

National Energy Assistance Directors' Association, Prepared for the Subcommittee on Labor, Health and Human Services and Education and Related Agencies. Addressed to the US Department of Health and Human Services, Administration for Children and Families

The members of the 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 2018. For FY 2018 we are requesting the Committee restore program funding to the FY 2011 level of \$4.7 billion.

The funding request would allow states to restore program services to the level provided in FY 2011 including increasing the number of households served from 6.1 million to 7.0 million and restoring the purchasing power of the average annual grant to about 62 percent of the cost of home heating from approximately \$458 to \$560. We understand that there are significant budget pressures this year and we want to emphasize that while \$4.7 billion is the funding level that we believe is needed, there is absolutely no room to cut the current funding level LIHEAP without harming millions of very vulnerable households.

The average cost of home heating has remained unaffordable for millions of low-income households this winter across the country with an average annual price of \$783, representing an increase of 8.1 percent or \$58 more than the comparable cost of home heating last year. According to the US Energy Information Administration, the average home heating cost this winter for those using propane was \$1,448, heating oil \$1,227, electricity \$902 and natural gas \$577.

The Administration's Budget, if enacted, would eliminate all funding for LIHEAP beginning in FY 2018. The practical result would be that millions of low income families would not be able to afford their home energy bills and would face having to choose between heating and cooling their homes and the purchase of other vital necessities including food and medicine.

The Administration's Budget states that *LIHEAP is unable to demonstrate strong performance outcomes*. NEADA strongly disagrees with that characterization of the program. LIHEAP has developed and implemented a comprehensive performance measures program that was implemented beginning in FY 2016. HHS requires states to submit an annual report containing data on targeting households that pay the highest energy costs in proportion to their income, restoring energy services to families that have been shut-off due to lack of payment, and prevention of loss of energy services.

An analysis of preliminary data for FY 2016 received from 30 states reported that LIHEAP:

- restored energy services for 217,542 families, approximately 7.8% of the total households served in those states. These are households that had been disconnected from service, had run out of delivered fuels, or whose heating or cooling appliances had become inoperable.
- prevented disconnection for 840,925 households, 30.0% of the total households served in those states. These households were at immediate risk of losing energy services, having either received a disconnect or past due notice, about to run out of delivered fuel, or having energy equipment in need of repair or replacement.

The Administration's Budget further states in support of their proposal that the more than six million households currently receiving energy assistance will be able to maintain energy service because, *utility companies as well as state and local governments, provide significant heating and cooling assistance and the majority of states prohibit utilities from discontinuing heating during the winter months.*

Replacing LIHEAP with a patchwork of state, local and utility assistance would take us back to the days when many poor families used their stoves to heat their homes and suffered the shut-off of energy services when they were unable to pay the bill. These pressures are made worse during periods of price spikes due to global events or extreme weather conditions that make home energy unaffordable. These programs are not a substitute for LIHEAP, rather they provide supplementary assistance.

LIHEAP's impact in many cases goes beyond providing bill payment assistance by playing a crucial role in maintaining family stability and improving health outcomes for vulnerable populations. It enables elderly citizens to live independently and ensures that young children have safe, warm homes to live in. Although the circumstances that lead each client to seek LIHEAP assistance are different, LIHEAP links these stories by enabling people to cope with difficult circumstances with dignity.

LIHEAP is the primary source of heating and cooling assistance for some of the poorest families in the United States. In FY 2017, the number of households receiving heating and cooling assistance is expected to remain at about 6.1 million or about 19 percent of eligible households, with an average annual grant size of about \$458. In addition, 70 percent of recipient households have at least one vulnerable and at-risk member who is elderly or disabled, or have a child under the age of six.

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Energy Prices and their Impact on Low Income Households

Energy prices fall hardest on lower income households. In FY 2014, the average energy burden for low-income households was 10 percent of income, almost four times more than the rate for non-low income households (2.4 percent). Of even greater concern about one-third of lower income households have energy burdens greater than 15 percent of income and one in six have an energy burden greater than 25 percent of income. Source: FY 2014 Home Energy Notebook, Administration for Children and Families.

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 implementing nationwide performance measures that will give Congress and the public a

clear picture of the effectiveness of LIHEAP in helping low income households and have recently made public a portal to analyze the data they have collected. NEADA believes these efforts will lead to a more responsive and more cost-effective program.

The following are several examples of households receiving LIHEAP assistance:

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.

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 in LIHEAP funds, and was enrolled in the utility company's Matching Payment Program.

Georgia: A 77 year-old disabled senior living on SSI was facing shut-off due to unaffordable winter energy bills. During the winter months every year her heating bills peaked as the result of having to maintain a consistent home heating temperature due to her disability and other illnesses. Her gas bill was in danger of disconnection with a balance of \$612 and an additional past due portion of \$355. With the senior meeting the eligibility requirement for both the LIHEAP maximum benefit \$350 and Home Energy Assistance Team program funds of \$350 the program was able to successfully assist this senior to bring her home heating bill current which resulted in the senior maintaining home heating throughout the remainder of winter.

While visiting the home of a senior citizen to take a LIHEAP application, the Program Coordinator noticed the oven and top burners of her stove were on, as well as that she was wearing a heavy over wrap. During the intake process it was discovered that her home heating furnace was not working. Based on her income she received the maximum LIHEAP benefit of \$350 and was referred to the Weatherization Assistance Program (WAP) to have her heating source evaluated. The Weatherization Program Coordinator came out and confirmed that the furnace needed to be replaced thereby increasing the senior's household's well-being, comfort and safety.

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.

Illinois: A single man who had been living in a tent was able to afford an apartment for the first time in years when he discovered he had an old bill with the utility and would not be able to get utilities in his new home. LIHEAP was able to get him connected and help him get up-to-date on his bills.

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 at a comfortable temperature.

Wyoming: An elderly woman was facing eviction because she was in arrears on her utility bill. Her monthly social security income was not sufficient to cover her utility bill, cancer treatments, and travel costs to receive treatment. LIHEAP helped her out with her bill, ensuring she could stay in her home. “We might not be able to eat very well or pay for medicines, but at least we can be warm in our own homes with the help of LIHEAP”.

NEADA strongly urges the Congress to reject the Administration’s proposal and instead increase funding to \$4.7 billion for this vital program to ensure the country’s most vulnerable families can heat and cool their homes in the coming year.

We appreciate the opportunity to submit testimony on behalf of the state directors of the Low Income Home Energy Assistance Program.