



***Testimony before the Appropriations, Human Services and
Energy and Technology Committees
Kathleen M. Brennan, Deputy Commissioner***

August 31, 2016

Good afternoon, Senators Bye, Moore and Doyle; Representatives Walker, Abercrombie and Reed and members of the Committees, my name is Kathleen Brennan and I am the Deputy Commissioner for Programs of the Department of Social Services. I am here before you today to review and seek your approval of the Governor's FFY 2017 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 are proud to advocate for the importance and value of Connecticut's energy assistance program in meeting the heating needs of our elders, people with disabilities, families and children. We are grateful for the continued dedication and commitment of Governor Malloy, the General Assembly and Office of Policy and Management; and our partners in the community action agencies, local volunteer intake sites, 211 United Way, Operation Fuel, Connecticut Legal Services, the 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 all partners as we help meet the home-heating needs of the state's most vulnerable households.

I would also like to thank 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 recommendations put forward by that group, and that the plan was endorsed unanimously by LIEAB at their last meeting.

Before I discuss the specifics of this year's plan, I would like to take this opportunity to thank and commend the management and staff at Action for Bridgeport Community Development, Inc. (ABCD), for their continued assistance in ensuring the delivery of LIHEAP benefits to eligible clients in the greater Norwalk and Stamford areas. This past winter season, ABCD served in a stewardship role for this service area, and through their efforts, took 5,307 applications in addition to the number of applications taken in their regular catchment area. For the upcoming winter heating season, ABCD will continue to administer energy assistance for the greater Norwalk area while the Community Action Agency of Western Connecticut, Inc. (CAAWC) will assume the responsibility of administering energy assistance in the greater Stamford area, now part of the CAAWC catchment area.

All of the community action agencies began scheduling appointments and accepting applications on Monday, August 1st. Immediately following the anticipated adoption of

the FFY 17 allocation plan by these Committees of Cognizance, households that have been pre-approved will be officially notified of their eligibility. As noted in previous public hearings, we are firmly committed to the early intake process as a way to support overall program efficiency, and will work with our partners to ensure its continued success.

Outreach

Keeping residents informed of energy assistance benefits available to them is a top priority, and is accomplished through a variety of methods. At the state level, we maintain a website with up-to-date information for residents and vendors at www.ct.gov/staywarm and operate an Energy Assistance Hotline, at 1-800-842-1132. In our Regional Offices information about the program is posted on the DSS Network. The United Way of Connecticut, through its DSS-funded 2-1-1 toll-free service (alternative phone number for 2-1-1 is 1-800-203-1234) and on its website, provides program and contact information for energy assistance intake sites throughout the state.

Many community action agencies maintain websites with updated information, as well. Press releases are issued, as warranted, by participating organizations. Agencies provide outreach to residents through public service announcements, specialized intake events, and media interviews. Public utility companies provide informational flyers in customer bills and in partnership with Operation Fuel, also host a statewide energy forum each fall for social service agencies. Meetings with deliverable fuel vendors are also convened annually to keep them apprised of program changes. All of these efforts will be maintained to ensure that the public is aware of the benefits available through this vital program.

LIHEAP Funding Outlook

The total LIHEAP budget last year for Connecticut winter home-heating assistance was \$89 million. The funding was comprised of a block grant amount of \$80.4 million, \$8.4 million in federal carry-forward funding from FFY 15, and approximately \$200,000 from vendor refunds. With this budget, we were able to meet the heating needs of 90,661 households statewide. Please note that despite extending the application deadline through May 31st, the combination of an unusually warm winter and the dramatic drop in the price of home heating oil resulted in an 8.3% decline in the numbers of LIHEAP applications taken this year versus the previous year.

Although the block grant funding amount for LIHEAP this year is yet to be determined, it will likely be funded through Continuing Resolutions. In order to plan for this program year in a timely manner, a total budget of \$88.2 million in federal funds is assumed. This is based on the probability that LIHEAP will be level funded at the FFY 2016 level. Based on this rationale, Connecticut would receive approximately \$80.4 million in FFY 2017 Block Grant funds. In addition, \$7.6 million in FFY 2016 LIHEAP carry-over funds, and \$200,000 in LIHEAP vendor refunds are anticipated to be available. With the available budget, we propose to assist an estimated 100,726 households.

LIHEAP Eligibility

Households that make direct-to-vendor payments for their heat and are determined to be eligible for assistance will continue to be served with incomes up to 60% of the State Median Income. Also, focus continues to be on vulnerable households, meaning those with members that are either elderly (age 60 and older), with a disability and/or under the age of 6. Vulnerable households make up two-thirds of the LIHEAP caseload served annually.

