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LIHEAP UPDATE

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To: NFFN Members

THE RAILYARD

Think of the legislative process for providing funding for the Low Income Home Energy Assistance Program as a busy railroad yard. Trains are moving in and out on different tracks and different schedules and railroad cars are sitting on sidings waiting to be picked up and added to trains.

Currently there are proposals – railroad cars, if you will -- for additional funding for LIHEAP for this fiscal year, bills for funding the program for the next fiscal year, and other bills that will provide LIHEAP funds in the future. In addition, there are \$200 million in appropriated LIHEAP funds waiting for the President to release them.

To fully understand the situation with the federal energy assistance program, we will have to look at each train and car separately and see where they are going.

Let's first look at the train carrying LIHEAP funding for the current fiscal year. After failing to complete action on a number of appropriations bills last year, Congress passed a continuing resolution, funding the program at \$2.16 billion for the Fiscal Year 2007. The amount was about \$1 billion less than the funding level the previous year.

The nearly \$1 billion cut in funding for LIHEAP led many of the program's supporters in Congress to pledge that they would seek additional funding for LIHEAP through a supplemental appropriations bill for FY 2007 that was needed to finance the war effort in Iraq and Afghanistan.

In March, Congress passed and sent down the tracks to the president a supplemental spending bill that included \$400 million for LIHEAP but also set a timetable for the withdrawal of US troops from Iraq. In May, President Bush vetoed the bill and the funding was derailed.

A second supplemental bill, which also included \$400 million for LIHEAP, then made its way through Congress. Before it was sent to the President, the leadership in the House and Senate agreed to remove the funding as part of an agreement with the White House on the question of timetables for the withdrawal of troops from Iraq. Again additional LIHEAP funding was derailed. The President signed the bill on May 25.

THE SUMMER CAMPAIGN FOR LIHEAP FUNDING

The National Fuel Funds Network, the National Energy Assistance Directors' Association and LIHEAP supporters feel that there is a **pressing need for yet another 2007 supplemental bill for additional LIHEAP funds**, even though there are only three months left in the current fiscal year. NEADA and NFFN are launching a **summer campaign** for additional FY 2007 funds at their respective annual conferences in Nashville during the first week of June. Conference attendees will find a special action center in site to sign an open letter to Congressional leaders and a personal letter to their own Senators and Representatives.

EMERGENCY FUNDS

There is some money currently available for LIHEAP that does not have to go through the legislative process. In this railroad car, there are \$200 million in contingency funds for the program that can be dispersed by the President. So far, the White House has not been convinced that there is an emergency situation, despite pleas from 39 senators and private organizations.

FY 2008 APPROPRIATIONS

Meanwhile, the appropriations process for Fiscal Year 2008 is moving forward out of the rail yard. The recently approved Congressional Budget Resolution, according to Capitol Hill sources, contains enough money in the section that deals with LIHEAP to approve \$3.1 billion for the program.

However, while it is good to know that there are ample funds in the Budget Resolution this does not necessarily mean that that amount will be appropriated for the LIHEAP. The White House, in its budget request for FY 2008, called for energy assistance funding to be set at \$1.782 billion (\$1.5 billion in regular grant funds and \$278 million in contingency funds). NFFN will monitor the appropriations committees' markup process and alert members when their work can convince Congress to increase LIHEAP funding for FY 2008.

OTHER TRAINS

Finally, there are two other trains beginning to leave the yard that contain cars that could have an impact on LIHEAP. The House recently passed a bill designed to protect consumers from price gouging of gasoline. The bill provides for criminal penalties including fines for individuals and corporations found guilty of price gouging. The fines collected for price gouging are to be deposited in the Consumer Relief Trust Fund and be used "to provide assistance under the Low Income Home Energy Assistance Program..." The Senate will shortly consider a similar bill.

A second bill, promoting energy efficiency, is slated for hearings and mark up now that the Memorial Day recess is over. This bill reauthorizes LIHEAP for the next five years at a funding limit of \$5.1 billion annually.

NFFN will continue observing the busy LIHEAP railyard. And the Network will continue to alert members when their advocacy is needed to convince Congress to keep LIHEAP funding on the fastest track possible.