

**Analysis and Summary of Governor's FFY 27
Low Income Home Energy Assistance Program (LIHEAP)**

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

August 12, 2026

OFFICE OF FISCAL ANALYSIS

Room 5200, Legislative Office Building

Hartford, CT 06106 • (860) 240-0200

E-Mail: ofa@cga.ct.gov

www.cga.ct.gov/ofa

Introduction

Pursuant to CGS Section 4-28b, the Governor has submitted for consideration the proposed allocation plan for the federal fiscal year (FFY) 2027 Low Income Home Energy Assistance Program (LIHEAP) Block Grant. An overview of the allocation plan and proposed changes follows.

Low Income Home Energy Assistance Program

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, \$93,681 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 \$86.3 million. Additional funding (carry forward and refunds) results in total available funds of \$94.2 million. The 4.6% 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 27, which reflects increases in benefit levels, as well as an anticipated increase in caseload levels. The table below compares the proposed FFY 27 budget to FFY 26:

Table 1. Proposed FFY 27 Budget vs. FFY 26 Estimated

Expenditure Category	FFY 26 Estimated \$	FFY 27 Proposed \$	Change from FFY 26 \$	% Change from FFY 26
Rental Assistance	788,125	983,880	195,755	24.8%
Basic Benefits	39,863,105	49,350,774	9,487,669	23.8%
Crisis Assistance	25,750,415	31,222,986	5,472,571	21.3%
Supplemental Benefit	12,466,880	-	(12,466,880)	-100.0%
Weatherization Services (DEEP)	-	-	-	0.0%
SNAP Benefit	1,500,000	1,300,000	(200,000)	-13.3%
Assurance 16	1,200,000	1,200,000	-	0.0%
Furnace Repair & Replacement	1,200,000	1,200,000	-	0.0%
System Enhancements	275,000	275,000	-	0.0%
Administration	8,123,036	8,628,897	505,861	6.2%
Outreach	50,000	50,000	-	0.0%
TOTAL EXPENDITURES	91,216,561	94,211,537	2,994,976	3.3%
<i>Estimated Caseload</i>	<i>83,905</i>	<i>94,290</i>		
Source of Funds	FFY 26 Available \$	FFY 27 Available \$	Change from FFY 26 \$	% Change from FFY 26
Block Grant	86,288,969	86,288,969	-	0.0%
Infrastructure Investment & Jobs Act	3,933,466	-	(3,933,466)	-100.0%
Balance Carried Forward	8,165,912	7,522,568	(643,344)	-7.9%
Other- Vendor Refunds	350,782	400,000	49,218	14.0%
TOTAL FUNDS AVAILABLE	98,739,129	94,211,537	(4,527,592)	-4.6%

Highlights

The proposed plan increases all benefit levels (as detailed in Table 2) and increases the fixed margin from \$0.50 to \$0.55 cents per gallon under the Margin-Over-Rack pricing model.

The plan reflects expanded categorical income eligibility, which now includes households in which a member is receiving certain means-tested veterans' benefits.¹

Per DEEP's request, the plan does not allocate FFY 27 funds for DEEP weatherization activities. DSS and DEEP will develop a more streamlined LIHEAP-weatherization model for future program years. Eligible households may continue to receive weatherization services through available federal Department of Energy Weatherization Assistance Program funding.

Table 2. FFY 27 vs FFY 26 Program Eligibility and Benefit Levels

Benefit Type	Income Level	FFY 26 \$	FFY 27 \$	Change from FFY 26 \$
Rental Assistance	1	125	140	15
	2	100	115	15
	3	75	90	15
Basic Benefits	Vulnerable:			
	1	645	705	60
	2	495	555	60
	3	345	405	60
	Non-Vulnerable:			
	1	595	655	60
	2	445	505	60
	3	295	355	60
Crisis Assistance	1st Benefit	425	430	5
	2nd Benefit	425	430	5
	3rd Benefit	425	430	5

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

Benefits are anticipated to support 94,290 households, which reflects a three-year caseload average plus 3% growth.

Federal Budget Action

Final Congressional action has yet to be taken on FFY 27 appropriations for this grant. The allocation plan assumes level base block grant funding.

¹PA 25-95 requires that certain means-tested veterans' benefits be excluded from countable income when determining eligibility.

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 the relevant committees.

Table 3 provides a summary of benefit categories and eligibility criteria and Table 4 details FFY 27 poverty guidelines relevant to income eligibility. Additional information and program dates are detailed further below.

Table 3. Summary of FFY 27 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 27 proposed benefit ranges from \$90 to \$140 depending on income level. Eligible households receive a direct cash benefit 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 27 proposed benefit ranges from \$355 to \$705, 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 27 proposed benefit is \$430. 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 Program, Supplemental Security Income, certain veterans means-tested benefits.

Table 4. FFY 27 Income Guidelines

Income Level	Poverty Guidelines	Annual Amount \$ for Family of 4
1	At or below 125% FPL	At or below \$41,250
2	126% - 200% FPL	\$41,251 - \$66,000
3	201% FPL- 60% SMI	\$66,001 - \$93,681

Assurance 16

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

Supplemental Nutrition Assistance Program (SNAP) Benefit

LIHEAP benefits are available to SNAP recipient households who (1) do not make direct vendor payments for their primary source of heat, and (2) have a shelter and/or utility obligation. Per Public Law 119-21, only households that include a member age 60 and older or a member who is disabled are 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 2, 2026 and continues through June 17, 2027 as follows:

11/2/26	First day for authorization of fuel deliveries and payment for deliveries can be made by the program
4/1/27	Deadline for fuel authorization for deliveries
5/31/27	Last day a household can apply to establish eligibility for benefits
6/17/27	Last day to submit deliverable fuel bills