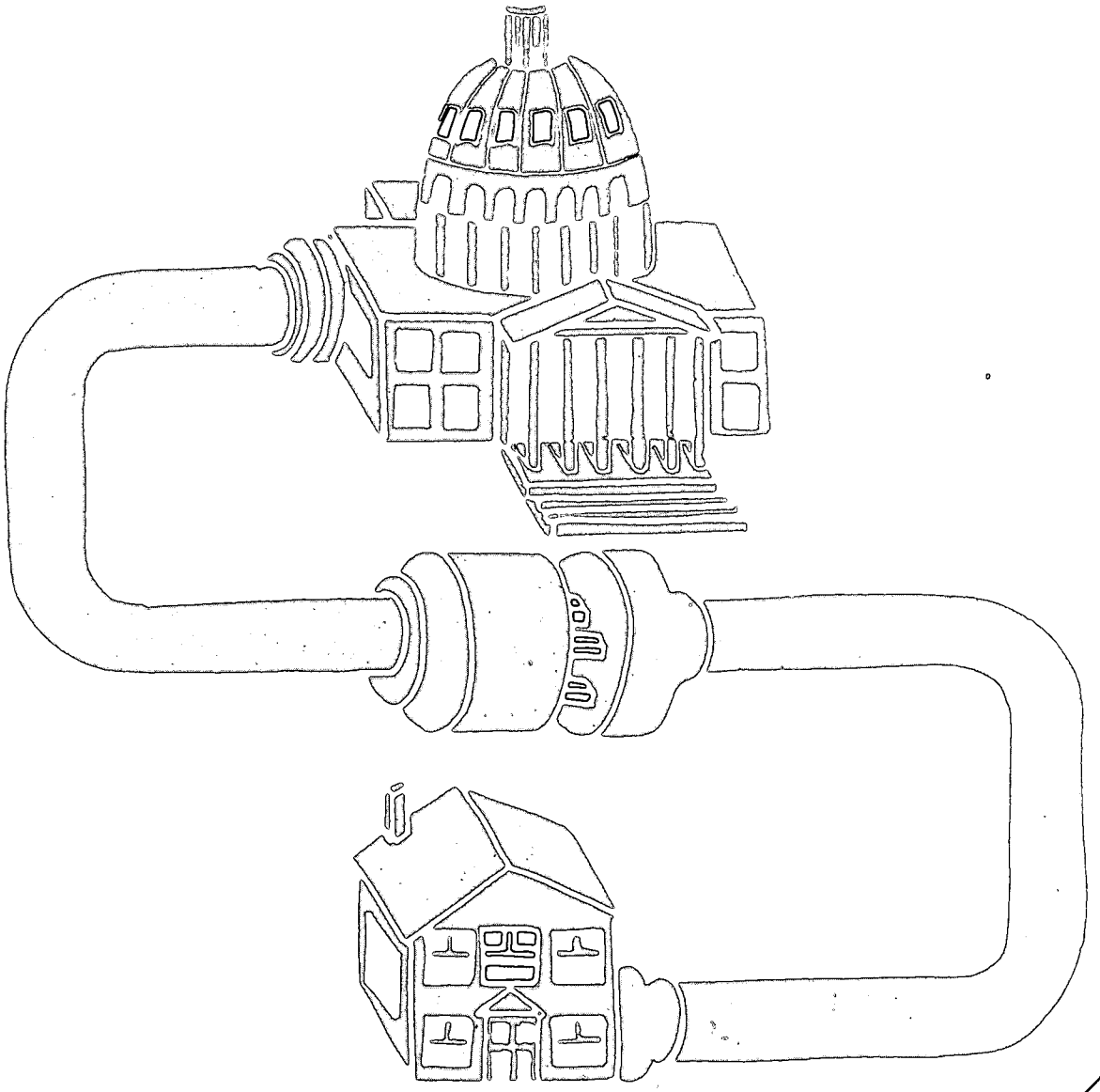
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FOCUS

# Low Income Energy Assistance



A SPECIAL REPORT

INSIDE: A QUESTIONNAIRE FOR ALL BLACK ELECTED OFFICIALS

Joint Center for Political Studies

# Perspective

At this time in our nation's history, enormous efforts are required of blacks as a group. Self-help is the order of the day. We must do for ourselves what others cannot or will not do for us. We have resources within our own communities that can be harnessed in support of many of our objectives. If we wait for government or somebody else to solve our problems, the society will have been reshaped around us by others in ways that suit their needs. However, if blacks accept responsibility for trying to improve their own lives while at the same time insisting that the society as a whole fulfill its responsibility toward every segment of that society, then our grasp on the future will be firmer than any toehold we have previously enjoyed.

There are many examples I could use to underscore the need to take charge of our own lives. I will cite just three.

First, it is imperative that blacks become more deeply involved in all aspects of the educational process and do so now.

A recent Department of Defense study demonstrates just how badly our current educational system has been failing black children. We cannot wait for the ideal educational system to be constructed while the one we have is chewing up our children. One of the most dramatic findings of the Defense Department's study was the strong correlation that exists between young people's test scores and their mothers' level of education. "That relationship," concluded the *Washington Post,* "is an emphatic warning that the educational failures of one generation will continue to exact a toll in the next." Considering the fact that 71.2 percent of all black households in poverty are headed by females and 71.6 percent of all black poor children live in those households, the toll for us would be disastrous.

If we accept this state of affairs, we consign future generations to the economy's junkheap. While demanding quality education, we must ourselves—in our communities and in our homes—nurture and educate our children in ways that served us well long before busing and integrated schools.

Today more blacks are educated than ever before. We must find ways to take that growing profit from the old civil rights struggles and invest it in the massive task of educating our children.

