

***Written Comments Presented to the Appropriations, Human Services, and
Energy and Technology Committees***

***Low Income Home Energy Assistance Program
August 7, 2025***

***Andrea Barton Reeves, Commissioner
State of Connecticut, Department of Social Services***

Chairs Osten, Walker, Gilchrest, Lesser, Needleman and Steinberg; Vice Chairs Hartley, Kushner, Exum, Paris, Comey, Maher, Sanchez and Mahoney; Ranking Members Somers, Nuccio, Case, Perillo, Fazio, and Marra; 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 Federal Fiscal Year (FFY) 2026 Allocation Plan for the Low Income Home Energy Assistance Program (LIHEAP) block grant.

I am Andrea Barton Reeves, Commissioner of the Department of Social Services (DSS). In addition to these written comments, I am pleased to be able to walk through the highlights of our proposed FFY 2026 LIHEAP allocation plan with you, alongside representatives from the Department who will be available to address any questions you may have.

OVERVIEW

LIHEAP, administered federally by the Office of Community Services within the U.S. Department of Health and Human Services (HHS), provides funding to states to assist low-income households in meeting their home energy costs. LIHEAP funds provided to the State of Connecticut are administered through DSS' Connecticut Energy Assistance Program (CEAP).

At the time of the development of this allocation plan, the funding level for Federal Fiscal Year (FFY) 2026 has not been released. The estimated budget used in this allocation plan for the operation of LIHEAP for FFY 2026 assumes that the program will be level funded at the state's FFY 2025 LIHEAP block grant level of \$81.7 million, plus an estimated \$7.3 million in FFY 2025 LIHEAP carryforward funds, and \$225,000 in LIHEAP vendor refunds, for a total estimated FFY 2026 budget of approximately \$89.2 million. This constitutes the Department of Social Services' best estimate of funding that may be available to support the LIHEAP block grant allocation plan. It's important to note that this year's budget does not include any Infrastructure Investment and Jobs Act funds, which provided supplemental support during the last four years, as these federal funds are no longer available.

We are grateful for the ongoing support of Governor Lamont, the General Assembly, the Office of Policy and Management, the Department of Energy and Environmental Protection, our Community Action Agency (CAA) partners, 2-1-1 CT United Way, Operation Fuel d/b/a Generation Power CT, Connecticut Legal Services, participating vendors, and the Low-Income Energy and Water Advisory Board (LIEWAB). Together, we are committed to helping Connecticut's most vulnerable households maintain safe, affordable home energy.

Key Updates and Priorities

There are several key updates and priorities I would like to highlight in this year's plan. Although the President's FFY 2026 budget proposal eliminates funding for LIHEAP, we are proceeding under the assumption that Congress will act to continue this essential program, recognizing its critical importance to households.

The FFY 2026 plan increases Basic Benefits by \$115 for both deliverable fuel and utility-heated households. This increase aligns with recommendations from LIEWAB and helps address the rising energy costs that continue to challenge many vulnerable residents across our state.

Operations / Modernization

CEAP is administered through nine CAAs, which coordinate intake and service delivery statewide. Working closely with DSS and a network of volunteer intake sites, the CAAs provide broad geographic reach and help ensure that vulnerable residents can access the program.

For the upcoming program year, due to the Labor Day holiday, CEAP online applications can be submitted starting Monday, September 1, 2025, and in-person CEAP application submission will begin on Tuesday, September 2, 2025.

In recent years, DSS has invested in technology to modernize CEAP operations, including maintaining the <https://portal.ct.gov/heatinghelp> website and expanding the online application system, first launched in FFY 2023. The online application was customized to provide an intuitive user experience and now complements the in-person, phone, mail, and email application options offered through the CAAs.

We are pleased to announce that we will be launching an online portal for deliverable fuel vendors, making it easier for vendors to maintain account information, submit required documents, maintain a history of submitted documents and communicate efficiently with program staff. The CEAP vendor portal will improve efficiency and accountability and was developed based upon feedback from both vendors and the CAAs.

These modernization efforts will continue to strengthen program administration, improve client service, and create important efficiencies at the state level.

FUNDING OUTLOOK

The allocation plan is based on an estimated total budget of approximately \$89.2 million, including \$81.7 million in base block grant funds, \$7.3 million in carryforward funds, and \$225,000 in vendor refunds. This budget reflects the Department's best estimate of federal funding likely to be available to Connecticut for the program year. Should Connecticut receive block grant funding that is more than what is required to meet the benefit levels outlined in the plan, DSS may provide additional benefits or services as described in section XIV of the allocation plan.

With the available funding and proposed benefit levels (described later), DSS anticipates serving approximately 100,375 households based on projected enrollment growth of 5% of the average of actual FFY 2024 and estimated FFY 2025 eligible households. CEAP prioritizes vulnerable households, defined as those with at least one member who is age 60 or older, has a disability, or is under age six. These households receive higher benefit levels, reflecting their increased risk of hardship during the winter months. The plan assumes the following breakout of vulnerable households:

- 32,920 households with elderly members,
- 14,020 households with members with disabilities, and
- 9,830 households with children under age six.

ELIGIBILITY

Household eligibility for CEAP is determined based on income, household size, and vulnerability. For FFY 2026, the income limit is set at 60% of the state median income (\$91,854 for a family of four).

Under federal LIHEAP rules, households are considered "categorically income eligible" if at least one member participates in programs such as TFA, SNAP, SSI, Refugee Cash Assistance, or State Supplement to the Aged, Blind, and Disabled. While these households are not required to submit additional income verification for the categorically eligible member, all other household members must still provide income documentation as part of the CEAP application, along with other required program documents.

