



LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

Request: Support full funding of \$5.1 billion nationally in LIHEAP for FFY 2014.

Support efforts to ensure Arizona receives its fair share of base LIHEAP funding.

Support efforts to reform the distribution formula for emergency contingency LIHEAP to mirror the distribution formula for base LIHEAP funding.

Community Value:

The city of Phoenix currently receives more than \$7 million in LIHEAP funding to provide emergency utility assistance to approximately 13,000 eligible households. LIHEAP helps low-income households make utility payments more affordable, avoid shutoff of utility services and maintain a safe and healthy environment. Without these payments, utility disconnections can lead to further issues such as job loss, sickness and homelessness.

Background:

On average, Phoenix has 110 days with temperatures at or above 100 degrees. Eighteen of those days are typically above 110 degrees. Overnight lows do not drop below 80 degrees an average of 67 days each year. Temperatures this warm are more than uncomfortable; they are a life threatening phenomenon for those who cannot afford to cool their homes. An Arizona Department of Health Services study published in March 2010 reported an average of 102 heat-attributed deaths the last three years of the study. More than 37 percent were people 65 years of age or older. In addition, 1,400 Arizonans suffer from heat-related illnesses serious enough to require emergency room medical services annually. Nationally, there are more heat-attributed deaths than those in hurricanes, lightning, tornados, floods and earthquakes combined.

The 2011 American Community Survey indicates there are approximately 660,221 households in the city of Phoenix living at or below 200 percent of the federal poverty guideline. Current funding levels will allow provision of services to approximately 1.9 percent of the eligible population. For FFY 2012, \$3.48 billion was appropriated; this represents a 23 percent reduction from the \$4.5 billion appropriation for the previous year. Furthermore, the hold-harmless clause favoring cold weather states was removed from all but \$497 million of the base funding. FFY 2013 is funded on a temporary Continuing Resolution (CR) with level funding from FFY 2012.

As a result, Arizona will receive \$21.9 million of the FFY 2013 CR appropriation, of which Phoenix is estimated to receive \$5.9 million. The increases to warm weather states due to the removal of the hold-harmless formula and the lack of emergency fund designation offset the reduction caused by the reduced base funding.

Federal Funding

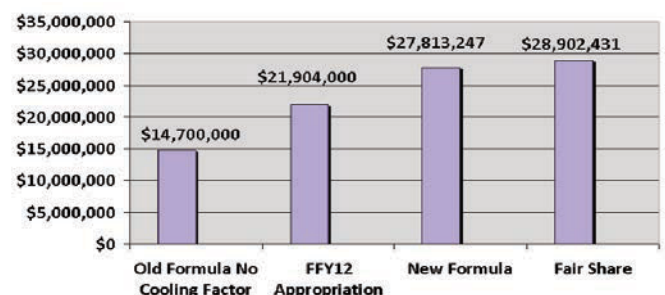
FFY	Base Appropriation	Emergency Funding	Total
2009	\$4.50 billion	\$590 million	\$5.1 billion
2010	\$4.50 billion	\$590 million	\$5.1 billion
2011	\$4.50 billion	\$200 million	\$4.7 billion
2012	\$3.48 billion	None	\$3.5 billion
2013	TBD*	TBD*	TBD*

*FFY 2013 currently is funded under a CR with FFY 2012-level funding amounts. The CR is due to expire on March 27, 2013. Funding also is also subject to potential sequestration.

Arizona's Fair Share:

Although the removal of the hold-harmless formula helps Arizona receive a more equitable allocation, the state still continues to receive less than its true fair share of base LIHEAP funding. The appropriations continue to defer the implementation of a revised funding formula that more fairly factors cooling needs for warm weather states. The formula currently used effectively factors in cooling costs only when appropriations approach the current LIHEAP authorization of \$5.1 billion.

**Effects of Hold Harmless Formulas
on Arizona's Federal Fiscal Year 2012 Allocation**



Emergency Funding:

An analysis of Arizona's energy environment indicated that the state met at least five of the seven criteria to receive emergency assistance. Only one criterion must be met for a state to be eligible. Historically, LIHEAP emergency funding has been issued targeting winter heating needs. Any future LIHEAP emergency funding should include factors to assure warm weather states receive a fair share to protect low-income residents from the high costs of cooling and to prevent heat-related deaths or illnesses.



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