

STATE OF VERMONT
AGENCY OF HUMAN SERVICES

DCF

Department for Children and Families

BULLETIN NO.: 09-12F

FROM: Joseph Patrissi, Deputy Commissioner
Economic Services Division

DATE:

SUBJECT: Fuel Program Changes - Resource Test, Income Disregard and
Standard Heating Cost Tables

CHANGES ADOPTED EFFECTIVE 11/1/2009

INSTRUCTIONS

- Maintain Manual - See instructions below.**
- Proposed Regulation - Retain bulletin and attachments until you receive Manual Maintenance Bulletin:**
- Information or Instructions - Retain until _____**

MANUAL REFERENCE(S):

2900	2933	2942	2951
2912	2940	2944	2952
2921	2941	2950	

This bulletin proposes the following changes to the Seasonal Fuel Assistance program rules. Increase the resource limit for households with an elderly member (age 60 or older) from \$5,000 to \$10,000 per household as provided in statute. Apply the resource limits to recipients of 3SquaresVT (food stamp) benefits. Increase the monthly income disregard for household members who are elderly or disabled from \$150 to \$250 as provided in statute. Update the standard heating cost tables as required no less frequently than every three years. Provide for September 30 payment of benefits for households that apply by August 31 and heat with wood pellets, the same payment process used for firewood. Clarify that public or Section 8 housing is where a client's rent is based on their income or where their Section 8 pays for their mortgage. Correct a reference to the home heating fuel assistance fund.

Comment Period

A public hearing was held in Waterbury, Vermont on Tuesday, August 18, 2009 at 1:00 p.m. in the Economic Services Division third floor large conference room, Building "A". Ms. Edna Fairbanks-Williams representing the Vermont Low-Income Advocacy Council (VLIAC) attended the hearing to, in her words "find out what others were saying about the proposed fuel rule changes." The hearing

was convened at 1:05 p.m. and no comments on the proposed rule were presented. The hearing was adjourned at 1:25 p.m. Richard Moffi, Fuel Assistance Program Chief chaired the hearing and recorded the minutes.

Written comments on the proposed rule were received by the August 25, 2009 comment deadline from the following organizations:

Vermont Affordable Housing Coalition (VAHC)
Vermont State Housing Authority (VSHA)

As set forth below, the department has considered these comments and responds as follows:

Comment: Erhard Mahnke representing VAHC commented on the language clarification for “public, subsidized or Section 8 housing programs” at 2901 and 2906 and specifically the use of the term “subsidized.” Mr. Mahnke stated: “If taken out of context, that word (subsidized) is still open to broad (mis)interpretation, whereas public housing and Section 8 are not.”

Response: The Department agrees with the comment and has deleted the reference to “subsidized” housing.

Comment: Kathleen Berk representing VSHA advised that a limited number of VSHA clients (64) use their Section 8 housing assistance to make their mortgage payments and those clients do receive a utility allowance as part of the Section 8 program. .

Response: With this additional information the Department has revised the description of public or Section 8 housing programs to include: “... where (a client’s) Section 8 pays for their mortgage.”

To get more information about the Administrative Procedures Act and the rules applicable to state rulemaking go to the website of the Office of the Vermont Secretary of State at: <http://vermont-archives.org/aparules/> or call Louise Corliss at 828-2863

For information on upcoming hearings before the Legislative Committee on Administrative Rules go to the website of the Vermont Legislature at: <http://www.leg.state.vt.us/schedule/schedule2.cfm> or call 828-5760.

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Vertical lines in the left margin indicate significant changes. Dotted lines at the left indicate changes to clarify, rearrange, correct references, etc., without changing content.

11/1/2009

Bulletin No. 09-12

2900

2900 Fuel Program

The Low-Income Home Energy Assistance Act, Title XXVI of the Omnibus Budget Reconciliation Act of 1981, authorized grants to states to help eligible households with home heating expenses. This act was reauthorized, with amendment, by Title VI of the Human Services Reauthorization Act of 1984, by Title V of the Human Services Reauthorization Act of 1986, by Title VII of the Augustus F. Hawkins Human Services Act of 1990 and by Title III of the Human Services Amendments of 1994 (Public Law 103-252).

33 V.S.A. Chapter 26, "Home Heating Fuel Assistance," establishes a home heating fuel assistance program for low-income households that has both a seasonal component and a crisis component, to be administered by the Office of Home Heating Fuel Assistance.

33 V.S.A. Chapter 26, also creates a home heating fuel assistance fund to be composed of the receipts from any taxes dedicated to the fund and such other funds as may be appropriated to it by the General Assembly, including funds from the federal Low-Income Home Energy Assistance Program (LIHEAP).

