

Energy Assistance in Missouri

Energy assistance for households unable to afford utility bills or at-risk of having utilities shut off primarily comes from the Low Income Home Energy Assistance Program (LIHEAP), which provides aid for bills, and the Low Income Weatherization Assistance Program (LIWAP), which helps make households more energy efficient. Missourians may also find relief from state, local and private funders that provide additional assistance. Utilicare is Missouri's LIHEAP supplemental program, but it has not been funded since fiscal year 2018. [HB1334](#) would increase eligibility for Missouri Utilicare from 150% of the federal poverty level (FPL) to 200%.

Highlights

- Energy assistance is available through programs, such as LIHEAP and LIWAP, which cover households at 135-150% of FPL and 200% FPL, respectively.
- Energy insecurity leads to negative health and economic impacts; energy assistance can reduce these negative impacts, and investments in energy efficiency can save money for households, reduce medical expenses and reduce work and school absences.

Limitations

- There is little research available on the long-term impacts of energy assistance funding.

Energy Insecurity

Energy insecurity is defined as an inability to meet basic household energy needs, typically as a result of low-income households that face high energy costs. Financial hardship and energy costs can be impacted by factors such as job insecurity, seasonal variation in energy needs, tenant-landlord conflicts, and the low-quality of some available affordable housing.¹ In the U.S., the median energy burden is about 3.5% of household income. In Missouri, for households between 150% and 200% of FPL (based on income and household size²), that median burden is doubled (6%), and the burden increases further for lower income families. For instance, families at 50% of FPL pay an average 27% of their household income for energy bills.³ Those most likely to be impacted by energy insecurity tend to be low-income, Black, Latinx, and renter households.⁴ Lack of adequate heating or cooling can result in negative physical and behavioral health outcomes, such as increased acute hospital visits and risks for respiratory illnesses.^{1,5,6} Energy insecure households also face choices between spending money on utility bills instead of other life necessities (e.g., food) and are more likely to face further poverty than households that are not energy burdened.^{7,8} The COVID-19 pandemic has likely exacerbated these challenges as many individuals are unemployed, or may work or attend school from home. Some researchers have suggested expanding energy assistance eligibility during this crisis from 150% to 200% of FPL so benefits can reach more households.⁹

Energy Assistance Programs

Several programs assist households with unaffordable energy bills, mainly LIHEAP and LIWAP, described below. States and private entities (including utilities) may also supplement these programs or offer similar relief programs. Missouri's Utilicare program is designed to supplement LIHEAP but has not been funded since fiscal year 2018.

Low Income Home Energy Assistance Program (LIHEAP)

LIHEAP assists families with energy costs, usually by contributing funds towards heating bills or in emergency situations where households risk utility disconnection. A portion of LIHEAP funds can also be used to assist with weatherization (i.e., making homes more energy-efficient, as discussed below). LIHEAP is administered federally by the U.S. Department of Health and Human Services, and at the state level in Missouri by the Department of Social Services (DSS) and via subcontracts between DSS and local agencies. States are given some flexibility in setting eligibility requirements for the program. In Missouri, the income requirement is 135% of FPL (although recently the program tested increasing this to 150% of FPL), and the maximum household resources (assets) level is \$3,000. Of note, one study indicates that asset testing can increase program costs and limit participation from some households.¹⁰

Although a household may be eligible for LIHEAP benefits, benefits are limited by money appropriated from Congress and other funding sources. Historically, about 80% of eligible households in a given year do not receive funding. Programs are encouraged to prioritize households with the highest burdens and greatest health risks (e.g., lowest-income or highest energy burdened households, people with disabilities and elderly people).

Low Income Weatherization Assistance Program (LIWAP)

LIWAP provides energy efficiency upgrades for income-eligible households, in addition to improving occupants' health, safety, and comfort. Eligible households must be below 200% FPL for their household size in accordance with guidelines from the U.S. Department of Energy (DOE). DOE administers the program federally and in Missouri this program is administered by the Department of Natural Resources and subcontracted with local organizations (usually Community Action Agencies). Weatherization includes a needs assessment and energy audit, with subsequently installed measures based on what will be cost-effective for the home. These weatherization measures may include insulation and caulking, heating and cooling system repairs, appliance replacement (e.g., refrigerators), lighting replacement with LED bulbs, and water heater jackets. LIWAP is estimated to save the average household \$283 every year. In addition, for every \$1 invested in the program, LIWAP yields an estimated \$2.78 in non-energy savings, including safer homes, reduced medical expenses, and fewer missed days of work.¹¹

State, Local, and Utility Programs

State, local, and tribal governments can provide additional funding for LIHEAP and other energy assistance programs. At least 16 states, including Iowa and Illinois, have enacted laws to increase assistance for LIHEAP including the option for required or voluntary contributions from utilities.¹² Missouri's Utilicare is an example; however, funding for Utilicare stopped in fiscal year 2018.¹³ Some states also set specific targets for the percent of homes to be weatherized, or reducing energy burden.¹⁴

In Missouri, outside funding for energy assistance includes utility programs. Examples include the Ameren Missouri's Dollar More program, Spire's Dollar Help/Heat Up St. Louis, and City Utilities of Springfield's Project Share. Ameren also offers a COVID-19 Clean Slate program for low-income customers to manage overdue bills; customers pay 25% of their bills, with the Clean Slate program funding the rest.¹⁵

References

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