CONNECTICUT
Social Services

Written Comments Presented to the Appropriations, Human Services, and Energy and Technology Committees

Low Income Home Energy Assistance Program
August 12, 2026

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State of Connecticut, Department of Social Services

Chairs Osten, Walker, Gilchrest, Lesser, Needleman and Steinberg; Vice Chairs Hartley, Kushner, Exum, Paris, Comey, Maher, Sanchez and Mahoney; Ranking Members Somers, Nuccio, Case, Perillo, Fazio, and Marra; and distinguished members of the Appropriations, Human Services, and Energy and Technology Committees, thank you for the opportunity to submit written testimony in support of Governor Lamont's Federal Fiscal Year (FFY) 2027 allocation plan for the Low Income Home Energy Assistance Program (LIHEAP) block grant.

I am Andrea Barton Reeves, Commissioner of the Department of Social Services (DSS). In addition to these written comments, I am pleased to be able to walk through the highlights of our proposed FFY 2027 LIHEAP allocation plan with you, alongside representatives from the Department who will be available to address any questions you may have.

OVERVIEW

LIHEAP, administered federally by the Office of Community Services within the U.S. Department of Health and Human Services (HHS), provides funding to states to assist low-income households in meeting their home energy costs. LIHEAP funds provided to the State of Connecticut are administered through DSS' Connecticut Energy Assistance Program (CEAP).

At the time of the development of this allocation plan, the funding level for FFY 2027 has not been released. The estimated budget used in this allocation plan for the operation of LIHEAP for FFY 2027 assumes that the program will be level funded at the state's FFY 2026 LIHEAP block grant level of $86.2 million, plus an estimated $7.5 million in FFY 2026 LIHEAP carryforward funds, and $400,000 in LIHEAP vendor refunds, for a total estimated FFY 2027 budget of approximately $94.2 million. This constitutes the Department of Social Services' best estimate of funding that may be available to support the LIHEAP block grant allocation plan. It's important to note that this year's budget does not include any Infrastructure Investment and Jobs Act funds, which provided supplemental support during the last five years, as these federal funds are no longer available.

We are grateful for the ongoing support of Governor Lamont, the General Assembly, the Office of Policy and Management, the Department of Energy and Environmental Protection, our Community Action Agency (CAA) partners, 2-1-1 CT United Way, Operation Fuel d/b/a Generation Power CT, Connecticut Legal Services, participating vendors, and the Low-Income Energy and Water Advisory Board (LIEWAB). Together, we are committed to helping Connecticut's most vulnerable households maintain safe, affordable home energy.

Key Updates and Priorities

There are several key updates and priorities I would like to highlight in this year's plan. Although the President's FFY 2027 budget proposal eliminates funding for LIHEAP, we are proceeding under the assumption that Congress will act to continue this essential program, recognizing its critical importance to households.

The FFY 2027 plan increases Basic Benefits by $60 for both deliverable fuel and utility-heated households. This increase aligns with recommendations from LIEWAB and helps address the rising energy costs that continue to challenge many vulnerable residents across our state. The plan also increases Rental Assistance and Crisis Assistance benefits.

Operations / Modernization

CEAP is administered through nine CAAs, which coordinate intake and service delivery statewide. Working closely with DSS and a network of volunteer intake sites, the CAAs provide broad geographic reach and help ensure that vulnerable residents can access the program.

For the upcoming program year, CEAP online applications can be submitted starting Tuesday, September 1, 2026.

DSS continues its investment in technology to modernize CEAP operations, including maintaining the https://portal.ct.gov/heatinghelp website and expanding the online application system first launched in FFY 2023. The online application was customized to provide an intuitive user experience and now complements the in-person, phone, mail, and email application options offered through the CAAs. Once application intake starts in September, DSS will issue text messages to recipients of programs whose income is known to meet CEAP requirements, such as TFA, SNAP, and Medicaid.

Building off the successful launch of our CEAP vendor portal, online enrollment functionality will expand from liquid deliverable fuel vendors to other deliverable fuel vendors (e.g. wood, coal and wood pellet) as well as utilities and other service providers.

These modernization efforts will continue to strengthen program administration, improve client service, and create important efficiencies at the state level.

FUNDING OUTLOOK

The proposed allocation plan is based on an estimated total budget of approximately $94.2 million, including $86.3 million in base block grant funds, $7.5 million in carryforward funds, and $400,000 in vendor refunds. This budget reflects the Department's best estimate of federal funding likely to be available to Connecticut for the program year. Should Connecticut receive block grant funding that is more than what is required to meet the benefit levels outlined in the plan, DSS may provide additional benefits or services as described in section XIV of the allocation plan.

With the available funding and proposed benefit levels, DSS anticipates serving approximately 94,290 households based on projected 3% enrollment growth over the three-year average (FFY 2024-26). CEAP prioritizes vulnerable households, defined as those with at least one member who is age 60 or older, has a disability, or is under age six. These households receive higher benefit levels, reflecting their increased risk of hardship during the winter months. The plan assumes the following breakout of vulnerable households:

- 30,930 households with elderly members,
- 13,170 households with members with disabilities, and
- 9,230 households with children under age six.

ELIGIBILITY

CEAP eligibility is based on household size, income, and vulnerability. For FFY 2027, households with annual gross income at or below 60% of the state median income ($93,681 for a family of four) may qualify for assistance.

