

Geoff Wilcox

State of Vermont,

Weatherization Program Director

Office of Economic Opportunity

Geoff.wilcox@vermont.gov

802-279-7964

280 State Drive

Waterbury, VT 05671-1050

www.dcf.vermont.gov/benefits/weatherization

The Vermont Weatherization Program Federal Funding Outlook

Agenda

Topic:

How is the VT energy landscape being impacted by federal policy and funding changes?

What has happened so far?

What funding changes do you anticipate?

How is DCF responding?

Weatherization References

<https://dcf.vermont.gov/oeo/programs/wap>

[Weatherization SFY24 Annual Report](#)

What has happened so far?

- Changes in staff at the Department of Energy
- New regulations put in place (Financial Audit Letter)
- Federal Fiscal Year 2026 (FFY26) Weatherization Assistance Program Award unresolved until a budget is passed (*approximately \$1.8 million annually, would not have an impact until SFY27*)
- Vermont's Weatherization Assistance Program also utilizes LIHEAP, that FFY26 award is also unresolved at this time (*approximately \$3 million annually, would have an impact in SFY26*)

What funding changes do we anticipate?

- Vermont's Weatherization Assistance Program has a blend of funding sources in State Fiscal Year 2026 (SFY26)
- One-time federal funding (ARPA State and Local Recovery Funds, Infrastructure Investments & Jobs Act) helps to buffer impacts in SFY26
- ARPA State & Local Recovery Funds will be expended by the end of SFY26
- Infrastructure Investment & Jobs Act (IIJA) -
 - Approximately 30% of the \$14.7 million multi-year award has been expended and depending on access to and utilization of other funds, we anticipate utilization of IIJA in SFY27 and SFY28

IRA (Inflation Reduction Act)

- DOE approved Vermont's "HOMES" program in September 2024. HOMES would provide \$29 million to support low-income weatherization through WAP. Program launch anticipated for January 2026.
- Vermont requires "Approval to Launch" from DOE. As of October 2025, Project Officers at DOE remain responsive, even during the government shutdown, and Vermont is on track for Approval.
- While nothing is certain,
 - With these funds, the program anticipates stable funding through SFY29 (June 30, 2029)
 - Without these funds, the program anticipates a reduction in funding at the end of SFY27 (June 30, 2027)

What has DCF been doing?

- Tracking and assessing spending across all funding sources to ensure stable funding for as long as possible
- Communicating with Department of Energy, other states and national partners
- •Working with Efficiency Vermont and the Vermont Department of Public Service on potential future funding sources for Home Repairs and Vermiculite work
- Provide training and technical assistance to support community Weatherization Assistance Programs in weatherizing homes

Thank You

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Heating and Utility Assistance Programs



Low Income Home Energy Assistance Program (LIHEAP)

Presented by:

Miranda Gray, Deputy Commissioner, Economic Services

Richard Giddings, Heating and Utility Assistance Program Director

LIHEAP Funding & Benefit Stats Compilation 10/1/2025

							Full Season	Nov-Apr	
	LIHEAP	LIHEAP	State	TOTAL		Fuel Liability	Fuel Liability	Avg cost	Purchase Power
SFY	Total (1)	Carry-Over (2)	Funds	FUNDS		Households	Avg. Benefit	petro/gal	Gallons / %age
							O/P/K	(3)	(4)
2025	\$23,033,997	\$2,206,017	\$3,066,942	\$28,372,959		16,296	\$1,167	\$3.41	342/45%
2024	\$23,232,586	\$2,189,258	\$3,066,942	\$28,488,786		17,386	\$933	\$3.83	244/32%

(1)	LIHEAP Totals for 2019 - 2025 are total federal block grant awarded during the respective fiscal years less the 15% transfer to Weatherization
(2)	The carry-over amounts are as of June 30 State Fiscal Year 2020 close-out plus pending fuel dealer refunds
(3)	Heating Season "Blended price" for oil/propane/kerosene including MOR/DOR discounts
(4)	Assumes average winter consumption of 764 gallons for a delivered petrol fuel (oil/propane/kerosene)

