



**CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR COMMUNITY BASED SERVICES**

**Steven L. Beshear**  
Governor

Commissioner's Office  
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Frankfort, KY 40621  
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**Audrey Tayse Haynes**  
Secretary

August 24, 2012

Nick St. Angelo, Director  
Division of Energy Assistance  
Office of Community Services, ACF/HHS  
Aerospace Building, 5<sup>th</sup> Floor West  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447

Dear Mr. St. Angelo:

Enclosed are Kentucky's FFY 2013 Low Income Home Energy Assistance Program (LIHEAP) Detailed Model Plan application and the Program Integrity Assessment Supplement. Both are being submitted in accordance to Action Transmittal Number LIHEAP-AT-2012-5, dated July 12, 2012.

Any questions regarding the state plan or supplement should be directed to Sharon Vinyard, Division of Family Support, at 502-564-3440.

Sincerely,

A handwritten signature in cursive script that reads "Teresa C. James".

Teresa C. James  
Acting Commissioner

TCJ/DFS/PDB/SV

Enclosures



**Kentucky's  
Low Income Home Energy  
Assistance Program  
(LIHEAP)**

**FFY 2013**

**Detailed State Plan**

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)**

**DETAILED MODEL PLAN**

**PUBLIC LAW 97-35, AS AMENDED**

**FISCAL YEAR (FY) 2013**

**GRANTEE KY DEPARTMENT FOR COMMUNITY BASED SERVICES**

**EIN: 1-610600439-B3**

**ADDRESS Human Resources Building**

**275 East Main Street, 3E-I**

**Frankfort, KY 40621**

**NAME OF LIHEAP COORDINATOR Sharon Vinyard**

**EMAIL: Sharon.Vinyard@ky.gov**

**TELEPHONE: (502) 564-3440 ext: 3693 FAX: (502) 564-0421**

**PLEASE CHECK ONE: TRIBE \_\_\_\_\_ STATE X INSULAR AREA \_\_\_\_\_**

**Department of Health and Human Services  
Administration for Children and Families  
Office of Community Services  
Washington, DC 20447**

**August 1987, revised 05/92, 02/95, 03/96, 12/98, 11/01**

**OMB Approval No. 0970-0075**

**Expiration Date: 04/30/2014**

**THE PAPERWORK REDUCTION ACT OF 1995 (Pub. L. 104-13)**

Use of this model plan is optional. However, the information requested is required in order to receive a Low Income Home Energy Assistance Program (LIHEAP) grant in years in which the grantee is not permitted to file an abbreviated plan. Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, gathering and maintaining the data needed, and reviewing the collection of information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Assurances

The Kentucky Department for Community Based Services agrees to:

(1) use the funds available under this title to--

- (A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);
- (B) intervene in energy crisis situations;
- (C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and
- (D) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;

(2) make payments under this title only with respect to--

(A) households in which one or more individuals are receiving--

- (i) assistance under the State program funded under part A of title IV of the Social Security Act;
- (ii) supplemental security income payments under title XVI of the Social Security Act;
- (iii) food stamps under the Food Stamp Act of 1977; or
- (iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of—

- (i) an amount equal to 150 percent of the poverty level for such State; or
- (ii) an amount equal to 60 percent of the State median income;

except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income.

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses 2(A) and 2(B) of this subsection;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to --

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendor payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

(8) provide assurances that,

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness; and

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610.

(15) \* beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs.

**\* This assurance is applicable only to States, and to territories whose annual regular LIHEAP allotments exceed \$200,000. Neither territories with annual allotments of \$200,000 or less nor Indian tribes/tribal organizations are subject to Assurance 15.**

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Certification to the Assurances: As Chief Executive Officer, I agree to comply with the sixteen assurances contained in Title XXVI of the Omnibus Budget Reconciliation Act of 1981, as amended.\* By signing these assurances, I also agree to abide by the standard assurances on lobbying, debarment and suspension, and a drug-free workplace.

Signature of the Tribal or Board Chairperson or Chief Executive Officer of the State or Territory.\*\*

Signature: Alex C. James

Title: Acting Commissioner

Date: 8/22/12

\* Indian tribes/tribal organizations, and territories with annual regular LIHEAP allotments of \$200,000 or less, are not subject to assurance 15, and thus must only certify to 15 assurances.

\*\* If a person other than the **Chief Executive Officer of the State or territory, or Tribal Chairperson or Board Chairperson of a tribal organization, is signing the certification to the assurances, a letter must be submitted delegating such authority. (PLEASE ATTACH DELEGATION of AUTHORITY.)** The delegation must include authority to sign the assurances, not just to administer the program.

\*\*\* HHS needs the EIN (Entity Identification Number) of the State, territory or Tribal agency that is to receive the grant funds before it can issue the grant.

In the above assurances which are quoted from the law, "State" means the 50 States, the District of Columbia, an Indian Tribe or Tribal Organization, or a Territory; "title" of the Act refers to Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (OBRA), as amended, the "Low Income Home Energy Assistance Act"; "section" means Section 2605 of OBRA; and, "subsection" refers to Section 2605(b) of OBRA.



Statutory references

2605(a)

2605(b)(1)

→ Please check which components you will operate under the LIHEAP program: (Note: You must provide information for each component designated here as requested elsewhere in this plan.)

		<u>Dates of Operation</u>
(use of funds)	<u> X </u> heating assistance	<u> 11/05/12- 12/14/12 </u>
	<u>   </u> cooling assistance	<u> N/A </u>
	<u> X </u> crisis assistance	<u> 1/07/13 - 03/31/13 </u>

Or until all funds are obligated, whichever comes first. If contingency funds are received and depending upon the amount, the program may be extended through April 15, 2013.

   weatherization assistance  N/A

A summer cooling program is operated only if summer cooling emergency contingency funds are received.

2605(c)(1)(C)

→ Please estimate what amount of available LIHEAP funds will be used for each component that you will operate: The **total of all percentages must add up to 100%**.

(use of funds)

	<u> 64 </u> % heating assistance
	<u> 0 </u> % cooling assistance
	<u> 26 </u> % crisis assistance
2605(k)(1)	<u>   </u> % weatherization assistance
	<u>   </u> % carryover to the following fiscal year
2605(b)(9)	<u> 9.9 </u> % administrative and planning costs
2605(b)(16)	<u> .1 </u> % services to reduce home energy needs including needs assessment (assurance 16)
	<u> 0 </u> % used to develop and implement leveraging activities (limited to the greater of 0.08% or \$35,000 for States, the greater of 2% or \$100 for territories, tribes and tribal organizations).
	<u> 100% </u> <b>TOTAL</b>

Percentages are based on an estimated allocation of \$24.3 million.

The amount of funds available as benefits are dependent upon the level of federal appropriation and any carryforward funds. Any carryforward funds will be identified and obligated in a contract prior to September 30, 2012. LIHEAP funds will be subject to amendments necessary due to congressional budget activity. However, if grant reduction occurs after the obligation of any program component funds, the reduction will be taken out of components with unobligated funds such that components remain viable to the fullest possible extent.

The Department for Community Based Services (DCBS) contracts with Community Action Kentucky (CAK) for delivery and distribution of services. The FFY 2013 benefit funds is based upon an estimated LIHEAP allocation of \$24.3 million. If these funds are not exhausted by the end the Subsidy component, the remaining funds will be used for Crisis. Any unexpended funds will be obligated for the following contract year, July 1, 2013 – June 30, 2014. Fifty 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 50% will be based upon the agency's crisis expenditures from last year. \$30,000 will be available to be used to develop and to 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 strengthening existing programs that provide energy conservation measures or other energy related assistance to low income households. CAK shall retain \$400,000 as contingency funds to provide to individual agencies on an as-needed basis until the \$400,000 contingency funding is exhausted.

\$25,000 will be reserved as a preventive measure to assist families with an energy payment, not to exceed \$300 per family, if the payment will prevent the removal of a child from a family or assist in reuniting a child with a family.

Kentucky has elected to have no Weatherization Assistance component in its LIHEAP program. The Weatherization Assistance Program was transferred in April 2009, from the Cabinet for Health and Families Services to the Finance and Administration Cabinet.

Statutory references

2605(c)(1)(C)

→ The funds reserved for winter crisis assistance that have not been expended by March 15 will be reprogrammed to:

(alternate use of crisis assistance funds)

- heating assistance
- cooling assistance
- weatherization assistance
- Other (specify):

Funds may be used to extend Crisis through March 31 or obligated for heating assistance for the next program year.

→ Do you accept applications for energy crisis assistance at sites that are geographically accessible to all households in the area to be served? (This is required by the statute.)

Yes  No

Prior to the program opening, locations are determined in each county where applications are taken and sites are listed on outreach material and media articles.

