

# **States Project Massive Cuts in LIHEAP Under Senate Appropriations Bill**

## **Record Numbers Expected to Apply for Assistance**

**November 29, 2010**

**Contact: Mark Wolfe 202-237-5199, Cell: 202-320-9046**

Millions of low-income families are waiting for Congress to act on their energy assistant payments. According to Mark Wolfe, Executive Director of the National Energy Assistance Directors' Association, "if the Congress does not restore funding for energy assistance before adjourning this month, the states are estimating that up to two million families will lose home heating assistance and others will face deep cuts in program benefits."

The Senate appropriations bill for FY 2011 would reduce funding for the Low Income Home Energy Assistance Program (LIHEAP) from \$5.1 billion (the same level provided in FY 2010 as well as the same level provided by the House appropriations bill) to \$3.3 billion. 1/ In FY 2010, close to 8.7 million households received assistance with an average grant of \$456, about enough to cover 47% of the cost of home heating.

The message from the state energy directors is that this is not the year to reduce funding for LIHEAP. Applications for assistance are running at record levels in many states following two years of record levels of households served. Ten states, for example, are predicting increases of at least 10 percent: Vermont (64.2%), Florida (49.7%), Massachusetts (21%), Wyoming (20%), Oklahoma (14%), Wisconsin, Kansas, Hawaii, Utah, and Maryland (10%).

Other key facts in support of maintaining LIHEAP at \$5.1 billion:

- First, unemployment remains at very high levels with record numbers of long-term unemployed. The Department of Labor reported that the national unemployment rate in October at 9%.
- Second, the U.S. Census Bureau recently reported that the official poverty rate in 2009 was 14.3 percent, up from 13.2 percent in 2008. The number of people living in poverty increased from 39.8 million in 2008 to 43.6 million in 2009. The poverty rate in 2009 was the highest poverty rate since 1994. Of even greater concern, the Census Bureau reported that the number of people in poverty in 2009 was the largest number in the 51 years for which poverty estimates have been published.

- Third, energy prices remain high. The average cost to heat a home this winter is projected to be 24 percent higher than the winter heating season of 2004-05 (\$986 vs. \$793). For those heating with delivered fuels, prices will be even higher this winter with the Administration's recent Short-Term Energy Forecast Report projecting that home heating oil prices will increase by 11.4 percent from \$1,906 last year to \$2,104 and propane by 7.4 percent from \$1,830 last year to \$1,966.

Jo-Ann Choate, Chair of NEADA, added that, "in my state of Maine, for example, we are seeing record numbers for families applying for fuel assistance that are struggling to meet their energy needs. Several agencies are stating they are making appointments into February already. With average fuel prices for oil being at \$2.87 per gallon and kerosene at \$3.22, 100 gallons of heat will cost low-income households between \$287 to \$322 for about two weeks supply. I do not know how families or low-income elderly households on Social Security will make it this year."

\*The Senate bill calls for an FY 2011 appropriation level of \$3.3 billion plus a "trigger" provision which could provide additional funding of \$2.1 billion. This provision would require authorizing legislation and at this point there is no indication this legislation will be passed by either the House or Senate this year. As a result, the Senate bill would result in a cut of \$1.8 billion from the FY 2010 level of \$5.1 billion.