How these funds are used in Vermont

There are 5 Major components to VT Fuel Assistance Program

- They include Heating assistance, Crisis Fuel assistance, Weatherization, Furnace repair and replacement, Fuel Tank repair and replacement.
- Seasonal Fuel Benefit can be issued to households whose income is at or below 185% of the Federal Poverty Income Guidelines.
- Crisis Fuel is administered through our Community Action Agencies, and their income guidelines go up to 200% of the Federal Poverty Income Guidelines.
- Below is the Gross monthly income guidelines for 2025-2026

Number in Household	185% FPL (SF, GMP, VGS)	200% Crisis
1	\$2,412	\$2,608
2	\$3,262	\$3,526
3	\$4,109	\$4,442
4	\$4,956	\$5,358
5	\$5,805	\$6,276
6	\$6,653	\$7,192
7	\$7,500	\$8,108
8	\$8,349	\$9,026
9	\$9,196	\$9,942
10	\$10,044	\$10,858

How is the VT energy landscape being impacted by federal policy and funding changes?

National-Level Updates

1. Application Processing & Budget Status

- Continuing to process Home Heating Assistance applications.
- Waiting for federal FFY26 budget approval (started Oct 1, 2025).
- BIG Benefit: \$12–13 million for seasonal fuel households to be issued mid-November.

2. Federal Reorganization (March 2025)

- 10,000 federal positions eliminated.
- Health & Human Services reduced from 28 → 15 divisions.
- Department of Energy Assistance eliminated, but LIHEAP remains active.

3. Funding Updates

- July 2025: Senate passed \$4.045B for LIHEAP (+\$20M over FFY25).
- Sept 2025: House passed \$4.035B for LIHEAP (+\$10M over FFY25).
- Final amount to be decided by a Conference Committee.

4. Outlook for FFY26

- Strong indications of continued LIHEAP funding.
- Preparing for a normal heating season once budget is finalized.

5. Vermont's Commitment

- State leadership closely monitoring federal budget progress.
- Goal: Ensure low-income Vermonters receive heating support this winter.

Funding Challenges, How has DCF responded, and our recommendations

Funding Outlook

- Expecting full funding once the Federal Government reopens and budgets pass in both House & Senate.
- LIHEAP continues to have strong bipartisan support nationwide.
 - New England: heating assistance
 - Other regions: cooling & crisis assistance

Funding Release Process

After budgets pass, funds take ~4–6 weeks to reach States, Tribes & Territories:

1. OMB approval of fund release (after Continuing Resolution).
2. HHS calculates allocations for each state.
3. HHS approves state plans (*Vermont's plan already approved*).

State Actions & Communication

- DCF–ESD working proactively with:
 - Administration
 - Fuel dealers
 - Community partners
 - Consumers concerned about the cold
- Ongoing updates and education to keep all stakeholders informed.

Vermont Leadership & Contingency Planning

Governor Scott, Administration, and Legislature monitoring developments closely.

Yesterday, ESD shared at the Emergency Board meeting our plan to advance state funds and cover fuel assistance benefits while federal funds are delayed. Fuel benefits will be issued on time, in mid-November to fuel dealers on behalf of Vermonters.

Appendix

What has happened so far?

Eligibility Overview

- Preparing to issue heating benefits to 157 Certified Fuel Dealers.
- Total benefit: \$12.5–13 million, issued mid-November.
- Supports approximately 12,000–13,000 households statewide.

Dealer Participation Options- Fuel Dealers choose one of two pricing methods:

1. Margin Over Rack (MOR):

State sets daily price based on regional hub averages.

2. Discount Off Retail (DOR):

Dealers provide \$0.15 discount off their lowest daily posted price.

