



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-2023-03

DATE: February 22, 2023

TO: Low Income Home Energy Assistance Program (LIHEAP) Grant Recipients

SUBJECT: FFY 2023 Second LIHEAP Supplemental Grant Funding Release

ATTACHMENT(S):

1. Second LIHEAP Supplemental Grant Release to States and Territories for FFY 2023
2. Second LIHEAP Supplemental Grant Release to Tribes and Tribal Organizations for FFY 2023

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 today \$1 billion in funding for the Low Income Home Energy Assistance Program (LIHEAP) for Federal Fiscal Year (FFY) 2023. Congress appropriated these funds under the Disaster Relief Supplemental Appropriations Act, 2023, which Congress included with the Consolidated Appropriations Act, 2023 (FFY 2023 CAA) ([Public Law 117-328](#)). The latter provided the final budget for FFY 2023, and the President signed it into law on December 29, 2022.

HHS and OMB have been working through some accounting issues related to how Congress appropriated the funding in the final budget compared to the temporary budget (Continuing Resolution). HHS worked to find the most efficient and expedient way to release funding while minimizing the reporting burden to the grant recipient to the greatest extent possible. We have determined that releasing the \$1 billion supplemental funding from the Consolidated Appropriations Act (CAA), separate from the rest of the regular funding, is the most prudent course of action to ensure grant recipients have funding during this winter heating season.

Funding Calculation

Today's supplemental LIHEAP funding is separate and distinct from the prior two supplemental LIHEAP funding releases in FFY 2023—the \$100 million in supplemental funds from the

Infrastructure Investment and Jobs Act ([Public Law 117-58](#)) and the \$1 billion in supplemental funds from the Continuing Appropriations Act (Continuing Resolution), 2023 ([Public Law 117-180](#)) were released on November 4, 2022.

The individual grant recipient funding allocations for each supplemental award may be different, even if the nationwide supplemental amounts are the same.

Due to the legislative directions, typically all LIHEAP funding is calculated together within the same federal fiscal year; no funding is calculated in isolation. When we receive supplemental funding, HHS adds the supplemental funding to the funds we have already received during the year, and we rerun all of the funding through the LIHEAP funding formula to obtain an allocation that is based off the total amount of funding received.

In FFY 2023, we calculated \$1 billion in CR supplemental funds, by adding it on top of the \$3.8 billion in regular block grant funding that was appropriated through the Continuing Resolution at the beginning of the fiscal year. Likewise, this new \$1 billion today was added to the rest of the \$5.1 billion funding appropriated by Congress (regular funds, prior \$1B supplemental, and \$100M IJIA). Meaning that grant recipients' allocations from the \$1 billion supplemental today are based on the remaining amount of funding appropriated by Congress totaling \$6.1 billion in LIHEAP funding for FFY 2023.

Thus, the amount of funding grant recipients receive from today's release may not be identical to what each received when HHS released the first \$1 billion supplemental in November.

Recordkeeping

This \$1 billion in disaster supplemental funding is documented as LIHEAP grant number: **23***LIEE [**** will include the specific grant recipient number]** and Common Accounting Number (CAN): G993135 on the Notice of Award (NOA) letter being issued to each current LIHEAP grant recipient for FFY 2023. Grant recipients can download these NOA letters through their Grant Solutions Account-Grant Details Tab. Instructions on how to download these NOA letters is included in the following links: [Microsoft Word - User Guide Recipient Grants List and Details GRANTS LIST .docx \(grantsolutions.gov\)](#) and [Non-Discretionary Grant Recipient Functionality in the Unified Experience Training \(vimeo.com\)](#).

The award system—Payment Management System (PMS)—shows the amount awarded with each funding release on the NOA line 20 called “Total Amount of Federal Funds Obligated by This Action”. It is based only on the CAN that is being used with that specific action. Meaning, each grant recipient will have two supplemental funding CANs in PMS for the \$1 billion releases, but there will only be one grant award from which to draw down. That grant award number ends in “LIEE”. The drawdowns will be done proportionally by PMS from both \$1B supplements. This means that a grant recipient will not be able to specify how much they want to draw down between the two \$1 billion supplements/CANs.

There is no cumulative amount shown on any of those NOAs that would total all of the supplemental funding for this year; for tracking and federal report preparation, each grant

recipient will have to calculate and double-check that total against our funding tables which are attached to our Dear Colleague Letters. We anticipate that, post-award, that calculation will be auto-calculated for grant recipients on the LIHEAP Performance Data Form in OLDC.

Financial Reporting

All LIHEAP grant recipients are responsible for submitting a separate Federal Financial Report (FFR), Standard Form 425, each year, for each LIHEAP grant award in the PMS. Therefore, today's \$1 billion supplemental release is part of the same grant award as the \$1 billion supplement from the CR. LIHEAP grant recipients will need to account for both of their supplements from today's release and the \$1 billion CR supplement on one combined SF-425 using the grant award number ending in "LIEE".

Reporting separately on each source of funding is required by OMB by each grant award in PMS, as noted in the bullets above. Typically, the SF-425s are due by December 31st each year.

Crisis Assistance and Natural Disasters

OCS would also like to remind grant recipients that LIHEAP funding may be used to assist LIHEAP eligible households experiencing and recovering from extreme weather and/or natural disasters. With recent flooding on the West Coast, the massive snowstorms in the Northeast, and extreme cold across the country, grant recipients can utilize various flexibilities and resources to support households impacted by the severe weather. The OCS [Disaster Flexibility Hub](#) is an information management tool that visually tracks and displays key data, guidance, and resources on declared disasters, preparedness efforts, and flexibilities built into OCS's block grant programs (including LIHEAP) to address disasters. We encourage you to utilize the Hub and its tools to help you support LIHEAP households in need of crisis assistance.

It is within each LIHEAP grant recipient's discretion to determine what constitutes a qualifying disaster, what forms of financial and/or in-kind assistance to provide, and other related matters. Under the LIHEAP regulations at 45 C.F.R. § 96.50(e), the U.S. Department of Health and Human Services will defer to grant recipient's interpretations of the LIHEAP statute "unless the interpretation is clearly erroneous."

Future FY 2023 Releases

HHS is working expeditiously on releasing the remaining regular LIHEAP funds appropriated for FFY 2023. There are accounting changes needed to the federal financial systems, including PMS, due to the difference in how the regular block grant funding is appropriated under the Continuing Resolution and the final budget, and which is different than how final budgets have appropriated funding for LIHEAP in prior years. A separate Dear Colleague Letter will be issued explaining and confirming when those adjustments are complete. Additionally, we anticipate there will also be a release of reallocation funds from monies returned to HHS in FY 2022.

For further details about today's funding release, see the attached funding tables that show the allocations for [states and territories](#), and [tribes and tribal organizations](#).

Please contact your [federal LIHEAP liaison](#) if you have questions or need any assistance.

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

/s/

Dr. Lanikque Howard

Director

Office of Community Services