

October 7, 2004

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate
S-128, The Capitol
Washington, DC 20510-6025

Dear Mr. Chairman:

On behalf of the Coalition of Northeastern Governors (CONEG), we thank you for your continued support of the Low Income Home Energy Assistance Program (LIHEAP), and urge the Senate to provide increased funding for LIHEAP as the winter heating season approaches. More specifically, as you prepare to go to conference on the FY2005 Labor, Health and Human Services and Education Appropriations bill, the Northeast Governors request that you provide \$3 billion in regular FY2005 LIHEAP funds. In addition, we ask that the Congress make available for this winter substantially increased funding to deal with emergency home energy needs. While we recognize the difficult decisions facing Congress during this time of severe fiscal constraints, LIHEAP is a vital tool in making home energy more affordable for the nation's very low income households.

The steady rises in home energy costs are placing a considerable burden on the vulnerable citizens served by the LIHEAP program – the elderly and disabled on fixed incomes, and families with young children. These households already spend a higher percentage of their income on total home energy – up to three times higher than average households. For many of these households, annual income is simply not sufficient to pay high winter heating bills.

The Energy Information Administration predicts that the price of home heating oil, propane, and natural gas will continue to rise this heating season. Compared with 1998 to 2000, households can expect this winter to pay 49 percent more to heat a home with natural gas, at least 48 percent more for those heating with home heating oil, and 38 percent more for those heating with propane. Even as low-income households try to prepare for price increases for the coming season, there are reports across the nation of increased numbers of households that have been unable to pay off energy bill debts from last winter.

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Higher energy prices diminish the purchasing power of available LIHEAP funding assistance. At current funding levels, states may be faced with the prospect of serving even fewer eligible households, reducing benefits, or curtailing the duration of the program. The combination of higher energy costs and constraints on state LIHEAP programs increases the prospect of even greater need for emergency assistance during the winter heating season – and at the very time that limited contingency funds are available through the LIHEAP program or other crisis assistance programs.

In recent years, states across the country have seen significant increases in their regular caseloads, as well as in requests for emergency assistance from those households in imminent danger of a utility or fuel service cut off. The projected need far outweighs the available funding, with only a fraction of eligible households nationwide – about 15 percent – being served at recent LIHEAP funding levels.

An increase in regular LIHEAP appropriations to \$3 billion in FY2005 will enable states across the nation to reach more of these vulnerable citizens in need of assistance, and more fully implement cost-effective measures to meet their continuing energy needs. In addition, timely action to provide substantially increased LIHEAP contingency funding will enable states to assist those low-income households that need to restore disconnected utility services now, before the heating season begins.

CONEG thanks you for your continuing support for the Low Income Home Energy Assistance Program and stands ready to provide you with additional information on the importance of this vital program to the Northeast and the nation.

Sincerely,

/o.s./
John E. Baldacci
Chair
Governor of Maine

/o.s./
Donald L. Carcieri
Vice-chair
Governor of Rhode Island

Identical letters were sent to leadership of both the House & Senate Appropriations Committee's and to the Subcommittee's on Labor, HHS.