

OFFICE OF COMMUNITY SERVICES

DIVISION OF ENERGY ASSISTANCE

**LIHEAP USE OF FUNDS: ALLOWABLE
ACTIVITIES AND FLEXIBILITIES**

WEDNESDAY, JUNE 26, 2024



AGENDA

WELCOME

MODIFYING BENEFIT MATRIX AND INCOME LIMITS

AVOIDING REALLOTMENT

FLEXIBILITIES ON WEATHERIZATION RULES

LIHEAP DISASTER MANAGEMENT FLEXIBILITIES

STATE/TRIBAL AGREEMENTS

Q & A





WELCOME



LIHEAP

Low Income Home Energy Assistance Program

MEET THE PRESENTERS (1 O F 2)



Megan Meadows

Director, Division of
Energy (DEA)



Akm Rahman

Program Operations
Branch Chief (DEA)



Heather Jones

Policy, Data, & Evaluation
Branch Chief (DEA)



Kate Thomas

Program Specialist

Region 3 & 8:

DE, DC, MD, PA, VA, WV, CO,
ND, SD, MT, UT, WY

NEW PROGRAM SPECIALISTS



Shameir Hanson

Program Specialist

Region 6 (states) & 7 (all)

AR, LA, NM, OK, TX, IA, KS, MS,
NE



Sarah Dalglish

Program Specialist

Region 5 (all) & 10 (states)

IL, IN, MI, MN, OH, WI, AK, IA,
OR, WA



Caroline Kacmarsky

Program Specialist

Region 1 & 4

CT, MA, NH, RI, VT, AL, FL, GA,
KU, MS, NC, SC, TN

ECONOMIC MOBILITY FELLOWS



Francesca Baroni

Economic Mobility Fellow

Former liaison for Region 1 &
10 (states)



Claudia Gonzalez

Economic Mobility Fellow

Former liaison for Region 4 & 7



Breanna Hill

Economic Mobility Fellow

Former liaison for Region
5 & 6

MEET THE PRESENTERS (2 OF 2)



Vikki Pretlow

Program Specialist

Region 6 Tribal Programs:

OK, NM



Doris Callejas

Program Specialist

Regions 2 & 9:

AZ, CA, NV, HI, AS, NP, PR,
NY, NJ



Nancy Stephens

Program Specialist

**Region 10 Tribal
Programs: AK, ID, OR,
WA**



COMMENTS

AKM RAHMAN





MODIFYING BENEFIT MATRIX AND INCOME LIMITS

KATE THOMAS



POLL QUESTION

It's up to you!

Would you rather serve more people with a smaller benefit, or fewer people with a larger benefit?

FEDERAL LIHEAP STATUTE (1 O F 2)

Section 2605(b)(2)(B) of Pub. L. 97-35, 42 U.S.C. § 8624(b)(2)(B) establishes the following requirements that LIHEAP grant recipients must follow in setting the income eligibility criteria of their programs:

(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.*

REASONS TO MODIFY BENEFIT MATRIX AND/OR INCOME LIMITS

1 Required Annually
(Federal Poverty Guidelines or State Median Income)

2 Expenditures trends

3 Running out of money or time

4 Needs in your area have changed

5 Disaster

6 Legislation

7 Change in home energy prices

8 New priorities or new funds



FEDERAL LIHEAP STATUTE (2 O F 2)

Section 2605(b)(5) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S. C. §8624(b)(5)) provides grantees with minimum requirements for determining benefit levels.

More specifically, grant recipients must:

“provide, in a timely manner, that the highest level of energy assistance will be furnished to those households that have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size.”



OTHER THINGS TO CONSIDER

Categorical eligibility

Documentation requirements

Arrearage management policy

Priority groups

Questions to ask yourself:

- Should we increase categorical eligibility?
- Can we eliminate unnecessary documentation requirements?
- Do we pay arrearages, and up to how much? Is the limit high enough? Is the limit too high?
- Can we give priority populations a higher benefit? Can we add priority groups, such as pregnant women?

