

# **State of Alaska FY2008 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 a credit with the client's home energy vendor.

**FY2008 Resources Allocated to Achieve Results**

<b>FY2008 Component Budget: \$9,778,600</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 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. FY07 federal funding is still uncertain; thus FY08 funding is projected at the FY06 level.
- The cost of home heating oil has nearly doubled over the last two years, based upon spot market prices from 10 communities around the state, and 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 FY2008**

There are no significant changes in results to be delivered in FY08.

**Major Component Accomplishments in 2006**

- 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 FY06, around \$10.0 million was provided to approximately 9,359 households under the Department of Health of Social Services' Heating Assistance Program. Eighty percent of households served include a person who is over age 65, disabled, or a child under 6 living in the home.
- The primary sources of income for Alaska Heating Assistance Program (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

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

Contact Information
<p><b>Contact:</b> Janet Clarke, Assistant Commissioner <b>Phone:</b> (907) 465-1630 <b>Fax:</b> (907) 465-2499 <b>E-mail:</b> janet_clarke@health.state.ak.us</p>

**Energy Assistance Program  
Component Financial Summary**

*All dollars shown in thousands*

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	531.7	532.5	602.9
72000 Travel	3.8	12.5	12.5
73000 Services	163.3	142.0	142.0
74000 Commodities	11.4	14.0	14.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	11,421.4	9,007.2	9,007.2
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>12,131.6</b>	<b>9,708.2</b>	<b>9,778.6</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	12,131.6	9,708.2	9,778.6
<b>Funding Totals</b>	<b>12,131.6</b>	<b>9,708.2</b>	<b>9,778.6</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2006 Actuals	FY2007 Managem ent Plan	FY2008 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	12,131.6	9,708.2	9,778.6
<b>Restricted Total</b>		<b>12,131.6</b>	<b>9,708.2</b>	<b>9,778.6</b>
<b>Total Estimated Revenues</b>		<b>12,131.6</b>	<b>9,708.2</b>	<b>9,778.6</b>

**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>0.0</b>	<b>9,708.2</b>	<b>0.0</b>	<b>9,708.2</b>
<b>Proposed budget increases:</b>				
-FY 08 Retirement Systems Rate Increases	0.0	70.4	0.0	70.4
<b>FY2008 Governor</b>	<b>0.0</b>	<b>9,778.6</b>	<b>0.0</b>	<b>9,778.6</b>

Energy Assistance Program Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	4	4	Annual Salaries	334,131
Part-time	8	8	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	287,127
			<i>Less 2.95% Vacancy Factor</i>	(18,358)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>12</b>	<b>12</b>	<b>Total Personal Services</b>	<b>602,900</b>

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
Elig Technician I	0	0	7	0	7
Elig Technician III	0	0	1	0	1
Prog Coordinator	0	0	1	0	1
Project Asst	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>12</b>