



# Written Testimony Presented to the Appropriations, Human Services, and Energy and Technology Committees

## Amendment to the Low Income Household Water Assistance Program Grant Allocation Plan August 29, 2022

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State of Connecticut, Department of Social Services*

Chairs Osten, Walker, Moore, Abercrombie, Needleman and Arconti; Vice Chairs Hartley, Dathan, Nolan, Lesser, Leeper, Winfield and Allie-Brennan; Ranking Members Miner, France, Berthel, Case, Formica, Ferraro; and distinguished members of the Appropriations, Human Services, and Energy and Technology Committees. Thank you for the opportunity to submit written testimony in support of Governor Lamont’s Amendment to the Low Income Household Water Assistance Program (LIHWAP) Grant Allocation Plan.

I am Diedre Gifford, Commissioner of the Department of Social Services, I am joined by representatives from the Department who will be available to respond to questions on the amendment before you today.

### **LOW INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM (LIHWAP)**

The federal government has introduced a new water assistance program, LIHWAP, made possible by one-time allocations under the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021. LIHWAP, administered at the federal level 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 the lowest incomes in restoration of public drinking water and wastewater service, reduction of arrearages, and rate reduction.

The Department of Social Services (DSS) received a grant award of approximately \$9.8 million to administer LIHWAP in Connecticut. The funding came from two sources: \$4.3 million through the American Rescue Plan Act of 2021 and \$5.5 million through the Consolidated Appropriations Act of 2021. Federal rules required that LIHWAP funds be used to make payments to owners or operators of public water systems or treatment works on behalf of the low-income households with: disconnected services; pending disconnections or arrearages; or current bills (no arrearages). Up to 15% of the grant funds can be used for the cost of planning and administering the program. The budget period for the use of the funds is May 28, 2021, through September 30, 2023.

On August 20, 2021, DSS put before the legislative committees of cognizance a LIHWAP grant allocation plan ("the Plan") for FFY 2022. Although the Plan submitted to and approved by the legislative committees stated it was for FFY 2022, the plan that was approved by HHS covered the full grant budget period through FFY 2023. DSS is proposing to amend the previously approved Plan to extend it to the full grant period, with the following minor updates:

1. Allow households to apply for LIHWAP benefits using the same schedule as the FFY 2023 Connecticut Energy Assistance Program (CEAP);
2. Adjust the LIHWAP Basic Benefit eligibility levels to match the proposed 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**

In order to participate in LIHWAP, initial guidance from HHS required that eligible households had to make direct-to-vendor payments for their drinking or wastewater services and be categorically income eligible or have a household income no more than 60% of the state median income (\$74,465 for a household of four). Subsequent guidance from HHS expanded the eligibility to require inclusion of households that are not directly billed for drinking or wastewater services and that are within the income guidelines. We propose to amend the Plan to include these households in accordance with federal requirements.

**Operations**

Following federal guidance, LIHWAP will closely mirror the process, procedures, policies, and systems used to administer the Low Income Home Energy Assistance Program (LIHEAP), which is administered in Connecticut as CEAP. As such, households will use a single application (online and paper) to apply for both LIHWAP and CEAP for the FFY 2023 program year.

We will continue to offer residents the ability to apply for assistance online, by mail using the standardized program application form, or in person at their local community action agency (CAA) or intake site. Applicants who select mail as a submission type must mail the completed and signed application with all required supporting documents to their local CAA. Applicants may also initiate the application process by phone. With the exception of households determined to be categorically eligible, documentation of income must be verifiable or supported by affidavits, and households are required to fully comply with all reasonable requests for assistance in verifying eligibility regardless of the application method. These are all continued program requirements and are not being amended.

For FFY 2023, key program dates are as follows:

November 1, 2022	First day that the program will make water assistance payments.
May 31, 2023	The last day that a household can apply to establish its eligibility for benefits.
June 16, 2023	Last day to submit water utility bills.

**Benefits and Services**

As required under federal guidelines, and continuing the program approach from FFY 2022, benefits are structured to support those households with the most urgent need for assistance. The Department will continue to prioritize the distribution of benefits as follows: restore water services to disconnected households (Priority 1); prevent service disconnection and reduce arrearages that may lead to disconnection (Priority 2); and, if funding allows, provide benefits to eligible households who are current with their bills to reduce water costs (Priority 3). Households with water and wastewater costs included in their rent will be eligible for Basic Benefits.

**Basic Benefits**

Basic Benefits, which are for eligible households with no arrearages or disconnection notices, are being updated to align with the CEAP benefit matrix as shown in the table below. There are no changes to Crisis Assistance Benefits, which are up to \$1,000, including fees and charges, and are eligible to households with disconnections, pending disconnections, or arrearages.

Level	Maximum Income	Vulnerable *	Non-Vulnerable
1	At or below 125% FPG	\$300	\$150
2	126% FPG – 200% FPG	\$200	\$100
3	201% FPG – 60% SMI	\$100	\$50

*FPG = Federal Poverty Guidelines; SMI = State Median Income*

*\* Vulnerable – any household in which one or more members is elderly (60 years of age or older), has a disability, or is under the age of six*

If federal funding is increased or decreased compared to the estimated funding level used to develop this Plan, DSS may adjust the Basic Benefits and/or income eligibility criteria to reflect the difference.