



*LIHEAP Informational Forum
Remarks before the Appropriations, Human Services
and Energy & Technology Committees
Pamela Giannini
March 23, 2012*

Good afternoon, Senators Harp, Musto and Fonfara, and Representatives Walker, Tercyak and Nardello, and members of the committees, my name is Pamela Giannini. I am the Director of the Bureau of Aging, Community and Social Work Services at the Department of Social Services. Included in this Bureau is the Low Income Home Energy Assistance Program (LIHEAP). I am here before you today to provide you with a status update of the 2011/2012 LIHEAP.

Before I begin with the program status update, I would like to briefly review where we are and how we arrived. As many of you undoubtedly recall, last September we met to review and seek approval of the 2011/2012 LIHEAP Allocation Plan. During that public hearing process the committees approved operation of the program at a \$61.6 million funding level, with the stipulation that the allocation of any additional funds would require committee approval.

On December 22, 2011, we received notification from the U.S. Department of Health and Human Services (HHS) that the FFY 2012 LIHEAP Block Grant funding level had been approved by Congress, and that Connecticut would be receiving \$79.5 million. Shortly after, a proposal was forwarded to the committees detailing the administration's recommendations for the utilization of the additional funds. The primary components included the provision of additional Safety Net Assistance benefits for CEAP eligible, deliverable fuel heated households and a \$140 Supplemental Assistance Benefit for CEAP eligible, utility heated households. That proposal was reviewed, approved and immediately implemented.

As part of the implementation process, we have met and communicated with representatives from the utility companies to determine the most efficient method for distributing this year's energy assistance benefits, both the Basic Benefits and the Supplemental Assistance Benefits. I am pleased to report that those funds are being released to the Community Action Agencies next week. Upon receipt, they will be

processing utility payments totaling \$13.3 million. These represent payments on behalf of nearly 44,000 utility heated households. This translates to an average utility expenditure of \$302 and represents a 59.3% reduction from last year's \$741 average utility expenditure.

I would also like to inform you that on March 15, 2012, we completed fuel authorizations for our deliverable fuel heated customers. We are now in the process of completing payments under that portion of the program. To date, \$31.1 million has been released to fuel vendors. Another \$2.9 million in final payments will be released shortly, completing that portion of the program. This \$34 million represents payments issued on behalf of nearly 40,000 deliverable fuel heated households. This translates to an average deliverable fuel expenditure of \$850 and represents a 27.3% reduction from last year's \$1,169 average deliverable fuel expenditure.

That was a brief review of where we are in this year's energy assistance program. I would like to remind everyone that program intake is not scheduled to end until May 15 2012, so final numbers are not yet known. During these last few weeks we are anticipating that an additional 10,000 households will apply for assistance, almost all of which will be utility heated.

Attached to this document is the 2011/2012 CEAP Status Update Report. This report provides the most current data regarding the status of program funding. In addition, it includes estimates of final caseload counts and anticipated final program expenditures.

As you can see from the report, we have a budget of \$79.7 million. Based on our latest estimates, we are anticipating an eligible caseload of nearly 100,000 households. This represents a 15% decline in the number of households served when compared to last year's record turnout. A more detailed analysis of this year's caseload indicates reductions in all categories of assistance, all income levels, all fuel sources and at all of the Community Action Agencies.

We believe that there are several factors that have contributed to this reduction. The uncertainty over administrative funding levels did not enable Community Action Agencies to fully staff the program until February. That, coupled with the one month delay in the opening of early intake caused considerable processing issues at several locations. Most of these processing issues have been successfully addressed, although many agencies are reporting that they are solidly booked with appointments for the remainder of the intake portion of the program.

While these administrative issues were certainly contributing factors in this year's caseload reduction, it would be impossible to overstate the impact of this year's record warm temperatures. Since the primary focus of the program has traditionally been to assist households from being without heat, the record warmth clearly allowed us to accomplish our mission for considerably less than one would reasonably have assumed.

Not surprisingly, the across-the-board caseload reductions have resulted in reduced benefit expenditures. As a result, we are estimating this year's final program expenditures will be approximately \$59.9 million. This leaves us with an unobligated balance of \$19.9 million. In accordance with federal regulations, we are allowed to carry-forward up to 10% of any newly allocated LIHEAP funds from one fiscal year into the next. Based on our FFY 2012 LIHEAP block grant funding level of \$79.5 million, we can carry-forward up to \$7.9 million into FFY 2013. Doing so will leave us with an unobligated balance of \$11.9 million that must either be refunded to HHS or utilized within the current FFY.

In previous years, when confronting this situation, the state has opted to allocate the funds in the form of a supplemental benefit on behalf of utility heated households. While this is certainly an option, we would prefer to wait until all applications have been accepted and processed, and all fuel bills have been covered before making any final determinations.

That said, I realize that there is interest in this potential benefit, especially as it relates to today's discussion. Based on our current caseload and expenditure estimates, we would anticipate that we would be in a position to provide a supplemental utility benefit of approximately \$200 per eligible utility heated household. As in previous years, the benefit would be issued directly to each utility heated household's utility company. The utilization of the funds in this manner would increase this year's average utility expenditure to \$502. This would represent a 32.3% reduction from last year's average utility expenditure. The 32.3% reduction in the average utility expenditure is comparable to this year's 27.3% reduction in the average deliverable fuel expenditure.

In closing, I would like to emphasize that this year's energy assistance program encountered both obstacles and good fortune. While we benefitted enormously from last winter's remarkably mild temperatures, we did face record high fuel prices, delayed program opening, administrative funding reductions and federal funding uncertainties. All of these drawbacks and potential pitfalls were addressed and overcome. We could not have done this without the support and assistance of our many partners: the Community Action Agencies, Office of Policy and Management, utility companies, fuel vendors, United Way 211, Operation Fuel, Connecticut Legal Services, Connecticut Association for Community Action, the Low Income Energy Advisory Board and the extensive network of volunteer intake sites, municipal agents and senior centers.