

**Analysis and Summary of Governor's  
FFY 16 Low Income Home Energy Assistance Program  
(LIHEAP) Block Grant Allocation Plan**

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

September 3, 2015

**OFFICE OF FISCAL ANALYSIS**

Room 5200, Legislative Office Building

Hartford, CT 06106 • (860) 240-0200

E-Mail: [ofa@cga.ct.gov](mailto:ofa@cga.ct.gov)

[www.cga.ct.gov/ofa](http://www.cga.ct.gov/ofa)

## INTRODUCTION

Pursuant to CGS Section 4-28b, the Governor has submitted for consideration the proposed block grant allocation plan for the 2016 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, \$63,716 for a family of four). Households between 201% of the federal poverty level (FPL, \$48,783 for a family of four) and 60% SMI are considered to be part of the Contingency Heating Assistance Program (CHAP). The Department of Social Services (DSS) administers the program with the assistance of the Community Action Agencies (CAAs).

The proposed plan assumes FFY 16 available block grant funding of \$81.5 million. Additional funding results in total available funds of \$89.7 million, which is 2% above the FFY 15 available amount of \$87.9 million. Funding is anticipated to provide benefits to approximately 101,071 households. The table below outlines the proposed FFY 16 budget:

<b>CATEGORY</b>	<b>FFY 16 Proposed Expenditures \$</b>
Rental Assistance	157,740
Basic Benefits	44,484,954
Crisis Assistance	16,629,130
Safety Net Assistance	15,313,837
SNAP Benefit	2,201,100
Furnace Repair & Replacement	1,500,000
Assurance 16	1,000,000
Administration	8,147,581
<b>TOTAL EXPENDITURES</b>	<b>89,434,342</b>
<b>SOURCE OF FUNDS</b>	
Block Grant	81,475,807
Balance Carried Forward	8,065,302
Other- FFY 15 Vendor Refunds	200,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>89,741,109</b>

A table displaying the FFY 16 benefits as compared to the FFY 15 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 15 allocation plan, including the follow items:

- The anticipated available funding is based on the FFY 15 block grant award with a five percent reduction to reflect a potential federal sequester budget. This estimated block grant award, plus previous year funding results in a 2% increase in available funding;
- The plan includes \$1.5 million for furnace repair and replacement, which is estimated to serve between 225 and 300 households;
- The liquid asset limit is increased by \$5,000 to \$15,000 for homeowners and \$12,000 for all other households that make direct-to-vendor payments. This is estimated to increase eligibility for 75 to 100 households;
- Basic benefit levels are restructured to add non-vulnerable level 4 and level 5, and vulnerable level 5 households. While this does not change eligibility requirements, it differentiates households previously categorized under CHAP and therefore changes benefit amounts;
- Non-vulnerable CHAP households will receive less funding under the Basic Benefit than last year; however, this same group will also receive a higher Crisis Assistance benefit than last year if they are a fuel deliverable household, resulting in an overall increase.

## **FEDERAL BUDGET ACTION**

Final Congressional action has yet to be taken on FFY 16 appropriations for this grant. The FFY 16 estimated block grant amount is based on the final FFY 15 funding level with a five percent reduction based on the Budget Control Act (BCA). 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 15 ACTUAL COMPARED TO FFY 16 LIHEAP PROPOSED ALLOCATION

Benefit Type	Income Level	FY 15 Actual \$	FY 16 Gov Proposed \$	Diff FFY 16 - FFY 15 \$	% Change from FFY 15
Renters	1	100	120	20	20.0
	2	90	110	20	22.2
	3	80	100	20	25.0
Basic*	<b>Vulnerable:</b>				
	1	550	585	35	6.4
	2	470	500	30	6.4
	3	400	425	25	6.3
	4	330	350	20	6.1
	5 (CHAP)	285	290	5	1.8
	<b>Non-Vulnerable:</b>				
	1	505	535	30	5.9
	2	425	450	25	5.9
	3	355	375	20	5.6
	4	285	300	15	5.3
5 (CHAP)	285	240	(45)	(15.8)	
Crisis Assistance	Levels 1-4	415	550	135	32.5
	Level 5	130	250	120	92.3
Safety Net Assistance	1st Benefit	415	415	-	0.0
	2nd Benefit	415	415	-	0.0
	3rd Benefit**	415	415	-	0.0
TOTAL EXPENDITURES (\$ in millions)		79.9	89.4	9.5	11.9

\*Please note, benefits for level 4 and 5 non-vulnerable and level 5 vulnerable were grouped under one "CHAP" category in FY 15. They are broken out in the table to better illustrate the change in benefits.

\*\*The 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.

<b>Benefit Category</b>	<b>Eligibility Requirements</b>	<b>Receipt of Benefits</b>
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 16 proposed benefit is \$120, \$110, or \$100 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 16 proposed benefit ranges from \$240 to \$585, 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 16 proposed benefit is \$550 for CEAP households and \$250 for CHAP households. 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 16 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 (CHAP)	201% FPG- 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 10, 2015 and continues through May 31, 2016 as follows:

November 10	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 2	Last day a household can apply to establish eligibility for benefits
May 16	Last day that qualified utility heated households can apply to establish eligibility for benefits
May 31	Last day to submit deliverable fuel bills