



Michigan League FOR Human Services

CELEBRATING 100 YEARS OF RESEARCH AND ADVOCACY

May 29, 2012

Executive Secretary
Michigan Public Service Commission
P.O. Box 20331
Lansing, Michigan 48909

Re: Reduction of LIHEAP Funding Case No. U-16978

Dear Commissioners, Governor Snyder, and Michigan Legislators:

Thank you for the opportunity to provide written testimony as to why adequate funding for the Low-Income Home Energy Assistance Program (LIHEAP) is critical for Michigan low-income families. The Michigan League for Human Services (MLHS) is a nonprofit, nonpartisan statewide policy and advocacy organization dedicated to ensuring that Michigan's struggling residents achieve economic security.

LIHEAP helps ensure that those needing assistance to meet home energy costs, whether in energy crisis situations or requiring weatherization related home repairs, will have a warm and safe home for their families. This program has been crippled by annual cuts since the 2010 fiscal year. By 2013, Michigan funding will be reduced to \$137.3 million from the \$276.5 million received in 2010.

Michigan low-income residents spend a higher proportion of their income on utilities than higher income groups. The message from the governor touts an economic recovery but our lowest wage-earners are being hit with higher taxes and deeper cuts in programs that keep them out of poverty. Over 46,000 children have lost cash assistance benefits and our poorest families will see their taxes increased by an estimated \$244 million next year due to cuts to Michigan's Earned Income Tax Credit (EITC).

Adequate funding is essential to provide for the energy needs of Michigan families. Over 660,000 households benefited from LIHEAP in 2011. In the last decade, Michigan residents living in poverty increased by 56.6%. Low-income populations are the last group to feel economic recovery. It is expected to take at least a decade for the job market to return to prerecession numbers and according to the U. S. Department of Labor, four out of the top six occupations that employ the majority of Michigan breadwinners will not keep a family of four out of poverty.

As we consider the needs of Michigan residents, we have to look beyond limiting assistance to covering utility arrearages. The program needs to include practical approaches to reduce energy costs. Making long term energy-saving repairs to a house through weatherization and educating homeowners on energy saving methods will not only reduce the energy costs to the homeowner but provide savings to the LIHEAP program. The

Michigan Legislature is looking to eliminate all weatherization and energy education funding despite these facts.

As you make your recommendations on the reduction of LIHEAP funding, please consider the consequences of inadequate funding will have on our lowest wage-earners and their children during the cold Michigan winters. While Michigan is starting to experience job growth, it will take years for many families to share in Michigan's recovery.

Respectfully,

Gilda Z. Jacobs
President & CEO