

SOLUTION: STICK TO THE ENABLING LAW.

Background:

Congress addressed these inequities in 1984. The program was amended to direct more help to hot, poor, fast-growing, and high-energy-cost states. Congress added a new formula to guide funding over the \$1.975 billion threshold. It utilizes the latest-available poverty, price and demographic data, and its formula weighs heating and cooling costs equally.

How LIHEAP's enabling law is ignored:

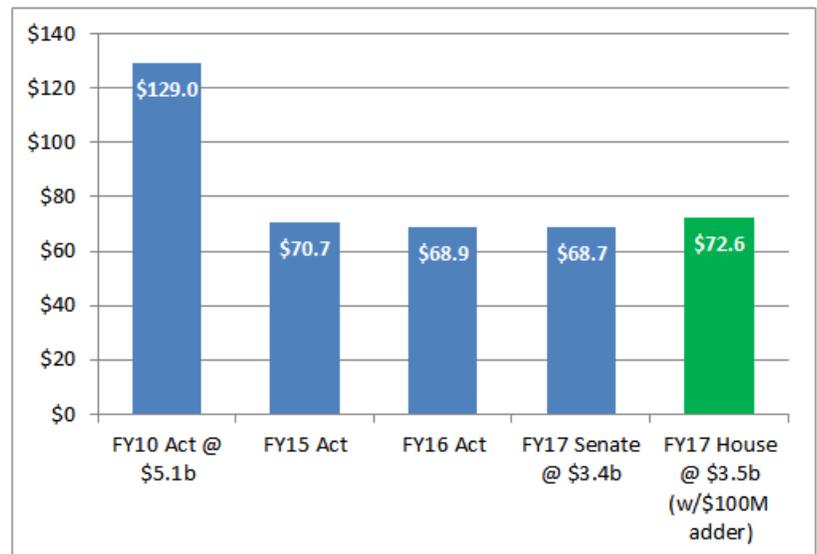
Instead of following the underlying statute in the appropriations process, funds are diverted back to states already benefiting from 35-year old data and the first formula's bias toward heating. This maneuver takes today's funding back to the 1970s—when prices, demographics and conditions were much different. For example, as a result of the current inequitable process, one state has received enough funding to serve as much as half of its eligible families while another state received enough to reach just four percent. These disparities are the consequence of overriding

Florida impact:

Under a \$3.4 billion U.S. appropriation, the first \$1.975 billion spent on the program is allocated through LIHEAP's old formula. The next \$1.4 billion should flow through its new formula to help states like Florida. But under the altered appropriations language, only \$491 million of today's funding above \$1.975 billion is allowed to actually adhere to the process spelled out in LIHEAP's enabling law. The green bar (right) shows the increase in Florida funding given an additional \$100M allocated via the new formula.

LIHEAP's appropriations problem needs to be fixed for FY17. Congress can eliminate this diversion and increase funding for Florida even without increasing overall funding.

Florida's FY17 LIHEAP receipt improves if enabling law is followed, even if program is level-funded
(Millions of dollars)



Congress should:

- Strike the unfair language (as shown below):
“For making payments under subsections (b) and (d) of section 2602 of the Low Income Home Energy Assistance Act of 1981, \$3,390,304,000: ~~Provided, That all but \$491,000,000 of this amount shall be allocated as though the total appropriation for such payments for fiscal year 2016 was less than \$1,975,000,000: Provided...~~”
- Or raise the language's artificial \$491 million “cap” to conform more closely to enabling law.
- Put all funding in base grants, and reject efforts to shift resources to other states.



FLORIDA NEEDS ITS FAIR SHARE OF 2017 LIHEAP FUNDING.

Problem:

Florida isn't getting its fair share of federal home energy assistance funding. Under the current appropriation, only seven percent of the state's households needing and qualifying for LIHEAP funding are receiving it. A one-sentence adjustment within federal appropriations language and proposed in the President's Budget request could again enable some states to reach 50 percent. However, this language change defies the enabling law and comes at Florida's expense.

Remedy:

This unfair appropriations adjustment should be eliminated or at least curtailed, by allowing more FY17 funding to follow the path spelled out in LIHEAP's enabling law.

Why?

- U.S. LIHEAP funding has fallen 33 percent since 2010; and
- Congressional appropriations language on LIHEAP penalizes Florida.

Dollars appropriated under LIHEAP's first \$1.975 billion are always allocated by a formula that greatly favors cold-weather states and is exclusively guided by 1970s data. Use of this formula and outdated statistics shortchanges some New England and Mid-Atlantic states. This formula also negatively impacts the entire South and Southwest, where extreme heat is a serious threat to those LIHEAP is intended to help – low-income households with seniors, disabled members or small children.

More LIHEAP funds should go to the hottest and neediest states, including where the poorest Americans live today.

