

TESTIMONY
OF
THE NATIONAL ENERGY ASSISTANCE DIRECTORS' ASSOCIATION
BEFORE THE SUBCOMMITTEE ON
LABOR, HEALTH AND HUMAN SERVICES, EDUCATION,
AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
U.S. SENATE
FY 2014 APPROPRIATIONS REQUEST FOR
THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

May 12, 2013

National Energy Assistance Directors' Association
1232 31st NW
Washington, DC 20007
202-237-5199
www.neda.org

The members of National Energy Assistance Directors' Association (NEADA), representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP) would like to first take this opportunity to thank the members of the Subcommittee for considering our funding request for FY 2014 and advance funding for FY 2015. The program is facing key challenges this year as we address the high level of demand for program services as a result of continuing weakness in the nation's economy and high unemployment rates.

LIHEAP is the primary source of heating and cooling assistance for some of the poorest families in the United States. In FY 2013, the number of households receiving heating assistance remained at near record levels of about 8.9 million. In addition, close to 600,000 are expected to receive cooling assistance. Of these households, approximately 20 percent contain at least one member who served in the military, a major increase from about 12 percent in 2008.

Veteran households in fact accounted for almost 35 percent of total growth in the program between FY 2008 and 2011. Of specific interest, 12 percent of all veterans receiving LIHEAP have served in Iraq or Afghanistan. Seven percent of military families are currently serving in the military. The increase in veterans' families mirrors the overall increase in LIHEAP across the country. It also clearly demonstrates that LIHEAP is reaching some of the nation's poorest families – including those who have served their nation in times of peace as well as war.

Federal funding was decreased in FY 2012 by 25 percent from the comparable appropriation level in FY 2011. During this period, the average cost of home heating declined by 9.4 percent, considerably less than the reduction in funding. The purchasing power of the average home heating benefit declined from 42.1 percent to 34.7 percent. The President's request would further decrease the purchasing power of LIHEAP, reducing the average grant to about 30 percent of the cost of home heating.

Est. Average % of Home Heating Purchased with LIHEAP (FY 08- FY 12)

Fiscal Year	Heating Oil	Natural Gas	Propane	Electricity	All Fuels
2008	15.6%	38.6%	17.5%	38.7%	32.5%
2009	27.4%	55.5%	27.5%	52.6%	47.8%
2010	26.2%	64.0%	28.7%	50.5%	49.7%
2011	18.1%	57.6%	22.9%	43.4%	42.1%
2012	13.8%	49.0%	18.6%	33.8%	34.7%

FY 2014 Funding Request and FY 2015 Advanced Funding Request

For FY 2013 we are requesting that the Subcommittee restore funding for LIHEAP to the authorized level of \$5.1 billion to maintain services for the 8.8 million households that received heating assistance and the 600,000 expected to receive cooling assistance, and provide \$600 million in emergency funding authority. The additional funds would allow states to restore the average benefit to about 42 percent of home heating costs plus provide sufficient flexibility in the event that heating oil prices remain at record levels and other fuel prices increase as a result of the continuing recovery in the nation's economy.

In addition, to these funding requests, we are concerned that states will be hampered in their ability to administer their programs efficiently due to the lack of advanced funding. The lack of a final program appropriation prior to the beginning of the fiscal year creates significant administrative problems for states in setting their program eligibility guidelines. In order to address this concern, we are requesting advance appropriations of \$5.1 billion for FY 2014 and \$600 million in emergency contingency fund authority.

LIHEAP families are among the nation's poorest and most vulnerable.

In order to obtain a comprehensive demographic picture of LIHEAP recipients and the characteristics of those who are helped as well as who would be hurt by the program cuts, NEADA conducted a survey of approximately 1,800 households that received LIHEAP benefits in FY 2011. The results show that LIHEAP households are among the vulnerable in the country.

- 40 percent have someone age 60 or older
- 72 percent have a family member with a serious medical condition
- 26 percent use medical equipment that requires electricity
- 37 percent went without medical or dental care
- 34 percent did not fill a prescription or took less than their full dose of prescribed medication
- 19 percent became sick because the home was too cold
- 85 percent of people with a medical condition are seniors

Many LIHEAP recipients were unable to pay their energy bills:

- 49% skipped paying or paid less than their entire home energy bill,
- 37% received a notice or threat to disconnect or discontinue their electricity or home heating fuel,
- 11% had their electric or natural gas service shut off in the past year due to nonpayment, 24% were unable to use their main source of heat in the past year because their fuel was shut off, they could not pay for fuel delivery, or their heating system was broken and they could not afford to fix it, and
- 17% were unable to use their air conditioner in the past year because their electricity was shut off or their air conditioner was broken and they could not afford to fix it.

