



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: February 21, 2006
TO: Legislative Finance Committee
FROM: Marilyn Daumiller
RE: Low Income Energy Assistance Program (LIEAP)
Update As of February 20, 2006

As of February 20, 2006, there were 16,726 approved LIEAP cases representing a nine percent increase in approved cases over the same point in last year's heating season. The Department anticipates serving a total of approximately 22,500 households this year and estimates an annual benefit payment of \$459 per household. At current fuel prices, \$459 will cover approximately 38 percent of the average LIEAP household's annual heating costs.¹ Last year's average benefit of \$477 covered approximately 50 percent of the average household's annual heating costs.

In addition to federal and general funds of more than \$14 million appropriated by the 2005 Legislature², the Governor added \$1.5 million general fund through Executive Order 25, and the state received an additional \$3.15 million federal funds.

Federal and state funds for LIEAP are:

- o \$14.3 million of federal funding available for the current heating season comprising \$10.1 million in heating assistance and client education benefits, \$1.9 million in weatherization assistance, \$1.1 million for state and local administration and planning, \$.6 million in emergency assistance benefits, and \$.6 million for advance purchase of propane for next heating season.
- o \$500,000 general fund appropriation in House Bill 2 that provides \$190,361 of heating assistance benefit funding for the current winter. It also provides \$87,403 for tribal LIEAP programs and \$222,236 for the Governor's Warm Hearts Warm Homes initiative.

¹ Assumption: Base heating fuel prices: \$12.32/DKT natural gas; \$.0813/KWH electricity; \$1.71/gallon propane; \$2.92/gallon fuel oil; \$90/cord of wood; and \$65/ton of coal.

² The legislature approved \$19.5 million with the balance going toward additional weatherization and Tribal programs.

- o \$2.5 million from the Governor's Executive Order 25 that provides for heating assistance benefits. However, it contains a stipulation that “. . . if federal funds above the \$14,351,000 Montana anticipates are realized, general funds will be returned to the state treasury at a one to one ratio”. The funds approved by Congress exceeded this amount by about \$700,000 thereby reducing the \$2.5 million to about \$1.5 million available for state LIEAP benefits as well as \$.3 million for Tribal heating assistance benefits described below.

There are six reservations in Montana that manage LIEAP programs independently of the state administered program. The six reservations report benefit amounts and households served directly to the U.S. Department of Health and Human Services (HHS). These programs are operated on the Northern Cheyenne, Fort Belknap, Fort Peck, Rocky Boys, Flathead and Blackfeet Reservations. The HHS report for the 2004 heating season shows that 4,896 received heating assistance and/or emergency support. The federal Tribal support is estimated at \$2.6 million for the 2006 heating season.

Low-income energy assistance for the Crow Reservation is administered through the District VII HRDC in Billings under the state LIEAP Program. For the 2005 heating season, 1,181 households were served.

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