

The Cold Shoulder

NYC's Poor Get Short-Changed on Heating Assistance

Public Advocate Betsy Gotbaum
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Executive Summary

Every year, the federal government provides New York State with close to a quarter of a billion dollars to help low-income households pay their heating costs through the Home Energy Assistance Program (HEAP). This report finds that New York City's Human Resources Administration (HRA) does not adequately reach out to and enroll the eligible population at the appropriate benefit levels, costing city households at least \$19 million in lost benefits.

Instead of making efforts to provide the neediest families with the maximum benefit for which they are eligible, HRA puts up obstacles to enrollment for those not automatically enrolled through their participation in other programs (public assistance, food stamps, etc.). Those obstacles include the following:

- The HEAP menu option on the HRA main information line leads to a non-working number.
- The HEAP information line provides no information about benefits and, instead, emphasizes hurdles such as documentation, in-person interviews, and eligibility.
- HRA does not include HEAP on its website under the services offered by the agency.

Minimum estimates of the eligible population indicate that HRA fails to reach at least 237,000 households.

Additionally, HRA fails to inform households that are enrolled automatically that they may be eligible for a much larger benefit than they currently receive because they pay for heat directly. Households that pay directly for heat, called '**heaters**,' are eligible for upwards of \$400 annually. Those households that pay indirectly, or '**non-heaters**,' are only eligible for a maximum of \$50. Currently HRA reaches fewer than 13 percent of the households eligible for the larger benefit.

Heater: A household that pays for heat directly. These tend to be single-family homes.

Non-heater: A household that pays for heat indirectly as a part of rent or maintenance. These households tend to be apartments – rented or owned.

HRA should improve its efforts to reach out to and enroll the eligible population by making HEAP information available on the HRA main information line (877-472-8411), by offering an option on the HEAP phone line to learn about available benefits, and by providing information about the program on the website. Additionally, HRA should make further efforts to reach beyond the population that is automatically enrolled – particularly to those households that pay directly for heat and are therefore are eligible for a larger benefit.

Introduction

Every year the State of New York receives roughly a quarter of a billion dollars from the federal government to provide heating assistance to vulnerable, low-income populations. The Home Energy Assistance Program (HEAP) federal block grant is allocated to the states and distributed by each state based on a plan submitted to and approved by the federal Department of Health and Human Services. These funds are made available each year and are disbursed until they are exhausted or until the program closes.

In New York, the state's Office of Temporary & Disability Assistance (OTDA) oversees the program and the local departments of social services provide administration. The Human Resources Administration (HRA) is the office charged with local administration and outreach in New York City.

This report addresses HRA's failure to ensure that the eligible population is effectively reached out to and enrolled.

HEAP in New York City

According to HRA, there are roughly 370,000 HEAP recipients in the five boroughs. Of those, 97 percent – 358,900 – receive a 'non-heater' benefit of \$50. Non-heaters are those households that do not pay for heat directly but pay for it as a portion of rent or maintenance.

The rest—11,100—receive a larger 'heater' benefit that is based on several factors including income, energy burden (i.e. the amount of gross income that is spent on heating costs), and the presence of a vulnerable person (i.e. child under age six, senior over age 60, or a person with a disability). The average heater in New York City receives \$350.¹

These numbers indicate problems on two fronts. First, the total number of recipients is significantly lower than a minimum estimate of the eligible population – 370,000 versus 607,000. Second, those households that are eligible for the larger benefit because they pay directly for heat are particularly underserved—fewer than 13 percent of eligible households are enrolled. These figures are examined below.

Who Is HRA Passing Over?

Who is being passed over by current city outreach efforts? A representative example is a senior couple living on social security in a single family home. Such a couple, depending on their total income, could be eligible for at least \$200 annually in heating assistance but may be unaware of the program or its benefits.

