

**TESTIMONY**  
**OF**  
**THE NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION**  
**BEFORE THE SUBCOMMITTEE ON**  
**LABOR, HEALTH AND HUMAN SERVICES, EDUCATION,**  
**AND RELATED AGENCIES**  
**COMMITTEE ON APPROPRIATIONS**  
**U.S. HOUSE OF REPRESENTATIVES**  
**FY 2016 APPROPRIATIONS REQUEST FOR**  
**THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM**

**April 29, 2015**

**National Energy Assistance Directors' Association**  
**1228 31<sup>st</sup> NW**  
**Washington, DC 20007**  
**202-237-5199**  
**[www.neada.org](http://www.neada.org)**

**Mark Wolfe, Executive Director, National Energy Assistance Directors' Association**

The members of National Energy Assistance Directors' Association (NEADA), representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP) would like to first take this opportunity to thank the members of the Subcommittee for considering our funding request for FY 2016. For FY 2016 we are requesting the Committee restore program funding to the FY 2011 level of \$4.7 billion.

The funding request would allow states to increase program services to the level provided in FY 2011 and allow us to increase the number of households served by 1.3 million to 8 million and the percentage of households served from about 19 percent in FY 2015 to about 22 percent and fund about 50 percent of the cost of home heating for eligible households.

In addition, the lack of a final program appropriation prior to the beginning of the fiscal year creates significant administrative problems for states in setting their program eligibility guidelines. We are concerned that states will be hampered in their ability to administer their programs efficiently due to the lack of advanced funding. In order to address this concern, we are requesting advance appropriations of \$4.7 billion for FY 2017.

LIHEAP is the primary source of heating and cooling assistance for some of the poorest families in the United States. In FY 2015, the number of households receiving heating assistance is expected to remain at about 6.7 million or about 19 percent of eligible households, with an average grant size of about \$425. In addition, the program is expected to reach about 1 million households for cooling assistance, the same level that received assistance in FY 2014.

Program funding for LIHEAP has been significantly cut from \$5.1 billion in FY 2010 to the current level of \$3.3 billion. As a result, states have had to reduce the number of households receiving assistance from 8 million to the current level of 6.7 million. Program cuts have hurt

the ability of states to help the nation's poorest households pay their energy bills.

At the same time, LIHEAP is in a period of transition. Along with the Administration for Children and Families, the Department that oversees the program, LIHEAP offices are working to enhance current program integrity measures including developing modernized web-based intake systems, and instituting external verification of applicant-submitted data. In addition, they are in the final stages of developing nationwide performance measures that will give Congress and the public a clear picture of the effectiveness of LIHEAP in helping low income households. NEADA believes these efforts will lead to a more responsive and more cost-effective program.

### **LIHEAP in the President's Budget**

The President's Budget would maintain the overall funding level for LIHEAP at 2015 levels but would add two new provisions that would reduce state flexibility and grant amounts by requiring a minimum set-aside of 10 percent of each state's grant for weatherization and set-aside \$200 million from the overall state grant to implement a new competitive grant program that would test "innovative strategies to serve LIHEAP households, including reducing energy use, supporting fuel switching, reducing energy bills, and smoothing energy costs to avoid large spikes during some parts of the year." Our concern is the negative impact these provisions would have on state grants and state flexibility in administering LIHEAP.

*Weatherization.* Current law allows states to set aside up to 15 percent of their allocation for Weatherization and up to 25 percent with a waiver. The Administration's proposal would require a minimum set-aside of 10 percent and allow states to set-aside up to 40 percent without a waiver. We are recommending that the Committee reject both proposals. The current law provides states with sufficient flexibility to design their weatherization programs in context of other resource that might be available for this purpose, allowing states to strike the proper

balance between bill payment assistance and efficiency. In addition, we believe that increasing the ceiling for Weatherization within the block grant would undermine the primary purpose of LIHEAP which is to help poor families pay their home energy bills.

*Competitive Grant Program.* The proposed program would be funded by reducing the formula grant program by \$200 million. The funding level for the block grant has been cut significantly in the last few years from \$5.1 billion in FY 2010 to the current level of \$3.4 billion. We do not believe the program has any flexibility to absorb additional cuts without corresponding cuts to program services. If approved, the states would have no choice but to reduce the number of grants by about 47,000 households to pay for this initiative.

