

**FOR IMMEDIATE RELEASE**  
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## **KENNEDY, COLLEAGUES FIGHT TO PROVIDE LIHEAP FUNDS FOR MILLIONS**

Washington, D.C.—Today, Senate Democrats led by Senators Edward M. Kennedy and Jack Reed offered an amendment to the Tax Reconciliation bill to provide 2.92 billion dollars in federal assistance to low-income and elderly residents for energy assistance. The funding would be paid for by using windfall profits from oil companies seeing record profits this year. This is the fourth amendment this year that Senator Kennedy has offered in support of providing energy assistance dollars to America's low-income and elderly residents in preparation for the long winter months ahead.

LIHEAP, the Low Income Home Energy Assistance Program, grants aid to low-income families who can't afford the steep cost of energy. The number of households receiving this assistance has increased from 4 million in 2002 to 5 million this year, the highest level in ten years.

“Providing energy assistance to the poorest citizens of this country during the harsh winter months should be America's top priority, but sadly the Administration continues to focus on misplaced priorities, Senator Kennedy said. “In spite of Katrina, the Administration continues to close their eyes to the long-term needs of the poor.”

Families throughout the nation are likely to face higher heating bills this winter. On average, households heating primarily with natural gas will pay about \$350 (48 percent) more this winter for heat, and those relying primarily on oil will pay about \$378 (32 percent) more. Forecasts of a cold winter and high fuel costs mean that the elderly, the disabled, and many others will be forced to make painful choices between heating their homes and paying for food, health care, and rent – unless we act now.

The Bush Administration has closed their eyes to the long-term needs of the poor, freezing LIHEAP funds and cutting the Community Services Block Grant. According to ABCD, a community action agency in Massachusetts whose neighborhood network handles the outreach and application process for LIHEAP, the cut in Community Services Block Grant funding through the Continuing Resolution means that access to this critical survival resource will shrink by more than 70%. Up to 10,500 households—out of a current total of 15,000 recipients--may not get their benefits.

Senator Kennedy Floor remarks in support of the amendment follow, as well as statistics on how LIHEAP assistance affects Americans.

**Statement of Senator Edward M. Kennedy on LIHEAP**  
**November 17, 2005**  
**(As prepared for delivery)**

While our Republican colleagues propose to slash low-income programs even further to pad the pockets of the wealthy, Democrats continue to focus on the urgent needs of the most vulnerable in our society.

LIHEAP—the Low Income Home Energy Assistance Program—is a case in point. Time and time again, Democrats have voted overwhelmingly to increase funds for LIHEAP, and time and time again, our Republican colleagues have voted no.

Winter is coming, and it could easily become a perfect storm of high energy prices, bitter cold, and too little heat for those in need. Unless we act now, the poor across the country may well become the victims of a major aftershock from the Hurricanes in the Gulf.

Unfortunately, it's clear that Republican priorities do not include the needs of the poor. In October, OMB Director Joshua Bolten held a press conference to discuss the President's plans for a supplemental appropriations bill. When asked if the President planned to include funds for low-income home energy assistance in his supplemental package, Director Bolten replied, "Gee, I forget what LIHEAP stands for, but the heating and energy assistance program, I guess -- there is not a request contained in this reallocation for that purpose."

There's no excuse for the Bush Administration and the Republican Congress to look the other way in the face of worsening poverty—but they do. They haven't even taken the time to learn the name of the program that could keep millions of Americans warm this winter if it's properly funded.

LIHEAP was created over 20 years ago to prevent low-income families from making impossible choices between heat, food, health care, or rent. But federal funding for LIHEAP has been stagnant for over a decade, even as the need for assistance has risen constantly. As a result, the purchasing power of LIHEAP this year, adjusted for inflation, is now only a little over half what it was when LIHEAP was created in 1982.

33 million households are now eligible for this assistance. These households will spend nearly \$55 billion in energy costs—and LIHEAP is funded at only \$2 billion.

According to the National Energy Assistance Directors' Association, LIHEAP now reaches 5 million families—the highest level in ten years, but only 15 percent of the eligible population.

In Massachusetts, LIHEAP serves 134,000 families, but 867,000 families are eligible for assistance.

