

Informational Forum for Allocation Plans

**Low Income Home Energy Assistance Program (LIHEAP) – FFY 2023
Amendment to Low Income Household Water Assistance Program (LIHWAP)**

Presentation to the Legislative Appropriations, Human Services, and
Energy and Technology Committees
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Department of Social Services
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Low Income Home Energy Assistance Program (LIHEAP) – FFY 2023

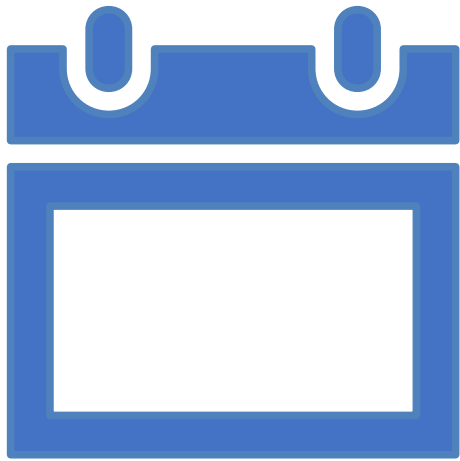
- Review of the proposed LIHEAP Allocation Plan – FFY 2023 to committees of cognizance (Appropriations, Human Services, and Energy and Technology)
- Identification of key elements in the LIHEAP Allocation Plan
- Identification of proposed changes from FFY 2022 to FFY 2023

Overview and Operations

- The Low Income Home Energy Assistance Program (LIHEAP), administered by the Office of Community Services within the U.S. Department of Health and Human Services (HHS), provides funding to states to assist households with lower incomes in offsetting their winter heating costs
- In Connecticut, LIHEAP is administered as the Connecticut Energy Assistance Program (CEAP) by the Department of Social Services (DSS)

Thank you to:

- Governor Lamont, the General Assembly, and the Office of Policy and Management for their continued commitment to and support of this program; and the many partners and stakeholders throughout the state that support our ability to operate and improve this vital program:
 - Community Action Agencies (CAAs)
 - Local volunteer intake sites
 - 2-1-1 United Way
 - Operation Fuel
 - Connecticut Legal Services
 - Department of Energy & Environmental Protection (DEEP)
 - Participating fuel vendors
 - Utility companies
- The Low-Income Energy Advisory Board (LIEAB) for their support of this program and recommendations for the FFY 2023 program year; this plan incorporates many of the recommendations from LIEAB



DSS contracts with Community Action Agencies (CAAs) to provide CEAP services to all eligible households, including taking applications and determining eligibility and issuing payments to vendors

- September 1, 2022 – CAAs will begin accepting applications as part of early intake
- November 1, 2022 – First day for fuel deliveries
- March 15, 2023 – Deadline for fuel authorizations
- May 31, 2023 – Last day to apply for CEAP
- June 16, 2023 - Last day to submit deliverable fuel bills

Continued Processes from FFY 2022

DSS and our program partners are proud of the changes we made to support Connecticut residents during the pandemic. We explored new ways of meeting client needs, shifted our operational model in support of social distancing, and advanced our level of data sharing to facilitate streamlined application processes. Major changes that were implemented are as follows:

- Eliminated the amount of paperwork required for clients to be determined eligible
 - Bank statement no longer required
 - 30% income threshold for renters removed, expanding access to program
 - Risk assessment eliminated, allowing for immediate access to additional benefits
- Continuing the data process between DSS and CEAP systems for rapid eligibility verification

Continued Processes from FFY 2022

- Developed processes to reduce face-to-face contact
 - Online application
 - Email
 - Mail-in application
 - Telephone application, using electronic signatures
- Eliminated the liquid asset test for the program
 - Bolstered administrative and client efficiency along with granting access to additional households

Continued Processes from FFY 2022

- Expanded categorical eligibility to include households where at least one member receives any of the following benefits:
 - Supplemental Nutrition Assistance Program (SNAP)
 - Temporary Family Assistance (TFA)
 - State Supplement to the Aged, Blind and Disabled (State Supp)
 - Refugee Cash Assistance
 - Supplemental Security Income (SSI)

Noteworthy: Previous categorical eligibility required all household members to be recipients of the benefit