A single mother of two who makes \$19,000 a year and rents a fifth story walkup apartment would be eligible for \$50 annually, but because she does not receive public

¹ Information about recipients was provided through email correspondence with program staff, 10/27/03.

assistance or food stamps, she is not automatically enrolled. Maybe she has called up HRA's information line to find out about the program has been connected to a non-working number and has given up.

A disabled single man living off supplemental security income (SSI) and other benefits in an apartment with electric heat is responsible for his electric bill and therefore qualifies as a heater. Because he is on the SSI rolls, however, he is automatically enrolled as a non-heater and receives only \$50. He is unaware that he is actually eligible for at least \$200 annually.

Eligible Population Inadequately Served

All households that have gross incomes less than 60 percent of the state median income and that pay for heat—either directly or indirectly—are eligible for HEAP assistance.² Because the state median income is dependant on household size, it is very difficult to accurately estimate the number of eligible households in the five boroughs.

However, it is possible to estimate a *minimum* number of households that are eligible: a household of one person can have an annual income of up to \$20,748; households that are larger can have even greater incomes and still be eligible. Therefore, by counting the number of households that have incomes of less than \$20,000 and excluding the number of public housing units and Section 8 housing voucher recipients³, one can establish an estimate of the minimum number of eligible households in New York City. This number is roughly 607,000.⁴

It is important to keep in mind that this is a *minimum* number and reflects only the neediest households. The total number of eligible households is far greater. According to this analysis, however, HRA currently fails to reach at least 237,000 of these needy households—a loss to low-income residents of the five boroughs of at least \$11.9 million.

Eligible Heaters Particularly Inadequately Served

Within the eligible population, heaters are particularly ill-served. Households that pay directly for heat are eligible for a much larger grant amount than households that pay indirectly. While roughly 11,100 households receive the heater grant, at least 85,102

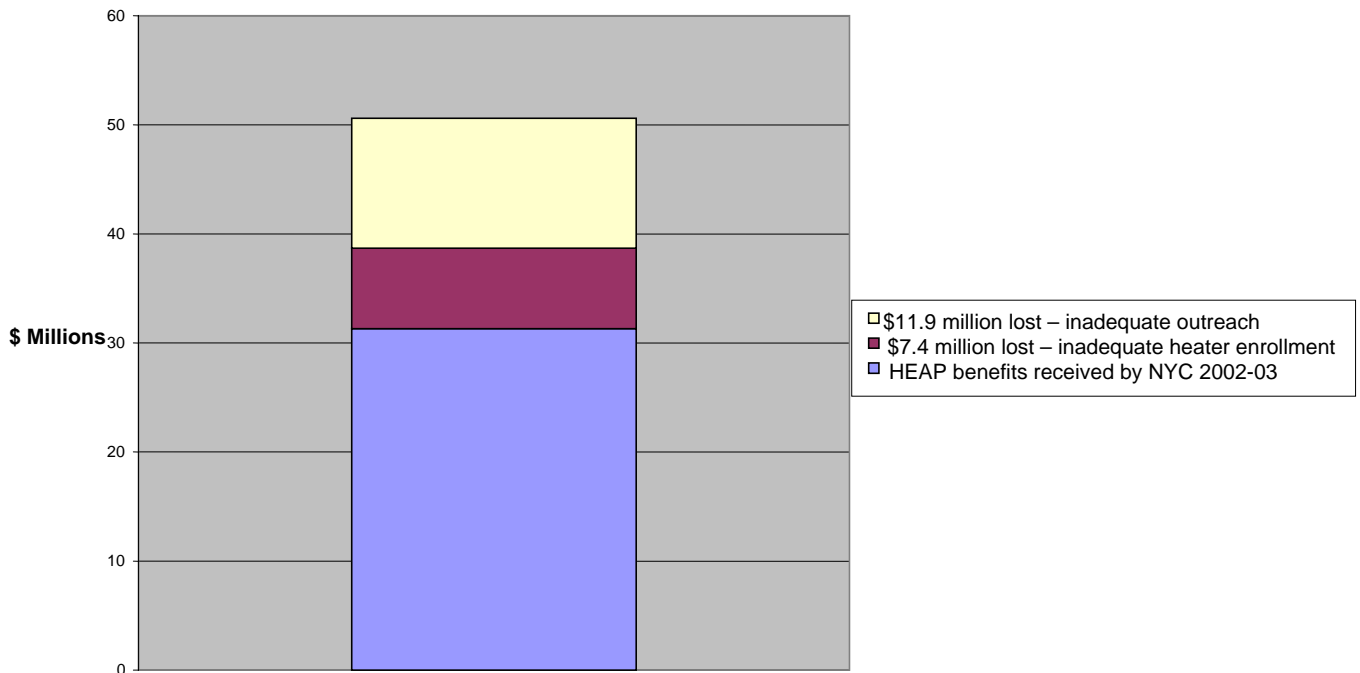
² New York State Office of Temporary & Disability Assistance, *Low Income Home Energy Assistance Program (LIHEAP) Detailed Model Plan, Fiscal Year 2004*, Attachment III, p. 1.

