



NATIONAL ENERGY ASSISTANCE DIRECTORS ASSOCIATION

## President's FY 2026 Budget Eliminates Federal Funding For LIHEAP

The President's FY 26 Budget for the Low-Income Home Energy Assistance Program (LIHEAP) would eliminate \$4 billion in assistance to about 6 million very low-income households that rely on LIHEAP to pay their home heating and cooling bills.

The President's proposal to gut federal support could not come at a worse time for the households served by LIHEAP. One-out-of-six families are currently behind on their home energy bills and the total amount these families owe for their utilities is approximately \$21 billion, the highest level since 2021 and up by about 30 percent since the end of 2023. In addition, 37.4 percent of families earning less than \$50,000 a year reported in a recent Census survey that they were unable to pay an energy bill at least once in the past 12 months.

According to Mark Wolfe, Executive Director of the National Energy Assistance Directors Association (NEADA). *I am very disappointed that the administration is seeking to zero-out LIHEAP funding in their next budget. Low-income families need support next year and beyond to pay their home energy bills, especially as electric and gas prices continue to soar as well as the new tariffs are driving up prices for essential goods that low-income families rely on.*

The Administration's budget proposal is full of inaccuracies that suggest a complete lack of understanding about the purpose of LIHEAP in helping some of the nation's poorest families pay their utility bills.

- First, the President's budget cites a 15-year-old Government Accountability Office (GAO) report that identified potential cases of fraud. While states disagreed with many of the claims in the report, it resulted in the establishment of a joint HHS/state task force to modernize the application process, increase program integrity, and increase the frequency of state program audits. The GAO has since [confirmed](#) that all recommended actions to reduce the program's fraud risk have been implemented.
- Second, the Administration's budget states that LIHEAP is *unnecessary because states have policies preventing utility disconnections for low income families effectively making LIHEAP a pass-through benefitting utilities in the Northeast*. This statement demonstrates a gross misunderstanding of who LIHEAP helps and how it helps them. First, LIHEAP funding is provided to all 50 states. It helps families in the Northeast during cold winter months but also helps families in Southern states during the heat of the summer, Midwestern families during sub-zero winter temperatures and summer tornadoes, and families in the West during periods of drought.

Second, benefits are applied to a family's utility bill based on their income eligibility, regardless of the utility they use. LIHEAP is no more a "pass-through benefiting utilities" than food assistance is a pass-through for grocery stores, or the mortgage interest deduction is a pass-through for housing lenders. If the Trump Administration wants to strengthen protections for LIHEAP recipients, he should look to the [Heating and Cooling Relief Act](#) introduced by Senator Markey and Representative Ansari that expands consumer protections for households receiving LIHEAP and requires utilities to implement discounted utility rates based on household income.

Third, seasonal shut-off moratoriums that many states have put in place to protect families during periods of extreme temperatures only delay bill payment temporarily. After the moratorium ends, the bill is due. Families that could not afford to pay their bill during the shut-off moratorium will likely not be able to pay off the amount owed when the moratorium ends. Without LIHEAP stepping in to pay these bills, even more families would face shut-off conditions. In addition, moratoriums only apply to regulated gas and electric companies. They do not protect families whose energy comes from municipal or cooperative utilities or those that heat with delivered fuels like heating oil and propane.

- Finally, the Administration singles out the LIHEAP funding for New York and California based on a disagreement about state policy. However, more than half of LIHEAP funds go to states that voted for President Trump in 2024. If program funding were ended, millions of low-income families across the country – not just in New York and California – would struggle even more to pay their home energy bills.

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