

MINUTES

Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Program Interim Study Committee



Legislative
Services Agency

October 11, 2006

MEMBERS PRESENT:

Senator Nancy Boettger, Co-chairperson
Senator Jack Hatch, Co-chairperson
Senator Jeff Angelo
Senator Roger Stewart

Representative Ralph Watts, Co-chairperson
Representative Thomas Schueller
Representative Doug Struyk
Representative Walt Tomenga
Representative John Whitaker

MEETING IN BRIEF

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I. Procedural Business.

- II. Department of Human Rights (DHR).
- III. Weatherization Assistance Program (WAP).
- IV. LIHEAP Program.
- V. Iowa Community Action Association — The Developmental Assistance Resolution Program (DARP).
- VI. Department of Human Services (DHS).
- VII. Iowa Utility Association.
- VIII. Iowa Association of Municipal Utilities.
- IX. Iowa Association of Electric Cooperatives.
- X. Iowa Propane Gas Association.
- XI. Department of Public Health (DPH).
- XII. Committee Discussion.
- XIII. Materials Filed With the Legislative Services Agency.



Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Program Interim Study Committee

I. Procedural Business.

Call to Order. The first meeting of the Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Program Interim Study Committee was called to order by temporary Co-chairperson Senator Nancy Boettger at 10:02 a.m., Wednesday, October 11, 2006, in Room 305 at the State Capitol Building in Des Moines, Iowa. The meeting ended at 3:25 p.m.

Election of Permanent Co-chairpersons. Members of the Committee unanimously elected temporary Co-chairpersons Senators Boettger and Jack Hatch and Representative Ralph Watts as permanent Co-chairpersons.

Adoption of Rules. Members of the Committee adopted procedural rules which are available from the Legislative Services Agency.

Next Meeting. The second and final meeting date is tentatively set for November 29, 2006, in Room 305 of the State Capitol.

II. Department of Human Rights (DHR).

Overview. Mr. William J. Brand, Administrator, Division of Community Action Agencies, DHR, provided an overview of the Bureau of Energy Assistance, the Bureau of Weatherization, and the Division of Community Action Agencies and their partnerships with other state agencies and local community action agencies and service providers.

2006—2007 Outlook. The good news, as reported in the October 11, 2006, edition of the Des Moines Register, is that Iowans can expect to pay up to 10 percent less to heat their homes this year if use stays the same as last year. However, the trend is clear and unremittingly up, and this year's moderation will not alter the trend toward 150 percent higher energy costs in future years. In fact, this year may still rank as Iowa's third highest year for heating costs.

Division of Community Action Agencies. The Division of Community Action Agencies is small, with a staff of only 13. Its mission is to support community action agencies and other community-based organizations' efforts to assist low-income families with basic needs and to achieve self-sufficiency. The division administers a number of federally funded programs, including LIHEAP, the Weatherization Program, the Community Services Block Grant, the Family Development and Self-Sufficiency Grant Program, and the Community Food and Nutrition Program. The Community Empowerment Initiative activity involving DHR is also housed in the division.

The guiding principles of the division include results, efficiency, empowerment, process improvement, long-term thinking, data-based decisions, and customer focus. The division delivers the programs it administers for some of the lowest administrative costs in the nation and utilizes numerous measures to ensure that the programs maximize the dollars appropriated. Federal and state laws require that membership on the Iowa Commission of Community Action Agencies and local community action agencies' boards include low-income individuals, and the programs are better for this requirement.

The division's goals are accomplished with collaboration and effective partnerships. Collaboration with the hawk-i Program resulted in access to health services for thousands more children. The division contracts with the 18 local community action agencies for delivery of LIHEAP services.

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The agencies have offices in every county in the state, are locally governed, and address local needs with local solutions. The agencies are the primary providers of the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Parents as Teachers Program, and the Community Empowerment Initiative. Agency relationships with low-income families enable the agency to determine a family's needs, and if the agency does not provide a service needed by a family, it can refer the family to the appropriate service provider.