³ Public housing tenants and Section 8 recipients are excluded because they do not pay for heat either directly or indirectly and are therefore not eligible.

⁴ 876,094 households below \$20,000 (U.S. Census Bureau; 2000 Census of Population and Housing, Summary Tape File 3, P52) less 181,000 households living in New York City Housing Authority projects less 87,448 households subsidized by Section 8 vouchers (NYCHA Fact Sheet accessed at: <http://www.ci.nyc.ny.us/html/nycha/html/factsheet.html> on 2/4/04) equals 607,646 households that are eligible.

households are eligible.⁵ Once again, this number is a *minimum* representing the neediest households with incomes less than \$20,000 annually. The actual number, while difficult to calculate, is much higher. Therefore fewer than one in seven—or 13 percent—of the neediest heater households are receiving the heater grant. These households are either unaware of the HEAP program altogether or they are receiving only the \$50 non-heater benefit. This constitutes a loss to the neediest New York City households of at least an additional \$7.4 million. The figure below shows a minimum estimate of HEAP benefits that go unclaimed as a result of poor outreach and inadequate information.

NYC Loses \$20 Million in HEAP Benefits Due to Inadequate City Outreach and Enrollment



Automatic Payment

As a result of state-mandated categorical eligibility, which automatically identifies and pays beneficiaries, HRA has enrolled a large number of New York City’s eligible households. But this system does not assess whether these households are eligible for the larger, heater benefit available mostly to homeowners.

Currently, HRA scans the rolls of programs that have income eligibility requirements that are more stringent than HEAP’s. Then the agency automatically enrolls households on those rolls as HEAP beneficiaries. In New York City, the programs that make households categorically eligible are: Temporary Assistance for Needy Families (TANF,

⁵ This number is based on the total number of owners in each borough with incomes of less than \$20,000 less the number of co-ops, condos, and Mitchell-Lama co-ops in each borough. For more details on this number, please see the Appendix.

or public assistance), the Food Stamp Program, and Code A Supplemental Security Income (SSI).

Households that are automatically enrolled receive a check for \$50 with notification of their enrollment. HRA does not evaluate whether such households are eligible for the higher heater benefit, nor do they adequately notify recipients that they could apply to receive the larger benefit.

While this automatic payment plan successfully enrolls individuals who might otherwise not know they were eligible, it often does not enroll them at the appropriate benefit level. Many heaters are receiving the much lower non-heater benefit. According to the estimates of the minimum number of eligible households, heaters represent roughly 14 percent; however, only 3 percent of the 370,000 enrollees in the HEAP program receive the heater benefit⁶. This disparity indicates that either many recipients are receiving a smaller grant than they should and/or that the automatic enrollment plan is not reaching low-income owners adequately.