AVOIDING REALLOTMENT

DORIS CALLEJAS



POLL QUESTION 2

Are you on track to timely obligate at least 90% of all your federal Fiscal Year 2024 (FY24) LIHEAP awards by September 30, 2024?

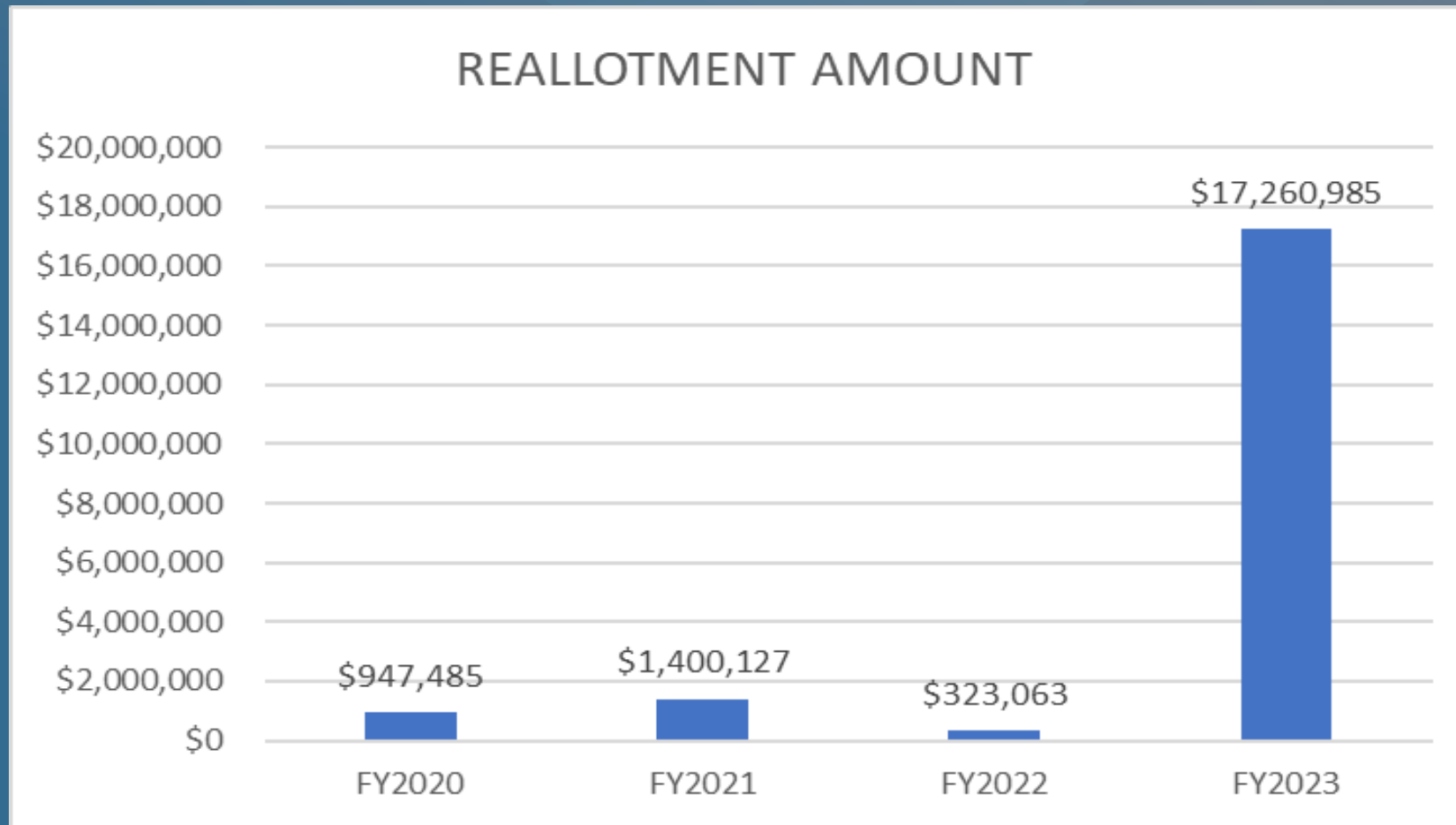


WHAT IS REALLOTMENT?