Proposed Programmatic Changes

- Continue program modernization processes that were implemented during FFY 2022, including enhancing the new online application
 - Plan dedicates resources to enhance our online program presence, including exploring options for automated instant verification of categorical eligibility, mobile device compatibility, client portal to track progress, etc.
- Leveraged categorical eligibility
 - Eliminating the liquid asset test significantly streamlined operations, reducing client and administrative burden. We will continue to streamline operations by creating a real time verification process for categorically eligible households
- Simplified the Benefit Matrix by reducing the number of benefit levels from five to three and combined Crisis Assistance and Safety Net Assistance to form a new Crisis Assistance benefit
 - Expected to result in increased efficiencies, faster procedural approvals and expanded access to categorically eligible households
 - With the removal of the asset test there is no longer anything to distinguish the two benefits and federal law only requires states to offer a Crisis Assistance benefit
- Categorically eligible SNAP households automatically qualify for a Level 1 benefit
 - Further aligns the benefit structure with other DSS programs and allows already income-challenged households to have additional resources for other necessities

CEAP FUNDING

FUNDING	FFY 18	FFY 19	FFY 20	FFY 21	FFY 22	FFY 23 (proposed)
LIHEAP Block Grant	\$80,738,355	\$75,290,878	\$73,051,937	\$73,568,110	\$73,272,763	\$73,272,763
Carryforward	\$7,392,261	\$5,915,211	\$6,620,079	\$4,039,539	\$4,101,712	\$5,500,000
Refunds	\$400,052	\$439,626	\$181,626	\$416,293	\$424,069	\$400,000
CARES	-	-	\$8,346,891	\$5,722,712	-	-
ARPA	-	-	-	\$33,817,263	\$60,279,678	-
Infrastructure			-	-	\$2,003,413	-
Total	\$88,530,668	\$81,645,715	\$88,200,533	\$117,563,917	\$140,081,635	\$79,172,763
Caseload (households)	80,500	81,500	75,300	73,200	92,000	96,600

BENEFIT MATRIX

Basic Benefits
Crisis Assistance
Rental Assistance

FFY 19 Program Eligibility & Benefit Levels								
<i>Budget: \$81.6 million Approximate Caseload: 81,500</i>								
Eligibility Levels		Rental Assistance	Basic Benefit \$		Crisis Assistance	Safety Net Assistance		
Income Level	Poverty Guidelines		Vulnerable	Non-Vulnerable		1st Benefit	2nd Benefit	3rd Benefit*
1	At or below 100% FPL	190	725	670	710	515	515	515
2	101% - 125% FPL	180	620	565	710	515	515	515
3	126% - 150% FPL	170	545	490	710	515	515	515
4	151% - 200% FPL	160	470	415	710	515	515	515
5	201% FPL- 60% SMI	150	395	340	350	-	-	-

FFY 23 Proposed Allocation Plan Eligibility & Benefit Levels								
<i>Budget: \$79.2 million Estimated Caseload: 96,600</i>								
Proposed Eligibility Levels		Rental Assistance	Basic Benefit \$		Crisis Assistance			
Income Level	Poverty Guidelines		Vulnerable	Non-Vulnerable	1st Benefit	2nd Benefit	3rd Benefit*	
1	At or below 125% FPL	150	600	550	430	430	430	
2	126% - 200% FPL	125	450	400	430	430	430	
3	201% FPL - 60% SMI	100	300	250	430	-	-	

FPG - Federal Poverty Guidelines / SMI - State Median Income

Vulnerable – any household with a member who is age 60 or older, has a disability, or is under the age of 6

** 3rd Benefit limited to vulnerable deliverable fuel heated households*

FIXED MARGIN PRICING PROGRAM

- The Fixed Margin Pricing Program (FMP) was established to secure a reduced price for home heating oil delivered to low-income households who receive CEAP benefits
- Through the FMP, the state sets a reduced price for home heating oil delivered to households in exchange for guaranteed payment under CEAP and a high volume of purchases averaging 13 million gallons per year in total
- The FMP is based on the Oil Price Information Service (OPIS); county differentials were added to address transportation cost concerns by the vendors
- Monies saved are leveraged for additional benefits to CEAP households; this is especially important during this year where funding is reduced

- Includes county differentials in the pricing to reflect transportation, delivery and operation costs
- Differentials are based on information received from the Department of Administrative Services' county-by-county comparison of retail prices

County	Differential (excluding the 45-cent fixed margin)
Fairfield	\$0.115
Hartford	\$0.039
Litchfield	\$0.067
Middlesex	\$0.033
New Haven	\$0.045
New London	\$0.042
Windham	\$0.100
Tolland	\$0.099

Example: Oil deliveries made on Wednesday, March 9, 2022, were paid based on the previous day's New Haven Rack Average OPIS Price. The price paid for deliveries in Fairfield County on Wednesday, March 9, 2022, was determined as follows:

\$4.363	New Haven Rack Average OPIS Price, Tuesday, March 8, 2022
\$0.450	Fixed Margin in FFY 2022 (March 8, 2022 – May 31, 2022)
<u>\$0.115</u>	County Differential – Fairfield County
\$4.928	Total Fixed Margin Price for Wednesday, March 9, 2022 (Fairfield County)

CONSERVATION SERVICES

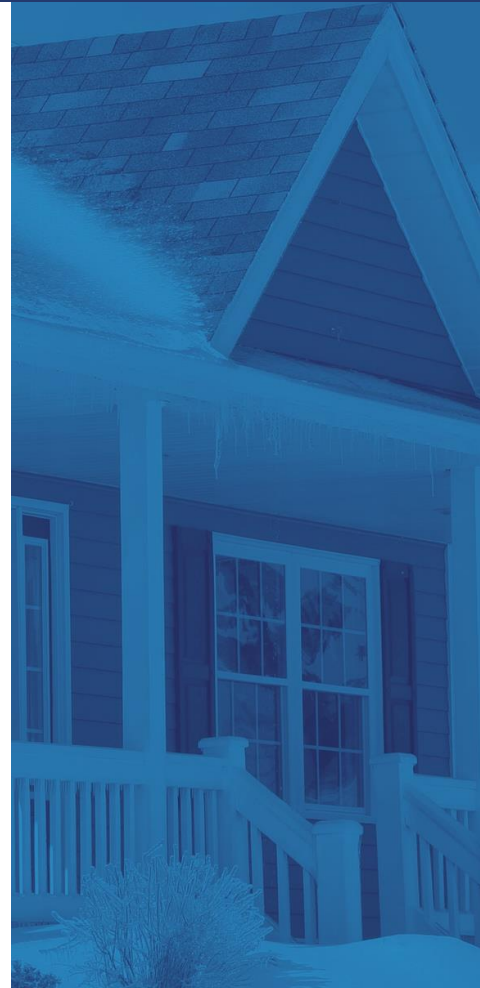
Weatherization Barrier Remediation
Program - DEEP

Heating System Repair &
Replacement

Clean, Tune & Test

LIHEAP Conservation (DEEP)

- LIHEAP funding to support DEEP Weatherization Barrier Remediation Program
- The FFY 2023 LIHEAP Plan proposes to carry forward **\$1 million** (and an additional \$100,000 in administrative funding) to DEEP for the purpose of addressing health and safety barriers to weatherization



Health & Safety Barriers to Weatherization

- DEEP proposes an average expenditure of \$8,000 per home for weatherization barrier work, with a maximum expenditure of \$15,000 per home
- Specific health and safety issues to be addressed by the program include, but are not limited to, mold, pests, unsafe appliance combustion, gas leaks, carbon monoxide, structural issues, venting issues, and knob and tube wiring



LIHEAP Conservation (DSS) - \$2 million

- Heating System Repair and Replacement – the repair or replacement of unsafe, inoperable or obsolete heating systems, tanks, and water heaters for single family, owner-occupied/life-tenant occupied homes
- Clean, Tune & Test – for eligible households to cover the cost of a clean, tune and test of deliverable fuel heating equipment

CEAP Benefits for SNAP Households - \$1.8 million

- Provided to SNAP households that do not make direct payments for their primary source of heat, have shelter and/or utility obligation;
- Eligible households receive a direct cash benefit of \$20.01; and
- These households then qualify to have their SNAP benefits recalculated using the maximum Heating/Cooling Standard Utility Allowance (SUA); most times resulting in increased SNAP benefits

- Reduced Basic and Crisis Assistance benefits for all participants – the ARPA funding ends September 2022, the FFY23 allocation is based on regular LIHEAP block grant dollars with a forecasted increase of 5% in households to be served.
- Benefit Matrix streamlined from 5 levels to 3 levels
- Crisis Assistance and Safety Net Assistance are combined, creating a new Crisis Assistance benefit
- SNAP households will automatically qualify at Level 1

Questions



Amendment to Low Income Household Water Assistance Program (LIHWAP)

- Presentation of Amendment to LIHWAP Allocation Plan to committees of cognizance (Appropriations, Human Services and Energy & Technology)
- Identification of key elements and amendments to the LIHWAP Allocation Plan

