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Public Hearing on the Low-Income Home Energy Assistance Program (LIHEAP) Block Grant Allocation Plan for FFY 2025

August 13, 2024

Distinguished Chairpersons, Vice-Chairpersons, Ranking Members, and Members of the Appropriations, Human Services, and Energy & Technology Committees:

Thank you for holding this public hearing on the proposed Low Income Home Energy Assistance Program (LIHEAP) Block Grant Allocation Plan for FFY 2025. The Connecticut Association for Community Action (CAFCA) is the state association that works with Connecticut's Community Action Agencies (CAAs), the state and federal designated anti-poverty agencies serving over 200,000 low-income people in all 169 cities and towns.

Community Action Agencies are proud partners with the Department of Social Services (DSS) to raise awareness of and enroll people in the Connecticut Energy Assistance Program (CEAP, Connecticut's version of LIHEAP). Last year, CEAP helped over 100,000 families statewide with home heating costs to avoid unnecessary energy crises.

CAAs stand ready and willing to help families navigate the CEAP application process starting on September 1st. It is important to note that when a family applies for CEAP, it opens the door to other services families may not know they are eligible for such as housing assistance, childcare, or Supplemental Nutrition Assistance Program (SNAP) benefits. This effective, integrated service delivery approach provides short and long-term support to help them achieve and maintain economic stability.

As energy costs continue to soar, Connecticut ranks among the top ten states for highest overall energy costs at 7<sup>th</sup> in the nation and 5<sup>th</sup> for electricity alone<sup>1</sup>. Here are some examples of what that looks like for families: an average monthly electric bill of \$190, and a monthly bill of \$280 for those

<sup>&</sup>lt;sup>1</sup> "Connecticut's Energy Costs Among Highest in the Nation," Connecticut By the Numbers, August 7, 2024. <u>https://ctbythenumbers.news/ctnews/connecticuts-energy-costs-among-highest-in-the-nation</u>

who heat with oil<sup>2</sup>. And considering the recent increases in electricity bills, these figures will likely go up. Connecticut is a cold weather state with significant heating costs for all its residents, and **for households with incomes below 100% of the Federal Poverty Level already struggling to make ends meet, the situation is even worse. They spend 26% of their annual income on home energy bills<sup>3</sup>, meaning they're constantly pushed into crisis mode and forced to choose between heating their home and other essential needs like groceries, housing, medical care, and child care. This is the burden our most vulnerable and at-risk households – including those with children, older adults, and people with disabilities – face throughout the cold winter months.** 

LIHEAP makes a huge difference in the lives of these families. And while it primarily helps them afford high home energy costs, it does so much more. At its core, LIHEAP is a health and safety program that fosters overall health and wellness by making sure families don't have to sacrifice one basic need for another. LIHEAP is also an investment in our communities and small businesses across the state because it funnels federal funds right back into our economy when it pays for the delivery of oil, wood pellets, and other sources of fuel.

## Concerns and recommendations on the current proposal

CAFCA supports the proposed FFY2025 LIHEAP Allocation Plan and understands that it was developed within the confines of projected federal block grant funding. However, we'd like to share a couple of concerns and recommendations for the Committees' consideration:

<u>Increase benefit levels and invest in LIHEAP:</u> In recent years – apart from a spike during the pandemic – benefit levels have been reduced (see Table 1). While we recognize that this decrease is due to reduced funding commitments from the federal government, these lower levels do not correlate with Connecticut's high energy costs, which have only gone up, not down. This continued reduction in benefit levels does not meet the energy needs of our most at-risk families, putting them in even greater danger of not only being unable to afford their energy bills, but other essential needs like food, childcare, health care, and housing. CAFCA recommends that the FFY 2025 program benefits exceed the 2024 benefits to align with high energy costs and close the gap between historic funding levels; specifically, increase the basic benefit level within the estimated budget, without compromising additional crisis benefits. And to help ensure our most vulnerable and at-risk residents can meet their heating needs, the state should invest its own resources on an annual basis so that LIHEAP is supported and funded for the entire duration of the program.

