



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-2021-05  
**DATE:** June 2, 2021  
**TO:** States, Tribes, and Territories  
**SUBJECT:** LIHWAP Funding Release  
**ATTACHMENT(S):** 1. FY 2021 Funding Release of LIHWAP Block Grant Funds to States and Territories  
2. FY 2021 Funding Release of LIHWAP Block Grant Funds to Native American Tribes and Tribal Organizations

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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 emergency funding for the Low Income Household Water Assistance Program (LIHWAP) for federal Fiscal Year (FFY) 2021. ACF is making \$166.6 million, or 15 percent of allocated LIHWAP funding, immediately available to LIHWAP grantees to support the establishment of the program. In total, \$1.1 billion will be available through LIHWAP grants, including \$500 million in American Rescue Plan funding.

On December 27, 2020, Congress appropriated \$638 million in funding for LIHWAP under the Consolidated Appropriations Act of 2021 (Public Law 116-260) to assist low-income households with water and wastewater bills. Additionally, on March 11, 2021, the American Rescue Plan Act of 2021 (Public Law 117-2) appropriated an additional \$500 million in emergency funds to LIHWAP.

OCS plans to release 98.5 percent of the available LIHWAP funding to grantees. Forty-nine states, the District of Columbia, five U.S territories, and 65 Native American tribes and tribal organizations, that are current LIHEAP grantees, are eligible to receive a LIHWAP award. Some awards are pending release due to missing documentation. Grantees may use these funds to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services, by providing

funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services.

### **Obligation Period and Expenditure Deadline for LIHWAP Funding**

LIHWAP grantees are free to obligate any portion of these funds in FFY 2021, FFY 2022, or FFY 2023.

Therefore, LIHWAP grantees may carryover up to 100 percent of the funding for obligation in FFY 2022 and FFY 2023. All funds must be obligated by September 30, 2023 and expended (liquidated) by December 31, 2023.

### **LIHWAP Earmarking Cap**

LIHWAP grantees must not obligate more than 15% of the grant(s) towards administrative costs, including those incurred by sub-recipient organizations if they are being used to help administer this program.

### **Accounting and Reporting on LIHWAP Funding**

LIHWAP grantees must track, account for, and report on their funding from the Consolidated Appropriations Act of 2021 and their funding from the American Rescue Plan Act of 2021 separately.

### **Drawing Down LIHWAP Funding**

ACF has assigned two unique CANs in the federal Payment Management System (PMS) for LIHWAP grantees to draw down (access) their Consolidated Appropriations Act of 2021 funding separate from their American Rescue Plan Act of 2021 funding. ACF has also established two separate grant identification numbers on the separate LIHWAP Notice of Award (NOA) grant letters for the two funding types.

### **Additional LIHWAP Terms and Conditions**

ACF has noted additional, special Terms and Conditions that are specific to the LIHWAP funding. The special Terms and Conditions are explained on the NOA letter for this particular award. These special Terms and Conditions are in addition to the normal sets of general Terms and Conditions for mandatory/formula ACF programs here:

[https://www.acf.hhs.gov/sites/default/files/documents/general\\_terms\\_and\\_conditions\\_2019\\_final.pdf](https://www.acf.hhs.gov/sites/default/files/documents/general_terms_and_conditions_2019_final.pdf)

The special LIHWAP Terms and Conditions are available online here:

<https://www.acf.hhs.gov/sites/default/files/documents/LIHWAP%20Terms%20and%20Conditions%20for%20States.pdf>

## **LIHWAP Income Eligibility**

LIHWAP grantees must 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 LIHWAP grantee has the authority 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. Therefore, each LIHWAP grantee must decide whether to include or exclude other payments from the LIHWAP income eligibility calculation.

## **COVID-19 Guidance and Information Resources**

We want to highlight some resources that may be helpful to you and your LIHWAP 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 LIHWAP grantee name, see the attached tables that show the amounts available for [states and territories](#) and [Native American tribes and tribal organizations](#).

Please contact our division if you have any questions, updates or feedback:

States and Territories: [LIHWAPstates@acf.hhs.gov](mailto:LIHWAPstates@acf.hhs.gov)

Tribes: [LIHWAPtribes@acf.hhs.gov](mailto:LIHWAPtribes@acf.hhs.gov)

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 are undertaking to ensure individuals and families in need have access to water and wastewater services.

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

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Lauren Christopher  
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Office of Community Services