

Committee on Resources

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Testimony of Gary Obloy

Good Morning. Chairman Pombo, members of the Committee on Resources, my name is Gary Obloy. I am the Executive Director of the Community Action Commission of Belmont County. The Community Action Commission, much like its' 900 sister agencies from across this country, is a private non-profit organization whose mission it to combat poverty, its causes, and consequences. To that end, the Community Action Commission administers over twenty federal, state, and privately funded programs targeted to low-income residents of our county. Specific programs include: the Home Weatherization Assistance Program, Head Start, the Emergency Food and Shelter Program funded by FEMA, and the Low-Income Home Energy Assistance Program.

My testimony this morning is based on the premise, and my belief, that the employment situation in a particular area or region has an effect on the demand for services provided by agencies such as the Community Action Commission. Decreases in employment result in increased calls for services, particular those, which are designed to help ease the financial burden families face during periods of financial distress.

To illustrate, let us compare and contrast the 2002 and 2003 Low-Income Home Energy Assistance Program (LIHEAP) and unemployment statistics for the same period.

During the winter of 2002, 1,635 households received assistance.

March 2002 marked the end of the 2001-2002 LIHEAP Program Year. At that time Belmont County's unemployment rate was 5.9%.

In March 2003, the unemployment rate increased to 7%. In the course of one year, four hundred persons lost their jobs in a county that has less than half of its population in the civilian work force.

During the winter of 2003, LIHEAP assisted 1,901 households, representing an increase of 16% or 266 families.

LIHEAP has established 150% of the poverty level as the income eligibility determinant.

As part of our reporting requirements for the program, households that receive assistance are broken down into more specific income categories:

Less than 75% of the poverty level

75% to 100%

101% to 125%, and

126% to 150%

Further examination of the program shows significant increases in the number of households that fall into the lowest income categories for assistance.

In 2002, 568 of the households receiving assistance had incomes of less than 75% of the poverty level. 230 were in the 75% to 100% category. 183 were in the 101% to 126% category. 654 were in the 126% to 150% category

In 2003, 1,061 households had incomes of less than 75% of the poverty level (a near doubling of the number from the previous year). 373 were in the 75% to 100% category. 262 were in the 101% to 126% category, and 205 were in the 126% to 150% category. These numbers represent the number of households. In total, the number of persons effected would be multiplied by a typical family of 4 therefore increasing the overall need for assistance.

Expenditures on heating assistance for the program increased from \$286,942 in 2002 to \$343,296 in 2003, which represents 20% increase. During this period the unemployment rate increased by only 1%, a 20 to 1 ratio.

This is only one program that includes offering assistance to unemployed workers. The effect on other "safety net" services would be similarly increased. As stated before, our agency alone offers more than 20 programs that could be accessed by individuals and families that are affected by the loss of income.