For those applicants unable to go to a location for the application process, the applicant can designate an authorized representative to apply on their behalf. Other alternative methods consist of the community action agencies conducting home visits, visiting elderly communities to ensure they receive assistance or conducting telephone interviews. If an application is taken via a phone interview, the client then provides verification and signatures on application forms and returns by mail.

2605(b)(2)  
2605(c)(1)(A)

→ What are your maximum eligibility limits?  
(Please check the components to which they apply)  
**Current year guidelines must be used.**

(eligibility)

150% of the poverty guidelines:  
heating  cooling  crisis  wx

130% of the poverty guidelines:  
heating  cooling  crisis  wx

125% of the poverty guidelines:  
heating  cooling  crisis  wx

\_\_\_\_\_ 60% of the State's median income:  
heating \_\_\_\_\_ cooling \_\_\_\_\_ crisis \_\_\_\_\_ wx

X  Other (specify for each component)

Households automatically eligible if one person is receiving  
 X  TANF,  X  SSI,  X  Food Stamps,  X  Certain means-  
tested veterans programs (heating  X  cooling \_\_\_\_\_ crisis  X  wx \_\_\_\_\_)

**Subsidy, Crisis and Preventive Assistance**

The gross annual income for the household cannot exceed 130% of the poverty level as published in the Federal Register annually.

Household income is defined as all continuing and non-continuing earned and unearned income including lump sum payments received in the month prior to the month of application, except when income is received on an irregular basis, in which instance the income is prorated in the same manner as set forth in Kentucky's Transitional Assistance Program (K-TAP).

In verifying income, the policies and procedures used will be consistent with those used in administering K-TAP.

Statutory references

2605(c)(1)(A)  
2605(b)(2)  
(eligibility)

→Do you have additional eligibility requirements  
for: HEATING ASSISTANCE X Yes \_\_\_\_\_ No

→Do you use: Yes No

Assets test?\* X \_\_\_\_\_

→Do you give priority in eligibility to:

Elderly? X \_\_\_\_\_

Disabled? X \_\_\_\_\_

Young children? \_\_\_\_\_ X

Other: X \_\_\_\_\_  
(If Yes, please describe)

Households must pay home heating costs either directly or indirectly as an undesignated portion of their rent, including households who reside in subsidized housing.

\*Total liquid assets 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 a catastrophic illness which requires liquid resources to be readily accessed on a regular basis for living and medical expenses.

Statutory references

2605(c)(1)(A)  
2605(b)(2)

→Do you have additional eligibility requirements  
for: COOLING ASSISTANCE ( X Yes \_\_\_\_\_ No)

(eligibility)

→Do you use:	<u>Yes</u>	<u>No</u>
Assets test?	<u>X</u>	_____
→Do you give priority in eligibility to:		
Elderly?	<u>X</u>	_____
Disabled?	<u>X</u>	_____
Young children?	<u>X</u>	_____
Other: (If Yes, please describe)	<u>X</u>	_____

**Cooling assistance is offered only when the state receives emergency cooling funds, or it is determined that weather climate dictates that a cooling program is necessary for the health and safety of the citizens of the commonwealth.**

To be eligible for cooling assistance, an applicant must meet all regular program requirements.

To be eligible for an air conditioner, the household must meet the eligibility requirements for cooling, the household must not have or have access to an air conditioner and must meet one of the following requirements:

1. Have a member with a health condition or disability that requires cooling to prevent further deterioration as verified by a physician's statement on letterhead (Examples: persons with heart disease, asthma, severe respiratory conditions).
2. Have a member who is 65 years or older; or
3. Have a member who is under the age of six.

Statutory references

2604(c)  
2605(c)(1)(A)

→Do you have additional eligibility requirements for: **CRISIS ASSISTANCE** (  X Yes \_\_\_\_\_ No)

(eligibility)

	<u>Yes</u>	<u>No</u>
→Do you use:		
Assets test?	<u> X</u>	_____
Must the household have received a shut-off notice or have an empty tank?	* <u> X</u>	_____
Must the household have exhausted regular benefit?	_____	<u> X</u>
Must the household have received a rent eviction notice?	<u> X</u>	_____
Must heating/cooling be medically necessary?	_____	<u> X</u>
Other (Please explain):	<u> X</u>	_____

1. Households must meet the basic eligibility criteria.
2. Completed applications will be processed in the order accepted to the extent of available funds.
3. Applicants shall have no more than five (5) days to complete the application from the date the application was started.
4. All households must be responsible for home heating costs directly or as an undesignated portion of the rent.
5. In special circumstances benefits may be provided if it will prevent the removal of a child from a household, or if it will enable a child to return to the household. Households must meet the same income and assets criteria as for regular LIHEAP.

6. Each eligible household, including those living in subsidized housing, except those at 0 – 74% of poverty will be required to make a co-payment as a percent of the amount needed to relieve the crisis. The co-payment amount will be based on the household’s percent of poverty as indicated below:

Percent of Poverty	Copayment Percentage of Benefit for Households Residing in Nonsubsidized Housing	Copayment Percentage of Benefit for Households Residing in Subsidized Housing
0-74%	0%	0%
75-100%	10%	15%
101-130%	15%	20%

Households residing in subsidized housing will be responsible for a higher co-payment due to receiving a utility allowance.

\*The household must have received a cut-off notice or have four or less days of a bulk fuel supply.

→ What constitutes a crisis? (Please describe)

Households must meet basic LIHEAP eligibility criteria and:

1. provide a past due/disconnect notice, if electric or natural gas is the primary heating source; or
2. be within four (4) days of running out of fuel if coal, wood, kerosene, fuel oil or propane is the primary heat source.



Statutory references

2605(c)(1)(A)

→Do you have additional eligibility requirements for:

WEATHERIZATION

(  Yes  No)

(eligibility)

→Do you use:

Yes No

Assets test?

       N/A

Priority groups? (Please list)

       N/A

→Are you using Department of Energy (DOE) Low Income Weatherization Assistance Program (LIWAP) rules to establish eligibility or to establish priority eligibility for households with certain characteristics?

       N/A

→If Yes, are there exceptions?  
Please list below.

       N/A

## Statutory references

2605(b)(3)

2605(c)(3)(A)

(outreach)

→ Please check the outreach activities that you conduct that are designed to assure that eligible households are made aware of all LIHEAP assistance available:

provide intake service through home visits or by telephone for the physically infirm (i.e. elderly or disabled).

place posters/flyers in local and county social service offices, offices of aging, Social Security offices, VA, etc.

publish articles in local newspapers or broadcast media announcements.

include inserts in energy vendor billings to inform individuals of the availability of all types of LIHEAP assistance.

make mass mailing to past recipients of LIHEAP.

inform low income applicants of the availability of all types of LIHEAP assistance at application intake for other low-income programs.

execute interagency agreements with other low-income program offices to perform outreach to target groups.

other (Please specify):

The Division of Family Support sends a memorandum to each of the local DCBS offices notifying field staff of the dates, times, and locations of the agencies, in order for recipients to apply. This information is posted in the lobby or waiting rooms of each DCBS office.

## Statutory references

2605(b)(4) → Please describe how you will assure that LIHEAP is coordinated with similar and related programs. The description provided applies to all components unless specifically noted.

(coordination)

Community action agencies are the service providers for the LIHEAP program and they administer other energy assistance programs, i.e., the Weatherization Assistance Program and privately funded energy assistance programs. Each local community action agency will coordinate the various available energy assistance programs and make referrals, when appropriate, to other agencies and programs.

2605(b)(5) → The statute requires that there be no difference in the treatment of households eligible because of their income and those eligible because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs ("categorically eligible"). How do you ensure there is no difference when determining eligibility and benefit amounts? This applies to all components unless specifically noted below.

2605(b)(2)

2605(b)(8A)

(benefit levels)

Regardless of the programs the applicant is participating in and eligible for, all households are treated equally. Benefit amounts in the LIHEAP components are determined based on each household's income, percent of poverty, family size and primary type of heating source.

In no component is the determination of the benefits based on a household being categorically eligible.

Statutory references

**HEATING COMPONENT**

2605(b)(5) → Please check the variables you use to determine your benefit levels (check all that apply):

(determination of benefits)

- income
- family (household) size
- home energy cost or need
  - fuel type
  - climate/region
  - individual bill
  - dwelling type
  - energy burden  
(% of income spent on home energy)
  - energy need
  - other (describe)

2605(b)(5) → Describe how you will assure that the highest  
2605(c)(1)(B) benefits go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. Please describe benefit levels or attach a copy of your payment matrix.

(benefit levels)

**Heating**

In the Subsidy Component, 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 fuel provider is made for the full benefit amount.

For each of the seven primary heating fuels, natural gas, electric, fuel oil, propane, kerosene, wood, and coal, an average cost for unit of fuel will be identified prior to the opening of the Subsidy application period. Based on this unit fuel cost information, an average cost will be calculated. Benefits will be structured so that the lowest poverty level households receive the highest benefits relative to fuel type.

