

**Analysis and Summary of Governor's FFY 24
Low Income Home Energy Assistance Program (LIHEAP)**

Joint Hearing of Committees on Appropriations, Energy and Technology,
and Human Services

August 28, 2023

OFFICE OF FISCAL ANALYSIS

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INTRODUCTION

Pursuant to CGS Section 4-28b, the Governor has submitted for consideration the proposed allocation plan for the federal fiscal year (FFY) 2024 Low Income Home Energy Assistance Program (LIHEAP) Block Grant. An overview of the allocation plan and proposed changes follows.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

Connecticut utilizes LIHEAP funding to support the Connecticut Energy Assistance Program (CEAP). This program serves households whose income falls at or below 60% of the state median income (SMI, \$79,910 for a family of four). The Department of Social Services (DSS) administers the program with the assistance of the Community Action Agencies (CAAs).

The proposed plan assumes level FFY 24 base block grant funding of \$75.5 million. Additional funding (carry forward, refunds, and the Infrastructure Investment and Jobs Act) result in total available funds of \$84.8 million. The table below outlines the proposed FFY 24 budget:

Table 1. Proposed FFY 24 Budget

Category	FFY 24 Proposed Expenditures \$
Rental Assistance	814,100
Basic Benefits	47,737,100
Crisis Assistance	22,097,236
System Enhancements	1,190,000
Weatherization Services (DEEP)	1,000,000
SNAP Benefit	1,800,000
Assurance 16	1,200,000
Heating System Repair & Replacement	1,200,000
Administration	7,743,160
Outreach Activities	50,000
Total	84,831,596

Source of Funds	FFY 23 Available \$
Block Grant	75,472,229
Infrastructure Investment & Jobs Act	1,959,367
Balance Carried Forward	7,000,000
Other- Vendor Refunds	400,000
TOTAL FUNDS AVAILABLE	84,831,596

HIGHLIGHTS

Overall, the combination of increased caseload and return to standard funding levels (as supplemental federal funding is not expected to be available) results in reduced benefit levels compared to recent years. Notable changes include the following:

- The FFY 24 base block grant funding is assumed at a similar level to FFY 23 at \$75.5 million; however, total available funding is estimated to be 31% lower after considering other federal funds that were available in FFY 23.
- FFY 24 caseload levels are estimated to be 10% higher than FFY 23;
- Benefits across all programs and income levels have decreased since FFY 23 with the largest decrease of \$70 per income level in the basic benefit category;
- Crisis Assistance is restructured to remove the third Crisis Assistance benefit created in FFY 23. The FFY 24 proposal allows certain fuel-deliverable households to receive up to two crisis assistance benefit payments.

FEDERAL BUDGET ACTION

Final Congressional action has yet to be taken on FFY 24 appropriations for this grant. The allocation plan assumes a base block grant funding level similar to last year.

CONTINGENCY PLAN

If funding is more or less than the amount assumed in the proposal, benefit payment levels and/or income eligibility criteria may be adjusted. Per CGS Section 4-28b, any proposed transfer over \$50,000 to or from any specific allocation or any transfer amount that is 10% of any specific allocation (whichever is less), must be submitted to the speaker and president pro tempore to be approved, modified or rejected by relevant committees.

BENEFIT LEVELS

FFY 20-22 benefit levels were increased temporarily due to the availability of additional, significant federal funding primarily via CARES Act and ARPA. Actual FFY 23 available funding was higher than the original allocation plan due to additional federal supplemental funds. FFY 24 available funding is approximately 31% lower than FFY 23 levels while the projected caseload is approximately 10% higher. Benefit levels are consequently reduced. For context, Table 2 shows available funding and caseload levels since FFY 18.

Table 2. Funding and Caseload Levels since FFY 2018

Funding \$ (in Millions)	FFY 18	FFY 19	FFY 20	FFY 21	FFY 22	FFY 23	Proposed FFY 24
Block Grant	80.7	75.3	73.1	73.6	73.3	75.5	75.5
Other Federal	7.8	6.4	15.1	44.0	66.8	46.7	9.3
Total	88.5	81.6	88.2	117.6	140.1	122.2	84.8
Caseload (households)	80,500	81,500	75,300	73,200	92,000	105,700	116,300

Table 3 and Table 4 detail FFY 23 and FFY 24 program eligibility and benefit levels.

