

Report to the Illinois General Assembly:
Annual Report for the Good Samaritan Energy Trust Fund,
May 2014

Prepared By the Department of Commerce and Economic Opportunity

Introduction

Section 35 of the Good Samaritan Energy Plan Act requires the Department to submit a report to the General Assembly on the use and effectiveness of the Good Samaritan Energy Trust Fund. The following is submitted in compliance with this requirement and to provide members of the legislature with information on how the Department of Commerce and Economic Opportunity (the Department) successfully incorporated these funds into existing programs to benefit Illinois low-income households.

Please note that beginning with the 2011 report, all data is being reported on a calendar year basis rather than a state fiscal year basis.

Background

In response to sharp increases in home energy costs and high utility bill arrearages, the Good Samaritan Energy Trust Fund was enacted to augment the benefits provided to low-income households in Illinois through the Energy Assistance Act of 1989 that governs the administration of the Low Income Home Energy Assistance Program (LIHEAP).

High electric and gas bill arrearages are a serious problem for low-income utility consumers in Illinois, often impeding access to service. The inability to have electric or gas service connected due to high arrearages is also a threat to the health and safety of many low-income households in Illinois. Eligibility for LIHEAP does not alleviate the burden of high arrearages for low-income utility consumers and is not enough to enable many households to have electric or gas service connected.

The Good Samaritan Energy Trust Fund has been created as a special fund in the State treasury to receive moneys from the following sources:

- Voluntary donations from individuals, Foundations, corporations, and other sources
- Proceeds from fundraising events held for the purpose of generating moneys for the Fund

Subject to appropriation, the Department is authorized to use these moneys in the following ways:

- Pay gas or electric bill arrearages in order to have household gas or electric utility service connected;
- Give preference to Low-income consumers who are unable to have their service connected even with a LIHEAP grant; and
- Ensure that moneys donated for the Fund (other than moneys used for administrative expenses) are distributed to low-income consumers who reside in the county from which those moneys were received.

Deposits into the Fund

As a result of an exhaustive effort to solicit donations through the use of Public Service Announcements, and inserts contained in utility bill mailings, contributions began to be submitted to the fund in January of 2004. The following table lists the deposits for fiscal years 2004 to 2013:

Deposits Into The Good Samaritan Energy Trust Fund By Fiscal Year	
State Fiscal Year	Total Receipts
SFY 2004	\$1,608
SFY 2005	\$31,235
SFY 2006	\$2,001,948
SFY 2007	\$4,885
SFY 2008	\$649
SFY 2009	\$1,600
SFY 2010	\$935
Calendar Yr. 2010	\$845
Calendar Yr. 2011	\$135
Calendar Yr. 2012	\$75
Calendar Yr. 2013	\$150

Footnote: The Calendar Yr. 2010 figures contain \$600 that was also reported in SFY10 due to the change in reporting methodology from fiscal year to calendar year.

The contributions made to the fund were minimal in the first year of the fund's existence, but increased in FY 2005. The deposits in FY 2006 included a \$2 million contribution from ComEd for use in Summer Energy Assistance Programs (Cooling) operated in the summers of 2005 and 2006. Since FY 2005, excepting the donation from ComEd, the contributions have decreased significantly. In calendar year 2012 there was a \$28,500 statutory transfer in that appears to be a repayment for a statutory transfer out in 2011 of the same amount. This statutory transfer was excluded from the 2012 annual deposits listing above.

Allocations From The Fund

Given the requirement that moneys donated for the Fund (other than moneys used for administrative expenses) are distributed to low-income consumers who reside in the county from which those moneys were received, all deposits are recorded and tracked by county. All funds received for each county are allocated to that county, and made available for use in assisting low-income households to pay their energy costs. Since the balance available for each county is continually fluctuating based on the level of donations, the amount of available funds in each county is constantly monitored. All

requests from Local Administering Agencies (Sub grantees who operate the LIHEAP throughout the state), for use of these funds to assist clients, must be evaluated against the amount of funds available in that county.

Use of Funds

The Department has used Good Samaritan Energy Trust Funds to support and augment its activities under the existing Low Income Home Energy Assistance Program authorized by the Energy Assistance Act of 1989. The client applications for use of these funds are being taken by the existing network of 35 local community action agencies that act as sub grantees for the Department to operate the LIHEAP in all 102 counties throughout the state. Applications for use of the funds are taken under existing LIHEAP policies, procedures, and annual plans, which are all subject to review by the Policy Advisory Council established within the Energy Assistance Act.

