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State set to broaden LIHEAP eligibility

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MONTPELIER — State officials are set to announce an expansion of the state's low-income fuel subsidy that would qualify thousands of new Vermonters for heating aid this winter.

Lawmakers and Douglas administration officials are expected to release details today on revised eligibility thresholds for the Low Income Home Energy Assistance Program, a federally funded program that helps the poorest residents pay for winter heating bills.

The new guidelines are intended to help elderly and disabled residents whose social security and disability benefits sometimes push them beyond existing LIHEAP standards. The eligibility revisions also raise the so-called "asset test" from \$5,000 to \$10,000, which will open the door for residents whose non-liquid holdings would otherwise disqualify them for aid.

All told, the eligibility changes, which focus exclusively on the elderly and disabled, will mean full fuel benefits for an additional 1,050 residents.

"These are folks who aren't eligible for LIHEAP and they're poor as church mice," said Sen. Susan Bartlett, chairwoman of the Senate Appropriations Committee and head of the Legislature's Joint Fiscal Committee. "We're looking at the most vulnerable folks out there that were not covered by LIHEAP."

Administration Secretary Neale Lunderville said plummeting oil prices and a twofold increase in federal LIHEAP funding allowed the state to extend the program to new residents.

But the state also has stretched its \$38 million program by demanding price discounts from fuel dealers. It's the first time Vermont has ever sought to leverage its LIHEAP buying power in the private fuel market, and dealers delivering oil, propane or kerosene to LIHEAP clients will be forced to provide a 3 percent discount.

"We all believe this is going to be a difficult winter, and we wanted to find a way to serve more Vermonters with this program while making sure we met our

bottom-line fiscal needs," Lunderville said. "Because of the additional federal money, and because of the 3 percent discount, we will be able to do that."

Vermont's LIHEAP program was projected to serve a record number of households even before the eligibility revisions. Richard Moffi, head of the fuel assistance program, anticipated that more than 24,000 households would qualify this year, up 12 percent over the 2007-08 winter season.

"When you combine the record caseload with the numbers we'll cover under the new eligibility changes, what this means is the seasonal fuel assistance program will serve an additional 3,650-plus households," Moffi said.

Moffi said his staff, which spent the summer and fall reviewing the record number of LIHEAP applications that have come in this year, has been buoyed by the eligibility changes.

"They know what those discussions would have been like to deny a senior citizen ... living on Social Security, to say to them, 'I'm sorry, you're over the income limit,'" Moffi said. "I've had clients in tears, I've had staff in tears, and honestly, I've been in tears, too, after those discussions. So this change is huge."

Prospects for the program looked far bleaker this summer, when record oil prices and uncertainty in federal funding had lawmakers projecting a \$20 million LIHEAP deficit. Prices have since dropped significantly, and Congress, under pressure from Vermont's three-man delegation, doubled funding for the program.

Vermont's LIHEAP program aims to cover 60 percent of annual heating costs for Vermonters living at or below 125 percent of the federal poverty level. Officials are estimating benefits for this winter based on a price of \$3.89 for home heating oil. The retail price Tuesday was well below that, and Bartlett said that if fuel prices remain below the \$3.89 threshold, the savings will be passed on to next year's LIHEAP fund.

The average benefit for LIHEAP clients this year will be nearly \$1,800, up from last year's average benefit of \$1,360.

The state has also dedicated unprecedented resources to its crisis fuel program, which supplies emergency deliveries to households living between 125 percent and 150 percent of poverty. Last year, the state doled out \$2.5 million worth of crisis fuel. This year, the reserve has more than \$4 million.

"We do feel confident that we're going to be able to meet the needs of vulnerable Vermonters who will use this program. On the other hand, there

certainly is a large amount of uncertainty in the international economic picture," Lunderville said of the potential for oil prices to spike again. "We continue to have a watchful eye on program, but we certainly feel like we're in a better place now than we were a month ago or two months ago."

As of Tuesday afternoon, fuel dealers had yet to be notified of the forced discount. The state was sending contract addendums to dealers who deliver fuel to LIHEAP clients.

State officials said it was a take-it or leave-it arrangement, and dealers unwilling to offer the discount would be excised from the program.

"We found a way to minimize the impact to dealers while maximizing the benefit to the most vulnerable Vermonters," Lunderville said, noting that similar discount arrangements exist in neighboring New England states.

Matt Cota, head of the Vermont Fuel Dealers Association, said the decision would likely be a difficult one for many dealers. The industry has suffered in recent months as roller-coaster volatility has upended the fuel market.

While some of the state's dealers might benefit from large LIHEAP contracts with the state, and thus be likely to acquiesce to a 3 percent discount off the retail price, many mom-and-pop operations might have only 10 LIHEAP clients on their route.

"This is a very tough time to be in the heating business," Cota said. "Based on these financial concerns, every dealer is going to have to decide for him or herself whether or not they can continue to operate with the current deal being offered by the heating assistance program."

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