

# **State of Alaska FY2009 Governor's Operating Budget**

## **Department of Health and Social Services Energy Assistance Program Component Budget Summary**

## Component: Energy Assistance Program

### Contribution to Department's Mission

To reduce the disproportionate burden of home heating costs on the poor and minimize the economic impact of customer bad debt on Alaska home energy suppliers.

### Core Services

- The Heating Assistance program (HAP) is 100% federally funded through the Low Income Home Energy Assistance program (LIHEAP) Block Grant. The program aids low-income households with home heating expenses. Eligibility for heating assistance and benefit amounts are based on a point system that considers household size and income, fuel costs in the area, and type of housing. Applicant households apply once a year to receive a single heating assistance grant. Assistance is normally provided in the form of a credit with the client's home energy vendor.

### FY2009 Resources Allocated to Achieve Results

|   |                   |           |
|---|-------------------|-----------|
| <b>FY2009 Component Budget: \$9,805,700</b> | <b>Personnel:</b> |           |
|   | Full time         | 4         |
|   | Part time         | 8         |
|   | <b>Total</b>      | <b>12</b> |

### Key Component Challenges

- The uncertainty of LIHEAP block grant funding continues to contribute to challenges in planning and administering the program. The funding allocation is frequently determined after the beginning of the federal fiscal year. This means the state must set heating benefit levels, hire eligibility staff, and issue requests for proposals for low-income weatherization in the absence of a funding allocation. FY08 federal funding is still uncertain, so FY09 funding is projected at the FY07 level.
- The cost of home heating oil continues to rise. Based upon spot market prices from communities around the state and information from the federal Energy Information Administration (EIA) most Alaskans are paying much more than the national average of \$2.88 per gallon anticipated for the coming winter. The EIA is anticipating a 6% increase in the cost of heating fuel in 2008, which will create even greater difficulties for low-income Alaskans when their household heating assistance grants do not adequately cover the increased costs. This is especially true in rural Alaska where the cost of transporting fuel can result in heating fuel costs that exceed \$5.00 per gallon in some communities.

### Significant Changes in Results to be Delivered in FY2009

No major change in service is anticipated.

### Major Component Accomplishments in 2007

- In FY07, approximately 13,800 households received help in paying for home heating costs through the state's Heating Assistance program or by tribal LIHEAP providers.
- Sixty-seven percent (67%) of households served include a person who is over age 65, under age six, or disabled.
- The primary sources of income for Alaska Heating Assistance program (HAP) households are the Adult Public Assistance (28%) and Alaska Temporary Assistance programs (11%). The remaining 61% of the HAP caseload relies on non-public assistance sources of income (e.g., wages, Social Security, retirement, Unemployment

Insurance Benefits, and self-employment).

### Statutory and Regulatory Authority

Public Law 97-35 L.I.H.E.A.P. Act of 1981  
7 AAC 44 Heating Assistance Program

| Contact Information  |
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**Energy Assistance Program  
Component Financial Summary**

*All dollars shown in thousands*

|                                | FY2007 Actuals | FY2008<br>Management Plan | FY2009 Governor |
|--------------------------------|----------------|---------------------------|-----------------|
| <b>Non-Formula Program:</b>    |                |                           |                 |
| <b>Component Expenditures:</b> |                |                           |                 |
| 71000 Personal Services        | 582.7          | 602.9                     | 630.0           |
| 72000 Travel                   | 4.3            | 12.5                      | 12.5            |
| 73000 Services                 | 149.8          | 142.0                     | 142.0           |
| 74000 Commodities              | 14.2           | 14.0                      | 14.0            |
| 75000 Capital Outlay           | 0.0            | 0.0                       | 0.0             |
| 77000 Grants, Benefits         | 6,748.4        | 9,007.2                   | 9,007.2         |
| 78000 Miscellaneous            | 0.0            | 0.0                       | 0.0             |
| <b>Expenditure Totals</b>      | <b>7,499.4</b> | <b>9,778.6</b>            | <b>9,805.7</b>  |
| <b>Funding Sources:</b>        |                |                           |                 |
| 1002 Federal Receipts          | 7,499.4        | 9,778.6                   | 9,805.7         |
| <b>Funding Totals</b>          | <b>7,499.4</b> | <b>9,778.6</b>            | <b>9,805.7</b>  |

