

June 18, 2008

The Honorable David Obey  
Chairman  
Committee on Appropriations  
United States House of Representatives  
H-218 The Capitol  
Washington, DC 20515

The Honorable Jerry Lewis  
Ranking Member  
Committee on Appropriations  
United States House of Representatives  
1016 Longworth House Office Building  
Washington, DC 20515

The Honorable James Walsh  
Ranking Member  
Subcommittee on Labor, Health and  
Human Services, and Education  
1016 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Obey, Ranking Member Lewis and Ranking Member Walsh:

As the Subcommittee begins consideration of the FY2009 Labor, Health and Human Services, and Education appropriations bill, the Coalition of Northeastern Governors (CONEG) urges you to support funding the Low-Income Home Energy Assistance Program (LIHEAP) at the \$5.1 billion level authorized by the Energy Policy Act of 2005. We recognize the considerable fiscal challenges that face the Appropriations Committee this year and we deeply appreciate the Subcommittee's continued, strong support for the LIHEAP program. However, increased LIHEAP funds are urgently needed in the face of continually rising energy prices (particularly for delivered fuels) and the increasing number of households in arrears to energy utilities. Funding the LIHEAP block grant program at the \$5.1 billion level, and providing it in a manner that will ensure additional funding to all states, will help restore some of the purchasing power of the program and enable states across the nation to provide meaningful assistance to citizens struggling to pay unaffordable home energy bills.

The low-income households targeted by the LIHEAP program are hit particularly hard by soaring energy prices, especially home energy prices. An increasing number of households are in arrears to energy utilities. For the households who depend upon delivered fuels such as heating oil and propane, the outlook is particularly troubling since they lack the benefit any utility assistance program. These households are concentrated in the Northeast, where almost 32 percent of LIHEAP recipient households rely upon delivered fuels, compared to 12 percent nationally or approximately 4 percent in many warm weather states. Even before the price of crude oil reached its recent record level, EIA estimated that households heating primarily with home heating oil will pay approximately \$2,000 to heat their homes this year. Without an adequate LIHEAP benefit that can meet the minimum delivery requirement, these households face the prospect that a dealer will not make a delivery or will require a surcharge, further reducing the purchasing power of LIHEAP assistance.

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The demand for this highly effective program continues to increase even as the purchasing power of the LIHEAP dollar plummets, and the average LIHEAP benefit decreases. If federal funding remains level or declines as home energy prices continue to rise, states face the difficult decision of serving fewer households or reducing the level of already stretched benefits. States in the Northeast have already incorporated various administrative cost-savings to deliver the maximum program dollars to households in need. In spite of these efforts to stretch federal and state LIHEAP funds, the need for the program is far too great.

Increased, predictable and timely federal funding is vital for LIHEAP to assist the nation's vulnerable, low-income households faced with exorbitant home energy bills. With an appropriation at the \$5.1 billion authorized level, distributed to ensure that additional funding is provided to all states, the program can offer meaningful assistance to more households in need, lessen the need for emergency crisis relief, and make optimum use of leveraging and other cost-effective programs.

On behalf of all the CONEG Governors, we urge you to support funding for LIHEAP at the \$5.1 billion level in the FY2009 Labor, Health and Human Services, and Education appropriations bill.

Regards,

/o.s./  
Jim Douglas  
Chair  
Governor of Vermont

/o.s./  
David A. Paterson  
Vice-Chair  
Governor of New York

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

*Identical letters were also provided to the Senate Labor/HHS Subcommittee as well as the full Senate Appropriations Committee.*

Attachment