

LIHEAP REQUIREMENTS

Compilation of the
Low Income Home Energy
Assistance Program (LIHEAP)
Act of 1981
As Amended Through August 8, 2005

Block Grant Regulations
45 CFR Part 96

Prepared by the
Division of Energy Assistance
Office of Community Services
ACF/HHS

Table of Content

- I. [Administrative Costs](#)
 - a. [Admin Limit States](#)
 - b. [Admin Limit Tribes and Territories](#)
 - c. [Admin Cost Definition](#)
 - d. [Admin Cost Definition for TANF](#)
- II. [Allotments](#)
 - a. [State](#)
 - b. [Territory](#)
 - c. [Tribal](#)
- III. [Application](#)
 - a. [Application format](#)
 - i. [Eligibility & Criteria for Designating an Emergency](#)
 - ii. [Benefit Levels](#)
 - iii. [Estimates on Use of Funds & Alternate Use of Crisis Funds](#)
 - iv. [Weatherization & other Energy Home Repair—DOE Rules](#)
 - v. [Any Steps to Target Assistance](#)
 - vi. [Descriptions for Specific Assurances](#)
 - vii. [Household Data](#)
 - viii. [Other Info Required by Secretary—May Amend Plan](#)
 - ix. [Plans & Substantial Revisions & Public Review](#)
 - x. [Optional Model Plan Provided on April 1](#)
 - b. [Due Date and Late Applications](#)
 - i. [Tribal Application, Due Dates and Late Applications](#)
- IV. [Apportionment and Grant Award Authority](#)
- V. [Appropriation](#)
- VI. [Amendments](#)
- VII. [Assurances](#)
 - a. [Applicability](#)
 - b. [Assurance 1](#)—Use of Funds
 - c. [Assurance 2](#)—Eligibility

- d. [Assurance 3](#)—Outreach
 - e. [Assurance 4](#)—Coordination
 - f. [Assurance 5](#)—Varying Benefits
 - g. [Assurance 6](#)—Local Agencies
 - h. [Assurance 7](#)—Vendor Payment
 - i. [Assurance 8](#)—Renters
 - j. [Assurance 9](#)—Admin Costs
 - k. [Assurance 10](#)—Monitoring, Fiscal Control, Accounting, Single Audit Act
 - l. [Assurance 11](#)—Cooperate with Federal Investigations
 - m. [Assurance 12](#)—Public Participation
 - n. [Assurance 13](#)—Fair Administrative Hearing
 - o. [Assurance 14](#)—Cooperate with Data Collection and Reporting
 - p. [Assurance 15](#)—Preference in Awarding Grants for Outreach & Intake
 - i. [Exemption](#)
 - q. [Assurance 16](#)—Efforts to Reduce Home Energy Needs
- VIII. [Audit](#)
- a. [Single Audit Act](#)
 - b. [Audit of Subgrantees](#)
 - c. [Tribal Audits](#)
- IX. [Authorization to Provide Grants Primarily for Immediate Home Energy Costs](#)
- a. [Secretary's Authorization & Grant Award Authority](#)
- X. [Benefit Levels](#)
- XI. [Carryover and Reallotment](#)
- a. [Notify HHS of Reallotment & Carryover Amounts](#)
 - b. [Reallotment Procedures](#)
 - c. [Carryover Request](#)
 - d. [Release of Reallotted Funds](#)
 - e. [Relotment Comment Period and Final Decision](#)
 - f. [Carryover Report](#)
- XII. [Chief Executive Officer Signature](#)
- XIII. [Complaints](#)
- a. [Criteria for a Formal Complaint](#)
 - b. [Definition of Serious Complaint](#)

- c. [Timeframe](#)
 - d. [Hearings](#)
 - e. [Appeals](#)
- XIV. Complaints—[Hearing Process](#)
 - a. [Initiation](#)
 - b. [Presiding Officer](#)
 - c. [Communications to Presiding Officer](#)
 - d. [Intervention](#)
 - e. [Discovery](#)
 - f. [Hearing Procedure](#)
 - g. [Right to Counsel](#)
 - h. [Administrative Record of a Hearing](#)
- XV. [Compliance Review](#)
- XVI. [Comptroller General's Evaluation](#)
- XVII. [Congressional Notification](#)
- XVIII. [Construction](#)
- XIX. [Contingency Funds](#)
 - a. [Amount Authorized](#)
 - b. [Secretary Makes Determination & Notifies Congress](#)
- XX. [Crisis Assistance](#)
 - a. [Time Limits](#)
 - b. [Other Crisis Requirements](#)
 - c. [Waiving Crisis Requirements](#)
 - d. [Exemptions](#)
- XXI. [Data Collection](#)
- XXII. [Definitions](#)
 - a. [Emergency](#)
 - b. [Energy burden](#)
 - c. [Energy crisis](#)
 - d. [Highest home energy needs](#)
 - e. [Home energy](#)
 - f. [Household](#)
 - g. [Natural disaster](#)

- h. [Poverty level](#)
 - i. [Secretary](#)
 - j. [State](#)
 - k. [State median income](#)
 - l. [Tribe, State Recognition](#)
- XXIII. [Discrimination](#)
- XXIV. [Eligibility](#)
 - a. [SSI Recipients](#)
 - b. [Income Verification](#)
- XXV. [Estimates of funds](#)
- XXVI. [Expenditure of funds](#)
 - a. [Obligate & Expend Funds According to LIHEAP Law, Regulations, & Grantee's own Rules](#)
- XXVII. [HUD Housing](#)
- XXVIII. [Income](#)
 - a. [LIHEAP Benefits Not Income](#)
 - b. [LIHEAP Benefits Deemed Expended for Heating/Cooling for SNAP Clients](#)
 - c. [Verifying income](#)
 - d. [Adjust to Most Recent Income Guidelines](#)
- XXIX. [LIHEAP and the Energy Policy Act of 2005](#)
- XXX. [Leveraging](#)
 - a. [Eligible Grantees](#)
 - b. [Leveraging Definitions](#)
 - c. [LIHEAP Funds Used to Develop Resources](#)
 - d. [Requirements for Leveraged Resources](#)
 - e. [Countable Resources](#)
 - f. [Resources that Cannot Be Counted](#)
 - g. [Valuation, Documentation & Offsetting Costs](#)
 - h. [Leveraging Report](#)
 - i. [Due Date for Report](#)
 - j. [Leveraging Award Formula](#)
 - k. [Uses of Leveraging Funds](#)
 - l. [Audit of Leveraging Funds](#)

- m. [Obligation Period](#)
- XXXI. [Model Plan](#)
- XXXII. [Obligation Time Period](#)
 - a. [Obligate & Expend According to Grantee's own Rules](#)
- XXXIII. [Payment to Grantees](#)
- XXXIV. [Performance Goals and Measurements](#)
- XXXV. [Public Hearings](#)
 - a. [Public Hearings not Required for Tribes](#)
- XXXVI. [REACH](#)
 - a. [Purpose](#)
 - b. [Energy Efficiency Education Plan](#)
 - c. [Assurances](#)
 - d. [Delivery through Community-based Nonprofits](#)
 - e. [Not Considered Admin Costs](#)
 - f. [Residential Energy Assistance Challenge Option](#)
- XXXVII. [Reallotment](#)
- XXXVIII. [Records](#)
- XXXIX. [Repayment of Funds](#)
- XL. [Repealer](#)
- XLI. [Reports](#)
 - a. [Carryover Reallotment](#)
 - b. [Report to Congress](#)
 - c. [Financial](#)
 - d. [Household](#)
- XLII. [Renewable Fuels](#)
- XLIII. [Secretary may not prescribe](#)
 - a. [Block Grant Policy](#)
- XLIV. [Subsidized Housing Benefits](#)
 - a. [Utility Allowances](#)
- XLV. [Target Assistance](#)
- XLVI. [Tax Credits for Energy Suppliers](#)
- XLVII. [Technical Assistance](#)
- XLVIII. [Territories](#)

- a. [Rights and Responsibilities](#)
- XLIX. [Transfer Authority Ended](#)
- L. [Tribes](#)
 - a. [Definition of Tribe, State Recognition](#)
 - b. [Direct Grantee](#)
 - c. [Public Hearing Not Required for Tribes](#)
 - d. [Rights and Responsibilities](#)
 - e. [State Responsibility for Tribes](#)
 - f. [Tribal Members in Multi-States](#)
 - g. [Tribal Resolutions Required](#)
 - h. [Tribal Withholding](#)
- LI. [Waivers—Weatherization](#)
 - a. [Waiver of Assurances Repealed](#)
- LII. [Waste, Fraud, and Abuse](#)
- LIII. [Weatherization](#)
 - a. [Authorization to Use DOE Rules](#)
 - b. [Low Cost Weatherization or Other Energy Related Home Repair](#)
 - c. [Weatherization Waiver](#)
 - d. [Weatherization Waiver Request](#)
- LIV. [Withholding of Funds](#)

Administrative Costs

[**Back to Table of Content*](#)

Administrative Limit States

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(9)(A) and (B)

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year;

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining costs (except for the costs of the activities described in paragraph (16));

Administrative Limit Tribes and Territories

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.88(b)

(1) Grantees who are direct-grant tribes, tribal organizations or territories with allotments of \$20,000 or less may use for planning and administrative costs up to 20 percent of the funds payable.