Annual **LIHEAP** awards have two-year obligation periods. As outlined in 42 U.S.C. § 8626 (b)(2) and in the LIHEAP Supplemental Terms and Conditions, at least 90% of any LIHEAP grant must be obligated in the same year it was awarded. Up to 10% of the award may be carried over for obligation in the following year...

LIHEAP funds that have not been obligated in accordance with this requirement are subject to return to the U.S. Department of Health and Human Services (HHS) for inclusion in the annual reallocation of unobligated funds.

LIHEAP REALLOTMENT OVER THE YEARS



HOW TO AVOID REALLOTMENT? (1 OF 2)

- Track funds on a regular basis. Communication among program and fiscal staff is essential.
- **Ensure that fiscal data reported in the Carryover and Reallotment Report is consistent with the data reported in the Federal Financial Report (SF-425).**
- Maximize obligations at the beginning of the FY, if possible.
- Budget less than 10% to carryover to allow grant recipients to include vendor refunds, refunds from subrecipients, any late-year federal awards, and any other funds that might remain unobligated or become deobligated in their carryover balance without exceeding the carryover limit.

HOW TO AVOID REALLOTMENT? (2 OF 2)

- Consider available options to ensure that LIHEAP funds are fully utilized. These are some examples:
 - ✓ Issue supplemental benefits, or automatic benefits, to those already approved in the current program year
 - ✓ Extend program operation start and end dates (if you're not operating year-round)
 - ✓ Increase your maximum benefit amount
 - ✓ Pay electric security deposits or reconnection fees needed to establish service
 - ✓ Pay past-due home energy bills
 - ✓ Start a new component like cooling
 - ✓ Increase weatherization allocation
 - ✓ And many other options

OTHER THINGS TO CONSIDER

Grant Recipients must ensure that data reported in the final Carryover and Reallotment Report reconciles with their Federal Financial Report (SF – 425).

Questions to ask yourself:

- Do you have a policy and procedures in place on who's responsible for submitting reports?
- Do you have Standard Operating Procedures that details the steps to submit these reports?
- Do you have regular meetings with your fiscal staff?
- When was the last time you contacted your OCS regional liaison?

LIHEAP WEATHERIZATION FLEXIBILITIES

HEATHER JONES



POLL QUESTIONS 3-5

- Do you currently braid LIHEAP weatherization funds with U.S. Department of Energy Weatherization Assistance Program (WAP) funds in the same dwelling?
- Do you allow for solar panel installation with LIHEAP weatherization funding?
- Are you considering allowing LIHEAP bill payment assistance to be utilized for the payment of community solar subscription fees?



FEDERAL COORDINATION

The Federal LIHEAP statute and regulations require coordination with low income programs, including the U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP).

Assurance 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...”

Assurance 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...”

Other sections of the statute and LIHEAP regulations provide additional details about LIHEAP-funded weatherization activities.



LIHEAP GRANT RECIPIENT RULES

- Rules can create the flexibility that grant recipients seek in running their program.
- Section 5 of the LIHEAP Model Plan has the option to use rules of LIHEAP and/or DOE that best fit the needs of the grant recipient.
- How are the rules decided? Grant recipients determine which rules to adopt.
- Why might a grant recipient choose one over the other? To allow flexibility and to tailor rules to meet the grant recipient area needs.



WHAT IS THE MOST FLEXIBLE APPROACH WITHIN LIHEAP WEATHERIZATION?

Aligning eligibility threshold as 200% Federal Poverty Guideline (FPG) or 60% State Medium Income (SMI), if that is the greater eligibility amount.

