



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE APPROPRIATIONS, HUMAN SERVICES, AND ENERGY AND TECHNOLOGY COMMITTEES *August 31, 2016*

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Secretary
Office of Policy and Management

FFY 17 Low Income Home Energy Assistance Program (LIHEAP) Block Grant

Senator Bye, Representative Walker, Senator Moore, Representative Abercrombie, Senator Doyle, Representative Reed, and distinguished members of the Appropriations, Human Services, and Energy and Technology Committees, thank you for the opportunity to submit testimony and to request your approval of the block grant allocation plan for the Low Income Home Energy Assistance Program (LIHEAP).

Although the federal budget for FFY 2017 has not been finalized, \$80.4 million in federal funds has been assumed. The proposed allocation plan assumes the LIHEAP block grant will be level funded through continuing resolutions based on the FFY 2016 level. Additionally, an estimated \$7.6 million in carryforward funds and \$200,000 in refunds and other adjustments are anticipated to be available. In total, \$88.2 million is expected to be available.

The FFY 2017 plan maintains the three tiers of benefits that have been historically available:

- (1) Basic Benefits, which are available for eligible utility and deliverable fuel heated households with income less than 60% SMI, on a graduated basis based on household vulnerability¹ and income;
- (2) Crisis Assistance, which is available for eligible deliverable fuel heated households with income less than 60% SMI who have exhausted their Basic Benefits; and
- (3) Safety Net Assistance, which includes two installments for eligible deliverable fuel heated households with income less than 200% FPL who have exhausted

¹ A household is considered vulnerable if one or more of its members is either elderly (60 years of age or older), disabled, or under the age of six.

both Basic and Crisis Assistance benefits and are in a life-threatening situation, and up to three installments if the household is considered vulnerable.

The FFY 17 LIHEAP Plan will add Level 4 and Level 5 Rental Assistance Benefits. Currently, Rental Assistance Benefits are structured to provide benefits to households under 150% of the Federal Poverty Guidelines (FPG). DSS is expanding eligibility to include households between 151% FPG to 60% of State Median Income (SMI). This change will ensure that the LIHEAP program is available for all households under 60% SMI.

Beneficiaries will either see increased or maintained benefits under the proposed FFY 17 plan. Basic Benefits for vulnerable households are being increased between 1% and 2%. Crisis Assistance benefits are being maintained at \$550 for Levels 1 through 4 and \$250 for Level 5. Safety Net Assistance benefits are also being maintained at \$415. Vulnerable deliverable fuel-heated households will be eligible for up to \$2,385 in heating assistance, compared to \$2,380 in FFY 16, and non-vulnerable deliverable fuel-heated households will be eligible for up to \$2,330 in heating assistance, the same benefit as in FFY 16.

The proposed plan assumes 11% caseload growth. The caseload growth assumed under this proposal is based on the average FFY 12 through FFY 15 caseload. In FFY 16, due to the mild winter and decrease in oil prices, LIHEAP experienced a dramatic caseload drop of 9%. FFY 16 caseload is omitted from the calculation for the growth rate because it is considered an anomaly.

As you may recall, in February 2014, the Supplemental Nutrition Assistance Program (SNAP) was reauthorized as part of the 2014 Farm Bill. The language included a provision requiring that households receive a LIHEAP benefit greater than \$20 in order to automatically qualify for the Standard Utility Allowance under SNAP. The plan before you today continues to provide a LIHEAP SNAP benefit of \$20.01, which will allow over 110,000 households to receive higher SNAP benefits as a result of having their SNAP benefits calculated using the Standard Utility Allowance.

The FFY 17 LIHEAP plan includes \$1.0 million to assist with Furnace Repair and Replacement costs. These funds are set aside to provide repairs or replacement of heating systems for single family, owner-occupied dwellings which are determined to be unsafe or inoperable. These funds shall be available for eligible homeowners that receive a Level 1 through Level 4 Basic Benefit but will be prioritized for Level 1 through Level 4 vulnerable households. DSS estimates that with this level of funding, they will be able to perform approximately 138 heating system replacements, 124 heating system repairs to correct substantial mechanical deficiencies, and 25 tank replacements.

Finally, the FFY 17 LIHEAP plan also includes \$1.0 million to provide Weatherization services. Funding will be provided to the State Department of Energy and Environmental

Protection (DEEP) to provide Weatherization services focused on health and safety measures and in compliance with the U.S. Department of Energy's Weatherization requirements. DSS will retain oversight responsibilities for this funding and shall develop and facilitate the execution of a Memorandum of Agreement.

The proposed allocation plan is a responsible and balanced plan that allows us to live within the anticipated federal dollars, provide increased benefits, and increase program eligibility. It has been endorsed by the Low Income Energy Advisory Board (LIEAB) and provides meaningful benefits to all households. As in prior years, the plan allows for increases in benefits should additional funding become available.

I urge your support of the LIHEAP allocation plan. Representatives from the Departments of Social Services and Energy and Environmental Protection will be presenting testimony and will be able to provide more detailed information on the allocation plan which is before you today. Thank you.

