



Michigan League FOR Human Services

**MPSC Public Hearing on Decline in Michigan LIHEAP Funds
RE: Case No. U-16541**

March 31, 2011

TESTIMONY FROM GILDA JACOBS, PRESIDENT AND CEO OF THE MICHIGAN LEAGUE FOR HUMAN SERVICES BEFORE THE MICHIGAN PUBLIC SERVICES COMMISSION ON THE DECLINE IN MICHIGAN LIHEAP FUNDS.

My name is Gilda Jacobs, and I'm the president and CEO of the Michigan League for Human Services, a statewide nonprofit and nonpartisan advocacy group for low-income residents. It has a network of more than 1,500 from business, labor, human service professions and faith-based organizations as well as concerned citizens.

I want to thank you for your invitation to submit written testimony regarding the decline in Michigan LIHEAP funding. The Michigan League for Human Services is deeply concerned about the impact of a reduction in LIHEAP funds on vulnerable children and families in our state. Last year, Michigan LIHEAP provided financial assistance to roughly 615,000 households.

Eligible families have incomes well below the federal poverty line, and LIHEAP funds provided vulnerable families with much needed assistance, especially during the cold winter months. Almost half of recipients live 75 percent below the poverty line, or incomes of less than \$17,000 a year for a family of four. Of those receiving LIHEAP assistance in Michigan, a third are elderly, a fifth are children under 5, and almost another fifth are individuals with disabilities. These populations are the most susceptible to hypothermia. With more children living in poverty, more children are more likely to be at risk than at any other time in recent years.

With deep budget cuts across safety net programs, LIHEAP assistance is essential for many families to remain in their homes. There are only three places to go for energy assistance: the customer rate base, government assistance programs, and utility company shareholders. If federal and state assistance do not provide the means to ensure households have this necessity, then the customer base should not be the only group to carry the burden.

We urge you to consider a shared plan with clients paying a third, ratepayers paying a third, and stockholders paying a third so that the burden is shared and children are not put at risk. In addition, we ask that you consider revising payment collection and provide options to assist households in this especially difficult time. With many families still struggling to get by, now is not the time to take away assistance that may be what pays their utility bills and keeps children and families in their homes.