

House Appropriations Committee

Advocate Testimony

February 21, 2014

Crisis Fuel

Crisis Fuel (CF) is one of the key “Safety Net” programs in the State of Vermont. The Vermont Low Income Advocacy Council is concerned that the changes in the statute, passed in the 2014 budget, defeats the prime purpose for which this emergency heating assistance exists.

The language (now law) reduces the number of CF grants that a household can receive from 2 to 1 assist (for the vast majority of households in a crisis situation) and it also restricts the ability of a household to get that initial CF grant unless they have applied and received a seasonal fuel benefit if eligible.

According to information provided to the Legislature by the Fuel Assistance Office the number of unduplicated household receiving one, two or three grants in the 2011-2012 heating season was 7,190 households. That translates into 11,671 grants. Eighty percent (80%) of those households had a vulnerable person living in them. (See statistics below)

In that same year over 1,800 families would be denied a second crisis fuel assist under the new law.

In addition to the number of CF assist being reduced, the law change precludes households with a heating emergency from being able to receive that first assist until they not only apply for seasonal fuel assistance but have received the LIHEAP benefit.

This creates a cumbersome process where the client comes into the community action office for a crisis assist, meets all of the crisis eligibility criteria, but needs to apply and receive a LIHEAP benefit before they can get assistance, if eligible.

That entails having to then go to the state district office, fill out an application, and if eligible, requires doing an “expedited” fuel application so the person can get seasonal fuel benefit issued quickly. The expedited process is not uniform and can take a number of days. This expedited process was not addressed in the proposed rules, that now have been put on hold for the time being until it is determined what if any changes might take place this session.

In the 2011-2012 heating seasons 1,444 households received a CF fuel grant and were eligible for LIHEAP, but (for whatever reason) did not receive it.

It is possible that they didn't think they needed it, or they were uncomfortable applying for benefits, or their situation changed, or their income changed, or they simply did not apply.

Under the new law, those 1,444 Households could meet all of the existing criteria for CF (a significant set of circumstances), but because they did not apply and receive LIHEAP they would be denied a crisis assist.

Crisis Fuel "Eligibility" Criteria

- Total gross household income must be at or below 200% of federal poverty;
- Household resources, such as cash on hand, must be below the maximum set in fuel rules;
- Household must be low on fuel (at or below ¼ tank) or otherwise at risk of being without heat and you must be the person responsible for paying for the home heating fuel or utility service;
- Household must have experienced an extenuating or unpredictable situation that led to the heating emergency. Examples: the loss of a job or illness family illness or not enough money for basic expenses.
- Household must provide documentation of how all income was spent for the past 30 days; and
- Household must fulfill any requirements you agreed to as a condition of getting Crisis Fuel Assistance in the past. Example: Your family agreed to apply for other benefit programs that would help reduce other household expenses such as food or utilities.

The other situation that sometimes arises, is when the seasonal fuel benefit that is issued, is not enough to cover a fuel delivery. That means the person needs to go back to the community action office to supplement the LIHEAP benefit with their one and only crisis assist in order to get a delivery.

We understand the purpose of reducing the crisis fuel assist (to save money) and the value of trying to incent folks to take the "preventative" steps (by getting seasonal fuel and /or other utility reductions available to them) and avoid getting in an emergency fuel situation.

But - it doesn't make sense for people who find themselves in that situation (in danger of having no heat and no other alternatives) that they would not be able to get even one initial assist - and then get signed up for fuel assistance.

In mid - January of this year, with the new law in place that reduced the number of assist and the cold weather - over 100 households had already utilized their maximum seasonal fuel benefit, their one and only crisis assist, and the maximum “utility” warmth benefit, and still found themselves in an emergency situation, meeting the crisis fuel eligibility. (See separate document with stories)

Thankfully, the Legislature did appropriate an additional \$500,000 into a special “warmth” grant in the Budget Adjustment bill, so that another assist could be provided to those households that had exhausted all other available resources.

In 2014 Budget Adjustment

Sec. 86a. SPECIAL WARMTH GRANT

(a) Effective January 30, 2014, the Department for Children and Families is authorized to grant \$500,000 of the funds available within the fuel assistance program for a special warmth program to address extraordinary temperature-related fuel assistance needs in the 2013–2014 heating season.

But this is a one year fix for a policy change that has not been able to pass through one heating season without dramatic consequences.

The Low Income Advocacy Council believes that the changes in the law that are already in effect, have created a situation where folks in a heating crisis are going to be denied assistance, and in danger of going cold.

We do think it is wise to get folks signed up to all of the benefits that are available to them to help avoid them getting into a precarious situation – but increasing that participation needs to happen before we pull the emergency assistance away from them.

Given the continued economic circumstances the continued reductions in federally funded LIHEAP benefits, and the exceptionally cold weather, it is our hope that the Crisis Fuel Program changes will be revisited in their entirety before the next heating season in the 2015 Budget.

We should allow for a second assist to be granted and for the first crisis assist to be issued immediately if all of the crisis eligibility criteria is met even if they have not yet received the LIHEAP grant.

Respectfully submitted by Karen Lafayette kmlafayette@aol.com

Language Change passed in 2014 Budget Act: CRISIS FUEL

(b) Crisis fuel grants shall be limited per winter heating season to one grant for households that are income-eligible and have received a seasonal fuel assistance grant and meet all eligibility requirements for crisis fuel assistance, or to two grants for households that are not income-eligible for seasonal fuel assistance and meet all eligibility requirements for crisis fuel assistance.

Richard Moffi's information, presented to Senate Appropriations (Below) in 2013

Crisis Fuel Eligibility and Assistance

The proposed change (b) below would limit crisis fuel assistance grants to 1 or 2 per heating season, a reduction from the current maximum of 3 grants. This change could shift a conservative \$1,400,000 in "crisis fuel" benefits into seasonal "fuel liability" benefits.

The proposed change (c) below would limit eligibility for a crisis fuel grant to households with a "vulnerable" member. This change could shift a conservative \$350,000 in "crisis fuel" benefits into seasonal "fuel liability" benefits.

The proposed change Alternate (c) below would limit eligibility for a crisis fuel grant to households with a "vulnerable" member. This change could shift a conservative \$40,000 in "crisis fuel" benefits into seasonal "fuel liability" benefits.

Number of grants per unduplicated households:

| | 2010-2011 | 2011-2012 | 2-Year Average |
|-----------------|-----------|-----------|-------------------------------|
| • 1 grant | 4,125 | 4,011 | 4,068 = 4,068 grants |
| • 2 grants | 2,223 | 1,877 | 2,050 = 4,100 grants |
| • 3 grants | 2,007 | 1,302 | 1,655 = 4,965 grants |
| • Total Undupl. | 8,355 | 7,190 | 7,773 (Karen's Number) |

Households that received a crisis fuel grant and reported that they were not receiving a seasonal fuel grant even though they were income eligible:

| | |
|---------------|-------|
| • 2010-2011 | 1,893 |
| • 2011-2012 | 1,444 |
| • 2-year avg. | 1,668 |

Households that were over-income for seasonal fuel assistance and received a crisis grant(s):

| | |
|---------------|-----|
| • 2010-2011 | 498 |
| • 2011-2012 | 186 |
| • 2-year avg. | 342 |

Households that included a vulnerable member:

| | | |
|---------------|-------|-----------------------|
| • 2010-2011 | 5,427 | 65% of all households |
| • 2011-2012 | 5,745 | 80% of all households |
| • 2-year avg. | 5,586 | 72% |