



The Honorable Charles Schumer  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Hakeem Jeffries  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

November 3, 2023

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Johnson and Minority Leader Jeffries:

On behalf of the National Energy Assistance Directors Association (NEADA), we are writing to request that Congress accept the Administration's recent request for an additional \$1.6 billion in supplemental funding for fiscal year 24 for the Low Income Home Energy Assistance Program (LIHEAP), in addition to the program's base funding of \$4 billion to address continuing high prices for all home heating and cooling fuels.

In FY 2023, Congress provided an additional \$2 billion for LIHEAP to help states address continuing high prices for home energy. States used these funds to increase the number of households served by 1.5 million and raise benefit levels to counteract rising fuel prices. Many states also extended their program dates to address extreme weather year round.

Many states have reported that applications are up by 20 percent from last year's levels and that if additional funding is not provided, they will be forced to reduce the number of households served by up to 1.5 million households, reduce average benefit levels and shut-down their summer cooling programs. Selected state examples discussing the impact of the potential reduction in appropriations for LIHEAP are included at the end of this letter.

Energy remains unaffordable for low-income families. The average cost of home energy this winter is expected to remain at last year's high level of about \$1,100 except for those using natural gas. According to the US Energy Information Administration, the cost of home heating for those using electricity is expected to remain at about last year's level of \$1,060 while the cost of home heating with heating oil is projected to increase from \$1,720 to \$1,851 and for those using natural gas decline from \$760 to \$600.

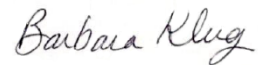
For many struggling families, higher prices can mean being forced to choose between heat, food, or medication. About 29% of Americans who were surveyed had to reduce or forego expenses for basic household necessities to pay an energy bill in the last year, according to the U.S. Census Bureau's [Pulse Survey](#).

Of even greater concern is the amount owed by families to their local utilities. About 20 million families now owe on average \$16 billion to their local utilities or about \$800 per family, up from about \$8 billion or \$400 per family prior to the start of the pandemic.

Last year, the Biden Administration [issued a statement](#) discussing how LIHEAP can be used to help families cope with rising temperatures. We completely agree – LIHEAP can be used to purchase life-saving cooling equipment and help families pay their cooling bills – if the program is funded adequately. Our current funding is not sufficient to fulfill that request. However, we believe that cooling is an important need for struggling families and if we had the resources, we could move quickly to expand the current LIHEAP cooling benefits.

In summary, to address the concerns raised in this letter, we are requesting that Congress include the additional \$1.6 billion for LIHEAP for FY 2024 to maintain program support for families receiving LIHEAP assistance.

Sincerely,

A handwritten signature in blue ink that reads "Barbara Klug". The signature is written in a cursive style.

Barb Klug  
Chair, NEADA

## LIHEAP Program and Client Impacts

### Program Impacts

**Colorado:** From FY22 to FY23, Colorado saw a 16.5% increase in applications which equated to approximately 20,000 applications. The state is already planning to reduce benefits by 20% in anticipation of budget cuts, and their furnace repair and replacement costs are being capped to half of what was allocated last year. By their projections they will be out of money for furnace repair and replacement by February of 2024 with plenty of very cold weather still left through May, especially in mountain communities. Colorado said this heating season is looking *very* bleak without the additional funding.

**Idaho:** Without the additional funding, they would need to shut down their program early and turn people away. If this occurs, Idaho expects to see an increase in shut-offs and much larger arrearage balances when these households apply for services the next year. Based on crisis benefits processed in FY23 so far, approximately 50% of their crisis benefits are processed after April 1 (about 5,000), and approximately half (2,500) of those applicants would be turned away.

**Maine:** As of September, Maine was 14 weeks into processing applications for FY24, and already has taken 18.3% more applications (4,400 more households) than the same time period last year, which ended as a record year. In FY23, 20% more households sought services from the LIHEAP program; and Maine saw a rapid spike in fuel costs and increased cost of other household necessities; Maine was out of funds by April. Based on funding of \$40 million for Maine (\$4 billion for LIHEAP), Maine needed to set their benefits 50% lower to accommodate the additional households and ensure that Mainers have access to emergency funds.

**Maryland:** Maryland saw a 23% increase in applications between FY22 and FY23 for all energy assistance programs. The number of LIHEAP recipients increased 15% in FY23. If Maryland's LIHEAP supplemental funding is not granted, the state would see an increased number of disconnections and would need to reduce benefit amounts in order to prevent running out of funds. In FY23 Maryland saw a sharp increase in the number of utility disconnections and arrearages, starting in May 2023 when COVID-era utility customer protections expired. Maryland anticipates that this trend will continue into the future.

**Michigan:** The effect on Michigan's program would be devastating; their applications have increased significantly in the past few years. This past year, the program was looking to run out of funding by April/May if they hadn't received the two additional awards to keep the program going through the end of the fiscal year. If funding is reduced, Michigan will have to lower the cap maximum for assistance or will be denying those in need by April. Michigan runs a crisis program all year long, however if funding were to be cut, they would be out of funds by six months into the fiscal year. This would result in many households being shut off or accruing large arrearages that would push into FY25.

**Minnesota:** If LIHEAP receives the supplemental \$1.6 billion, Minnesota's program could increase the income eligibility threshold and serve 10,000-15,000 more households. Without it, they will provide close to \$40 million less in bill payment assistance. They will have to give out

smaller benefit amounts – as much as \$300 less per household - which is particularly difficult when energy costs have increased so much over the past several years.

**North Dakota:** The prospect of funding being reduced from \$6 billion to \$4 billion is alarming, not only for the program in general but also critically for the vulnerable households the state serves. With a cut of this magnitude, the LIHEAP program would be forced to scale back their heating assistance benefits. Furthermore, it would prevent North Dakota from introducing a much-needed summer cooling program to respond to the rising temperatures in the state. Any reduction in LIHEAP services would have a cascading negative impact on the well-being of low-income North Dakota residents.

**Rhode Island:** Without additional funds this season, Rhode Island is at risk of running out of funding for all grants before the winter heating season ends. In addition, Rhode Island will not be able to provide a supplemental electric grant for cooling for the first time in four years. The cooling grant helps all LIHEAP households with their electric expenses during the summer months.

**Vermont:** With a 33% cut in federal funding, Vermont's heating fuel benefits will be much smaller. An overall \$4 billion budget means Vermont's program will likely see funding similar to what they received in FY20, however, compared to 2020, the price per gallon is almost 65% higher. They would then expect to see an increase in disconnection notices and arrearages, which will make it harder for families to get caught up.

**Wyoming:** Without supplemental funding, Wyoming's program would certainly have to reduce benefit amounts, resulting in increased arrearages and shut-offs, and they would have an increase in the number of deposits needed to restore power. When families with young children and elderly members can't adequately heat their homes during Wyoming's harsh winters, the program sees increased sickness and health care needs across the state. They would also have to discontinue their cooling equipment replacement and focus all of their resources on heating.