LIHEAP Benefits and Services

Basic Benefits

Basic Benefits under CEAP will continue to be determined based on a review of household income, household size, liquid assets, and vulnerability and will be available for all primary sources of heat. The lowest-income households will continue to receive the highest Basic Benefits. Additionally, Basic Benefits are divided into non-vulnerable and vulnerable benefit categories. If the CEAP eligible household is considered vulnerable (has a member that is either 60 years of age or older, disabled or under the age of 6), the household will receive a benefit based on their household size under the vulnerable benefit category. This year's proposed Basic Benefits range from \$240 to \$590, and are detailed on page 8 of the plan.

Crisis Assistance Benefits

A one-time Crisis Assistance Benefit will be available to all eligible deliverable fuel-heated households that have exhausted their basic benefits and are still at imminent risk of losing heat. A household qualifying for a Crisis Assistance benefit will receive authorization for a fuel delivery within forty-eight (48) hours.

Deliverable fuel-heated households receiving a Level 1 through Level 4 Basic Benefit award, meaning those households with incomes up to 200% of the federal poverty guidelines, will be eligible for a Crisis Assistance Benefit of \$550.

Deliverable fuel-heated households receiving a Level 5 Basic Benefit award, meaning household with incomes over 200% of the federal poverty guidelines up to 60% of the State Median Income, will be eligible for a Crisis Assistance Benefit of \$250. For eligible Level 5 households, the Basic Benefit and the Crisis Assistance Benefit will be combined to cover the cost of a fuel delivery that exceeds the 100 gallon minimum delivery statutory requirement. It should be noted that based on the latest forecast from the Energy Information Administration, the average retail cost for heating oil in 2017 is expected to be \$1.62 per gallon.

Safety Net Assistance Benefits

Safety Net Assistance Benefits will continue to be provided to address the needs of 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 up to \$415 may be authorized.

Vulnerable deliverable fuel-heated households may be eligible to receive up to three Safety Net Assistance Benefits. Non-vulnerable deliverable fuel-heated households may be eligible to receive up to two Safety Net Assistance Benefits.

Households receiving a Level 5 Basic Benefit award will not qualify for Safety Net Assistance Benefits.

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 Benefit Matrix has been expanded to include benefits for Level 4 and 5. This will ensure that all qualified households with income up to 60% of the state median income can receive benefits. Rental Assistance Benefits range from \$100 to \$140, and are detailed on pages 8 and 9 of the plan.

Conservation Services

Weatherization

This year's plan includes a new section that provides \$1 million in LIHEAP funds to the Department of Energy and Environmental Protection (DEEP) to assist with providing weatherization services to CEAP eligible households. These funds will be used to address health and safety measures for the provision of weatherization services and will be in compliance with the U.S. Department of Energy's Weatherization requirements. This is further detailed on pages 11 and 12 of the plan and includes information that the application completed by households to determine CEAP eligibility also determines the income eligibility for the Weatherization Program administered by DEEP.

Heating System Repair and Replacement

The Department proposes to provide \$1 million to provide repairs or replacement of heating systems for single family, owner-occupied dwellings that are determined to be unsafe or inoperable. These funds will be available to eligible homeowners that receive a Level 1 through Level 4 Basic Benefit. Vulnerable households will be prioritized over

non-vulnerable households. Heating system components replaced with this funding will comply with Energy Star standards established by the U.S. Department of Energy.

Clean Tune and Test

Also new in this year's plan is the proposal to cover the cost of the clean, tune and test of deliverable fuel heating systems for CEAP eligible households, from funds set aside for the heating system repair/replacement component. This cost was previously charged to the household's Basic Benefit award.

LIHEAP SNAP Benefits

In the FFY 2017 plan, we are proposing to allocate \$2.2 million of the LIHEAP budget to continue to provide a \$20.01 annual LIHEAP benefit to Supplemental Nutrition Assistance Program (SNAP) recipients whose heat is included in their rent and whose rent is less than 30% of their income. The provision of this benefit will enable up to 110,000 households to have their SNAP eligibility recalculated, utilizing the maximum Standard Utility Allowance. This expenditure is expected to leverage more than \$66.5 million back into the state. This budget component is also supported by the Low Income Energy Advisory Board, as one of their proposed recommendations to include in this year's plan.

Continuation of the Fixed Margin Pricing Program

The Fixed Margin Pricing Program will reimburse oil vendors at a margin of 33 cents per gallon, plus a county differential, for deliveries of low sulfur distillate heating oil. The county differentials included in this plan will continue to range from 3.3 cents to 11.5 cents per gallon.

This past program year, 10.1 million gallons of oil were purchased on behalf of energy assistance households. The Fixed Margin Pricing Program saved an average of 21.7 cents per gallon, for a total savings of \$2.34 million over regular retail prices.

Conclusion

I would again like to offer thanks to our partners for their important role with the energy assistance program and we would not be able to maintain the program's success without their cooperation and assistance. I would also like to acknowledge the vital 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 join the Governor and OPM in recommending this FFY 2017 Allocation Plan for the LIHEAP Block Grant as the best possible means of meeting the immediate heating needs of Connecticut's most vulnerable households. I therefore seek your approval of the LIHEAP Allocation Plan.

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