Thank you for your leadership in helping low-income households stay connected to
essential drinking water and wastewater service through your prior appropriations for the Health
and Human Services Low Income Household Water Affordability Program (LIHWAP). In the
recent past, LIHWAP received $638M in appropriations in the Consolidated Appropriations Act
of 2021, and an additional $500M in the American Rescue Plan Act of 2021. A relatively new
program, LIHWAP has already helped protect the health of vulnerable households and
communities. LIHWAP also keeps homes habitable, thus preserving access to shelter and
minimizing family disruption from the time and effort spent finding work-arounds for sanitation,
showering, cooking, washing clothes or alternative living arrangements due to lack of drinking
water and wastewater services. The need for additional funds for low-income household drinking
water and wastewater assistance is urgent and timely. Thus, we respectfully request that
LIHWAP receive the maximum funding possible, along the lines of the prior LIHWAP
appropriations, to protect the health, safety and well-being of low-income households facing
water disconnections and growing water bill arrearages.

Although access to affordable drinking water and wastewater services is essential to
modern life, water service is unaffordable for many low-income households. One study found
low-income households spend an average of 12.4% of their disposable income on water and

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sewer service. While data on water and wastewater debts and disconnections are not regularly reported and are hard to obtain, recent reports suggest that the water affordability continues to be a severe problem. Water industry analysis of the revenue losses from suspending residential shut-offs and the increase in arrearages during the COVID-19 public health emergency were $4.92 billion for drinking water systems and $3.8 billion for wastewater systems. However, affordable water service had been a problem before the COVID-19 pandemic and remains a problem today. A 2020 analysis of water debt in 12 cities found that 1.5 million households owed $1.1 billion in water debt. The US Water Alliance recommends a permanent national water assistance program as in the collective national interest to ensure everyone has access to clean water and sanitation.

Households are currently reeling from record increases in energy prices coupled with increases in the costs of other essential necessities such as food and shelter – price increases that impact economically disadvantaged households the hardest. This year’s 12-month increases in energy costs have been amongst the highest increases in decades. At the same time, the 12-

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month increase in the cost of food and shelter are also the highest increases in decades. Low-income households cannot escape these price increases, and must often face untenable choices between basic necessities.

Struggling low-income households are at risk of being disconnected from essential utilities because they do not have the savings or income on hand to afford their water and sewer bills. The Federal Reserve finds that 1 in 4 households were unable to pay their monthly bills in full or were a modest setback away from financial hardship. For households with incomes less than $25,000 it’s 1 in 2 households that are facing such hardship. A growing body of research is documenting the rise in household income volatility (the dramatic fluctuation of income over time) and the impacts on household well-being. The Federal Reserve reports that 27% of lower income parents struggle with bill payments because of income variability. When income is hard to predict, paying for necessities such as water service can be difficult, if not impossible, without help from programs like LIHWAP. LIHWAP is a targeted health and safety program that has been launched by 41 states and 56 Tribal governments, has helped over 150,000 households afford essential water service, and has helped over 91,000 households avoid a disconnection or reconnect to water service. The mission of LIHWAP – keeping households connected to critical water and wastewater services – is different from that of the Low Income

Home Energy Assistance Program (LIHEAP), which helps economically disadvantaged families to pay for home heating and cooling expenses. While both programs address vital human needs, each is distinct and requires interaction with different sets of service providers. Separate programs are needed, since it is beyond the scope of LIHEAP’s statutory goal and design to address water affordability.\(^\text{14}\) Thus, LIHWAP must continue to operate as a distinct program and requires dedicated funds in FY 2023 to help low-income households facing water and wastewater disconnection remain connected to service.

We thank you again for your leadership in keeping low-income households connected to essential water and wastewater service and respectfully request that LIHWAP receive the maximum funding possible, along the lines of the prior LIHWAP appropriations, to protect the health, safety and well-being of low-income households facing water disconnections and growing water bill arrearages.

\(^{14}\) The President’s FY 23 Budget Proposal recognizes the need for water assistance funds, but proposes an unworkable option of setting aside LIHEAP funds for water assistance.