

**Analysis and Summary of Governor's FFY 26
Low Income Home Energy Assistance Program (LIHEAP)**

Joint Hearing of Committees on Appropriations, Energy and Technology,
and Human Services

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OFFICE OF FISCAL ANALYSIS

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INTRODUCTION

Pursuant to CGS Section 4-28b, the Governor has submitted for consideration the proposed allocation plan for the federal fiscal year (FFY) 2026 Low Income Home Energy Assistance Program (LIHEAP) Block Grant. An overview of the allocation plan and proposed changes is provided below.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

Connecticut utilizes LIHEAP funding to support the Connecticut Energy Assistance Program (CEAP). This program serves households whose income falls at or below 60% of the state median income (SMI, \$91,854 for a family of four). The Department of Social Services (DSS) administers the program with the assistance of the Community Action Agencies (CAAs).

The proposed plan assumes level base block grant funding of \$81.7 million. Additional funding (carry forward and refunds) results in total available funds of \$89.2 million. The 4.7% reduction in available funding compared to last year is primarily attributable to the end of Infrastructure and Jobs Act funding. Overall spending is proposed to increase by approximately 3.3% in FFY 26, which reflects the use of carryforward funding. The table below provides further detail comparing the proposed FFY 26 budget to FFY 25:

Table 1. Proposed FFY 26 Budget vs. FFY 25 Estimated

Expenditure Category	FFY 25 Estimated \$	FFY 26 Proposed \$	Change from FFY 25 \$	% Change from FFY 25
Rental Assistance	755,500	845,450	89,950	11.9%
Basic Benefits	33,123,545	47,587,712	14,464,167	43.7%
Crisis Assistance	25,591,205	27,855,365	2,264,160	8.8%
Supplemental Benefit	13,647,140	-	(13,647,140)	0.0%
Weatherization Services (DEEP)	500,000	500,000	-	0.0%
SNAP Benefit	1,800,000	1,600,000	(200,000)	-11.1%
Assurance 16	1,200,000	1,200,000	-	0.0%
Furnace Repair & Replacement	1,200,000	1,200,000	-	0.0%
System Enhancements	225,000	275,000	50,000	22.2%
Administration	8,325,823	8,123,037	(202,786)	-2.4%
Outreach	50,000	50,000	-	0.0%
TOTAL EXPENDITURES	86,418,213	89,236,564	2,818,351	3.3%
<i>Estimated Caseload</i>	<i>88,955</i>	<i>100,375</i>		
SOURCE OF FUNDS	FFY 25 Available \$	FFY 26 Available \$	Change from FFY 25 \$	% Change from FFY 25
Block Grant	81,730,366	81,730,366	-	0.0%
Infrastructure Investment & Jobs Act	4,277,872	-	(4,277,872)	-100.0%
Balance Carried Forward	7,410,275	7,281,198	(129,077)	-1.7%
Other- Vendor Refunds	225,000	225,000	-	0.0%
TOTAL FUNDS AVAILABLE	93,643,513	89,236,564	(4,406,949)	-4.7%

HIGHLIGHTS

The proposed plan maintains FFY 25 allocated benefit levels for renters and increases Basic Benefits by \$115 and Crisis Assistance by \$15 for both vulnerable and non-vulnerable households. The plan reflects an increase in caseload levels, assuming 12.8% more households will access initial benefits in FFY 26.¹

Table 2. FFY 26 vs FFY 25 Program Eligibility and Benefit Levels

Benefit Type	Income Level	FFY 25 \$	FFY 26 \$	Change from FFY 25 \$
Rental Assistance	1	125	125	-
	2	100	100	-
	3	75	75	-
Basic Benefits	Vulnerable:			
	1	530	645	115
	2	380	495	115
	3	230	345	115
	Non-Vulnerable:			
	1	480	595	115
	2	330	445	115
	3	180	295	115
Crisis Assistance	1st Benefit	410	425	15
	2nd Benefit	410	425	15
	3rd Benefit	410	425	15

* Households with income levels 1 through 3 may receive up to three crisis benefits.

