

LIHEAP Full Season Fuel Liability

Possible Benefit Projections for FFY2011

National Funding of \$3.2B = \$16.2M for Vermont **

\$665 Average Full Season Benefit for Prior Income group (19,275 households)
Households Below 155% "Gross" (formerly 125% "Net")
Compared to \$1,136 in FFY2010

\$665 covers 33% of a client's average winter heat cost *

\$270 Average Full Season Benefit for New Income group (4,555 households)
From 155-185% "Gross" (above the former max. of 125% "Net")
Compared to \$--0-- in FFY2010

\$270 covers 13% of a client's average winter heat cost *

** Funding at this level would likely result in the release of contingency funds.

National Funding of \$5.1B = \$25.6M for Vermont

\$930 Average Full Season Benefit for Prior Income group (19,275 households)
Households Below 155% "Gross" (formerly 125% "Net")
Compared to \$1,136 in FFY2010

\$930 covers 46% of a client's average winter heat cost *

\$380 Average Full Season Benefit for New Income group (4,555 households)
From 155-185% "Gross" (above the former max. of 125% "Net")
Compared to \$--0-- in FFY2010

\$380 covers 19% of a client's average winter heat cost *

* Assumes averages of \$2.65/gallon and 764 gallons.

LIHEAP Seasonal Fuel Assistance
Eligible Caseload Projections for FFY2011
Compared to FFY2010

	"Net" 125%* FFY2010	"Gross" 185% FFY2011
Fuel Liability	18,000	24,365
Section 8 Fuel Liability	2,350	3,255
Fuel Liability Subtotal	20,350	27,620
Heated Renters	2,100	2,960
Roomers - \$50	925	1,070
Public Housing - \$5	4,425	5,100
3SquaresVT - \$3	0	9,000
TOTAL HHs ELIGIBLE	27,800	45,750

* 125% "Net" is approximately 155% "Gross"
of the federal poverty level

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STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

September 20, 2010

U.S. Senator Patrick Leahy
U.S. Senator Bernard Sanders
U.S. Representative Peter Welch

Dear Vermont Congressional Delegation:

The Joint Fiscal Committee recently heard testimony from representatives of Vermont's Low Income Home Energy Assistance Program (LIHEAP) regarding federal funding for the coming heating season. The committee was told that the Senate and the President support a national funding level of \$3.3 billion and that the House supports a national funding level of \$5.1 billion. These national funding levels translate into a basic block grant for Vermont of \$16.2 million and \$25.6 million, respectively. Last heating season Vermont received a block grant of \$25.6 million and contingency funds of \$1.8 million.

The Vermont General Assembly made several changes to the LIHEAP program last session, one of which was to address the benefit cliff for people over 125% of the federal poverty level. Two eligibility categories were established for households that must pay for their home heat. This expands the population of people eligible for benefits. At the time the legislation was passed it was acknowledged that the federal block grant would have to be spread over the two eligibility groups, resulting in a slightly lower benefit for the lower income group, while establishing a new eligibility group for the first time. The lower income group was given priority for funding to reflect their more urgent need. The number of eligible households that must pay for their home heat is projected to grow from 20,350 last heating season to 27,620 this coming season, a 36% increase. The total number of households receiving a Seasonal Fuel Assistance benefit is projected to grow from 27,800 last heating season to 45,750 this winter, an increase of 65% for all benefit categories.

At the full national funding for LIHEAP of \$5.1 billion the average benefit for Vermont's lower income group would be \$930 for the heating season compared to \$1,136 last winter. The newly eligible higher income group would receive an average benefit of \$380 compared to no benefit last winter as these families were over last year's income limit. Should LIHEAP be cut to \$3.3 billion the lower income group would receive an average benefit of \$665 and the higher income group a benefit \$270. It is estimated that the average household's cost for heating oil in Vermont is \$2,063.

The committee strongly urges the passage of the House funding level for the LIHEAP program. The higher funding level would enable the State to provide adequate benefits to both of the LIHEAP eligibility groups for the upcoming heating season. Please let us know if you would like any additional information or if we can provide any assistance in this effort.

Sincerely,


Representative Michael Obuchowski
Chair, Joint Fiscal Committee

