Testimony of the National Consumer Law Center, on Behalf of Its Low-Income Clients
Before the Senate Committee on Appropriations
Subcommittee on Labor, Health & Human Services, Education, and Related Agencies

FY 2026 Appropriations for the HHS Low Income Home Energy Assistance Program

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Thank you for your strong and continued support of the Health and Human Services Low Income Home Energy Assistance Program (LIHEAP).² LIHEAP is the cornerstone of federal and state efforts to ensure energy security by preventing energy disconnection and protecting the most vulnerable households, including seniors, veterans and families with young children from hypothermia in the winter and heat stress (even death) in the summer. LIHEAP has helped approximately 6 million households afford their energy bills.³ We respectfully request that LIHEAP be at least level funded at \$4.1 billion, but ideally fully funded at \$5.1 billion⁴ to help more low-income households avoid the painful choice between the energy bill or medicine or food.

The Urgent Need for Adequate LIHEAP Appropriations

The LIHEAP program, established during the Reagan administration, is a fiscally responsible investment that prevents costly energy-related emergencies. At the current funding level, LIHEAP keeps the heat on in winter, and cooling in the summer, for around 6 million families.⁵ LIHEAP saves lives, and it has helped keep home energy more affordable for over 40 years. For instance, in 2023 LIHEAP has:

- Prevented 2.75 million energy disconnections or reconnected struggling households
- Lifted 34,000 children and 68,000 seniors out of poverty
- Made long-term improvements to energy affordability for more than 60,000 homes with weatherization⁶

³ National Energy and Utility Affordability Coalition (NEUAC) LIHEAP Fast Facts Infographic, available at https://neuac.org/wp-content/uploads/2025/02/LIHEAP-Fast-Facts-Infographic.pdf.

⁴ 42 U.S.C. §8621(b).

https://neuac.org/wp-content/uploads/2025/02/LIHEAP-Talking-Points-2025.pdf.

¹ The nonprofit <u>National Consumer Law Center® (NCLC®)</u> works for economic justice for low-income and other disadvantaged people in the U.S. through policy analysis and advocacy, publications, litigation, and training.

² 42 U.S.C. §§8621 et seq.

⁵ National Energy and Utility Affordability Coalition (NEUAC) LIHEAP Fast Facts Infographic, available at https://neuac.org/wp-content/uploads/2025/02/LIHEAP-Fast-Facts-Infographic.pdf.

⁶ National Energy & Utility Affordability Coalition, "The Case for LIHEAP", available at

Yet the need for LIHEAP in all the states and territories remains great. Households are reeling from the increase in home heating from this winter (the average cost of home heating increased by 8.7%, from \$866 to \$941, with higher increases in some parts of the country) and rising cooling costs (cooling costs rose last summer by 7.9% from an average of \$661 to \$719). A substantial number of households are struggling to keep their heads above water, with one in six people reporting that they were unable to pay their full energy bill at least once this past year and over one in four Americans reduced or skipped a basic need such as food or medicine to pay their energy bill.

Low-income households spend on average 8.6% of their income on energy costs, three times more than non-low-income households. The burden is even more severe for families at or below 100% of the Federal Poverty Level, who have an average energy burden of 16% (nearly one sixth of the household's income). Home energy is also more expensive during prolonged periods of extreme temperatures because households use more fuel to keep the home at safe temperatures. Prolonged colder than normal temperatures, such as the sharp cold wave that resulted in 22 deaths and affected a wide swath of the country January to March 2019¹⁰, can result in an unexpected, increased use of heating fuels. Likewise, prolonged hot temperatures, which are becoming more common, can result in an increased need for air conditioning, particularly for consumers with certain medical conditions. 11

Yet, struggling low-income households are at risk of disconnection from essential utilities because they do not have the savings or income on hand to afford their energy bills. The Federal Reserve finds that almost 4 in 10 households report that they would have difficulty with an unexpected expense of \$400.¹² Household income volatility (the dramatic fluctuation of income over time) has dramatic effects on a household's well-being.¹³ When income is hard to predict,

⁷ See "Testimony of Mark Wolfe, Executive Director, National Energy Assistance Directors Association" available at https://neada.org/fy2026testimony/.