Selecting “Mostly LIHEAP” with at least the following selected in the Model Plan:

- Income Eligibility Threshold (aligning with 5.1 to increase to WAP eligibility levels).
- Weatherization of entire multifamily housing structure.
- By Selecting “Mostly LIHEAP” – funding is not subject to the WAP maximum statewide averages nor is it subject to Savings to Investment Ratio (SIR) requirements.

Select all pre-populated measures

Include as “other” any measures that are prevalent in specific areas or aligned with current priorities (e.g., air source heat pumps, air conditioner replacement, energy related repairs, etc.).

Also, include any renewable technologies that may be priorities within your region.



LIHEAP WEATHERIZATION – COMMON EXCEPTIONS TO DOE WAP RULE

- Average cost per unit
- Savings to investment ratio
- Re-weatherization date
- Energy related repairs
- Possible measures: minor structural repairs, mold/moisture control, electrical repairs
- **Unallowable practices:** roof replacement, major construction, land improvements



LIHEAP AND COMMUNITY SOLAR

- ✓ Cost savings
- ✓ Access to clean energy
- ✓ Support for local communities
- ✓ Flexibility



LIHEAP WEATHERIZATION – OTHER EXCEPTIONS TO DOE RULE

Other DOE rule exceptions:

- LIHEAP allows defining Health and Safety (H&S) limit, which can be higher than DOE WAP limit.
- LIHEAP may not need to follow SIR or set SIR standard at <1.0.
- Cook stove replacement can be allowed under LIHEAP.
- HVAC replacement is possible using LIHEAP crisis, weatherization, heating, and cooling funds.

DISASTER MANAGEMENT FLEXIBILITIES

NANCY STEPHENS



DISASTER MANAGEMENT

Poll Question 6

Select the one below that can not be covered using LIHEAP Disaster Flexibilities.

- a. Blankets
- b. Roof replacement
- c. Furnace repair
- d. 3-night hotel stay
- e. All of the above

DISASTER MANAGEMENT (1 O F 8)

If A Natural Disaster Hits

- In most cases, our office will contact you with a reminder about LIHEAP flexibilities.
- OCS will help you determine how to take advantage of LIHEAP's disaster flexibilities that will most benefit or address the disaster.
- Please remain in contact with your LIHEAP Program Specialist/Liaison for guidance and technical assistance as you implement any disaster flexibilities.

DISASTER MANAGEMENT (2 O F 8)

Allowable Uses of LIHEAP Funds

Temporary Shelter

When a home is destroyed and unlivable. Provide vouchers to pay for living expenses if related to home energy.

Transportation

Moving individuals away from crisis area to shelter, when health & safety is endangered by loss of access to heating or cooling.

Equipment Repair & Replacement

Examples:
furnaces, A/C,
insulation, etc.

DISASTER MANAGEMENT (3 OF 8)

Allowable Uses of LIHEAP Funds (continued)

Cooling & Warming Centers

Partner with public facilities like local libraries, community centers, and government buildings to establish areas where people can remain warm in winter or cool in summer.

Coordinate with emergency response teams to raise awareness of centers and how to refer people to LIHEAP for immediate need and moving homebound individuals, if needed.

Income Eligibility

Temporarily raise income eligibility guidelines (not to exceed the greater of 150% of the HHS Poverty Guidelines or 60% of the State Median Income.)

DISASTER MANAGEMENT (4 O F 8)

Allowable Uses of LIHEAP Funds (continued)

In-kind or Non-Cash Benefits

Examples:
coats, blankets,
heaters, fans,
generators, etc.

Utility Reconnection Costs

Provide bill payment assistance and utility deposits.

Self-Attestation

Allow clients to sign a form when documents are missing or unavailable. Implement a process for following up as needed documents are still the state, tribe, or territory's responsibility. Please see the [Self-Attestation Template](#).

DISASTER MANAGEMENT

UNALLOWABLE USES OF FUNDS

Shelter

Mortgage or rental assistance unless the expenses are to home energy.