A primary responsibility of the division is oversight of the programs and agencies administered. There are stringent controls and federal requirements to be met, including preaudit surveys, systems reviews, monthly reporting requirements, and audits by private offices. The division monitors on-site with fiscal staff for a comprehensive review of how the agencies are expending their funds. The division provides follow-up on any findings and corrective action plans, though few issues have developed. Senate File 2410 (2006 Iowa Acts, chapter 1153), which establishes government accountability measures, will be implemented without issue as the division has had accountability measures in place all along.

III. Weatherization Assistance Program (WAP).

Bureau of Weatherization. Mr. Jim Newton, Bureau Chief, Bureau of Weatherization, DHR, described WAP as a federal grant program administered by the federal Department of Energy (DOE). The purpose of the program is to make the homes of low-income clients more energy efficient, thereby reducing the homes' heating costs and improving the health and safety of their clients. The program, which is highly sophisticated and uses the most advanced technologies and testing protocols, is administered by the bureau in accordance with DOE rules and regulations.

Eligibility Requirements. A household is eligible for the program if it receives federal Supplemental Security Income or state Family Investment Program (FIP) assistance, regardless of income, or if the household's annual income is at or below 150 percent of the poverty level established by the federal Office of Management and Budget. There are more people eligible for the program annually than it can serve. Households served characteristically include the elderly (34 percent), disabled (44 percent), young children (20 percent), and renters (12 percent). Priority is given to those households having the most annual fuel usage, but households that include the elderly, disabled, and children under the age of six are given priority bonus points.

Program Measures. Weatherization measures include furnace replacement; wall, ceiling, foundation, and crawlspace insulation; refrigerator removal and exchange; freezer removal and exchange; and air infiltration reduction. Health and safety measures include inspection of all combustion appliances and repair or replacement of unsafe furnaces and water heaters, installation of carbon monoxide or smoke detectors, health and safety assessments of homes, distribution of information on the risks of lead-based paint, and mitigation of moisture problems.

Program Resources. Funding for fiscal year 2005-2006 was \$15.4 million. In the previous fiscal year, 2,139 homes were weatherized, with an average annual savings per home of \$481. Over 20 years, the savings add up to \$10,000 per household. For every dollar spent on weatherization, \$1.80 is saved in energy costs over the life of the measures. The estimated unmet need is 169,000 homes.



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Agency Administration, Inspection, and Evaluation. The division contracts with community action agencies to administer the program. The agencies employ local energy auditors to do energy efficiency and health and safety assessments. Approximately one-third of the agencies employ their own weatherization crews, while the remaining agencies use private contractors. The auditors use DOE-developed computerized energy audits. The agencies inspect all of the homes weatherized to ensure that the work was done and done well. In turn, the division annually inspects 15 to 20 percent of the homes weatherized, monitors each agency, and provides formal technical training to agency staff. Of the total program dollars received, 3.3 percent is used for state administration of the program. Iowa's investor-owned utilities (IOUs) and the division cofund annual evaluations of the program, making Iowa the only state that annually evaluates its program.

Program Costs. The DOE established limit of \$2,744 per home is often insufficient, making the transfer of LIHEAP dollars to WAP critical. LIHEAP funds are more flexible in how they can be spent. Of the homes weatherized in 2005, 80 percent used some LIHEAP funding. IOUs make funding available to households that are IOU customers, but one-third of the program's customers are not IOU customers. The cost to weatherize a home for a client who is an IOU customer is \$6,528, of which DOE funds \$2,744, IOUs fund on average \$2,815, and LIHEAP funds the remaining \$969. For a client who is not an IOU customer, DOE funds \$2,744 and LIHEAP must cover the remaining \$3,784. Without LIHEAP funding, the program would be unable to provide assistance to some of these homes. Congress has not determined the 2007 funding level for the program.