Please see the attached benefit matrix for more information.

→ Do you provide in-kind (e.g., blankets, space heaters) and/or other forms of benefits?

X Yes \_\_\_ No If Yes, please describe.

Benefits are provided in the form of space heaters, blankets, sleeping bags, utility payments, fuel delivery, heating system repairs necessary to obtain heat, and emergency lodging. Space heaters are loaned on a temporary basis when the household's heating system is in need of a repair.

Statutory references

2605(b)(5)  
2605(c)(1)(B)

**COOLING COMPONENT**

→ Please check the variables you use to determine your benefit levels (check all that apply):

(benefit determination)

- income
- family (household) size
- \*\* home energy cost or need
  - fuel type
  - climate/region
  - individual bill
  - dwelling type
  - energy burden  
(% of income spent on home energy)
  - energy need
  - other (describe)

Applicable only if summer energy contingency funds are released or other funding is made available.

\*\*Medical need

2605(b)(5)  
2605(c)(1)(B)

→ Describe how you will assure that the highest benefits will go to households with the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size. Please describe levels) benefit levels or attach a copy of your payment matrix.

(benefits levels)

Percent of Poverty	Maximum Benefit for Households Residing in Nonsubsidized Housing	Maximum Benefit for Households Residing in Subsidized Housing
0-74%	\$175	\$50
75-130%	\$125	\$75

Applicable only if summer emergency contingency funds are released or other funding is made available.

→ Do you provide in-kind (e.g. fans) and/or other forms of benefits?

Yes  No If Yes, please describe.

Benefits are provided in the form of air conditioning units. Applicable only if summer emergency contingency funds are released or other funding is made available.

Statutory references

2605(b)(5)  
2605(c)(1)(B)  
(benefit determination)

**CRISIS COMPONENT**

→How do you handle crisis situations?

  X   separate component        other (please explain)

→If you have a separate component, how do you determine crisis assistance benefits?

  X   amount to resolve crisis, up to maximum

       other (please describe)

Each local community action agency will provide the type, value and amount of benefits, up to the maximum allowable, which it determines necessary to alleviate the crisis in the form of utility payments or fuel delivery, heaters, blankets, sleeping bags, emergency shelter, or vouchers for the purchase of these items.

(benefit levels)

→Please indicate the maximum benefit for each type of crisis assistance offered.

heating           \$   \*   maximum benefit

cooling           \$        maximum benefit

year-round       \$        maximum benefit

\*The maximum amount of benefits that any household may receive throughout the Crisis component may not exceed \$250 for gas or electric or up to two (2) tons of coal, 2 cords of wood, or 200 gallons of propane, fuel oil or kerosene. If program funding is enhanced through a federal or state award, the cabinet may approve a subsequent increase to the benefit amount.

→Do you provide in-kind (e.g. blankets, space heaters, fans) and/or other forms of benefits?

  x   Yes    No If Yes, please describe.

Benefits are provided in the form of space heaters, blankets, sleeping bags, utility payments, fuel delivery, heating system repairs necessary to obtain heat, and emergency lodging. Space heaters are loaned on a temporary basis when the household's heating system is in need of a repair. Electric space heaters are provided (unless the client specifically asks for kerosene space heaters) and for proper usage, the client is provided with a "Fact Sheet on Space Heaters".

Statutory references

2605(b)(5)  
2605(c)(1)  
(B) & (D)

**WEATHERIZATION & OTHER ENERGY RELATED HOME REPAIR AND IMPROVEMENTS**

➔What LIHEAP weatherization services/materials do you provide? (Check all categories that apply.)

N/A

(types of assistance)

- Weatherization needs assessments/audits.
- Caulking, insulation, storm windows, etc.
- Furnace/heating system modifications/repairs
- Furnace replacement
- Cooling efficiency mods/repairs/replacement
- Other (Please describe)

(benefit levels)

➔Do you have a maximum LIHEAP weatherization benefit/expenditure per household?  Yes  No N/A

If Yes, what is the maximum amount?

➔Under what rules do you administer LIHEAP weatherization? (Check only one.)

(types of rules)

- Entirely under LIHEAP (not DOE) rules
- Entirely under DOE LIWAP rules
- Mostly under LIHEAP rules with the following DOE LIWAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply):

Weatherize buildings if at least 66% of units (50% in 2- & 4-unit buildings) are eligible units or will become eligible within 180 days

Weatherize shelters temporarily housing primarily low income persons (excluding nursing homes, prisons, and similar institutional care facilities).

Other (Please describe)



Mostly under DOE LIWAP rules, with the following LIHEAP rule(s) where LIHEAP and LIWAP rules differ (Check all that apply.)

Weatherization not subject to DOE LIWAP maximum statewide average cost per dwelling unit.

Other (Please describe.)

2605(b)(6) The state or tribe administers LIHEAP through the following local agencies:

county welfare offices

community action agencies (weatherization component only)

community action agencies (heating, cooling or crisis

charitable organizations

not applicable (i.e. state energy office)

tribal office

other, describe:

→ Have you changed local administering agencies from last year?

Yes  No

If Yes, please describe how you selected them.

The Cabinet for Health and Family Services (CHFS or Cabinet), Department for Community Based Services (DCBS), has been the single state agency responsible for administering the Low Income Home Energy Assistance Program since FY 1982, as well as administering other federal and state energy programs in preceding years.

Under contract with CHFS, Community Action Kentucky, Inc. (CAK), subcontracts with twenty-two (22) community action agencies and one local government to operate locally the LIHEAP program. CAK has operated the Crisis Component since FFY 1986 and the Subsidy Component since 1990 and has received federal funds for the administration of energy assistance programs both prior to and after the date of enactment of the Low Income Home Energy Assistance Act. CAK has and will continue to subcontract with local community action agencies to provide assistance in all 120 counties of the State.

(agency designation)

→ What components are affected by the change?

Not applicable.

2605(c)(1)(E) → Please describe any additional steps (other than those described elsewhere in this plan) that will be taken to target assistance to households with high home energy burdens. **(This applies to all components. If all steps to target households with high home energy burdens are described elsewhere in the plan, no further information is required here.)**

(targeting of assistance)

Not applicable.

Statutory references

2605(b)(7)  
(energy suppliers)

→Do you make payments directly to home energy suppliers?

Heating        X   Yes             No

Cooling        X   Yes             No

Crisis        X   Yes             No

If Yes, are there exceptions?   X   Yes             No

If Yes, please describe.

Payments will be authorized to the energy provider, including landlords where heating is included as an undesignated portion of the rent, by one party check upon delivery of fuel, restoration or continuation of service, household receipt of blankets, sleeping bags or emergency lodging. The only exception would be if the landlord or vendor refuses to accept payment or a voucher.

2605(b)(7)(A)

→If you make payments directly to home energy suppliers, how do you notify the client of the amount of assistance paid? (Please describe)

At the time of application, all households that are determined eligible for assistance, receive a written notification advising them of the amount of assistance for which they are eligible and to whom the payment will be made.

2605(b)(7)  
(B) & (C)

→How do you make sure the home energy supplier performs what is required in this assurance? If vendor agreements are used, they may be attached. Indicate each component for which this description applies.

**Subsidy and Crisis:** The selected vendors sign a vendor agreement. Upon signing the agreement, requirements are outlined advising the vendor that if he accepts a voucher, he will be required to comply with Kentucky Administrative Regulations, 921 KAR 4:116, section 10 and section 2605(b)(7) of the Low Income Home Energy Assistance Act of 1981 as amended. Upon accepting a voucher or payment, the vendor shall restore service or deliver benefits to the recipient.

Toll free numbers for CAK, CHFS Ombudsman office, and the Office of Inspector General Fraud Hotline are available for those who have complaints, feel they have been discriminated against, or to report fraud.

Statutory references

2605(b)(8)(B)

→Is there any difference in the way owners and renters are treated? If Yes, please describe.

(owners and renters)

**HEATING ASSISTANCE**

\_\_\_\_\_ Yes  No

**COOLING ASSISTANCE**

\_\_\_\_\_ Yes \_\_\_\_\_ No

**CRISIS ASSISTANCE**

\_\_\_\_\_ Yes  No

**WEATHERIZATION**

\_\_\_\_\_ Yes \_\_\_\_\_ No

There is no difference in the way owners and renters are treated in any of the components

Statutory references

2605(b)(10)

→How do you ensure good fiscal accounting and tracking of LIHEAP funds? (Please describe. Include a description of how you monitor fiscal activities.)