Eligibility

Can not be completely waived.

Clothing &
Household
Supplies

Except for coats needed after a natural disaster.

Water Bills &
Wheelchairs

Try using other federal and state funding resources.

Ramps & Major
Construction

Try using other federal and state funding resources.

DISASTER MANAGEMENT (5 O F 8)

REGULAR LIHEAP CRISIS

Timeframes

48 hours for crisis and 18 hours for life threatening crisis.

NATURAL DISASTER

Timeframes

Work can be done under the crisis part of the LIHEAP program within a reasonable response timeframe. In these cases, we would like you to remain mindful of the intent of the 18/48-hour requirement by providing services as quickly as possible.

DISASTER MANAGEMENT (6 O F 8)

LIHEAP Grant Recipient Disaster Management Policies

- Arkansas – Spring Disaster Relief Guidance
- California – Severe Weather Energy Assistance and Transportation Services (SWEAT) Policy
- Florida – Disaster Response Toolkit for CSBG and LIHEAP providers
- Kickapoo Tribe of Oklahoma – Emergency Management Policy
- Louisiana – Disaster Relief

If you want to develop your own Disaster Management Policy, please see the following files in the meeting chat:

- The LIHEAP Disaster Management Policy Template for States & Tribes

DISASTER MANAGEMENT (7 O F 8)

How Should You Include Disaster Flexibilities in LIHEAP?

LIHEAP Model Plan Amendments

Update your LIHEAP Model Plan with any flexibilities added during the FY to address unexpected natural disasters. **Plan revisions do not need prior approval from our office. They should be submitted in OLDC within a reasonable time after the event and/or plan modification and by no later than the end of the federal fiscal year.**

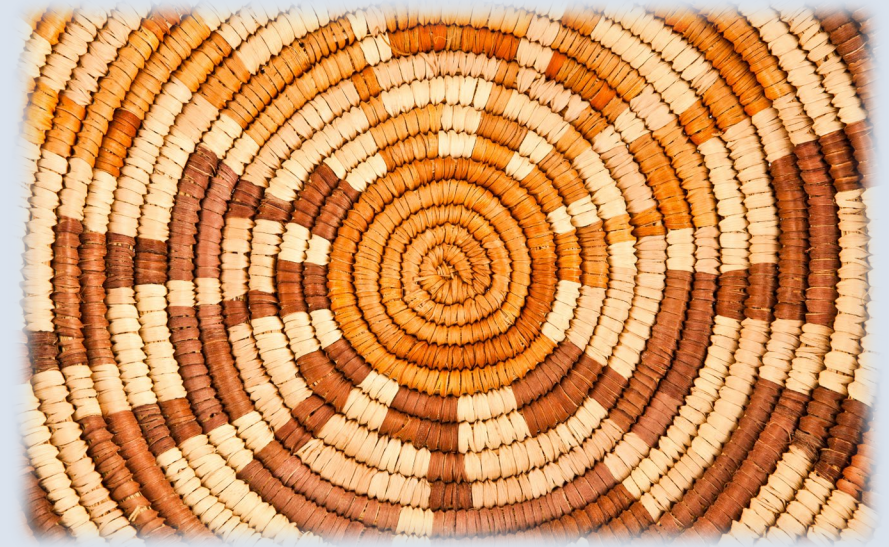
DISASTER MANAGEMENT (8 OF 8)

Key LIHEAP Disaster Management Resources

- LIHEAP Q & As on Disaster Relief - <https://www.acf.hhs.gov/ocs/faq/liheap-q-disaster-relief>
- OCS Disaster Flexibilities Hub - <https://ocs-emergency-assistance-hhs-acf.hub.arcgis.com/>
- LIHEAP Extreme Heat Dashboard - <https://liheap-and-extreme-heat-hhs-acf.hub.arcgis.com/>
- Heat.gov - Federal govt wide effort with resources related to extreme heat - <https://www.heat.gov/>
- ASPR: Administration for Strategic Preparedness & Response – HHS is a part of this effort that offers an opportunity (available in most states) to connect with volunteers during emergencies and natural disasters - <https://aspr.hhs.gov/MRC/Pages/index.aspx>

STATE/TRIBAL AGREEMENTS

VIKKI PRETLOW



POLL QUESTION 7

True or False: State/Tribe agreements are required for tribes and tribal organizations to receive direct LIHEAP funding?