A second realm into which we must enter fully is that of public policy debates. We should no longer permit ourselves to be viewed as a group concerned only with civil rights. Every day, we strike heavy blows to escape the physical ghettos. We must escape intellectual ghettos as well. How can we speak convincingly on urban problems or the social debris of slavery if we remain aloof from or ignorant of economic issues, the energy crisis, the agonies of Central America, or the urgent need for arms control?

A third area in which we must increase our presence is the political arena. We must register and vote in unprecedented numbers. We must never be locked out of the councils of power because we failed to demonstrate our own political power.

In short, we must have confidence in ourselves and in our power to persuade and to overcome.

These exhortations to self-help do not mean that white Americans are excused from the continuing quest for equal justice or that minorities can make it on their own. We need allies, and we must be open to discussions of common concerns and shared interests. The reversal of the administration's position on tax exemptions for segregated schools is one example of what we can do together. Growing public and private support for a meaningful Voting Rights Act is another. In all fields of endeavor, we must build new bridges of communication and cooperation.

In another revolutionary period, a man pointed out that we must all hang together or we shall all hang separately. New times always call for new coalitions. This is the most fundamental challenge of change.

**Eddie N. Williams**
**President**

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# Black Migration in the 1970s

*The Joint Center for Political Studies recently completed the first part of a three-part study entitled "Blacks, Demographic Change and Public Policy." The study as a whole has two objectives: to develop a comprehensive portrayal of black migration trends in the United States within the context of overall migration trends, and to examine how these trends affect and are affected by public policies at the various levels of government. The completed portion of the study analyzes both historical and recent migration trends and develops and tests a model for explaining net migration by state. The following article is based on that portion of the study, which was prepared by William P. O'Hare, senior research associate; Jane-Yu Li, research associate; Roy Chatterjee, staff analyst; and Margaret Shukur, research assistant.*

During the 1970s, the distribution of the black population in the United States underwent several noteworthy developments. The most striking was the reversal of a trend, which had lasted most of the century, of net migration from the South to the North. There was also a distinct jump in the black suburban population. Black migration trends continued to differ from white migration trends in timing, magnitude, and association with various economic factors.

## Black Migration between North and South

While the number of blacks living in the Northeast region of the country increased slightly between 1970 and 1980, the percentage of the nation's blacks living in that region decreased for the first time since 1880. And for the first time in many decades, the proportion of the black population located in the South did not decline, mainly because of the net in-migration of blacks from the North. Only the District of Columbia and Mississippi in the South experienced large net out-migrations of blacks, and blacks moving out of the District of Columbia were generally moving from the city to the suburbs in Maryland and Virginia. Arkansas, Alabama, and Louisiana also had net outflows of blacks, but at much lower levels than during the 1960s. California, Florida, Maryland, and Texas were the major net gainers of black migrants in the 1970s, and Georgia, North Carolina, and South Carolina show smaller gains. On the other hand, New Jersey, Illinois, and Michigan ceased to experience the heavy black population growth they had in the past, and New York, which had a long history of net gains in black population, actually lost blacks.

Because of the large size of the black population in the South, even a small percentage increase in the black population denotes a large numerical increase. During the 1970s, the absolute growth of the black population in the South was 2,071,000—three times that experienced in the North Central region and four times that experienced in the Northeast or the West. This increase in the black population in the South was the largest single increase for blacks in any region for any decade in our country's history. It was even greater than the increase of the black population in the West in the 1950s and 1960s, despite the fact that the West exhibited a much higher total rate of growth for blacks.

The long history of blacks moving out of the South to the North was related to the poor economic conditions in the South during a period of economic expansion in the northern cities. During the last 30 years, however, there has been a reversal in the relative economic strength of the North and the South. The recent net in-migration of blacks to the South occurred as northern industrial cities suffered unprecedented deterioration and economic declines, while the South experienced a dramatic increase in employment opportunities.

## The Cityward Movement of Blacks

The mass migration of blacks from the economically depressed and socially suffocating South to the North after 1910 was not only a regional shift, it represented the country's most pronounced rural-to-urban migration. Not only did black migrants move to cities, they clustered overwhelmingly in the larger urban areas. By 1970, 61 percent of all blacks lived in 62 Standard Metropolitan Statistical Areas and 34 percent of all blacks lived in just seven major cities: New York, Chicago, Detroit, Philadelphia, Washington, D.C., Los Angeles, and Baltimore.

This movement by blacks to cities reflects the nature of the migration pull, the character and role of cities in the society, and the overall patterns of urban development. First and foremost, blacks migrated in response to the economic opportunities believed to be available in the major cities. For most of this century, cities provided the bulk of the employment opportunities for the country's semi-skilled and unskilled workers.

Second, throughout the nineteenth century—long before blacks began to arrive in large numbers—the cities had been the primary host for migrants from within the country and abroad. The availability of low-cost housing relatively close to work and the existence of social and ethnic communities made the cities a convenient entry point for newcomers. Blacks, like virtually all other migrants, were pulled to specific cities by their ties to earlier arrivals or by established communities in which they could find social, cultural, and economic support that could ease the trauma of entry into urban life.

The development pattern of the cities also served to facilitate the cityward migration of blacks. As residents of the cities advanced socially and economically, they acquired housing away from the central cities, making room for new groups of migrants at the bottom of the economic ladder. This process characterized metropolitan area growth, especially in the older cities of the North, for well over 100 years, and many ethnic groups moved through the central cities this way. Blacks too were able to enter the cities, but to a large extent they have not experienced the upward mobility of earlier groups. In many cases, they were the last arrivals and have remained trapped at the bottom

*(Continued on page 4)*

# . . . Black Migration

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of the socioeconomic ladder in numerous "dark ghettos."

