

SENATE BILL REPORT

SB 5717

As Reported By Senate Committee On:
Ways & Means, February 1, 2001

Title: An act relating to the low-income energy assistance program.

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 History:

Committee Activity: Ways & Means: 2/1/01 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5717 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Kline, Long, Parlette, Rasmussen, Regala, Roach, B. Sheldon, Snyder, Spanel and Thibaudeau.

Staff: Michael Groesch (786-7434)

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. Approximately 47,000 households, or 17 percent of the eligible population, received benefits during the 2000 program year. 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.

The program's budget for federal fiscal year 2001 was based on an estimated allocation of \$21.9 million. The final budget passed by Congress in December 2000 for federal fiscal year 2001 provides \$28 million to the state of Washington.

Summary of Substitute Bill: \$2 million of the state general fund and \$4 million of general fund federal appropriation is provided to the Low Income Home Energy Assistance Program within in the Department of Community, Trade and Economic Development for energy cost assistance to low income households.

Substitute Bill Compared to Original Bill: The original bill was not considered.

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.

Testimony For: There is a need to address the problem quickly during the current heating season. Only 17 percent of the currently eligible population is being served. There are many more people with needs who are not receiving assistance.

Testimony Against: None.

Testified: PRO: Busse Nutley, Office of Community Development; Will Graham, OCD; Reverend Lonnie Mitchell, Spokane Neighborhood Action Programs; Kathryn Crum, Avista; Larry Stuckart, WA Assn. of Community Action Agencies; Dave Danner, Office of Financial Management.