



***Testimony before the Appropriations, Human Services and Energy and  
Technology Committees  
Raymond Singleton  
Deputy Commissioner  
September 25, 2013***

Good afternoon, Senators Harp, Duff, and Slossberg, Representatives Walker, Reed and Abercrombie, and members of the committees, my name is Raymond Singleton and I am a Deputy Commissioner at the Department of Social Services. I am here before you today to review and seek your approval of the Governor's 2013/2014 Allocation Plan for the Low Income Home Energy Assistance Program (LIHEAP) Block Grant.

I would like to begin by noting that all of us at the department understand the importance and value of the energy assistance program in meeting the heating needs of our elders, people with disabilities, families and children. I am truly grateful for the continued dedication and commitment of our partners at the Office of Policy and Management, the community action agencies, local volunteer intake sites, the numerous participating fuel vendors, utility companies, and to all the winter heating assistance stakeholders for their support and assistance with the program. As always, we look forward to working with you as we strive to meet the heating challenges of the state's most vulnerable households.

I would like to take this opportunity to offer particular thanks to the members of the Low-Income Energy Advisory Board (LIEAB) for their cooperation and continued support of the program. I am pleased to inform you that this year's plan incorporates the majority of the recommendations put forward by that group.

Before I discuss the specifics of this year's plan, I would first like to share with you that applications for the program are currently being accepted at the community action agencies. All of the community action agencies began scheduling appointments and accepting applications on Thursday, August 1<sup>st</sup>. As of September 20th, some 17,199 applications had been accepted and 11,539 of these applications have already been pre-approved. These households will be officially notified of their eligibility immediately following adoption of the 2013-14 CEAP allocation plan by these committees of cognizance. As noted in previous public hearings, we are firmly committed to the early intake process, and will work with our partners to ensure its continued success.

## **LIHEAP Funding Outlook**

As many of you undoubtedly recall, last year LIHEAP was facing funding reductions due to sequestration. Thankfully, the reductions were not as severe as originally anticipated, however, our final FY 2013 LIHEAP funding level of \$76 million was \$3.5 million less than expected. Despite this reduction in funding, we were able to meet the heating needs of some 100,709 households.

The latest outlook for LIHEAP is no more encouraging than it was a year ago. LIHEAP will likely be funded through Continuing Resolutions based on the post-sequestration FFY 2013 level. We estimate that Connecticut would receive approximately \$76 million in LIHEAP block grant funds. We are also estimating \$375,000 in LIHEAP Leveraging Funds. In addition, \$7.5 million in FY 2013 LIHEAP carry-forward funds and \$500,000 in vendor refunds are also available. This brings the total available funds, as identified in the plan, to slightly over \$84.4 million.

With our total estimated funding of \$84.4 million, we propose to assist approximately 107,977 households. At the recommendation of the Low-Income Energy Advisory Board (LIEAB), the number of households was projected based on the average number of households eligible for assistance over the past five program years.

## **LIHEAP Eligibility**

The plan before you includes eligibility for two energy assistance programs – the Connecticut Energy Assistance Program (CEAP) and the Contingency Heating Assistance Program (CHAP).

### ***CEAP***

CEAP provides assistance to households with incomes up to 150% of the federal poverty guidelines. In addition, any vulnerable household with income up to 200% of the federal poverty guidelines is also income eligible for assistance under CEAP. Vulnerable households are defined as those households with members that are either elderly (age 60 and older), disabled and/or under the age of 6. We continue to extend CEAP eligibility to 200% of the federal poverty guidelines for households with young children.

### ***CHAP***

CHAP provides assistance to those households with incomes up to 60% of the state median income guidelines that have been determined over-income for CEAP. This represents the maximum allowable income eligibility level under LIHEAP.

## **LIHEAP Benefits and Services**

### ***Basic Benefits***

Basic Benefits under CEAP will continue to be determined based on a review of household income, liquid assets and vulnerability. The lowest income households will continue to receive the highest Basic Benefits. Basic Benefits will be available for all primary sources of heat. This year's proposed CEAP Basic Benefits range from \$350 to \$585, and are detailed on page 8 of the plan.

The Basic Benefit under CHAP is proposed to be \$300.

### ***Crisis Assistance Benefits***

A one-time Crisis Assistance Benefit will be available to all eligible deliverable fuel-heated households who have exhausted their basic benefits and are still in need of assistance.