(2) Grantees that are direct-grant tribes or tribal organizations with allotments over \$20,000 may use up to 20 percent of the first \$20,000 (or \$4,000) plus 10 percent of the funds payable that exceeds \$20,000.

Administrative Cost Definition

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.88(a)

(a) Costs of planning and administration. Any expenditure for governmental functions normally associated with administration of a public assistance program must be included in determining administrative costs subject to the statutory limitation on administrative costs, regardless of whether the expenditure is incurred by the State, a subrecipient, a grantee, or a contractor of the State.

Administrative Cost Definitions for TANF

[**Back to Table of Content*](#)

Grantees may adopt TANF rules for administrative costs. The TANF regulations at 45 CFR 263.0(b) define administrative costs as follows:

The term "administrative costs" means costs necessary for the proper administration of the TANF program, or separate State programs.

(1) It excludes direct costs of providing program services.

(i) For example, it excludes costs of providing diversion benefits and services, providing program information to clients, screening and assessments, development of employability plans, work activities, post-employment services, work supports, and case management. It also excludes costs for contracts devoted entirely to such activities.

(ii) It excludes the salaries and benefits costs for staff providing program services and the direct administrative costs associated with providing the services, such as the costs for supplies, equipment, travel, postage, utilities, rental of office space and maintenance of office space.

(2) It includes costs for general administration and coordination of these programs, including contract costs and all indirect (or overhead) costs. Examples of administrative costs include:

(i) Salaries and benefits of staff performing administrative and coordination functions;

(ii) Activities related to eligibility determinations;

(iii) Preparation of program plans, budgets, and schedules;

(iv) Monitoring of programs and projects;

(v) Fraud and abuse units;

(vi) Procurement activities;

(vii) Public relations;

(viii) Services related to accounting, litigation, audits, management of property, payroll, and personnel.

(ix) Costs for goods and services required for administration of the program such as the costs for supplies, equipment, travel, postage, utilities, and rental of office space and maintenance of office space, provided that such costs are not excluded as a direct administrative cost for providing program services under paragraph (b)(1) of this section.

(x) Travel costs incurred for official business and not excluded as a direct administrative cost for providing program services under paragraph (b)(1) of this section;

(xi) Management information systems not related to the tracking and monitoring of TANF requirements (e.g., for a personnel or payroll system for State staff); and

(xii) Preparing reports and other documents.

The TANF regulations at 45 CFR 263.13(b) state:

Expenditures on the information technology and computerization needed for tracking or monitoring required by or under part IV-A of the Act do not count towards the limit specified in paragraph (a) of this section [setting a 15% limit on use of TANF funds for administrative costs]."

The preamble to the TANF final rule at 64 FR 17811, published 69 (4/12/99), page 17811, published April 12, 1999 provides this further clarification on distinguishing "case management" and "eligibility determination":

Note: Here, we would make a distinction between assessment activities designed to identify needs and develop appropriate service strategies versus assessing income, resources, and documentation for eligibility determination purposes; the latter are administrative costs.

Allotments

State Allotments

[*Back to Table of Content](#)

LIHEAP Statute Section 2604(a)

(a) (1) (A) Except as provided in subparagraph (B), the Secretary shall, from that percentage of the amount appropriated under section 2602(b) for each fiscal year which is remaining after reserving any amount permitted to be reserved under section 2609A and after the amount of allotments for such fiscal year under subsection (b)(1) is determined by the Secretary, allot to each State an amount equal to such remaining percentage multiplied by the State's allotment percentage.

(B) From the sums appropriated therefor after reserving any amount permitted to be reserved under section 2609A, if for any period a State has a plan which is described in section 2605(c)(1), the Secretary shall pay to such State an amount equal to 100 percent of the expenditures of such State made during such period in carrying out such plan, including administrative costs (subject to the provisions of section 2605(b)(9)(B)), with respect to households described in section 2605(b)(2).

(2) For purposes of paragraph (1), for fiscal year 1985 and thereafter, a State's allotment percentage is the percentage which expenditures for home energy by low-income households in that State bears to such expenditures in all States, except that States which thereby receive the greatest proportional increase in allotments by reason of the application of this paragraph from the amount they received pursuant to Public Law 98-139 shall have their allotments reduced to the extent necessary to ensure that--

(A)(i) no State for fiscal year 1985 shall receive less than the amount of funds the State received in fiscal year 1984; and

(ii) no State for fiscal year 1986 and thereafter shall receive less than the amount of funds the State would have received in fiscal year 1984 if the appropriations for this title for fiscal year 1984 had been \$1,975,000,000, and

(B) any State whose allotment percentage out of funds available to States from a total appropriation of \$2,250,000,000 would be less than 1 percent, shall not, in any year when total appropriations equal or exceed \$2,250,000,000, have its allotment percentage reduced from the percentage it would receive from a total appropriation of \$2,140,000,000.

(3) If the sums appropriated for any fiscal year for making grants under this title are not sufficient to pay in full the total amount allocated to a State under paragraph (1) for such fiscal year, the amount which all States will receive under this title for such fiscal year shall be ratably reduced.

(4) For the purpose of this section, the Secretary shall determine the expenditure for home energy by low-income households on the basis of the most recent satisfactory data available to the Secretary.

Territory Allotments

[**Back to Table of Content*](#)

LIHEAP Statute Section 2604(b)

(b)(1) The Secretary shall apportion not less than one-tenth of 1 percent, and not more than one-half of 1 percent, of the amounts appropriated for each fiscal year to carry out this title on the basis of need among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands. The Secretary shall determine the total amount to be apportioned under this paragraph for any fiscal year (which shall not exceed one-half of 1 percent) after evaluating the extent to which each jurisdiction specified in the preceding sentence requires assistance under this paragraph for the fiscal year involved.

Tribal Allotments

[**Back to Table of Content*](#)

LIHEAP Statute Section 2604(d)

(d)(1) If, with respect to any State, the Secretary--

(A) receives a request from the governing organization of an Indian tribe within the State that assistance under this title be made directly to such organization; and

(B) determines that the members of such tribe would be better served by means of grants made directly to provide benefits under this title; the Secretary shall reserve from amounts which would otherwise be payable to such State from amounts allotted to it under this title for the fiscal year involved the amount determined under paragraph (2).

(2) The amount determined under this paragraph for a fiscal year is the amount which bears the same ratio to the amount which would (but for this subsection) be allotted to such State under this title for such fiscal year (other than by reason of section 2607(b)(2)) as the number of Indian households described in subparagraphs (A) and (B) of section 2605(b)(2) and residing within the State on the reservation of the tribes or on trust lands adjacent to such reservation bears to the number of all households described in subparagraphs (A) and (B) of section 2605(b)(2) in such State, or such greater amount as the Indian tribe and the State may agree upon. In cases where a tribe has no reservation, the Secretary, in consultation with the tribe and the State, shall define the number of Indian households for the determination under this paragraph.

(3) The sums reserved by the Secretary on the basis of a determination under this subsection shall be granted to--

(A) the tribal organization serving the individuals for whom such a determination has been made; or

(B) in any case where there is no tribal organization serving an individual for whom such a determination has been made, such other entity as the Secretary determines has the capacity to provide assistance pursuant to this title.

(4) In order for a tribal organization or other entity to be eligible for an amount under this subsection for a fiscal year, it shall submit to the Secretary a plan (in lieu of being under the State's plan) for such fiscal year which meet[s] such criteria as the Secretary may by regulations prescribe.

Applications for Grants

[*Back to Table of Content](#)

Annual Application Required Signed by CEO

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(a)(1)

(a)(1) Each State desiring to receive an allotment for any fiscal year under this title shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall contain assurances by the chief executive officer of the State that the State will meet the conditions enumerated in subsection (b).

Mandatory Public Hearing

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(a)(2)

(a)(2) After the expiration of the first fiscal year for which a State receives funds under this title, no funds shall be allotted to such State for any fiscal year under this title unless such State conduct[s] public hearings with respect to the proposed use and distribution of funds to be provided under this title for such fiscal year.

Annual Application Contains Certification to Assurances

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(b)

(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees to--

Application Format

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)

(c)(1) As part of the annual application required in subsection (a), the chief executive officer of each State shall prepare and furnish to the Secretary, in such format as the Secretary may require, a plan which—

Eligibility and Criteria for Designating an Emergency

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(A)

(A) describes the eligibility requirements to be used by the State for each type of assistance to be provided under this title, including criteria for designating an emergency under section 2604(c);

Benefit Levels

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(B)

(B) describes the benefit levels to be used by the State for each type of assistance including assistance to be provided for emergency crisis intervention and for weatherization and other energy-related home repair;

Estimates on Use of Funds and Alternate Use of Crisis Funds

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(C)

(C) contains estimates of the amount of funds the State will use for each of the programs under such plan and describes the alternative use of funds reserved under section 2604(c) in the event any portion of the amount so reserved is not expended for emergencies;

Weatherization and Other Energy Home Repair—Use of DOE Rules

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(D)

(D) describes weatherization and other energy-related home repair the State will provide under subsection (k), including any steps the State will take to address the weatherization and energy-related home repair needs of households that have high home energy burdens, and describes any rules promulgated by the Department of Energy for administration of its Low Income Weatherization Assistance Program which the State, to the extent permitted by the Secretary to increase consistency between federally assisted programs, will follow regarding the use of funds provided under this title by the State for such weatherization and energy-related home repairs and improvements;

Any Steps to Target Assistance

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(E)

(E) describes any steps that will be taken (in addition to those necessary to carry out the assurance contained in paragraph (5) of subsection (b)) to target assistance to households with high home energy burdens;

Descriptions for Specific Assurances

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(F)

(F) describes how the State will carry out assurances in clauses (3), (4), (5), (6), (7), (8), (10), (12), (13), and (15) of subsection (b);

Household Data

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(G)

(G) states, with respect to the 12-month period specified by the Secretary, the number and income levels of households which apply and the number which are assisted with funds provided under this title, and the number of households so assisted with--

(i) one or more members who had attained 60 years of age;

(ii) one or more members who were disabled; and

(iii) one or more young children; and

Other Information Required by Secretary—May Amend Plan

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(H)

(H) contains any other information determined by the Secretary to be appropriate for purposes of this title. The chief executive officer may revise any plan prepared under this paragraph and shall furnish the revised plan to the Secretary.