The Administration has also proposed to establish a contingency fund providing additional funds to respond to increases in the number of low-income households, spikes in energy prices, and extreme cold at the beginning of winter. We support this additional program authority. It would help to address concerns about weather conditions that we cannot control and that have the potential to undermine the effectiveness of the program on very short notice. The need for such a contingency fund was demonstrated during the winter of 2014 as propane prices nearly doubled, forcing state LIHEAP offices to increase propane benefits in the middle of the year.

### **What is the Impact of Declining Federal Funds?**

Surveys of families receiving federal assistance have been consistent over the years. Poor families struggle to pay their home energy bills. When they fall behind, they risk shut-off of energy services or they are not able to afford the purchase of delivered fuels. In FY 2011, NEADA conducted a survey of approximately 1,800 households that received LIHEAP benefits. The results show that LIHEAP households are among the most vulnerable in the country.

- 40 percent have someone age 60 or older
- 72 percent have a family member with a serious medical condition

- 26 percent use medical equipment that requires electricity
- 37 percent went without medical or dental care
- 34 percent did not fill a prescription
- 85 percent of people with a medical condition are seniors

LIHEAP's impact in many cases goes beyond providing bill payment assistance by playing a crucial role in maintaining family stability. It enables elderly citizens to live independently and ensures that young children have safe, warm homes to live in.

### **Faces of LIHEAP**

**Alabama:** A single mother in Alabama supporting three children on minimum wage was often forced to decide whether to pay utility bills or rent. She received LIHEAP to help pay her bill and was enrolled in an energy education class to help manage her energy usage. In addition to the LIHEAP benefit, she was able to bring down her energy bill from about \$570 a month to \$495 month, a savings of \$75, as a result of the class.

**Oklahoma:** A young single woman with medical issues was working part time as a cashier and taking care of her elderly grandmother. She was able to use LIHEAP to maintain service while she was between jobs, preventing her and her mother from entering a shelter. She was also able to use LIHEAP emergency assistance to prevent disconnect of her electricity when her new salary was not enough to cover the bill.

**Pennsylvania:** A disabled cancer patient lost her home through foreclosure but was still in the residence pending eviction. Her furnace was shut down for safety reasons after the state weatherization team discovered it was leaking carbon monoxide. The property was acquired by an out-of-state corporation that refused to allow the weatherization team to repair the furnace. The state LIHEAP office was able to use LIHEAP weatherization funds to provide space heaters for the woman until she was able to make other living arrangements, saving her from making the choice of living in a house made hazardous from carbon monoxide or in freezing temperatures.

**Tennessee:** A woman who is bed ridden and paralyzed from the waist down had to cut back on other necessities to pay her medical bills. At the beginning of last winter, she saved energy by only turning on the lights when her nurse came to visit. She also kept her thermostat on 60 degrees and asked her nurse to layer her clothing and put extra blankets on her before she left. Since receiving LIHEAP, she has been able to leave a light on at night to make her feel more secure and to keep the home a comfortable temperature.

**Idaho:** A 90-year-old woman in rural Idaho was referred by LIHEAP to Weatherization after she indicated that she had a broken furnace. Weatherization staff found that she was using a coffee can to carry wood pellets from an outdoor shed to a pellet stove in her living room, because she was not able to carry an entire bag. With no other backup heat source, she would have to leave her home if the unreliable stove broke. Because of the referral from LIHEAP, the Weatherization program was able to install a new high efficiency furnace and weatherize her home. This saved her money on her monthly heating bill and allowed her to stay in her home.

**California:** A young mother of three lived in an older all-electric home and had their electricity shut off due to a past-due bill of about \$800. She worked full time making minimum wage and her husband worked as a seasonal laborer. With no electricity, the family could not heat their home, access hot water, or operate appliances. LIHEAP was able to assist the family by paying their past due bill to get the electricity turned back on. She was also referred to the County's Weatherization Program, which assists families in making their homes more energy efficient.

**Connecticut:** A single mother of two facing the challenges of being homeless came to the state for help. Through Connecticut's connected services, she received a housing subsidy, \$505.00 in LIHEAP funds, and was enrolled in the utility company's Matching Payment Program.