

STATEMENT ON
FY 2008 APPROPRIATIONS FOR THE
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

PREPARED FOR THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION AND RELATED AGENCIES

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BY

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The National Fuel Funds Network thanks Chairman Obey and the members of this Subcommittee for the opportunity to submit this testimony. We recognize the chairman's longstanding support for the Low Income Home Energy Assistance Program and his unwavering concern over the problems many Americans face as they try to cope with rising home energy costs.

The NFFN Supports Increased Funding and the Resumption of Advance Appropriations for LIHEAP for FY2008 and FY 2009

The National Fuel Funds Network supports funding the Low Income Home Energy Assistance Program at \$5.1 billion for FY2008, the total amount for which the program is authorized. The NFFN also supports advance funding in the amount of \$5.1 billion for FY 2009

The more than 300 members of the NFFN – called fuel funds, charitable energy assistance programs, fuel or energy banks – raise and distribute private, charitable contributions in their communities or states to assist people with low incomes pay home energy bills. Some of our members also manage federal LIHEAP funds. Many fuel funds serve households whose LIHEAP eligibility has expired or who are outside the LIHEAP guidelines for assistance.

Across the country, fuel funds provided over \$100 million in assistance grants to hundreds of thousands of households to make heating and cooling bill payments in 2006-07. These grants, while desperately needed pale in comparison to the funding levels for LIHEAP.

Since fuel funds operate on the cusp of federal and private energy assistance, our members are painfully aware that the sum of the charitable resources they manage and the resources provided through LIHEAP is inadequate. Therefore, fuel funds are deeply involved in attempting to locate and direct even more financial resources to help the poor meet their energy needs.

High Home Energy Costs Remain A Burden

While home energy costs this winter did not increase as much as the previous heating season, the prices still remain high enough to be a burden to the households of many of the working poor, those with disabilities, and the elderly.

Applications for federal energy assistance continue to rise and charitably funded assistance programs continue to cope with increased requests for aid. In many cases, people who had never needed help with their energy bills found themselves looking to the federal government or fuel funds for assistance to keep their homes livable and their families safe during the winter.

As we look across the nation, we see state and local governments, utilities, and private citizens stepping forward to attempt to fill the gap between available federal assistance and demand. We do not expect any respite from high home energy costs next winter and once again millions of people will need help.

But from where will that help come? Some state governments have searched their coffers to find funds that could be reallocated or redirected to supplement LIHEAP. But this “rob Peter to pay Paul” approach cannot be maintained.

Many utilities have increased contributions to bill assistance programs that aid their customers and fuel funds and other charitably funded assistance programs have increased their efforts to solicit additional funds. But high home energy costs, at some level, present a burden to everyone and will eventually reduce the size of charitable contributions.

The Constitution established a government designed “to promote the general welfare” so the responsibility for helping our citizens remain safe and secure in their homes falls to the federal government.

The need is obvious and the responsibility is clear. We ask that you provide increase funding for LIHEAP so this vital and essential program can remain effective.

Advanced Appropriations

The NFFN also strongly supports including advance appropriations for LIHEAP for FY 2009, at the level of \$5.1 billion in the present legislation. The concept of advanced appropriations helps program managers to better plan for the impending winter and summer months. Due to the uncertainty of the weather, advanced appropriations would

allow programs to disseminate assistance to those in need in case of unforeseen harsh weather conditions. Advanced appropriations would also help public and private energy assistance programs work together more efficiently to assist those in need. Advance knowledge of a state's LIHEAP funding also facilitates charitable energy assistance fundraising campaigns in the state.

Conclusion

High home energy costs continue to dominate family budgets of most Americans and have an enormous impact on those living on fixed incomes, the disabled, the elderly and the working poor.

LIHEAP is an essential part of this nation's social safety net but it must be adequately funded to be effective. The combination of skyrocketing home energy costs; inflation and static funding for LIHEAP have diminished the value of federal energy assistance grants. The level of funding for LIHEAP must be increased to \$5.1 billion for FY 2008 with an advanced appropriation of \$5.1 billion for FY 2009.