Plans and Substantial Revisions must have Timely and Meaningful Public Review

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(2)

(2) Each plan prepared under paragraph (1) and each substantial revision thereof shall be made available for public inspection within the State involved in such a manner as will facilitate timely and meaningful review of, and comment upon, such plan or substantial revision.

Optional Model Plan Provided on April 1

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(3)

(3) Not later than April 1 of each fiscal year the Secretary shall make available to the States a model State plan format that may be used, at the option of each State, to prepare the plan required under paragraph (1) for the next fiscal year.

Due Date and Late Applications

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.10(c) and (d)

(c) Effective beginning in fiscal year 2001, submission dates for applications under the social service and low-income home energy assistance block grant programs are:

(2) for the low-income home energy assistance program, States and territories which make requests for funding from the Department must insure that their applications for a fiscal year are submitted by September 1 of the preceding fiscal year unless the Department agrees to a later date.

(d) Effective beginning in fiscal year 2001, for the low-income home energy assistance program, States and territories which make requests for funding from the Department must insure that all information necessary to complete their applications is received by December 15 of the fiscal year for which they are requesting funds unless the Department agrees to a later date.

Tribal Application, Due Dates and Late Applications

[*Back to Table of Content](#)

LIHEAP statute 2604(d)(4)

(4) In order for a tribal organization or other entity to be eligible for an amount under this subsection for a fiscal year, it shall submit to the Secretary a plan (in lieu of being under the State's plan) for such fiscal year which meet[s] such criteria as the Secretary may by regulations prescribe.

Block grant regulations at 45 CFR 96.48(d)

(d) The plan required by section 2604(d)(4) of the Reconciliation Act (42 U.S.C. 8623(d)(4)) shall contain the certification and information required for States under section 2605 (b) and (c) of that Act (42 U.S.C. 8624 (b) and (c)). An Indian tribe or tribal organization is not required to comply with section 2605(a)(2) of the Act (42 U.S.C. 8624(a)(2)).

Block grant regulations at 45 CFR 96.48(e)

(e) Where a tribe requests that the Secretary fund another entity to provide energy assistance for tribal members, as provided by section 2604(d)(3) of the Act (42 U.S.C. 8623(d)(3)), the Secretary shall consider the following factors in selecting the grantee: the ability of the other entity to provide low-income home energy assistance, existing tribal-State agreements as to the size and location of the service population, and the history of State services to the Indian people to be served by the other entity.

Block grant regulations at 45 CFR 96.42(e)

(e) Beginning with fiscal year 1983, any request by an Indian tribe or tribal organization for direct funding by the Secretary must be submitted to the Secretary, together with the required application and related materials, by September 1 proceeding the Federal

fiscal year for which funds are sought. A separate application is required for each block grant. After the September 1 deadline, tribal applications will be accepted only with the concurrence of the State (or States) in which the tribe or tribal organization is located.

Apportionment and Grant Award Authority

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.11

The Secretary will award the block grant funds allotted to the State in accordance with the apportionment of funds from the Office of Management and Budget. Such awards will reflect amounts reserved for Indian Tribes and Tribal Organizations and, in FY 1982, any amounts awarded by the Department under transition authorities. The grant award constitutes the authority to carry out the program and to draw and expend funds.

Appropriation

[*Back to Table of Content](#)

LIHEAP Statute Section 2602

(b) There are authorized to be appropriated to carry out the provisions of this title (other than section 2607A), \$2,000,000,000 for each of fiscal years 1995 through 1999, such sums as may be necessary for each of fiscal years 2000 and 2001, and \$2,000,000,000 for each of fiscal years 2002 through 2004. The authorizations of appropriations contained in this subsection are subject to the program year provisions of subsection (c).

(c) Amounts appropriated under this section for any fiscal year for programs and activities under this title shall be made available for obligation in the succeeding fiscal year.

(d)(1) There is authorized to be appropriated to carry out section 2607A, \$30,000,000 for each of fiscal years 1999 through 2004, except as provided in paragraph (2).

(2) For any of fiscal years 1999 through 2004 for which the amount appropriated under subsection (b) is not less than \$1,400,000,000, there is authorized to be appropriated \$50,000,000 to carry out section 2607A.

(e) There is authorized to be appropriated in each fiscal year for payments under this title, in addition to amounts appropriated for distribution to all the States in accordance with section 2604 (other than subsection (e) of such section), \$600,000,000 to meet the additional home energy assistance needs of one or more States arising from a natural disaster or other emergency. Funds appropriated pursuant to this subsection are hereby designated to be emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, except that such funds shall be made available only after the submission to Congress of a formal budget request by the President (for all or a part of the appropriation pursuant to this subsection) that includes a designation of the amount requested as an emergency requirement as defined in such Act.

Amendments

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(c)(1)(H)

(H) contains any other information determined by the Secretary to be appropriate for purposes of this title. The chief executive officer may revise any plan prepared under this paragraph and shall furnish the revised plan to the Secretary.

LIHEAP Statute Section 2605(c)(2)

(2) Each plan prepared under paragraph (1) and each substantial revision thereof shall be made available for public inspection within the State involved in such a manner as will facilitate timely and meaningful review of, and comment upon, such plan or substantial revision.

Assurances

[**Back to Table of Content*](#)

Applicability

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.84(b)

(b) Applicability of assurances. The assurances in section 2605(b) of Public Law 97-35 (42 U.S.C. 8624(b)), as amended, pertain to all forms of assistance provided by the grantee, with the exception of assurance 15, which applies to heating, cooling, and energy crisis intervention assistance.

LIHEAP Statute 2605(b)

(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees to--

Assurance 1—Use of Funds

[**Back to Table of Content*](#)

LIHEAP Statute 2605(b)(1)

(1) use the funds available under this title to--

(A) conduct outreach activities and provide assistance to low income households in meeting their home energy costs, particularly those with the lowest incomes that pay a high proportion of household income for home energy, consistent with paragraph (5);

(B) intervene in energy crisis situations;

(C) provide low-cost residential weatherization and other cost-effective energy-related home repair; and

(D) plan, develop, and administer the State's program under this title including leveraging programs, and the State agrees not to use such funds for any purposes other than those specified in this title;

Assurance 2—Eligibility

[**Back to Table of Content*](#)

LIHEAP Statute 2605(b)(2)

(2) make payments under this title only with respect to--

(A) households in which 1 or more individuals are receiving--

- (i) assistance under the State program funded under part A of title IV of the Social Security Act;
 - (ii) supplemental security income payments under title XVI of the Social Security Act;
 - (iii) food stamps under the Food Stamp Act of 1977; or
 - (iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or
- (B) households with incomes which do not exceed the greater of--
- (i) an amount equal to 150 percent of the poverty level for such State; or
 - (ii) an amount equal to 60 percent of the State median income; except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income;

Assurance 3—Outreach

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(3)

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or disabled individuals, or both, and households with high home energy burdens, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

Assurance 4—Coordination

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(4)

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out

programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

Assurance 5—Varying Benefits

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(5)

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses (2)(A) and (2)(B) of this subsection;

Assurance 6—Local Agencies

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(6)

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, to give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that--

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

Assurance 7—Vendor Payments

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(7)

(7) if the State chooses to pay home energy suppliers directly, establish procedures to--

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated adversely because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) ensure that the provision of vendored payments remains at the option of the State in consultation with local grantees and may be contingent on unregulated vendors taking appropriate measures to alleviate the energy burdens of eligible households, including providing for agreements between suppliers and individuals eligible for benefits under this Act that seek to reduce home energy costs, minimize the risks of home energy crisis, and encourage regular payments by individuals receiving financial assistance for home energy costs;

Assurance 8—Renters

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(8)

(8) provide assurances that

(A) the State will not exclude households described in clause (2)(B) of this subsection from receiving home energy assistance benefits under clause (2), and

(B) the State will treat owners and renters equitably under the program assisted under this title;

Assurance 9—Admin Costs

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(9)

(9) provide that--

(A) the State may use for planning and administering the use of funds under this title an amount not to exceed 10 percent of the funds payable to such State under this title for a fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining cost (except for the costs of the activities described in paragraph (16));

Assurance 10—Monitoring, Fiscal Control, Accounting, Single Audit Act

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(10)

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursement of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the "Single Audit Act");

Assurance 11—Cooperate with Federal Investigations

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(11)

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

Assurance 12—Public Participation

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(12)

(12) provide for timely and meaningful public participation in the development of the plan described in subsection (c);

Assurance 13—Fair Administrative Hearing

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(13)

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness;

Assurance 14—Cooperate with Data Collection and Reporting

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(14)

(14) cooperate with the Secretary with respect to data collecting and reporting under section 2610;

Assurance 15—Preference in Awarding Grants for Outreach and Intake

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(15)

(15) beginning in fiscal year 1992, provide, in addition to such services as may be offered by State Departments of Public Welfare at the local level, outreach and intake functions for crisis situations and heating and cooling assistance that is administered by additional State and local governmental entities or community-based organizations (such as community action agencies, area agencies on aging, and not-for-profit neighborhood-based organizations), and in States where such organizations do not administer intake functions as of September 30, 1991, preference in awarding grants or contracts for intake services shall be provided to those agencies that administer the low-income weatherization or energy crisis intervention programs; and

Exemption

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.86

The requirement in section 2605(b)(15) of Public Law 97-35 (42 U.S.C. 8624(b)(15)), as amended by section 704(a)(4) of the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501)--concerning additional outreach and intake services--does not apply to:

- (a) Indian tribes and tribal organizations; and
- (b) Territories whose annual LIHEAP allotments under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) are \$200,000 or less.