Under federal LIHEAP rules, households are considered "categorically income eligible" if at least one member participates in programs such as TFA, SNAP, SSI, Refugee Cash Assistance, or State Supplement to the Aged, Blind, and Disabled. The proposed plan also extends categorical income eligibility to households receiving certain veterans' means-tested benefits while maintaining all other program eligibility requirements.

All other applicants are required to verify income, which can be documented using paystubs or other income records from the prior 30 days, prior four weeks, or prior 52 weeks if it provides a more accurate picture of annual income. Households with self-employment income complete a self-employment worksheet covering either the prior six or twelve months.

BENEFITS AND SERVICES

Basic Benefits

CEAP provides eligible households with energy assistance benefits tailored to their heating type, income, household size, and vulnerability status. Benefits are available for all primary heating sources, including electric, natural gas, oil, propane, kerosene, wood, pellets, and coal.

Basic Benefits are structured across three income tiers:

- Level 1: Up to 125% of the federal poverty level,
- Level 2: 126%–200% of the federal poverty level, and
- Level 3: 201% of the federal poverty level up to 60% of state median income.

Basic Benefit amounts for FFY 2027 range from $355 to $705, depending on income level and vulnerability status. For FFY 2027, Basic Benefit amounts have been increased by $60 across all income levels, based on anticipated funding levels and reflecting the recommendations of the LIEWAB, to help address rising energy costs.

In addition to Basic Benefits, Crisis Assistance is available to deliverable fuel households that have exhausted their Basic Benefits and are at imminent risk of running out of heat. These households may receive up to three Crisis Assistance benefits of $430 each for deliveries authorized by April 1, 2027. This reflects an increase of $5 over FFY 2026 levels and is again based on anticipated funding levels.

Rental Assistance Benefits are available to eligible households whose heat is included in their rent. These direct cash benefits range from $90 to $140, depending on income level, and help offset the household's share of heating costs. These amounts reflect an increase of $15 over FFY 2026 levels.

Finally, consistent with prior years, the proposed FFY 2027 allocation plan continues to provide Heating System Repair or Replacement assistance, heating system maintenance services ("Clean, Tune & Test") and small supplemental payments for eligible SNAP households.

VENDOR PAYMENTS

Pursuant to section 16a-41a(1)(F) of the Connecticut General Statutes, CAAs are required to pay participating deliverable fuel vendors no later than ten business days after receipt of an authorized fuel slip or invoice. DSS continues to uphold this statutory requirement in all contracts and agreements with vendors.

Pricing Models

The Department remains committed to ensuring timely payments to participating vendors in accordance with Connecticut law. Following the successful implementation of diversified reimbursement options for deliverable fuel vendors, CEAP will continue to use the Margin-Over-Rack (MOR) and Discount-Off-Retail (DOR) pricing methodologies for participating heating oil vendors. For FFY 2027, the MOR fixed margin has increased from $0.50 to $0.55 per gallon to help offset vendor operating costs while supporting a strong statewide network of participating vendors.

LIHEAP SNAP BENEFITS

CEAP provides a targeted annual LIHEAP benefit to eligible SNAP households whose primary heating costs are included in their rent and who have shelter and/or utility obligations. Eligible SNAP households will receive a direct benefit of $20.01. Receipt of this benefit allows households to qualify for the maximum

Standard Utility Allowable (SUA) under federal SNAP rules, which may result in an increase in their monthly SNAP benefit. This approach reduces administrative burden and helps maximize federally funded SNAP assistance for low-income households with minimal direct heating costs.

The proposed allocation plan incorporates changes required under Public Law 119-21. LIHEAP SNAP benefits provided solely to qualify households for the SNAP Standard Utility Allowance (SUA) are now limited to households that include a member who is elderly or has a disability. Eligible households continue to receive a $20.01 LIHEAP benefit, and the Department has reserved $1.3 million for this benefit, compared to $1.6 million in FFY 2026, reflecting the anticipated reduction in eligible households when fully annualized.

LIHEAP WEATHERIZATION

While eligible households may continue to receive weatherization services through available U.S. Department of Energy Weatherization Assistance Program funding administered by the Connecticut Department of Energy & Environmental Protection (DEEP), no funds are identified for weatherization under the LIHEAP allocation plan in FFY 2027. DEEP opted not to accept the weatherization funding through LIHEAP for the FFY 2027 program year. This provides DEEP and DSS with an opportunity to align allowable LIHEAP weatherization deliverables, reporting requirements, and administrative and programmatic processes, positioning both agencies to implement a more streamlined delivery model in future years. Once this framework is established, the agencies may evaluate additional opportunities to collaborate.

SUMMARY

CEAP remains one of the state's most important safety net programs, helping eligible households maintain safe and reliable home heating throughout the winter months. The proposed FFY 2027 allocation plan reflects the Department's continued commitment to responsible stewardship of federal resources while strengthening program administration and improving access to benefits. We remain grateful for the continued support of Governor Lamont, the General Assembly, the Office of Policy and Management, DEEP, our Community Action Agency partners, United Way 2-1-1, Operation Fuel d/b/a Generation Power CT, Connecticut Legal Services, deliverable fuel vendors, utility companies, and the many stakeholders across the state who help make CEAP a vital resource for Connecticut's residents.

On behalf of the Department, I respectfully join Governor Lamont and the Office of Policy and Management in recommending approval of the FFY 2027 LIHEAP allocation plan.

Thank you for your consideration.