Annually in the LIHEAP block grant plan, an amount of funds will be identified as being set aside for the crisis component from the home heating fuel assistance fund.

Sections 2900 - 2903 of the department's Policy Manual provide rules for the seasonal component of the home heating fuel assistance program. Rules for the crisis component are found in sections 2980 - 2989.

The seasonal component of the Vermont home heating fuel assistance program, hereinafter referred to as the Fuel Program, provides home heating fuel assistance to households responsible for making payments for their heat directly to a fuel supplier certified by the Fuel Program. The Fuel Program also provides assistance to households whose living unit rent, fees, or charges include the cost of the living unit's primary heating source, and to households who rent one or more rooms as separate living quarters in someone else's living unit.

11/1/2009

Bulletin No. 09-12

2912 P.4

2912 Eligible Households (Continued)3. Fuel Household (Continued)

- (3) the person provides medically necessary personal care or homemaker services to an elderly or disabled person residing in the living unit, provided that the recipient of these services is not the person's spouse or civil union partner, minor daughter or son, the other parent of the person's minor daughter or son, or the minor daughter or son of the other parent or the person's spouse or civil union partner; or
- (4) the person is in the custody of and placed in foster care in the living unit by the Family Services Division of the Department for Children and Families or
- (5) the person has been placed in the living unit by or through a program administered by the Department of Health, Division of Mental Health Services.

d. Roomer (or Roomer/Boarder) Fuel Household (for purposes of qualifying for receipt of fuel assistance benefits)

A roomer (or roomer/boarder) fuel household (as defined in 2901.1, #6) that occupies exclusively one or more rooms within a living unit as separate living quarters must pay reasonable room rent (compensation), weekly or monthly, for its separate living quarters in order to be potentially eligible for fuel assistance. In-kind payment for the separate living quarters, regardless of its equivalent value, does not constitute reasonable room rent. In addition, the roomer (or roomer/boarder) fuel household's total countable income and total countable resources shall not exceed the allowable maximums (Fuel Procedures Manual P-2905 A and Fuel Rules 2903.1).

e. Public or Section 8 Housing Program

Households that participate in a public or Section 8 housing program, where their rent is based on their income or where their Section 8 pays for their mortgage, are potentially eligible for fuel assistance provided they meet all applicable eligibility criteria. However, public or Section 8 households will remain potentially eligible only as long as a requirement to provide LIHEAP benefits to those housing program residents exists under federal law.

Reach Up and SSI/AABD recipients are not automatically deemed to be participating in a public or Section 8 housing program solely as a consequence of receiving Reach Up or SSI/AABD benefits.

11/1/2009

Bulletin No. 09-12

2920

2920 ResourcesDefinition of Resources

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.

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 of repairs, etc.

2921 Resources Maximum

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:

\$10,000 for households with one or more members who are elderly, or
\$5,000 for all other households.

The household's resources shall be considered at the time of application. Households in which all members receive Reach Up, or SSI/AABD automatically meet the resource test for eligibility for Fuel Program benefits.

11/1/2009

Bulletin No. 09-12

2933

2933 Income Deductions

Income shall not include the following:

1. Twenty percent of gross earned income from wages and of net earned income from self-employment and 100 percent of state and federal earned income tax credits (EITC).
2. Cost of dependent care as allowed in food stamp rules section 273.9d 4 and food stamp procedure section P-2590 A.
3. \$250 from the household income for each individual member who is elderly or disabled.
4. Reimbursement for employment expenses.
5. Reimbursement for other expenses incurred, such as insurance coverage of medical expenses or personal service allowances to pay for care in the home.
6. Income derived from payments received from the Family Services Division of the Department for Children and Families for providing room, board, and care to children in foster care who are excluded members of the fuel household.

The room-and-board portion of income received by developmental home providers furnishing qualified foster care to individuals placed by the Vermont Department of Health (VDH), or by a developmental or mental health services agency under contract with VDH. Compensation received in addition to that intended to cover room and board, considered difficulty-of-care payments, is earned self-employment income and is not excluded.

7. Charitable payments made on behalf of an applicant household by a private non-profit organization or public agency, such as third-party General Assistance payments.
8. Student financial assistance authorized under Title IV of the Higher Education Act or under Bureau of Indian Affairs student assistance programs.
9. Loans, except that portion of deferred payment educational loans not authorized under Title IV of the Higher Education Act or under Bureau of Indian Affairs student assistance programs and not used for tuition, mandatory fees, or other qualifying expenses (where applicable). (See also student financial assistance above and on page 2904.2 P. 2.).
10. Food Stamp Cash-Out payments, or the value of food stamps.
11. Income actually paid in making court-ordered support or alimony payments to a non-household member.

