VERMONT

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Agency of Human Services

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TO: Senate Finance
FROM: Sarah Phillips, Director, DCF Office of Economic Opportunity
RE: Fuel Tax Revenue and Expenditures
DATE: April 16, 2019

The enclosed provides a combined funding summary for the Vermont Low Income Home Weatherization Assistance Program administered by the Office of Economic Opportunity, Department for Children and Families – Dept ID 344011.

Page two provides a summary of expenditures and cash balance in the Home Weatherization Assistance Fund (Fuel Tax) and page 6 provides a summary of cash receipts for the Fund (i.e., fuel tax revenue).

Currently, the Weatherization Program relies on three revenue sources: Fuel Tax Revenue (Fund 21235), LIHEAP federal funds, and Department of Energy federal funds.

Beginning in SFY 2017, the Fuel Gross Receipts Tax changed to a Fuel Tax; in February 2018, the tax began being paid on a monthly basis instead of quarterly (July, October, January, April). The change to a monthly payment presumedly led to a one-time bump in revenue for SFY 2017 (May and June).

SFY 2018 is the first fuel year with the new Fuel Tax rates and pay schedule.
SFY 2018 Fuel Tax Revenue - Actual: $10,227,005
The unobligated cash balance on the fund at the end of SFY 2018 was $239,084.

SFY 2019 Fuel Tax Revenue - Projected: $10,374,429
The projected unobligated cash balance on the fund at the end of SFY 2019 is $292,882.

The tables below describe Projected Revenue and Expenditures from the Home Weatherization Assistance Fund (Fuel Tax – Special Fund), as well as expenditures by funding source in the SFY2020 Governor's Budget Recommendation.

SFY 2020 (Projected Revenue & Governor's Recommend Budget)		
Cash Balance of Home Weatherization Assistance Fund (Fuel Tax) - 7/1/2019	$	292,882
Projected Fuel Tax Revenue in SFY 2020	$	10,347,429
Cash Expenditures for Weatherization from Fund in SFY 2020	$	(6,329,180)
Transfers to LIHEAP in SFY 2020*	$	(3,965,764)
Ending Cash Balance of Fund - 6/30/2020	$	345,367

Governor's Recommend Budget for DCF - Weatherization (Dept ID 344011)	Emergency Heating System Repair & Replacement	Weatherization Grants	OEO Administration	Total
Home Weatherization Assistance Fund (Fuel Tax Revenue)	$ 230,000	$ 5,794,880	$ 300,538	$ 6,325,418
Federal LIHEAP Funds (Low Income Heating Assistance Program)**	$ 520,000	$ 2,845,764	$ -	$ 3,365,764
Department of Energy - Weatherization Assistance Program	$ -	$ 1,159,814	$ 70,512	$ 1,230,326
Total Recommend for DCF - Weatherization (Dept ID 344011)	**$ 750,000**	**$ 9,800,458**	**$ 371,050**	**$ 10,921,508**
Additional One-Time General Fund for Weatherization		$ 500,000		
		$ 10,300,458		

* "Cash out" to LIHEAP is $3,965,764 and "Cash in" to Weatherization is $3,365,764. This exchange of funds results in general fund savings without diminishing either program.

** $2,845,764 is 15% of estimated Federal LIHEAP funds - the maximum allowable for Weatherization activities.

Please do not hesitate to be in touch for additional assistance or clarification.

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Enclosed Wx Combined Funding Summary 2.11.19