



North Carolina Department of Health and Human Services  
**Division of Budget and Analysis**  
2001 Mail Service Center • Raleigh, North Carolina 27699-2001  
Telephone (919) 733-6396 • Fax (919) 733-2944

Beverly Eaves Perdue, Governor  
Lanier Cansler, Secretary

James B. Slate, Jr., Director

January 12, 2010

The Honorable Marc Basnight, President Pro Tempore  
NC Senate  
16 W. Jones Street, Room 2007  
Raleigh, NC 27601-2808

The Honorable Joe Hackney, Speaker  
NC House of Representatives  
16 W. Jones Street, Room 2304  
Raleigh, NC 27601-1096

Co-Chairs, Joint Legislative Commission on Governmental Operations

Dear President Pro Tempore Basnight and Speaker Hackney:

Pursuant to Section 10.78(e) of Session Law 2009-451, all changes to the budgeted allocations to the Block Grants administered by the Department of Health and Human Services must be approved by the Office of State Budget and Management and reported to the Joint Legislative Commission on Governmental Operations. The purpose of this letter is to satisfy this reporting requirement for the budgeting of additional funds received from the Federal Administration for Children and Families for the Low Income Home Energy Assistance Program (LIHEAP).

We have recently learned that the FFY 09-10 LIHEAP Award will be increased from \$36.3M to \$107.4M. Based upon the increase in this award, DHHS is proposing to budget an additional \$53.2M of FFY 09-10 funding for SFY 09-10. The balance will be set aside for SFY 10-11.

The Division of Social Services is requesting the release of \$ 27,683,999 of additional LIHEAP funds to be allocated for Low Income Energy Assistance checks. The Low Income Energy Assistance Program (LIHEAP) is a one time heating assistance check issued each year in February to eligible households. In February of 2010, approximately 310,000 low-income households will receive LIHEAP heating assistance checks to offset the cost incurred to heat their homes.

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In order to address the heating crisis needs of low-income North Carolina households, the Division of Social Services is requesting the release of \$ 18,010,758 of additional LIHEAP funds to be allocated for the Crisis Intervention Heating and Cooling program. The Crisis Intervention Program (CIP) funds are federal dollars allocated to States to alleviate a "heating/cooling crisis" for low-income families and individuals.

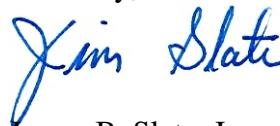
North Carolina's Heating and Air Repair and Replacement Program (HARRP) is operated as a subpart of the CIP based on the emergency nature of services provided. HARRP works in concert with the Weatherization Assistance Program to repair and/or replace non-functional or unsafe heating and air systems in the homes. A total of \$3,546,651 is requested for HARRP.

\$63,934 of additional LIHEAP funds is being requested by the DOA-Commission of Indian Affairs.

Additionally, \$3,855,547 in funding will be used to support increased capacity for local DSS staff to interview customers and complete applications for CIP funds.

In addition, through cost allocation the Department of Health and Human Services can earn up to an additional \$60,000 in LIHEAP funds for state level administration which will be used to offset state appropriations currently spent on the program.

Sincerely,



James B. Slate, Jr.  
Director

JBSjr:RK:gg

- cc: Representative Beverly Earle, Chair, House of Representatives Appropriations  
Subcommittee on Health and Human Services
- Representative Bob England, Chair, House of Representatives Appropriations  
Subcommittee on Health and Human Services
- Representative Verla Insko, Chair, House of Representatives Appropriations  
Subcommittee on Health and Human Services
- Senator Doug Berger, Chair, Senate Appropriations Committee on Health and Human  
Services
- Senator William Purcell, Chair, Senate Appropriations Committee on Health and  
Human Services
- Charlie Perusse, State Budget Director, Office of State Budget and Management
- Marilyn Chism, Director, Fiscal Research Division