

**Analysis and Summary of Governor's
FFY 13 Low Income Home Energy Assistance Program
(LIHEAP) Block Grant Allocation Plan**

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

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OFFICE OF FISCAL ANALYSIS

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INTRODUCTION

Pursuant to CGS Section 4-28b, the Governor has submitted for consideration the proposed block grant allocation plan for the 2013 Low Income Home Energy Assistance Program (LIHEAP) Block Grant.

Connecticut utilizes LIHEAP funding to support the Connecticut Energy Assistance Program (CEAP). This program serves households whose incomes fall at or below 150% of the federal poverty guidelines (\$34,575 for a family of four) as well as households with elderly, disabled, and or children under the age of six with incomes between 150% and 200% of the federal poverty guidelines (\$46,100 for a family of four). The Contingency Heating Assistance Program (CHAP) serves low income households with incomes below 60% of the state median income (\$61,184 for a family of four) who are not otherwise eligible for CEAP. The Department of Social Services (DSS) administers CEAP with the assistance of the Community Action Agencies.

The proposed plan assumes FFY 13 available block grant funding of \$79.5 million. Additional funding results in total available funds of \$88.2 million, which is approximately 11% above the final FFY 12 available amount of \$79.5 million. Funding is anticipated to provide benefits to approximately 18,000 households. The allocation plan is based on FFY 11 program activity as FFY 12 levels were unique for various reasons, including higher than anticipated block grant funding and a mild winter. The table below outlines the proposed FFY 13 budget:

| CATEGORY | FFY 13 Proposed Expenditures |
|-------------------------------|---|
| Rental Assistance | 282,000 |
| Basic Benefits | 50,237,946 |
| Crisis Assistance | 13,305,781 |
| Safety Net Assistance | 15,205,226 |
| SNAP Benefit | 100,000 |
| Assurance 16 | 1,000,000 |
| Administration | 7,998,272 |
| TOTAL EXPENDITURES | 88,129,225 |
| | |
| SOURCE OF FUNDS | |
| Block Grant | 79,532,717 |
| Balance Forward from FFY 12 | 7,950,000 |
| Leveraging Funds | 450,000 |
| Other - FFY 12 Vendor Refunds | 275,000 |
| TOTAL FUNDS AVAILABLE | 88,207,717 |

A table displaying the FFY 13 benefits as compared to the FFY 12 original and revised plans appears on page 3 and is followed by a summary of additional CEAP/CHAP program information.

HIGHLIGHTS

The allocation plan includes:

- Level four benefits for all vulnerable households¹ with income up to 200% of the federal poverty guidelines (not only for elderly and/or disabled households).
- CHAP benefits for households with incomes below 60% of the state median income (SMI) who are not eligible to receive assistance under CEAP.
- Crisis Assistance benefits for all deliverable fuel households with incomes up to 60% of the state median income (SMI).
- Safety Net Assistance provided up to three times. The first and second benefits are available to CEAP eligible households, while the third benefit is available to CEAP eligible, vulnerable households.
- Potential pilot program with the Thames Valley Council for Community Action to implement paperless energy assistance intake. The pilot would potentially utilize document scanners at two facilities to scan energy assistance applications and supporting documentation for an estimated 1,000 applicants.

FEDERAL BUDGET ACTION

Final Congressional action has yet to be taken on FFY 13 appropriations for this grant. This allocation plan includes a contingency plan in the event that funding is more or less than the amount assumed in the proposal.

The Budget Control Act (BCA) of 2011 included automatic spending reductions, commonly referred to as sequester. The FFY 13 BCA sequester is scheduled for January 2, 2013. An estimate of the impact of such a sequester on these grants and Connecticut specifically is not available at this time.

¹ Vulnerable household refers to any household in which one or more member is elderly (60 years of age or older), disabled, or under the age of six.