The allocation plan includes a new pricing structure for fuel-deliverable households. This eliminates the county differentials previously applied to the New Haven terminal price and instead requires vendors to choose one of two pricing models. Both models, Margin-Over-Rack and Discount-Off-Retail, include expanded terminal coverage (Bridgeport, Hartford, New Haven, Norwich), allowing for more regionally representative pricing.

FEDERAL BUDGET ACTION

Final Congressional action has yet to be taken on FFY 26 appropriations for this grant. The allocation plan assumes level base block grant funding.

CONTINGENCY PLAN

If funding is more or less than the amount assumed in the proposal, benefit payment levels and/or income eligibility criteria may be adjusted. Per CGS Section 4-28b, any proposed transfer over \$50,000 to or from any specific allocation or any transfer amount that is 10% of any specific allocation (whichever is less), must be submitted to the speaker and president pro tempore to be approved, modified, or rejected by relevant committees.

¹ The FFY 26 caseload level (100,375) assumes 5% growth on the average of the last two program years (95,600).

Table 3 provides a summary of benefit categories and eligibility criteria and Table 4 details FFY 26 poverty guidelines relevant to income eligibility. Additional information and program dates are detailed further below.

Table 3. Summary of FFY 26 LIHEAP Benefits and Eligibility Requirements

Benefit Category	Eligibility Requirements	Receipt of Benefits
Rental Assistance	Includes households who (1) do not make direct vendor payments for their primary source of heat, and (2) have annual gross income up to 60% state median income.	The FFY 26 proposed benefit ranges from \$75 to \$125, depending on income level. Eligible households receive a check to defray heating costs. Not more than one Rental Assistance Benefit is issued per dwelling unit.
Basic Benefit	Includes households with incomes up to 60% state median income.	The FFY 25 proposed benefit ranges from \$295 to \$645, and is based on income, household size, and vulnerability.
Crisis Assistance	Includes deliverable fuel heated households who have exhausted their Basic Benefits and are still at imminent risk of losing heat.	The FFY 26 proposed benefit is \$425. All eligible households may receive up to three Crisis Assistance benefits. If determined eligible, a fuel delivery will be authorized within 48 hours of the household's request, or 18 hours in life-threatening situations.

Note: A household will automatically be considered income eligible if (1) it makes direct to vendor payments for heat, and (2) a household member is participating in at least one of the following programs: Temporary Family Assistance, State Supplement to the Aged, Blind, and Disabled, Refugee Cash Assistance, Supplemental Nutrition Assistance, Supplemental Security Income.

Table 4. FFY 26 Poverty Guidelines

FFY 26 Proposed Plan		
Income Level	Poverty Guidelines	Annual Amount \$ for Family of 4
1	At or below 125% FPL	At or below \$40,188
2	126% - 200% FPL	\$40,189 - \$64,300
3	201% FPL- 60% SMI	\$64,301 - \$91,854

Assurance 16

Funding is provided to CAAs for enhanced case management services to assist low-income households in addressing their energy needs. Services include risk assessment, counseling, education, and assistance with energy suppliers and vendors.

Supplemental Nutrition Assistance Program (SNAP) Benefit

LIHEAP benefits are available to SNAP recipient households who do not make direct vendor payments for their primary source of heat and have a shelter and/or utility obligation. Due to recent changes at the federal level, non-vulnerable households are no longer eligible to receive LIHEAP solely for the purpose of qualifying for the SNAP Standard Utility Allowance. A \$20.01 LIHEAP SNAP benefit will be paid to eligible households, which generally qualifies them for greater SNAP benefits.

Program Dates

The program begins on November 3, 2025 and continues through June 17, 2026, as follows:

11/3/25	First day for authorization of fuel deliveries and payment for deliveries can be made by the program
4/1/26	Deadline for fuel authorization or deliveries
5/29/26	Last day a household can apply to establish eligibility for benefits
6/17/26	Last day to submit deliverable fuel bills