Assurance 16—Efforts to Reduce Home Energy Needs

[*Back to Table of Content](#)

LIHEAP Statute 2605(b)(16)

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.

Audit

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(e)

(e) Each State shall, in carrying out the requirements of subsection (b)(10), obtain financial and compliance audits of any funds which the State receives under this title. Such audits shall be made public within the State on a timely basis. The audits shall be conducted in accordance with chapter 75 of title 31, United States Code.

Single Audit Act

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.16(e)

(e) The audit provisions of 31 U.S.C. 7305 have, in most cases, been overridden by the Single Audit Act. Pub. L. 98-502, 31 U.S.C. 75, et seq., and do not apply to the block grants. Pursuant to Sec. 96.31(b)(2), certain entities may, however, elect to conduct audits under the block grant audit provisions. For entities making this election, the provisions of 31 U.S.C. 7305 apply to the community services block grant.

Block grant regulations at 45 CFR 96.31(a)

(a) Basic rule. Grantees and subgrantees are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations." The audits shall be made by an independent auditor in accordance with generally accepted Government auditing standards covering financial audits.

Audit of Subgrantees

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.31(b)

(b) Subgrantees. State or local governments, as those terms are defined for purposes of the Single Audit Act Amendments of 1996, that provide Federal awards to a subgrantee, expending \$300,000 or more (or other amount as specified by OMB) in Federal awards in a fiscal year, shall:

(1) Determine whether subgrantees have met the audit requirements of the Act. Commercial contractors (private for-profit and private and governmental organizations) providing goods and services to State and local governments are not required to have a single audit performed. State and local governments should use their own procedures to ensure that the contractor has complied with laws and regulations affecting the expenditure of Federal funds;

- (2) Determine whether the subgrantee spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subgrantee made in accordance with the Act or through other means (e.g., program reviews) if the subgrantee has not had such an audit;
- (3) Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with Federal laws and regulations;
- (4) Consider whether subgrantee audits necessitate adjustment of the grantee's own records; and
- (5) Require each subgrantee to permit independent auditors to have access to the records and financial statements.

Tribal Audits

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.42(d)

(d) The audit required under the block grant programs shall be conducted by an entity that is independent of the Indian tribe or tribal organization receiving grant funds from the Secretary.

Authorization to Provide Grants Primarily for Immediate Home Energy Costs

[**Back to Table of Content*](#)

LIHEAP Statute Section 2602(a)

(a) The Secretary is authorized to make grants, in accordance with the provisions of this title, to States to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for home energy, primarily in meeting their immediate home energy needs.

Secretary's Authorization and Grant Award Authority

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.11

The Secretary will award the block grant funds allotted to the State in accordance with the apportionment of funds from the Office of Management and Budget. Such awards will reflect amounts reserved for Indian Tribes and Tribal Organizations and, in FY 1982, any amounts awarded by the Department under transition authorities. The grant award constitutes the authority to carry out the program and to draw and expend funds.

Benefit Levels

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(b)(5)

(5) provide, in a timely manner, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size, except that the State may not differentiate in implementing this section between the households described in clauses (2)(A) and (2)(B) of this subsection;

LIHEAP Statute Section 2605(c)(1)(B)

(B) describes the benefit levels to be used by the State for each type of assistance including assistance to be provided for emergency crisis intervention and for weatherization and other energy-related home repair;

Carryover and Reallotment

[*Back to Table of Content](#)

Notify HHS of Reallotment and Carryover Amounts

[*Back to Table of Content](#)

LIHEAP Statute Section 2607(a)(2)

(2) Each State shall notify the Secretary, not later than 2 months prior to the close of a fiscal year, of the amount (if any) of its allotment for such year that will not be obligated in such year, and, if such State elects to submit a request described in subsection (b)(2), such State shall submit such request at the same time. The Secretary shall make no payment under paragraph (1) to a State for a fiscal year unless the State has complied with this paragraph with respect to the prior fiscal year.

Reallotment Procedures

[*Back to Table of Content](#)

LIHEAP Statute Section 2607(b)(1)

(b)(1) If--

(A) the Secretary determines that, as of September 1 of any fiscal year, an amount allotted to a State under section 2604 for any fiscal year will not be used by such State during such fiscal year;

(B) the Secretary--

(i) notifies the chief executive officer of such State; and

(ii) publishes a timely notice in the Federal Register; that, after the 30-day period beginning on the date of the notice to such chief executive officer, such amount may be reallotted; and

(C) the State does not request, under paragraph (2), that such amount be held available for such State for the following fiscal year; then such amount shall be treated by the Secretary for purposes of this title as an amount appropriated for the following fiscal year to be allotted under section 2604 for such following fiscal year.

Carryover Request

[*Back to Table of Content](#)

LIHEAP Statute Section 2607(b)(2)(A)

(2)(A) Any State may request that an amount allotted to such State for a fiscal year be held available for such State for the following fiscal year. Such request shall include a statement of the reasons that the amount allotted to such State for a fiscal year will not be used by such State during such fiscal year and a description of the types of

assistance to be provided with the amount held available for the following fiscal year. Any amount so held available for the following fiscal year shall not be taken into account in computing the allotment of or the amount payable to such State for such fiscal year under this title.

(B) No amount may be held available under this paragraph for a State from a prior fiscal year to the extent such amount exceeds 10 percent of the amount payable to such State for such prior fiscal year. For purposes of the preceding sentence, the amount payable to a State for a fiscal year shall be determined without regard to any amount held available under this paragraph for such State for such fiscal year from the prior fiscal year.

Release of Reallotted Funds

[*Back to Table of Content](#)

LIHEAP Statute Section 2607(b)(2)(c)

(C) The Secretary shall reallocate amounts made available under this paragraph for the fiscal year following the fiscal year of the original allotment in accordance with paragraph (1) of this subsection.

Reallotment Comment Period and Final Decision

[*Back to Table of Content](#)

LIHEAP Statute Section 2607(b)(3)

(3) During the 30-day period described in paragraph (1)(B), comments may be submitted to the Secretary. After considering such comments, the Secretary shall notify the chief executive officer of the State of any decision to reallocate funds, and shall publish such decision in the Federal Register.

Carryover Report

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.81

(a) Scope. Pursuant to section 2607(b) of Public Law 97-35 (42 U.S.C. 8626(b)), this section concerns procedures relating to carryover and reallocation of regular LIHEAP block grant funds authorized under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)).

(b) Required carryover and reallocation report. Each grantee must submit a report to the Department by August 1 of each year, containing the information in paragraphs (b)(1) through (b)(4) of this section. The Department shall make no payment to a grantee for a fiscal year unless the grantee has complied with this paragraph with respect to the prior fiscal year.

(1) The amount of funds that the grantee requests to hold available for obligation in the next (following) fiscal year, not to exceed 10 percent of the funds payable to the grantee;

- (2) A statement of the reasons that this amount to remain available will not be used in the fiscal year for which it was allotted;
- (3) A description of the types of assistance to be provided with the amount held available; and
- (4) The amount of funds, if any, to be subject to reallocation.

(c) Conditions for reallocation. If the total amount available for reallocation for a fiscal year is less than \$25,000, the Department will not reallocate such amount. If the total amount available for reallocation for a fiscal year is \$25,000 or more, the Department will reallocate such amount, except that the Department will not award less than \$25 in reallocated funds to a grantee.

Chief Executive Officer Signature

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(a)

(a)(1) Each State desiring to receive an allotment for any fiscal year under this title shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall contain assurances by the chief executive officer of the State that the State will meet the conditions enumerated in subsection (b).

Block grant regulations at 45 CFR 96.10(b)

(b) The certifications required by the community services, primary care, preventive health and health services, alcohol and drug abuse and mental health services, and low-income home energy assistance block grant statutes to be made by the State's chief executive officer must be made by that individual personally, or by an individual authorized to make such certifications on behalf of the chief executive officer.

