

Low Income Home Energy Assistance Program (LIHEAP) Block Grant 2011/2012 Allocation Plan

- The President's proposed budget funds the LIHEAP block grant at \$1.98 billion. At this level, it is anticipated that Connecticut will receive a block grant of \$41.8 million, a reduction of \$56.5 million from last year's level of \$98.3 million, when the federal block grant was funded at \$4.5 billion.
- The President's proposed budget includes \$590 million for emergency contingency funds, but it is expected that the U.S. House of Representatives will be recommending \$200 million. The release of any emergency contingency funds is at the discretion of the President – it is never known when (and if) such funds will be released and, if released, the amount that will actually be allocated for Connecticut. Given the funding reductions already reflected in the plan and the benefit reductions that would otherwise be required, we are assuming Connecticut will receive the same level of emergency contingency funding as was received last year – \$4.7 million.
- If benefit levels and caseload growth were to remain the same as last year, then the program would require funding of nearly \$120 million. This is \$73 million more than is expected to be available.
- In order to address the needs of the state's most vulnerable population during the winter heating season, we are proposing to re-focus the program to prioritize those households whose health could be jeopardized due to lack of heat, i.e., the state's deliverable fuel heated households. Utility heated households are protected by the winter moratorium on utility shut-offs, which provides greater protection for electric and natural gas heated households.
- By restructuring the program to focus first on the provision of Crisis Assistance and Safety Net Assistance Benefits to deliverable fuel heated households, we can maximize available dollars. This restructuring would allow DSS to maintain last year's Basic Benefit levels, which ranged from \$640 to \$880 depending on income and vulnerability, but under the Crisis Assistance Benefit rather than the Basic Benefit. The alternative would be to provide a significantly reduced Basic Benefit for all households – regardless of fuel type – the Basic Benefit would be reduced from a high of \$880 to \$285, a reduction of 68%. Under this alternative, assistance under the Contingency Heating Assistance Program (CHAP) would be eliminated in its entirety.
- Should additional funding become available, then Basic Benefits could be provided to utility heated households, although targeting benefits only to utility heated households would require a statute change. (State statute requires utility heated households to receive the same Basic Benefit as deliverable fuel heated households.)
- It is also important to recognize that the introduction of the state Earned Income Tax Credit will provide financial assistance to many lower income households – for families with three children and an income of \$15,000 (single-parent household) or \$20,000 (two-parent household), the 30% tax credit will mean an additional \$1,700 to help offset this winter's heating costs.
- To further ensure that funding is available to help those most in need, eligibility for CHAP is being reduced from 60% of state median income (\$61,276 for a family of four) to 200% of the federal poverty level (\$44,700 for a family of four). CHAP was first implemented in FFY 2000 when federal funding was projected to be sufficient to allow a limited benefit to be provided to households with higher income (up to 60% of the state median income). CHAP benefits were eliminated entirely in FFY 2005 due to lower anticipated federal funding levels. With reduced funding again projected for FFY 2012, eligibility for CHAP is being scaled back rather than being fully eliminated.

- Reducing income eligibility for CHAP to 200% of the federal poverty level will ensure that funds are available to focus on the core population that needs assistance. Maintaining CHAP eligibility for a typical family earning over \$61,000 would require further benefit reductions that would directly impact the state's neediest.
- If the community action agencies are able to manage the additional caseload within the limited administrative dollars (capped by federal rules at 10%), CHAP households between 200% of the federal poverty level and 60% of the state median income could be determined eligible for the program with a zero dollar benefit. This would allow these households to be eligible for the state's weatherization program and, for utility-heated households, the matching payment programs administered by the utility companies. In addition, if program funds do not allow for lower-income utility heated households to receive a benefit under CEAP, then they could be determined eligible for CEAP with a zero dollar benefit in order to access the matching payment programs and the weatherization program.
- As in prior years, the plan allows for increases in benefit levels should additional funding become available.
- Although limited, there are other resources available. Operation Fuel provides emergency energy assistance to state residents who do not qualify for, or have exhausted, their government assistance. Most of their clients, however, are not poor enough to receive government aid but, because of a crisis in their lives, cannot make ends meet.

Comparison of CEAP Benefit Levels

CEAP Benefit	Income Level	Benefit Levels							
		FFY 07	FFY 08	FFY 09	FFY 10	FFY 11	FFY 12		
							Traditional Plan	Revised Plan	
Renter Benefits	1	\$270	\$270	\$455	\$410	\$410	\$60	—	
	2	255	255	440	395	395	50	—	
	3	240	240	425	380	380	40	—	
Basic Benefits	Vulnerable								
	1	\$675	\$675	\$925	\$880	\$880	\$285	—	
	2	580	580	830	785	785	265	—	
	3	485	485	735	690	690	240	—	
	4	400	400	650	605	605	210	—	
	Non-Vulnerable								
	1	\$635	\$635	\$885	\$840	\$840	\$270	—	
	2	535	535	785	740	740	250	—	
	3	435	435	685	640	640	220	—	
CHAP		\$300	\$300	\$625	\$580	\$580	—	—	
Crisis Assistance *	Vulnerable								
	1							\$880	
	2							785	
	3							690	
	4							605	
	Non-Vulnerable								
	1							\$840	
	2							740	
	3							640	
	CEAP		\$400	\$400	\$565	\$400	\$400	\$400	—
CHAP		\$200	\$200	\$565	\$400	\$400	—	\$580	
Safety Net Assistance *	1st Benefit	\$400	\$400 or \$475	\$625	\$400	\$400	\$400	\$400	
	2nd Benefit	400	400	625	400	400	—	\$400	

Block Grant (in millions)	\$40.9	\$41.8	\$95.8	\$96.9	\$98.3	\$41.8	\$41.8
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Caseload	CEAP	67,141	67,215	78,085	82,956	86,162	89,291	31,112
	CHAP	17,617	19,042	29,419	30,429	31,714	—	5,714
	Total	84,758	86,257	107,504	113,385	117,876	89,291	36,826

Average Heating Oil Prices (Retail) for October - March

\$3.27	\$2.74	\$2.82	\$3.34	\$3.98	\$3.98
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* Deliverable Fuel Heated Households