- The Department of Social Services (DSS) was awarded funds from the federal Department of Health and Human Services (HHS) to administer the first Low- Income Household Water Assistance Program (LIHWAP) in Connecticut
- The new program provided states with federal funding to assist low-income households with drinking water and wastewater bills
- HHS Goal: Help households with the lowest incomes or that pay a high proportion of household income for drinking water or wastewater services
- Priorities include:
 - (1) restoration of household water services to disconnected households,
 - (2) prevention of service disconnection, and
 - (3) reduction of arrearages

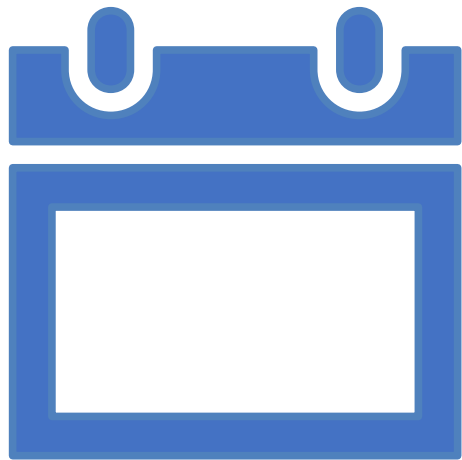
- One-time funding received by Connecticut to operate the LIHWAP in May 2021
 - \$ 5,469,833 Consolidated Appropriations Act of 2021
 - 4,286,703 American Rescue Plan Act of 2021
 - \$ 9,756,536 Connecticut Total Funds
- The budget period for use of the funds is May 28, 2021, through September 30, 2023.
 - Modeled on Low Income Home Energy Assistance Program (LIHEAP), known in CT as the Connecticut Energy Assistance Program (CEAP)
- Like CEAP, payments on behalf of qualified households are made directly to eligible drinking water and wastewater providers
- Leveraged CEAP administrative infrastructure to operationalize the program
- Payments began in April 2022

- On August 20, 2021, the legislative committees of cognizance approved the LIHWAP grant allocation plan (“the Plan”). Although the plan submitted to and approved by the legislative committee stated that it was for FFY 2022, the Plan was approved by the U.S. Department of Health and Human Services covered the full budget period through FFY 2023
- DSS is proposing to amend the previously approved Plan to extend it to the full grant budget period, with minor updates
- DSS is projecting approximately 50% of the funds will be available for use in FFY 2023 and proposing to amend the Plan as follows:
 - (1) Allow households to apply for LIHWAP benefits using the same schedule as CEAP;
 - (2) Adjust LIHWAP Basic Benefit eligibility levels to match CEAP Basic Benefit eligibility levels;
 - (3) Allow households that are not directly billed for water/wastewater services to apply for benefits; and
 - (4) Adjust the budget for funds remaining in the grant

Eligibility

- Income eligibility aligned to LIHEAP – up to 60% State Median Income (SMI)
- Households are categorically eligible if they receive:
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Supplemental Nutrition Assistance Program (SNAP)
 - Temporary Family Assistance (TFA)
 - State Supplement to the Aged, Blind and Disabled
 - Refugee Cash Assistance
 - Supplemental Security Income (SSI)
- Residential households that make payments for drinking water or wastewater services and are within the income guidelines

*If water is included in the rent, landlord cooperation is required.



Using the single application (online and paper), households will be able to apply for both LIHWAP and CEAP

- September 1, 2022 – CAAs will begin accepting applications
- November 1, 2022 – First day for water assistance payments
- May 31, 2023 – Last day to apply for LIHWAP
- June 16, 2023 – Last day to submit water utility bills

Benefits

- Up to \$1,000 Crisis Assistance Benefit for households with disconnected services/pending disconnect/arrearages
 - Payment includes all fees and charges if at imminent risk of drinking or wastewater service disconnect
- The revised Basic Benefit awards below are available to households with water included in their rent and those without arrearages or disconnection notices, follow LIHEAP levels based on income, household size and vulnerability:

Level	Federal Poverty Guidelines	Vulnerable*	Non-Vulnerable
1	At or below 125% of Federal Poverty Guidelines (FPG)	\$300	\$150
2	126% FPG – 200% FPG	\$200	\$100
3	201% FPG – 150% State Median Income (SMI)	\$100	\$50

* *Vulnerable* - any household with a member who is age 60 or older, has a disability, or is under the age of 6

- Households will apply for LIHWAP following the same schedule as the FFY23 CEAP;
- Basic Benefit levels to match the CEAP Basic Benefit eligibility levels;
- Households that are not directly billed for drinking/wastewater services may now apply for benefits; and
- The budget for funds remaining adjusted to the full grant period through September 30, 2023