Complaints

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.50

(a) This section applies to any complaint (other than a complaint alleging violation of the nondiscrimination provisions) that a State has failed to use its allotment under a block grant in accordance with the terms of the act establishing the block grant or the certifications and assurances made by the State pursuant to that act. The Secretary is not required to consider a complaint unless it is submitted as required by this section.

Criteria for a Formal Complaint

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.50(b)

(b) Complaints with respect to the health block grants must be submitted in writing to either the Assistant Secretary for Health or: For the preventive health and health services block grant, the Director, Centers for Disease Control; for the alcohol and drug abuse and mental health services block grant, the Administrator, Alcohol, Drug Abuse, and Mental Health Administration; for the maternal and child health services block grant, the Administrator, Health Resources and Services Administration. Complaints with respect to the social services block grant must be submitted in writing to the Assistant Secretary for Human Development Services. Complaints with respect to the low-income home energy assistance program and the community services block grant must be submitted in writing to the Director, Office of Community Services. (The address for the Director, Center for Disease Control is 1600 Clifton Road, NE., Atlanta, Georgia 30333. For each of the other officials cited above the address is 200 Independence Avenue SW., Washington, DC 20201.) The complaint must identify the provision of the act, assurance, or certification that was allegedly violated; must specify the basis for the violations it charges; and must include all relevant information known to the person submitting it.

(c) The Department shall promptly furnish a copy of any complaint to the affected State. Any comments received from the State within 60 days (or such longer period as may be agreed upon between the State and the Department) shall be considered by the Department in responding to the complaint. The Department will conduct an investigation of complaints where appropriate.

(d) The Department will provide a written response to complaints within 180 days after receipt. If a final resolution cannot be provided at that time, the response will state the reasons why additional time is necessary. Under the low-income home energy assistance program, within 60 days after receipt of complaints, the Department will provide a written response to the complainant, stating the actions that it has taken to date and, if the complaint has not yet been fully resolved, the timetable for final resolution of the complaint.

(e) The Department recognizes that under the block grant programs the States are primarily responsible for interpreting the governing statutory provisions. As a result, various States may reach different interpretations of the same statutory provisions. This circumstance is consistent with the intent of and statutory authority for the block grant programs. In resolving any issue raised by a complaint or a Federal audit the Department will defer to a State's interpretation of its assurances and of the provisions of the block grant statutes unless the interpretation is clearly erroneous. In any event, the Department will provide copies of complaints to the independent entity responsible for auditing the State's activities under the block grant program involved. Any determination by the Department that a State's interpretation is not clearly erroneous shall not preclude or otherwise prejudice the State auditors' consideration of the question.

Definition of Serious Complaint

[**Back to Table of Content*](#)

LIHEAP Statute Section 2608(a)(2)

...For purposes of this paragraph, a violation of any one of the assurances contained in section 2605(b) that constitutes a disregard of such assurance shall be considered a serious complaint.

Timeframe

[**Back to Table of Content*](#)

LIHEAP Statute Section 2608(a)(2)

(2) The Secretary shall respond in writing in no more than 60 days to matters raised in complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this title or the assurances provided by the State under section 2605...

Hearings

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.51

(a) The Department will order a State to repay amounts found not to have been expended in accordance with law of the certifications provided by the State only after the Department has provided the State notice of the order and an opportunity for a hearing. Opportunity for a hearing will not be provided, however, when the State, in resolving audit findings or at another time, has agreed that the amounts were not expended in accordance with law or the certifications. The hearing will be governed by Subpart F of this part and will be held in the State if required by statute.

(b) If a State refuses to repay amounts after a final decision that is not subject to further review in the Department, the amounts may be offset against payments to the State. If a statute requires an opportunity for a hearing before such an offset may be made, the hearing will be governed by Subpart F of this part and will be held in the State if required by statute.

(c) The Department will withhold funds from a State only if the Department has provided the State an opportunity for a hearing. The hearing will be governed by Subpart F of this part and will be held in the State if required by statute.

Appeals

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.51

(a) Decisions resulting from repayment hearings held pursuant to Sec. 96.51(a) of this part may be appealed by either the State or the Department to the Grant Appeals Board.

(b) Decisions resulting from offset hearings held pursuant to Sec. 96.51(b) of this part may not be appealed.

(c) Decisions resulting from withholding hearings held pursuant to Sec. 96.51(c) of this part may be appealed to the Secretary by the State or the Department as follows:

(1) An application for appeal must be received by the Secretary no later than 60 days after the appealing party receives a copy of the presiding officer's decision. The application shall clearly identify the questions for which review is sought and shall explain fully the party's position with respect to those questions. A copy shall be furnished to the other party.

(2) The Secretary may permit the filing of opposing briefs, hold informal conferences, or take whatever other steps the Secretary finds appropriate to decide the appeal.

(3) The Secretary may refer an application for appeal to the Grant Appeals Board. Notwithstanding Part 16 of this title, in the event of such a referral, the Board shall issue a recommended decision that will not become final until affirmed, reversed, or modified by the Secretary.

(d) Any appeal to the Grant Appeals Board under this section shall be governed by Part 16 of this title except that the Board shall not hold a hearing. The Board shall accept any findings with respect to credibility of witnesses made by the presiding officer. The Board may otherwise review and supplement the record as provided for in Part 16 of this title and decide the issues raised.

Hearing Process

[*Back to Table of Content](#)

Initiation

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.61

(a) A hearing is initiated by a notice of opportunity for hearing from the Department. The notice will:

- (1) Be sent by mail, telegram, telex, personal delivery, or any other mode of written communication;
- (2) Specify the facts and the action that are the subject of the opportunity for a hearing;
- (3) State that the notice of opportunity for hearing and the hearing are governed by these rules; and
- (4) State the time within which a hearing may be requested, and state the name, address, and telephone number of the Department employee to whom any request for hearing is to be addressed.

(b) A State offered an opportunity for a hearing has the amount of time specified in the notice, which may not be less than 10 days after receipt of the notice, within which to request a hearing. The request may be filed by mail, telegram, telex, personal delivery, or any other mode of written communication, addressed to the designated Department employee. If no response is filed within that time, the offer is deemed to have been refused and no hearing will be held.

(c) If a hearing is requested, the Department will designate a presiding officer, and (subject to Sec. 96.51 of this part) the hearing will take place at a time and location agreed upon by the State requesting the hearing, the Department, and the presiding officer or, if agreement cannot be reached, at a reasonable time and location designated by the presiding officer.

Presiding Officer

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.62

(a) A Department employee to whom the Secretary delegates such authority, or any other agency employee designated by an employee to whom such authority is delegated, may serve as the presiding officer and conduct a hearing under this subpart.

(b) The presiding officer is to be free from bias or prejudice and may not have participated in the investigation or action that is the subject of the hearing or be subordinate to a person, other than the Secretary, who has participated in such investigation or action.

(c) The Secretary is not precluded by this section from prior participation in the investigation or action that is the subject of the hearing.

(d) A different presiding officer may be substituted for the one originally designated under Sec. 96.61 of this part without notice to the parties.

Communication to Presiding Officer

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.63

(a) Those persons who are directly involved in the investigation or presentation of the position of the Department or any party at a hearing that is subject to this subpart should avoid any off-the-record communication on the matter to the presiding officer or his advisers if the communication is inconsistent with the requirement of Sec. 96.68 of this part that the administrative record be the exclusive record for decision. If any communication of this type occurs, it is to be reduced to writing and made part of the record, and the other party provided an opportunity to respond.

(b) A copy of any communications between a participant in the hearing and the presiding officer, e.g., a response by the presiding officer to a request for a change in the time of the hearing is to be sent to all parties by the person initiating the communication.

Intervention

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.64

Participation as parties in the hearing by persons other than the State and the Department is not permitted.

Discovery

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.65

The use of interrogatories, depositions, and other forms of discovery shall not be allowed.

Hearing Procedure

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.66

(a) A hearing is public, except when the Secretary or the presiding officer determines that all or part of a hearing should be closed to prevent a clearly unwarranted invasion of personal privacy (such as disclosure of information in medical records that would identify patients), to prevent the disclosure of a trade secret or confidential commercial or financial information, or to protect investigatory records compiled for law enforcement purposes that are not available for public disclosure.

(b) A hearing will be conducted by the presiding officer. Employees of the Department will first give a full and complete statement of the action which is the subject of the hearing, together with the information and reasons supporting it, and may present any oral or written information relevant to the hearing. The State may then present any oral or written information relevant to the hearing. Both parties may confront and conduct reasonable cross-examination of any person (except for the presiding officer and counsel for the parties) who makes any statement on the matter at the hearing.

(c) The hearing is informal in nature, and the rules of evidence do not apply. No motions or objections relating to the admissibility of information and views will be made or considered, but either party may comment upon or rebut all such data, information, and views.

(d) The presiding officer may order the hearing to be transcribed. The State may have the hearing transcribed, at the State's expense, in which case a copy of the transcript is to be furnished to the Department at the Department's expense.

(e) The presiding officer may, if appropriate, allow for the submission of post-hearing briefs. The presiding officer shall prepare a written decision, which shall be based on a preponderance of the evidence, shall include a statement of reasons for the decision, and shall be final unless appealed pursuant to Sec. 96.52 of this part. If post-hearing briefs were not permitted, the parties to the hearing will be given the opportunity to review and comment on the presiding officer's decision prior to its being issued.

