
HOUSING AND COMMUNITY DEVELOPMENT AGENCY
BY: James F. Evans

PHONE: 966-6121

RECOMMENDED ACTION AND JUSTIFICATION: (POLICY ITEM: YES___ NO_X_)

Discussion regarding the State Department of Economic Opportunity Proposal Addressing Possible Funding Reductions in the Low Income Home Energy Assistance Program and the Impacts on Mariposa County. (Responding to a State initiative).

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board has authorized implementation of the LIHEAP program for approximately 10 years.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION.

See attached Memo.

COSTS: (X) Not Applicable
A. Budgeted CURRENT FY \$ _____
B. Total anticipated costs \$ _____
C. Required Add'l funding \$ _____
D. Internal Transfers \$ _____

SPECIAL INSTRUCTIONS:
List the attachments and number pages consecutively:

2 PAGE MEMO

SOURCE: () 4/5ths vote required
A. Unanticipated revenues \$ _____
B. Reserve for contingencies \$ _____
C. Source description: _____

Balance in Reserve for Contingencies, if approved: \$ _____

CLERK'S USE ONLY:
Resolution No.: 95-383
Ordinance No.: _____
Vote - Ayes: _____ Noes: _____
Absent: _____ Abstain: _____
() Approved () Denied
(X) Minute Order Attached
() No Action Necessary

ADMINISTRATIVE OFFICER'S RECOMMENDATION:
This item on agenda as:
 Recommended
 Not Recommended
 Policy Determination
 Submitted w/ Comment
 Returned for further action

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____

Comment: _____

ATTEST: MARGIE WILLIAMS
Clerk of the Board
County of Mariposa,
State of California

A.O. Initials: MP

By: _____
Deputy

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: JIM EVANS, HCD DIRECTOR
FROM: MARGIE WILLIAMS, CLERK OF THE BOARD *MW*
SUBJECT: LIHEAP FUNDING

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,
ADOPTED THIS Order on August 22, 1995

ACTION AND VOTE:

9:40 a.m. Jim Evans, Housing and Community Development Agency
Director;

A) Discussion Regarding the State Department of Economic
Opportunity Proposal Addressing Possible Funding Reductions in
the Low Income Home Energy Assistance Program and the Impacts on
Mariposa County

BOARD ACTION: Discussion was held with Jim Evans and Char
Wilson/HCD Contract Administrator, relative to the status of
funding for the program and its impacts on the County.
(M)Balmain, (S)Stewart, Res. 95-383 adopted opposing Department
of Economic Opportunity's proposal regarding LIHEAP funding
reductions. Direction was given to staff to prepare a letter for
the Chairman's signature and to request information on how the
funding allocation was determined. Ayes: Reilly, Balmain,
Stewart, Parker; Excused: Taber.

cc: File



James F. Evans Director

HOUSING AND COMMUNITY DEVELOPMENT AGENCY



- Calaveras/Mariposa County
Community Action Agency
- Head Start
- Housing Authority of the
County of Mariposa
- Recreation Programs

August 10, 1995

TO: Board of Supervisors

FROM: James F. Evans, Director *JF*

SUBJECT: STATE DEPARTMENT OF ECONOMIC OPPORTUNITY LIHEAP
FUNDING REDUCTION PROPOSAL

Mariposa County has implemented the Low Income Home Energy Assistance Program for approximately 10 years. LIHEAP provides Energy Crisis Intervention Program (ECIP) emergency services (partial payment of utility bills pursuant to a "shut-off notice") and Weatherization (installation of energy conservation measures such as ceiling insulation) assistance to low income households in Mariposa County.

LIHEAP funds are provided (as a block grant) by the US Department of Health and Human Services to the State. The State Department of Economic Opportunity (DEO) implements a centralized utility payment program (known as the Home Energy Assistance Program or HEAP) and provides contract administration to a network of local agencies such as Mariposa County HCDA that provide weatherization and energy crisis.

Recently, the US Congress has approved a 24% reduction in the LIHEAP block grant. With no public comment, DEO hastily developed a proposal designed to address the expected funding reduction. Highlights of the proposal are

(1) Mariposa County's funding allocation would be drastically reduced 92% from \$151,648 to \$12,155. Most local agencies would receive similar cuts. If most local agencies are receiving funding reductions far greater than the 24% cut, funding must be increasing in another program.

(2) DEO is increasing funding for HEAP (DEO's centralized program). Centralized program administration is contrary to today's "decentralization" trend for Federal and State programs. In addition, DEO's proposal appears contrary to State and Federal law and regulation which strongly support local control. LIHEAP State law and regulation regarding local control is as follows:

Counties shall be granted maximum flexibility in administering federal...programs. It is the intent of the Legislature...to provide counties maximum flexibility in setting priorities for...any reduced funding.

(3) DEO's proposal reduces the number of local service providers from 58 to 24 and creates several service areas (Mariposa County would join Alpine, Amador, Calaveras, El Dorado, and Tuolumne counties). The service regions were "uniquely" developed. For example, Humboldt County (125,000 population) is left intact while Alameda County (1.4 million population) is subject to regionalization. While favoritism is not unknown in the administration of Federal funds, the DEO proposal is quite staggering.

