

Press Release

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Statement in Response to the Administration's FY 2019 Budget Proposal to Eliminate the Low Income Home Energy Assistance Program

The National Energy Assistance Directors' Association (NEADA), representing the state LIHEAP directors strongly opposes the Administration's proposal to eliminate funding for the Low Income Home Energy Assistance Program (LIHEAP).

Mark Wolfe, Executive Director of NEADA, stated that, "this is the second year in a row now that the Administration has proposed to zero out funding for LIHEAP. If the Administration had succeeded in its objective in eliminating funding last year, the 6.1 million poor families receiving LIHEAP would have literally been left out in the cold this winter, with many having to choose between paying for food or their energy bill. There is absolutely no evidence to support the Administration's position that *LIHEAP is no longer a necessity.*"

Unfounded Administration's Charges Regarding Program Administration

NEADA disagrees with the Administration's characterization of the program as "*known to have sizeable fraud and abuse.*" The Administration continues to cite an almost eight year GAO report that is now dated and no longer reflects the operations of the program. In fact, since the report was released, LIHEAP has developed and implemented a comprehensive performance measures program in partnership with HHS as a specific response to the GAO report cited by the Administration.

Unfounded Administration's Charges that State Shut-Off Protection Can Replace LIHEAP

NEADA disagrees with the Administration's assertion that *the program is no longer a necessity as States have adopted their own policies to protect constituents against energy concern, such as disconnection policies.* LIHEAP provides bill assistance – funds that help poor families pay for their energy costs. Conversely, disconnection policies do not reduce a family's energy bill. Instead, they prevent energy providers from cutting off customers' energy supplies during periods of extreme temperature. Under these policies, energy providers defer the payments until the spring, hitting families with exorbitant bills and shutting off their access to energy as soon as the extreme weather threat is over. While these policies are an important tool to prevent deaths during times of extreme heat or cold, they are not a replacement for LIHEAP assistance.

Background – Households Served

In FY 2016, the number of households receiving heating and cooling assistance was approximately 6.1 million or about 19% of eligible households. Of the recipient households, 83% have incomes of less than 125% of the federal poverty level and 41% have incomes below 75% of the federal poverty level. In addition, 70% of recipient households have at least one member who is elderly or disabled, or have a child under the age of six. Without this vital

assistance, many of these families would be faced with the impossible choice of choosing between heating and cooling their homes, and paying for other necessities such as food and medications.

Background – Performance Measures

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.

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.

NEADA strongly urges the Congress to reject the Administration's proposal and instead maintain funding for this vital program to ensure the country's most vulnerable families can heat and cool their homes in the coming year.

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NEADA is the primary educational and policy organization for the state LIHEAP directors. LIHEAP is a federal program providing formula grants to states to help low-income families pay their heating and cooling bills.

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