(f) The presiding officer shall include as part of the decision a finding on the credibility of witnesses (other than expert witnesses) whenever credibility is a material issue.

(g) The presiding officer shall furnish a copy of the decision to the parties.

(h) The presiding officer has the power to take such actions and make such rulings as are necessary or appropriate to maintain order and to conduct a fair, expeditious, and impartial hearing, and to enforce the requirements of this subpart concerning the conduct of hearings. The presiding officer may direct that the hearing be conducted in any suitable manner permitted by law and these regulations.

(i) The Secretary or the presiding officer has the power to suspend, modify, or waive any provision of this subpart.

Right to Counsel

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.67

Any party to a hearing under this part has the right at all times to be advised and accompanied by counsel.

Administrative Record of a Hearing

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.68

(a) The exclusive administrative record of the hearing consists of the following:

- (1) The notice of opportunity for hearing and the response.
- (2) All written information and views submitted to the presiding officer at the hearing or after if specifically permitted by the presiding officer.
- (3) Any transcript of the hearing.
- (4) The presiding officer's decision and any briefs or comments on the decision under Sec. 96.66(e) of this part.
- (5) All letters or communications between participants and the presiding officer or the Secretary referred to in Sec. 96.63 of this part.

(b) The record of the hearing is closed to the submission of information and views at the close of the hearing, unless the presiding officer specifically permits additional time for a further submission.

Compliance Review

[**Back to Table of Content*](#)

LIHEAP Statute 2608(b)

(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this title in order to evaluate compliance with the provisions of this title.

(2) Whenever the Secretary determines that there is a pattern of complaints from any State in any fiscal year, the Secretary shall conduct an investigation of the use of funds received under this title by such State in order to ensure compliance with the provisions of this title.

(3) The Comptroller General of the United States may conduct an investigation of the use of funds received under this title by a State in order to ensure compliance with the provisions of this title.

(c) Pursuant to an investigation conducted under subsection (b), a State shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

(d) In conducting any investigation under subsection (b), the Secretary may not request any information not readily available to such State or require that any information be compiled, collected, or transmitted in any new form not already available.

Comptroller General's Evaluation

[**Back to Table of Content*](#)

LIHEAP Section 2608(b)(3)

(3) The Comptroller General of the United States may conduct an investigation of the use of funds received under this title by a State in order to ensure compliance with the provisions of this title.

LIHEAP Section 2605(h)

(h) The Comptroller General of the United States shall, from time to time (but not less frequently than every three years), evaluate the expenditures by States of grants under this title in order to assure that expenditures are consistent with the provisions of this title and to determine the effectiveness of the State in accomplishing the purposes of this title.

Congressional Notification

[**Back to Table of Content*](#)

LIHEAP Statute Section 2604(e)

Not later than 30 days after making the determination, but prior to releasing an allotted amount to a State, the Secretary shall notify Congress of the allotments made pursuant to this subsection. [Related to contingency funds.]

Construction

[**Back to Table of Content*](#)

LIHEAP Statute Section 2609

Grants made under this title may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this title, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

Contingency Funds

[**Back to Table of Content*](#)

Amount Authorized

[**Back to Table of Content*](#)

LIHEAP Statute Section 2602(e)

(e) There is authorized to be appropriated in each fiscal year for payments under this title, in addition to amounts appropriated for distribution to all the States in accordance with section 2604 (other than subsection (e) of such section), \$600,000,000 to meet the additional home energy assistance needs of one or more States arising from a natural disaster or other emergency. Funds appropriated pursuant to this subsection are hereby designated to be emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, except that such funds shall be made available only after the submission to Congress of a formal budget request by the President (for all or a part of the appropriation pursuant to this subsection) that includes a designation of the amount requested as an emergency requirement as defined in such Act.

Secretary Makes Determination and Notifies Congress

[**Back to Table of Content*](#)

LIHEAP Statute Section 2604(e)

(e) Notwithstanding subsections (a) through (d), the Secretary may allot amounts appropriated pursuant to section 2602(e) to one or more than one State. In determining whether to make such an allotment to a State, the Secretary shall take into account the extent to which the State was affected by the natural disaster or other emergency involved, the availability to the State of other resources under the program carried out under this title or any other program, and such other factors as the Secretary may find to be relevant. Not later than 30 days after making the determination, but prior to releasing an allotted amount to a State, the Secretary shall notify Congress of the allotments made pursuant to this subsection.

Crisis Assistance

[*Back to Table of Content](#)

Definition of Energy Crisis

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(3)

(3) The term "energy crisis" means weather-related and supply shortage emergencies and other household energy-related emergencies.

Funds Reserved for Energy Crisis Intervention until March 15

[*Back to Table of Content](#)

LIHEAP Statute Section 2604(c)

(c) Of the funds available to each State under subsection (a), a reasonable amount based on data from prior years shall be reserved until March 15 of each program year by each State for energy crisis intervention. The program for which funds are reserved by this subsection shall be administered by public or nonprofit entities which have experience in administering energy crisis programs under the Low-Income Energy Assistance Act of 1980 or under this Act, experience in assisting low-income individuals in the area to be served, the capacity to undertake a timely and effective energy crisis intervention program, and the ability to carry out the program in local communities. The program for which funds are reserved under this subsection shall—

Time Limits

[*Back to Table of Content](#)

LIHEAP Statute Section 2604(c)(1) and (2)

(1) not later than 48 hours after a household applies for energy crisis benefits, provide some form of assistance that will resolve the energy crisis if such household is eligible to receive such benefits;

(2) not later than 18 hours after a household applies for crisis benefits, provide some form of assistance that will resolve the energy crisis if such household is eligible to receive such benefits and is in a life-threatening situation; and

Other Crisis Requirements

[*Back to Table of Content](#)

LIHEAP Statute Section 2604(c)(3)

(3) require each entity that administers such program--

(A) to accept applications for energy crisis benefits at sites that are geographically accessible to all households in the area to be served by such entity; and

- (B) to provide to low-income individuals who are physically infirm the means--
- (i) to submit applications for energy crisis benefits without leaving their residences; or
 - (ii) to travel to the sites at which such applications are accepted by such entity.

Waiving Crisis Requirements

[**Back to Table of Content*](#)

LIHEAP Statute Section 2604(c)

The preceding sentence shall not apply to a program in a geographical area affected by a natural disaster in the United States designated by the Secretary, or by a major disaster or emergency designated by the President under the Disaster Relief Act of 1974, for so long as such designation remains in effect, if the Secretary determines that such disaster or such emergency makes compliance with such sentence impracticable.

Exemptions

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.89

The performance standards in section 2604(c) of Pub. L. 97-35 (42 U.S.C. 8623), as amended by section 502(a) of the Human Services Reauthorization Act of 1986 (Pub. L. 99-425)--concerning provision of energy crisis assistance within specified time limits, acceptance of applications for energy crisis benefits at geographically accessible sites, and provision to physically infirm low-income persons of the means to apply for energy crisis benefits at their residences or to travel to application sites--shall not apply under the conditions described in this section.

(a) These standards shall not apply to a program in a geographical area affected by (1) a major disaster or emergency designated by the President under the Disaster Relief Act of 1974, or (2) a natural disaster identified by the chief executive officer of a State, territory, or direct-grant Indian tribe or tribal organization, if the Secretary (or his or her designee) determines that the disaster or emergency makes compliance with the standards impracticable.

(b) The Secretary's determination will be made after communication by the chief executive officer (or his or her designee) to the Secretary (or his or her designee) of the following:

- (1) Information substantiating the existence of a disaster or emergency;
- (2) Information substantiating the impracticability of compliance with the standards, including a description of the specific conditions caused by the disaster or emergency which make compliance impracticable; and

(3) Information on the expected duration of the conditions that make compliance impracticable.

If the communication is made by the chief executive officer's designee and the Department does not have on file written evidence of the designation, the communication must also include:

(4) Evidence of the appropriate delegation of authority.

(c) The initial communication by the chief executive officer may be oral or written. If oral, it must be followed as soon as possible by written communication confirming the information provided orally. The Secretary's exemption initially may be oral. If so, the Secretary will provide written confirmation of the exemption as soon as possible after receipt of appropriate written communication from the chief executive officer.

(d) Exemption from the standards shall apply from the moment of the Secretary's determination, only in the geographical area affected by the disaster or emergency, and only for so long as the Secretary determines that the disaster or emergency makes compliance with the standards impracticable.

Data Collection

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(G)

(G) states, with respect to the 12-month period specified by the Secretary, the number and income levels of households which apply and the number which are assisted with funds provided under this title, and the number of households so assisted with--

- (i) one or more members who had attained 60 years of age;
- (ii) one or more members who were disabled; and
- (iii) one or more young children;

LIHEAP Statute Section 2610(a)

(a) The Secretary, after consultation with the Secretary of Energy, shall provide for the collection of data, including--

- (1) information concerning home energy consumption;
- (2) the amount, cost and type of fuels used for households eligible for assistance under this title;
- (3) the type of fuel used by various income groups;
- (4) the number and income levels of households assisted by this title;
- (5) the number of households which received such assistance and include one or more individuals who are 60 years or older or disabled or include young children; and
- (6) any other information which the Secretary determines to be reasonably necessary to carry out the provisions of this title. Nothing in this subsection may be construed to require the Secretary to collect data which has been collected and made available to the Secretary by any other agency of the Federal Government.

