

July 15, 2008

The Honorable Bernard Sanders
United States Senate
322 Senate Dirksen Office Building
Washington, DC 20510

Dear Senator Sanders,

The Coalition of Northeastern Governors (CONEG) supports your efforts to provide an additional \$2.53 billion in FY2008 funding for the Low Income Home Energy Assistance Program (LIHEAP), provided equally as regular program and contingency funding. This increase in LIHEAP funding will help states serve the same number of vulnerable low-income households as last year with a comparable benefit.

Record high home energy prices are placing a tremendous strain on households in the Northeast who depend upon delivered fuels such as home heating oil, propane and kerosene. In some areas of the region, the price of home heating oil is quickly approaching \$5 per gallon. At these prices, a single tank of heating oil would cost more than \$1,200. However, at current funding levels, the typical LIHEAP benefit will cover the cost of only half a tank of home heating oil. In many cases, that is not even the required minimum delivery amount.

Without a substantial increase in FY2008 LIHEAP funding, most Northeast states will face a tough choice – even in the face of greater demand as households are squeezed by rising home heating, food and gasoline prices: serve the same number of households as last year with a much reduced benefit, or reduce the number of households served in order to provide a meaningful benefit. To provide a comparable home heating benefit to the same number of households as last year, the federal LIHEAP funding level would need to approximately double.

The estimated 2008-2009 average annual home heating cost in the Northeast ranges from \$2,400 to \$4,300, while the region's median LIHEAP benefit is approximately \$700, or 15-30 percent of annual heating costs. In order to provide these households with a meaningful level of assistance – 60 percent of their annual heating costs – the average benefit would need to be increased to \$2,000-\$2,500.

The Governors commend your timely efforts for an additional \$2.53 billion in LIHEAP regular and contingency funding to help states across the country make the basic need of home energy more accessible to their most vulnerable citizens.

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