IV. LIHEAP Program.

Bureau of Energy Assistance. Mr. Jerry McKim, Bureau Chief, Bureau of Energy Assistance, DHR, described LIHEAP as a federally funded block grant that is issued by the federal Department of Health and Human Services and administered in Iowa by the bureau. The program is designed to help eligible low-income Iowa households by paying a portion of their nonbusiness residential heating costs for the winter heating season. As with WAP, the division contracts with the 18 community action agencies for local program delivery.

Program Outline. LIHEAP payments are made directly to energy suppliers for households that heat with natural gas (72.7 percent); electricity (14.4 percent); liquid propane (11.2 percent); fuel oil (1.4 percent); and wood, coal, or corn (0.4 percent). Each year 15 percent of LIHEAP funds are transferred to WAP, 5 percent are allocated under the Energy Crisis Intervention Program (for emergency fuel delivery and service reconnection; repair or replacement of a furnace or heating system; temporary shelter; and for the purchase of blankets and heaters, fans, and air conditioners) and up to 5 percent may be allocated to conduct assessment and resolution activities (including such services as budget counseling, energy education, making home visits, and arranging payment plans).

Eligibility and Participation. Iowa's LIHEAP has one of the nation's highest participation rates and its administrative costs are among the lowest in the nation. To be eligible for the program, a household must report, for all persons in the household 18 years of age or older, the total annual household income or the total household income for the past 90 days. The total must be at or below 150 percent of the federal poverty guidelines. However, a medical waiver is available for

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households that exceed the guidelines but can document out-of-pocket, nonreimbursable medical expenses equal to the amount by which the household's income exceeds the guidelines. For fiscal year 2006-2007, the application dates are between November 1, 2006 (or October 2, 2006, for the elderly and disabled), and April 16, 2007.

Sixty percent of LIHEAP households are below the federal poverty guidelines, but 91 percent of those served are not on welfare. Single family homes make up just less than three-fourths of the households served; the remaining households are in duplexes, apartments, or mobile homes. Forty-five percent of the households receiving awards have a disabled member, and 28 percent have a child less than six years of age. Grant awards are made based on household income and size, type of primary heating fuel, type of housing, and targeting factors. Targeting factors are a means of prioritizing applications for assistance and include factors such as fixed-income-only, elderly, disabled, and children under age six in the household. In 2006, 89,638 households received benefits from LIHEAP. The average assistance award was approximately \$451. The federal grant to Iowa LIHEAP for fiscal year 2005-2006 was \$52.05 million, which was supplemented with \$2.85 million in state funds.

Most people who apply for assistance never thought they would need to apply. The need to apply is often precipitated by a crisis, such as the loss of a job or spouse, or high energy costs. Seventy percent of those who receive assistance do not apply more than three years in a row.

Carryover Utilization. The bureau annually carries over approximately \$700,000 to provide start-up funds to administer the program until new federal money is allocated. Propane gas users are not protected like customers of rate-regulated utilities, and propane vendors want a cash payment when they deliver fuel. Start-up funds are especially important in years such as this, when Congress delays reaching an agreement on the grant appropriations until mid-November. The bureau also uses start-up funds to prepurchase propane in the summer months to lock in lower prices. In some years, this has resulted in savings of between \$700,000 and \$800,000. After April 15, funds may also be expended for medically necessary emergency cooling — usually a window air conditioner for a household.

Cross-Agency Cooperation. The bureau advocates for low-income Iowans and their needs. When the federal Department of Agriculture wanted states to refigure their food stamp benefits based on increased energy costs of food stamp recipients, Mr. McKim filed for emergency rulemaking and found a consultant whose voluntary services resulted in an additional \$5.5 million in federal food stamps allotted to Iowa.

