

AMERICAN RESCUE PLAN & LIHWAP:

Celebrating the Impact

Administration for Children and Families
Office of Community Services



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On March 11, 2021, Congress appropriated \$500 million in emergency funds to the Low Income Household Water Assistance Program (LIHWAP) through the American Rescue Plan (ARP) Act of 2021 to assist low-income households with water and wastewater bills. This was in addition to the \$638 million in funding appropriated for LIHWAP under the Consolidated Appropriations Act of 2021. The additional funding provided by ARP made LIHWAP over a \$1 billion program.

The Administration for Children and Families' Office of Community Services (OCS) is celebrating the work of grant recipients to support households by providing critical assistance needed to ensure connection to in-home water and wastewater services.

THE IMPACT OF ARP & LIHWAP:

Recent analysis indicates that water rates climbed approximately 43% across the U.S. from 2012 to 2021, outpacing rates for other utilities. Additionally, in a recent survey published by OCS, one in five households were in debt to their water utility, and for very low-income families, up to 40% of their monthly income went to paying water and sewer bills. The survey highlighted the challenges faced by both households and utilities, and many utilities described the financial benefits of LIHWAP to their customers and the utilities themselves. Coupled with aging water infrastructure and water shortages due to drought, water assistance for vulnerable households is even more of a lifeline.

Forty-nine states, the District of Columbia, five U.S. territories, and 97 Native American tribes and tribal organizations are implementing LIHWAP and providing critical water assistance to families and individuals. With funds from the ARP, states, territories, and tribes have been able to help protect the health and safety of households across the country by doing the following:

- Reconnecting households that have been disconnected from water and wastewater services
- Preventing disconnection of water and wastewater services
- Providing rate reductions for households struggling to pay their water bills

LIHWAP'S IMPACT IN FEDERAL FISCAL YEAR 2022-2023



Served
~ 1.4 M Households



Prevented
718,667
Disconnections



Reduced rates
for 957,766
Water Bills



Restored
Services
97,327 Times

**Data reflects FY22 and FY23 cumulative quarterly reports. A household may receive more than one benefit payment or service in a year.*

SUCCESS STORIES:

Grant recipients at the state, territory, and tribal level continue to work diligently to maximize the use of ARP funds through creative innovations and programmatic changes. The following examples highlight impact the ARP and LIHWAP have made so far.



CHEROKEE NATION:

The Cherokee Nation served more than 1,800 households in their first year of implementation and more than 5,600 households in their second and final year of LIHWAP. The Cherokee Nation program was integrated with LIHEAP on one application, and past LIHEAP beneficiaries that had previously been approved were sent a letter informing them that if they returned their water vendor information, they could receive a LIHWAP benefit as well. Cherokee Nation Human Services Department workers went out into local communities, collecting LIHWAP applications and explaining the program operations. Many households served by LIHWAP were on fixed incomes and reported that receiving the benefit meant they no longer had to choose between paying their water bill or buying their medication. At the end of Cherokee Nation's LIHWAP, supplemental benefit payments were issued to eligible recipients to help ensure affordability for these households going into the future.



MICHIGAN

A total of \$36 million in LIHWAP funding was provided to the Michigan Department of Health and Human Services (MDHHS) for LIHWAP. MDHHS' Bureau of Community Action and Economic Opportunity (BCAEO) launched a statewide text messaging campaign to categorically eligible households at no cost to participating community action agencies (CAAs) to reach as many eligible households as possible. CAAs have reported increased interest and applications as a result of this effort, and they have seen an increase in expenditures as well. Feedback from CAAs remains positive, and CAAs continue to report seeing an increase in applications after text messages are sent. Over 1.8 million texts were sent to categorically eligible clients between March and September 2023. Spending consistently increased each month. FY22 spending was less than \$7 million, FY23 spending was over \$22 million. At least 30 additional water providers signed on after the campaign started, helping to reach even more communities. The success of the program has spurred MDHHS to create new water assistance programs, leveraging the work done through LIHWAP to maintain or expand services for beneficiaries and relationships with water service providers. State support is strong for continued water assistance programs.

LIHWAP Next Steps:

An optional one-time no-cost extension (NCE) was provided to LIHWAP grant recipients to continue to enroll eligible households until March 31, 2024 (previously December 30, 2023). Eighty-nine grant recipients are currently operating under the NCE. OCS looks forward to continuing to track the impact of this critical program.

"It helps out the most vulnerable part of our population. The ones with the lowest income. Many of those people are folks on fixed incomes, those with disabilities, elder people or those with children. A lot of those fit the low-income category. They definitely need it and appreciate it. That's the biggest impact it is going to have and that's why we continue to seek out water and energy assistance grants or that type of thing." -Coos, Lower Umpqua, & Siuslaw Indians