All other applicants are required to verify income, which can be documented using paystubs or other income records from the prior 30 days, prior four weeks, or prior 52 weeks if it provides a more accurate picture of annual income. Households with self-employment income complete a self-employment worksheet covering either the prior six or twelve months.

BENEFITS AND SERVICES

Basic Benefits

CEAP provides eligible households with energy assistance benefits tailored to their heating type, income, household size, and vulnerability status. Benefits are available for all primary heating sources, including electric, natural gas, oil, propane, kerosene, wood, pellets, and coal.

Basic Benefits are structured across three income tiers:

- Level 1: Up to 125% of the federal poverty level,

- Level 2: 126%–200% of the federal poverty level, and
- Level 3: 201% of the federal poverty level up to 60% of state median income.

Basic Benefit amounts for FFY 2026 range from \$295 to \$645, depending on income level and vulnerability status. For FFY 2026, Basic Benefit amounts have been increased by \$115, across all income levels, based on anticipated funding levels and reflecting the recommendations of the LIEWAB and helping to address rising energy costs.

In addition to Basic Benefits, Crisis Assistance is available to deliverable fuel households that have exhausted their Basic Benefits and are at imminent risk of running out of heat. These households may receive up to three Crisis Assistance benefits of \$425 each for deliveries authorized by April 1, 2026. This reflects an increase of \$15 over FFY 2025 levels and is again based on anticipated funding levels.

Finally, Rental Assistance Benefits are available to eligible households whose heat is included in their rent. These direct cash benefits range from \$75 to \$125, depending on income level, and help offset the household's share of heating costs.

VENDOR PAYMENTS

Pursuant to section 16a-41a(1)(F) of the Connecticut General Statutes, CAAs are required to pay participating deliverable fuel vendors no later than ten business days after receipt of an authorized fuel slip or invoice. DSS continues to uphold this statutory requirement in all contracts and agreements with vendors.

In accordance with Public Act 24-145, DSS convened a workgroup to study best practices related to pricing standards for fuel vendors while maximizing CEAP benefits for consumers. The workgroup completed its work, and its report was submitted to the legislature in January 2025.

Pricing Models

As part of CEAP's 2025-2026 shift to new pricing structures, CEAP will now use DTN (Data Transmission Network) terminal rack pricing from four terminal locations (Bridgeport, Hartford, New Haven, and Norwich), which will allow for regional pricing. With this expansion in terminal coverage, county differentials have been eliminated.

Additionally, deliverable heating oil vendors participating in CEAP may now choose one of two vendor pricing models:

1. **Margin-Over-Rack (MOR):** This model is based on the DTN – ULHOB5 (Ultra Low Heating Oil Bio blend 5%) Rack average price, plus a fixed margin of 50 cents per gallon. The CEAP price is calculated by adding the fixed margin to the DTN rack price.
2. **Discount-Off-Retail (DOR):** This model is based on the vendor's lowest posted retail price for all customers and includes a discount of 35 cents per gallon. The CEAP price is calculated by subtracting the discount from the retail price posted publicly by the vendor.

These changes demonstrate the Department's commitment to supporting the efforts of the LIHEAP working group and the final report to the legislature that examined deliverable fuel pricing methods

while maintaining the maximum benefit amount for CEAP households. Kerosene and propane deliveries continue to be reimbursed at the vendor's standard retail price. We remain committed to working closely with vendors, industry associations, and stakeholders to monitor implementation and maximize the program's impact for Connecticut families.

LIHEAP SNAP BENEFITS

CEAP provides a targeted annual LIHEAP benefit to eligible SNAP households whose primary heating costs are included in their rent and who have a shelter and/or utility obligation. Eligible SNAP households will receive a direct benefit of \$20.01. Receipt of this benefit allows households to qualify for the maximum Standard Utility Allowable (SUA) under federal SNAP rules, which may result in an increase in their monthly SNAP benefit. This approach reduces administrative burden and helps maximize federally funded SNAP assistance for low-income households with minimal direct heating costs.

Effective with the enactment of the One Big Beautiful Bill Act, however, federal law now limits the use of LIHEAP funds to certain vulnerable households when benefits are provided to increase eligibility for the SNAP SUA. Specifically, it limits this benefit to households with an elderly or disabled member. Thus, vulnerable households with a child under the age of 6 (and no elderly or disabled member) and non-vulnerable households are no longer eligible to receive LIHEAP solely for the purposes of qualifying for the SNAP SUA. Accordingly, the allocation has been reduced from the prior year's allocation of \$1.8 million to \$1.6 million.

SUMMARY

While Connecticut, like other states, is operating this year without the supplemental federal funding that has supported CEAP in prior years, the Department of Social Services has taken proactive steps to strengthen the social safety net and protect vulnerable households. By prioritizing increases to Basic Benefits, enhancing program modernization, funding key conservation services, and carefully managing available resources, CEAP aims to maximize support for households facing the highest energy burdens. We remain grateful for the continued support of Governor Lamont, the General Assembly, the Office of Policy and Management, DEEP, our Community Action Agency partners, United Way 2-1-1, Operation Fuel d/b/a Generation Power CT, Connecticut Legal Services, deliverable fuel vendors, utility companies, and the many stakeholders across the state who help make CEAP a vital resource for Connecticut's residents.

On behalf of the Department, I respectfully join Governor Lamont and the Office of Policy and Management in recommending approval of the FFY 2026 LIHEAP allocation plan.

Thank you for your consideration.