



ADMINISTRATION FOR
CHILDREN & FAMILIES

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

Low Income Household Water Assistance Program Dear Colleague Letter

DCL#: LIHWAP-DCL-2021-11
DATE: September 30, 2021
TO: All LIHEAP Grantees
SUBJECT: Reallotment of Federal Fiscal Year (FFY) 2020 LIHEAP Funds
ATTACHMENT(S): (1) [Table of awards to states and territories](#)
(2) [Table of awards to Indian 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), released \$1,400,127 on September 29, 2021, as the final funding in FY 2021 for the Low Income Home Energy Assistance Program (LIHEAP).

Several LIHEAP grant recipients reported to ACF amounts available for redistribution, "reallotment", from FY 2020. ACF notified on July 30, 2021, the grantees that reported these amounts about the next steps with deobligating the funding for redistribution this year. ACF received no responses. After completing reconciliation of the reports, ACF determined the total amount available to redistribute this year as required by the federal LIHEAP statute.

ACF determined that all FY 2021 LIHEAP grant recipients that remain active at the time of the release would receive a reallotment Notice of Award (NOA), , except five states and a number of tribes whose allocation would have been less than \$25. ACF determined the allocations to each grant recipient by distributing the total reallotted funds under the formula Congress set for FY 2021 funding. Five states didn't receive a NOA because of a new legislative provision in the FY 2021 distribution formula that, for the first time, applied a floor to those states throughout the fiscal year.

Grant recipients must ensure that the reallotted funds are included in their total FY 2021 LIHEAP funds received for purposes of calculating the LIHEAP caps on administrative costs, Assurance 16 activities, carryover to FY 2022, and their weatherization programs. To calculate

the FY 2021 earmarking caps, grant recipients should add the totals of their [first release 2021 grant](#), [second release 2021 grant](#), and the reallocation grant.

Grant recipients may carry over up to 10 percent of that combined total, excluding their FY 2020 LIHEAP CARES Act award and FY 2021 LIHEAP ARPA award, to obligate (legally commit) those funds for LIHEAP purposes in FY 2022 through September 30, 2022. ACF generally advises LIHEAP grant recipients to budget their program year anticipating a carryover balance that is less than the 10 percent cap. By leaving room in one's carryover cap, a grant recipient can try to include vendor refunds, refunds from subrecipients, and any federal funding awarded in the last quarter in the grant recipient's carryover balance without exceeding their carryover limit.

The reallocation funds must be obligated by no later than September 30, 2021—or included in the grantee's carryover into FY 2022 and obligated by September 30, 2022. Grant recipients must draw down from the correct HHS Payment Management System (PMS) account to support those valid obligations.

State grant recipients must also ensure that the reallocated funds are included on their FY 2022 LIHEAP Performance Data Form-Grantee Survey section. All LIHEAP grant recipients must submit a Federal Financial Form (SF-425) for these reallocation funds, which must be separate from the SF-425 submitted for the regular FY 2021 block grant and separate from the SF-425 for CARES Act funding and the SF-425 for ARPA funding. The initial SF-425 is due to ACF by December 31, 2021.

This is the final LIHEAP funding distribution for federal FY 2021. Two Federal Register Notices will be published confirming this release.

For grant recipient-by-recipient breakdowns of these awards, see the tables that summarize the awards to (1) [states and territories](#); and (2) [Indian tribes and tribal organizations](#).

Please contact your DEA liaison should you have any questions or need any assistance. To view the DEA liaison contact information, please go to the [Division of Energy Assistance Staff Contacts page of ACF's website](#).

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