Mr. McKim noted that his division worked with the Department of Public Health to add two questions to a federally mandated public health survey. A year from now, Mr. McKim expects to be able to review the results to look for correlations between health problems and indoor air temperature. In 1999, the division began conducting a survey to determine what sacrifices people were making to pay for energy and found that 12 percent reported going without food one day or more per week to pay for energy. That percentage increased to 20 percent in the most recent survey.

Fiscal Analysis. Mr. McKim presented a fiscal analysis of LIHEAP in Iowa. In response to earlier testimony and discussion, Mr. McKim opined that since Iowa already has one of the highest



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participation rates in the program, encouraging more participation would only dilute benefits for everyone. He suggested it was inaccurate to imply that LIHEAP households do not make any payments during the winter utility disconnection moratorium. People usually make partial utility payments during the winter utility disconnection moratorium. He advised against making the mistake Pennsylvania made in loosening the moratorium, which resulted in a significant increase in disconnections. He agreed that the rural electric cooperatives (RECs) are small players, but he stated they receive a lot in indirect benefits. For example, if their customers get help from LIHEAP to purchase propane, the customers are better able to pay their REC bills.

The 2007 fiscal outlook for LIHEAP suggests continued rising costs for fuel and decreased federal funding. The bills passed by both houses of Congress differ significantly. Congress passed a continuing resolution and will not likely address the differing appropriation levels until later in November. The average household pays 3 to 3.5 percent of its income toward heating costs, while low-income households pay 12 to 15 percent of their income toward heating costs. An energy burden of 20 to 25 percent for such households is not unusual. A decrease in LIHEAP funding would have a huge negative impact.

V. Iowa Community Action Association — The Developmental Assistance Resolution Program (DARP).

Ms. Lana Ross, Executive Director, Iowa Community Action Association, noted that both WAP and LIHEAP are essential to low-income Iowans, but she focused her presentation on the new pilot program developed by the association and the Division of Community Action Agencies — DARP.

DARP Approach. DARP is needed because household energy prices continue to rise and an increasing number of families find energy costs unaffordable. Between April and August of 2006, there were 31,421 disconnections in Iowa and only 17,804 reconnections, leaving 13,986 households without energy. The program offers a new approach to more intensely help families develop financial management skills and approaches to address their energy costs. A manual for the program was recently developed, and training of agency staff will soon begin on a limited basis.

Framework. The program's five steps include analysis of the current situation, a resource and money management review, negotiation or renegotiation of a utility payment plan, development of a written household energy affordability plan, and energy conservation training. Agency staff will sit down face-to-face with families to develop a written budget, discuss the rules regarding the deferred payment agreements, and conduct energy conservation training. Each family will be provided a Quantec Energywise Home Savings Kit. When a family completes its commitments under the program, the agency will provide an additional payment from nonfederal resources and a furnace clean and tune. Agencies may develop other creative ideas for rewards.

Eligibility Requirements. To be eligible for the program, a household must also be eligible for LIHEAP; be a customer of MidAmerican Energy, Aquila, or Alliant Energy for their primary heating source; have or need a deferred payment agreement; and be able to maintain or regain service in their own name.

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Accountability Measures. The program's effectiveness will be measured. Agencies will report statistics quarterly, and the division will develop a written report regarding the program's effectiveness no later than one year after the beginning of the pilot project.

Funding. Mr. McKim is directing \$500,000 in LIHEAP assessment resolution funding to the pilot program, which is intended to provide services to 2,500 households at \$200 per household in fiscal year 2006-2007. Ms. Ross recommended that the General Assembly consider providing \$1 million in state funding in the fiscal year 2007-2008 budget for ongoing costs of DARF. Many cold weather states have established state funds for LIHEAP beyond relying only on federal funding. The association has concerns regarding deliverable fuels, and it would like to include in the program households dependent upon deliverable fuels. Such households are unprotected by Iowa moratorium laws and the cost of delivery is often more than what LIHEAP can pay, leaving many rural families without assistance. In response to questions, Ms. Ross noted that many families come to community action agencies for assistance in filling out applications and that the agencies provide services to the working poor in a partnership that does not have a welfare stigma.

