

October 25, 2007

The Honorable David Obey
Chairman
Subcommittee on Labor, Health and Human
Services, Education and Related Agencies
Committee on Appropriations
U.S. House of Representatives
2358 Rayburn House Office Building
Washington, DC 20515-6024

The Honorable James T. Walsh
Ranking Member
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
1016 Longworth House Office Building
Washington, DC 20515-6024

Dear Chairman Obey and Ranking Member Walsh:

As you prepare for the conference on the FY2008 Labor, Health and Human Services, Education, and Related Agencies Appropriations Bill, the Coalition of Northeastern Governors (CONEG) urges you to provide increased funding for the Low Income Home Energy Assistance Program (LIHEAP). At least \$1.98 billion in regular FY2008 LIHEAP funding and \$682 million in contingency funds for unforeseen energy emergencies are needed as a first step to restoring some of the program purchasing power and provide states across the country with additional resources to help our most vulnerable citizens afford to heat their homes.

Home energy prices – for heating oil, natural gas, propane and electricity – have dramatically increased in recent years. The Energy Information Administration's most recent data predict that the price of home heating oil, used primarily in the Northeast, will increase by 22 percent over last winter. Households using heating oil will pay an average of \$319 more than last year to heat their homes. Northeastern homes heating with propane are expected to see an average increase of 21 percent in home heating expenditures this winter. For many low-income households, the basic necessity of home heating has become simply unaffordable.

The need for home heating assistance far exceeds available federal and state resources. While LIHEAP funding has decreased over the past year, demand for this successful program continues to rise. At the same time, increases in the price of home heating fuels have caused the purchasing power of the LIHEAP dollar to plummet, defraying only a modest amount of a low-income household's total heating bill.

States across the country have taken numerous measures to stretch scarce LIHEAP funds, including using state resources to supplement available LIHEAP funds and implementing strategies that have made LIHEAP administrative costs among the lowest of human service programs. As the 2007-2008 winter heating season gets underway in the Northeast, states are already faced with the difficult decision of serving fewer households or reducing the level of the LIHEAP benefit.

LIHEAP is a critical safety net for the nation's vulnerable, low-income households faced with unaffordable home energy bills. These low-income households spend as much as 14 percent of annual income on home energy, compared to 3.6 percent for all other households. LIHEAP was able to assist more than 5 million households in 2006. However this is only a small percentage of the eligible population. Without additional federal resources, the states have limited options to assist these citizens in need.

The CONEG Governors thank you for your past support of the Low Income Home Energy Assistance Program, and urge you to provide at least \$1.98 billion in regular FY2008 program funds and \$682 million in contingency funds for unforeseen energy emergencies.

Sincerely,

/o.s./
Jon S. Corzine
CONEG Chair
Governor of New Jersey

/o.s./
Jim Douglas
CONEG Vice-chair
Governor of Vermont

/o.s./
John Lynch
CONEG Lead Governor
for LIHEAP
Governor of New Hampshire

Identical letters were provided to leadership of both House and Senate Appropriations Committees and their respective Labor, HHS, Education, and Related Agencies Subcommittees.