

# SAVE LIHEAP

[www.saveliheap.org](http://www.saveliheap.org)

President Trump's fiscal year 2018 (FY18) Budget proposes to eliminate the Low Income Home Energy Assistance Program (LIHEAP).

- LIHEAP helps reduce energy burdens for approximately 6.8 million households, assisting an estimated 17 million Americans.<sup>1</sup>
- Households with young children, elderly individuals, those with disabilities or significant energy needs are prioritized, representing 71% of all recipient households.<sup>2</sup>
- A large number of veterans use LIHEAP, an estimated 1.78 million households in FY11.<sup>3</sup>
- LIHEAP has been federally-funded since the Program's inception.<sup>4</sup>

*Unfortunately, proponents of ending the Program are distorting the facts. Here are some of the distorted claims and realities of LIHEAP:*

**Distortion:** *LIHEAP is unable to demonstrate strong performance outcomes.*<sup>5</sup>

**Reality:** LIHEAP saves lives. As a Reagan-era block grant, the Program gives states, tribes and territories flexibility to develop a plan appropriate to their own circumstance to help low-income households meet heating and cooling needs, provide crisis assistance, or improve home weatherization.<sup>6</sup>

According to the National Energy Assistance Directors Association (NEADA), State LIHEAP programs developed and implemented comprehensive performance measures beginning in FY16. The U.S. Department of Health and Human Services (HHS) requires states to annually report data on households that pay the highest energy costs in proportion to their income, restoration of energy services to families shut-off due to lack of payment, and prevention of loss of energy services.

An analysis of preliminary FY16 data from 30 states confirms that LIHEAP sustained energy services for more than one million households, nearly 38% of recipients or an estimated 2.6 million Americans.<sup>7</sup>

The above households had been disconnected or were at immediate risk of losing energy services with past due notices, had run out or about to run out of delivered fuels or were in need of heating or cooling equipment repair or replacement.

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<sup>1</sup> LIHEAP served 6.8 million households in FY17 ([http://nlihc.org/sites/default/files/2016AG\\_Chapter\\_5-8.pdf](http://nlihc.org/sites/default/files/2016AG_Chapter_5-8.pdf)); the avg. household has 2.53 individuals (<https://www.statista.com/statistics/183648/average-size-of-households-in-the-us/>)  $6.8 \times 2.53 = 17.2$  million.

<sup>2</sup> Throughout LIHEAP's statute, grantees are directed to reach the elderly, disabled, and young children <https://liheapch.acf.hhs.gov/pubs/LCIssueBriefs/FinalLIHEAPPrimer.pdf> (p. 8, col. 1).

<sup>3</sup> [http://neada.org/wp-content/uploads/2013/11/LIHEAP\\_veteran\\_study.pdf](http://neada.org/wp-content/uploads/2013/11/LIHEAP_veteran_study.pdf)

<sup>4</sup> <https://www.acf.hhs.gov/ocs/resource/help-with-paying-for-heating-or-cooling>

<sup>5</sup> [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018\\_blueprint.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf) (see p. 22)

<sup>6</sup> <https://liheapch.acf.hhs.gov/stateplans.htm>

<sup>7</sup> <https://neuac.org/wp-content/uploads/2017/03/NEUAC-NEADA-TomPrice-Letter.pdf>

**Distortion:** *“(The LIHEAP) Program... had been paid out to 11,000 deceased recipients.”<sup>8</sup>*

**Reality:** LIHEAP grants are rarely to people. Typically, funds are granted as credits benefitting household accounts with energy suppliers. As NEADA notes, “a recently widowed elderly woman who qualifies for LIHEAP might include her husband’s name on the application so that it is consistent with the billing information her utility company has. Though the paperwork is inaccurate and must be updated, she is still eligible.”<sup>9</sup>

