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Fuel crisis frustrates lawmakers

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MONTPELIER -- At today's fuel prices, if the state provided the same level of help as last year the Low-Income Home Energy Assistance Program would be \$19 million short. Should the state help beef up the program?

Fuel dealers, who will need more money to buy the same quantity of oil as in previous years, might not be able to extend their lines of credit to stretch that far. Can the state help back their credit?

The state's Clean Energy Development Fund has \$5 million available. Can it be used to help Vermonters absorb unprecedented heating costs?

The state's rainy-day fund has about \$60 million reserved for emergencies. Is this the kind of emergency that justifies tapping into the fund to provide relief for heating costs?

Those were among the issues floated Thursday as the Legislature's Joint Fiscal Committee held a special meeting to consider possible responses to a problem that members said is on the mind of virtually every Vermonter -- how to pay heating costs that have skyrocketed in the past year. The committee will meet again July 29.

"The first thing we need to do is get all the options on the table," said committee Chairwoman Susan Bartlett, D-Lamoille.

That more money will be needed was undisputed. State leaders want the federal government to come up with more low-income heating assistance money. Representatives of Vermont's congressional delegation said they are pushing for that and a vote is possible after the July 4 holiday.

Bartlett said she'd be willing to consider tapping into the state's rainy-day fund to help middle-income Vermonters who are not eligible for other programs make permanent energy-saving investments.

"I believe this is the sort of issue the rainy-day funds are for," she said. Finance Commissioner Jim Reardon disagreed.

That money, which is 5 percent of the state's overall budget, is set aside for unforeseen emergencies, he said. Tapping into it could hurt the state's bond rating and leave the state vulnerable if the economy continues to falter.

Neale Lunderville, co-chairman of the governor's task force on the issue, outlined several items the Douglas administration announced this month and said officials are looking into use of the Clean Energy Development Fund, though it's unclear how that money can be used. Those discussions are in the early stages, he said.

Lunderville outlined other efforts the administration has in the works, including use of the 211 help phone line to refer people for energy help starting July 1 and new plans to conduct 100 energy workshops across the state this fall at which Vermonters could learn how to save 15 percent on their energy bills.

Legislators wrestled with the realization that soaring heating costs will affect a wide spectrum of people -- from low-income people who have been eligible for help in the past to the middle-income people who will have trouble paying their bills to local fuel dealers who, in turn, won't be able to stock the fuel.

Matt Cota, executive director of the Vermont Fuel Dealers Association, said small fuel dealers don't have the credit to pay for their bulk orders. He suggested the Vermont Economic Development Authority could back a portion of the loans to keep those family businesses viable.

Steve Dale, commissioner of the Department for Children and Families, told the committee that unless the low-income heating program receives more money, its clients will have a much harder time paying their fuel bills. The program seeks to pay 60 percent of the average home's fuel costs and last year fell just short of that, he said.

Based on this year's prices, the program's \$24 million in mostly federal funding will pay less than 30 percent of the cost, Dale said. To reach 60 percent, the program needs another \$19 million, he said.

More federal money might be on the way, said Philip Fiermonte, district director for Sen. Bernie Sanders, I-Vt.

Bartlett told him the sooner the state knows what federal money is available the better.

Tim Searles, executive director of the Champlain Valley Office of Economic Opportunity, traveled to Montpelier to speak up for the low-income heating money. He didn't have a chance to testify, but said after it's clear that more money will be needed. He suggested using the rainy-day fund.

"The bottom line is if the federal LIHEAP doesn't increase substantially there has to be an infusion of state dollars. That has to happen," Searles said.

Bartlett said that although she's not opposed to tapping the rainy-day fund to ease heating costs, she's not willing to use it for the low-income heating assistance program that she believes the federal government should cover.

One possible use for it, she said, is to help people pay to have their furnaces cleaned. Cota estimated that half of the state's fuel oil customers don't take that step, which can save them 5 percent a year on their fuel consumption.

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