VI. Department of Human Services (DHS).

Mr. Robert Krebs, Deputy Administrator, Division of Financial, Health, and Work Supports, DHS, provided a basic overview of DHS, its services, caseloads, program trends, and relationship to LIHEAP.

Overview. DHS has offices in all 99 counties, and its income maintenance workers determine eligibility benefits for FIP, and for food, medical, and child care assistance. The need for food and child care assistance is increasing significantly, while the increased need for medical assistance is slowing, and the need for FIP is slightly decreasing. Programs are increasingly complex. In addition, the average caseload is projected to increase by 95.7 percent from fiscal year 1999-2000 to fiscal year 2007-2008. The relationship DHS has with LIHEAP is often a two-way street, with DHS referring clients to LIHEAP and vice versa.

Potential Cooperative Efforts. There is potential for increased DHS involvement and coordination with LIHEAP, but there are also concerns about expanding the role of DHS in LIHEAP administration or developing "one-stop" centers for DHS and LIHEAP benefits, given the already stressed DHS caseload levels, increased federal audit and other reporting requirements, the additional knowledge-base required of both agency staffs, differing program requirements, incompatible information systems, inconsistent geographical service areas, and logistical issues of space and shared costs. DHS already coordinates with the Department of Elder Affairs on similar initiatives or concepts, including the Senior Living Coordinating Unit, Project Seamless, and the Aging and Disability Resource Center.

DHS initiatives that may facilitate greater cooperation and interaction include an online food assistance application, expansion of the Food Assistance Customer Service Call Center, and the incorporation of local initiatives and funding in DHS' annual Food Assistance Outreach Plan to draw down more matching federal funds.

Recommendations. DHS recommends utilizing existing initiatives where possible to maximize use of resources and avoid duplication of effort; focusing on the development of virtual one-stop



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centers, though such an effort will require the investment of additional resources; and outstationing LIHEAP workers at local DHS offices, if space allows.

VII. Iowa Utility Association.

Overview. Ms. Teresa Anderson, Manager, Credit and Remittance Operations, MidAmerican Energy Company, testified on behalf of the Iowa Utility Association from the perspective of IOUs. Communication between the community action agencies and the utilities is very important during the moratorium period when utilities cannot disconnect people eligible for LIHEAP. Each utility has a website that contains information about each client — their current bill, and payment and usage history. It helps the utilities determine eligibility for LIHEAP as well as other programs, such as utility care programs.

Customer Contribution Fund Care Programs. Each of the four IOUs maintains customer contribution fund care programs: Alliant/Hometown Care, Aquila/Aquila Cares, Atmos Energy/Sharing the Warmth, and MidAmerican Energy/I CARE. Amounts contributed to the funds for 2005 totaled \$696,711. The utilities are constantly publicizing these programs to their customers. Alliant and MidAmerican Energy in 2006 together made a special contribution of the balance, about \$5.3 million, of insurance proceeds remaining after completion of manufactured gas plant site cleanup in 2006. Efforts are underway to identify and implement ways to increase donations to the care programs.

LIHEAP Positives. Elements of LIHEAP that work well for the association and its members include the payment of program dollars directly to the vendor; timely notification to a vendor when a client is approved for LIHEAP and when payment is processed, allowing utilities to work the LIHEAP amounts into payment arrangements; allowing elderly and handicapped households to apply first; an application and screening process that can qualify applicants for other programs as well; the state's bulletin board, which broadcasts effectively to all agencies; the positive relationship the agencies strive to maintain with the utilities; the information technology services provided for file processing; and return of LIHEAP overpayments to the agencies rather than the clients. Without LIHEAP, many customers who often just need help through temporary tough times would not be able to handle their utility obligations. The utilities applaud state and federal efforts to increase LIHEAP funding and support efforts to make sure that agencies are adequately funded to provide these necessary services to their clients.

