

Senate Bill No. 558

CHAPTER 823

An act to amend Section 16367.5 of the Government Code, relating to energy assistance.

[Approved by Governor October 8, 1997. Filed with Secretary of State October 9, 1997.]

LEGISLATIVE COUNSEL'S DIGEST

SB 558, Leslie. Low-Income Home Energy Assistance Program.

Under existing law, the Department of Community Services and Development is required to receive and administer the federal Low-Income Home Energy Assistance Program Block Grant, and allocate the funds from that grant in a specified manner. The allocations under existing law include an allocation of between 15% and 25% for weatherization services.

This bill would require the department to apply to the federal government for all necessary waivers in order to ensure that the amount of the weatherization allocation will be 25%.

Existing law permits 5% of the total federal allocation to be used by the department for purposes of administration, and permits an additional 2.5% to be set aside for administrative purposes.

This bill would specify the use of the state's total federal allocation for Low-Income Home Energy Assistance Program funds for fiscal years 1998, 1999, and 2000, including allocations to local service providers for planning and administration. The bill would revise the amounts available to eligible individuals and households for weatherization services and energy crisis intervention.

The bill would require the department to afford local service providers maximum flexibility and control in the planning, administration, and delivery of Low-Income Home Energy Assistance Program Block Grant services. The bill would delete a reference to Aid to Families with Dependent Children, and would instead provide that direct assistance payments, as specified, shall be available to households receiving Temporary Assistance for Needy Families, under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The bill would also specify the percentage of funds available for planning and administration purposes, as well as for outreach and related services. It would require the department to establish a local providers committee to assist in the development of the annual Low-Income Home Energy Assistance Program state plan, and would specify the membership of the committee.

This bill would specify which households are eligible for energy assistance services, based on receipt of certain forms of state and

federal assistance. It would revise the manner in which funds for the Energy Crisis Intervention Program are allocated and paid.

The bill would require the department to submit, by June 30, 1998, a plan to the state Health and Welfare Agency to reduce state administrative costs, as specified. The bill would further require the department to provide quarterly status updates to the Health and Welfare Agency and the local service providers committee regarding the department's implementation of specified plans, objectives, and milestones. It would require the department to appear before the Legislature annually, from 1999 to 2001, to provide a status report on the department's efforts to achieve increased administrative efficiency.

The people of the State of California do enact as follows:

SECTION 1. Section 16367.5 of the Government Code is amended to read:

16367.5. The Department of Community Services and Development shall receive and administer the federal Low-Income Home Energy Assistance Program Block Grant, provided for pursuant to the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. Sec. 8621 et seq.). The department shall afford local service providers maximum flexibility and control, within the parameters of federal and state law, in the planning, administration, and delivery of Low-Income Home Energy Assistance Program Block Grant services. Local service providers shall be defined as private, nonprofit, and public agencies designated in accordance with Public Law 97-35, as amended. The formation of service regions beyond those that were in place in 1995, or those that were in place in Los Angeles County in January 1997, shall occur only with the concurrence of service providers within the proposed regions. The department shall allocate funds received as follows:

(a) For federal fiscal year 1998, up to 7.3 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program shall be retained by the Department of Community Services and Development for purposes of overall planning and administration. The department shall spend at least 2.3 percent of this 7.3 percent on activities to improve the administrative efficiency of the program. At least 2.7 percent of the state's total federal allocation of the Low-Income Home Energy Assistance Program shall be allocated to local service providers for purposes of planning and administration.

For federal fiscal year 1999, up to 6 percent of the state's total federal allocation of the Low-Income Home Energy Assistance Program shall be retained by the Department of Community Services and Development for purposes of overall planning and administration. The department shall spend at least 1 percent of this



6 percent on activities to improve the administrative efficiency of the program. At least 4 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program shall be allocated to local service providers for purposes of planning and administration.

Beginning in federal fiscal year 2000, up to 5 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program shall be retained by the Department of Community Services and Development for purposes of overall planning and administration. At least 5 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program shall be allocated to local service providers for purposes of planning and administration.

Upon achievement of administrative efficiencies, or no later than June 30, 2001, the department and the local service providers committee established pursuant to subdivision (j) shall examine the appropriate split of administrative funding between the state and local services providers necessary to achieve the intent of federal law regarding the Low-Income Home Energy Assistance Program. The department shall not retain more than 5 percent of the state's total federal allocation for the Low-Income Home Energy Assistance Program.

(b) Services under this section shall be available to households in which one or more individuals are receiving:

(1) Temporary Assistance for Needy Families under the state's plan approved under Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code.

(2) Supplemental Security Income payments under Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code.

(3) County general assistance under Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code.

(4) Food stamps received under the Food Stamp Act of 1977 and pursuant to Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code.

(5) Payments under Section 415, 521, 541, or 542 of Title 38 of the United States Code, or under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

(6) Households with incomes that do not exceed the greater of:

(A) An amount equal to 150 percent of the poverty level for this state.

(B) An amount equal to 60 percent of the state median income, except that no household may be excluded from eligibility solely on the basis of household income if that income is less than 110 percent



of the poverty level for this state, but priority may be given to those households with the highest home energy costs or needs in relation to household income.