During the 1970s, the black population became even more urban than it had been in the previous decade. (By contrast, for the first time in this country's history, the white population became more rural.) The percentage of the black population living in metropolitan areas—which include both central cities and suburbs—increased from 74.3 percent in 1970 to 81.1 percent in 1980. This means that four out of every five blacks are now metropolitan residents and that the well-being of black America is now linked more closely than ever to the fate of urban America.

The black population also became a larger proportion of the total central city population in the 1970s, in spite of the fact that the black central city population increased at a lower rate than in the previous decade, because of very high net outmigration by whites. Using the 1970 SMSA definitions, the percentage of the central city population that was black climbed from 20.6 percent in 1970 to 23.4 percent in 1980. In 1980, 15 major U.S. cities had black population majorities—as compared to 7 in 1970 and only 2 in 1960.

But a substantial degree of black suburbanization also occurred during the 1960s, and the pace increased during the 1970s. The most recent data indicate that the pace has been even more rapid than some previous studies suggested.

During the 1970s, for the first time ever, the numerical increase in the suburban black population was greater than the numerical increase in the central city black population. About 3.6 million blacks lived in suburbia in 1970; they constituted about 4.8 percent of the suburban population. A decade later, the black suburban population reached 6.2 million, or 6.1 percent of total suburban population. The sources of this growth need to be analyzed carefully, but initial indications are that it resulted mostly from the movement of blacks from central cities.

### Black and White Migration Trends

One pattern that shows up in several contexts is a time lag between a particular migration trend among whites and the same trend among blacks. The black influx into northern cities, for example, trailed the white influx by many decades: white immigrants from abroad and migrants from American farms moved into large northern cties throughout the 1800s, but blacks did not start this process until World War I.

Not too long after blacks started moving into the cities in significant numbers, whites started moving out. Thus, white suburbanization has been occurring for over fifty years, while blacks have only recently started moving to the suburbs in large numbers. As yet, it is unclear whether this black suburbanization is the same socioeconomic process experienced by whites or is the result of other factors such as "spillover" of central city ghettos into inner suburbs.

A time lag also exists between white and black movements in recent migrations to the South. Net in-migration of whites to the South started in the 1950s, but blacks did not show such movement until the 1970s, and whites continue to migrate to the South at much higher rates than blacks.

There appear to be some differences in the relationship between employment factors and interstate migration of blacks and whites. For example, the rate of growth in job opportunities is an important determinant of white interstate migration but appears to be an insignificant factor in determining black interstate migration. This complex set of relationships deserves further study.

Another interesting difference between black and white interstate migration patterns is that black migration showed a strong positive association with public education expenditures, while for white migration, the association was insignificant. Blacks, who have long been denied access to quality public education, may be more sensitive to this inducement than whites.

Finally, in the 1970s, welfare expenditures were not significantly associated with black migration. In fact, with each decade since the 1950s, welfare expenditures have declined in significance. This seems to indicate that black migrants have been and are mostly concerned with finding jobs. As job opportunities have declined in the North, fewer migrants have gone there despite higher levels of welfare expenditures, and during the 1970s, blacks moved to the South, where welfare benefits are lower.

It is evident that the very different historical development of the black and white populations in the United States has played a large role in their differing migration responses and consequent trends. If racism continues to decline and blacks continue to advance economically, more similarities may arise in black and white migration patterns. In the 1970s, however, the patterns still show major differences.

Part two of the Joint Center's study, now in progress, focuses on redistribution within metropolitan areas. The black population is overwhelmingly concentrated in metropolitan areas and mostly in central cities. There is growing evidence, however, of a change in the distribution of the urban black population as increasing numbers move from central cities to suburban areas. In the study of black metropolitan area migration, we will examine the changing distribution patterns for the black population with special attention to black suburbanization and central city deconcentration.

The 1981 edition of the *National Roster of Black Elected Officials* is available. To order, send $23.00 for each copy to the Publications Clerk, Joint Center for Political Studies, 1301 Pennsylvania Ave., NW, Washington, D.C. 20004. Orders for single copies must be paid in advance. JCPS will bill for two or more copies, but postage and handling charges will be added to orders that are not prepaid.

# Low-Income Energy Assistance: Three Views

The past decade has seen a turbulent restructuring of the world's energy economy, and, as is so often the case, the burdens of the readjustments have fallen most painfully on the poor—both the underdeveloped nations of the world and the poor individuals within our own rich country. The federal government has attempted to shield low- and fixed-income Americans from the catastrophic effects of the dramatic increases in energy prices through a number of different programs over the last few years. And of course, the private sector has had to face new problems and make adjustments in its relations to both suppliers and consumers.

The Joint Center has had a long-standing interest in energy policy, particularly as it affects poor Americans. In 1977, the center published *Energy Policy and the Poor: A Roundtable Discussion;* in 1978, it published *Energy and the Urban Crisis,* by Ellis Cose, then a senior fellow at the center; and in 1979, it published a collection of papers on *Energy and Equity: Some Social Concerns.* Currently, the Joint Center is investigating low-income energy assistance policy at the federal, state, and local levels. Philip V. White, deputy director of research at the center, is preparing a monograph on energy assistance and the poor, which will be available in mid-summer.

On January 22, 1982, the Joint Center sponsored a forum on low-income energy assistance. The panel consisted of Charles E. Hill, managing attorney for the Washington, D.C. office of the National Consumer Law Center; Ralph B. Saunders, director of urban affairs for the American Gas Association; Martin Scherr, program analyst in the Energy Assistance Office of the Department of Health and Human Services; and Philip V. White. Dr. White's study and the forum were both supported by grants from the Atlantic Richfield Company and the Mobil Corporation. The articles that follow summarize the presentations made at the forum. Norm L. Thompson, who collaborated with Mr. Scherr on their article, is director of the Energy Assistance Office of HHS.