Recommendations. The association recommends the following:

- A consistent approach among all agencies for processing and posting approval and payment files to the bulletin board.
- Daily processing of approval files.
- Conversion to one software program at the state level that allows for centralized reporting capabilities.
- Implementation of a requirement that the LIHEAP applicant be the utility's customer of record.

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- Determination of a method of LIHEAP distribution that incents clients to continue to pay during the winter moratorium period.
- Factoring customer payment history into determining eligibility for crisis funds.
- Development of a joint press message by the Iowa Community Action Association and encouraging people to apply for LIHEAP. People need help in overcoming the excessive pride that prevents them from applying for the program.

VIII. Iowa Association of Municipal Utilities.

Overview. Mr. Bob Haug, Executive Director, Iowa Association of Municipal Utilities (IAMU), described the association as a nonprofit organization whose members operate 49 municipal gas and 136 municipal electric utilities for their citizen-owners in Iowa.

Program Support and Activities. LIHEAP is critically important to low-income Iowans and IAMU and its national affiliates are active supporters of LIHEAP, and increased funding for LIHEAP, at the federal level. The reasons behind the financial pain faced by Iowans during the winter heating season are outside state control. Mr. Haug described examples of abuse in the gas market, and advocated that Congress take measures to institute market transparency and government oversight on over-the-counter trade.

At the state level, energy efficiency standards should be enforced and strengthened and utilities should do more to promote energy efficiency and weatherization. IAMU recently completed a sophisticated evaluation tool to help utilities choose energy efficiency programs that best address local needs. Mr. Haug reviewed a short history of the energy efficiency efforts, programs, and measures undertaken by municipal utilities. He also described examples of energy efficiency programs various municipal utilities are planning or implementing, and noted that municipal utilities have leveraged federal community development block grants to help low-income and moderate-income homeowners make home improvements that result in energy savings.

Because owners of rental property find little benefit in investing in energy efficiency, directing energy efficiency benefits to low-income Iowans who are renters is difficult. IAMU is working to identify programs in other states that target rental property and is developing a pilot program that identifies the least efficient appliances in a community and offers options for replacing them. IAMU has also had preliminary discussions with the state's IOUs about coordinating energy audit programs.

Customer Contributions. Like IOUs, municipal utilities offer customers an opportunity to contribute to low-income assistance programs, such as IAMU's Project Share. The Iowa Utilities Board recently opened an inquiry into how such contributions can be increased.

Recommendations. Abuse of the LIHEAP winter shut-off moratorium is the exception, rather than the rule, but abuse does occur. To the extent that a customer cannot or will not pay their bills, the shortfall is absorbed by paying customers. Low-income elderly customers shoulder a disproportionate burden for these added costs. IAMU therefore recommends that LIHEAP-eligible customers be required to make minimum monthly payments for their utility service during the



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moratorium. In answer to a question, Mr. Haug identified small communities with packing plants and large migratory populations as having the worst problems with nonpaying customers.

IX. Iowa Association of Electric Cooperatives.

Overview. Mr. Regi Goodale, Director of Regulatory Affairs, Iowa Association of Electric Cooperatives, described member utilities of the association as not-for-profit electric utilities that are locally owned by and serve member-consumers in every county in the state. The electric cooperatives invest about \$8 million annually in demand-side energy efficiency measures. The association and its members create jobs, provide rebates for energy-efficient appliances, make people less dependent on the power transmission grid, work to reduce dependence on high-priced fuels, use technology to help consumers better manage their energy purchases, offer electronic billing, read meters electronically, save dollars with remote connections and disconnections, and cooperate with other cooperatives to deliver affordable energy and gain economies of scale. They also partner with IOUs.

RECs receive less than 1 percent of the total Iowa LIHEAP funds for electric services. RECs collect donations from customers to provide energy assistance to other customers.

