

**Analysis and Summary of Governor's FFY 21  
Low Income Home Energy Assistance Program (LIHEAP),  
Community Services Block Grant (CSBG), and the FFY 20  
CSBG CARES Act Amendment Allocation Plans**

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 plans for the federal fiscal year (FFY) 2021 Low Income Home Energy Assistance Program (LIHEAP) Block Grant and Community Services Block Grant (CSBG). The FFY 2020 CSBG CARES Act Amendment allocation plan is also included. An overview of each allocation plan and proposed changes follows.

## LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

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, \$72,394 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 21 available block grant funding of \$73.0 million. Additional funding, including that authorized via the Coronavirus Aid, Relief, and Economic Security (CARES) Act, results in total available funds of \$82.9 million. While the plan assumes level block grant funding, FFY 21 funding is 6.3% below the FFY 20 total available amount of \$88.5 million. This is primarily a reflection of lower budgeted amounts for carry forward and CARES Act funds in FFY 21 than in FFY 20. The table below outlines the proposed FFY 21 budget:

<b>CATEGORY</b>	<b>FFY 21 Proposed Expenditures \$</b>
Rental Assistance	167,970
Basic Benefits	49,244,174
Crisis Assistance	14,241,289
Safety Net Assistance	5,680,937
SNAP Benefit	1,800,000
Heating System Repair & Replacement	1,800,000
Assurance 16	1,500,000
Outreach Activities	50,000
CARES Act Admin	1,024,155
Administration	7,303,215
<b>TOTAL EXPENDITURES</b>	<b>82,811,740</b>

<b>SOURCE OF FUNDS</b>	
Block Grant	\$73,032,152
Balance Carried Forward	3,752,911
CARES Act (Program + Admin)	5,686,798
Other- Vendor Refunds	400,000
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$82,871,861</b>

## **HIGHLIGHTS**

Standard benefit levels remain the same as provided in the FFY 20 allocation plan. Notable changes from FFY 20 include the following:

- The number of households receiving benefits is estimated to increase from approximately 75,300 in FFY 20 to 89,300 in FFY 21 (based on an eight year average);
- The plan proposes \$50,000 to support outreach activities in FFY 21;
- Heating System Repair and Replacement funds can now support hot water heaters (prior to this year, funds supported oil tanks only); and
- LIHEAP Weatherization funds are not needed this year as DEEP anticipates sufficient program funds to meet their goals.

## **LIHEAP CARES Act Funding**

Connecticut received \$14.1 million in additional LIHEAP funding under the CARES Act. In FFY 20, \$8.4 million is combined with \$10 million from standard LIHEAP block grant funds to provide a supplemental cooling benefit. This additional \$250 benefit payment is provided on the electric accounts of approximately 74,000 CEAP households that were approved for a Basic Benefit. FFY 21 funding of \$5.7 million is included in this allocation plan to support program benefit payments and administrative expenses.

## **FEDERAL BUDGET ACTION**

Final Congressional action has yet to be taken on FFY 21 appropriations for this grant. The allocation plan assumes level funding.

## **CONTINGENCY PLAN**

If 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.

A table displaying the FFY 20 benefits compared to the FFY 21 plan appears on page 3 and is followed by a summary of additional program information.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM  
FFY 21 PROPOSED COMPARED TO FFY 20 LIHEAP ESTIMATED ALLOCATION

Benefit Type	Income Level	FFY 20 \$	FFY 21 Gov Proposed \$	Change from FFY 20 \$	Change from FFY 20 %	
Renters	1	190	190	-	-	
	2	180	180	-	-	
	3	170	170	-	-	
	4	160	160	-	-	
	5	150	150	-	-	
Basic	<b>Vulnerable:</b>					
	1	725	725	-	-	
	2	620	620	-	-	
	3	545	545	-	-	
	4	470	470	-	-	
	5	395	395	-	-	
	<b>Non-Vulnerable:</b>					
	1	670	670	-	-	
	2	565	565	-	-	
	3	490	490	-	-	
4	415	415	-	-		
Crisis Assistance	Levels 1-4	710	710	-	-	
	Level 5	350	350	-	-	
Safety Net Assistance	1st Benefit	515	515	-	-	
	2nd Benefit	515	515	-	-	
	3rd Benefit**	515	515	-	-	
Total Estimated Benefit Payments (\$ in millions)		72.5	69.3	-3.2	-4.4%	
Total Estimated Expenditures (\$ in millions)		84.8	82.8	-2.0	-2.4%	
Total Funds Available (\$ in millions)		88.5	82.9	-5.6	-6.3%	

