

Suggested Language for House General Supplemental Budget Memo

Re: Proposed LIHEAP/Weatherization Budget Language

The GHMA Committee supports the State policy goal of providing seasonal fuel assistance dollars to households above 150% of the Federal Poverty Level (FPL), up to 185%. We understand that State funds are needed for this purpose. We prefer that the State supplement federal LIHEAP dollars with General Fund monies to maintain this eligibility. We recognize that the State could also do an even “switch” of up to 15% of federal LIHEAP funding with State Weatherization funds to achieve this goal. The State did not need to utilize this authority last year because the Legislature appropriated up to \$5 million in State dollars for LIHEAP. The State also used some of the additional State LIHEAP funds for additional administration above and beyond the 10% allowed under federal statute.

Fiscal Years 2016 and 2017 present a particular challenge for the Low-Income Weatherization Program as it is expected to have a significant funding shortfall due to a drop in Gross Receipts Tax (GRT) revenues resulting from falling fuel prices. The GHMA Committee supports utilizing the separate, pre-existing federal authority to use 15% of LIHEAP dollars for Weatherization purposes on a *temporary* basis to make up the projected shortfall in the Weatherization Program and provide at least level funding in both years, as proposed in the Governor’s budget.

It appears that the 15% of LIHEAP that can be used for Weatherization and/or switched evenly with State Weatherization funds is estimated at \$2.8 million, which may be sufficient to cover both the Weatherization shortfall and LIHEAP eligibility up to 185%.

The Committee would support the proposed budget language that authorizes this switch, but without knowing the exact amount needed, we would caution Appropriators to *first* utilize the pre-existing authority to make the Weatherization program whole -- and use other State dollars for eligibility up to 185% of Poverty.

We also want to reaffirm what we said in our prior memo, namely that we know well the positive impact Weatherization makes in the housing of extremely poor Vermonters. A new boiler or new insulation makes an immediate impact on finances and health. We also know well that the controversy over funding sources has led to what seems a near permanent choice of under capacity for the program, and that we will not reach our goals of the number of homes to be weatherized by 2020 at the current pace. Low prices for heating fuel has helped diminish our capacity as well. We hope that a solution can be found, either in Appropriations or Ways and Means, that will increase funding in a way that is relatively painless. Like housing and like General Assistance, we know that the right investments pay benefits for years to come.