## Low-Income Energy Assistance and The Gas Utility Industry

**by Ralph B. Saunders**

The gas utility industry is the primary marketing arm of the natural gas delivery industry. As such, it enjoys the greatest public visibility and an intimate relationship with both rich and poor households. Since a major portion of the capital assets of all local gas utility companies is buried underground, the typical privately held gas utility cannot elect to "take its pipes and run" to escape troubled urban markets as other businesses might. The gas utilities are "urban corporate citizens" who, in addition to providing a service to low-income citizens, must live with them as neighbors.

According to a study produced by the Fuel-Oil Marketing Advisory Committee of the Department of Energy in 1979, 15 million families—6 million fixed-income families and 9 million low-income families—were in need of energy assistance. About $8 billion per year was being transferred from this group to gas, electric, and oil suppliers. It is well documented that while the poor consumed less energy than did more affluent urban citizens, the burden on their scarce budgets was far greater.

The options available to low- and fixed-income households continue to be limited by their inability to raise capital to make home energy conservation improvements. And due to the limited housing and transportation choices afforded this group, as Ellis Cose pointed out in 1978, low- and fixed-income families live in the "leakiest" houses and apartments. Without capital, these units' consumption of fuel cannot be moderated.

Over 55 percent of urban residents use gas. With the hardship of increased monthly obligation, fewer of them are able to make ends meet and pay their gas bills. The result is a shortfall in revenues to the gas utilities, known in the industry as the "uncollectables" problem.

The proportion of bills that are uncollectable for the nation's gas utility companies has increased at an annual rate of about 22 percent. In 1976, uncollectables totaled $109 million; in 1978, $163 million; and in 1980, approximately $250 million. No business can let revenue losses go unaddressed and stay in business very long. Paying customers in other income categories have faced higher rates to cover the revenue losses. Furthermore, the increasing costs and the increasing inability to pay has generated consumer and minority hostility toward local gas utilities.

Yet to a very great extent, the gas utilities lack control over the increasing prices they must charge, because utilities, like their customers, must purchase ever-more expensive gas from gas suppliers. Thus, gas consumers and the gas utilities that serve them are confronted with very difficult problems caused by emerging national energy, economic, and environmental realities.

### The Gas Utility Industry's Response to the Problem

The gas utility industry, through its trade association, the American Gas Association, is attempting to establish an equitable and sufficient permanent energy assistance program. As a first step, the association surveyed its member companies to review fuel assistance programs in use throughout the industry. The various energy assistance programs fall into two broad categories: indirect assistance programs designed to link up clients with outside fuel assistance, and direct assistance on bill management from the utility.

### Indirect Assistance Programs

Designed for low-income and elderly households, these programs are usually run by gas utility staff. They include referral of needy customers to sources of public and private fuel assistance funds (churches, foundations, etc.) and bill management, coordinated with activities of third parties (e.g., local community action programs) to develop more efficient methods of distributing private funds.

One example is the special budget plan, under which persons receiving Aid to Families with Dependent Children may elect to have a portion of their monthly heating-fuel allowance paid directly to the utility. Actual charges in excess of this allotment are paid by local social service or welfare agencies annually. Another example is the extra security plan for elderly retired customers. This program guarantees no termination of service for nonpayment during the period from November 1 through April 15. Bills can be paid after receipt of social security pension payments.

### Direct Assistance Programs

This group of assistance programs includes various special monthly payment plans.

Characteristic of these are fixed monthly payment for gas service (regardless of consumption) over an 11-

month period with a charge in the twelfth month for the difference between the cost of the gas actually consumed and the amount paid for. These plans are for traditionally timely paying customers that have cash flow problems particularly during the winter months.

Utility commissions and gas utility companies in forty states have devised special rates to benefit low-income and elderly consumers. Customers eligible for the assistance pay for gas at lower rates than those who do not qualify.

As of 1980, in all fifty states, many utilities, either by mandate or by choice, observe moratoriums on termination of service during the winter months. For the remainder of the utility companies, procedures for termination are so extensive that the effect is to ban termination.

Based on its recent experience, however, the industry believes that such moratoriums are of more benefit to those customers who *can* pay—but choose unfairly to take advantage of the policy—than they are to low-income customers. The result is higher rates to all paying customers and less fuel assistance to the low- and fixed-income consumers that the moratoriums are intended to help.

These programs constitute the lion's share of the more conventional efforts that the gas utility companies have made in the area of fuel assistance. Other activities have included efforts to help those on fixed and low incomes meet spiraling utility costs through home weatherization and the development of private volunteer fuel assistance funds. The Baltimore Gas and Electric Company, for instance, provides seed money (out of company shareholders' dividends) that, together with contributions from other corporations in Baltimore, has resulted in a pool of private monies for fuel payment assistance. Internorth, the natural gas utility in Nebraska and Iowa, contributes about half the salaries of CETA-eligible workers and trains them to weatherize low- and fixed-income houses. Funds for the program are taken from stockholders' dividends.

Finally, through its Fuel Assistance Task Force and its Urban Affairs committees, AGA is promoting the nationwide adoption of programs that have proven useful at the local level. The industry is committed to finding a permanent resolution to the low- and fixed-income energy problem. That is the industry's challenge as a key urban business and its responsibility as an urban citizen.

## The Block Grant Approach

**by Norm L. Thompson and Martin I. Scherr**

Federal involvement in the provision of energy assistance to low-income households has undergone significant changes over the past several years. Prior to FY 1980, energy assistance was provided primarily by the Community Services Administration. Assistance consisted mainly of "crisis intervention"—providing cash, shelter, emergency fuel supplies or supplemental heating sources to households without heat or in imminent danger of having their fuel supplies terminated. Funding for the CSA activities peaked in FY 1980 at $200 million.

