

# **BLOCK GRANT PLAN SUMMARY**

**Commonwealth of Kentucky  
FFY 2019  
Low Income Home Energy Assistance Program  
(LIHEAP)**

**Block Grant Plan Summary**

1. Allocation of Funds

- A. \$25,000 or more is reserved as a preventive measure to assist families with an energy payment, if the payment will prevent the removal of a child from the family or assist in reuniting a child with the family. Payment shall not exceed \$300 per family.
- B. Ten (10%) percent of the LIHEAP Block Grant funds will be used for administration, less portion specified by HHS that does not allow administration.
- C. The Weatherization Assistance Program was transferred in April 2009, from the Cabinet for Health and Family Services (CHFS) to the Finance and Administration Cabinet. The Finance and Administration Cabinet designates the Kentucky Housing Corporation (KHC) to administer the Weatherization program. CHFS will transfer 15% of the LIHEAP allocation to KHC for weatherization activities. The program will be operated in accordance with both LIHEAP rules and Department of Energy rules.
- D. The balance of funds will be used in the Low Income Home Energy Assistance Program (LIHEAP). The Department of Community Based Services contracts with the Community Action Kentucky, Inc. (CAK) to administer the LIHEAP program. The FFY 2017 funding will be based upon an estimated \$30 million. If funds are not exhausted by the end of the Subsidy component, the remaining funds will be used in the Crisis component. Fifty (50%) percent of the crisis funds will be allocated to the local community action agencies based upon each agency's percentage of the statewide eligible population at or below 130% of the poverty level and the remaining fifty (50%) will be based upon the agency's crisis expenditures last year. CAK shall retain a maximum of \$400,000 as contingency crisis funds to provide individual agencies on an as-needed basis. \$30,000 is available in the CAK contract to design and initiate leveraging activities to increase the amount of resources available for assisting eligible households in reducing their residential energy costs or consumption. These activities include the provision of services designed to assist utility companies, other energy providers, legislative and regulatory entities, direct energy assistance providers and energy conservation providers in developing new programs or in strengthening or better coordinating existing programs that provide energy conservation measures or other energy related assistance to low-income households.

2. Basic LIHEAP Eligibility and Application Requirements

- A. Liquid resources cannot exceed:
  - 1) \$2,000;
  - 2) \$3,000, if at least one person in the household is
    - a) age sixty (60) or older; or
    - b) disabled; or
  - 3) \$4,000, for a household with a member with an illness, which requires liquid resources to be readily accessed on a regular basis for living and medical expenses.

- B. Gross annual household income cannot exceed 130% of poverty for the appropriate family size as follows:

Household Size	Monthly Income	Yearly Income
1	\$1,316	\$15,787
2	\$1,784	\$21,403
3	\$2,252	\$27,019
4	\$2,720	\$32,635
5	\$3,188	\$38,251
6	\$3,656	\$43,867

For each additional member add \$468 monthly or \$5,616 yearly.

- C. All households that pay home energy costs directly or indirectly as an undesignated portion of their rent, including households residing in subsidized housing, may receive benefits.
- D. Applications will be taken by local community action agencies at designated offices in each county. Applications may be taken by telephone and followed up with sending the application form to the applicant for signature and requesting income verification, social security numbers and a copy of the most recent heating bill.

Those seeking assistance should bring with them:

- Most recent heating bill or verification from the landlord that heat is included in the rent;
- Social Security numbers of everyone in the household; and
- Proof of household's income (check stub, benefit checks, award letters, direct deposit slips, etc.)
- Account number and name on the account for all heating fuel sources and electric.

All households wishing to receive program benefits must file an application.

### 3. Subsidy Component

- A. Each household must meet basic LIHEAP eligibility criteria in order to receive assistance.
- B. Applications will be taken via an alphabetized process from November 5, 2018 through December 14, 2018. All households that apply and are determined eligible during this period will receive assistance.
- C. Benefit amounts will be designed so that the highest level of assistance will be provided to households with the lowest incomes, relative to federal poverty guidelines, and the highest heating season energy costs.

