



# STATE OF CONNECTICUT

## OFFICE OF POLICY AND MANAGEMENT

*TESTIMONY PRESENTED TO THE APPROPRIATIONS, HUMAN SERVICES,  
AND ENERGY AND TECHNOLOGY COMMITTEES  
August 26, 2020*

*Melissa McCaw, Secretary  
Office of Policy and Management*

### FFY 2021 Low Income Home Energy Assistance Program (LIHEAP) Block Grant

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Chairs Osten, Walker, Moore, Abercrombie, Needleman, and Arconti; Vice Chairs Hartley, DiMassa, Slap, Wilson Pheanious, Lesser and Allie-Brennan; Ranking Members Formica, Lavielle, Logan, Case, and Ferraro; and distinguished members of the Appropriations, Human Services, and Energy and Technology Committees, thank you for the opportunity to submit written comment and to request your approval of the block grant allocation plan for the Low Income Home Energy Assistance Program (LIHEAP).

Although the federal budget for FFY 2021 has not been finalized, the proposed allocation plan assumes the LIHEAP block grant will be level funded at \$73 million through continuing resolutions based on the FFY 2020 level. An estimated \$3.8 million in carryforward funds and \$400,000 in refunds and other adjustments are anticipated to be available. Additionally, \$5.7 million in LIHEAP supplemental funds from the CARES Act are available to support this year's plan. In total, \$82.9 million is expected to be available.

The FFY 2021 plan level funds the three tiers of benefits that have been historically available, as well as rental assistance benefits (see attached page for overview):

- (1) Basic Benefits, which are available for eligible utility and deliverable fuel heated households with income less than 60% SMI, on a graduated basis based on household vulnerability<sup>1</sup> and income;
- (2) Crisis Assistance, which is available for eligible deliverable fuel heated households with income less than 60% SMI who have exhausted their Basic Benefits;
- (3) Safety Net Assistance, which includes two installments for eligible deliverable fuel heated households with income less than 200% FPL who have exhausted both Basic and Crisis Assistance benefits and are in a life-threatening situation, and up to three installments if the household is considered vulnerable; and

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<sup>1</sup> A household is considered vulnerable if one or more of its members is either elderly (60 years of age or older), disabled, or under the age of six.

- (4) Rental Assistance, which is available for eligible households with income less than 60% SMI that pay more than 30% of gross income towards rent, and do not make direct-to-vendor payment for their primary source of heat.

The proposed plan assumes 18.7% caseload growth. The caseload growth assumed under this proposal is based on an eight year average caseload.

In February 2014, the Supplemental Nutrition Assistance Program (SNAP) was reauthorized as part of the 2014 Farm Bill. The language included a provision requiring that households receive a LIHEAP benefit greater than \$20 in order to automatically qualify for the Standard Utility Allowance under SNAP. The plan before you today continues to provide a LIHEAP SNAP benefit of \$20.01, which will allow approximately 90,000 households to receive higher SNAP benefits as a result of having their benefits calculated using the Standard Utility Allowance.

The FFY 2021 LIHEAP plan includes \$1.8 million to assist with Furnace Repair and Replacement costs. This program provides repairs or replacement of heating systems for single family, owner-occupied dwellings which are determined to be unsafe or inoperable, and, upon request, covers the cost of a clean, tune, and test of a household's deliverable fuel heating system. Based on historical data, these funds are expected to serve between 225 and 300 households. These funds shall be available for eligible homeowners that receive a Basic Benefit but will be prioritized for vulnerable households.

The proposed allocation plan is a responsible and balanced plan that allows us to live within the anticipated federal dollars, maintain benefit levels, and provide resources for furnace repair programs that allow our grant funds to be utilized to the fullest capacity. The plan also anticipates significant caseload growth due to the economic downturn, a byproduct of the COVID-19 global pandemic. Connecticut's families will need relief now more than ever with household expenses. In addition to this year's allocation plan, LIHEAP funding available through the CARES Act will provide cooling assistance for nearly 74,000 households in the form of a \$250 credit on electric accounts. It was endorsed by the Low Income Energy Advisory Board (LIEAB) during their August meeting and provides meaningful benefits to all households. As in prior years, the plan allows for changes in benefits should changes in federal funding occur.