(b) The Secretary shall, no later than June 30 of each fiscal year, submit a report to the Congress containing a detailed compilation of the data under subsection (a) with respect to the prior fiscal year, and a report that describes for the prior fiscal year--

- (1) the manner in which States carry out the requirements of clauses (2), (5), (8), and (15) of section 2605(b); and
- (2) the impact of each State's program on recipient and eligible households.

Definitions

[*Back to Table of Content](#)

LIHEAP Statute Section 2603

Emergency

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(1)

(1) The term "emergency" means--

- (A) a natural disaster;
- (B) a significant home energy supply shortage or disruption;
- (C) a significant increase in the cost of home energy, as determined by the Secretary;
- (D) a significant increase in home energy disconnections reported by a utility, a State regulatory agency, or another agency with necessary data;
- (E) a significant increase in participation in a public benefit program such as the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the national program to provide supplemental security income carried out under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) or the State temporary assistance for needy families program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), as determined by the head of the appropriate Federal agency;
- (F) a significant increase in unemployment, layoffs, or the number of households with an individual applying for unemployment benefits, as determined by the Secretary of Labor; or
- (G) an event meeting such criteria as the Secretary, in the discretion of the Secretary, may determine to be appropriate.

Energy Burden

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(2)

(2) The term "energy burden" means the expenditures of the household for home energy divided by the income of the household.

Energy Crisis

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(3)

(3) The term "energy crisis" means weather-related and supply shortage emergencies and other household energy-related emergencies.

Highest Home Energy Needs

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(4)

(4) The term "highest home energy needs" means the home energy requirements of a household determined by taking into account both the energy burden of such household and the unique situation of such household that results from having members of vulnerable populations, including very young children, individuals with disabilities, and frail older individuals.

Home Energy

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(6)

(6) The term "home energy" means a source of heating or cooling in residential dwellings.

Household

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(5)

(5) The term "household" means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent;.

Natural Disaster

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(7)

(7) The term "natural disaster" means a weather event (relating to cold or hot weather), flood, earthquake, tornado, hurricane, or ice storm, or an event meeting such other criteria as the Secretary, in the discretion of the Secretary, may determine to be appropriate.

Poverty Level

[*Back to Table of Content](#)

LIHEAP Statute Section 2603(8)

(8) The term "poverty level" means, with respect to a household in any State, the income poverty line as prescribed and revised at least annually pursuant to section 673(2) of the Community Services Block Grant Act, as applicable to such State.

Secretary

[**Back to Table of Content*](#)

LIHEAP Statute Section 2603(9)

(9) The term "Secretary" means the Secretary of Health and Human Services.

State

[**Back to Table of Content*](#)

LIHEAP Statute Section 2603(10)

(10) The term "State" means each of the several States and the District of Columbia.

Block grant regulations at 45 CFR 96.2(d)

(d) State includes the fifty States, the District of Columbia, and as appropriate with respect to each block grant, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and for purposes of the block grants administered by agencies of the Public Health Service, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

State Median Income

[**Back to Table of Content*](#)

LIHEAP Statute Section 2603(11)

(11) The term "State median income" means the State median income promulgated by the Secretary in accordance with procedures established under section 2002(a)(6) of the Social Security Act (as such procedures were in effect on the day before the date of the enactment of this Act) and adjusted, in accordance with regulations prescribed by the Secretary, to take into account the number of individuals in the household.

Tribe, State Recognition

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.48(a), (b), and (c)

(a) This section applies to direct funding of Indian tribes under the low-income home energy assistance program.

(b) The terms Indian tribe and tribal organization as used in the Reconciliation Act have the same meaning given such terms in section 4(b) and 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) except that the terms shall also include organized groups of Indians that the State in which they reside has expressly determined are Indian tribes or tribal organizations in accordance with State procedures for making such determinations.

(c) For purposes of section 2604(d) of the Act (42 U.S.C. 8623(d)), an organized group of Indians is eligible for direct funding based on State recognition if the State has expressly determined that the group is an Indian tribe. A statement by the State's chief executive officer verifying that a tribe is recognized by that State will also be sufficient to verify State recognition for the purpose of direct funding.

Discrimination

[**Back to Table of Content*](#)

LIHEAP Statute Section 2606

(a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 also shall apply to any such program or activity.

(b) Whenever the Secretary determines that a State that has received a payment under this title has failed to comply with subsection (a) or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable; or (3) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

Eligibility

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(b)(2)

(2) make payments under this title only with respect to--

(A) households in which 1 or more individuals are receiving--

(i) assistance under the State program funded under part A of title IV of the Social Security Act;

(ii) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or

(B) households with incomes which do not exceed the greater of--

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income; except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income;

SSI Recipients

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(i)

(i) A household which is described in subsection (b)(2)(A) solely by reason of clause (ii) thereof shall not be treated as a household described in subsection (b)(2) if the eligibility of the household is dependent upon--

(1) an individual whose annual supplemental security income benefit rate is reduced pursuant to section 1611(e)(1) of the Social Security Act by reason of being in an institution receiving payments under title XIX of the Social Security Act with respect to such individual;

(2) an individual to whom the reduction specified in section 1612(a)(2)(A)(i) of the Social Security Act applies; or

(3) a child described in section 1614(f)(2) of the Social Security Act who is living together with a parent, or the spouse of a parent, of the child.

Income Verification

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(j)

(j) In verifying income eligibility for purposes of subsection (b)(2)(B), the State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under subtitle B of title VI of this Act (relating to community services block grant program), under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act, or under other income assistance or service programs (as determined by the State).

(k)(1) Except as provided in paragraph (2), not more than 15 percent of the greater of--

(A) the funds allotted to a State under this title for any fiscal year; or

(B) the funds available to such State under this title for such fiscal year; may be used by the State for low-cost residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(2)(A) If a State receives a waiver granted under subparagraph (B) for a fiscal year, the State may use not more than the greater of 25 percent of--

(i) the funds allotted to a State under this title for such fiscal year; or

(ii) the funds available to such State under this title for such fiscal year; for residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(B) For purposes of subparagraph (A), the Secretary may grant a waiver to a State for a fiscal year if the State submits a written request to the Secretary after March 31 of such fiscal year and if the Secretary determines, after reviewing such request and any public comments, that--

(i)(I) the number of households in the State that will receive benefits, other than weatherization and energy-related home repair, under this title in such fiscal year will not be fewer than the number of households in the State that received benefits, other than weatherization and energy-related home repair, under this title in the preceding fiscal year;

(II) the aggregate amounts of benefits that will be received under this title by all households in the State in such fiscal year will not be less than the aggregate amount of such benefits that were received under this title by all households in the State in the preceding fiscal year; and

(III) such weatherization activities have been demonstrated to produce measurable savings in energy expenditures by low-income households; or

(ii) in accordance with rules issued by the Secretary, the State demonstrates good cause for failing to satisfy the requirements specified in clause (i).

Estimates of Funds

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(c)(1)(C)

(C) contains estimates of the amount of funds the State will use for each of the programs under such plan and describes the alternative use of funds reserved under section 2604(c) in the event any portion of the amount so reserved is not expended for emergencies;

Expenditure of Funds

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(d)

(d) The State shall expend funds in accordance with the State plan under this title or in accordance with revisions applicable to such plan.

Block grant regulations at 45 CFR 96.14(b)

(b) Expenditure. No limitations exist on the time for expenditure of block grant funds, except those imposed by statute with respect to the community services, maternal and child health services, and social services block grants.

Obligate and Expend Funds according to LIHEAP Law and Regulations, Grantee's Own Rules

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.30(a)

(a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

HUD Housing

[*Back to Table of Content](#)

Section 927 of the Housing and Community Development Act of 1992 (Public Law 102-550), as amended by Public Law 103-185 on December 14, 1993,

Section 927 of the Housing and Community Development Act of 1992 (Public Law 102-550), as amended by Public Law 103-185 on December 14, 1993, applies to treatment under the Low-Income Home Energy Assistance Program of certain households that receive utility allowances under programs administered by the U.S. Department of Housing and Urban Development.

Section 927. CLARIFICATION ON UTILITY ALLOWANCES

(a) ELIGIBILITY.--Tenants who--

(1) are responsible for making out-of-pocket payments for utility bills; and

(2) receive energy assistance through utility allowances that include energy costs under programs identified in subsection c; shall not have their eligibility or benefits under other programs designed to assist low-income people with increases in energy costs since 1978 reduced or eliminated except as provided in subsection (d).

(b) EQUAL TREATMENT IN BENEFIT PROGRAMS.--Tenants described in subsection (a) shall be treated identically with other households eligible for or receiving energy assistance, including in the determination of the home energy costs for which they are individually responsible and in the determination of their incomes for any program in which eligibility or benefits are based on need, except as provided in subsection (d).

(c) APPLICABILITY.--This section applies to programs under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, section 202 of the Housing Act of 1959, and title V of the Housing Act of 1949.