**Estimated Revenue Collections**

| Description                     | Master<br>Revenue<br>Account | FY2007 Actuals | FY2008<br>Management Plan | FY2009 Governor |
|---------------------------------|------------------------------|----------------|---------------------------|-----------------|
| <b>Unrestricted Revenues</b>    |                              |                |                           |                 |
| None.                           |                              | 0.0            | 0.0                       | 0.0             |
| <b>Unrestricted Total</b>       |                              | <b>0.0</b>     | <b>0.0</b>                | <b>0.0</b>      |
| <b>Restricted Revenues</b>      |                              |                |                           |                 |
| Federal Receipts                | 51010                        | 7,499.4        | 9,778.6                   | 9,805.7         |
| <b>Restricted Total</b>         |                              | <b>7,499.4</b> | <b>9,778.6</b>            | <b>9,805.7</b>  |
| <b>Total Estimated Revenues</b> |                              | <b>7,499.4</b> | <b>9,778.6</b>            | <b>9,805.7</b>  |

**Summary of Component Budget Changes  
From FY2008 Management Plan to FY2009 Governor**

*All dollars shown in thousands*

|  | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| <b>FY2008 Management Plan</b>  | <b>0.0</b>           | <b>9,778.6</b>       | <b>0.0</b>         | <b>9,778.6</b>     |
| <b>Adjustments which will continue<br/>current level of service:</b> |                      |                      |                    |                    |
| -FY 09 Bargaining Unit Contract<br>Terms: General Government Unit    | 0.0                  | 27.1                 | 0.0                | 27.1               |
| <b>FY2009 Governor</b>   | <b>0.0</b>           | <b>9,805.7</b>       | <b>0.0</b>         | <b>9,805.7</b>     |

**Energy Assistance Program  
Personal Services Information**

| <b>Authorized Positions</b> |   | <b>Personal Services Costs</b>   |                                  |                |
|-----------------------------|---|----------------------------------|----------------------------------|----------------|
|                             | <u>FY2008</u><br><u>Management</u><br><u>Plan</u> | <u>FY2009</u><br><u>Governor</u> |                                  |                |
| Full-time                   | 4   | 4                                | Annual Salaries                  | 388,180        |
| Part-time                   | 8   | 8                                | COLA                             | 24,594         |
| Nonpermanent                | 0   | 0                                | Premium Pay                      | 0              |
|                             |   |                                  | Annual Benefits                  | 231,816        |
|                             |   |                                  | <i>Less 2.26% Vacancy Factor</i> | (14,590)       |
|                             |   |                                  | Lump Sum Premium Pay             | 0              |
| <b>Totals</b>               | <b>12</b>   | <b>12</b>                        | <b>Total Personal Services</b>   | <b>630,000</b> |

**Position Classification Summary**

| <b>Job Class Title</b>   | <b>Anchorage</b> | <b>Fairbanks</b> | <b>Juneau</b> | <b>Others</b> | <b>Total</b> |
|--------------------------|------------------|------------------|---------------|---------------|--------------|
| Accounting Tech I        | 0                | 0                | 1             | 0             | 1            |
| Administrative Clerk III | 0                | 0                | 1             | 0             | 1            |
| Elig Technician I        | 0                | 0                | 8             | 0             | 8            |
| Elig Technician III      | 0                | 0                | 1             | 0             | 1            |
| Prog Coordinator         | 0                | 0                | 1             | 0             | 1            |
| <b>Totals</b>            | <b>0</b>         | <b>0</b>         | <b>12</b>     | <b>0</b>      | <b>12</b>    |