

# **Fuel Assistance; Asset Level Report**

**ACT 65, Section 142a**

**January 9, 2008**

Presented To: House Appropriations Committee  
Senate Appropriations Committee

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**SEASONAL FUEL ASSISTANCE – Asset Level Report**

Act number 65 (H. 537) of the 2006-2007 Vermont General Assembly entitled "An Act Relating to Making Appropriations for the Support of Government" requires an assessment of the asset levels for Vermont's seasonal home heating assistance program at Section 142a. This section requires the Departments for Children and Families (DCF) and Disabilities, Aging and Independent Living (DAIL), in consultation with the Home Energy Assistance Task Force, to do an assessment of the asset eligibility levels for Vermont's seasonal home heating assistance program, including but not limited to: how such levels compare to other states; to what extent current levels have kept pace with inflation; and how any increase in such levels would increase caseloads and impact benefits. The report is to be presented to the house and senate committees on appropriations on or before January 15, 2008.

Section 143 (a)(2) of this same act increases the asset eligibility requirement of the seasonal fuel assistance program to \$5,000 for all households – an increase from \$3,000 for applicant households with an elderly member and \$2,000 for all other households.

Vermont's current Fuel rules, at 2903.1, address the maximum allowable resources of a household. The rule states,

"Resources belonging to all household members shall be considered together in determining eligibility for all Fuel Program benefits.

Resource maximums for Fuel Program benefits shall be:

\$5,000 for all households

The household's resources shall be considered at the time of application. Households in which all members receive Reach Up, food stamps, (excluding those categorically eligible for food stamps due to the receipt of EITC), or SSI/AABD automatically meet the resource test for eligibility for Fuel Program benefits."

The rules at 2903.2 further define resources as,

"Resources include all liquid assets such as, but not limited to, cash, checking and savings account balances, stocks and bonds, certificates of deposit, lump sum payments, and equity in all real property not used as a home."

and include a list of exclusions,

"The following shall be excluded from consideration as a resource.

1. Household goods, personal effects, cars, trucks, vehicles, cash value of life insurance, and retirement pension funds that are inaccessible to the applicant except as payment of periodic retirement income.
2. Property that annually produces income consistent with its fair market value.
3. Resources that are not accessible to the household due to trust, estate or other title restrictions.
4. Property that the applicant is making an active effort to sell at an asking price which is realistic in relation to similar property in the area.
5. Property normally used as a home but vacated temporarily due to health problems, structural repairs or renovation in progress that make the home uninhabitable, or during repair of heating, water, sewer, or other system failures that would pose a danger to health if habitation continued prior to completion of such repair. Planned absences of up to two months for such cause may be considered temporary; longer periods will require approval of the Director of the Office of Home Heating Fuel Assistance or his or her designee based upon individual circumstances such as nature of illness, reason for delay or repairs, etc.”

Vermont is one of ten states nationwide that utilize an asset test in determining eligibility for the LIHEAP program. The following table shows the 2007/2008 asset limits for those states.

STATE	ASSET Limit
Arkansas	\$3,000 – all HH's
Connecticut	\$10,000 – home owners; \$7,000 – renters (these are disregards – anything over the limit is added to income)
Hawaii	\$5,000 – all HH's
Kentucky	\$4,000 – catastrophic illness; \$3,000 – elderly/disabled; \$2,000 – all other HH's
Montana	\$9,378 – single individual; \$14,071 – 2 person HH; \$938 – each additional person, up to \$18,759 maximum
Nebraska	\$5,000 – all HH's
North Carolina	\$2,200 – all HH's
North Dakota	\$10,000 – all HH's; additional \$5,000 for each elderly household member
Oklahoma	\$2,000 – single individual; \$3,000 – 2 person HH; \$50 – each additional person
<b>Vermont</b>	<b>\$5,000</b>

The table below shows the 1999 asset levels associated with the seasonal fuel assistance program and their inflation-adjusted equivalents for the following years.

<b>LIHEAP (Low Income Home Energy Assistance Program), Seasonal Fuel Assistance: Asset Limits with Annual Inflation Adjustments</b>			
Calendar Year	% Change in Annual CPI	Inflation –adjusted 1999 Asset Limits	
		Households with no elderly members	Households with at least one member age 60 or more
<b>1999</b>	2.06%	\$2,000	\$3,000
<b>2000</b>	3.40%	\$2,068	\$3,102
<b>2001</b>	2.79%	\$2,126	\$3,188
<b>2002</b>	2.06%	\$2,169	\$3,254
<b>2003</b>	2.82%	\$2,231	\$3,346
<b>2004</b>	3.46%	\$2,308	\$3,462
<b>2005</b>	3.65%	\$2,392	\$3,588
<b>2006</b>	3.61%	\$2,478	\$3,718
<b>2007*</b>	2.42%	\$2,538	\$3,807
<b>New 2007 Asset Limit</b>		<b>\$5,000</b>	<b>\$5,000</b>
<b>Increase Above Inflation-adjusted 1999 Asset Limit</b>		<b>\$2,462</b>	<b>\$1,193</b>

Notes:

\* Average through November 2007. December 2007 is not yet available.

\*\* CPI is not seasonally adjusted.

Source of CPI data:

U.S. Department of Labor, Bureau of Labor Statistics, Data Series

Id: CUUR0100SA0,CUUS0100SA0, Not Seasonally Adjusted. Area: Northeast urban.

Item: All Items. Base Period: 1982-84=100.

The Northeast Region CPI, rather than the National CPI, is used because the CPI for the Northeast Region has grown at a faster rate than the National CPI and therefore provides a slightly higher series of inflation-adjusted asset levels.

Source of Asset Data:

State of Vermont, Supplemental Fuel Asset Reporting Limits, 1999-2000 through 2007-2008 Fuel Season

The following table shows what the minimum potential impact on caseload size and benefits would be by raising the asset limit. This table is based on

resource denial information for the 2006/2007 seasonal fuel assistance program only, not a population based analysis, and therefore does not account for an increase in applications we would expect with an increased asset limit. The potential cost figure is based on an average full season fuel liability benefit of \$1,169 (2007/2008 figure). This cost figure, however, is for benefits only and does not take into account any additional staff needed to process the additional applications.

Asset Limit	Additional Cases	Potential Cost
\$ 6,000	48	\$ 56,112
\$ 7,000	95	\$111,055
\$ 8,000	151	\$176,519
\$ 9,000	186	\$217,434
\$10,000	219	\$256,011
\$15,000	371	\$433,699
\$20,000	441	\$515,529
\$25,000	506	\$591,514
\$30,000	552	\$645,288
\$40,000	658	\$769,202
\$50,000	700	\$818,300
No Asset Test	774	\$904,806

Data Source: DCF/ESD Fuel Extract – March 2007

The information in this table is based only on denial information and does not reflect the impact that could result from such a change. We can expect that the “potential impact” is much greater than the numbers listed here. Given the immense pressures on this program and Vermont’s increasing contribution to keep it solvent, DCF cannot recommend expanding the asset limit at this time.