



ADMINISTRATION FOR
CHILDREN & FAMILIES

Office of Community Services | 330 C Street, S.W., Washington, DC 20201
www.acf.hhs.gov/ocs

Low Income Home Energy Assistance Program Dear Colleague Letter

DCL#: LIHEAP-DCL-2021-05

DATE: May 4, 2021

TO: States, tribes, and territories

SUBJECT: FY 2021 Supplemental LIHEAP Funding Release under the American Rescue Plan Act of 2021

ATTACHMENT(S):

1. FY 2021 Supplemental Funding Release of LIHEAP Block Grant Funds to States and Territories
2. FY 2021 Supplemental Funding Release of LIHEAP Block Grant Funds to Native American Tribes and Tribal Organizations

Dear Colleagues,

The U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Community Services (OCS), Division of Energy Assistance (DEA), is releasing \$4.5 billion in supplemental funding for the Low Income Home Energy Assistance Program (LIHEAP) for federal Fiscal Year (FFY) 2021.

Congress appropriated these funds under the *American Rescue Plan Act (ARP) of 2021* (Public Law 117-2), which the President signed into law on March 11, 2021. This act provided \$4.5 billion “for additional funding to provide payments” for LIHEAP.

OCS has awarded 100 percent of the LIHEAP funding available to grantees under this act. All 50 states, the District of Columbia, five U.S territories, and almost all Native American tribes and tribal organizations that are current LIHEAP grantees received a supplemental award. Grantees may use these funds for any purpose normally authorized under the federal LIHEAP statute (42 USC 8621 et seq.), including heating, cooling, crisis, weatherization assistance, case management for the reduction of home energy burden, and administrative costs.

Tribal Awards

A few tribal grantees, whose agreements with their respective state LIHEAP office include a pre-negotiated fixed award amount, will not receive a supplemental award because they have already reached their annual award ceiling for FY 2021 LIHEAP block grant funding. These tribal grantees may contact their respective state LIHEAP offices to negotiate a revised tribe-state LIHEAP agreement for FY 2021, if needed for the tribe to address additional home energy assistance needs created by the coronavirus disease of 2019 (COVID-19) in the tribal service area. Revised tribe-state LIHEAP agreements must be signed by both parties and sent electronically to our office. ACF can then process negative grant awards for those affected states in order to direct a grant award to such tribes. Alternatively, states can choose to issue subgrants to tribes to provide a supplement to the tribe's LIHEAP to provide funding for their energy assistance programs. Such subgrants from the state do not require any approval from ACF.

Obligation Period/Carryover of LIHEAP ARP Funding

ARP allows LIHEAP grantees to obligate any portion of these supplemental funds in FFY 2021 or FFY 2022, contingent upon their own rules for obligating their own funds (45 CFR 96.30(a)). Therefore, LIHEAP grantees may carryover up to 100 percent of this supplemental funding for obligation in FY 2022—by September 30, 2022.

Grantees must exclude the amount of these supplemental funds from the total amount of the base funding when determining total amount of LIHEAP resources available to carry over to FFY 2021. That is because at least 90 percent of the regular block grant FY 2021 funding must still be obligated by September 30, 2021 (this fiscal year).

These supplemental funds must not be carried into FY 2023 or beyond, for obligation purposes.

LIHEAP Earmarking Caps for FY 2021

LIHEAP grantees must include the total of their supplemental ARP funding with all of their other FY 2021 grant award amounts—including an upcoming anticipated release of reallocation grant awards—for purposes of calculating federal statutory earmarking caps/limits on administrative costs, weatherization activities, assurance 16 activities, and leveraging non-federal resources planning costs.

Additionally, LIHEAP grantees that obligate these supplemental funds in both FY 2021 and FY 2022 will need to carefully track the extent to which their earmarking caps are impacted by carrying over the supplemental funding into FY 2022 while not exceeding the total earmarking caps for each year.

Accounting and Reporting on LIHEAP ARP Funding

LIHEAP grantees must track, account for, and report on their ARP supplemental funding separate from (1) the rest of their FY 2021 funding; and (2) any FY 2020 CARES Act funding that they obligate in FY 2021. The reporting requirements will remain unchanged in FY 2021.

Drawing Down LIHEAP ARP Funding

ACF has assigned a unique CAN in the federal Payment Management System (PMS) for LIHEAP grantees to draw down (access) this supplemental LIHEAP funding separate from (1) the rest of their FY 2021 funding; and (2) any CARES Act funding. ACF has also established a separate grant identification number on the LIHEAP Notice of Award (NOA) grant letter for this supplemental award.

Additional ARP Terms and Conditions

ACF has noted additional, special Terms and Conditions that are specific to the ARP supplemental LIHEAP funding. The special Terms and Conditions are explained on the NOA letter for this supplemental award. These special Terms and Conditions are in addition to the normal sets of general [Terms and Conditions for mandatory/formula ACF programs](#) and the [LIHEAP-specific Terms and Conditions](#).

LIHEAP Income Eligibility under ARP Funding

LIHEAP grantees should not consider the economic impact payments from the Internal Revenue Service (IRS) as income for eligibility. These payments count as a rebate or advance payment of a credit that are exempted as income. Section 103(d) of the American Taxpayer Relief Act amended the relevant statutory provision, 26 U.S.C. § 6409, and specifies that, "... any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds."

Each LIHEAP grantee retains the authority under the federal LIHEAP statute to define "income" for the purpose of determining income eligibility for the program, in accordance with how each grantee treats income for state funded assistance programs (42 USC 8624(b)(2) and 45 CFR 96.30(a)). Therefore, each LIHEAP grantee must decide whether to include or exclude other payments from the LIHEAP income eligibility calculation.

LIHEAP-Related COVID-19 Guidance and Information Resources

ACF has released several LIHEAP Dear Colleague Letters last year regarding LIHEAP flexibilities available to help support your program's response to the COVID-19 pandemic. Please continue to regularly check our [LIHEAP Dear Colleague Letter web site](#) to see those—particularly—and any forthcoming guidance documents. We also want to highlight again some resources that may be helpful to you and your LIHEAP partners, including [community-based information from the CDC](#) and the toll-free Disaster Distress Hotline that anyone can reach at 1-800-985-5990 and or by texting TalkWithUs to 66746 in order to connect with a trained crisis counselor.

Summary

For further details of award amounts by LIHEAP grantee name, see the attached tables that show the release amounts for [states and territories](#) and [Native American tribes and tribal organizations](#).

Please contact your [DEA federal liaison](#) if you have any questions, updates or feedback.

We know that each of you is personally impacted by this pandemic. We hope that you and your families are remaining healthy, physically and emotionally, during these challenging times. We applaud the extraordinary efforts you, your teams, and program partners have been making to ensure continuity of LIHEAP operations so that the most vulnerable individuals can receive assistance to try to stay healthy in their homes.

Thank you for your attention to these matters. OCS looks forward to continuing to provide high-quality services to OCS grantees.

/s/

Lauren Christopher
Director, Division of Energy Assistance
Office of Community Services