

State of Alaska
FY2007 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 their home heating expenses. Eligibility for heating assistance and benefit amounts are based on a point system which 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 credit with the client's home energy vendor.

FY2007 Resources Allocated to Achieve Results		
FY2007 Component Budget: \$9,708,200	Personnel:	
	Full time	3
	Part time	9
	Total	12

Key Component Challenges

The uncertainty of LIHEAP block grant funding causes difficulty 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. FY06 federal funding is still uncertain; thus FY07 funding is projected at the FY05 level.

The significant increase in the cost of fuel over the past two years (average 90% based on selected spot market rates in September 2005) is creating even greater difficulties for low income Alaskans where their household heating assistance grants do not adequately cover the increased costs.

Significant Changes in Results to be Delivered in FY2007

The Governor is requesting \$8.8 million to supplement the federal Low Income Home Energy Assistance Program (LIHEAP) block grant funding in FY06. The funds will be used to help Alaska's low-income families deal with the dramatic increase in heating fuel prices. In addition to increasing funds for the Energy Assistance Program, the Department will grant funds to the Alaska tribal LIHEAP providers to supplement their programs.

Major Component Accomplishments in 2005

The program provided low-income households with seasonal help for home heating costs. Tribal organizations also received federal LIHEAP block grant funds and administered their own heating assistance programs in several areas of Alaska. In FY05, around \$7.0 million was provided to approximately 9,055 households under the Department of Health of Social Services' Heating Assistance Program.

Approximately 28% of HAP households contain one or more children under 6 years of age, 26% have at least one disabled member, and 23% contain at least one member over the age of 60. The primary sources of income for Alaska

HAP households are Adult Public Assistance (26%) and Alaska Temporary Assistance Program (13%). 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

Pubic 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

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	445.9	491.6	522.5
72000 Travel	2.6	12.5	12.5
73000 Services	171.5	152.0	152.0
74000 Commodities	15.2	14.0	14.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	7,750.3	9,007.2	9,007.2
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	8,385.5	9,677.3	9,708.2
Funding Sources:			
1002 Federal Receipts	8,385.5	9,677.3	9,708.2
Funding Totals	8,385.5	9,677.3	9,708.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Managem nt Plan	FY2007 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	8,385.5	9,677.3	9,708.2
Restricted Total		8,385.5	9,677.3	9,708.2
Total Estimated Revenues		8,385.5	9,677.3	9,708.2

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	0.0	9,677.3	0.0	9,677.3
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	8.6	0.0	8.6
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	1.4	0.0	1.4
-FY 07 Retirement Systems Cost Increase	0.0	16.1	0.0	16.1
Proposed budget increases:				
-Risk Management Self-Insurance Funding Increase	0.0	4.8	0.0	4.8
FY2007 Governor	0.0	9,708.2	0.0	9,708.2

**Energy Assistance Program
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	3	3	Annual Salaries	322,025
Part-time	9	9	COLA	8,900
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	204,816
			<i>Less 2.47% Vacancy Factor</i>	(13,241)
			Lump Sum Premium Pay	0
Totals	12	12	Total Personal Services	522,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	0	0	1	0	1
Administrative Clerk III	0	0	1	0	1
Administrative Supervisor	0	0	1	0	1
Elig Technician I	0	0	7	0	7
Prog Coordinator	0	0	1	0	1
Project Asst	0	0	1	0	1
Totals	0	0	12	0	12