FFY 12 COMPARED TO FFY 13 LIHEAP PROPOSED BENEFITS

| Benefit | Income Level | FFY 12 Approved | FFY 12 Revised | FFY 13 Gov Proposed | |
|---|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------|
| Renter Benefits | 1 | \$20 | \$20 | \$120 | |
| | 2 | 15 | 15 | 110 | |
| | 3 | 10 | 10 | 100 | |
| Basic Benefits | Vulnerable | | | | |
| | 1 | \$255 | \$255 | \$575 | |
| | 2 | 220 | 220 | 500 | |
| | 3 | 195 | 195 | 425 | |
| | 4 | 175 | 175 | 350 | |
| | Non-Vulnerable | | | | |
| | 1 | \$220 | \$220 | \$525 | |
| | 2 | 195 | 195 | 450 | |
| | 3 | 175 | 175 | 375 | |
| | CHAP | | \$100 | \$100 | \$300 |
| Utility Supplemental | | | | | |
| CEAP | | — | \$340 | — | |
| CHAP | | — | \$200 | — | |
| Crisis Assistance | Vulnerable | | | | |
| | 1 | \$530 | \$530 | \$400 | |
| | 2 | 475 | 475 | 400 | |
| | 3 | 425 | 425 | 400 | |
| | 4 | 375 | 375 | 400 | |
| | Non-Vulnerable | | | | |
| | 1 | \$495 | \$495 | \$400 | |
| | 2 | 450 | 450 | 400 | |
| 3 | 400 | 400 | 400 | | |
| CHAP | | \$300 | \$300 | \$100 | |
| Safety Net Assistance | 1st Benefit | \$400 | \$400 | \$400 | |
| | | <i>vulnerable and non vulnerable</i> | <i>vulnerable and non vulnerable</i> | <i>vulnerable and non vulnerable</i> | |
| | 2nd Benefit | \$400 | \$400 | \$400 | |
| | <i>vulnerable</i> | <i>vulnerable and non vulnerable</i> | <i>vulnerable and non vulnerable</i> | | |
| | 3rd Benefit | — | \$400 | \$400 | |
| | | | <i>vulnerable</i> | <i>vulnerable</i> | |
| Block Grant Allocation Plan (in millions) | | \$61.6 | \$79.5 | \$88.2 | |

| 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, 2) have annual gross income up to 150% of federal poverty guidelines, and 3) pay more than 30% of their gross income towards rent. | The FFY 13 proposed benefit is \$100, \$110, or \$120 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 200% federal poverty guidelines under CEAP and those from 151% federal poverty guidelines to 60% state median income under CHAP. | The FFY 13 proposed benefit ranges from \$300 to \$575, and is based on income, household size, vulnerability and liquid assets. |
| Crisis Assistance | Includes deliverable fuel heated households who have exhausted their Basic Benefits and are still in need of assistance. | The FFY 13 proposed benefit is \$400 for CEAP households and \$100 for CHAP households. If determined eligible, a fuel delivery will be authorized within 18 hours of the household's request. |
| Safety Net Assistance | Includes CEAP eligible deliverable fuel heated households who have exhausted their Basic Benefits and Crisis Assistance benefits and are in a life-threatening situation. | The FFY 13 proposed benefit is \$400. CEAP eligible, vulnerable households may be eligible for up to three Safety Net Assistance benefits, while CEAP eligible, non-vulnerable households may be eligible for up to two benefits in the program year. |

Note: Any household in which all members are participating in the Temporary Family Assistance program, State Supplement to the Aged, Blind and Disabled, and/or the Refugee Cash Assistance Program, will automatically be considered income eligible for CEAP.

| Income Level | Poverty Guidelines |
|--------------|--------------------|
| 1 | Up to 100% |
| 2 | 101% - 125% |
| 3 | 126% - 150% |
| 4 | 151% - 200% |

Assurance 16

Funding is provided to Community Action Agencies (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, 2) have a shelter and/or utility obligation, and 3) pay less than 30% of their gross income toward rent. A \$1 LIHEAP SNAP benefit will be paid to these households, which qualifies them for greater benefits.

Program Dates

The program begins on November 15, 2012 and continues through May 31, 2013 as follows:

| | |
|-------------|---|
| November 15 | First day for authorization of fuel deliveries |
| March 15 | Deadline for fuel authorization or deliveries |
| May 1 | Last day a household can apply to establish eligibility for benefits |
| May 15 | Last day that qualified utility heated households can apply to establish eligibility for benefits |
| May 31 | Last day to submit deliverable fuel bills |