

**Analysis and Summary of Governor's
FFY 19 Low Income Home Energy Assistance Program
(LIHEAP) Block Grant Allocation Plan**

Joint Hearing of Committees on Appropriations, Energy and Technology,
and 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 2019 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 income falls at or below 60% of the state median income (SMI, \$67,530 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 19 available block grant funding of \$80.7 million. Additional funding results in total available funds of \$88.0 million, which is -0.6% below the FFY 18 available amount of \$88.5 million. Funding is anticipated to provide benefits to approximately 85,100 households. The table below outlines the proposed FFY 19 budget:

CATEGORY	FFY 19 Proposed Expenditures \$
Rental Assistance	182,220
Basic Benefits	47,614,543
Crisis Assistance	15,428,911
Safety Net Assistance	12,274,182
SNAP Benefit	1,800,900
Weatherization Program Services	500,000
Furnace Repair & Replacement	1,000,000
Assurance 16	1,000,000
Administration	8,073,835
TOTAL EXPENDITURES	87,874,591
SOURCE OF FUNDS	
Block Grant	80,738,355
Balance Carried Forward	6,800,000
Other- Vendor Refunds	500,000
TOTAL FUNDS AVAILABLE	88,038,355

A table displaying the FFY 19 benefits compared to the FFY 18 plan appears on page 3 and is followed by a summary of additional program information.

HIGHLIGHTS

The allocation plan makes several changes compared to the FFY 18 allocation plan, including the follow items:

- Increases benefit amounts by an average of 15%;
- Makes life-tenant occupied dwellings eligible for heating system repair and replacement;
- Ensures vendors are paid within 30 business days after CAAs receive a fuel slip or invoice, per PA 18-88;
- Specifies that the administrative allocation includes funding for program audits. DSS may require changes in CEAP management and staffing at a CAA as a condition of awarding administrative funds, as DSS may deem such changes necessary in order to ensure a significant impact on program performance; and
- Provides \$500,000 for weatherization services through the Department of Energy and Environmental Protection (DEEP) (FFY 18 was funded through carry forward funding). An additional \$50,000 for DEEP administration is funded via the LIHEAP administrative allocation.

FEDERAL BUDGET ACTION

Final Congressional action has yet to be taken on FFY 19 appropriations for this grant. The allocation plan assumes level funding.

CONTINGENCY PLAN

In the event that 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.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
FFY 19 PROPOSED COMPARED TO FFY 18 LIHEAP ESTIMATED ALLOCATION

Benefit Type	Income Level	FFY 18 Estimated \$	FFY 19 Gov Proposed \$	FFY 19 - FFY 18 \$	% Change from FFY 18	
Renters	1	165	190	25	15.2%	
	2	155	180	25	16.1%	
	3	145	170	25	17.2%	
	4	135	160	25	18.5%	
	5	125	150	25	20.0%	
Basic	<i>Vulnerable:</i>					
	1	660	725	65	9.8%	
	2	555	620	65	11.7%	
	3	480	545	65	13.5%	
	4	405	470	65	16.0%	
	5	330	395	65	19.7%	
	<i>Non-Vulnerable:</i>					
	1	605	670	65	10.7%	
	2	500	565	65	13.0%	
	3	425	490	65	15.3%	
	4	350	415	65	18.6%	
	5	275	340	65	23.6%	
Crisis Assistance	Levels 1-4	655	710	55	8.4%	
	Level 5	295	350	55	18.6%	
Safety Net Assistance	1st Benefit	455	515	60	13.2%	
	2nd Benefit	455	515	60	13.2%	
	3rd Benefit ¹	455	515	60	13.2%	
Total Estimated Benefit Payments (\$ in millions)		71.8	75.5	3.7	5.2%	
Total Estimated Expenditures (\$ in millions)		82.5	87.9	5.3	6.5%	
Total Funds Available (\$ in millions)		88.5	88.0	(0.5)	(0.6%)	

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 19 proposed benefit ranges from \$150 to \$190 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 19 proposed benefit ranges from \$340 to \$725, 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 19 proposed benefit is \$710 for households with incomes up to 200%FPL (Levels 1-4) and \$350 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 19 proposed benefit is \$515. 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	Amount \$ for family of 4
1	Up to 100% FPL	up to \$25,100
2	101% - 125% FPL	\$25,351 - \$31,375
3	126% - 150% FPL	\$31,626 - \$37,650
4	151% - 200% FPL	\$37,901 - \$50,200
5	201% FPL- 60% SMI	\$50,451 - \$67,530

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, (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 14, 2018 and continues through May 31, 2019 as follows:

November 14	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