

## MEMORANDUM

**To:** Members of Senate Finance Committee  
**From:** Ken Schatz  
**Re:** Fuel Assistance Program Summary  
**Date:** April 19, 2016

### Fuel Program Funding (Seasonal & Crisis)

- |            |                        |      |                     |                    |
|------------|------------------------|------|---------------------|--------------------|
| • FFY2013: | Federal \$18.4 million | plus | State \$9.7 million | Avg. Benefit \$898 |
| • FFY2014: | Federal \$19.1 million | plus | State \$8.1 million | Avg. Benefit \$792 |
| • FFY2015: | Federal \$18.9 million | plus | State \$5.0 million | Avg. Benefit \$783 |
| • FFY2016: | Federal \$18.9 million | plus | State \$3.3 million | Avg. Benefit \$663 |

### Seasonal Fuel Assistance

- Seasonal Fuel Assistance is a supplemental program to pay a portion of a household's winter heat
- Applications are processed year-round (approx. 48,000/year) by DCF/ESD
- Grants are provided from late September (firewood/pellets) through mid-March (all fuels)
- Approx. 22,619 households are projected to receive a "fuel-liability" benefit in FFY2016
- Average FFY2016 "full-season, full-fuel-liability" benefit is projected at \$663
- Income eligible up to 185% of Federal Poverty Level; example: 3-person household maximum income is \$3,097/month; \$37,164/yr.
- Benefits for: home owners or renters; heat or heated rental; fuel or metered utility
- Federal Requirement: Benefits based on client "*need*" (financial need and energy burden)
- "Heat-&-Eat": annual \$21 fuel benefit to an additional 22,065 households which leverages additional 3SqsVT benefits

### Crisis Fuel Assistance

- Applications processed, grants given and paid by Vermont's five Community Action Agencies
- Crisis season: last Monday in November to the last business day in April, or until funds run out
- After-Hours crisis assistance is available statewide 8:30 a.m. to 4:00 p.m. Saturdays, Sundays and state holidays for households with a "vulnerable" member (elderly; age 60 or older, living with a disability; in receipt of permanent disability benefits; or has young children under the age of 6)
- Available up to 200% of Federal Poverty Level; example: 3-person household maximum income is \$3,348/month; \$40,176/yr.
- One grant per season for households with incomes up to 185% FPL; two grants for households between 186 and 200% FPL.
- Clients receiving Seasonal Fuel can also receive Crisis Fuel
- Less than 6,000 households are projected to be assisted in FFY2016



**LIHEAP Administrative Costs**

- 10% of the Federal LIHEAP Block Grant for FFY 2016 is available for administrative costs which are \$1,896,516
- DCF Administrative costs for seasonal fuel program (state funds) are \$1,103,484
- Administrative costs for crisis fuel program (state funds), administered by the Community Action Partners, are \$500,000
- Total administrative costs for 2016-2017 Fuel Season are \$3,500,000

\*\* Scenarios in table below assume a level-funded LIHEAP Block Grant (\$18.9M) A lack of State funding for households greater than 150% of the FPL will affect those who currently receive a "Heat-and-Eat" benefit, reducing the household benefit for 3SquaresVT.

<b>LIHEAP/Weatherization Funding Exchange Scenarios For SFY 2017</b>		
<b><u>H.875 House Appropriations Funding Scenario</u></b>		
	<b><u>LIHEAP</u></b>	<b><u>Weatherization</u></b>
Net Result of 15% LIHEAP Block Grant Exchange*	1,600,000	2,800,000
Carry-forward of State Funds from SFY16 to SFY17 (State-funded portion of Fuel Dealer Refunds)	500,000	N/A
Total State Funds	2,100,000	2,800,000
Less: State-funded Admin. costs	(1,600,000)	TBD
Net Funds Available	500,000	2,800,000
<b><u>Full "Swap" Funding Scenario</u></b>		
	<b><u>LIHEAP</u></b>	<b><u>Weatherization</u></b>
Net Result of 15% LIHEAP Block Grant Exchange*	2,800,000	2,800,000
Carry-forward of State Funds from SFY16 to SFY17 (State-funded portion of Fuel Dealer Refunds)	500,000	N/A
Total State Funds	3,300,000	2,800,000
Less: State-funded Admin. costs	(1,600,000)	TBD
Net Funds Available	1,700,000	2,800,000

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