11/1/2009

Bulletin No. 09-12

2940

2940 Benefit Levels

Benefit levels to households are determined as follows:

- a. For eligible households that make payments for their home heat directly to a fuel supplier certified by the Fuel Program, benefits are determined under sections 2906.1 to and including 2906.4.
- b. For eligible households that make undesignated payments for their home heat in the form of rent, and that do not participate in a public or Section 8 housing program, where their rent is based on their income or where their Section 8 pays for their mortgage, an annual benefit in an amount equal to 30 percent of the annual benefit the household would have received if the household were purchasing energy for home heating fuel directly, or \$50.00, whichever amount is greater.
- c. For eligible households that make undesignated payments for their home heat in the form of rent and that participate in a public or Section 8 housing program, where their rent is based on their income or where their Section 8 pays for their mortgage, an annual benefit in the amount of \$5.00.
- d. For eligible roomer (or roomer/boarder) households that are residents of a living unit and that pay reasonable compensation in the form of room rent and who are not members of another fuel household, an annual benefit in the amount of \$50.00

The benefit level for which a Fuel Program household is eligible is dependent on the size of the household, its income, the annual primary heating fuel cost, the level of program funds available, and the number of households eligible for a benefit.

All net benefit computations shall have cents dropped down to the next whole dollar.

2941 Reductions for Public or Section 8 Housing

Each household that participates in a public or Section 8 housing program, where their rent is based on their income or where their Section 8 pays for their mortgage, and that makes payments for their home heat directly to a fuel supplier, will have its annual primary heating fuel costs reduced by an annualized standard heating subsidy deduction prior to determining the percentage of heating costs to be met by the Fuel Program. This standard is derived from Housing and Urban Development (HUD) heating subsidy amounts, called allowances by HUD, which are developed by the Vermont State Housing Authority and are specified by housing type, fuel type, and number of bedrooms. These subsidy amounts are located in the Standard Heating Subsidy Tables in the Fuel Program section of the welfare procedures manual.

11/1/2009

Bulletin No. 09-12

2942

2942 Calculation of Benefits

Benefit amounts for eligible households are established by applying a heating cost percentage table, based on household size and income, to the household's annual primary heating fuel cost, and limiting payments to a maximum benefit amount. In no instance shall the percentage of a household's benefit exceed 90 percent of that household's fuel cost.

Benefit amounts are determined according to the following steps:

- a. Income eligibility of the applicant household is determined according to rules in 2904. If the income of the household exceeds the maximum allowable income for its size, the household is ineligible.
- b. An annual primary heating fuel cost is determined for eligible households based on standard heating cost tables (referred to as "proxy tables") identified in sub-section 2906.4 below.

For households that participate in a public or Section 8 housing program, where their rent is based on their income or where their Section 8 pays for their mortgage, and make payments for their home heat directly to a fuel supplier, this annual heating cost amount is reduced by the standard heating subsidy deduction, yielding a net annual heating fuel cost.

- c. The net annual heating fuel cost is compared to a table of minimum heating fuel costs. If the household's fuel costs for its primary heating source are equal to or less than the minimum fuel cost set forth in this table, the household will be ineligible for Fuel Program benefits.
- d. Based on the household's size and income, a heating cost percentage is applied to its net annual primary heating fuel cost to determine what portion of that household's fuel costs can be authorized for payment as Fuel Program benefits.
- e. The amount resulting from (d.) above is compared to a table of maximum benefit amounts. If the amount from (d.) is greater than the allowable amount specified in the table, then the household's benefit is reduced to the maximum allowable amount.
- f. The benefit amount from (e.) above is reduced by a periodically adjusted payment rate, found in the Fuel Program section of the welfare procedures manual. This payment rate is based on the number of eligible households, their household incomes and annual primary heating fuel costs, and the amount of funds available for the Fuel Program.

If total program funds are not known at the time that the first line of credit for the heating season is issued, adjustments to payment rates for subsequent issuances may be necessary. If adjustments are necessary, payment rates will be set separately by procedure for each line of credit issuance.

11/1/2009

Bulletin No. 09-12

2942 P.2

2942 Calculation of Benefits (Continued)

- g. In addition to the above, the following policy applies to applications based on the date of receipt.
 - i. Households whose applications were received from July 15 through November 30, and who are found eligible, will receive one hundred percent of a season's benefit.
 - ii. Households whose applications were received from December 1 through 31, and who are found eligible, will receive eighty percent of a season's benefit.
 - iii. Households whose applications were received from January 1 through 31, and who are found eligible, will receive sixty percent of a season's benefit.
 - iv. Households whose applications were received from February 1 through the last day of February, and who are found eligible, will receive forty percent of a season's benefit.
 - v. Households whose applications were received from March 1 through July 14 will not receive assistance.