The benefit amounts for all categories of assistance decrease in FFY 24. The rental assistance benefit decreases by \$25 across all three income levels compared to FFY 23, while basic benefits for vulnerable and non-vulnerable households decrease by \$70 across all income levels. The crisis assistance benefit is decreased by \$20.

The crisis assistance benefit is also limited in FFY 24. The FFY 24 proposal allows deliverable fuel heated households with income levels 1 or 2 to be eligible for a second crisis assistance benefit. The FFY 23 allocation plan included a potential third crisis benefit for those households. In addition, a supplemental crisis assistance benefit was made available to all eligible households as of December 2022 based on funding availability.

Table 3. FFY 24 Program Eligibility and Benefit Levels

Eligibility Levels		Rental Assistance	Basic Benefit \$		Crisis Assistance	
Income Level	Poverty Guidelines		Vulnerable	Non-Vulnerable	1st Benefit	2nd Benefit*
1	Up to 125% FPL	125	530	480	410	410
2	126% - 200% FPL	100	380	330	410	410
3	201% - 60% SMI	75	230	180	410	-

* Vulnerable households with income levels 1 and 2 may receive a second crisis benefit.

Table 4. FFY 23 Program Eligibility and Benefit Levels

Eligibility Levels		Rental Assistance	Basic Benefit \$		Crisis Assistance**		
Income Level	Poverty Guidelines		Vulnerable	Non-Vulnerable	1st Benefit	2nd Benefit	3rd Benefit*
1	Up to 125% FPL	150	600	550	430	430	430
2	126% - 200% FPL	125	450	400	430	430	430
3	201% FPL - 60% SMI	100	300	250	430	-	-

* Vulnerable households with income levels 1 and 2 may have received a third crisis benefit.

** A supplemental benefit was made available to all eligible households as of December 2022, based on funding availability.

Table 5 provides a summary of the FFY 24 benefit categories, eligibility criteria, and explanation of benefit levels and who may receive specific benefits.

Table 5. Summary of FFY 24 LIHEAP Benefits and Eligibility Requirements

Benefit Category	Eligibility Requirements	Receipt of Benefits
Rental Assistance	Includes households who (1) do not make direct vendor payments for their primary source of heat, and (2) have annual gross income up to 60% state median income.	The FFY 24 proposed benefit ranges from \$75 to \$125 depending on income level. Eligible households receive a check to defray heating costs. Not more than one Rental Assistance Benefit is issued per dwelling unit.
Basic Benefit	Includes households with incomes up to 60% state median income.	The FFY 24 proposed benefit ranges from \$180 to \$530, and is based on income, household size, and vulnerability.
Crisis Assistance	Includes deliverable fuel heated households who have exhausted their Basic Benefits and are still at imminent risk of losing heat.	The FFY 24 proposed benefit is \$410. All eligible households may receive one benefit and vulnerable households with income Levels 1 and 2 may receive a second payment. If determined eligible, a fuel delivery will be authorized within 48 hours of the household's request, or 18 hours in life-threatening situations.

Note: A household will automatically be considered income eligible if (1) it makes direct to vendor payments for heat, and (2) a household member is participating in at least one of the following programs: Temporary Family Assistance, State Supplement to the Aged, Blind, and Disabled, Refugee Cash Assistance, Supplemental Nutrition Assistance, Supplemental Security Income.

Table 6. FFY 24 Poverty Guidelines

FFY 24 Proposed Plan		
Income Level	Poverty Guidelines	Annual Amount \$ for Family of 4
1	At or below 125% FPL	At or below \$37,500
2	126% - 200% FPL	\$37,501 - \$60,000
3	201% FPL- 60% SMI	\$60,001 - \$79,910

Assurance 16

Funding is provided to CAAs for enhanced case management services to assist low-income households address their energy needs. Services include risk assessment, counseling, education, and assistance with energy suppliers and vendors.

Supplemental Nutrition Assistance Program (SNAP) Benefit

LIHEAP benefits are available to SNAP recipient households who (1) do not make direct vendor payments for their primary source of heat, and (2) have a shelter and/or utility obligation. A \$20.01 LIHEAP SNAP benefit will be paid to these households, which generally qualifies them for greater SNAP benefits.

Program Dates

The program begins on November 1, 2023 and continues through June 17, 2024 as follows:

11/1/23	First day for authorization of fuel deliveries and payment for deliveries can be made by the program
4/1/24	Deadline for fuel authorization or deliveries
5/31/24	Last day a household can apply to establish eligibility for benefits
6/17/24	Last day to submit deliverable fuel bills