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*Agency of Human
Services*

Memorandum

To: Jenney Samuelson, Secretary, Agency of Human Services
Rich Donahay, Chief Financial Officer, Agency of Human Services
From: Sean Brown, Commissioner, Department for Children and Families
Subject: FY23 LIHEAP
Date: September 8, 2022

DCF sees the need to mitigate the impact of rising heating fuel costs and its negative impact on the heating fuel purchasing power of Low Income Home Energy Program (LIHEAP) beneficiaries with their FY23 benefit. Consequently, DCF requests a total of \$11.1 million of state funds to protect vulnerable Vermonters this winter, \$10.1 million for seasonal fuel benefits and an additional \$1 million for crisis fuel.

Based on a projection provided using current costs of \$4.75 per gallon in the coming winter, the average benefit in FY23 with the LIHEAP base funding will be \$744 or 157 gallons. This benefit will barely provide a half tank of fuel for a household's winter heating needs. For every \$1 million invested, the average benefit increases by \$58. \$10.1 million will provide households an average benefit of 249 gallons (\$1,324). Additional money is also needed to support the crisis fuel program run by the community action agencies. In FY22, \$2 million in crisis fuel benefits were provided to Vermont households. With the increased cost of heating fuel, the community action agencies could utilize an additional \$1million, for a total of \$3 million in funding. This additional funding would allow DCF to provide a benefit comparable to the average historical purchasing power for this program (a historical average of 33%).

Please see the accompanying charts which break out the SFY23 benefit with and without the requested \$10.1 million. One chart focuses on SFY23 options relative to SFY22. The other provides a longitudinal look at LIHEAP purchasing powers over time.

To assist with relieving the burden on households heating with oil and kerosene, ESD provided an early season benefit on September 7 utilizing unspent LIHEAP ARPA funds. That benefit run provided a \$625 benefit, enough to meet the minimum delivery of 125 gallons required by dealers. The benefit went to approximately 5,900 households at or below 128% of the federal poverty level. This additional benefit fully expended the ARPA funds. Had DCF not spent the remaining FY22 ARPA LIHEAP funding by September 30, 2022 remaining funding would have been returned to the federal government.

These efforts, along with the request for additional state funding work to help support Vermonters with heating needs in anticipation of the continued challenges that fuel costs and the onset of colder weather present. At this time it does not appear that additional federal LIHEAP funding will be made available to states. If this changes, DCF will utilize any additional federal funds first and only use the requested state funds to supplement that federal money to provide the level of benefit outlined above.

These funds need to be in hand for distribution during the initial benefit run in mid-November. Because of the time sensitivity, this request is coming outside of the budgeting process.

LIHEAP Funding & Benefit Stats Compilation

DRAFT 9/8/22

SFY	LIHEAP Total	LIHEAP Carry-Over (1)	State Funds	TOTAL FUNDS		Fuel Liability Households	Full Season Fuel Liability Avg. Benefit O/P/K	Nov-Apr Avg cost petro/gal (2)	Purchase Power Gallons / %age (3)	SFY
2023	\$21,000,000	\$1,000,000	\$3,066,942	\$25,066,942	Households >128% FPL	14,000	\$744	\$4.75	157/21%	2023
	<i>*without state funding</i>				Households 128% FPL and below	6,000	\$1,369	\$4.75	288/38%	
2023	\$21,000,000	\$1,000,000	\$13,066,942	\$35,066,942	Households >128% FPL	14,000	\$1,324	\$4.75	249/36%	2023
	<i>*with \$10m in State Funding</i>				Households 128% FPL and below	6,000	\$1,949	\$4.75	410/54%	
2022	\$47,361,943	\$2,000,000	\$3,066,942	\$52,428,885		18,728	\$1,893	\$3.67	516/68%	2022
2021	\$15,746,232	\$7,073,509	\$3,066,942	\$25,886,683		18,015	\$1,096	\$2.24	489/64%	2021
2020	\$18,257,418	\$1,467,240	\$3,066,942	\$22,791,600		18,725	\$798	\$2.60	307/ 40%	2020
2019	\$17,546,576	\$945,866	\$2,899,704	\$21,392,146		19,768	\$715	\$2.57	278/ 36%	2019
2018	\$16,120,387	\$3,706,712	\$2,967,984	\$22,795,083		20,526	\$849	\$2.65	320 / 42%	2018
2017	\$16,181,020	3,646,376	3,837,000	23,664,396		21,286	\$831	\$2.16	385 / 50%	2017
2016	\$14,664,644	\$1,939,626	\$2,857,970	\$19,462,240		22,618	\$699	\$2.11	331 / 43%	2016
2015	\$18,965,161	\$2,074,954	\$5,000,000	\$26,040,115		25,147	\$783	\$2.87	274 / 36%	2015
2014	\$19,140,144	\$591,060	\$8,100,000	\$27,831,204		26,625	\$792	\$3.62	219 / 29%	2014
2013	\$18,359,509	\$1,583,684	\$9,700,000	\$29,643,193	(4)	27,776	\$898	\$3.85	233 / 31%	2013
2012	\$19,529,156	\$4,005,000	\$6,100,000	\$29,634,156		27,100	\$900	\$3.61	249 / 33%	2012
2011	\$27,557,850	\$6,687,000	\$0	\$34,244,850	(5)	26,546	\$866	\$3.31	262 / 34%	2011
2010	\$27,341,881	\$5,447,000	\$0	\$32,788,881		20,399	\$1,064	\$2.68	397 / 52%	2010
2009	\$38,642,377	\$363,000	\$0	\$39,005,377	(6)	19,227	\$1,718	\$2.62	656 / 86%	2009
2008	\$16,883,723	\$1,780,000	\$5,898,032	\$24,561,755	(7)	15,369	\$1,362	\$3.24	420 / 55%	2008

- (1) The carry-over amounts are as of June 30 State Fiscal Year 2020 close-out plus pending fuel dealer refunds
- (2) 2021 Heating Season "Blended price" for oil/propane/kerosene including MOR/DOR discounts
- (3) Assumes average winter consumption of 764 gallons for a delivered petro fuel (oil/propane/kerosene)
- (4) Includes \$130,000+ in non-block grant LIHEAP funds
- (5) Income maximum increased from 156% federal poverty level gross per month to 185% fpl, and resource test eliminated
- (6) In July 2008 - heating oil approached \$5.00/gallon
- (7) State Funds Contributed Prior to SFY 2008: SFY2007 \$590,769; SFY2006 \$10,200,000; and SFY 2005 \$1,000,000
No state funds were contributed to LIHEAP prior to FFY2005

* LIHEAP Totals for 2016 - 2021 are total federal block grant awarded during the respective fiscal years less the 15% transfer to Weatherization

** 2016 LIHEAP block grant award is less \$2.8M transfer to Wx and less 10% of block grant, which was carried over into 2017. Projected 2017

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						<i>*this includes a Sept 2022 \$625 payment per household</i>				
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						<i>*this includes a Sept 2022 \$625 payment per household</i>				
2022	\$47,361,943	\$2,000,000	\$3,066,942	\$52,428,885		18,728	\$1,893	\$3.67	516/68%	2022
						<i>*this includes a late season \$325 payment per household</i>				