

**Statement of the Coalition of Northeastern Governors to the
Subcommittee on Labor, Health and Human Services, Education,
and Related Agencies
Committee on Appropriations
United States Senate
Regarding FY2017 Appropriations for the
Low Income Home Energy Assistance Program (LIHEAP)
Department of Health and Human Services
April 15, 2016**

The Coalition of Northeastern Governors (CONEG) is pleased to share with the Subcommittee on Labor, HHS, Education, and Related Agencies this testimony for the hearing record regarding FY2017 appropriations for the Low Income Home Energy Assistance Program (LIHEAP). The Governors recognize the challenging fiscal decisions facing Congress this year, and deeply appreciate the Subcommittee's long-standing support for this vital program. They also recognize the struggles that millions of the nation's low-income households face to safely heat and cool their homes. Therefore, they urge the Subcommittee to provide no less than \$4.7 billion in regular LIHEAP block grant funding in FY2017. They also urge the Subcommittee to provide these funds in a manner consistent with the LIHEAP statutory objective of assisting those households with the highest energy burden; and to ensure that the full appropriated funds are released to the states in a timely manner.

LIHEAP provides a vital lifeline to the most vulnerable households – the elderly, disabled and families with children under the age of five. Moreover, approximately 20 percent of LIHEAP households have at least one member who served this country in the military. Many of these LIHEAP-eligible households live on fixed, very modest incomes: approximately \$24,000 annually for a two-person household and \$36,450 for four persons. Even though the average cost of heating a home (for all fuel types) slightly decreased in the past year from \$880 to a projected \$779 for the just-ended heating season, many LIHEAP households across the country still struggle to pay their heating bills.

Households in the Northeast face some of the nation's highest home heating bills due to the extended winter heating season and heating fuel prices that typically exceed national averages regardless of the fuel used. Approximately 30 percent of households in the northeast states rely upon delivered fuels, such as home heating oil or propane. For these delivered-fuel households, the average cost for heating their home – \$1,282 for home heating oil; \$1,368 for propane – is much higher than the national average cost to heat a home. Low-income households that are dependent on delivered fuels face additional challenges in managing their home-heating costs. Compared to homes heating with natural gas or electricity, these delivered-fuel households are less likely to have the option of payment plans, access to utility assistance programs, and the

protection of utility service shut-off moratoria during the heating season. LIHEAP funds are particularly critical for these households, as the typical LIHEAP benefit covers, on average, one-third of the total home heating bill for the season. If LIHEAP funds are not available to these households, the fuel delivery truck simply does not come.

Reducing home energy costs also presents unique challenges to northeast states. The region has some of the country's oldest homes, many of which have structural issues that make them ineligible for weatherization assistance. Low-income families are more likely to rent than to own a home and therefore have less ability or incentive to make significant energy efficiency upgrades. In addition, the cost of switching to less expensive heating fuels is often prohibitive and is simply not possible in rural and metropolitan areas not served by natural gas infrastructure.

State LIHEAP programs continue to develop innovative ways to stretch scarce LIHEAP dollars while providing a meaningful benefit to those households with the greatest need. States have negotiated with fuel vendors to receive discounts on delivered fuels and have worked with utilities to develop payment plans to reduce the possibility of service shut-offs once the moratoria end. Even with these cost-efficient changes, in recent years states have had to take actions such as tightening program eligibility, closing the program early, and reducing benefit levels.

In summary, the CONEG Governors appreciate the Subcommittee's continued support for LIHEAP. They urge you to fund the core block grant program at the level of no less than \$4.7 billion in FY2017, and to provide the funds in a manner that is consistent with the LIHEAP statutory objective of addressing those households with the highest energy burden while also ensuring that the full appropriated funds are released to the states in a timely manner.