

United States Senate

WASHINGTON, DC 20510

June 10, 2011

The Honorable Tom Harkin, Chairman
The Honorable Richard Shelby, Ranking Member
Committee on Appropriations
Subcommittee on Labor, Health and Human Services, Education, and Related Agencies
United States Senate
Washington, DC 20510

Dear Chairman Harkin and Ranking Member Shelby:

We write to urge your support for the Low Income Home Energy Assistance Program (LIHEAP). While we understand the challenges in developing an appropriations bill in a constrained fiscal environment, we respectfully request you fund LIHEAP at no less than the Fiscal Year 2011 appropriated level.

LIHEAP has enjoyed strong bipartisan support for many years because it makes an enormous difference in the lives of low-income families and seniors who face economic hardships, which are even more acute during this economic downturn and with elevated energy prices. LIHEAP payments make it possible to avoid shutoffs so that these households do not have to make the difficult choices of paying their home energy bills or affording other basic necessities such as prescription drugs or food.

With the unemployment rate at 9.1 percent nationwide and 44.6 million people receiving Supplemental Nutrition Assistance Program (SNAP) support in March, another record and a 58 percent increase over 2008, maintaining level funding for LIHEAP is essential. The U.S. Census reported that in 2009, 43.6 million people, or one in seven Americans, were counted as poor in the United States, the largest number in the measure's 50-year recorded history. As a result of the economic downturn and the increase in poverty and unemployment, the number of low-income households eligible for LIHEAP in 2012 will be larger than it was in 2008 when 33.8 million households were eligible for LIHEAP, which represents far more than those who actually receive assistance. Indeed, according to the National Energy Assistance Director's Association, only roughly 8.9 million households are expected to receive LIHEAP assistance this year. However, despite these constraints the Administration's budget request for Fiscal Year 2012 proposed a cut of \$2.5 billion for the program. This proposal would reduce the number of households served by 3.1 million.

Additionally, the run-up in oil prices this year is disturbingly similar to the run-up in prices in 2008 that, in part, motivated the increase in LIHEAP funding. According to the Energy Information Administration (EIA), since the winter of 2008-2009, the average cost of heating with heating oil has jumped from \$1,867 to \$2,391 last winter, and the average cost of heating with propane has risen from \$1,932 to \$2,100. Furthermore, the EIA has also projected that prices for all heating fuels, including natural gas, will increase for consumers next winter.


We believe it is critical that careful attention is paid to the effect of rising energy prices on our economic recovery. According to the most recent data, energy costs are increasingly taking up a larger share of U.S. consumers' budgets, accounting for nearly 6.3 percent as of March. Historically, according to Professor James Hamilton at the University of California, when energy costs approach 6 percent of consumers' budgets, there is a burden on economic growth as consumers are forced to reduce spending on other necessities such as food, health care, and housing. These are the hard economic realities facing millions of Americans as gasoline, heating oil, and electricity prices increase across the country.

LIHEAP directly addresses these economic challenges. The program helps low-income families and seniors with their energy bills, while at the same time generating \$1.13 in economic activity for every dollar in benefits paid, according to economists Mark Zandi and Alan S. Blinder. We strongly believe that the funding levels for LIHEAP should reflect this.


We appreciate your efforts in confronting our country's deficit and your prioritization of programs that assist with the nation's economic recovery. We urge you to maintain the important investment made in the previous years for LIHEAP to help low-income families cope during this tough economic climate.

Thank you for your consideration of this request, and we look forward to working with you on this important matter.

Sincerely,




Jack Reed



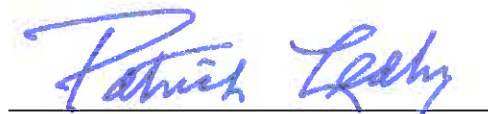
Olympia Snowe



Sherrod Brown



Susan M. Collins



Patrick J. Leahy



Richard G. Lugar



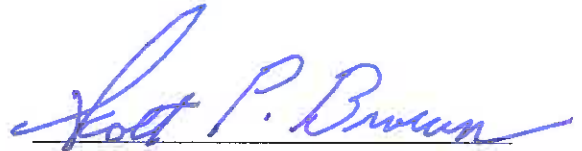
Barbara A. Mikulski



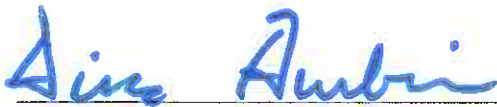
Lisa Murkowski



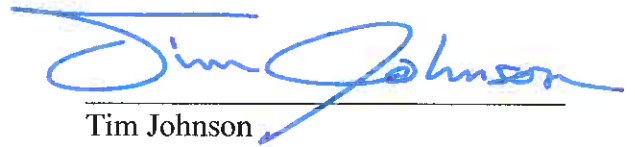
Herb Kohl



Scott P. Brown



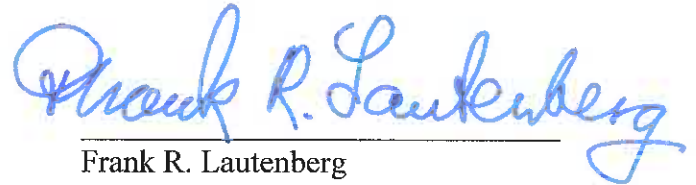
Richard J. Durbin



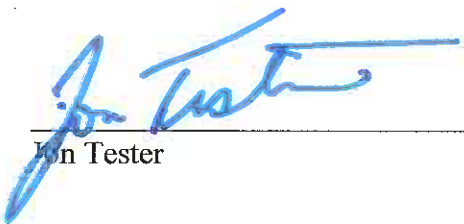
Tim Johnson



Mary L. Landrieu



Frank R. Lautenberg



Ben Tester



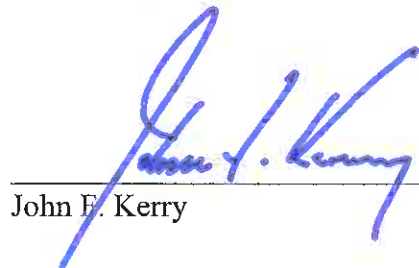
Charles E. Schumer



Bernard Sanders



Jeanne Shaheen



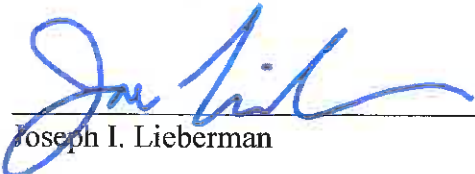
John F. Kerry



Richard Blumenthal




Sheldon Whitehouse



Joseph I. Lieberman




Carl Levin




Kirsten E. Gillibrand



Al Franken



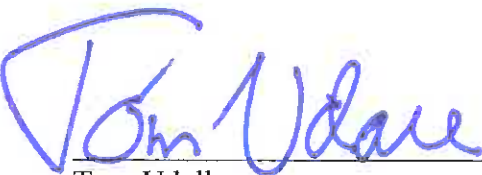
Ron Wyden



Robert P. Casey, Jr.




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