

Appropriations Committee

SSB 5717

Brief Description: Funding the low-income energy assistance program.

Sponsors: Senators Brown, T. Sheldon, Fraser, Regala, Kline, Franklin, Winsley, Kohl-Welles, Shin, McAuliffe, Spanel, Costa, B. Sheldon and Rasmussen.

Brief Summary of Bill

- *Appropriates \$2 million General Fund State and \$4 million General Fund Federal for the low income home energy assistance program.*

Hearing Date:

Staff: Linda Brooks (786-7153).

Background:

The Low Income Home Energy Assistance Program (LIHEAP) is a federally funded block grant program that resides within the Department of Community, Trade and Economic Development. The program allocates federal funds for assistance to low income households for weatherization services (15 percent) and the Energy Assistance Program (85 percent). The Energy Assistance Program provides funds to pay a portion of home heating costs. Funds are provided to low income households through a service network of 27 state contractors consisting of 24 nonprofit organizations and three local governments.

Eligibility for the program is restricted to household incomes below 125 percent of poverty. According to the 1990 census, there are 275,000 households in Washington with incomes below 125 percent of poverty. During program year 2000, the LIHEAP assisted 47,000 households. Energy assistance program benefits are based on household annual heating costs, family size, and income. The benefit amount ranges from 50 percent to 90 percent of actual heating costs. The minimum benefit is \$25 and the maximum is \$700. The average statewide assistance in 2000 was \$300.

The program's budget for federal fiscal year 2001 was based on a preliminary estimate of

the federal allocation. The final budget passed by Congress in December 2000 for federal fiscal year 2001 provided more funding than originally anticipated.

For state fiscal year 2001 the regular federal award is \$22 million for low-income energy assistance programs. However, the final budget passed by Congress appropriated additional funds. Total federal funding, including the base award, for fiscal year 2001 is \$40 million.

Summary of Bill:

\$2 million of the General Fund State and \$4 million of General Fund Federal is appropriated to the Low Income Home Energy Assistance Program within the Department of Community, Trade and Economic Development for energy cost assistance to low income households.

Appropriation: *\$2 million General Fund State, \$4 million General Fund Federal.*

Fiscal Note: *Not Requested.*

Effective Date: *The bill contains an emergency clause and takes effect immediately.*