

CAMPAIGN FOR HOME ENERGY ASSISTANCE

August 4, 2006

“Support LIHEAP Now!” say Home Energy Assistance Advocates *Impact of Heat Wave Made Much Worse by Lack of Home Energy Assistance Funding*

(Washington) – As record temperatures continued to batter the country, advocates for home energy assistance to the poor called on the White House and Congress today to demonstrate a commitment to the Low Income Home Energy Assistance (LIHEAP) program. Specifically, advocates called on the White House to immediately release the remaining contingency funds set aside for emergency purposes, and for Congress to fully fund the program in the 2007 fiscal year.

Congressional Appropriators have proposed \$2.1 billion in LIHEAP funding for the FY 2007 fiscal year, failing to match the \$3.1 billion invested in LIHEAP in FY 2006 in response to increased energy prices. The failure to match FY 2006 spending levels may eliminate LIHEAP support to as many as 900,000 households currently receiving assistance. Despite repeated examples of the danger that low-income and elderly citizens face in times of excessive heat or cold, the LIHEAP program continues to be funded at less than half of its authorized \$5.1 billion.

“This record-breaking heat wave is a sad reminder of policymakers’ failure to recognize the importance of fully funding the LIHEAP program,” said Campaign for Home Energy Assistance director Michael Bracy. “LIHEAP is a critical lifeline for our poorest citizens, yet Congress and the Administration have repeatedly failed to fully support the program. Tragically, this heat wave once again demonstrates that if policymakers fail to acknowledge the need, it is our most desperately poor and elderly neighbors who will face the horrific reality of dealing with unbearable heat without the basic protections of air conditioning.”

According to Mark Wolfe, director of the National Energy Assistance Directors’ Association, “additional funds are essential to help low income families cope with rising energy prices. We are now concerned that these higher prices could represent a new “floor price” for energy rather than ceiling. Based on current prices, we are projecting that the cost of home heating this winter will increase from \$1,435 to \$1,650 for heating oil, \$215 higher than last year and \$451 more than the winter heating season of 2004-05, and \$785 more than the average rate from 1999 to 2004. Electric prices are also rising across the country, with rate increases of 10 to 30% being reported by many utilities. Many consumers will see annual increases this year of \$100 to \$300.”

Resistance to LIHEAP is often posed in the argument that the program only benefits cold-weather states. In fact, LIHEAP provides energy assistance to hundreds of thousands of households during hot summer months, providing relief from heat waves like the current one. Last year’s emergency appropriation of an additional \$1 billion in response to the crisis in energy prices translated into an increase of 88.5% (or 279,036 additional households) receiving cooling assistance.

The small one-time grants provided by LIHEAP allow the poorest of the poor to meet basic heating and

cooling needs. Those who qualify for the program fall at 150 percent below the poverty level. Most often these are elderly or disabled individuals, and LIHEAP assistance prevents them from having to make the dangerous decision to forgo food or prescriptions or to live at unsafe temperatures. Frequently those who succumb to excessive heat or cold are low-income individuals living in depopulated areas that lack basic infrastructure such as grocery stores, movie theaters, or libraries where people can cool off. These are the poorest of the poor, and yet at current levels LIHEAP is only able to serve 15% of eligible households.

The Campaign is a broad-based coalition of advocates for the poor, consumer advocates and utilities. Some of its members are the American Gas Association, American Petroleum Institute, Edison Electric Institute, National Community Action Foundation, National Fuel Funds Network and The Salvation Army.

###