LIHEAP's impact in many cases goes beyond providing bill payment assistance by playing a crucial role in maintaining family stability. 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.

The Faces of LIHEAP

Households of all varieties receive LIHEAP assistance. However, the positive impact on the most vulnerable members of society, including the elderly, disabled, and very young children, is striking. LIHEAP agencies in every state have continued to receive new requests for assistance from families struggling in the most difficult economy we have seen in decades. Finally, as many of these examples demonstrate, LIHEAP is administered in many places by Community Actions Agencies with deep ties to the people that they serve. Through their knowledge and connection to their communities, in many cases they are able to assist people in need at multiple levels, creating backward and forward linkages that enable people to regain their footing and start fresh.

Help for the Elderly and Disabled

The elderly and disabled constitute some of the most vulnerable members of society and a large number of those receiving energy assistance. Many elderly and disabled clients are in poor health and most live on small, fixed incomes. One such recipient, living in Oklahoma, relies on LIHEAP throughout the year in order to prevent utility shutoff, even planning her expenses around her small benefit. After her rent, she is left with approximately \$165/month to pay electric, phone, natural gas, and water. This \$165 must also be used to pay for medications not covered by Medicare or Medicaid, and other household expenses. She also knows she is eligible for winter heating assistance in December, which although it does not cover the entire bill, does cover enough to keep her utilities on until the next small payment is made in January or February. She is unable to pay all of her utilities and purchase medications each month so she alternates the utilities she pays. LIHEAP is her lifeline for keeping her utilities connected. Without it, she would likely go without medications in order to keep her heat and electricity connected.

Back in December, the Illinois LIHEAP program received a request for assistance from a from an 84 years old woman with no heat. She hadn't had a working furnace for more than two years. Her daughter brought her in to apply for LIHEAP. As her story unfolded the program staff learned that she was heating her home with her cook stove and oven. She lives on \$612 a month Social Security, and relies on food pantries and LIHEAP to make ends meet. Through LIHEAP, she was able to receive a new 90-percent efficient furnace in December and a payment toward her utilities. Representatives from the local community action agency went to her home on the final inspection of the furnace and she met both with a smile and a hug. She said that she was warm and doing well and looking forward to having her house weatherized.

In Minnesota, an elderly couple was living on only social security benefits, totaling \$998 a month. They had prided themselves on being self-sufficient for many years by keeping their thermostat set at 57 degrees and dressing in many layers. However, after they were referred to the Minnesota Energy Assistance Program, they were able to heat their home to a safer temperature, and afford better food. They thanked the agency for giving them “one of the best winters in many years.”

Those living with disabilities often face seriously challenges in affording basic home necessities. One terminally ill 50-year old man from Utah who applied for assistance had been hospitalized

and released several times for his severe health condition and had already had his power shut off when he contacted the LIHEAP agency. His utility bill had been transferred to his apartment complex's name, which they were charging him for, and he was also in danger of eviction. He was living on a fixed and limited social security income and a pension. Although his income was higher than many LIHEAP recipients, he too was faced with making the difficult choice between utility bills, doctor bills, food, or medication. His local agency was able to see him through this emergency and restore his utility connections, which were vital to providing him heat during the cold winter months. LIHEAP allowed him to afford the medications he needs without sacrificing heat in his home.

This past heating season also highlighted how dangerous it can be for people living with disabilities to go without heat. In Maine, a disabled woman was running out of heating oil. To conserve supplies she was forced to turn her heat down extremely low. Her poorly insulated home leaked warm air and moisture, eventually resulting in her door freezing over completely. Her disability prevented her from removing the ice and she became trapped inside her home. Through LIHEAP assistance and Maine's Weatherization program, contractors were sent to her home to melt the ice from around her door, seal the leaks that contributed to her high energy bills, and provide her with fuel to heat her home.