CEAP deliverable fuel-heated households will be eligible for a Crisis Assistance Benefit of \$410.

CHAP deliverable fuel-heated households will be eligible for a Crisis Assistance Benefit of \$110. For CHAP households, the Basic Benefit and the Crisis Assistance Benefit will be combined to cover the cost of a \$410 fuel delivery. Based on the latest forecast from the federal Energy Information Administration (EIA), the average retail cost for heating oil in FY 2014 is expected to be \$3.65 per gallon. Assuming that this estimate is accurate, a \$410 authorization should be sufficient to cover the cost of a 100 gallon minimum delivery.

### ***Safety Net Assistance Benefits***

Safety Net Assistance Benefits will continue to be provided to address the needs of CEAP deliverable fuel-heated households that have exhausted their Basic Benefit and their Crisis Assistance Benefit and are in a life-threatening situation. In an effort to ensure that Safety Net Assistance Benefits are targeted to the most financially challenged households, a risk assessment determination is required. The risk assessment includes a review of the household's monthly income, liquid assets and expenditures. If it is determined that the household lacks sufficient resources to obtain fuel on their own, an emergency fuel delivery of up to \$410 may be authorized.

CEAP vulnerable deliverable fuel-heated households may be eligible to receive up to three Safety Net Assistance Benefits for a total of \$1,230. CEAP non-vulnerable households may be eligible to receive up to two Safety Net Assistance Benefits for a total of \$820.

Again this year, CHAP households do not qualify for Safety Net Assistance Benefits.

I would like to emphasize that when the Basic, Crisis and Safety Net Assistance Benefits are combined, this year's maximum available benefit for vulnerable deliverable fuel-heated households at the lowest income level is **\$2,225**. This would translate to over 600 gallons of oil. Last program year, a similarly situated household could have received a maximum amount of **\$2,175** in fuel deliveries.

### ***Rental Assistance Benefits***

Rental Assistance Benefits are available to those households whose heating costs are included in their rent and whose rent is more than 30% of their gross income. This year's proposed Rental Assistance Benefits range from \$100 to \$120, and are detailed on page 9 of the plan.

### ***LIHEAP SNAP Benefits***

Five years ago, the department implemented a program that provided a \$1 LIHEAP benefit to Supplemental Nutrition Assistance Program (SNAP) recipients whose heat was included in their rent and whose rent was less than 30% of their income. The provision of this \$1 benefit enabled each household to have its SNAP eligibility recalculated, utilizing the Standard Utility Allowance. Based on this recalculation, almost all participating households received an increase in their SNAP benefits. I would like to stress that the increased SNAP benefits are entirely covered by federal funds.

This past program year, some 100,000 SNAP recipient households qualified for the \$1 LIHEAP benefit. The receipt of that \$1 LIHEAP benefit increased their SNAP benefits by an average of \$109 per month. To the extent Congress does not impose any restrictions or new federal requirements, we are proposing to continue the \$1 benefit in the upcoming program year.

### ***Continuation of the Fixed Margin Pricing Program***

The Fixed Margin Pricing Program will continue to reimburse oil vendors at a margin of 31 cents per gallon, plus a county differential, for deliveries of number 2 home heating oil. The county differentials included in this plan will range from 3.3 cents to 11.5 cents per gallon. The plan before you proposes no modifications to last year's pricing mechanism.

This past program year, over 10 million gallons of oil were purchased on behalf of energy assistance households, at a savings of \$2.4 million. The pricing program saved an average of 23 cents per gallon over regular retail prices.

In conclusion, I would again like to offer thanks to our partners for their important role in implementing the energy assistance program. We could not have achieved this success without the cooperation and assistance of our many partners: the Office of Policy and Management, the Low Income Energy Advisory Board, utility companies, fuel vendors,

211 Info-Line, Operation Fuel, community action agencies, Connecticut Association for Community Action and Connecticut Legal Services. I would be remiss if I did not also acknowledge the contributions of the extensive network of volunteer intake sites, municipal agents and senior centers, whose efforts are so essential to the ongoing success of the program.

In closing, I believe that this 2013/2014 Allocation Plan for the LIHEAP Block Grant is the best possible means of meeting the immediate heating needs of Connecticut's most vulnerable households, given the expected substantial reductions in federal funds. I therefore seek your approval of the LIHEAP plan.

Thank you. I would be happy to answer any questions you may have.