**Program Monitoring, Fiscal Monitoring and Audit**

**Program Monitoring:** CAK will monitor the local community action agencies' LIHEAP program at least once during the program year to assure the appropriate delivery of services and documentation of case actions and billings. Monitoring reports will be completed for each monitoring visit and will include a description, of any corrective action to be taken. CAK will follow-up on all corrective action plans and report the resolution to CHFS. A copy of each monitoring report, including corrective actions, if necessary, will be forwarded to DCBS for review. CHFS, Division of Administration and Financial Management (DAFM), Contract Performance Branch, will monitor CAK during the year to assure that the operation of the program is in compliance with all contract requirements and the federal statute.

The DAFM Contract Performance Section monitors DCBS contractors for compliance with contractual provisions and federal/state laws. The Contract Performance Section prioritizes the annual monitoring of all contractors whose funding totals require the contractor to undergo an annual Office of Management and Budget (OMB) Circular A-133 audit. The next prioritized group of contracts includes those whose funding totals required a yellow book audit, equal to or greater than \$300,000. Contracts that are less than \$300,000 are monitored no less than once every two years or are monitored more frequently upon request of DCBS program staff.

**Fiscal Monitoring:** Methods and procedures are in place for properly charging the costs of administration under the plan and are maintained in accordance with Federal requirements as specified in 45 CFR 205.150 and 45 CFR Part 74-171, including identifying costs applicable to each of the separate federal programs. Revisions in such methods and procedures are submitted on a timely basis for approval by the Department of Health and Human Services.

Procedures for determining reasonableness, allowability and allocability of costs are in accordance with provision of P.L. 97-35, as amended, 45 CFR Parts 74, 92 and 96 as applicable, OMB Circulars A-87 and A-122, as applicable and applicable state laws including KRS 273.410 through 273.468 and 45.350 through 45.359. These requirements are applicable to subcontractors who will be required to report to CAK in a manner that meets CAK's report requirements to the Cabinet.

**Audit:** CAK and all subcontractors are required to procure a single agency-wide audit annually in accordance with OMB Circular A-133.

(program,  
fiscal monitoring,  
and audit)

→How do you monitor program activities? (Please be sure to include a description of how you monitor eligibility and benefit determination.)

CAK will monitor the local community action agencies which operate LIHEAP, at least once during the program year to assure the appropriate delivery of services and documentation of case actions for each monitoring visit. This will include a description of corrective actions to be taken. CAK will follow up on all corrective action plans and report the resolution to DCBS.

→How is your LIHEAP program audited?

Under the Single Audit Act?  x  Yes      No

If not, please describe:

For States and Territories:

→ Is there an annual audit of local administering agencies?  x  Yes   No  
If not, please explain.

CAK, as a condition of the Cabinet's contract, is required to have an annual audit. Furthermore, CAK is required to include this annual audit clause in the subcontracts for all 22 twenty-two community action agencies and the one local government.

Statutory references

2605(b)(12)

(timely and  
meaningful  
public  
participation)

→ How did you get timely and meaningful public participation in the development of the plan? (Please describe.)

KRS 45.351 – KRS 45.357 provide the statutory provisions for Block Grant Applications which include giving public notice for a public hearing and receiving comments. Legal ads are posted in the Louisville Courier-Journal, the Lexington Herald-Leader, and the Cincinnati Enquirer newspapers.

2605(a)(2)

(public  
hearings)

→ Did you conduct public hearings on the proposed use and distribution of your LIHEAP funds?

X  Yes   No When and where?

**(Not required for Tribes and tribal organizations)**

The Legislative Research Commission holds a public hearing in June of every year. The LIHEAP public hearing was held June 15, 2012 in Frankfort, Kentucky.

Statutory references

2605(b)(13)

(fair hearings)

→ Describe your fair hearing procedures for households whose applications are denied or not acted on in a timely manner. When are applicants informed of these rights?

→ Denials

→ Applications Not Acted On In a Timely Manner

An opportunity for a hearing is made available in accordance with community action agency appeal procedures as implemented under the Community Services Block Grant. A hearing will be granted to any individual requesting a hearing because his claim for assistance is denied or not acted upon in a timely manner. All claimants are informed at the time of

application and at the time of any action affecting their claim of their right to a hearing, the method of obtaining it and their right to be represented by others or to represent themselves.

Requests for a hearing must be in writing. The community action agency may assist the claimant in submitting the request. Time allowed for claimants to file for a hearing is thirty (30) days from the date of the notice of the eligibility decision.

If dissatisfied with the community action agency decision, the claimant may further appeal to CAK. If dissatisfied with the decision of CAK, the claimant may appeal through the CHFS.

Hearings are conducted at a reasonable time, date and place. Adequate preliminary written notice is given. The hearings are conducted by an impartial official or designee of the agency who has not been directly involved in the initial determination of the action in question. The claimants, or their representatives, are given adequate opportunity to examine the contents of the case files and all documents and records to be used at the hearing, to present the case themselves or with the aid of an authorized representative, to bring witnesses, to establish all pertinent facts and circumstances, to advance arguments without undue interference, and to question or refute testimony or evidence, including the opportunity to confront and cross-examine adverse witnesses.

Recommendations or decisions of the hearing officer are based exclusively on evidence and other material introduced at the hearing. The transcript or recording of testimony and exhibits, all papers and requests filed in the proceeding, and the recommendation or decision of the hearing officer constitutes the exclusive record. This record is made available to the claimants or representatives at an accessible place at a reasonable time.

Decisions by the hearing authority will specify the reasons for the decision and identify the supporting evidence and regulations.

When a hearing decision is appealed, any individual involved in making the original hearing decision may not take part in making the decision on the appeal.

Final administrative action will be taken within ninety (90) days from the date of the request for a hearing and the claimant is notified in writing of the action.

When the decision is adverse to the claimant, the notice will inform the claimant of the right to appeal to the appeal board and to judicial review.

When the decision is favorable to the claimant, the agency shall promptly make payment.

Subject to provisions for safeguarding public assistance information, all hearing decisions of the agency are accessible to the public.

Statutory references

2605(b)(15)

**For States and Puerto Rico only** (not applicable to Tribes and tribal organizations, or to territories whose annual regular LIHEAP allotments are \$200,000 or less):

➔ Does the State agency that administers the following LIHEAP component also administer the State's welfare program?

(alternate outreach and intake)

**HEATING ASSISTANCE**

Yes  No

If Yes, describe alternate process for outreach and intake:

Community action agencies will be the service providers for heating assistance. The agencies provide outreach and intake throughout the state for all components of the program.

**COOLING ASSISTANCE**

Yes  No N/A

If Yes, describe alternate process for outreach and intake:

**CRISIS ASSISTANCE**

Yes  No

If Yes, describe alternate process for outreach and intake:

Community action agencies will be the service providers for crisis assistance. The agencies provide outreach and intake throughout the state for all components of the program.

## Statutory references

2605(b)(16)

→ Do you use LIHEAP funds to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance? (This assurance refers to activities such as needs assessments, counseling, and assistance with energy vendors.)

  X   Yes           No

If Yes, please describe these activities.

If Yes, how do you ensure that you don't use more than 5% (statutory ceiling) of your LIHEAP funds for these activities?

An assurance is written into the contract with CAK, and the subcontracts between CAK and the community action agencies, that a community action agency may use up to 5% of the crisis allocation to provide services that encourage and enable households to reduce their home energy needs, including such services as budget counseling, home energy conservation guidance and assistance with utility budget payment plans. The cost of developing and providing such services will not count toward the maximum benefit level for any single household. CAK will assist all community action agencies interested in providing such services in developing plans for the use of such funds for review and approval by DCBS prior to the provision of services. Final approval of such plans shall be given by DCBS.

## Statutory references

2607A

(leveraging)

→ Please describe leveraging activities planned for the fiscal year. **(This entry is optional.)\*** Complete this entry if you plan to apply for LIHEAP leveraging incentive funds and to include in your leveraging report resources/benefits provided to low income households this fiscal year under criterion (iii) in 45 CFR 96.87(d)(2). Provide the following information for each:

- (1) Identify and described each resource/benefit;
- (2) Identify the source(s) of each resource; and
- (3) Describe the integration/coordination of each resource/benefit with the LIHEAP program, consistent with 1 or more of conditions A-H in 45 CFR 96.87(d)(2)(iii).