<sup>1</sup>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 60% state median income, and (3) pay more than 30% of their gross income towards rent.	The FFY 21 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 21 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 21 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 48 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 21 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	Annual Amount \$ for Family of 4
1	Up to 100% FPL	up to \$26,200
2	101% - 125% FPL	\$26,462- \$32,750
3	126% - 150% FPL	\$33,012- \$39,300
4	151% - 200% FPL	\$39,562- \$52,400
5	201% FPL- 60% SMI	\$52,662- \$72,394

**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 2, 2020 and continues through May 31, 2021 as follows:

November 2	First day for authorization of fuel deliveries (and payment for deliveries can be made by the program)
March 31	Deadline for fuel authorization or deliveries
May 3	Last day a household can apply to establish eligibility for benefits
May 14	Last day that qualified utility heated households can apply to establish eligibility for benefits
May 31	Last day to submit deliverable fuel bills

## COMMUNITY SERVICES BLOCK GRANT (CSBG)

CSBG funding provides grants to help address the causes of poverty, coordinate governmental and non-governmental programs, and provide emergency services to low-income individuals and families.

The Department of Social Services (DSS) administers the program with the assistance of the Community Action Agencies (CAAs) and one Limited Purpose Agency (LPA). Funding is allocated based on federal requirements and a state agreement with the CAAs and LPA. Each CAA receives a base amount equal to one-half of their FFY 1996 allocation, with remaining funds allocated based on the number of individuals in each service area at or below 125% of the federal poverty level (\$32,750 for a family of four).

The proposed plan assumes level federal block grant funding of \$8.9 million in FFY 21. Carry forward funding from FFY 20 results in total available funds of \$12.4 million in FFY 21, which is 2.0% above the FFY 20 total available amount. The table below outlines the proposed FFY 21 budget compared to FFY 20 estimated:

CATEGORY	FFY 2020 Estimated Expenditures \$	FFY 2021 Proposed Expenditures \$	\$ Change 21 v. 20	% Change 21 v. 20
Grants to Eligible Entities	7,751,423	8,070,487	319,064	4.1%
Discretionary Programs	443,938	443,937	-1	0.0%
State Agency Administration	443,938	443,937	-1	0.0%
<b>TOTAL EXPENDITURES</b>	<b>8,639,299</b>	<b>8,958,361</b>	<b>319,062</b>	<b>3.7%</b>
<b>SOURCE OF FUNDS</b>				
Block Grant	8,878,739	8,878,739	-	0.0%
Balance Forward From Previous	3,298,927	3,538,367	239,440	7.3%
<b>TOTAL FUNDS AVAILABLE</b>	<b>12,177,666</b>	<b>12,417,106</b>	<b>239,440</b>	<b>2.0%</b>

### HIGHLIGHTS

The allocation plan makes several changes compared to the FFY 20 allocation, as noted below:

- A portion of Discretionary Program funding (up to \$67,500) is proposed to support an incentive program for CAAs to promote sustained performance improvement;
- FFY 21 grants to entities reflect the base award per the current agreement specified under CGS 17b-888, plus the FFY 20 unallocated balance;
- Under the state agency administration category, funding for Other Expenses is reduced by \$264,792 due to expenditures that were one time in nature. Personal

Services and associated fringe are increased by a similar amount to reflect full year funding for staff positions (1.75 FTE) that remained vacant in FFY 20;

- The allocation plan proposes \$3.5 million in FFY 21 funds will be carried forward to provide flexibility in case there is a decrease in funding or there is a need for one-time expenditures in future fiscal years.

### **FEDERAL BUDGET ACTION**

Final Congressional action has yet to be taken on FFY 21 appropriations for this grant. The allocation plan assumes level funding.

### **CONTINGENCY PLAN**

If funding is more or less than the amount assumed in the proposal, funds for CAAs, discretionary programs, and administration will be allocated according to federal law. If there is a significant decrease in federal funding, DSS will seek input from the Connecticut Association for Community Action to identify priorities. Additional federal funds may result in a carry forward to FFY 22.

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.

A table displaying the FFY 21 plan in further detail appears on page 8.