- h. If a household makes undesignated payments for their home heat in the form of rent and does not participate in a public or Section 8 housing program, where their rent is based on their income or where their Section 8 pays for their mortgage, the benefit amount is equal to 30 percent of the amount calculated by the payment rate in (f.) and the percentage rates in (g.), or \$50.00, whichever amount is greater.

11/1/2009

Bulletin No. 09-12

2943

2943 Fuel Program Tables

The following tables are adopted for the purposes of determining benefit amounts for eligible Fuel Program applicants:

Table I	Table II	Table III	Table IV
Household Income as a Percentage of Poverty Guideline	Minimum Heating Fuel Costs	Heating Cost Percentage	Maximum Benefit Amount
115% - 125%	\$266	66%	\$1165
105% - 114%	243	69%	1215
95% - 104%	219	72%	1265
85% - 94%	196	75%	1315
75% - 84%	172	78%	1365
65% - 74%	149	81%	1415
55% - 64%	125	84%	1465
45% - 54%	125	87%	1515
Under 45%	125	90%	1565

2944 Primary Heating Fuel Costs

The annual primary heating fuel cost is based on the following standard heating cost tables (referred to as “proxy tables”). The tables were derived from the actual home heating consumption of fuel assistance recipients and developed in consultation with experts in the home energy field. The tables provide only the cost of fuel or energy for home heat. The tables are revised no less frequently than every three years based on data supplied by certified fuel suppliers to the Office of Home Heating Fuel Assistance.

11/1/2009

Bulletin No. 09-12

2944 P.2

2944 Primary Heating Fuel Costs (Continued)Standard Heating Cost TablesMulti Family Homes

Fuel Type	1 Bedroom	2 Bedrooms	3 Bedrooms	4 + Bedrooms
Natural Gas	\$ 769	\$ 957	\$ 1,145	\$ 1,332
Propane	\$ 891	\$ 1,388	\$ 1,885	\$ 2,383
Oil	\$ 1,642	\$ 2,195	\$ 2,747	\$ 3,300
Kerosene	\$ 1,283	\$ 1,771	\$ 2,255	\$ 2,737
Electricity	\$ 878	\$ 962	\$ 1,046	\$ 1,130
Firewood, Wood Pellets and Coal	\$ 894	\$1,014	\$ 1,106	\$ 1,183

Single Family and Mobile Homes

Fuel Type	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Natural Gas	\$1,024	\$ 1,211	\$ 1,399	\$ 1,587
Propane	\$1,720	\$ 2,217	\$ 2,714	\$ 3,212
Oil	\$ 1,862	\$ 2,414	\$ 2,967	\$ 3,519
Kerosene	\$ 1,832	\$ 2,308	\$ 2,784	\$ 3,259
Electricity	\$1,537	\$ 1,621	\$ 1,705	\$ 1,789
Firewood, Wood Pellets and Coal	\$1,277	\$ 1,321	\$ 1,365	\$ 1,409

Rooms may be counted as bedrooms, even though they are not presently being used for such purposes, provided that they would likely be counted as bedrooms in any advertisement for the sale or rental of the home or unit.

11/1/2009

Bulletin No. 09-12

2950

2950 Benefit Issuance

The benefit period shall be from November 1 through March 31 or until Fuel Program funds are exhausted or redesignated to the crisis component.

Notwithstanding any other provision of rules governing the administration of the Fuel Program, payment of benefits shall be made only to the extent that funds are actually available.

In accordance with the requirements of 33 V.S.A. Chapter 26, all federal funds granted to the state for home heating fuel assistance under the Low Income Home Energy Assistance Program (LIHEAP) or other similar federal program in any current fiscal year, and all unexpended LIHEAP funds granted to the state in any prior fiscal year, shall be appropriated to the Home Heating Fuel Assistance Fund for the provision of home heating fuel assistance, including program administration, under Chapter 26 of Title 33.

Any issuance of benefits after December 31 is contingent upon the availability of federal LIHEAP funds or, in their absence, the appropriation of state funds. In addition, if the total program funds are not known at the time of the issuance of the first benefit payments, adjustments to subsequent payment rates may be necessary. If adjustments to payment rates are necessary, subsequent rates will be set separately by procedures for each line-of-credit issuance.

