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Federal Low Income Home Energy Assistance Grants for LIHEAP Decline to Lowest Level in Five Years

The National Energy Assistance Directors' Association (NEADA), representing the state directors of the Low Income Home Energy Assistance Program (LIHEAP), today released a study finding that between the winter heating season of 2001-02 and 2005-6, the share of heating expenditures covered by the average LIHEAP grant is projected to decrease for heating oil from 50.9% to 19.5%; natural gas from 68.6% to 28.8% and propane from 43.4% to 22.4%.

The drop is because of three factors:

- Since the winter heating season 2001-02, the price of home heating costs for heating oil increased from \$627 to \$1474, natural gas from \$465 to \$1000 and propane from \$736 to \$1286.
- The number of families receiving LIHEAP grants during this period is projected to increase by 33.1%, from 4.2 million in to 5.6 million, while the federal appropriation has increased by only 20.1% from \$1.8 billion to \$2.16 billion
- As a result, average grant assistance for home heating during has decreased by 9.8% from \$319 to \$288.

As a result of the declining value of the average LIHEAP grant, NEADA has called on the Congress to increase federal funding for LIHEAP from the current level of \$2.16 billion to \$5.1 billion, in order to provide sufficient funding this year to cover winter heating and summer cooling expenditures.

Table 1 Est. Average % of Home Heating Purchased with LIHEAP (01-06)

Fiscal Year	Heating Oil	Natural Gas	Propane
2002	50.9%	68.6%	43.4%
2003	34.0%	53.9%	34.9%
2004	32.5%	44.8%	30.5%
2005	26.9%	43.4%	29.3%
2006(estimated)	19.5%	28.8%	22.4%

Table 2 Est. Change in Home Heating Costs (01 – 06)

Winter Heating Season	Heating Oil	Natural Gas	Propane
2001-02	\$627	\$465	\$736
2002-03	\$951	\$600	\$928
2003-04	\$903	\$655	\$962
2004-05	\$1,199	\$743	\$1,102
2005-06	\$1,474	\$1,000	\$1,286
% Change 02-06	135.1%	115.1%	74.7%
% Change 05-06	22.9%	34.6%	16.7%

Table 3: Change in LIHEAP Appropriation (FY 02- 05)

Fiscal Year	Appropriation (in thousands)	# of Households (in thousands)	Average Grant
2002	\$1,800,000	4,230	\$319
2003	\$1,988,300	4,610	\$323
2004	\$1,888,790	4,828	\$293
2005	\$2,186,390	5,083	\$323
2006	\$2,161,200	5,631	\$288
% Change 02-06	20.1%	33.1%	-9.81%

Sources: Energy Information Administration and state LIHEAP agencies.