X. Iowa Propane Gas Association.

Overview. Mr. Lynn Sheets, Petroleum Manager, Sully Cooperative Exchange, testified on behalf of the Iowa Propane Gas Association. He noted that the 300 independent propane distributors operating in Iowa are highly competitive and that the sale and distribution of propane gas is not regulated by the Iowa Utilities Board. A propane dealer does not have an assigned geographical territory or rate structure like utilities do and faces brutal competition. The high price of propane does not benefit the distributor, who operates on a margin, but rather increases the distributor's cost of doing business. Many factors affect propane price, including weather, war, and the annual harvest. A propane tank allowed to run too low necessitates a tank check before refilling. Distributors often charge an additional fee for this service. Iowa has some of the least expensive propane gas in the United States, in part due to the fact that it is delivered to the state via a pipeline rather than by truck.

Recommendations. Mr. Sheets joined in the recommendations offered by the Iowa Utility Association that an internet "bulletin board" showing LIHEAP approvals would be helpful, as would implementation of a requirement that the LIHEAP applicant be the utility's customer of record. Mr. Sheets also recommended a change to allow propane tank rent to be paid with LIHEAP funds. Mr. Sheets opined that LIHEAP could better time its prebuys of propane by working with the Department of Natural Resources. Preapproval, or notification that a person has applied for LIHEAP, does not help the propane distributor. In response to a question, Mr. Sheets stated that the association would work with the Legislative Services Agency (LSA) to try to get data about the number of households that use propane, and how much LIHEAP money goes to propane dealers. He approves of efforts to train consumers and to finance customer education and offered to work with legislators on those efforts.

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XI. Department of Public Health (DPH).

Disconnection — Public Health Risk. Ms. Lynh Patterson, Legislative Liaison, DPH, testified that DPH engages in collaborative efforts with DHR, such as DARP. Ms. Patterson testified about the public health risk involved with the disconnection of utilities. In December 2005, DHR petitioned DPH to add a new administrative rule that would require, at a minimum, "(A)ny person seeking to disconnect home energy service to a dwelling that the person knows or has reason to know is a child-occupied dwelling shall, prior to the disconnection of service, first obtain a finding from the department that the disconnection of service will not represent a public health or safety risk to the child or children occupying the dwelling." DPH consulted with the Attorney General's Office, which determined that DPH had no jurisdiction to adopt such a rule. However, she testified that there are public health risks with disconnection of home energy service. DPH is also collaborating with the University of Iowa's College of Public Health to study the public health impact of utility disconnections and produce a white paper. The focus will be on fire safety risks, air quality risks, and temperature impact.

Health Risk Survey. Ms. Patterson provided more information on the survey mentioned earlier by Mr. McKim. The federal Centers for Disease Control and Prevention annually require every state department of public health to participate in the Behavioral Risk Factor Surveillance System (BRFSS). The system is the world's largest ongoing telephone health survey system and has been tracking health conditions and risk behaviors in the United States annually since 1984. BRFSS provides state-specific information about issues such as asthma, diabetes, health care access, alcohol use, hypertension, obesity, cancer screening, nutrition, physical activity, tobacco use, and more. States can add their own questions to their state's survey, and DPH has agreed to add two questions proposed by the Bureau of Energy Assistance to Iowa's survey:

1. How many households suffered utility disconnection because of inability to pay?
2. Did households use unsafe alternatives as a result of being unable to afford the utilities?

XII. Committee Discussion.

Federal Funds. Committee members discussed the national nature of the problem of high energy costs. Mr. Sam Leto, Senior Legislative Analyst, LSA, reported that federal dollars for energy costs continue to decrease and more federal dollars are being transferred from cold weather to warm weather states. Mr. McKim noted that there will be a fight in Congress over how supplemental federal energy dollars will be distributed. Mr. McKim observed that Iowa wants the funds distributed as emergency funds.