DCBS will continue to work with local agencies to develop leveraging resources that can be integrated and coordinated with or distributed through the LIHEAP program. Programs that will provide leveraged resources include:

1. The Winter Care Program, a utility customer contribution fuel fund, administered by Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas counties, supplements regular LIHEAP benefits when the LIHEAP benefits are insufficient to meet the need.
2. Winterhelp, a utility customer contribution program, receives donations from the community and a matching percentage from the local utility company to be distributed to households in the Louisville/Jefferson County area. One time payments are made to the vendor, Louisville Gas and Electric, for customers who are facing a utility crisis and the maximum crisis benefits in LIHEAP are exhausted or LIHEAP is not available.
3. Distribution of fans, air conditioners, payment toward utility bills provided by various community action agencies, other non-profit agencies, utilities, city and county governments and civic organizations.
4. Private donations and in-kind contributions made to community action agencies, non-profit or community based organizations, Salvation Army, United Way, schools, ministerial associations, and churches, to supplement LIHEAP or to use when LIHEAP funds are expended.
5. Columbia Gas Energy Assistance Program provides cash benefits and discounts on heating bills to Columbia Gas low income customers.
6. Delta Gas Energy Assistance Program is administered by Community Action Council for Lexington-Fayette, Bourbon, and Harrison counties to assist low income customers by providing a credit to their Delta Gas account for the 5 heating months, November-March
7. Demand Side Management (DSM) provides funds to local community action agencies within the utility's service area to enhance weatherization services.
8. Weatherization activities, energy audits, caulking, weather-stripping, duct wraps, duct sealing, window replacements, insulation materials, etc. are performed by weatherization service providers, local non-profit organizations i.e. Project Warm, and utility companies.

9. Affordable Energy Corporation -All Seasons Assurance Plan (ASAP) provides year round, monthly cash benefits paid directly to the client's LG&E account. All clients must participate in energy education, conservation and weatherization services.

Additional leveraging activities may include waivers of utility applications, reconnect fees, late payment charges, security deposits, reimbursements for energy efficient appliances, and reduced cost of fuels.

\* Leveraged resources/benefits that are counted under criterion (iii) in 45 CFR 96.87(d)(2) must be identified and described in the grantee's LIHEAP plan and distributed as indicated in the plan. In addition, leveraging resources/benefits that are counted under criterion (ii) must be carried out under one or more components of the grantee's regular LIHEAP program.

Statutory references

2605(b)

→ Please describe performance goals and measures planned for the fiscal year. **(This entry is optional.)**

(performance)  
goals and  
measures)

**ADDITIONAL CERTIFICATIONS AND REQUIREMENTS**

Attached are additional certifications required as follows:

- \* **Lobbying certification**, which must be filed by all States and territories. If applicable, Form LLL, which discloses lobbying payments, must be submitted. **(Tribes and tribal organizations are EXEMPT)**
- \* **Debarment and suspension certification**, which must be filed by all grantees.
- \* **Drug-free workplace requirement certification**, which must be filed by all grantees, unless the grantee has filed a statewide certification with the Department of Health and Human Services. **STATES ONLY:** If you have filed a statewide certification for the drug-free workplace requirement, please check here: XX
- \* One of the new requirements included in the 1994 reauthorization of the statute is that grantees must include in their annual application for funds a report on the number and income levels of households applying for and receiving LIHEAP assistance, and on the number of recipient households that have members who are elderly, disabled, or young children.

**All Tribes and those territories with allotments of less than \$200,000** need only submit data on the number of households served by each component (heating, cooling, weatherization and crisis). The approval for the collection of information contained in the **LIHEAP Household Report** is covered by OMB approval number 0970-0060.

- \* Though not a part of this application, the report on funds to be carried over or available for reallocation as required by section 2607(a) for the preceding year must be submitted by August 1 of each year. A grant award for the current fiscal year may not be made until the carryover/reallocation report is received. The approval for the collection of information contained in the **LIHEAP Carryover and Reallocation Report** is covered by OMB approval number 0970-0106.

# **CERTIFICATIONS**

## **CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

### **Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions**

#### **Instructions for Certification**

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system

of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

\*\*\*\*\*

#### Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

##### Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, [[Page 33043]] should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

\*\*\*\*\*

#### Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.



## CERTIFICATION REGARDING LOBBYING

### Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Serena C. James  
Signature  
Acting Commissioner  
Title  
Department For Community Based Services  
Organization



**Steven L. Beshear**  
Governor

**PERSONNEL CABINET**

501 High Street, 3<sup>rd</sup> Floor  
Frankfort, Kentucky 40601  
Phone (502) 564-7430  
Fax (502) 564-7603  
www.personnel.ky.gov

**Tim Longmeyer**  
Secretary

**PERSONNEL MEMO 11-21**

**TO:** Cabinet Secretaries  
Agency Heads  
HR Administrators

**FROM:** Tim Longmeyer, Secretary *TML*

**DATE:** November 10, 2011

**SUBJECT:** Annual State Certification for Drug-Free Workplace Federal Grants  
October 1, 2011 - September 30, 2012

Pursuant to current federal regulations, I must submit the state certification on behalf of all state agencies to the following:

- U.S. Department of Agriculture
- U.S. Department of Commerce
- U.S. Department of Defense
- U.S. Department of Education
- U.S. Department of Energy
- U.S. Department of Health and Human Services
- U.S. Department of Homeland Security
- U.S. Housing and Urban Development
- U.S. Department of the Interior
- U.S. Department of Justice
- U.S. Department of Labor
- U.S. Department of Transportation

For all other federal agencies, state agencies must submit a copy of the enclosed certification with each grant application.

Enclosed is your agency's copy of the Kentucky State Certification for Federal Grants under the provisions of the Drug-Free Workplace Act for Federal Fiscal Year 2011. This certification will be valid from October 1, 2011 through September 30, 2012.

If you have any questions or concerns, please feel free to contact Joyce Wilcher at (502) 564-7430 or via e-mail at [joyce.wilcher@ky.gov](mailto:joyce.wilcher@ky.gov).

Thank you for your continued cooperation.

TL: jw

**Attachments:** Annual Certification for Drug-Free Workplace Federal Grants  
Agency Federal Funding Source 2011



An Equal Opportunity Employer M/F/D

**KENTUCKY STATE GOVERNMENT  
ANNUAL MULTIPLE AGENCY CERTIFICATION REGARDING  
DRUG-FREE WORKPLACE REQUIREMENTS  
FEDERAL FISCAL YEAR 2011  
OCTOBER 1, 2011 – SEPTEMBER 30, 2012**

Pursuant to Executive Order 96-611 issued by the Governor of the Commonwealth of Kentucky on May 15, 1996, (attached as Appendix A) I, Tim Longmeyer, Secretary, Personnel Cabinet, do hereby certify, on behalf of Kentucky State Government, that all of its agencies are in compliance with the Drug-Free Workplace Act of 1988, as implemented by "Government-Wide Requirements for Drug Free Workplace" which appeared in the Federal Register on May 25, 1990 and has:

- I. Published a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition (attached as Appendix B);
- II. Established an ongoing drug-free awareness program to inform employees about:
  - A. The dangers of drug abuse in the workplace;
  - B. The grantee's policy of maintaining a drug-free workplace;
  - C. Available drug counseling, rehabilitations, and employee assistance programs; and
  - D. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- III. Made it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (I);
- IV. Notified each employee in the statement required by paragraph (I) that, as a condition of employment under the grant, the employee will:
  - A. Abide by the terms of the statement; and
  - B. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- V. Established a policy which will notify the federal agency in writing, within ten calendar days after receiving notice under subparagraph (IV)(B) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the

convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

- VI. Established a policy which will take one of the following actions, within 30 calendar days of receiving notice under subparagraph (IV)(B), with respect to any employee who is convicted:
- A. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - B. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; (See Appendix A);
- VII. Made a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs I through VI.

Commonwealth of Kentucky, State Government  
**Organization Name**

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Tim Longmeyer, Secretary, Personnel Cabinet  
**Name and Title of Authorized Representative**

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*Tim Longmeyer*  
**Signature**

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November 10, 2011  
**Date**

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**STATE AGENCIES FEDERAL FUNDING SOURCES 2011**  
(As of October 30, 2011)

**STATE AGENCY**

**FEDERAL FUNDING AGENCY**

**General Government Cabinet**

**Department of Agriculture**

U.S. Department of Agriculture  
Environmental Protection Agency  
U.S. Department of Homeland Security  
Department of Defense

**Department of Military Affairs**

U.S. Department of Defense  
U.S. Department of Transportation  
U.S. Department of Health & Human Services  
U.S. Department of Homeland Security  
U.S. Department of Justice

**Department of Local Government**

Community Development Block Grant  
Appalachian Regional Commission  
Recreation Trails Program  
Land & Water Conservation Fund  
Neighborhood Stabilization Program

**Council on Postsecondary Education**

U.S. Department of Education

**Kentucky Commission on Human Rights**

U.S. Department of Housing & Urban Development  
Equal Employment Opportunity Commission

**Kentucky Infrastructure Authority**

U.S. Environmental Protection Agency

**Kentucky Department of Veteran's Affairs**

U.S. Department of Veteran's Affairs

**Office of Homeland Security**

U.S. Department of Homeland Security

**State Board of Elections**

U.S. Department of Health & Human Services  
Administration for Children & Families  
Administration on Developmental Disabilities  
U.S. Election Assistance Commission