⁸ See "Survey: Millions of Americans Struggling to Keep Up With Rising Energy Costs" available at https://www.helpadvisor.com/housing/americans-struggling-to-pay-energy-bills-study.

⁹ See "LIHEAP and WAP: Keeping Low-Income Families Healthy, Housed, & Energy Secure" available at https://nascsp.org/liheap-and-wap-keeping-low-income-families-healthy-housed-energy-secure/.

¹⁰ See e.g., "Extreme cold in the Midwest led to high power demand and record natural gas demand," US Energy Information Administration, Today in Energy (Feb. 26, 2019) available at https://www.eia.gov/todayinenergy/detail.php?id=38472.

¹¹ Lynne Page Snyder and Christopher Baker, *Affordable Home Energy and Health: Making the Connections*, AARP Public Policy Institute (June 2010) at pp.10-11, available at https://neada.org/wp-content/uploads/2013/02/aarp_neada_report_affordable_home_energy_and_health_june_2010.pdf.

¹² Board of Governors of the Federal Reserve, *Report on the Economic Well-Being of U.S. Households in* 2024 (May 2025) at p.41, available at https://www.federalreserve.gov/publications/files/2024-report-economic-well-being-us-households-202505.pdf.

¹³ See e.g., Board of Governors of the Federal Reserve, *Report on the Economic Well-Being of U.S. Households in 2024* (May 2025) at p.22 (27% of workers reported having irregular work schedules in 2024), available at <a href="https://www.federalreserve.gov/publications/files/2024-report-economic-well-being-p

paying for necessities such as utility service can be difficult, if not impossible, without help from programs like LIHEAP.

LIHEAP Protects the Health and Safety of the Elderly, those with Disabilities and Households with Young Children

Recent national studies have documented the dire choices low-income households face when energy bills are unaffordable. Because adequate heating and cooling are tied to the habitability of the home, low-income families will go to great lengths to pay their energy bills. According to the Energy Information Agency (EIA), in 2020, 34 million U.S. households (27% of all U.S. households) reported difficulty paying energy bills or reported that they had kept their home at an unsafe temperature because of energy cost concerns. ¹⁴ EIA's analysis is consistent with other studies showing that low-income households faced with unaffordable energy bills cut back on necessities such as food, medicine and medical care. 15 The U.S. Department of Agriculture has documented the connection between low-income households, especially those with elderly persons, experiencing very low food security and heating and cooling seasons when energy bills are high. 16 A pediatric study in Boston documented an increase in the number of extremely low weight children, age 6 to 24 months, in the three months following the coldest months, when compared to the rest of the year.¹⁷ It is shocking that in this wealthy nation, so many face heator-eat choices where families go without food during the winter to pay their heating bills, and their children fail to thrive and grow. A 2007 Colorado study found that the second leading cause of homelessness for families with children is the inability to pay for home energy. 18

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us-households-202505.pdf; Pew Charitable Trusts, *How Income Volatility Interacts with American Families; Financial Security* (March 9, 2017) available at https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2017/03/how-income-volatility-interacts-with-american-families-financial-security.

14 See U.S. Energy Information Administration, "In 2020, 27% of U.S. households had difficulty meeting their energy needs," (April 11, 2022), available at https://www.eia.gov/todayinenergy/detail.php?id=51979.

¹⁵ See e.g., National Energy Assistance Directors' Association, 2018 National Energy Assistance Survey, Tables in section IV, F and G (Dec. 2018) (to pay their energy bills, 32% of LIHEAP recipients went without food, 41% went without medical or dental care, 31% did not fill or took less than the full dose of a prescribed medicine, 13% got a payday loan). Available at http://neada.org/wp-content/uploads/2015/03/liheapsurvey2018.pdf.

