



The Low Income Home Energy Assistance Program (LIHEAP) Helps the Most Vulnerable Americans

Since 1981, the Low Income Home Energy Assistance Program (LIHEAP) has helped millions of low-income Americans pay their energy bills. Today, LIHEAP is a widely supported, essential program that delivers critical short-term aid to our nation's most vulnerable citizens, including seniors on fixed incomes and the desperately poor.

The number of households eligible to apply for LIHEAP assistance continues to exceed the amount of funding available. According to the U.S. Census Bureau, the number of Americans living in poverty was a staggering 45.3 million—or 14.5 percent of the overall population—in 2013, the latest year for which full data is available.¹

As Congress faces very difficult fiscal challenges, tough budget decisions will need to be made. However, cutting LIHEAP funding is not the answer, and will deny many people heating and cooling, which are basic needs for survival. Without energy assistance, low-income families, the elderly, and the millions of people seeking work could be forced to make painful choices between heating or cooling their homes or paying for other necessities such as food, medicine, and clothing.

Increasing LIHEAP funding is the most immediate and direct way that Congress and the President can ensure that states receive the funds necessary to provide energy assistance to Americans in need.

How LIHEAP is Funded

Unlike entitlement programs, such as food stamps, where funding rises and falls with eligibility, LIHEAP is a discretionary program for which Congress must appropriate funds each fiscal year (FY). There are two types of program funding: base formula funding that is allotted to the states based on a formula prescribed in the statute, and contingency funding that allows the President to supplement regular appropriations in response to extreme weather conditions or spikes in energy prices. In the Energy Policy Act of 2005, Congress reauthorized LIHEAP, increasing the authorized amount for base formula funding from \$2 billion to \$5.1 billion.

While LIHEAP is funded through the U.S. Department of Health and Human Services (HHS), the states and tribes primarily decide how to operate the program. LIHEAP is an efficient and targeted program with low overhead costs, and states are mandated to spend no more than 10 percent of allocated funds on program administration.

LIHEAP Assists the Most Vulnerable Americans

To be eligible for LIHEAP assistance, household income may not *exceed* 150 percent of the federal poverty level—less than \$30,000 annually for a family of three—or 60 percent of the state's median income level. The majority of LIHEAP recipients fall well below these minimum requirements. Nearly 9 million

¹ United States Department of Commerce, United States Census Bureau, *Income and Poverty in the United States: 2013*: <http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf>

U.S. households (approximately 23 million people) received LIHEAP assistance in FY 2011, when the funding level was \$4.7 billion. Since then, LIHEAP funding has been cut by more than one-third—FY 2015 LIHEAP funding was less than \$3.4 billion. These cuts have forced states to drop families from the program, reduce benefits, or both.

According to the National Energy Assistance Directors' Association (NEADA), nearly 90 percent of LIHEAP recipients have at least one vulnerable household member—defined as a senior 60 years or older, a child 18 years or younger, or a disabled person.² NEADA also notes that LIHEAP households face many challenges in addition to paying their energy bills, including unemployment, unhealthy home conditions, and medical issues.

Low-income families dedicate a large and disproportionate amount of their budgets to energy costs. According to HHS, the average residential energy burden for LIHEAP recipients is roughly double the average for all U.S. households.³

LIHEAP Serves an Increasing Number of Households with Military Veterans

There has been a dramatic rise in the number of LIHEAP households with at least one member who has served in the military. According to NEADA, the number of households that had a military veteran and received LIHEAP assistance jumped from 700,000 in FY 2008 to 1.789 million in FY 2011. This represents an increase from 12 percent to 20 percent of total LIHEAP recipients.⁴

Today, many LIHEAP-eligible households fail to receive any assistance because funding is insufficient. Instead of continuing to cut funding for this important program, the President and Congress should increase LIHEAP funding and preserve this vital safety net for millions of vulnerable Americans.

² National Energy Assistance Directors' Association, *2011 National Energy Assistance Survey*, November 2011: http://neada.org/wp-content/uploads/2013/05/NEA_Survey_Nov11.pdf

³ LIHEAP Home Energy Notebook For Fiscal Year 2011: https://www.acf.hhs.gov/sites/default/files/ocs/fy2011_hen_final.pdf

⁴ National Energy Assistance Directors' Association, *LIHEAP Recipients By Veteran Status*, December 2011: http://neada.org/wp-content/uploads/2013/11/LIHEAP_veteran_study.pdf

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