Weatherization Assistance. In response to a question, Mr. Brand stated he would not advocate failing to transfer LIHEAP funds to WAP since that would reduce long-term solutions to energy problems and WAP has a critical need for the flexibility LIHEAP funds allow to carry out its mission. There is a network of weatherization teams and without the funds the infrastructure would fall apart.

Renters. The committee also discussed the problems created by out-of-state landlords who will not work with renters who qualify for LIHEAP.



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Staff Follow-up. Co-chairperson Hatch requested that LSA perform the following tasks:

- Prepare a bill draft codifying the DARP pilot project as a statewide program with an appropriation.
- Verify information received from the Bureau of Energy Assistance.
- Obtain further information on how many households in the state use propane and where the users are located.
- Suggest options to obtain increased funding for LIHEAP.

XIII. Materials Filed With the Legislative Services Agency.

The materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the "Additional Information" link on the Committee's Internet page:

<http://www.legis.state.ia.us/asp/Committees/Committee.aspx?id=153>

1. **From Mr. Newton, Bureau of Weatherization, the following handouts:**
 - a. "Why the Transfer of LIHEAP funds to the Weatherization Program is Critical," a handout.
 - b. "Iowa Weatherization Program Information."
 - c. "Iowa Weatherization Assistance Program: 2006 Fact Sheet," a handout.
2. **From Mr. McKim, Iowa Bureau of Energy assistance, the following handout with attachments:** LIHEAP Program Synopsis:
 - a. "Attachment A — FY 2007 Iowa LIHEAP Fact Sheet."
 - b. "Attachment B — 2006 State Poverty Guidelines."
 - c. "Attachment C — FY 2004 LIHEAP State Participation Rates."
 - d. "Attachment D — FY 2005 LIHEAP State Administrative Costs."
 - e. "Attachment E — Iowa LIHEAP Contract Computation."
 - f. "Attachment F — Iowa FY 2007 LIHEAP Payment Matrix."
 - g. "Attachment G — FFY 2006 Iowa LIHEAP Facts and Figures."
 - h. "Attachment H — Moratorium Report."
3. **Iowa Electric and Natural Gas Utilities charts:**
 - a. General Residential Accounts Past Due.
 - b. Revenue of Past Due General Residential Accounts.
 - c. Energy Assistance Accounts Past Due.
 - d. Residential Service Disconnections and Reconnections.
4. **From Ms. Ross, Iowa Community Action Association, the following:**
 - a. "Iowa Community Action Association," a PowerPoint presentation.
 - b. "Developmental Assessment and Resolution Program (DARP)," a handout.
 - c. "Iowa LIHEAP Summary by County, FY 2006," a handout.

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- d. "Red Rock Community Action Program, Inc.," a handout.
- 5. **From Mr. Krebs, Department of Human Services, a handout:** "Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Program Interim Study Committee," including DHS Basics, Field Operations Map, and Income Maintenance Caseload History FY00 through 08.
- 6. **From Ms. Anderson, MidAmerican Energy, the following:**
 - a. "LIHEAP from the Perspective of Investor-Owned Utilities," a handout.
 - b. "LIHEAP FY 2006 Iowa Fact Sheet," a handout.
- 7. **From Mr. Haug, Iowa Association of Municipal Utilities, written comments and the following attachments:**
 - a. Attachment 1 — APGA Letter on Gas Market Transparency.
 - b. Attachment 2 — Cedar Falls Utilities' Bi-annual Energy Efficiency Plan: Executive Summary.
 - c. Attachment 3 — Customer Bill Collections and Bad Debt.
- 8. **From Mr. Goodale, Iowa Association of Electrical Cooperatives, a handout,** "Electric cooperatives are..."
- 9. **From Mr. Sheets, Iowa Propane Gas Association, the following pamphlets:** "Don't get caught Out of Gas" and "Staying Safe with Propane."

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