Inadequate Outreach

Besides not adequately notifying non-heater recipients of their eligibility for higher benefits, HRA also fails to enroll those who do not receive the other benefits that would make them categorically eligible for HEAP.

Examples of inadequate outreach include:

- The menu option for HEAP information on the HRA main information line leads to a non-working number.⁷ Callers can only find out the HEAP telephone number by waiting for an operator, which often takes over 20 minutes, or by calling 311.
- Currently, HRA does not have any information about the HEAP grant on its website. The site lists contact phone numbers for various HRA programs. HEAP is not among them.
- The HEAP information line does not have any information about the benefits available under the program. Instead it offers an array of menu options that address issues of necessary documentation, eligibility, in-person application, and procedures. This emphasis on the hurdles to enrollment versus the benefits of enrolling discourages prospective applicants and serves as a roadblock to effective outreach.

These obstacles demonstrate that HRA considers this program a low priority and limits access to information about the assistance available to all low-income New Yorkers. The low percentage of non-heaters enrolled in the program and the apparent lack of even the most basic forms of outreach indicate that HRA is not making significant efforts to

⁶ Correspondence with program staff, 10/27/03.

⁷ Based on calls made between 11/15/03 and 1/30/04.

ensure that this federal benefit reaches the target population in New York City. While funding is limited to roughly \$167 million⁸—the HEAP program is not an entitlement and runs only until the state allotment is exhausted—it is still important to ensure that the most needy and, among them, the most vulnerable are reached.

Findings

- ❖ **HRA fails to reach at least 237,000 households, a loss to residents of the five boroughs of at least \$11.9 million.**
- ❖ **HRA fails to provide inadequate outreach to households that pay directly for heat, a loss of at least \$7.4 million.** There are at least 85,102 households eligible for the larger ‘heater’ benefits of between \$150 and \$400. HRA reaches only 13 percent of these with the appropriate level of benefits, a loss to New York City’s low-income population of at least another \$7.4 million.
- ❖ **The Human Resources Administration’s (HRA) outreach is inadequate.** HRA’s effort to reach out to and enroll eligible city residents in the HEAP program is inadequate.
 - The HEAP menu option on the HRA main information line connects callers to a nonworking number.
 - The HEAP information number which is reachable through 311 does not provide information about the available benefits. Instead the information available emphasizes the hurdles – necessary documents, in-person interviews, and eligibility. Emphasis on the process rather than on the benefits acts as a barrier to effective enrollment.
 - The HRA website provides no information about the HEAP program. The site lists a number of programs administered by HRA and provides contact phone numbers for each. HEAP is not among those programs.

Recommendations

HRA should improve outreach. HRA should improve its efforts to reach out to and enroll a greater portion of the eligible population. First and foremost, HRA should make HEAP information available on the HRA main information line (877-472-8411). Additionally, the website should have information about HEAP featured prominently on its home page, particularly during winter months. Finally, the information line, when reached, should offer an option to learn about what recipients stand to gain from the program and not just about the hoops they need to jump through in order to enroll.

- ❖ **HRA should inform recipients of availability of higher benefit levels.** HRA should inform those who are automatically enrolled of the opportunity to submit an application to potentially receive greater benefits. HRA should mail this application and instructions to households along with benefit checks.

⁸ The state plan calls for 75 percent of the total grant to be used for heating benefits (State Plan, p.10). The total grant in the 2002-03 heating season, according to the National Center for Appropriate Technology, an office within the federal Administration for Children and Families, was \$233,739,522.

Appendix

	Bronx	Brooklyn	Manhattan	Queens	Staten Island	NYC Total
Owner-occupied units with household incomes below \$20,000	14,835	39,472	13,223	47,156	9,704	124,390
Percent 'traditional homes' (i.e. not co-op, condo, or Mitchell-Lama)	61.1%	79.4%	2.6%	75.7%	89.2%	68.5%
Units eligible for heater benefit	9,064	31,341	344	35,697	8,656	85102