I recently heard from Patsy Lewis, the Executive Director of the Worcester Community Action Council, which has 3,500 households eligible for LIHEAP assistance. That's up from last November when the number was 2,500.

Patsy Lewis said that under this year's program, the maximum benefit is only \$765 for the heating season, for a household at 100 percent of the poverty level—enough for only about one tank of oil for the winter.

Our failure to increase LIHEAP funds continues to put millions of our fellow citizens at risk. But the Bush Administration and the Republican Congress are telling the elderly, the disabled, and children across America that it doesn't matter if they have no heat this winter—they aren't a priority.

Earlier this year, the Taunton Gazette reported on a couple applying for LIHEAP funds. Rebecca, who has an 11-month-old son and is four months pregnant, walked into the Citizens for Citizens office in Massachusetts with tears streaming down her face, and asked for help. Her husband is a construction worker who usually makes about \$35,000 a year, but the bad weather has heavily reduced his work load, and now he's struggling to support his family on a much lower budget. Rebecca has thought about taking on a job again, but because of her pregnancy she knows a prospective employer would be reluctant to take her on for just a couple of months. "We're trying to keep our heads up," Rebecca said. "It can't keep going on like this."

Rebecca and her family are playing by the rules. But even though they've done nothing wrong, they aren't a priority for the Bush Administration or the Republican Congress.

The need for LIHEAP is increasing, because home heating bills are sky-rocketing, yet Congress refuses to provide enough funds for LIHEAP to even keep up with inflation. That's why I support this amendment. It will increase LIHEAP funds to \$5.1 billion—the level authorized in the Energy Policy Act.

LIHEAP is indispensable. It's wrong for Congress to shortchange millions of families who need our help the most. It's especially irresponsible to deny help now, when the need is so obvious for all to see. We've got to stop condemning millions of our fellow citizens to the silent slavery of poverty. I urge my colleagues to support this important amendment.

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**FACT SHEET ON ENERGY COSTS AND LIHEAP --- MASSACHUSETTS**

- In Massachusetts, LIHEAP serves approximately 130,000 households—between 14,000 and 15,000 in Boston.
- And the need for LIHEAP is increasing. So far Massachusetts has taken 81,400 applications for assistance compared to the 70,500 last year—and increase of almost 11,000.
- The maximum benefit for Massachusetts is only \$765 for the heating season, for a household at 100 percent of the poverty level—enough for only about one tank of oil for the winter.
- In Massachusetts, the average price of heating oil --- which nearly 40 percent of households use to heat their homes --- is 20 percent more than it was a year ago.
- The average household that uses natural gas to heat their homes --- as 40 percent of Massachusetts households do --- will see their bills grow by 30 percent this year.
- And given that nearly 40 percent of the New England region's electrical capacity is generated by natural gas, the 20 percent of households in Massachusetts that use electricity to heat their homes could be in for a price shock as well.
- Even the cost of a cord of wood for wood-burning stoves is higher this year, by about half.

## **FACT SHEET ENERGY COSTS AND LIHEAP – NATIONAL OUTLOOK**

- According to the Energy Information Administration, on average, households heating primarily with natural gas will pay about \$306 (41 percent) more this winter for heat, and those relying primarily on oil will pay about \$325 (27 percent) more.
- Federal funding for the LIHEAP program has been stagnant for over a decade. If you adjust for inflation, the purchasing power of LIHEAP funding this year is only a little over half of what it was in 1982. (Which amounts to a cut of \$1.6 billion).

□□□□□ The number of households receiving LIHEAP assistance has increased from 4.2 million in FY02 to close to 5 million this year, the highest level in 10 years. Yet, the program only serves about 15.6 percent of eligible recipients.

- 33 million households are eligible for LIHEAP assistance. Combined, these houses will spend nearly \$55 billion, compared to the \$2 billion available for LIHEAP.
- 94 percent of household served by LIHEAP funds have at least one member who is elderly, disabled, a child under 18, or has a single adult living with one or more children.
- The average LIHEAP household has an income of less than \$10,000.
- Households in poverty will owe an average of 25% of their entire annual income for their energy bills.
- At the projected level of family expenditures needed to keep LIHEAP-eligible homes normally warm or cool with their essential appliances running (an average of about \$1936 in FY06), the 2005 LIHEAP average benefit of \$318 would cover less than 15 percent of the average bill.

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