Beginning in FY 1980, a series of much larger programs to provide energy assistance were created. In FY 1980, $1.6 billion in energy assistance funds was distributed by CSA ($400 million for crisis assistance) and the Department of Health and Human Services. Of the HHS funds, $400 million was paid directly to recipients of Supplemental Security Income. The remaining $800 million was allocated among the states.

In FY 1981, energy assistance was consolidated in HHS by Title III of the Windfall Profits Tax Act and funded at $1.85 billion. Virtually all of this money was distributed by formula to the states, territories, and 56 direct-grant Indian tribes.

In FY 1982, the energy assistance program was one of the seven HHS block grant programs established by the Omnibus Budget Reconciliation Act of 1981. Funding for this program totalled $1.875 billion.

### The Low Income Home Energy Assistance Block Grant

The establishment of the Low Income Home Energy Assistance Block Grant was accompanied by a number of significant changes in the way federally funded energy assistance is delivered.

Perhaps the biggest change in the energy program has been the increased role given to the states in designing and implementing their programs. Under the block grant, HHS has issued only such regulations as are absolutely necessary to implement the seven block grant programs. The secretary of HHS made an explicit decision to pass on to the states policy discretion permitted by the statute wherever possible. With the increased state responsibility for interpreting the statute came a decreased federal role in program design and monitoring. State decisions, directed by public participation in the development of energy assistance program plans, have largely replaced federal regulations in establishing the shape of the Low Income Home Energy Assistance Program.

The block grant greatly simplified the state application process. In the FY 1981 program, states had to submit detailed plans that conformed to prescriptive federal regulations. In FY 1982, a state's application consists of the governor's certification to 13 "assurances" and a plan describing how the state will carry out those assurances. The secretary is prohibited by statute from prescribing the manner in which states will carry out the assurances. Accordingly, HHS review of state LIHEAP applications was limited to ensuring that the application was complete.

As a result of the streamlined application process, HHS was able to issue grants more rapidly under the block grant than under the prior year's program. In 1980, 10 states had received their initial grant awards as of December 1. In 1981, 40 states had received initial grants by December 1.

One of the major areas of flexibility given to states by the block grant is the authority to transfer funds among the HHS block grants. States may transfer up to 10 percent of their energy assistance block grant funds to the other HHS block grants. Conversely, states may transfer up to 10 percent of their social services block grant funds and up to 5 percent of their community services block grant funds into their energy programs.

The National Governors' Association and the National Consumer Law Center have surveyed the states regarding their implementation of the energy block grant. Their surveys indicate that 26 states are transferring in excess of $75 million of their energy assistance funds to other block grants, principally the social services block grant. No state is transferring funds to the energy block grant.

Prior to the FY 1982 program, federal funds could be used only for cash assistance or the provision of fuel through vendor lines of credit, vouchers, etc. (The use

of funds for crisis assistance—which was limited in the FY 1981 program to 3 percent of a state's allocation—was more flexible.) Under the block grant, states may use up to 15 percent of their energy assistance funds for low-cost weatherization and energy-related home repairs. In the state plans, 37 states have indicated that they intend to use part of their energy assistance block grant funds for these purposes.

Another major change made by the Omnibus Budget Reconciliation Act allows a state to set aside funds—up to 25 percent of its allotment—for use in the next fiscal year. This provision gives the state the ability to provide itself a cushion against the vagaries of the weather or unexpected energy price increases. While it is too early to tell how much use states will make of this provision, it is a major step forward in giving states increased flexibility—and responsibility—in planning their energy assistance programs.

In recognition of the greater responsibilities being placed on the states, the cap on administrative costs was increased to 10 percent of a state's allotment. In last year's program, state's could expend up to 7.5 percent of the cost of carrying out their plans for administration.

Federal monitoring and enforcement of low-income energy assistance programs takes three forms. First, the secretary of HHS is required by statute to investigate and respond to complaints that a state is operating its program contrary to the statute, assurances, or its plan. To date, HHS has received almost 200 such complaints, all but one from a single state. Second, the secretary is required to conduct an investigation if he determines that there is a pattern of complaints in a state. Finally, the secretary is required to conduct reviews "in several states" during the year to determine if the states are in compliance with the statute and their plans. If a state is found to be violating the law, the secretary may withhold grant funds or seek repayment of funds already paid.

Special provisions have been made for energy assistance to Indian tribes. In recognition of the long-standing relationship between the federal government and Indian tribes and the tribes' demonstrated ability to administer effective programs, the secretary determined that any federally or state-recognized tribe that requested direct federal funding would be better served by such funding than by funding through the states. The number of Indian tribes receiving direct funding has more than doubled, increasing from 56 in FY 1981 to 127 in FY 1982. Funds granted to Indian tribes increased from $8.9 million in FY 1981 to more than $12 million in FY 1982.

### Proposal for FY 1983

The administration is proposing further changes in the legislation authorizing the Low Income Home Energy Assistance Program. The major part of the administration's proposal involves the consolidation of the Low Income Home Energy Assistance Program with the Emergency Assistance Program authorized by Title IV-A of the Social Security Act. This consolidation will remove the duplicative and burdensome regulatory requirements associated with the Emergency Assistance Program and will permit states to deal effectively with a wider range of emergency situations faced by a broader spectrum of households.

The administration will also be proposing other statutory changes designed to increase state responsibility, provide greater flexibility in designing and implementing energy and emergency assistance programs, and eliminate unnecessary federal involvement in the program. These changes will not only allow states to operate more effective and efficient energy and emergency assistance programs, but will also save almost $1 million in federal administrative expenses.