STATE/TRIBE AGREEMENTS

(INTERGOVERNMENTAL AGREEMENTS)

- Agreements are binding and enforceable
- Establishing a formal written agreement is strongly recommended. Such agreements help to:
 - Ensure mutually agreeable LIHEAP allocation for the tribe
 - Identify the tribe's service territory
 - Prevent duplication of services
 - Facilitate data exchange between state and tribe
 - Create a process for resolving disputes



MUTUALLY AGREEABLE LIHEAP ALLOCATION

(1 O F 2)

- Without a State/Tribe agreement, tribal allocations are determined by OCS with a calculation that uses a multiplier against the state's allocation
 - The multiplier is the number of eligible tribal households (using the American Community Survey [ACS]) as a percentage of eligible households in the state:

$$\text{Household Ratio} = \frac{\text{\# of Eligible AI/AN Households}}{\text{\# of Eligible State Households}}$$

$$\text{Tribal Allocation} = \text{Household Ratio} \times \text{State Allocation}$$



MUTUALLY AGREEABLE LIHEAP ALLOCATION

(2 O F 2)

- With a Tribe/State agreement, OCS uses the terms of the agreement for tribal allocations.
 - A State/Tribe agreement gives the tribe an opportunity to negotiate a greater allocation
 - State/Tribe agreements must grant tribes at least as much LIHEAP funds than they would get under the ACS figures
 - However, if an agreement does not grant the tribe more than the default allocation, the rest of the agreement is still valid.



FLEXIBILITIES IN DETERMINING THE ALLOCATION AMOUNT

- A fixed amount
- A fixed percentage
- An agreed-upon household-count
- Historical number of households served
- Tribe's estimates based on tribal enrollment
- Households counted for other social service programs, such as HUD housing
- Any methodology mutually acceptable to the state and tribe can be used to develop the allocation.



ADDITIONAL FLEXIBILITIES

- **Duration of agreement**
- **Tribe's service territory**
- **Definition of households served by tribe**
- **Process for avoiding duplicate benefits**



OCS INITIATIVES

- **Developing an Information Memorandum**
- **Placing all current agreements online for review and comment**
- **Sample agreements available**

RESOURCES

[Examples of State-Tribe Agreements](#)

[NEUAC 2023 - LIHEAP State-Tribe Agreements: Building Effective Relationships](#)

[LIHEAP Grantee Resource Guide \(State/Tribe Agreements, Section B-5\)](#)

ADDITIONAL RESOURCES

- [Office of Community Services, LIHEAP Website](#)
- [LIHEAP Tools and Training Resources](#)
- [LIHEAP Grant Recipient Resources](#)
- [Changes to LIHEAP Eligibility for Citizens of Countries Governed by the Compacts of Free Association \(COFA\).](#)
- [Community Solar and LIHEAP Considerations](#)
- [Grant Recipient Resources](#)
- [Website Navigator](#)
- [LIHEAP Clearinghouse](#)
- [LIHEAP Performance Management Website Grantee Resources](#)
- [LIHEAP Virtual Library](#)
- [Tribal Leadership Directory Map](#)
- [Application Streamline and Electronic Verification Workgroup Learning Document](#)
- [Utility Disconnection Dashboard](#)

ADDITIONAL RESOURCES (CONTINUED)

- [Federal Poverty Guidelines and State Median Income Estimates for Optional Use in federal Fiscal Year 2024 and Mandatory Use in FY25](#)



Q&A