The Budget’s accompanying justification also does not mention that HHS implemented every recommendation in the 2010 GAO study cited by the Administration.<sup>10</sup> States and HHS immediately formed a joint task force to strengthen controls to ensure funds are used properly.<sup>11&12</sup> OMB has declined to further explain its reasoning.<sup>13</sup>

**Distortion:** *Energy companies, as well as state and local governments, provide significant heating and cooling assistance.<sup>14</sup>*

**Reality:** Although many energy companies promote charitable assistance initiatives, these voluntary programs reach a small fraction of those in crisis. The need is extraordinary – LIHEAP serves just 20% of eligible U.S. households.<sup>15</sup> State, charitable, and energy company assistance initiatives are no substitute for LIHEAP.<sup>16</sup>

**Distortion:** *LIHEAP is no longer a necessity as States have adopted their own policies to protect constituents against energy concerns.<sup>17</sup>*

**Reality:** While nearly every state prohibits disconnections during extreme weather, customers are still responsible for energy consumed when the weather eases.<sup>18</sup> For regulated entities, rates and conditions of service must be just, reasonable and non-discriminatory.<sup>19</sup> In general, if customers cannot pay a bill, others are likely to bear those costs. Eliminating LIHEAP would increase write-offs and may increase pressure from other customers to weaken existing disconnect protections.

Furthermore, replacing LIHEAP with a patchwork system would take us back to the days when low-income families lost energy services and resorted to unsafe means to stay warm or cool, such as heating a home with a kitchen stove. These pressures are exacerbated when prices spike or extreme weather makes home energy unaffordable.

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<sup>8</sup> <http://thehill.com/policy/finance/334964-mulvaney-defends-trump-budget-before-congress>

<sup>9</sup> <http://www.nefactioncenter.com/PDF/pressrelease04nov2010.pdf>

<sup>10</sup> <http://www.gao.gov/products/GAO-10-621> (See Recommendations Tab)

<sup>11</sup> <http://neada.org/wp-content/uploads/2013/05/2010-07-02-PressRelease.pdf>

<sup>12</sup> HHS/ACF swiftly issued new program integrity guidance following GAO’s 2010 report. ACF strongly encouraged states to require Social Security Numbers (SSNs) for all applicant household members and to set rigorous integrity measures. By Sept. 2010 approximately 21 states had cross-checked SSNs for these members; 27 required or requested SSNs, and 13 committed to require them in FY11. ACF also convened a new program integrity working group to exchange best practices, implement strategies, and develop metrics per GAO’s recommendations. [<http://neada.org/wp-content/uploads/2013/05/HHS2013justification.pdf> – p. 28/29]

<sup>13</sup> [https://www.washingtonpost.com/news/wonk/wp/2017/03/17/program-that-keeps-families-from-freezing-is-only-lower-impact-if-you-ignore-all-the-families-who-didnt-freeze/?utm\\_term=.539817be7d58](https://www.washingtonpost.com/news/wonk/wp/2017/03/17/program-that-keeps-families-from-freezing-is-only-lower-impact-if-you-ignore-all-the-families-who-didnt-freeze/?utm_term=.539817be7d58)

<sup>14</sup> <https://www.hhs.gov/about/budget/fy2018/budget-in-brief/acf/discretionary/index.html>

<sup>15</sup> <https://www.acf.hhs.gov/ocs/resource/consumer-frequently-asked-questions>

<sup>16</sup> <http://neada.org/wp-content/uploads/2013/03/2007-11-26.pdf>

<sup>17</sup> <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/msar.pdf> (see p. 41)

<sup>18</sup> <https://liheapch.acf.hhs.gov/Disconnect/SeasonalDisconnect.htm>

<sup>19</sup> [https://www.epw.senate.gov/public/\\_cache/files/565f58de-67bb-4472-bb20-b19d677f8f78/kerrtestepwyucca102907.pdf](https://www.epw.senate.gov/public/_cache/files/565f58de-67bb-4472-bb20-b19d677f8f78/kerrtestepwyucca102907.pdf)