## An Assessment of the Reagan Administration's Energy Assistance Program

**by Charles E. Hill**

We are at the end of the first heating season of the Reagan administration's energy assistance program, and Congressional deliberations are about to begin on the administration's FY 83 proposal to decrease the program's funding level by 30 percent and to eliminate much of the guidance currently provided by the statute. It is time, then, to begin assessing the adequacy of the current program, which has already made a radical break from past programs in state discretion and reduced federal role. We need to examine both the adequacy of the resources committed to the program and how well the program has been delivering services.

### Resources Committed to Energy Assistance

The resources question must be put in context. The starting point is to look at what has happened to energy prices. Since 1973, oil prices have increased six-fold, increasing about two and a half times since 1978 alone. Since 1973, natural gas prices have increased four-fold, almost doubling since 1978, and since 1973 electricity prices have increased almost three-fold. The result has, of course, been devastating for the poor. The Fuel Oil Marketing Advisory Committee (FOMAC) of the Department of Energy estimated in the summer of 1980 that the poor spent over 20 percent of their income on home energy, approximately four times the percentage expended by the average American household. In many northern states, it is in fact not unusual for heating expenses to exceed income during the winter months. And a recent study of energy costs and Supplemental Security Income recipients indicates that in 12 states, monthly energy costs in the winter exceed the maximum SSI benefit.

This situation is the reason for the big jump in the size of this program between 1979 and 1980, when it rose to $1.6 billion. In subsequent years, the program has been funded at $1.85 billion and $1.875 billion, respectively. But with natural gas prices moving inexorably upward and heating oil prices only now experiencing a temporary period of stagnation, there has been a major deterioration in the real dollar value of the program. Hence, on that count alone, current funding is clearly inadequate.

From the perspective of average benefits in relation to average energy costs, program resources again appear wholly insufficient. There are no definitive figures available from HHS or the states as a whole, but our inquiries indicate that benefits last year ranged from approximately 10 or 15 percent of average energy costs to about 35 percent, depending upon the state and the household's situation. These figures are now, however, being substantially reduced, as states are facing greatly expanded demand because of increased public knowledge and extremely cold weather. With oil prices today over 250 percent of what they were in 1979, it is clear that this program has not come close to picking up the cost increases in home energy over the last couple of years.

The FOMAC study in 1980 estimated that a program in the neighborhood of $3.5 to $4 billion would be necessary to keep energy costs of the poor within a reasonable percentage of their budgets.* Perhaps not so coincidentally, this is roughly the amount of money that would have been available under the distribution formula enunciated by Congress in deliberations over the Windfall Profits Tax, before last summer's tampering with those revenues (the tax bill of 1981 reduced anticipated WPT revenues by $12 billion over the next five years) and the recession. Under the formula, at least 25 percent of the anticipated net tax revenues would be applied to the low-income energy assistance program, which would have provided around $3.5 billion in FY 1981 and a little more than $3 billion in FY 1982. But the appropriations have been only a little above half that level.

It is no wonder, then, that our field surveys of the program this year indicate almost uniformly that the number of applicants and the need for meaningful assistance are greatly outstripping the resources so far provided. State after state has been responding that it is running short of funds, in part due to increased numbers of applications, and that the benefits it is able to provide are significantly below last year's. There are, of course, some exceptions. Some poorly run or late-starting programs will have funds remaining, to be rolled over into next year's program, and in fact, some states will have funds left over precisely because final release of funds by HHS occurred too late to allow changes in already set benefit levels.

This is the situation under the prevailing pricing system. The inadequacy of program resources would be markedly increased in the event of natural gas deregulation. Approximately 60 percent of low-income households heat with natural gas. Many experts project that natural gas prices could double under deregulation, and the administration has steadfastly resisted the idea of a windfall profits tax in conjunction with natural gas decontrol. Even if such a tax became part of a deregulation package, the experience with such a tax on crude oil gives little encouragement regarding the practical level of protection for the poor.

## How Well Does the Current Program Work?

But what about the basic approach followed by the energy assistance program this year, particularly under a new administration at the Department of Health and Human Services? There were certainly problems last year, with difficulty initially in obtaining adequate coverage for renters, much confusion early on in the application process, limited outreach, and often inadequate emergency assistance. But this year, without a lead being taken by HHS and a certain amount of prodding and jaw-boning with the states, the program is in many places in worse shape. Illinois, for example, did not start taking applications for assistance until the first of February. In Texas, the plan was also developed late; moreover, it will only serve those individuals already on some form of public assistance (thus excluding such groups as the working poor and many of the elderly). In Vermont, payments to renters will be 25 percent of those provided to comparably placed owners—in our view, a clear violation of the statute.

In general, outreach has been fairly limited, with states basically pitching their programs to those who know about them through participation in prior years. In many states, assistance is only grossly targeted to those in the greatest need. For example, there is often no distinction between benefit levels for oil users and natural gas users or for people in different climate zones.

Congress and HHS share the blame for this situation (a situation that could be worse if the states are given the increased discretion the administration seeks). Congress provided a much looser statutory mandate. HHS provided no guidance for the states; it has placed no pressure on the states to correct illegal or ineffective approaches; and it has taken a very narrow view of its authority in the submission and plan review process and in responding to complaints.

The basic problem is that the department has read the bar against "prescribing" the nature of a state's plan as essentially removing itself from the process of program development and management. The very valuable accumulated expertise at HHS has thus been lost, and the problems caused by the department's relinquishment of its assistance and oversight functions have been compounded many-fold by the HHS/OMB practice of keeping the states in the dark about the total level of funds to be released, making rational planning impossible.