I request your support for the following strategy:

- (1) Mariposa County opposes the DEO proposal regarding LIHEAP funding reductions.
- (2) Mariposa County strongly supports local control and delivery of LIHEAP services as mandated by State and Federal Law. While reasonable funding reductions may be appropriate, local control and services shall receive priority over centralized state or regional services. Local knowledge and efficiency is much more effective than a centralized approach in addressing needs and maintaining service levels.
- (3) Requesting assistance from Mariposa County's representatives in the State Assembly and Senate.

Thank you for your consideration of my request.

Mariposa County Board of Supervisors



District 1.....PATTI A. REILLY
District 2.....DOUG BALMAIN
District 3.....ROBERT C. STEWART
District 4.....GARRY R. PARKER
District 5.....GERTRUDE R. TABER

MIKE COFFIELD
County Administrative Officer

MARGIE WILLIAMS
Clerk of the Board

P.O. Box 784
MARIPOSA, CALIFORNIA 95338
(209) 966-3222
1-800-736-1252

FAX (209) 966-5147

August 24, 1995

Michael J. Micciche, Director
Department of Economic Opportunity
700 North 10th Street, Room 258
Sacramento CA 95814

Dear Mr. Micciche:

On August 22, 1995, the Mariposa County Board of Supervisors voted unanimously to oppose the Low Income Home Energy Assistance Program (LIHEAP) Program Restructure and Regionalization of Service Areas. Before addressing actual details, I would like to discuss general issues of concern to Mariposa County if your Department's proposal is adopted.

As you are aware, Mariposa County has implemented LIHEAP Energy Crisis Intervention Program and Weatherization services for at least 10 years. Year-around emergency energy services are provided in close coordination with State and local utilities. Trained, experienced County staff (and local utilities) have gained invaluable experience regarding clients and unique local situations that a centralized, State-operated program cannot match. Due to limited resources and the nature of our local economy, County staff operate the LIHEAP program with the goal of reducing family dependence on scarce, governmental resources. As with the old adage "giving a client a fish feeds he/she for a day, while teaching the client to fish feeds he/she for a lifetime". Adoption of the Department of Economic Opportunity proposal will eliminate this important local function so important to achieve the DEO goal of encouraging "family self-sufficiency".

The following issues regarding the DEO Proposal are of concern to Mariposa County:

(1) The adoption of a centralized, State-operated program usurps local control and is contrary to today's trend of the decentralization of state and federal programs. The Proposal also appears contrary to State law and regulation. For example, Section 16366.35 of the State Government Code states:

Counties shall be granted maximum flexibility in administering federal categorical and block grant programs to the extent permitted



by state planning requirements. It is the intent of the Legislature in enacting this section to provide counties maximum flexibility in setting priorities for these programs for any reduced funding.

It is quite likely that social service programs will be decentralized and provided to the State (and subsequently to the Counties) in the form of Federal Block Grants. The impetus for this trend is a strong belief in local control and local knowledge of how best to assist those in need. DEO's Proposal is contrary to this trend.

(2) Another unfunded State mandate would apply to Mariposa County in particular and rural areas in general. Most households are served by individual septic and well systems which require electricity or propane to operate. If utility service is terminated to these households, the County is responsible to act to alleviate the threat to public health. This will result in an unknown cost to the County with no local resources to remedy the situation.

(3) The Proposal is unfair to all local jurisdictions in California. While DEO maintains it's current centralized program with only a minor 5% reduction, many local agencies are faced with reductions in excess of 90%. For example, Mariposa County's LIHEAP grant will be reduced 92%. What could conceivably justify a 92% reduction to Mariposa County when the Federal LIHEAP Block Grant was only cut 24%?

(4) The Proposal will reduce available resources for local agencies while substantially increasing the potential for local utility emergencies. While a centralized payment may be made on behalf of a local client (or when State funds are exhausted), there is no assurance of continued utility service. In many cases, local agencies and Counties will be required to assist clients with no resources. Mariposa County (and many other local agencies) staff have the experience to operate an effective program that ensures continued utility service for almost all clients experiencing utility emergencies. If DEO's Proposal is adopted, many clients may receive centralized payments (or apply for exhausted State funds) but have no utility service. How would you suggest that Counties and local agencies resolve the problem?

I also serve on the governing Board of the Calaveras-Mariposa Community Action Agency. I am informed that DEO passes through 90% of the Community Services Block Grant to local agencies. I strongly urge you to adopt a similar procedure to pass through the LIHEAP Block Grant to local agencies. Local agencies such as Mariposa County have the track record, experience, and expertise to effectively administer the Program at the local level subject to local

control and State support. This is particularly true in an era of declining funding.

Clearly, your Proposal will have a devastating effect on our local program and simultaneously will impose a significant unfunded mandate on the County which has never been reviewed or approved by any level of the Legislature. Your Proposal uses a federal funding reduction, which would be difficult to absorb even if you intended to distribute it equitably, as the pretext to massively shift resources from local to state control. As such, it is antithetical both to good government and common sense.

Please feel free to contact James F. Evans, Director of Mariposa County HCDA for more information or clarification of the County's issues. Mr. Evans can be reached at (209) 966-6121 or P.O. Box 39, Mariposa CA 95338.

Thank you very much for your careful consideration of my comments.

Sincerely,



GARRY R. PARKER
Chairman

cc: Honorable Dick Monteith, Member of the Senate
Honorable George House, Member of the Assembly
Del Dawson, President, CAL-NEVA Community Action
Association
Val Martinez, President, Association of Rural Northern
California Energy Providers
Brian McFadden, General Manager, Pacific Gas & Electric