

Red Rock Area Community Action Program, Inc.

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Serving Low-Income Residents in Five Counties: Boone – Jasper – Marion – Rural Polk – Warren

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Who Does LIHEAP Help?

Red Rock Area Community Action Program assisted 12,474 people (5,156 households) through the Low Income Home Energy Assistance Program (LIHEAP) during the most recent program year in the Agency's service area of Boone, Jasper, Marion, Warren and Rural Polk Counties. The 8,156 households assisted represented an 8% increase over the previous year, and is an all-time high for the Agency. The average payment to the energy vendor for each household assisted was \$491. Here are some key demographics:

1. Working Families: 34% of all families receiving LIHEAP from Red Rock Area Community Action Program had family income from employment. Of those families, 68% had no other source of income other than wages. LIHEAP is increasingly a program which serves the working poor of Iowa. Just 7% of the households approved for LIHEAP were recipients of FIP benefits.
2. Elderly: 1,579 households with an elderly member received LIHEAP benefits. Most of these households were one or two individuals on a fixed income (usually Social Security and/or SSI).
3. Families with Children: Of the 12,474 people in the 5,156 households which received assistance, 12,474 (41%) of the people benefiting were under the age of 18.

Why are Community Action Agencies the Best Organizations to Deliver LIHEAP?

Community Action Agencies are the best organizations for the delivery of LIHEAP services for the following reasons:

1. Offices in Every County: Iowa's eighteen Community Action Agencies collectively have offices in all 99 Iowa Counties, often with multiple offices in each county. The Department of Human Services has not been able to maintain offices in every County. With rising gas prices this is especially important to rural communities.

2. One-Stop Shopping: Because Community Action Agencies deliver a wide variety of services, families applying for LIHEAP are able to easily access services such as Head Start, Weatherization, Food Pantry assistance, income tax preparation assistance, and many other services. The application process for LIHEAP automatically collects the information from a household needed to apply for other services.
3. Leveraged Funds: As a network of community-based organizations, Community Action Agencies leverage non-public funds to supplement energy assistance. In the recently completed LIHEAP heating season, Red Rock Area Community Action Program was able to leverage \$330,846.02 in additional money to support the energy assistance needs of low income Iowans.
4. Low Administration Costs: The average administration cost for Iowa Community Action Agencies to deliver LIHEAP services was 5.5 to 6.0%. This is the lowest in the nation in 2006. We have consistently over the past five years been in the top ten in lowest administrative costs.

Why Not Just Weatherize More Homes?

We believe that both LIHEAP and Weatherization are valuable programs that help families with limited income. It is a mistake to assert that one program is a better investment than the other.

1. Weatherization is a Major Project: Weatherizing a home has evolved over the years to be much more comprehensive program. Weatherization services result in an average cost per home of \$5,882. Savings continue to pay off for several years, but it takes many years to recover the costs invested into the home.
2. Weatherization Assists Far Fewer Households: Red Rock Area Community Action Program assisted 5,156 households with LIHEAP, but was able to weatherize just 46 homes in the past year. Weatherization services are also more heavily focused on homeowners. Renters can qualify if their landlord agrees to address the furnace needs of the home, but many landlords refuse. Focusing on the longer-term savings of home weatherization at the expense of LIHEAP will result in far fewer households receiving assistance at a time when many more households are struggling. Even with additional funding, Weatherization could not serve nearly as many households as LIHEAP.

Community Action Agencies in Iowa Have a New Approach to Energy Affordability.

Research consistently shows that most low income Iowans pay their bills on time, and want to pay their bills on time. With escalating energy costs, this is becoming increasingly difficult. The Iowa Community Action Association and the Iowa Division of Community Action Agencies have developed a statewide pilot initiative which will be implemented this coming winter, known as the Developmental Assessment and Resolution Program (DARP). This initiative will serve 2,500 households this winter, and include comprehensive budget counseling, a review of any resources which might benefit a family but which the family is not currently receiving, an assessment of the family's payment arrangements with the power company, an energy conservation class, and a written plan regarding energy affordability. DARP will be targeted to households who have significant arrearages.

What Could the Iowa Legislature Do to Make Energy More Affordable to Low Income Households?

1. A Continuing Secured State Commitment to Energy Assistance: The Iowa Legislature's commitment to the LIHEAP program in May was greatly appreciated in the supplemental bill that was passed and signed into law. Our programs would be more effective if we had an ongoing, consistent funding source. Iowa is one of the few cold weather states without a continuing State commitment to energy assistance.
2. Preserve the Effective Outreach and Application Process Community Action Agencies Implement in All 99 Counties: Our network is highly effective in reaching low income families who benefit from the Federal and State appropriations for LIHEAP and Weatherization. The Community Action network has proven its success in reaching eligible households and has the potential to do even more in assisting families as they improve their well-being.
3. Study the Results of the DARP Initiative: The Iowa Legislature's continued interest in the DARP Initiative and the results it generates would be helpful as we continue to evaluate whether an intensive counseling and affordability plan development process helps families better manage their winter heating burden.