(c) An amount of not less than 15 percent and up to the maximum allowed by federal law of the total federal allocation shall be allocated for weatherization services for eligible individuals. For each program year, to the extent that the state is eligible, the Department of Community Services and Development shall apply to the appropriate federal agencies for any waivers that may be necessary to ensure that the amount available for the purposes of this subdivision will be the maximum amount allowable under federal law. For the purposes of this subdivision, weatherization shall include all energy conservation measures and energy efficient appliances that are cost-effective and improve energy efficiency. The department shall allocate 5 percent of the weatherization program allocation to local service providers for outreach and related activities.

(d) At the discretion of local service providers, the state shall allocate the maximum amount allowable under federal law to local service providers to provide services that encourage and enable households to reduce their home energy needs, thus reducing the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, in accordance with Section 2605(b)(16) of Public Law 97-35, as amended.

(e) Based on data from prior years, a reasonable amount of available funds, as determined jointly by the department and the local service providers, shall be reserved until March 15 of each program year for the Energy Crisis Intervention Program. Local service providers shall submit proposed funding levels with supporting data to the department in a timely manner for inclusion in the state plan. The department shall approve local funding requests that are determined to be in compliance with federal law. These funds shall only be used for emergency assistance to eligible individuals for programs specified in this subdivision, who give evidence of one or more of the following conditions:

- (1) Proof of utility shutoff notice.
- (2) Proof of energy termination.
- (3) Insufficient funds to establish a new energy account.
- (4) Insufficient funds to pay a delinquent utility bill.
- (5) Insufficient funds to pay the cost of space heating devices where no alternative source of space heating is reasonably available.
- (6) Insufficient funds to pay for essential firewood, oil, or propane.
- (7) Insufficient funds to pay for the cost of emergency repairs to heating and cooling units, the emergency replacement of heating and cooling units, or both.



(8) Insufficient funds to pay energy costs for a household where a household member's medical condition requires use of life support or climate and temperature control systems.

(9) Other conditions that may be included in the state plan.

The energy crisis intervention program shall not include advocacy, community mobilization, or community planning. After March 15 of each program year, local administrative agencies shall have the option of continuing to offer energy crisis intervention services or of reallocating a portion of or all unspent energy crisis intervention funds into direct assistance payment services.

The department shall allocate 5 percent of the energy crisis intervention program allocation to the local service providers for outreach and related services.

The Department of Community Services and Development shall retain all funds associated with Energy Crisis Intervention Program payments for gas and electric utility service, and shall make payments for eligible households' gas or electric service accounts directly to the utilities. The department may use alternative payment methods when direct payments to the utilities have not been arranged.

(f) The remainder of the total federal allocation shall be utilized for aid for home energy costs for direct assistance payments. The department shall retain all funds associated with Home Energy Assistance Program direct assistance payments for gas and electric utility service, and shall make payments for eligible households' gas or electric service accounts directly to the utilities. The department may use alternative payment methods when direct payments to the utilities have not been arranged.

(g) The Department of Community Services and Development shall contract with local public or private nonprofit agencies, or both, to provide outreach, intake, and other activities to enroll eligible individuals in the program components prescribed by this section.

(h) The program components provided for in this section shall include activities to enroll households that have the highest home energy needs as determined by taking into account both the energy burden of these households, and the unique situation of these households that results from having members of vulnerable populations, including very young children, individuals with disabilities, and frail older individuals, as provided for by Section 2603(3) of Public Law 97-35, as amended, and to educate recipients about general energy conservation practices and about the availability of state and utility programs for free weatherization of low-income homes.

(i) The department shall allocate 5 percent of the direct assistance payment funds to the local service providers for outreach and related services in operating the direct home energy assistance payment program.



(j) The department shall establish a local service providers committee to act in an advisory capacity in the development of the annual Low-Income Home Energy Assistance Program state plan. The membership of the committee shall include one voting representative chosen by each local service provider that has a Low-Income Home Energy Assistance Program contract with the state and one representative of each interested utility company. Each local service provider may, at its option, assign its vote in writing to another entity, such as a provider association, to represent its interests.

(k) By June 30, 1998, the Department of Community Services and Development shall submit a plan to the Health and Welfare Agency to reduce state administrative costs by January 1, 2000, to no more than 5 percent of the total federal allocation for the Low-Income Home Energy Assistance Program. This plan shall be developed in consultation with the local service providers committee and shall include measurable objectives, milestones, and timelines.

It shall also include, among other strategies, a plan to automate a substantial portion of the Low-Income Home Energy Assistance Program by no later than January 1, 2001. The department shall consult with the Department of Finance and the Health and Welfare Data Center in developing this automation technology.

The Department of Community Services and Development shall provide quarterly status updates to the Health and Welfare Agency and the local service providers committee established pursuant to subdivision (j) on progress made in implementing the plans and achieving the objectives and milestones specified in this subdivision. On an annual basis, from the year 1999 to the year 2001, the department shall appear before the Legislature and provide a status report on its efforts to achieve increased administrative efficiency.