**Secretary of State**

U.S. Election Assistance Commission

**Office of Attorney General**

**Medicaid Fraud & Abuse Control  
Department of Criminal Investigations**

U.S. Department of Health & Human Services.  
U.S. Department of Justice

**Transportation Cabinet**

Federal Highway Administration\*  
Federal Transit Administration  
Federal Aviation Administration  
U.S. Department of Energy  
Federal Emergency Management Agency

**STATE AGENCIES FEDERAL FUNDING SOURCES 2011**  
(As of October 30, 2011)

**Transportation Cabinet (cont.)**

Federal Motor Carrier Safety Administration

U.S. Department of Homeland Security  
National Highway Traffic & Safety Administration  
U.S. Department of Transportation\*  
U.S. Department of Agriculture  
(\*includes ARRA & Federal Lands Highway)

**Economic Development Cabinet**

U.S. Department of Defense  
U.S. Department of Energy  
U.S. Treasury

**Finance & Administration Cabinet**

**Kentucky Higher Education Assistance Authority**

U.S. Environmental Protection Agency

**Commonwealth Office of Technology**

U.S. Department of Education

**Office of Geographic Information Systems**

NASA  
Environmental Protection Agency  
Dept. of Commerce  
Dept. of Interior

**Office of the Controller**

U.S. Department of the Interior  
U.S. Department of Justice  
U.S. Health & Human Services  
U.S. Department of Agriculture

**Tourism, Arts & Heritage Cabinet**

**Department of Fish and Wildlife**

U.S. Department of the Interior  
U.S. Fish and Wildlife Service  
U.S. Department of Agriculture  
U.S. Coast Guard  
U.S. Army Corps of Engineers  
U.S. Department of Energy  
Tennessee Valley Authority

**Kentucky Arts Council**

National Endowment for the Arts

**Kentucky Center for the Arts**

National Endowment for the Arts  
U.S. Department of Education

**Kentucky Heritage Council**

U.S. Department of the Interior  
National Park Service

**Kentucky Historical Society**

National Endowment for the Arts  
U.S. Department of Education

**Education and Workforce Development Cabinet**

**Department of Education**

U.S. Department of Education  
U.S. Department of Health & Human Services

**STATE AGENCIES FEDERAL FUNDING SOURCES 2011**  
(As of October 30, 2011)

U.S. Department of Agriculture  
U.S. Department of Energy

**Education and Workforce Development Cabinet (cont.)**

**Educational Professional Standards Board**

U.S. Department of Defense  
U.S. Department of Education

**Kentucky Dept. for Libraries & Archives**

Institute for Museum & Library Services  
National Historic Publications & Records  
Commission

**Kentucky Educational Television (KET)**

U.S. Department of Commerce (NITA/PTFP)

**Department of Workforce Investment**

Office of Career and Technical Education  
Office for the Blind  
Office of Vocational Rehabilitation  
Office of Employment and Training

U.S. Department of Education  
U.S. Department of Education-RSA  
U.S. Department of Education-RSA  
U.S. Department of Labor

**Energy & Environment Cabinet**

U.S. Environmental Protection Agency  
U.S. Department of Interior  
U.S. Department of Energy  
U.S. Department of Defense  
U.S. Department of Homeland Security  
U.S. Department of Agriculture  
U.S. Department of Transportation  
U.S. Department of Labor

**Labor Cabinet**

U.S. Department of Labor

**Public Protection Cabinet**

U.S. Department of Justice  
U.S. Department of Health & Family

Services

**Health and Family Services Cabinet**

U.S. Department of Agriculture  
U.S. Department of Health and Human Services  
U.S. Department of Energy  
U.S. Department of Education  
Corporation for National and Community Services  
U.S. Environmental Protection Agency  
U.S. Department of Labor  
Social Security Administration  
U.S. Department of Justice  
U.S. Department of Defense

**STATE AGENCIES FEDERAL FUNDING SOURCES 2011**  
(As of October 30, 2011)

**Justice and Public Safety Cabinet**

**Office of the Secretary**

U.S. Department of Justice

**Department of Criminal Justice Training**

U.S. Department of Justice-  
Governor's Highway Safety Program  
U.S. Department of Justice-Cold Case

**Department of Corrections**

U.S. Department of Education  
U.S. Department of Health & Human Services  
U.S. Department of Justice  
Corporation for National & Community Service

**Department of Public Advocacy**

U.S. Department of Health and Human Services  
U.S. Department of Education  
Social Security Administration  
U.S. Department of Justice

**Department of Juvenile Justice**

U.S. Department of Justice  
U.S. Department of Health and Human Services  
U.S. Department of Agriculture  
U.S. Department of Education

**Kentucky State Police**

U.S. Department of Homeland Security  
U.S. Department of Justice  
U.S. Department of Transportation (NHTSA)  
U.S. Department of Transportation (MCSAP)  
U.S. Department of Health & Human Services  
U.S. Office of National Drug Control Policy  
U.S. Department of Commerce  
U.S. Department of Treasury  
U.S. Department of Education



**SIGNATORY  
AUTHORITY**



COMMONWEALTH OF KENTUCKY  
OFFICE OF THE GOVERNOR

STEVEN L. BESHEAR  
GOVERNOR

700 CAPITAL AVENUE  
SUITE 100  
FRANKFORT, KY 40601  
(502) 564-2611  
FAX: (502) 564-2517

July 10, 2008

Mr. Nick St. Angelo  
Director  
Division of Energy Assistance  
Office of Community Services, ACF, HHS  
370 L'Enfant Promenade, S.W.  
Washington, DC 20447

Dear Mr. St. Angelo:

As Governor of the Commonwealth of Kentucky, I delegate authority to the Commissioner of the Department for Community Based Services to serve as the official signatory for the Low Income Home Energy Assistance Program (LIHEAP) state plan, application, federal assurances, reports, and other submittals requiring my signature.

This letter is also intended to serve as notification that the state administering agency for the LIHEAP Program in Kentucky is the Cabinet for Health and Family Services, Department for Community Based Services.

If you have any questions regarding this matter, please contact Karla Thompson at (502) 564-7514.

Sincerely,

Steven L. Beshear

# **Benefit Matrix**

## LIHEAP Benefit Matrix Chart 2012-2013

### Non-Subsidized Housing

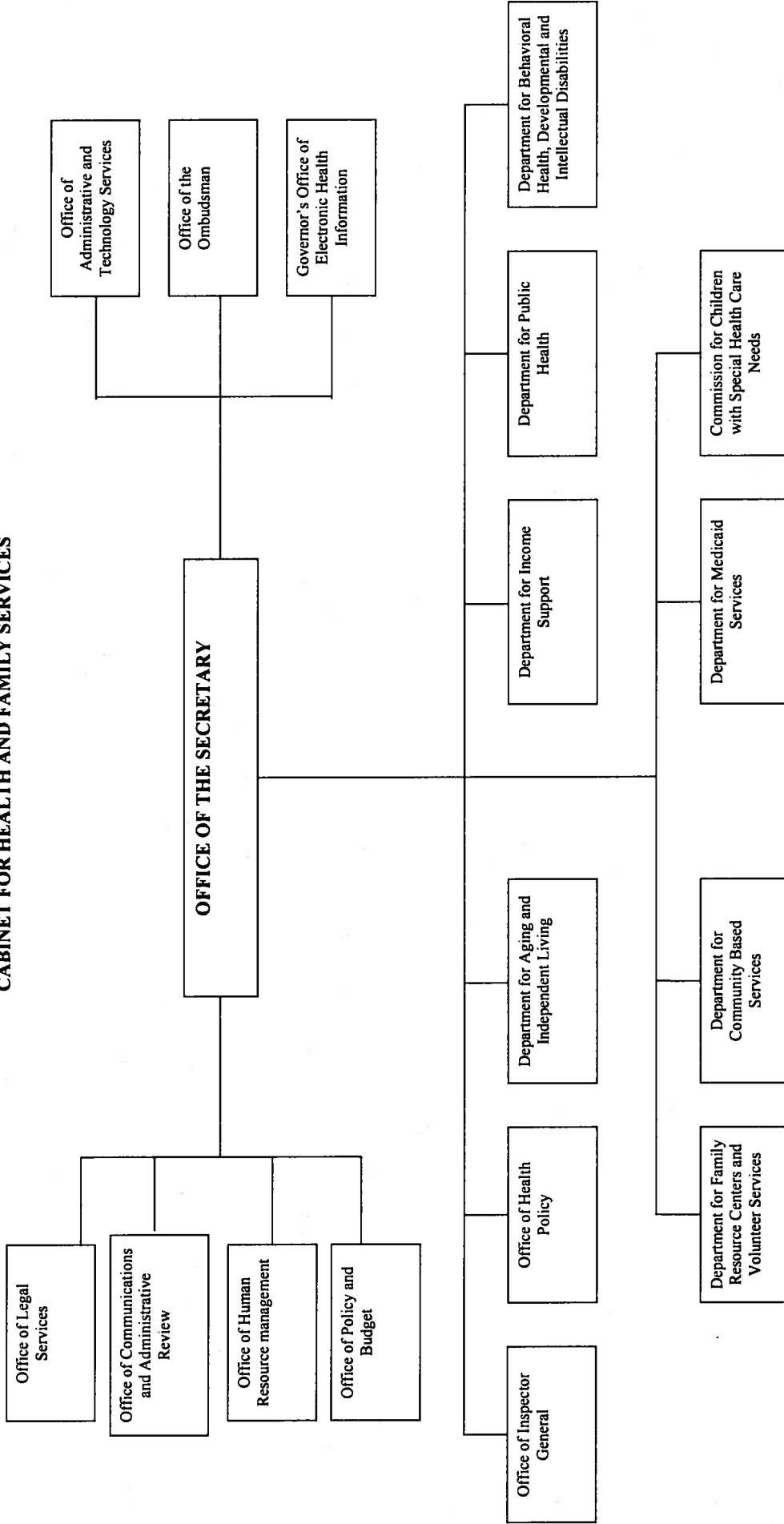
Poverty Level	Electric	Natural Gas	Propane	Coal	Wood	Fuel Oil
00 – 33%	\$182	\$206	\$274	\$182	\$196	\$263
34 – 65%	\$154	\$175	\$241	\$154	\$168	\$228
66 – 98%	\$126	\$143	\$209	\$126	\$140	\$193
99 – 130%	\$98	\$112	\$160	\$98	\$112	\$158

