with income below 40 percent of the State median income (adjusted to take into account the number of individuals in the household)" and by striking out "number of all households described in subparagraphs (A) and (B)" and all that follows

and inserting instead "total number of households in such State with income below 40 per cent of State median income (as so adjusted).".

(2) Section 2604(d) of the Act is further amended --

(A) by striking out "the amount determined" in paragraph (1) and inserting instead "the amount he determines";

(B) by striking out "amount determined" in paragraph (2) and inserting instead "amount determined by the Secretary"; and

(C) by striking out "on the basis of a determination" in paragraph (3) and inserting instead "on the basis of his determination".

(d) Section 2605(e) of the Act is amended to read as follows:

"(e) Each State shall biennially conduct a financial and compliance audit of its expenditures from payments received under this title. Such State audits shall be conducted by an entity independent of any agency administering activities or services carried out under this title and, to the extent practicable, in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions. Within 30 days following the date each audit is completed, the State shall transmit a copy of that audit to the Secretary. The State shall make copies of the audit required by this subsection available for public inspection within the State.".

(e)(1) Subsections (f), (h), (i), (j), and (k) of section 2605 are repealed.

(2) Subsections (g) and (l) of section 2605 are redesignated as subsections (f) and (g), respectively.

(f) Section 2607(b) is amended by repealing paragraphs (1), (2)(B), and (3) and by redesignating paragraph (2)(A) as subsection (b).

(g) Section 2608 is amended --

(1) by striking out "investigations" in subsection (b)(1) and inserting instead "studies"; and

(2) by inserting "study or" immediately before "investigation" in subsection (d).

Nondiscrimination

Sec. 8. Section 2606(a) of the Act is amended to read as follows:

"Sec. 2606. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under the title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this title are considered to be programs and activities receiving Federal financial assistance.

"(2) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this title.

"(b) Whenever the Secretary finds that a State, or an entity that has received a payment from an allotment to a State under section 2604, has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may --

"(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

"(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

"(3) take such other action as may be provided by law.

"(c) When a matter is referred to the Attorney General

pursuant to subsection (b)(1), or whenever he has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief."

Post Expenditure Reports

Sec. 9. Section 2610 of the Act, and its heading, are amended to read as follows:

"Post Expenditure Reports

"Sec. 2610. Each State shall prepare reports on its activities under this Act. Reports shall be in such form, contain such information, and be of such frequency (but not less often than every year) as the State finds necessary to provide an accurate description of those activities (including information about number and income levels of households assisted under the block grant), to secure a record of the purposes for which funds were spent, and to determine the extent to which funds were spent consistently with the report required by section 2605(a)(1). The State shall make the reports required by this section available for public inspection within the State. Copies shall also be provided, upon request, to any interested public agency."

22647

Effective Date

Sec. 10. This Act is effective for fiscal years after 1982, except that subsections (b)(5)(A) and (d) of section 7 are effective October 1, 1981.