Application Processing

- Applications processed year-round.
- Aligns eligibility reviews with other ESD programs.
- Reduces household paperwork.
- Some certification periods extend up to 36 months.

Eligibility Determination Factors

1. Do you pay for heat? (Yes/No)
2. Housing type: Single home, mobile home, or multi-family
3. Number of bedrooms (1–4)
4. Fuel type: Oil, propane, kerosene, coal, natural gas, electric, pellets, or wood
5. Subsidized housing? (Yes/No)
6. Household income

LIHEAP 101

- This is a Block Grant that Vermont submits an application for every year.
- We served **40,200** Households with some type of assistance.
 - Approximately **16,300** (41%) got a Seasonal Fuel Benefit. The largest part of these are issued in November and sent ACH to certified dealers, who apply it to directly to the client's account.
 - In addition, approximately **23,900** (59%) households that either a “Fixed Benefit” (\$21) or a heated renter benefit. These include roomers (691), or housing subsidy (3,814) cases where heat is included in their rent, or households that have unsubsidized rent (1,818), but whose heat is included monthly amount, and then our “Heat and Eat” Households. (roughly 18,018).
- Applications are processed year-round.
 - **New income guidelines effective 3/1/25** are being used for eligibility determination.
 - Two-step notification process:**
 - First letter: Confirms eligibility upon approval.
 - Second letter (November): Details benefit amount and the certified dealer receiving the payment.
 - If you get a Seasonal Fuel Benefit you automatically qualify for weatherization serves, which helps families stretch those funds. We spend a little more than 3 million dollars a year. We also assist with Furnace repair and replacements and Fuel Tank repair and replacement.

LIHEAP 101

Product heating types	
38% Oil	14% Kerosene
19% Propane	11% Natural Gas
5% Electricity	4% Pellets
8% Wood	3 households statewide Coal

- Other tidbits of interest.
 - 22% Own their home.
 - 50% Rent and pay for utilities separately.
 - 28% Rent and have utilities included in their rent.

Crisis Fuel Program

- The 5 Community Actions run this part of the program for us through grants. It runs from the last week in November- April 30th. (5 months) They work with households that are experiencing a “heating crisis”. (Ex. out of fuel, furnace won't run, have a shut off notice, etc....)
- Income guidelines are up to 200% of the Federal Poverty Level.
- They served over 2600 households this past winter and do an excellent job.

LIHEAP 101.

Utility Discount Program- Energy Assistance

- These are programs that help lower-income Vermonters afford energy for their homes.
- These programs have income guidelines up to 185%, which aligns with our Seasonal Fuel Income guidelines. So, if you are active Seasonal Fuel, you are eligible for this program, and it will provide a discount off your monthly residential bill. Both Green Mountain Power and Vermont Gas have been offering programs like this for more than a decade and is paid for by ratepayers.
 - Green Mountain Power provides a 25% off your monthly bill, plus they have an arrearage forgiveness component.
 - Vermont Gas offers 20% off their monthly bill.
- We have rolled out similar programs for Vermont Electric Coop and Washington Electric Coop, and we are also about to roll out another group of Electric companies under Vermont Public Power Supply Authority who covers 11 consumer owned electric municipalities across the state.
- Adding a **new** program Vermont Public Power Supply Authority (which is made up of 11 consumer owned municipals located with VT. Like Barton, Enosburg falls, Hardwick, Jacksonville, Johnson, Ludlow, Lyndon, Morrisville, Northfield, Orleans, and Swanton) - Only 2 Hyde Park and Stowe do not have a program.

Thank You!

Richard Giddings

State of Vermont, LIHEAP Program Director
Economic Services Division, DCF

Richard.Giddings@vermont.gov

To receive this information in an alternative format or for other accessibility requests, please contact:

Monika Madaras: Monika.Madaras@vermont.gov

Media Inquiries related to this presentation can be emailed to:

AHS.DCFCommunications@vermont.gov