



FLORIDA ENERGY AFFORDABILITY COALITION

"Public, private, government and nonprofit organizations partnering to make energy more affordable for low-to-moderate income Floridians"

April 9th, 2009

FLEAC Leadership Team

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Vice Chairperson
John Edwards

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Hilda Frazier

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Jennifer Felder

Coalition Members

Florida Council on
Aging

Florida Association for
Community Action

Florida Association of
Area Agencies on Aging

Florida Department of
Community Affairs

Florida Department of
Elder Affairs

Florida Electric
Cooperatives
Association

Florida Municipal
Electric Association

Florida Power & Light Co
Gulf Power Company

Progress Energy FL

The Salvation Army

Tampa Electric Company

Florida Public Service
Commission (Advisor)

The Honorable Mel Martinez
United States Senate
356 Russell Senate Office Building
Washington DC20510

Re: Low Income Home Energy Assistance Program (LIHEAP) funding for FY 2010

Dear Senator Martinez:

While families across the nation are already making tough choices regarding their spending, and given our shared interests and on behalf of the citizens of Florida, the **Florida Energy Affordability Coalition (FLEAC) wants you to know that we too are concerned about the health, safety and well-being of all families in our great nation.**

FLEAC's mission is to facilitate assistance to improve the well-being of families experiencing difficulty paying for energy. As such, we are working to bring together public, private and nonprofit sector organizations seeking to make energy more affordable for low-to-moderate income Floridians – and **we need your help!**

Given today's economic situation, and the likely increases in energy bills in the foreseeable future, the need for LIHEAP is strong and is expected to remain so as energy prices remain unaffordable for the poor and unemployment rates are high. **As such, FLEAC strongly endorses the "Dear Colleague" letter from Senators Reed and Stowe, and urges you to sign on in support of maintaining LIHEAP funding at \$5.1 billion for FY 2010.**

Specifically, President Obama's 2010 budget proposes \$3.2 billion for LIHEAP, or a reduction of almost \$2 billion from this year's funding. In addition, it is tied to a new trigger mechanism that may, but likely will not, provide for limited additional funding. This new trigger mechanism clearly favors heating fuels over electricity, so it's unlikely that Florida would ever see any additional funding that might be released.

As Congress assesses LIHEAP funding for FY 2010, please consider the following facts:

- LIHEAP's \$5.1 billion nationwide appropriation for FY 2009 netted \$101.7 million for Florida, based on the "old" formula
- Even with the increased funding, we expect no more than 15-20% of eligible Florida households will receive assistance, well below the national average of over 25%
- Such reductions, if allowed to occur, will fall most heavily upon our state, where - depending on how the US funds are parsed by Congress - the reduction could be as large and as severe as a 75% loss to Florida, reinstating traditional funding levels of around \$27-28 million.

Florida Energy Affordability Coalition

9250 West Flagler Street, Suite 6451, Miami FL 33174

Phone: (305) 552-3274 Website: www.FLEAC.net

- If the program were to be cut to \$3.2 billion next year, it would likely result in the loss of funding for up to two million otherwise eligible households nationwide, including tens of thousands in Florida.
- Cutting the program back in this fragile economy will only make matters worse for those already at the greatest risk.

The best way to prevent this scenario is to ensure LIHEAP is again fully funded, which means it again needs a \$5.1 billion appropriation in FY2010.

In order to benefit Florida's families in need, funds must be substantially allocated to base grants, and the program's Tier 2 and Tier 3 ("new") formula elements must be used to control the allocation of these grants. Doing so will mean that all states get a fair share of the new funding – and families in all the states of this great nation will have increased opportunity to apply for this much-needed assistance. Specifically, if the new formula is applied, Florida's share of the \$5.1 billion for FY 2010 should exceed \$135 million.

Therefore, the members of the Florida Energy Affordability Coalition listed below urge you to support that LIHEAP is funded to the fully authorized level of \$5.1 billion for FY 2010.

- Florida Council on Aging
- Florida Association for Community Action
- Florida Association of Area Agencies on Aging
- Florida Department of Community Affairs
- Florida Electric Cooperatives Association
- Florida Municipal Electric Association
- Florida Power & Light Co
- Gulf Power Company
- Progress Energy FL
- The Salvation Army
- Tampa Electric Company

Thank you for your leadership, for your commitment to ensuring the well-being of all Florida families, and for your support of this request.

Sincerely,

John Edwards
Vice Chairperson
Florida Energy Affordability Coalition

cc: The Honorable Tom Harkin, Chairman - Committee on Appropriations, Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies

The Honorable Arlen Specter, Ranking Member - Committee on Appropriations, Subcommittee on Labor, Health and Human Services, and Education, and Related Agencies

FLEAC Coalition representatives