### Subsidized Housing

Poverty Level	Electric	Natural Gas	Propane	Coal	Wood	Fuel Oil
00 – 33%	\$34	\$39	\$53	\$34	\$36	\$49
34 – 65%	\$57	\$64	\$92	\$57	\$62	\$88
66 – 98%	\$74	\$84	\$118	\$74	\$80	\$113
99 – 130%	\$77	\$88	\$122	\$77	\$84	\$116

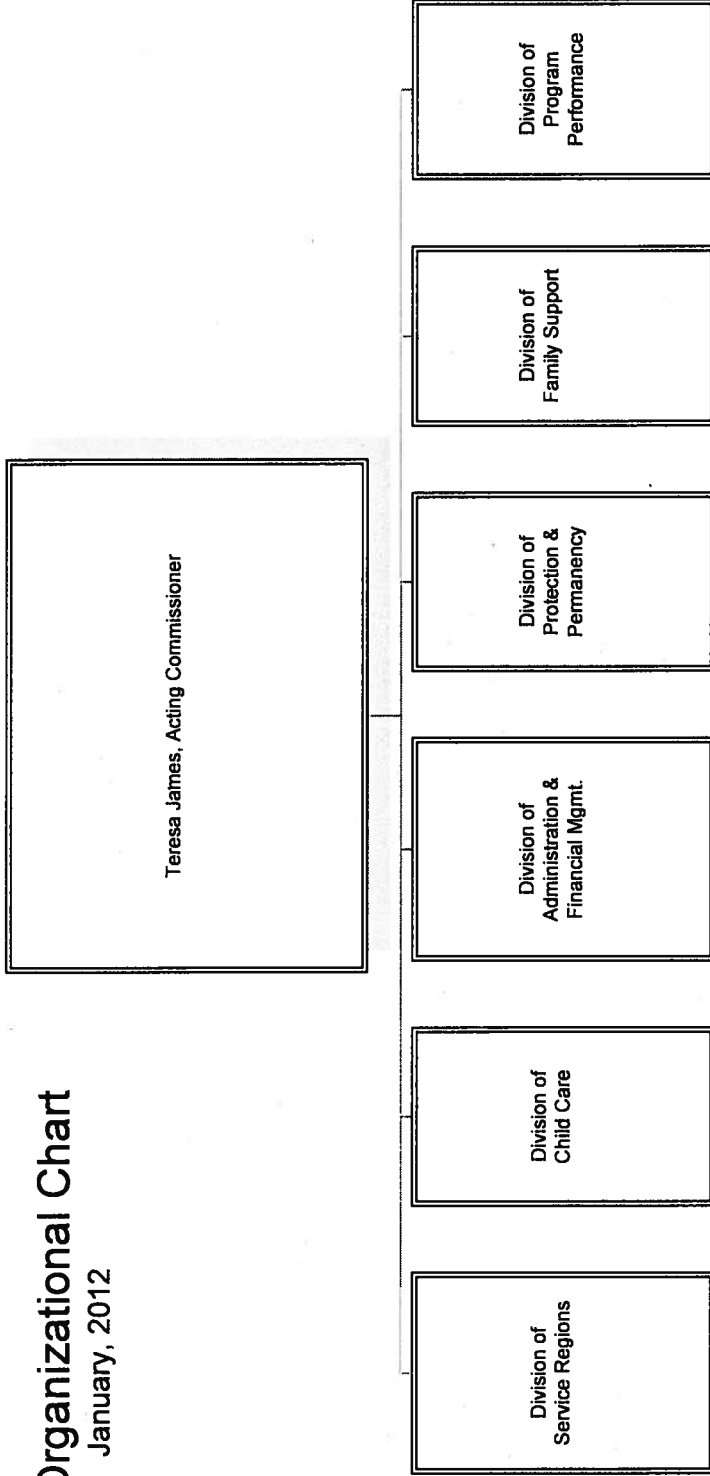
# **ORGANIZATION CHARTS**

**CABINET FOR HEALTH AND FAMILY SERVICES**



# DCBS Organizational Chart

January, 2012



# Division of Family Support

Fax Numbers:  
(502) 564-4021  
(502) 564-9810  
(502) 564-0405  
Conf. Rm. Ext. 3699

Address:  
275 East Main St., 3E-1  
Frankfort, KY 40621

## Director's Office

Jason Dunn, Director (3661)

Gayla Boone (3651)

Rosanne Barkley (3647)

**Family Self-Sufficiency Branch**  
Tonya Feese, Br Manager (3664)

**Technical Support Section**

Andrea Gillis (3665)  
Betty Ogden (3679)

**Medical Support and Benefits Branch**

Katie Brown, Br Manager (3653)  
Monica Jones (859)246-2070, ext 2267  
Jackie Melton (859)246-2070, ext2278

**Case Processing Section**

Polly Runyon, Supervisor (3685)  
Jennifer Jones (3710)  
Becky Murphy (3678)  
Chip Shryock (3688)  
Stephanie Warfield (3695)

**Medicaid Program Assistance Section**

Pat Walden, Supervisor (3694)  
Edward Clark (3657)  
Donna Eldridge (3663)  
Brian Jones (3673)  
Libby Ott (3680)  
Keri Reynolds (3684)  
Laura Sanders (3687)

**Nutrition Assistance Branch**

Wendy Cumpston, Br Mgr (3659)  
Alice Cruce (3658)  
Beth Hammermeister (3668)  
Nicole McGee (3676)  
Phyllis Wilson (3697)

**Claims Management Section**

Philip Campbell, Supervisor (3655)  
Nicole Beall (3649)  
Leitha Harris (3669)  
Vanessa Hughes (3671)  
Bernie Jankowski (3672)  
Kem McWhorter (3709)

**Nutrition Program Assistance Section**

Carver Ealy, Supervisor (3662)  
Patty Bent (3650)  
Leigh Ann Dixon (3660)  
Christy Hilland (3702)  
Vickie Prater (3683)  
Rhonda Wilson (3698)

**Policy Development Branch**

Virginia Carrington,  
Branch Manager (3656)  
NorNa Sagraves (3686)  
Paula Spears (3690)

**Program Support Section**

Linda Harshbarger,  
Supervisor (3670)  
Gail Amburgey (3646)  
Sandy Hamill (3667)  
Joey Holt (3706)  
Krista Quarles (3681)  
Denise Sturgis (3691)

**Community Support Section**

Todd Trapp, Supervisor (3692)  
Glenda Burke (3654)  
Julia Gustafson (3666)  
Charlene Manuel (3674)  
Brian McBee (3675)  
Sharon Vinyard (3693)



# **Legal Ad for Public Review and Comment**

**Kentucky  
Cabinet for Health and Family Services**

**Low Income Home Energy Assistance Program Block Grant  
State Plan**

**FFY October 1, 2012 through September 30, 2013**

By August 31, 2012, the Department for Community Based Services plans to apply for Federal Fiscal Year 2012-2013 funds available under the Low Income Home Energy Assistance Program (LIHEAP) Block Grant. The purpose for the application is to provide assistance throughout the Commonwealth via the twenty-three (23) Community Action Agencies, for the coordination of services/benefits to low income households with their home energy costs while improving the causes and effects of poverty in communities and to promote family and individual self-sufficiency.

