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National Energy and Utility Affordability Coalition

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The Low Income Home Energy Assistance Program (LIHEAP) is federally administered by the U.S. Department of Health and Human Services, Administration of Children and Families, Office of Community Services. It is presently funded at \$3.69 billion. The maximum appropriation is **\$5.1 billion**. Far more would be required to meet the need.

Introduction

The National Energy and Utility Affordability Coalition (NEUAC) is a leader in the fields of public policy, advocacy, energy, and poverty issues. Members of the organization include non-profit organizations, energy assistance programs, trade associations, tribal organizations, and utilities.

NEUAC currently serves more than 160 member organizations that span the nation. NEUAC provides its members with the tools to support families and underserved populations including the elderly, disabled, veterans, and families with young children. It is our mission to reduce energy burden, especially for these vulnerable populations, and to improve energy affordability.

NEUAC bridges the gap between states, social service organizations, and government, and facilitates cooperation between utilities and community partners to better serve our neighbors in times of energy crisis.

Summary of Request

The U.S. Low Income Home Energy Assistance Program (LIHEAP) is America's cornerstone energy safety net program, within the jurisdictional responsibility of the U.S. House Subcommittee on Labor, Health and Human Services, Education, and Related Agencies. LIHEAP is federally administered by the U.S. Department of Health and Human Services, Administration of Children and Families, Office of Community Services.

The current Administration has proposed elimination of LIHEAP for three consecutive years. This is unthinkable. Thousands of households in your districts would be adversely impacted by such a decision. Situational poverty can strike anyone living paycheck-to-paycheck. Many families are perched on the precipice of poverty, where a singular unexpected event has the potential to send the family budget spiraling. It takes only one lost job, one desperate diagnosis, or one unexpected financial crisis. Any unplanned misfortune has the potential to adversely affect a family's ability to manage their household budget.

Congress has demonstrated that LIHEAP is a national priority and has repeatedly protected funding for the program. NEUAC thanks this Subcommittee and its members for their leadership and strong support for LIHEAP. We respectfully request your support again this year to improve funding for LIHEAP.

Eligibility for LIHEAP

LIHEAP provides support to households with very limited or fixed incomes that helps reduce their energy burden, which is the percentage of household income spent on utility needs. Congress has entrusted states to set income LIHEAP eligibility levels up to 60 percent of state median income or 150 percent of the federal poverty guidelines. Because of funding constraints, many states set the bar substantially below these thresholds.

States are authorized to address heating or cooling assistance and crisis situations with LIHEAP funds. They also may target a portion of LIHEAP funds for residential weatherization to improve energy efficiency and affordability for qualified households.

Demonstration of Need

The need for LIHEAP is far greater than the federal resources provided to serve these vulnerable families. Families are forced to make unthinkable choices between necessities like food or medicine or heat for their homes. In situations like these, LIHEAP provides bill payment assistance to keep the lights and heat on. This type of direct assistance to maintain utilities and prevent shut-off is one way LIHEAP combats energy poverty, but it is not the only way.

LIHEAP also is one of the very few funding resources that may be used to repair or replace home heating and cooling systems for eligible households. According to the National Energy Assistance Survey, more than 25 percent of LIHEAP households

cannot afford to repair or replace their home's non-functioning air conditioning systems, and 20 percent cannot afford to repair or replace a non-functioning heating system.¹

The inability to maintain utilities can be tragic. Remember the polar vortex. Remember the killer heat waves. Unlike some other federal assistance programs, being eligible for LIHEAP does not entitle a household to benefits. Funds are limited by the amount that Congress appropriates each year, despite unmet need.

Poverty is a pervasive issue in the Mississippi Delta, where economic mobility is worse than anywhere else in the developed world.² In December 2018, a Mississippi couple died from what is believed to be carbon monoxide poisoning. The couple was found lying next to each other in a small portable building that had no electricity. They had a small propane generator in the center of the house that they were using for power.³

A Maryland father and his seven children also died of carbon monoxide poisoning from a generator left on overnight to heat their home. According to reports, the father was struggling to provide for his family and could not afford to turn on his utility service.⁴

Stories such as these highlight the unmet need in a program that has borne multiple reductions and reallocations in the past decade, creating an untenable strain on those who implement the program and those who rely on LIHEAP for assistance.

¹ <https://neuac.org/news-room/press-releases/2019-national-energy-survey/>

² <https://www.pbs.org/newshour/show/poverty-stricken-past-present-mississippi-delta>

³ <http://time.com/3773584/carbon-monoxide-family-poisoning/>

⁴ <https://www.apnews.com/4f3d55caf7be4dcab948c37ca0c6f44e>

Funding Request

Many of our champions on the Hill have supported a funding level of \$4.7 billion for FY20. NEUAC agrees that this should be the base from which we build LIHEAP funding to support the demonstrated need, and appreciates the unwavering bipartisan support for LIHEAP in Congress.

Please note that only one in five eligible households are served at the current level of funding. NEUAC urges the committee to consider the program's current fiscal and humanitarian challenges, and to work with appropriators and HHS leadership to improve the program's budget in FY20. The Energy Policy Act of 2005 authorized LIHEAP at **\$5.1 billion**. As stated above, even that amount would not adequately address the need. NEUAC requests that the committee consider these facts when making funding decisions for FY20 and maximize the funds available for LIHEAP.

Thank you for the opportunity to express the views of the National Energy and Utility Affordability Coalition on this important matter. On behalf of the 6 million households annually served by LIHEAP and the millions more hardworking American families that could be served with improved funding, we appreciate your consideration.