Moreover, only the scantiest of information will be collected from the states, and the administration is seeking to eliminate reporting requirements and accountability for FY 83. Hence, it will be extremely difficult to look back on this year's experience and to draw conclusions or propose improvements in the program. The prognosis for next year can only be worse, both in terms of funding levels and the role taken by HHS.

## Developing an Effective Assistance Program

How can the prognosis be improved? Clearly, not by a reduced program with greater state discretion. Rather, what is needed is, first and foremost, a major commitment to longer-term energy *conservation* assistance to the poor. This need cannot be satisfied through the 15 percent conservation option provided by the current, inadequately funded energy payments program. Not only will available funds still be inadequate, but many states, for understandable reasons, simply will not reduce benefit levels in order to make conservation expenditures. The administration, however, is seeking to end the modest but effective low-income weatherization program run by the Department of Energy, while reducing the funding for the HHS energy assistance program by 30 percent. This approach would surely end significant low-income weatherization activities.

A better targeted and more rational benefit distribution system is also in order. For example, the poor could be held harmless from energy costs above a certain percentage of income (the most "equitable" approach) or could be covered for a given percentage of energy costs (an approach with more of a conservation incentive).

Finally, a real element of stability is vital to this program, at the federal level and the state level, in terms of funding, program design, and effective program implementation. Needless to say, it is most disruptive to state efforts, and to planning by low-income households, when the dollar figures bounce around from year to year and the ultimate funding levels are uncertain well into the middle of the winter heating season. State and local administrators need to have the opportunity to work out problems and learn from past actions within a stable and secure program framework.

*The Grier Partnership, under contract to the National Council of Senior Citizens, recently concluded that a program level of $4.4 billion would be necessary to keep the energy expenditures of the poor to 10 percent of their income (twice that of the average American family).

# National Roster of Black Elected Officials 1982 Questionnaire

The Joint Center for Political Studies is in the process of preparing the 1982 edition of the *National Roster of Black Elected Officials.* If you are a black elected official and you have not yet returned a questionnaire in 1982, or if you have new, up-to-date information, would you please take a few minutes to fill out this questionnaire? When you have completed it, just tear along the perforations, fold it, and seal it using the gummed strip along the bottom edge. No postage is required to mail it.

Your contribution of information on yourself and others helps to make the *Roster* the definitive source book on the unique group of which you are a part. The accuracy and comprehensiveness of the *Roster* depend on your participation; we urge you to respond today.

1. Name: .....

2. Address: .....

..... Zip Code .....

(fold here)

3. Telephone (please include area code): Home ..... Office .....

4. Sex: ☐ Male ☐ Female

5. (a) Do you currently hold an elective office? ☐ Yes ☐ No

   (b) If you answered *no*, please indicate the reason below, complete question 13 and return this card.

   ☐ Did not run for re-election ☐ Defeated in last election

   ☐ Resigned ☐ Ran unsuccessfully for another office

6. Title of Office: .....

7. Jurisdiction: .....

8. Date of Last Election: .....

9. Term expiration date: .....

10. What is your party affiliation?

    ☐ Republican ☐ Democrat ☐ Independent

    ☐ Other (specify) .....

(fold here)

11. Were you elected in a partisan election (i.e., was your party afifliation on the ballot)?

    ☐ Yes ☐ No

12. Were you elected in an at-large or a district election?

    ☐ At-large ☐ District or Ward

    ☐ Other .....

13. Please list the names, titles, addresses, and telephone numbers of other black elected officials you are aware of who do not appear in the *Roster.*

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(fold here)

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# VRA Moves to Senate Judiciary Committee

**by Armand Derfner**

*(Mr. Derfner is coordinator of the Voter Law Policy Project at the Joint Center.)*

On March 24, 1982, the Voting Rights Act extension bill was "marked up" by the Senate Subcommittee on the Constitution, which had held hearings on the bill from January 27 to March 1. The hearings focused on S. 1992 as introduced by Senator Charles McC. Mathias (R-MD) and Senator Edward M. Kennedy (D-MA), a bill identical to the extension bill passed by the House of Representatives and supported by civil rights groups. The subcommittee rejected this bill, however, and voted 3-2 for an extension of the current VRA provisions for ten years, without the clarifying language of the Mathias-Kennedy bill that would eliminate the near-impossible requirement of proving discriminatory purpose under Section 2. And in a confusing move, the subcommittee adopted its bill as an "amendment" to S. 1992. This means that the bill recommended to the full Judiciary Committee carries the number S. 1992 even though it is radically different from the S. 1992 that civil rights supporters have been backing.

## Subcommittee Action

The minority senators on the subcommittee, Dennis DeConcini (D-AZ) and Patrick Leahy (D-VT), fought for the original version of S. 1992 but were unsuccessful. As expected, Senators Orrin Hatch (R-UT), Strom Thurmond (R-SC), and Charles Grassley (R-IA) voted against the original S. 1992. Senator Grassley, however, expressed reservations even as he cast the deciding vote in favor of straight extension—thus leaving open the question whether he will eventually vote for the Mathias-Kennedy bill, as he was urged to do by the *Des Moines Register* and by civic and religious organizations throughout Iowa.

Those who voted for straight extension may have hoped that their votes would be regarded as full support for the Voting Rights Act, but their votes were in fact an outright rejection of one of the major objectives of civil rights supporters—adoption of a "results" test under Section 2, which would enable minority voters to challenge voting discrimination without having the impossible task of proving that those who were behind discriminatory voting practices and procedures had a discriminatory purpose in mind. Moreover, although a subcommittee majority, by adopting a straight ten-year extension, appeared to be rejecting any bail out, this was merely a parliamentary maneuver: the majority made it clear that when the bill gets to the full Judiciary Committee, they will reopen the question of bail out and will seek to water down the compromise provision that was laboriously put together in the House of Representatives and that was incorporated in the Mathias-Kennedy bill.

