

More than half a million Americans are reported dead due to COVID-19, more than [died in WWII from all causes](#),¹ and reported COVID cases [exceed 28 million](#).² The coronavirus is having a devastating effect on families across the country, [particularly on people of color](#).

In addition to the deaths and disease wreaked by COVID 19, it has led to massive unemployment. The national unemployment rate peaked at 14.8% in April 2020 and remains stubbornly high at 6.3% as of January 2021, the highest rate in almost 7 years.³ Yet the economic harm is not evenly distributed. Many white-collar, high tech, and information workers have transitioned to working at home. But other workers – [retail, hospitality, travel, construction](#) – have been devastated. Low-wage workers and people of color are disproportionately represented in many of those jobs, with little savings to fall back upon. Worse, it is likely that many of these jobs will [never return](#). As Federal Reserve Chairman Jerome Powell [noted](#) in November 2020, the pandemic will accelerate the economic shift toward telework and automation.

An unsurprising result of this is that millions of households are falling behind on their bills for key necessities such as rent and utilities (electric, gas, water and telecommunications/broadband). Because information about utility arrearages is reported – if at all – at the state level, and few states require detailed reporting, there are at best only rough estimates of how much arrearages have grown in the past year. The National Energy Assistance Directors Association (NEADA) estimated last November that arrearages could reach \$32 billion by the end of [2020](#). Drawing information from one state – Massachusetts – that requires detailed reporting, NCLC has determined that arrearages for residential gas and electric customers *increased* by \$220 million between November 2019 and November 2020, to a total of \$660 million. This is quite consistent with NEADA’s estimate of \$32 billion nationwide.

As the U.S. Supreme Court pronounced more than 40 years ago, “utility service is a necessity of modern life [and] the discontinuance of . . . heat [and other utility service] for even short periods of time may threaten health and safety.”⁴

Congress must act promptly to avoid putting the health and safety of millions of households at grave risk. Terminations threaten not only the actual residents of those homes, but friends, relatives, and neighbors as well. Families who lose essential utility service are more likely to double up with other households or to become homeless, and to become infected with COVID.

Congress has taken some steps to address the problem, but more must be done. The \$900 million in supplemental funding in the CARES Act⁵ for the Low-Income Home Energy Assistance Program (LIHEAP) will make but a small dent in the several billion dollar growth in utility arrearages. The \$25 billion appropriated in Section 501 of the Consolidated Appropriations Act of 2021 for Emergency Rental Assistance will in fact largely go towards rental arrearages that have grown much faster than even utility arrears, even though payments for utility bills are allowed. **Congress should promptly appropriate a supplemental \$10 billion for LIHEAP to help struggling families keep their utility service.**

Congress must also ensure that any appropriation leverages more benefits for low-income households. It should require utilities that accept these funds to adopt or expand low-income discount rates, [Percentage of Income Payment Plans](#) (PIPPs), and [Arrearage Management Programs](#) (AMPs), and to waive late fees and interest on overdue bills.

Congress also took monumental first steps in addressing water and wastewater service as well as access to broadband internet service as essential services in the Consolidated Appropriations Act of 2021. Congress appropriated \$638 million for an emergency Low-Income Water and Wastewater Assistance Program to be administered by US Health and Human Services.⁶ **The Emergency Low-Income Water/Wastewater Program in the Consolidated Appropriations Act of 2021 is an important, but very modest down-payment of the more than \$4 billion in low-income water and wastewater assistance that is needed.**

Congress also appropriated \$3.2 billion for the much needed Emergency Broadband Benefit to provide up to \$50/month (\$75/month for households on Tribal lands) to low-income households for broadband service and up to \$100 per eligible household for a laptop, desktop or tablet (with a co-pay of between \$10 to \$50).⁷ This, too, is a down payment on a much needed robust broadband subsidy. This pandemic has illustrated, all too painfully, that broadband is an essential service for access to education, telemedicine, work and assistance. **Congress should provide additional funding for the Emergency Broadband Benefit in line with the HEROES Act, which authorized \$8.8 billion for the Emergency Broadband Benefit.**⁸

Congress must also ensure that any appropriated funds move quickly and that existing barriers to accessing benefits are removed or reduced.

Congress should:

- Make it easier for households to document income eligibility at a time when so many government offices are closed to physical access and obtaining documentation has become a major barrier.
- Suspend current rules that bar those who are not citizens or in designated legal statuses from receiving LIHEAP assistance.
- Instruct states not to condition LIHEAP assistance on requiring evidence that a disconnection is imminent.
- Encourage agencies that disperse funds at the local level to streamline the application process and reduce turnaround times to no more than 30 days.

ENDNOTES

¹ In WWII, 292,000 U.S. troops died in combat, while another 114,000 died from other causes (including “bombing, massacres, disease, suicide, and murder”).

² Actual COVID cases are widely believed to be underreported.

³ Bureau of Labor Statistics, “Civilian Unemployment Rate.”

⁴ Memphis Light, Gas & Water Division v. Craft, 436 U.S. 1, 18 (1978).

⁵ Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136).

⁶ Consolidated Appropriations Act, 2021, H.R. 133, div. H, tit. V, §533 (2020).

⁷ Consolidated Appropriations Act, 2021, H.R. 133, div. N, tit. IX, §904 (2020).

⁸ See Title III, Sec. 130301, H.R. 6800, The Heroes Act.