I urge your support of the LIHEAP allocation plan. Representatives from the Departments of Social Services be presenting written comments and will be able to provide more detailed information on the allocation plan which is before you today. Thank you.

Assumptions:

- Block grant funding will be level funded from the previous year
- Caseload is the average of the last 8 years

Highlights:

- Benefits maintained across all levels
- \$1.8 million to fund furnace repair and replacement

Available Funds		
	FFY 20 Estimated	FFY 21 Proposed
LIHEAP Block Grant	\$73,032,152	\$73,032,152
Carryforward	\$6,620,079	\$3,752,911
Refunds	\$228,735	\$400,000
<b>2020 CARES Act Funds</b>	-	<b>\$5,686,798</b>
<b>TOTAL</b>	<b>\$80,630,966</b>	<b>\$82,871,861</b>

Caseload Data		
	FFY 20 Estimated	FFY 21 Proposed
Vulnerable	52,647	62,478
Non-vulnerable	21,819	25,893
Rental Assistance	794	943
<b>TOTAL</b>	<b>75,260</b>	<b>89,314</b>

**BASIC BENEFITS**

**(Both Utility and Deliverable Fuel-Heated Households):**

Income Level	Vulnerable Households			Non-Vulnerable Households		
	FFY 20	FFY 21	Diff.	FFY 20	FFY 21	Diff.
Level 1 (Up to 100% FPG)	\$725	<b>\$725</b>	\$0	<b>\$670</b>	<b>\$670</b>	\$0
Level 2 (101% - 125% FPG)	\$620	<b>\$620</b>	\$0	<b>\$565</b>	<b>\$565</b>	\$0
Level 3 (126% - 150% FPG)	\$545	<b>\$545</b>	\$0	<b>\$490</b>	<b>\$490</b>	\$0
Level 4 (151% - 200% FPG)	\$470	<b>\$470</b>	\$0	<b>\$415</b>	<b>\$415</b>	\$0
Level 5 (201% FPG - 60% SMI)	\$395	<b>\$395</b>	\$0	<b>\$340</b>	<b>\$340</b>	\$0

FPG = Federal Poverty Guidelines SMI = State Median Income

**CRISIS ASSISTANCE BENEFITS**

**(Deliverable Fuel-Heated Households Only):**

Income Level	Vulnerable & Non-Vulnerable Households		
	FFY 20	FFY 21	Diff.
Levels 1-4	\$710	<b>\$710</b>	\$0
Level 5	\$350	<b>\$350</b>	\$0

**SAFETY NET ASSISTANCE BENEFITS**

**(Deliverable Fuel-Heated Households Only):**

Income Level		Vulnerable Households			Non-Vulnerable Households		
		FFY 20	FFY 21	Diff.	FFY 20	FFY 21	Diff.
Levels 1 - 4 ONLY!	1 <sup>st</sup>	\$515	<b>\$515</b>	\$0	\$515	<b>\$515</b>	\$0
	2 <sup>nd</sup>	\$515	<b>\$515</b>	\$0	\$515	<b>\$515</b>	\$0
	3 <sup>rd</sup>	\$515	<b>\$515</b>	\$0	N/A	N/A	\$0

**RENTAL ASSISTANCE BENEFITS**

**(Certain Households with Heat Included in their Rent):**

Income Level	FFY 20	FFY 21	Diff.
Level 1	\$190	<b>\$190</b>	\$0
Level 2	\$180	<b>\$180</b>	\$0

Level 3	\$170	<b>\$170</b>	\$0
Level 4	\$160	<b>\$160</b>	\$0
Level 5	\$150	<b>\$150</b>	\$0