The extension bill now goes to the Senate Judiciary Committee, chaired by Strom Thurmond (R-SC), which is expected to take it up in the second half of April. The full committee then makes its own recommendation on an extension bill.

## Delays Ahead?

Once the Judiciary Committee "reports out" a bill, it will come to the floor for debate by the full Senate, probably in early May. Any delay could be critical because the Senate is expected to become very busy in May with the budget and other economic issues. Thus, if the Senate Judiciary Committee holds up the bill in any way, the Senate leadership may be forced to bypass the committee and call the House bill (H.R. 3112) directly from the calendar. Last October, when the House bill was passed and sent to the Senate, it was placed on the calendar rather than referred to the Judiciary Committee precisely because of anticipation that there might be delays. It is thus available as a safety measure if time runs out.

Other hurdles to be cleared before the Act expires on August 6, 1982, include the Senate floor debate, where the extension bill is vulnerable to numerous procedural roadblocks such as filibusters. If the Senate passes a bill that is different from the House version, there must be a conference, with more potential for delay. Finally, there is the question of what action the president will take.

The Senate Judiciary Committee has 18 members, 10 Republicans and 8 Democrats. Nine of the members are co-sponsors of the original S. 1992; at least one more senator must vote for the original S. 1992 for it to win in committee. Along the way, there will undoubtedly be amendments proposed, and there is never any guarantee that even a senator who has co-sponsored a bill will not change his mind on the bill or support some amendment. Thus far, there has been no sign of any weakening of support among the broad spectrum of co-sponsors, even though Attorney General William French Smith and Assistant Attorney General William Bradford Reynolds have been conducting a fierce lobbying campaign against the Mathias-Kennedy bill. But the loss in the subcommittee makes it clear once again to supporters of the bill that the hardest part of the battle is still to come, and that even having 65 co-sponsors is no guarantee of success, especially in light of the opposition to the bill by the Justice Department and Senators Hatch and Thurmond.

The members of the Senate Judiciary Committee are listed below; co-sponsors of the original S. 1992 are indicated by an asterisk.

| *Republicans* | *Democrats* |
|---|---|
| Strom Thurmond (SC), chairman | Max Baucus (MT)* |
| Jeremiah Denton (AL) | Joseph R. Biden, Jr. (DE)* |
| Robert Dole (KS) | Robert C. Byrd (WV)* |
| John P. East (NC) | Dennis DeConcini (AZ)* |
| Charles E. Grassley (IA) | Howell Heflin (AL) |
| Orrin G. Hatch (UT) | Edward M. Kennedy (MA)* |
| Paul Laxalt (NV) | Patrick J. Leahy (VT)* |
| Charles McC. Mathias (MD)* | Howard Metzenbaum (OH)* |
| Alan K. Simpson (WY) | |
| Arlen Specter (PA)* | |

# Telescope

### NLC's New Coalition of Minority and Women Caucus Members

A coalition of black, Hispanic, and women elected officials was formed within the National League of Cities last month. Donald Tucker, president of the National Black Caucus of Local Elected Officials; Louis Zapata, president of Elected Spanish Speaking Officials; and Mary Sherwood Holt, chair of Women in Municipal Government, held a press conference on March 2 to announce the new coalition and to sign a "memorandum of understanding" committing the three caucuses to work together on issues of common concern.

This is the first time the minority and women local elected officials have formally joined together to examine common needs and issues, to redefine a minority agenda for the 1980s, and to work together to strengthen minority leadership. Representatives to the coalition, to be appointed each year at the Congressional-City Conference by the heads of the three caucuses, will be responsible for setting the coalition's agenda.

The coalition hopes to enhance the effectiveness of each of the caucuses in developing policy positions that are responsive to the needs of minorities and women. Some of the issues the coalition plans to examine are shortages of housing for low-income people, job-creation strategies, transportation planning for all sectors of the community, and training for minority local elected officials. The coalition will also attempt to increase the involvement of its minority and women caucus members in the policy steering committees of the NLC and to improve communication between the caucuses and the state municipal leagues.

NLC President Ferd Harrison endorsed the creation of the coalition and stated that "while NBC-LEO, WIMG, and ESSO have for some time been actively involved in NLC's policy development process, the coming together of these three groups would help to enrich NLC's policy development process and would strengthen NLC's position and influence in the policy making arena."

### Black Leadership Forum Condemns the Proposed Civil Rights Act of 1982

Members of the Black Leadership Forum have signed a statement opposing the Civil Rights Act of 1982, a bill introduced in the House of Representatives by Hamilton Fish (R-NY) and M. Caldwell Butler (R-VA) and co-sponsored by 22 other House Republicans on March 3. Members of the Forum stated that passage of the bill could "only decimate present statutory mandates and legally sanctioned civil rights laws. Proposed actions, regardless of stated purpose, cannot be tolerated by this body."

Though Fish stated that he worked with representatives of the Leadership Conference on Civil Rights and used their suggestions when drafting the bill, he acknowledged that the Leadership Conference disagrees with specifics of the bill and with its timing. Among other things, the bill would strip the Equal Employment Opportunity Commission of its authority to litigate and would centralize control of civil rights enforcement in the Department of Justice. The EEOC would be responsible for investigating employment complaints and for reviewing rules and regulations regarding equal employment proposed by federal departments or agencies.

The NAACP also opposes specific provisions of the bill and has stated that "the proposed Civil Rights Act of 1982 runs counter to the spirit and letter of equal employment opportunity law. . . . The bill would necessitate substantial reorganization and uprooting of existing civil rights enforcement agencies and it would require relitigation of many of the civil rights issues put to rest during the past decade."

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