

**Analysis and Summary of Governor's
FFY 17 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 2017 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 60% of the state median income (SMI, \$65,155 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 FFY 17 available block grant funding of \$80.4 million. Additional funding results in total available funds of \$88.2 million, which is 0.9% below the FFY 16 available amount of \$89.0 million. Funding is anticipated to provide benefits to approximately 100,726 households. The table below outlines the proposed FFY 17 budget:

CATEGORY	FFY 17 Proposed Expenditures \$
Rental Assistance	193,980
Basic Benefits	44,679,682
Crisis Assistance	15,477,722
Safety Net Assistance	14,239,671
SNAP Benefit	2,201,100
Furnace Repair & Replacement	1,000,000
Weatherization	1,000,000
Assurance 16	1,000,000
Administration	8,036,727
TOTAL EXPENDITURES¹	87,828,882
SOURCE OF FUNDS	
Block Grant	80,367,277
Balance Carried Forward	7,600,000
Other- FFY 15 Vendor Refunds	200,000
TOTAL FUNDS AVAILABLE	88,167,277

¹Current estimated expenditures result in a balance of available funds of \$338,395.

A table displaying the FFY 17 benefits as compared to the FFY 16 plan appears on page 3 and is followed by a summary of additional program information.

HIGHLIGHTS

The allocation plan makes several changes in comparison to the FFY 16 allocation plan, including the follow items:

- Establishes two new benefit levels for renters with incomes at 151% of the federal poverty level (FPL) to 60% SMI;
- Increases renter benefit levels by \$20 for individuals with income levels at and below 150% FPL;
- Increases basic benefits for vulnerable households by \$5 (all other benefits are level funded);
- Provides a new set-aside of \$1.0 million for weatherization services through the Department of Energy and Environmental Protection (DEEP);
- Maintains \$1.0 million for furnace repair and replacement (\$500,000 less than the FFY 16 allocation plan to better reflect actual expenditures). Funds will cover the cost to clean, tune, and test deliverable fuel heating systems (previously paid for by Basic Benefit);
- Estimates caseload growth based on FFY 12 - FFY 15 (FFY 16 caseload decreased by 9% due to a mild winter and a drop in oil prices).

FEDERAL BUDGET ACTION

Final Congressional action has yet to be taken on FFY 17 appropriations for this grant. The FFY 17 estimated block grant amount is based on the final FFY 16 funding level. This allocation plan includes a contingency plan in the event that funding is more or less than the amount assumed in the proposal.

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
FFY 16 ACTUAL COMPARED TO FFY 17 LIHEAP PROPOSED ALLOCATION**

Benefit Type	Income Level	FY 16 Actual \$	FY 17 Gov. Proposed \$	Diff FFY 17 - FFY 16 \$	% Change from FFY 16
Renters	1	120	140	20	16.7%
	2	110	130	20	18.2%
	3	100	120	20	20.0%
	4	-	110	110	100.0%
	5	-	100	100	100.0%
Basic	Vulnerable:				
	1	585	590	5	0.9%
	2	500	505	5	1.0%
	3	425	430	5	1.2%
	4	350	355	5	1.4%
	5	290	295	5	1.7%
	Non-Vulnerable:				
	1	535	535	-	-
	2	450	450	-	-
	3	375	375	-	-
	4	300	300	-	-
	5	240	240	-	-
	Crisis Assistance	Levels 1-4	550	550	-
Level 5		250	250	-	-
Safety Net Assistance	1st Benefit	415	415	-	-
	2nd Benefit	415	415	-	-
	3rd Benefit ¹	415	415	-	-
Total Estimated Benefit Payments (\$ in millions)		69.8	74.6	4.8	6.9%

¹The third Safety Net Assistance benefit is for vulnerable households only. Vulnerable refers to any household in which one or more members is either elderly (60 years of age or older), disabled or under the age of six.

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 60% state median income, and (3) pay more than 30% of their gross income towards rent.	The FFY 17 proposed benefit ranges from \$100 to \$140 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 17 proposed benefit ranges from \$240 to \$590, 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 17 proposed benefit is \$550 for households with incomes up to 200%FPL (Levels 1-4) and \$250 for households with incomes from 201% FPL to 60% SMI (Level 5). If determined eligible, a fuel delivery will be authorized within 18 hours of the household's request.
Safety Net Assistance	Includes eligible deliverable fuel heated households (levels 1 through 4) who have exhausted their Basic Benefits and Crisis Assistance benefits and are in a life-threatening situation. Level 5 households are not eligible to receive a Safety Net Benefit.	The FFY 17 proposed benefit is \$415. 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.

Income Level	Poverty Guidelines
1	Up to 100%
2	101% - 125%
3	126% - 150%
4	151% - 200%
5	201% FPL- 60% SMI

Assurance 16

Funding is provided to Community Action Agencies 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 \$20.01 LIHEAP SNAP benefit will be paid to these households, which qualifies them for greater SNAP benefits.

Program Dates

The program begins on November 9, 2016 and continues through May 31, 2017 as follows:

November 9	First day for authorization of fuel deliveries (and payment for deliveries can be made by the program).
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.