A copy of the preliminary plan regarding the use of these funds is currently available for review and comment. To request a copy of the preliminary plan, contact Sharon Vinyard at (502) 564-3440 or submit a written request to the address provided herein. The deadline for receipt of written comments is the close of business on July 31, 2012. Provide written comments to: Sharon Vinyard, Cabinet for Health and Family Services, Department for Community Based Services, Division of Family Support, 275 East Main Street, 3E-1, Frankfort, Kentucky 40621.

**Minutes  
from  
LIHEAP Public Hearing**

## **SPECIAL SUBCOMMITTEE ON ENERGY**

### **Minutes of the 1st Meeting of the 2012 Interim**

**June 15, 2012**

#### **Call to Order and Roll Call**

The 1st meeting of the Special Subcommittee on Energy was held on Friday, June 15, 2012, at 10:00 AM, in Room 131 of the Capitol Annex. Representative Keith Hall, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Brandon Smith, Co-Chair; Representative Keith Hall, Co-Chair; Senators Ernie Harris, Bob Leeper, and Dorsey Ridley; Representatives Royce W. Adams, Rocky Adkins, Dwight D. Butler, Tim Couch, Will Coursey, Jim Gooch Jr., Wade Hurt, Thomas Kerr, Martha Jane King, Lonnie Napier, Sannie Overly, Tanya Pullin, Tom Riner, Kevin Sinnette, Fitz Steele, and Brent Yonts.

Guests: Elizabeth Caywood and Virginia Carrington, Department for Community Based Services, Cabinet for Health and Family Services; Michael Moynahan, Energy Programs Director, Community Action Kentucky; Secretary Len Peters, Karen Wilson, Chief of Staff, and John Davies, Deputy Commissioner, Department for Energy Development and Independence, Energy and Environment Cabinet.

LRC Staff: D. Todd Littlefield, Sarah Kidder, and Susan Spoonamore, Committee Assistant.

#### **Low Income Home Energy Assistance Program (LIHEAP) Block Grant Application for FFY 2013:**

Ms. Elizabeth Caywood and Ms. Virginia Carrington, with the Department for Community Based Services, Cabinet for Health and Family Services, explained that the Low Income Home Energy Assistance Program (LIHEAP) was established to provide low income individuals and families with a safety net for their heating and cooling costs and energy conservation measures. The program is 100 percent federally funded. The anticipated federal funds to be awarded to Kentucky for the block grant for FFY 2013 will be \$24.3 million, of which 90 percent will be used for direct benefits to Kentuckians. For the past three years, Kentucky has received enhanced federal funding; however, enhanced funding may not be available this year. The Department for Community Based Services contracts with Community Action Kentucky (CAK) to provide administrative training, monitoring, and technical support to the 23 agencies in the CAK network.

Virginia Carrington spoke about the direct benefits provided through the program. Kentucky serves individuals with incomes at or below 130 percent of the federal poverty level. For a household size of one, monthly income cannot exceed \$1,211, and for a household size of four, monthly income cannot exceed \$2,498. LIHEAP has two program components, the

subsidy component and the crisis component. Last year, the subsidy program served 109,644 unduplicated households with an average benefit of \$140.06. The total amount of benefits awarded under the subsidy component was \$15,356,844. The crisis component is assistance for energy emergencies. Crisis applicants can apply multiple times until they reach their maximum benefit level. The maximum benefit level for natural gas and electric was \$250; however, when enhanced funding was received, it was increased to \$400. The crisis program served 96,799 unduplicated households with an average benefit amount of \$294.65, totaling \$28,522.77. The total amount of benefits provided in both components was \$43,878,912, which included money received from enhanced funding. Benefits are provided in all 120 counties.

In response to questions from Representative Keith Hall, Ms. Carrington said that if the money appropriated to the subsidy component had a remaining balance, then that money would be used for the crisis program. The need was greater than the available funding.

Mr. Michael Moynahan, Energy Programs Director, Community Action Kentucky, explained that CAK operates LIHEAP, and serves all 120 counties in the Commonwealth. CAK officials also work with home-bound individuals to make sure they receive needed services. The need to support and continue the services is still great. CAK is always looking for ways to make the program better in an era of rising energy costs and potential federal funding cuts.

The proposed LIHEAP Block Grant Application and Findings of Fact were approved by voice vote, without objection, upon motion of Representative Tanya Pullin and second by Representative Royce Adam.

In response to Senator Brandon Smith's questions, Mr. Moynahan said that CAK is ready to operate a summer cooling program if requested by the Cabinet. Ms. Carrington said that a cooling program during the summer normally does not happen because all the funds have been utilized during the winter season. If there are any funds available and if high temperatures are going to be consistent for a long period of time, then the Cabinet will try to make a cooling program available. That would also depend upon funding from either the federal or state government.

In response to Representative Hall, Ms. Carrington said that there is no money available for a summer cooling program.

Representative Jim Gooch spoke about the new federal regulations' consequences to the people of Kentucky. They will have dramatic affects on utility rates, and there may not be enough federal money to fund the heating and cooling programs.

Representative Tanya Pullin asked the Cabinet and CAK to develop a way to assist the home-bound elderly in applying for the program.

Secretary Len Peters, Kentucky Energy and Environment Cabinet, discussed energy consumption and expenditures, transportation fuels, natural gas, electricity costs and generation, and coal production. Because of energy efficiency and the economy, energy consumption in Kentucky and nationally have been relatively flat for the past five years. Since 2000, energy expenditures in Kentucky have more than doubled due to rising transportation fuel prices.

Increases in transportation energy expenditures were driven by price increases rather than increased consumption. Kentucky was not a dominant player in natural gas production in that the state's natural gas production was less than one percent of national production. Kentucky imports 45 percent of its natural gas. There has been a dramatic increase in natural gas production nationally during the last two years, thus causing natural gas prices to fall by half since 2008. Prior to 2000, the price of natural gas was stable, but now the volatility in the market makes it difficult to predict the price of natural gas in 2015.

Secretary Peters said that due to the low price of natural gas, coal has been replaced by natural gas for electricity generation. In March 2012, coal represented only 34 percent of the national electricity generation as opposed to 50 percent in 2010. The trend of switching from coal to natural gas is also prevalent in Florida and Georgia, the top two consumers of Kentucky coal. Kentucky continues to have the lowest electricity rates in the nation, but that is starting to change. Kentucky is in the top ten for the fastest rising electricity prices.

From 1960 through 2011, Kentucky's coal production was steady, peaking at approximately 18 million tons in 1990. One of the major reasons that eastern Kentucky coal production is declining is the advent of flue-gas desulfurization units on many electricity generating power plants. Low sulfur coal is no longer needed. On the other hand, there has been more of a demand for western Kentucky coal because it is predominantly higher sulfur coal.

Secretary Peters said that energy consumption has been relatively flat, which is good news for energy efficiency. The dominant factor in increasing costs is the rising transportation fuel price, which has had a significant impact on overall energy expenditures. The demand for and production of coal has been falling due to stringent federal regulations and the low cost of natural gas.

In response to Representative Riner's question, Secretary Peters said that if a military conflict between Iran and Israel were to happen, and if the shipping lanes were closed, it would have an impact on transportation fuels by driving the prices higher. Natural gas costs are somewhat decoupled from petroleum/crude oil prices, but federal regulations regarding fracking could reduce the production of natural gas and make the United States more dependent upon international supplies. It is a very complex political situation.

In response to Representative Steele, Secretary Peters said he would choose coal over natural gas if natural gas prices were to escalate like they did a few years ago. Natural gas does not have a steady energy price. If that volatility continues, then the energy intensive manufacturing industries in Kentucky will have to decide whether it is feasible to expand or build new plants. The United States has greater coal reserves than natural gas.

Representative Adkins said it was important to realize that the decrease in coal production would have a significant impact on Kentucky's budget for the next biennium starting July 1. Coal severance money that was estimated will probably be reduced by 30 percent. Natural gas should be used as fuel for vehicles so the United States can reduce its importation of foreign oil. Natural gas should not be used for base load power.

In response to Representative Adkins, Secretary Peters said that the volatility of natural

gas prices could be a real issue. Electric utility companies will have difficulty choosing their fuel sources not knowing what federal regulations will be enacted in the next few years.

Senator Brandon Smith expressed his concerns over the unpredictability of natural gas price and gas availability. Coal is predictable and readily available.

In response to Representative Jim Gooch's question, Secretary Peters said that the Cabinet was in the process of researching what this means for Kentucky in the short and long-term, whether the energy profile should be coal, natural gas, or nuclear, what it means about the number of jobs in energy generation, and whether it is better to have stable or unstable energy prices.

In response to Representative Tim Couch's question, Secretary Peters said that if there were a stadium filled with 10,000 seats, four of those seats would represent the amount of carbon dioxide in the atmosphere, which is about the same amount as it was 30 years ago.

With there being no further business, the meeting was adjourned.