COMMUNITY SERVICES BLOCK GRANT  
FFY 21 PROPOSED ALLOCATION DETAIL

Program Category	FFY 19 Actual Expenditures \$	FFY 2020 Estimated Expenditures \$	FFY 2021 Proposed Expenditures \$	Change 21 v. 20 \$	Change 21 v. 20 %
<b>Grants to Eligible Entities</b>					
Action for Bridgeport Community Development, Inc. (ABCD)	861,112	1,123,597	1,169,847	46,250	4.1%
ACCESS Agency, Inc.	492,565	467,762	487,016	19,254	4.1%
Community Action Agency of New Haven, Inc. (CAANH)	1,143,915	1,121,604	1,167,772	46,168	4.1%
Community Action Agency of Western Connecticut, Inc.(CAAWC)	451,897	701,274	730,140	28,866	4.1%
Community Renewal Team of Greater Hartford, Inc. (CRT)	1,892,160	1,843,943	1,919,843	75,900	4.1%
Connecticut Association for Community Action (CAFCA)	237,485	235,488	245,178	9,690	4.1%
Human Resource Agency of New Britain, Inc. (HRANB)	558,093	529,990	551,806	21,816	4.1%
New Opportunities, Inc. (NOI)	1,294,506	1,037,781	1,080,499	42,718	4.1%
TEAM, Inc.	239,601	227,534	236,900	9,366	4.1%
Thames Valley Council for Community Action, Inc. (TVCCA)	486,971	462,450	481,486	19,036	4.1%
<b>Formula Allocations - Total</b>	<b>7,658,305</b>	<b>7,751,423</b>	<b>8,070,487</b>	<b>319,064</b>	<b>4.1%</b>
<b>Discretionary Programs</b>	<b>645,080</b>	<b>443,938</b>	<b>443,937</b>	<b>-1</b>	<b>0.0%</b>
<b>State Agency Administration</b>	<b>369,500</b>	<b>443,938</b>	<b>443,937</b>	<b>-1</b>	<b>0.0%</b>
<b>TOTAL EXPENDITURES</b>	<b>8,672,885</b>	<b>8,639,299</b>	<b>8,958,361</b>	<b>319,062</b>	<b>3.7%</b>
<b>SOURCE OF FUNDS</b>					
Block Grant	8,612,693	8,878,739	8,878,739	-	0%
Balance Forward From Previous	3,359,119	3,298,927	3,538,367	239,440	7.3%
<b>TOTAL FUNDS AVAILABLE</b>	<b>11,971,812</b>	<b>12,177,666</b>	<b>12,417,106</b>	<b>239,440</b>	<b>2.0%</b>

## CSBG CARES ACT SUPPLEMENTAL AWARD AMENDMENT TO FFY 20 CSBG ALLOCATION PLAN

The Coronavirus Aid, Relief, and Economic Security (CARES) Act allocated \$1 billion in additional CSBG funding to assist states with addressing the consequences of increasing unemployment and economic disruption as a result of COVID-19. This Amendment to the state's approved FFY 20 CSBG plan enables the allocation of Connecticut's supplemental award of \$12 million. Funding is eligible to support expenditures from March 27, 2020 through September 30, 2022. The table below identifies the proposed expenditure of these supplemental funds:

CATEGORY	Proposed CARES Act Supplemental Expenditures \$
Grants to Eligible Entities	10,837,162
Discretionary Programs	602,065
State Agency Administration	602,064
<b>TOTAL EXPENDITURES</b>	<b>12,041,291</b>

Grants to Eligible Entities - The state proposes using the supplemental award to increase the client income eligibility level from at or below 125% of the federal poverty level to 200% of the federal poverty level (\$52,400 for a family of four). The distribution of Grants to Eligible Entities is based on the LPA receiving 1% and the CAAs receiving a proportionate share in relation to persons at or below 200% FPL in the catchment area. A table detailing funding by entity follows on page 10.

Discretionary Programs - Funding supports training, technical assistance, technology support, and statewide projects.

State Agency Administration - Funding supports programmatic and fiscal oversight, training, and monitoring activities. DSS proposes hiring an Associate Accountant to perform monitoring and compliance associated with supplemental award activities.

COMMUNITY SERVICES BLOCK GRANT  
 FFY 20 CARES ACT SUPPLEMENTAL  
 PROPOSED ALLOCATION DETAIL

Grants to Eligible Entities	CARES Act Supplemental Proposed Expenditures \$
Action for Bridgeport Community Development, Inc. (ABCD)	1,531,745
ACCESS Agency, Inc.	694,519
Community Action Agency of New Haven, Inc. (CAANH)	1,300,216
Community Action Agency of Western Connecticut, Inc.(CAAWC)	1,174,220
Community Renewal Team of Greater Hartford, Inc. (CRT)	2,536,465
Connecticut Association for Community Action (CAFCA)	108,372
Human Resource Agency of New Britain, Inc. (HRANB)	753,888
New Opportunities, Inc. (NOI)	1,576,258
TEAM, Inc.	366,474
Thames Valley Council for Community Action, Inc. (TVCCA)	795,005
<b>Total</b>	<b>10,837,162</b>