¹⁶ Mark Nord and Linda S. Kantor, Seasonal Variation in Food Insecurity Is Associated with Heating and Cooling Costs Among Low-Income Elderly Americans, The Journal of Nutrition, 136 (Nov. 2006) 2939-2944.

¹⁷ Deborah A. Frank, MD et al., Heat or Eat: The Low Income Home Energy Assistance Program and Nutritional and Health Risks Among Children Less Than 3 years of Age, AAP Pediatrics v.118, no.5 (Nov. 2006) e1293-e1302. See also, Child Health Impact Working Group, Unhealthy Consequences: Energy Costs and Child Health: A Child Health Impact Assessment of Energy Costs And The Low Income Home Energy Assistance Program (Boston: Nov. 2006).

¹⁸ Colorado Interagency Council on Homelessness, *Colorado Statewide Homeless Count Summer*, 2006, research conducted by University of Colorado at Denver and Health Sciences Center (Feb. 2007).

When people are unable to afford paying their home energy bills, dangerous and even fatal results occur. In the winter, families resort to using unsafe heating sources such as space heaters, ovens and burners, all of which are fire hazards. Heating equipment is the second leading cause o home fires and space heaters accounted for 16 percent of fire deaths from 2016 to 2020.¹⁹ In the summer, the inability to keep the home cool can be lethal, especially to seniors. According to the CDC, older adults, young children and persons with chronic medical conditions are particularly susceptible to heat-related illness and are at a high risk of heat-related death. The CDC reported a higher incidents of heat-related illness emergency room visits in 2023 (a year with record breaking hot temperatures) compared to 2018-2022.²⁰ In 2023, at least 2,325 people died in the United States from heat-related causes.²¹ The CDC also notes that air-conditioning is the number one protective factor against heat-related illness and death.²² LIHEAP assistance helps these vulnerable seniors, young children and medically vulnerable persons keep their homes at safe temperatures during the winter and summer and also funds low-income weatherization work to make homes more energy efficient.

LIHEAP saves lives, and it has helped keep home energy more affordable for over 40 years. The program serves a critical part of the energy security mission and it also requires full-strength staffing.²³ LIHEAP is a proven, results-driven program that works to bring fuel costs within a manageable range for vulnerable low-income seniors, the disabled and families with young children. We respectfully request that LIHEAP be at least level funded at \$4.1 billion, but ideally fully funded at \$5.1 billion²⁴ to help more low-income households avoid the painful choice between the energy bill or medicine or food.

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¹⁹ Shelby Hall, "Home Structure Fires" (April 2023) at 4, available at https://www.nfpa.org/education-and-research/nfpa-research/fire-statistical-reports/home-structure-fires.

²⁰ CDC Morbidity and Mortality Weekly Report (MMWR), Vol.73, No.15 (April 18, 2024), "Heat-Related Emergency Department Visits – United States, May-September 2023" available at https://stacks.cdc.gov/view/cdc/154201.

²¹ Howard JT, Androne N, Alcover KC, Santos-Lozada AR. Trends of Heat-Related Deaths in the US, 1999-2023. *JAMA*. 2024;332(14):1203–1204. doi:10.1001/jama.2024.16386, available at https://jamanetwork.com/journals/jama/fullarticle/2822854?guestAccessKey=53b50a89-0945-4117-a662-5e1e1484ebce&utm_source=For_The_Media&utm_medium=referral&utm_campaign=ftm_links&utm_c ontent=tfl&utm_term=082624&mc_cid=e8ed01b9e4#google_vignette 8.

²² CDC, "Extreme Heat: A Prevention Guide to Promote Your Personal Health and Safety" available at http://emergency.cdc.gov/disasters/extremeheat/heat_guide.asp.

²³ See e.g., joint letter from 230 state legislators from 38 states urging congressional leadership to restore the federal staff responsible for administering LIHEAP, available at https://www.ncelenviro.org/articles/state-legislators-call-for-reinstatement-of-federal-liheap-staff-to-safeguard-critical-energy-assistance-program/.

²⁴ 42 U.S.C. §8621(b).