<u>Disburse supplemental funds sooner</u>: If funds become available for supplemental benefits, CAFCA recommends that the Department distribute this supplemental funding to customers as early as possible to help better equip families to plan and budget their other household needs.

<sup>&</sup>lt;sup>2</sup> McCann, Adam, "Energy Costs by State (2024)", WalletHub, July 1, 2024. <u>https://wallethub.com/edu/energy-costs-by-state/4833/</u>

<sup>&</sup>lt;sup>3</sup> Sears, Justine and Badger, Leslie. *Mapping Household Cost Burdens*. Operation Fuel (May 2023). https://operationfuel.org/wp-content/uploads/2023/11/VEIC-affordability-study-May-2023.pdf

Therefore, given the current economic climate, Connecticut's high energy costs, the energy burden low-income families will face this winter season, and an expected caseload of over 100,000 households, CAFCA and Connecticut's Community Action Network urge the state to increase the Basic Benefit Level and disburse supplemental funds as early as possible.

CAFCA does support several aspects of the plan that are consistent with and improved upon from last year. This includes:

- Up to three Crisis Benefits available for all eligible households.
- Flexibility in taking in applications through a variety of methods (via phone, in-person, online, and continuing to use secure drop boxes).
- Streamlining CEAP eligibility for other means-tested programs, including SNAP, TANF, Refugee Assistance, and SSI.
- Continuing to eliminate the liquid assets test, which research<sup>4</sup> shows reduce program participation in a regressive manner, hurting lowest income households the most.
- Continuing to use electronic signatures, which has streamlined the application process for those who apply by mail or online.
- Funds dedicated to broad program outreach, which included advertising in hyperlocal and foreign language newspapers, radio, malls, buses, convenience stores, and more.

On behalf of Connecticut's Community Action Network, I would like to thank all of you, as well as Commissioner Barton-Reeves and her team at the Department of Social Services, for your support of and advocacy for this critical program. For your information, I included a list of Community Action Agencies and their phone numbers so you can help your constituents access this program (Table 2).

<sup>&</sup>lt;sup>4</sup> Graff, Michelle, and Pirog, Maureen. *Red tape is not so hot: Asset tests impact participation in the Low-Income Home Energy Assistance Program.* Energy Policy (June 2019). https://www.sciencedirect.com/science/article/abs/pii/S0301421519301259

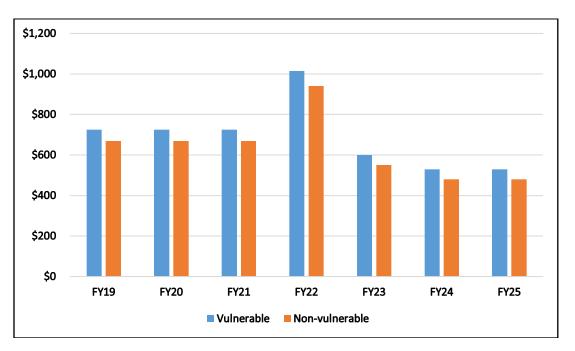


Table 1: Benefit Level 1 Fiscal Years 2019 – 2025

Agency	Area Covered	Energy Assistance #
Alliance for Community Empowerment (formerly ABCD)	Greater Bridgeport & Norwalk	(203) 384-6904
Access	Windham County	(860) 450-7400
	Tolland County	(860) 412-1600
CAANH	Greater New Haven	(203) 285-8018
CAAWC	Greater Danbury	(203) 744-4700
	Greater Stamford	(203) 357-0720
CRT	Hartford & Middlesex Counties	(860) 560-5800
HRA	Greater New Britain/Bristol	(860) 356-2000
NOI	Greater Waterbury	(203) 756-8151
	Greater Meriden	(203) 235-0278
	Greater Torrington	(860) 482-9749
TEAM	Lower Naugatuck Valley	(203) 736-5420
TVCCA	Southeastern CT	(860) 425-6681

 Table 2: Community Action Agencies & Phone Numbers for Energy & Water Assistance