



Department for Children and Families
Economic Services Division
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MEMORANDUM

To: Chairperson Ann Pugh, House Human Services Committee
From: Richard Moffi, Fuel Assistance Program Chief
Copy: Pat Duda, 3SqsVT Director; Richard Giddings, ESD Deputy Commissioner
Subject: LIHEAP and 3SqsVT “Heat-&-Eat”
Date: February 18, 2014

Heat-&-Eat Background

The federal Farm Bill established a minimum annual Fuel Assistance benefit of \$21 for SNAP (3SquaresVT) households to receive the full “Utility Allowance” deduction in their 3SquaresVT benefit calculation. This year, and in past years, only a nominal annual LIHEAP benefit (\$3 or \$5) resulted in a full utility allowance deduction in a household’s 3SquaresVT benefit budget.

The \$21 annual LIHEAP benefit is an option under the Farm Bill. States are not required to provide this LIHEAP benefit. Vermont is one of only seventeen states nationwide that utilize this federal provision in SNAP rules to benefit 3SquaresVT households.

If Vermont did not comply with the new \$21 Fuel Assistance requirement, approximately 20,900 families would experience a decrease in their monthly 3SquaresVT benefits. Conservatively, the decrease would be an estimated average reduction in 3Squares benefits of \$25/hh/month, or \$300 annually. That translates into \$6,270,000 not available to clients or to the Vermont economy. (It should be noted that the Farm Bill estimates additional average SNAP benefits of \$90/hh/month or \$1,080 annually.)

To maintain food and nutrition assistance at current levels, the Administration is proposing a statute change to increase the \$3 (15,000 hhs) and \$5 (5,900 hhs) LIHEAP benefit to \$21, and reduce the \$50 annual LIHEAP benefit paid to “roomers” to \$21. The net annual additional cost to the Fuel Assistance Program of these three benefit changes is \$295,000.

Proposed Changes to the Fuel Program Statute – Chapter 26

The “mechanics” of the statute changes required to implement the \$21 LIHEAP benefit and continue leveraging 3SquaresVT benefits are relatively simple as follows:

§ 2605. Benefit amounts

(f) Households that make undesignated payments for energy for home heat in the form of rent and are participating in a public, subsidized, or Section 8 housing program shall be eligible for a nominal annual home heating fuel assistance benefit of ~~\$5.00~~ **\$21.00**.

(g) Residents of the dwelling unit who make reasonable compensation in the form of room rent and who are not members of the same household shall be eligible for an annual home heating fuel assistance benefit in the amount ~~\$50.00~~ **\$21.00**.

(h) Households receiving benefits from 3SquaresVT whose head of household is not otherwise eligible for a fuel benefit under this section shall be eligible for a nominal annual home heating fuel assistance benefit of ~~\$3.00~~ **\$21.00**.

Seasonal Fuel Assistance Benefits Numbers for “Heated Renters”

“Heated Renter” households (heat included in the rent) are eligible to receive an annual Seasonal Fuel Assistance benefit. Benefits are paid to the household by EBT card or by direct deposit. The fuel benefit functions as a “reimbursement” for the portion of the household’s rent payment that goes to the landlord for including heat in the lease agreement. Benefits are available as cash to be used at the household’s discretion.

Current

Current LIHEAP Benefits ~ Heated Renters

| Benefit Group | Annual Benefit | Total Households | Total LIHEAP Benefits |
|---|----------------|------------------|-----------------------|
| Heated Renters ~ applied for SFA | Varies | 3,800 | \$ 720,000 |
| Roomers | \$50 | 2,400 | \$ 120,000 |
| Nominal Benefit - \$3 or \$5 (15,000 @ \$3 and 5,900 @\$5) | \$3 or \$5 | 20,900 | \$ 74,500 |
| TOTALS | | 27,100 | \$ 914,500 |

Proposed

\$21 Minimum LIHEAP Benefit ~ Applied to \$3, \$5 & Roomers

| Benefit Group | Annual Benefit | Total Households | Total LIHEAP Benefits |
|---|----------------|------------------|-----------------------|
| Heated Renters ~ applied for SFA | Varies | 3,800 | \$ 720,000 |
| Roomers | \$21 | 2,400 | \$ 50,400 |
| Nominal Benefit - \$3 or \$5 (15,000 @ \$3 and 5,900 @\$5) | \$21 | 20,900 | \$ 438,900 |
| TOTALS | | 27,100 | \$ 1,209,300 |

As always, Richard Giddings, Pat Duda and I welcome your questions or requests for additional information.