The following table represents data on the numbers of households who received benefits from the Good Samaritan Energy Trust Fund by fiscal year and county. This table represents the clearest direct impact of the Good Samaritan Energy Trust Fund in terms of actual numbers of families who benefit from the contributions to the fund.

Households Assisted By Fiscal Year and County		
State Fiscal Year	County	Households Assisted
SFY 2004		0
SFY 2005		0
SFY 2006	Cook	976
SFY 2007	Champaign	1
	Cook	8,336
	Madison	4
	Peoria	1
SFY 2008	Statewide	0
SFY 2009	Statewide	0
SFY 2010	Statewide	0
Calendar Yr. 2010	Statewide	0
Calendar Yr. 2011	Statewide	0
Calendar Yr. 2012	Statewide	0
Calendar Yr. 2013	Statewide	0

Due to the tremendous effort required to publicize the fund and solicit donations, there were not sufficient funds available to render benefits to clients in FY 2004 or FY 2005. Beginning in FY 2006, the funds have been used to assist low-income consumers to

enable them to pay gas or electric bill arrearages in order to have household gas or electric utility service connected.

The households served with Good Samaritan Energy Trust Fund benefits during FY 2006 and FY 2007 included Summer Energy Assistance (Cooling) funds for approximately 9,000 households in northern Illinois through a \$2 Million contribution from ComEd.

The advent of the Good Samaritan Energy Trust Fund has allowed for the following:

- Maintenance or restoration of utility service for thousands of households that might otherwise be disconnected, and without heat during life-threatening cold winters;
- Provision of Cooling assistance for thousands of households with elderly, disabled or extremely young members;
- Allowed for the state of Illinois to be more competitive in receipt of leveraging funds from the federal government under the Low Income Home Energy Assistance Block Grant. Under this program all the states compete for a share of a dedicated fund. The allocation is based entirely on how much non-federal funding a state generates.

Appropriations and Expenditures

The two charts below list annual appropriation levels and expenditures for the fund. In an effort to maximize the benefits available for low-income households in Illinois, the Department has elected not to expend the allowed 10% administration limit from the fund.

Appropriations By Fiscal Year	
State Fiscal Year	Amount
SFY 2004	\$0
SFY 2005	\$500,000
SFY 2006	\$500,000
SFY 2007	\$2,150,000
SFY 2008	\$2,150,000
SFY 2009	\$2,150,000
SFY 2010	\$2,150,000
Calendar Yr. 2010	\$2,150,000
Calendar Yr. 2011	\$2,150,000
Calendar Yr. 2012	\$500,000
Calendar Yr. 2013	\$500,000

Expenditures By Fiscal Year	
State Fiscal Year	Households Assisted
SFY 2004	\$0
SFY 2005	\$0
SFY 2006	\$499,612
SFY 2007	\$1,506,624
SFY 2008	\$0
SFY 2009	\$0
SFY 2010	\$0
Calendar Yr. 2010	\$0
Calendar Yr. 2011	\$0
Calendar Yr. 2012	\$0
Calendar Yr. 2013	\$0

Although no client benefits were rendered during SFY 2005 due to the lengthy start up process required for this fund, there was a \$1,200 statutory transfer during that fiscal year. There were additional statutory transfer of \$7,191 in SFY 2006 and \$28,500 in March of 2011. These transfers are not represented in the expenditure table above, as they did were not expenditures for the purpose of assisting the intended recipients of the fund.

The balance of the fund as of this report is \$28,862.78

Recommendations

Although the fund has enabled the Department to assist thousands of low-income Illinois households that may have otherwise been without utility service, the Department will be exploring additional possibilities to utilize the fund to more effectively provide assistance to struggling Illinois families.

Suggested methods would include:

- Revision to the requirement that the funds collected be utilized in the county of origin,
- Expansion of the allowable uses of the funds to help low income families, and

- Inclusion of additional funding sources such as the Federal Energy Regulatory Commission.

Conclusion

In conclusion, the Department has been able to successfully utilize the funding provided from the Good Samaritan Energy Trust Fund to improve the lives of low-income Illinois families since the Fund's inception in 2004. This has been accomplished with the cooperation and assistance of the Department's partners including local Community Action Agencies, and utility companies. Their cooperation and assistance has enabled the Department to successfully promote and administer the fund. Contributions to the fund have dropped significantly, partly as a result of numerous options for making similar contributions through local energy providers. The fund may gain more attention and contributions if the fund uses can be differentiated from competing funds of local energy vendors. The Department feels that with the implementation of the suggested improvements, the fund has the potential to be even more effective in its mission.