



The National Energy and Utility Affordability Coalition

## Increase LIHEAP Funding in FY18

### Minnesota's LIHEAP Funding Down 29% from FY10 to FY16

Fiscal Year	National Total	Minnesota's Allocation <sup>1</sup>
2017 (initial)	\$3.09 billion*	<b>\$101,494,836</b>
2016	\$3.39 billion	<b>\$113,728,493</b>
2015	\$3.39 billion	<b>\$114,498,307</b>
2014	\$3.42 billion	<b>\$114,540,746</b>
2013	\$3.25 billion	<b>\$114,498,307</b>
2012	\$3.47 billion	<b>\$116,838,721</b>
2011	\$4.71 billion	<b>\$152,559,213</b>
2010	\$5.10 billion	<b>\$160,088,897</b>

State <sup>2</sup>	Households Eligible	Households Served (FY16)	% Households NOT Served (FY16)
Minnesota	628,658	132,786	78.9%

% of State HH LIHEAP Eligible	HH Served % Elderly	HH Served % Disabled	HH Served % Child	HH Served % Any Vulnerable
29.6%	35.3%	39.7%	22.2%	75.5%

The Low Income Home Energy Assistance Program (LIHEAP) provides critical home heating and cooling help to millions of vulnerable American families. LIHEAP funding peaked when Congress appropriated \$5.1 billion for the program in FY09 and FY10. Since then, funding has fallen by more than one-third. As a result of these cuts, more than one million fewer eligible households receive energy assistance, and average individual grants have been reduced.<sup>3</sup>

#### Why Increase LIHEAP Funding?

**LIHEAP Is Not An Entitlement:** Unlike entitlement programs that receive funding based on changes in the eligible population, LIHEAP is funded by the annual congressional appropriations process. While states set eligibility rates, federal law sets the income *maximum* at 150 percent of the federal poverty guideline or 60 percent of a state's median income. For example, 150 percent of the FY17 poverty guideline for a family of three is \$30,240.<sup>4</sup> Most LIHEAP recipients earn much less than the maximum thresholds: the most recent data show that a typical LIHEAP recipient household had a median income of 83.5 percent of the federal poverty guideline.<sup>5</sup>

**The Need For LIHEAP Remains High:** In 2015, the national poverty rate was 13.5 percent, and 43.1 million Americans lived in poverty. These numbers remain above pre-recession levels.<sup>6</sup>

**LIHEAP Prioritizes Vulnerable Households:** According to HHS data, more than 70 percent of LIHEAP recipient households had at least one vulnerable person – a senior age 60 or older, a child age 5 and under, or an individual with a disability.<sup>7</sup>

**LIHEAP Makes The Difference:** A 2016 study from the Federal Reserve found that nearly half of American families would struggle to pay for an emergency expense costing \$400.<sup>8</sup> LIHEAP frequently meets those exact short-term emergencies and can be the difference between making ends meet or not.

**NEUAC's Recommendation to Congress: NEUAC urges Congress to increase LIHEAP funding, concentrating funds in base grants, and to reject efforts that siphon appropriated funds from LIHEAP's core energy assistance mission.**

<sup>1</sup> FY10-16 Data, HHS; \*FY 17 reflects funding released in October 2016 <https://www.acf.hhs.gov/ocs/resource/liheap-dear-colleague-notice-on-release-of-approximately-309-billion-of-regular-block-grant-funding-fy-2017>

<sup>2</sup> Eligible Households developed using most recent 5-year (2011-2015) ACS PUMS File. Households served and vulnerable household statistics from state reports.

<sup>3</sup> NEADA Purchasing Power Table

<sup>4</sup> LIHEAP IM 2016-02 <https://www.acf.hhs.gov/ocs/resource/liheap-im-2016-02-hhs-poverty-guidelines-for-optional-use-in-ffy-2016>

<sup>5</sup> HHS FY2017 Budget Justification - [https://www.acf.hhs.gov/sites/default/files/olab/final\\_cj\\_2017\\_print.pdf](https://www.acf.hhs.gov/sites/default/files/olab/final_cj_2017_print.pdf)

<sup>6</sup> US Census Bureau: "Income and Poverty in the United States: 2015" <http://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-256.pdf>

<sup>7</sup> LIHEAP state reports.

<sup>8</sup> "Report on the Economic Well-Being of U.S. Households in 2015" <https://www.federalreserve.gov/2015-report-economic-well-being-us-households-201605.pdf>