



Low Income Energy Advisory Board

December 8, 2010

TO: Chairs and Ranking Members of the Appropriations, Energy and Technology, and Human Services Committees

RE: Status of Funding for CEAP (CT Energy Assistance Program)

The most recent information from the Department of Social Services (DSS) indicates the need for the legislature take immediate action to safeguard the ability of Connecticut's low-income residents to pay for essential heat during the coming winter months.

Attached is an update to the data previously provided to your committees. Since my last communication, the "reserve" of funding available for commitment to new applicants for heating assistance has shrunk to just under \$6 million. At current commitment rates, all available funding for this program will likely be exhausted by December 20th.

There is a need for immediate legislative action. In less than two weeks, new applicants for heating assistance will likely be turned away, potentially denying them the heating benefits that the program was intended to provide. Without legislative authorization, DSS can only continue to provide a one-time \$400 crisis for deliverable-fuel households. Utility heating households would not be eligible for any benefits under the program. We respectfully request your immediate attention to this to ensure that the heating assistance benefit levels approved by your committees in September are available to all eligible households throughout the winter months. DSS data indicates that at this point less than one-half of anticipated households have been approved for benefits under the program.

CEAP is an essential program that provides much needed benefits to our neediest families. It is becoming all too clear that action on a final level of Federal funding for this program will come too late to allow CEAP to continue to operate efficiently and smoothly – causing low income households to make tough, and potentially dangerous, choices regarding having heat in their homes this winter. The Board shares your hope that federal funding levels, when they are finally adopted, are more than adequate to provide the benefit levels adopted under CEAP in September.

However, the dilemma today is that nearly 50,000 local households, some in your own constituencies, will likely be turned away from this program without the immediate intervention of your committees.

DSS cannot continue to commit funds to households when such funds have not been allocated pursuant to legislative action. It is not the "cash on hand" that is of concern at this point, but the total funds allowed to be committed under the program. Without some commitment from the legislature that State funds will be used to cover any possible shortfalls in federal funding, then people will be facing a very cold and uncertain winter in their homes.

On behalf of LIEAB, either myself or some delegation would be happy to meet with you and discuss the difficult position this funding situation will have on low-income residents. I will continue to forward to you updated information on this matter as it becomes available.

Sincerely,

A handwritten signature in black ink, appearing to read "Raymond L. Wilson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Raymond L. Wilson
Chair

Attachments: CEAP Funding Charts 12.6.10

2010/2011
CONNECTICUT ENERGY ASSISTANCE PROGRAM (CEAP)
CONTINGENCY HEATING ASSISTANCE PROGRAM (CHAP)

(Thru December 6, 2010)

<u>AVAILABLE FUNDS*</u>	<u>ESTIMATED</u>
LIHEAP Block Grant	\$ 59,684,120
LIHEAP Contingency	8,792,838
LIHEAP Carry-Forward	<u>10,143,524</u>
Total	<u>\$ 78,620,482</u>

<u>CEAP/CHAP</u> <u>OBLIGATIONS</u>	
Total Approvals	\$ 39,513,245
Total Set Asides	27,831,200
Total Est. Approvals	<u>5,316,959</u>
Total	<u>\$ 72,661,404</u>

<u>ESTIMATED</u> <u>UNOBLIGATED</u> <u>BALANCE</u>	<u>\$ 5,959,078</u>
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Footnotes

* - Available funds are based on a LIHEAP Block Grant funding level of \$2.71 billion. This represents the amount approved under the current Continuing Resolution. As of this date, the final FFY 2011 LIHEAP funding level has not yet been determined. The \$2.71 billion is based on the Senate LIHEAP Block Grant funding level, and represents an increase of \$200 million above the Block Grant funding level proposed by the President. Based on this potential increase in funds, we are now estimating our Block Grant funding to be \$59.7 million, as opposed to our initial estimate of \$52.7 million.

In addition \$8.8 million in Contingency funds is estimated. We have now determined the final FFY 2010 carry-forward to be \$10.1 million. This gives us a total of \$78.6 million in estimated funds.

2010/2011
CONNECTICUT ENERGY ASSISTANCE PROGRAM (CEAP)
CONTINGENCY HEATING ASSISTANCE PROGRAM (CHAP)
 (Thru December 6, 2010)

	<u>APPROVALS</u>	<u>EXPENDITURES</u>
<u>CEAP Basic Benefits</u>		
Deliverable Fuel	\$ 17,050,010	\$ 6,447,094.08
Utilities	13,591,095	-
<u>CHAP Basic Benefits</u>		
Deliverable Fuel	\$ 5,802,900	\$ 2,385,981.44
Utilities	2,856,140	-
Rental Assistance	\$ 213,100	-
Safety Net Assistance	\$ -	-
Total	\$ 39,513,245	\$ 8,833,075.52
<u>SET ASIDES*</u>		
Crisis Assistance	\$ 18,081,200	-
Administration	8,500,000	-
Assurance 16	1,000,000	-
Clean, Tune & Test	150,000	8,204.54
LIHEAP SNAP	100,000	-
Total	\$ 27,831,200	\$ 8,204.54
<u>ESTIMATED APPROVALS**</u>		
Pending Applications	\$ 3,605,186	
Incomplete Applications	1,711,774	
Total	\$ 5,316,959	
TOTAL	\$ 72,661,404	\$ 8,841,280.06

Footnotes

* - Set Asides are established for identified program obligations. They include funding for program administration, Assurance 16 and LIHEAP SNAP. The amounts are in accordance with the approved LIHEAP Allocation Plan, and have all been funded at last year's levels. (Please note, per federal regulations, program administration payments cannot exceed 10% of the total FFY 2011 LIHEAP funds received.)

In addition, set asides have been established to cover the costs for Clean, Tune and Tests and Crisis Assistance. In accordance with HHS requirements, states must provide crisis assistance benefits through March 15th. The Crisis Assistance set aside was based on last year's deliverable fuel caseload of 43,464 households, plus an estimated caseload increase of 4%, multiplied by the \$400 Crisis Assistance benefit.

** - Estimated Approvals are established for two categories of applications - pending and incomplete. Many applications in these categories will become eligible once the requested documentation is received and processed. These set asides are based on applying last year's final performance numbers to this year's caseload data.