

November 10, 2005

The Honorable Arlen Specter  
Chairman  
Subcommittee on Labor, Health and Human  
Services, Education, and Related Agencies  
Committee on Appropriations  
United States Senate  
184 Senate Dirksen Office Building  
Washington, DC 20510-6031

Dear Mr. Chairman:

As you begin drafting the conference report for the FY 2006 Labor, Health and Human Services, Education, and Related Agencies appropriations bill, the Coalition of Northeastern Governors (CONEG) would like to reiterate our strong support for increased funding for the Low Income Home Energy Assistance Program (LIHEAP). The Governors thank you for the strong support that you have provided to LIHEAP in past years. That support is needed now more than ever to avert a crisis that threatens the lives and safety of the nation's most vulnerable citizens.

In light of the record high home energy prices and the diminished purchasing power of LIHEAP funds, the Governors strongly urge you to provide in the appropriations conference report at least \$2 billion for LIHEAP, as well as at least \$300 million in emergency contingency funding for unforeseen events. We also urge you to go further to address this pending crisis by supporting congressional action – before Congress goes home – to provide up to \$2.9 billion in additional LIHEAP emergency funds to enable all states to offer meaningful assistance to help vulnerable households deal with the consequences of high energy prices this winter and beyond.

As the winter heating season begins, persistent record high prices for home energy fuels are creating a home energy crisis for millions of low-income Americans this winter. The double digit rise in energy prices over the past year has severely eroded the purchasing power of LIHEAP funds. While the annual appropriation for LIHEAP has remained relatively level over the past few years, the price of most home heating fuels has increased more than 35 percent just within the past year. At current prices, a low-income household in some Northeast states would exhaust its entire benefit on just one delivery of heating oil. LIHEAP programs across the country are receiving increased requests from low-income households with significant arrears.

For many of these low-income households, annual income is simply not sufficient to pay high winter heating bills, even in periods of economic growth. If these households cannot pay for fuel – and if regular or emergency LIHEAP assistance is not available – they will be forced to make dangerous choices between heating their homes, paying the full rent or mortgage, seeking medical attention, or purchasing food or vital medications. An increase in LIHEAP funding is needed now to avoid these potentially life-threatening situations.

States recognize the emerging crisis, and many have taken proactive steps to stretch scarce LIHEAP funds, such as providing additional state financial resources, entering into pre-buy agreements with vendors, requiring margin-over-rack pricing, sharing administrative costs with other programs, and promoting weatherization and conservation. However, even with these steps, the available funding for the program is just not adequate to meet the needs of the nation's low-income citizens struggling to afford the staggering costs of home energy.

An increase in funding in the FY 2006 Labor, Health and Human Services, Education, and Related Agencies Appropriations conference report for the Low Income Home Energy Assistance Program to at least \$2 billion, as well as at least \$300 million in emergency contingency funds is urgently needed to help states assist the nation's most vulnerable low-income citizens afford the basic necessity of home energy. In addition, Congress should act promptly this session to provide up to \$2.9 billion in additional LIHEAP emergency funds to meet the home energy needs this winter and beyond for low-income households across the nation.

The CONEG Governors thank you for your attention to this request and stand ready to provide you with any 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 also sent to leadership of both House and Senate Labor/HHS Subcommittee's and Appropriations Committee's, and Northeast Conferees.*