

AMERICAN RESCUE PLAN & LIHEAP:

Celebrating the Impact

Administration for Children and Families Office of Community Services



The American Rescue Plan (ARP) provided \$4.5 billion in additional funding to the Low Income Home Energy Assistance Program (LIHEAP). This funding helped low-income families afford home heating and cooling costs, pay arrears, and get reconnected to services. These funds also helped families to weatherize their homes and make cost-effective home energy repairs. OCS celebrates the work that our grant recipients and subgrant recipients have done to effectively leverage these funds to keep families safe and healthy in their homes.

BACKGROUND: LIHEAP AND ARP

The additional \$4.5 billion in ARP funds more than doubled typical appropriations for LIHEAP. Specifically, ARP provided an additional \$4.4 billion to states, \$22.5 million to territories, and \$48.3 million to tribes.

The ARP funds for LIHEAP were appropriated to help address unmet energy needs including, but not limited to:

- Preventing unsafe indoor temperatures and paying unmanageable utility arrearages that can lead to utility shut-offs
- Helping households with limited incomes pay their home energy costs and use their financial resources for other critical necessities such as food, housing, and medicine
- Providing households with energy-saving weatherization and minor home repairs



Of more than 4 million households served with ARP funds, an average of 1.4 million per year, an estimated 2.6 million were especially vulnerable, including a household member that is a senior, a person with a disability, or a child under age six.

LIHEAP ARP AT A GLANCE

Grant recipients had until September 30, 2022 to obligate, or legally commit, ARP funds. Depending on the state, territorial, or tribal rules, grant recipients can continue to draw down and use ARP funds beyond the obligation deadline.

With the support of ARP funds, LIHEAP was able to serve more households in federal Fiscal Year 2022 (FY22) than in the past few years. In addition to reaching more households, many programs increased their maximum benefit for eligible households. Grant recipients also worked diligently to maximize the use of funds through creative innovations and programmatic changes.

Many grant recipients used ARP funding to:

- Start an arrearage forgiveness program or a cooling program for the first time
- Provide automatic supplemental payments to previously approved LIHEAP households
- Purchasing or repairing heating and cooling equipment

THE IMPACT OF LIHEAP ARP FUNDS

LIHEAP grant recipients have used ARP funds to innovate and strengthen the reach of their programs in a variety of ways. Some examples of specific innovations and changes made due to ARP funding are highlighted below.



IOWA DEPARTMENT OF HUMAN RIGHTS

Iowa was able to obligate over \$50 million in additional LIHEAP funds through ARP for regular heating assistance in FY22, *which was 155% higher than the typical amount of funding they allocate towards regular heating assistance each year.* When combined with the regular heating assistance provided by the FY22 regular block grant funding, the ARP funding helped support a 203% increase in benefits compared to Iowa's five-year average. To reach as many households and make as much impact for those households as possible, Iowa also provided two rounds of supplemental payments in FY22. This meant that thousands of households were able to maintain low to no balances on their energy accounts throughout the year.



PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES

Pennsylvania used its LIHEAP ARP funding to administer a more robust program during the 2021-2022 LIHEAP season. Pennsylvania increased its LIHEAP cash maximum from \$1,000 to \$1,500. At the same time, the crisis maximum was raised from \$800 to \$1,200. Utilizing ARP funding, Pennsylvania DHS was also able to extend their operating season by six weeks, allowing the agency to better meet the needs of low-income households.



WISCONSIN DEPARTMENT OF ADMINISTRATION

Wisconsin used LIHEAP ARP funds to pay off households' arrearages for both heating bills and electric bills for over 131,000 households, totaling over \$123.1 million. Wisconsin also provided a summer fuel fill program, providing either fuel oil or propane to help households prepare for the winter and avoid an emergency situation before they are able to apply for regular heating benefits in the subsequent fiscal year. They served over 14,000 households through this program, totaling over \$6.4 million.



NEW MEXICO HUMAN SERVICES DEPARTMENT

New Mexico used LIHEAP ARP funds to provide almost 119,000 low-income New Mexico households with a supplemental benefit. Using ARP funding, New Mexico provided a supplemental benefit of \$145 for qualifying households in FY21 and \$190 in FY22.



PUERTO RICO DEPARTMENT OF THE FAMILY

Puerto Rico obligated its ARP funds by entering into a contract agreement with LUMA Energy, the only energy supplier on the island, to provide low-income households with a supplemental benefit. This \$16 million LIHEAP ARP investment assisted approximately 480,000 account holders from all the municipalities in Puerto Rico.



SHOSHONE-BANNOCK TRIBES 477 PROGRAM

The Shoshone-Bannock Tribes assisted 354 individuals with energy assistance services. The LIHEAP ARP funds allowed the Shoshone-Bannock Tribes to increase their benefit amount and prevent disruption of energy supply to 95% of households requesting assistance. The Shoshone-Bannock Tribes also used LIHEAP ARP funds to double their weatherization crew capacity from two staff members to four, which tripled the work output of their weatherization program — serving 227 households with window replacement, skirting around manufactured homes, door replacement, bathroom and kitchen fan repair, HVAC and electric heater repairs, weatherstripping doors and windows. The Shoshone-Bannock Tribes also conducted weatherization outreach activities including how to perform some do-it-yourself weatherization during the winter months.