2951 Benefit Payment Method

Benefit payments to households are made as follows:

- a. For eligible households responsible for making payments for their heat directly to a fuel supplier certified by the Fuel Program the annual benefit will be issued as a line of credit directly to the household's certified fuel supplier as follows:
 1. Households that applied from July 15 through August 31 will receive a single benefit no later than November 30. Households whose primary heating fuel is firewood or wood pellets will receive a single benefit no later than September 30.
 2. Households that applied from September 1 through November 30, will receive a single benefit no later than January 15. The Department will issue this benefit within 30 days of November 30 if administratively possible.
 3. Households that applied from December 1 through 31, will receive a single benefit no later than February 14. The Department will issue this benefit within 30 days of December 31 if administratively possible.

11/1/2009

Bulletin No. 09-12

2951 P.2

2951 Benefit Payment Method (Continued)

4. Households that applied from January 1 through 31, will receive a single benefit no later than March 7. The Department will issue this benefit within 30 days of January 31 if administratively possible.
 5. Households that applied from February 1 through the last day of February, will receive a single benefit by March 31.
- b. For eligible households that make undesignated payments for energy for home heat in the form of rent the annual benefit will be issued either by a check, electronic benefit transfer (EBT), or direct deposit payable to the head of household as follows:
1. Households that applied from July 15 through August 31 will receive a single benefit by December 15.
 2. Households that applied from September 1 through November 30 will receive a single benefit no later than January 15. The Department will issue this benefit within 30 days of November 30 if administratively possible.
 3. Households that applied from December 1 through 31 will receive a single benefit no later than February 14. The Department will issue this benefit within 30 days of December 31 if administratively possible.
 4. Households that applied from January 1 through 31 will receive a single benefit no later than March 7. The Department will issue this benefit within 30 days of January 31 if administratively possible.
 5. Households that applied from February 1 through the last day of February will receive a single benefit by March 31.
- c. For eligible households that make undesignated payments for energy for home heat in the form of rent, and that participate in a public or Section 8 housing program, where their rent is based on their income or where their Section 8 pays for their mortgage, the annual benefit will be issued either by check, electronic benefit transfer (EBT), or direct deposit payable to the head of household by March 31.
- d. For eligible households that are residents of a dwelling unit and that pay reasonable compensation in the form of room rent and that are not members of another household, the annual home heating fuel assistance benefit will be issued either by a check, electronic benefit transfer (EBT), or direct deposit payable to the head of household by March 31.

11/1/2009

Bulletin No. 09-12

2952

2952 Use of Payments to Certified Fuel Suppliers

Benefits shall be used for primary home heating fuel or energy purchased during the heating season from November 1 to March 31, or as otherwise permitted in this section. Under no circumstances will fuel suppliers be allowed to pay a benefit or a credit balance to a fuel household.

An eligible household that has an outstanding bill with its primary heating fuel supplier may, at its discretion, and provided that the household and its fuel supplier enter into an agreement for a budget payment plan for fuel or a repayment plan for fuel arrears, use up to 17 percent of the benefit amount for fuel delivered prior to November 1.

Under no circumstance may benefits be used to pay for repairs to a household's heating system, parts, special trip charges, or any non-heat uses.

Any credit balance outstanding on March 31 may be applied to home heating fuel or energy delivered in the month of April.

Notwithstanding the requirements described above, eligible households whose primary heating fuel is firewood or wood pellets may use up to 100 percent of the benefit to pay for firewood or wood pellet deliveries received prior to November 1.

2953 Credit Balances

All benefit payments remain the property of the state of Vermont until actually used by the fuel supplier for the provision of home heating fuel to eligible households.

In the event that on April 30 of any year a credit balance exists in a certified fuel supplier's account for a household that has received annual home heating fuel assistance during the previous 12 months, and the total cost of fuel delivered to the household during the previous 12 months did not exceed the total Fuel Program benefits received by the household during that same period of time, that certified fuel supplier is required to pay the amount of this credit balance to the Office of Home Heating Fuel Assistance no later than May 31 of the same year.

2954 Expedited Benefits, Crisis Households

In a primary heat crisis situation a household may have their seasonal fuel application expedited by the Fuel Assistance Office and, if eligible, have their seasonal fuel benefit paid to a certified fuel supplier within 10 business days when all of the following conditions are met:

- a. A crisis fuel worker has determined the household eligible for crisis fuel assistance.
- b. The crisis situation is for primary home heating fuel or energy.
- c. The household has not received any seasonal fuel benefit for the season.
- d. The household has submitted a seasonal fuel assistance application.
- e. The crisis fuel worker has requested an expedited seasonal fuel benefit.
- f. The Fuel Assistance Office has determined the household eligible for seasonal fuel assistance.