Once eligibility is established, payment to a household's heating fuel provider or utility is authorized.

The following process will be used to identify average heating season energy costs:

For each of the six primary heating fuels (natural gas, electric, fuel oil, propane, coal, and wood) an average cost per unit of fuel will be identified. Based on this unit cost information, an average cost per heating season per fuel type will be calculated. In previous years, propane and fuel oil have represented the highest cost heating fuels. Benefits will be structured accordingly so that the lowest poverty level households receive the highest benefits relative to fuel type.

4. Crisis Component

- A. Households must meet basic LIHEAP eligibility criteria; and be within four (4) days of running out of fuel if propane, fuel oil, coal, wood, or kerosene is the heat source; or has received a past-due/disconnect notice if natural gas or electric is the heat source.
- B. Each community action agency will take applications from January 7, 2019 until March 29, 2019, or until its crisis allocation, plus any contingency funds it has received, is totally obligated, whichever comes first.
- C. Each community action agency will provide the type, value, and amount of benefits which it determines necessary to alleviate a crisis. These benefits will be in the form of utility payments and/or fuel delivery, blankets, and/or sleeping bags, emergency shelter, and/or vouchers for the purchase of these items. Space heaters will be an allowable temporary measure until the heat system is repaired/replaced.

The maximum amount of benefits that any household may receive throughout the crisis component shall not exceed \$250\*\* for gas or electric or up to two (2) tons of coal, two (2) cords of wood, or 200 gallons of propane, fuel oil or kerosene.

**\*\*The cabinet may approve an increase to the benefit amount if program funding is enhanced through a federal or state award.**

Each eligible household, with the exception of those in the 0-74% poverty level, shall be required to pay a co-payment. Households residing in subsidized housing will be responsible for a higher co-payment amount due to receiving a utility allowance. The co-payment amount will be based on the household's percent of poverty as listed below:

Percent of Poverty	Co-Payment for Households Residing in Non-Subsidized Housing	Co-Payment for Households Residing in Subsidized Housing
0-74%	0%	0%
75-100%	10%	15%
101-130%	15%	20%

- D. Each community action agency may use up to five (5%) percent of its allocation to provide services that encourage and enable households to reduce their home energy needs, including such services as budget counseling, assistance with energy vendors, utility budget plans, etc. The cost of developing and providing such services will not count toward the maximum benefit level for any single household. The community action agency may submit to the Department, through CAK, a written justification and detailed plan for use of the five (5%) percent. The Department will approve such requests if it determines that the plan complies with federal requirements and that the community action agency, its eligible population, and other affected parties will be better served by the utilization of these funds.
- E. Any community action agency that believes it can better address its local community needs and/or access available resources in a more efficient manner may request variances to the crisis component design by providing the Department, through CAK, with a written justification and detailed plan. The Department will approve such requests if it determines that the plan complies with federal requirements and that the community action agency, its eligible population, and other affected parties will be better served.

5. Weatherization Assistance

CHFS will contract with the Kentucky Housing Corporation, which will contract with CAK for delivery of weatherization services.

Gross household income for the 12 months preceding application cannot exceed 200% of poverty as established by the federal Office of Management and Budget. The Weatherization Assistance provided by the LIHEAP Block Grant will be governed mostly by DOE regulations. However,

weatherization will not be subject to DOE Rules pertaining to the maximum statewide average and the average health and safety cost limitations per dwelling.

Priority will be given to those families residing in high energy consuming units, those families who have a high-energy burden, and those families who have vulnerable members (elderly, disabled and young children) and for families with children who are at risk of being removed from their homes by the Department's Division of Protection and Permanency due to substandard dwelling conditions.

The service providers will continue using the National Energy Audit (NEAT) in determining the most cost effective measures to be installed, including refrigerator replacement, and allows energy system expenditures for repair or a replacement.

Prepared by:  
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