Finally, LIHEAP has been instrumental in improving the lives of those faced with challenging health conditions. One Minnesota woman, a longtime nurse in St. Paul, Minnesota, was diagnosed with degenerative blindness in 2004. She was an avid jogger who completed marathons with friends and enjoyed her career as a nurse. As her condition deteriorated however, she found it dangerous to drive and nursing became too difficult. She was devastated and worried about how she would make ends meet without her job. She lived off her retirement savings until they were almost exhausted, finally moving into an assisted living apartment for low-income residents. Although she had always prided herself on being frugal, conserving energy, keeping bills low, and maintaining her credit score, she could no longer make it without help. With the help of a health assistant, she applied for energy assistance. She still lives in her small apartment, still prides herself on being frugal and conserving energy.

Children

LIHEAP is critical for many families with small children and new babies. A warm home is a pre-requisite for hospitals to release babies and mothers after birth. The following family reached out for energy assistance when their child was born during the winter and they could not afford to heat their home. The mother had been employed as a full-time nurse in a nursing home but had been let go when her doctor ordered her to rest because her blood pressure was too high. Her husband worked in the remodeling business, which was hit hard in the recession.

The family was not able to pay their gas bill and by the time their child was born the house was down to 40 degrees. Although they were reluctant to ask for help, they contacted the Green Hills Community Action Agency. Their energy assistance application was processed within a day and the gas was turned back on. In their letter to the agency, the family notes how helpful the staff was during a difficult time. The mother has since gone back to work and they no longer need energy assistance, but they said they would never forget how

desperate they felt and how much it meant to them to be able to bring their new child home to a safe and warm house.

Older children are also impacted by shut-off notices. One mother from Wisconsin had two school age children at home and was facing electricity shut-off. The Wisconsin Crisis Assistance payment stopped her impending disconnection. The mother's primary concern was the effect the disconnection would have on children, who would not be able to do their school work at home.

Illinois was also able to help a single mother of two to restore her heat after her gas and electricity were shut off. This recipient was forced to send her children to live with family members because the home was too cold for them. After she received assistance from LIHEAP both of the utilities were restored and her children were able to come home. She was so thankful that she even sent the agency a thank you card. In it she stated, "I appreciate your role in helping to turn my electricity and gas back on so my kids could come back home. For that there are simply not enough ways to say thank you."

Economic Conditions

Many families have found themselves in shut-off situations as a result of the recession, including many that have never before sought energy assistance. One such family in Georgia was living on \$330 a week in unemployment benefits. A single mother of two children, she was not receiving child support and did not have close family members who could assist her with bills. Her Georgia Power bill for two months was \$651, and it was scheduled for disconnection when she reached out for energy assistance. The amount she owed was clearly unmanageable considering her income. The help she received through LIHEAP allowed her to keep her power on.

Another story from Iowa highlights how complicated it can be to provide assistance to families whose assets have been completely diminished. A single father of two children had been out of liquid petroleum for a substantial amount of time. He had tried to deal with the situation by shutting off the entire house to just two rooms and using space heaters to heat those rooms. His hot water heater was fueled by propane, so the family also did not have hot water. They were boiling water on the stove for hot water for cleaning and bathing. His kids were making the best of the situation and had draped blankets over the furnishings to make tents and keep the heat in the enclosed areas. Despite these difficult circumstances, he did not reach out for assistance until his pipes froze and burst.

The father was employed, and was working long hours through a temp agency but was not making enough to afford the \$500 minimum fill for his propane company. Although he was qualified for LIHEAP assistance, the propane vendor told the agency that because the family was completely out of fuel, they would have to have to pay for a leak test, and pay a fee for same day delivery. If they did not order a full 250 gallons, there would be an additional "under the minimum" fee. Because they were only eligible for \$500 of assistance, the fees would not allow them to fill to 250 gallons. However, the agency stepped in to negotiate with the vendor, and was able to have some of the fees removed. Although the family did not receive a full fill, they were able to get substantial help, and have their heat and hot water restored.

The Need for LIHEAP

Households reported enormous challenges despite the fact that they received LIHEAP. However, they reported that LIHEAP was extremely important. About 64 percent reported that they would have kept their home at unsafe or unhealthy temperatures and/or had their electricity or home heating fuel discontinued if it had not been for LIHEAP. Almost 98 percent said that LIHEAP was very or somewhat important in helping them to meet their needs. In addition, 53 percent of those who did not have their electricity or home heating fuel discontinued said that they would have if it had not been for LIHEAP.

The members of NEADA recognize the difficult budget decisions that you face as you consider funding levels for LIHEAP for FY 2014 and advance funding for FY 2015. We appreciate your interest and continued support for LIHEAP. Please feel free to call upon us if we can provide you with additional information.