(d) SPECIAL RULE FOR LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM.--For purposes of the Low-Income Home Energy Assistance Program, tenants described in subsection (a)(2) who are responsible for paying some or all heating or cooling costs shall not have their eligibility automatically denied. A state may consider the amount of the heating or cooling component of utility allowances received by tenants described in subsection (a)(2) when setting benefit levels under the Low-Income Home Energy Assistance Program. The size of any reduction in Low-Income Home Energy [Assistance] Program benefits must be reasonably related to the amount of the heating or cooling component of the utility allowance received and must ensure that the highest level of assistance will be furnished to those households with the lowest incomes and the highest energy costs in relation to income, taking into account family size, in

compliance with section 2605(b)(5) of the Low-Income Home Energy Assistance Act of 1981

Income

[*Back to Table of Content](#)

LIHEAP Benefits Not Income

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(f)(1)

(f)(1) Notwithstanding any other provision of law unless enacted in express limitation of this paragraph, the amount of any home energy assistance payments or allowances provided directly to, or indirectly for the benefit of, an eligible house-hold under this title shall not be considered income or resources of such household (or any member thereof) for any purpose under any Federal or State law, including any law relating to taxation, food stamps, public assistance, or welfare programs.

LIHEAP Benefits Deemed Expended for Heating/Cooling for SNAP Clients

[*Back to Table of Content](#)

LIHEAP Statue Section 2605(f)(2)

(2) For purposes of paragraph (1) of this subsection and for purposes of determining any excess shelter expense deduction under section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e))--

(A) the full amount of such payments or allowances shall be deemed to be expended by such household for heating or cooling expenses, without regard to whether such payments or allowances are provided directly to, or indirectly for the benefit of, such household; and

(B) no distinction may be made among households on the basis of whether such payments or allowances are provided directly to, or indirectly for the benefit of, any of such households.

Verifying Income

[*Back to Table of Content](#)

LIHEAP Statue Section 2605

(j) In verifying income eligibility for purposes of subsection (b)(2)(B), the State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under subtitle B of title VI of this Act (relating to community services block grant program), under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of

1964 before the date of the enactment of this Act, or under other income assistance or service programs (as determined by the State).

(k)(1) Except as provided in paragraph (2), not more than 15 percent of the greater of--

(A) the funds allotted to a State under this title for any fiscal year; or

(B) the funds available to such State under this title for such fiscal year; may be used by the State for low-cost residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(2)(A) If a State receives a waiver granted under subparagraph (B) for a fiscal year, the State may use not more than the greater of 25 percent of--

(i) the funds allotted to a State under this title for such fiscal year; or

(ii) the funds available to such State under this title for such fiscal year; for residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(B) For purposes of subparagraph (A), the Secretary may grant a waiver to a State for a fiscal year if the State submits a written request to the Secretary after March 31 of such fiscal year and if the Secretary determines, after reviewing such request and any public comments, that--

(i)(I) the number of households in the State that will receive benefits, other than weatherization and energy-related home repair, under this title in such fiscal year will not be fewer than the number of households in the State that received benefits, other than weatherization and energy-related home repair, under this title in the preceding fiscal year;

(II) the aggregate amounts of benefits that will be received under this title by all households in the State in such fiscal year will not be less than the aggregate amount of such benefits that were received under this title by all households in the State in the preceding fiscal year; and

(III) such weatherization activities have been demonstrated to produce measurable savings in energy expenditures by low-income households; or

(ii) in accordance with rules issued by the Secretary, the State demonstrates good cause for failing to satisfy the requirements specified in clause (i).

[*Back to Table of Content](#)

Adjust to Most Recent Income Guidelines

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.85

(a) Application of poverty income guidelines and State median income estimates. In implementing the income eligibility standards in section 2605(b)(2) of Public Law 97-35 (42 U.S.C. 8624(b)(2)), grantees using the Federal government's official poverty income guidelines and State median income estimates for households as a basis for determining eligibility for assistance shall, by October 1 of each year, or by the beginning of the State fiscal year, whichever is later, adjust their income eligibility criteria so that they are in accord with the most recently published update of the guidelines or estimates. Grantees may adjust their income eligibility criteria to accord with the most recently published revision to the poverty income guidelines or State median income estimates for households at any time between the publication of the revision and the following October 1, or the beginning of the State fiscal year, whichever is later.

(b) Adjustment of annual median income for household size. In order to determine the State median income for households that have other than four individuals, grantees shall adjust the State median income figures (published annually by the Secretary), by the following percentages:

- (1) One-person household, 52 percent;
- (2) Two-person household, 68 percent;
- (3) Three-person household, 84 percent;
- (4) Four-person household, 100 percent;
- (5) Five-person household, 116 percent;
- (6) Six-person household, 132 percent; and
- (7) For each additional household member above six persons, add three percentage points to the percentage adjustment for a six-person household.

LIHEAP and the Energy Policy Act of 2005

[**Back to Table of Content*](#)

Below are the LIHEAP-related provisions of the law, signed by the President on 8/8/05.

Section Title I. Subtitle B

Sec. 121(a) - Increases the authorization of the LIHEAP program to "\$5.1 billion for each of fiscal years 2005 through 2007."

Sec. 121(b) - Adds a new Section 2612 to the LIHEAP statute to authorize participants to purchase renewable fuels with LIHEAP benefits.

Sec 121(c) - Requires the Secretary to report to Congress on the use of renewable fuels in providing assistance under the Low-Income Home Energy Assistance Act of 1981.

Title III, Subtitle E -- Production Incentives

Sec. 342(j)(1) - Establishes a provision where the Secretary of Interior may distribute oil and gas royalties to subsidize Federal and State low-income energy assistance programs.

Title XVIII - Studies

Sec 1804 - Requires the Secretary of HHS to submit a report on how LIHEAP could be used more effectively to prevent loss of life from extreme temperatures and that HHS should consult with all states on this issue in the preparation of the Report.

Leveraging

[**Back to Table of Content*](#)

LIHEAP Statute Section 2607A

(a) Beginning in fiscal year 1992, the Secretary may allocate amounts appropriated under section 2602(d) to provide supplementary funds to States that have acquired non-Federal leveraged resources for the program established under this title.

(b) For purposes of this section, the term "leveraged resources" means the benefits made available to the low-income home energy assistance program of the State, or to federally qualified low-income households, that--

(1) represent a net addition to the total energy resources available to State and federally qualified households in excess of the amount of such resources that could be acquired by such households through the purchase of energy at commonly available household rates; and

(2)(A) result from the acquisition or development by the State program of quantifiable benefits that are obtained from energy vendors through negotiation, regulation or competitive bid; or

(B) are appropriated or mandated by the State for distribution--

(i) through the State program; or

(ii) under the plan referred to in section 2605(c)(1)(A) to federally qualified low-income households and such benefits are determined by the Secretary to be integrated with the State program.

(c)(1) Distribution of amounts made available under this section shall be based on a formula developed by the Secretary that is designed to take into account the success in leveraging existing appropriations in the preceding fiscal year as measured under subsection (d). Such formula shall take into account the size of the allocation of the State under this title and the ratio of leveraged resources to such allocation.

(2) A State may expend funds allocated under this title as are necessary, not to exceed 0.08 percent of such allocation or \$35,000 each fiscal year, whichever is greater, to identify, develop, and demonstrate leveraging programs. Funds allocated under this section shall only be used for increasing or maintaining benefits to households.

(d) Each State shall quantify the dollar value of leveraged resources received or acquired by such State under this section by using the best available data to calculate such leveraged resources less the sum of any costs incurred by the State to leverage such resources and any cost imposed on the federally eligible low-income households in such State.

(e) Not later than 2 months after the close of the fiscal year during which the State provided leveraged resources to eligible households, as described in subsection (b),

each State shall prepare and submit, to the Secretary, a report that quantifies the leveraged resources of such State in order to qualify for assistance under this section for the following fiscal year.

(f) The Secretary shall determine the share of each State of the amounts made available under this section based on the formula described in subsection (c) and the State reports. The Secretary shall promulgate regulations for the calculation of the leveraged resources of the State and for the submission of supporting documentation. The Secretary may request any documentation that the Secretary determines necessary for the verification of the application of the State for assistance under this section.

Block grant regulations at 45 CFR 96.87

[**Back to Table of Content*](#)

Eligible Grantees

(a) Scope and eligible grantees. (1) This section concerns the leveraging incentive program authorized by section 2607A of Public Law 97-35 (42 U.S.C. 8626a).

(2)(i) The only entities eligible to receive leveraging incentive funds from the Department are States (including the District of Columbia), Indian tribes, tribal organizations, and territories that received direct Federal LIHEAP funding under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) in both the base period for which leveraged resources are reported, and the award period for which leveraging incentive funds are sought; and tribes and tribal organizations described in paragraphs (a)(2)(ii) and (a)(2)(iii) of this section.

(ii) Indian tribes that received LIHEAP services under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) through a directly-funded tribal organization in the base period for which leveraged resources are reported, and receive direct Federal LIHEAP funding under section 2602(b) in the award period, will receive leveraging incentive funds allocable to them if they submit leveraging reports meeting all applicable requirements. If the tribal organization continues to receive direct funding under section 2602(b) in the award period, the tribal organization also will receive incentive funds allocable to it if it submits a leveraging report meeting all applicable requirements. In such cases, incentive funds will be allocated among the involved entities that submit leveraging reports, as agreed by these entities. If they cannot agree, HHS will allocate incentive funds based on the comparative role of each entity in obtaining and/or administering the leveraged resources, and/or their relative number of LIHEAP-eligible households.

(iii) If a tribe received direct Federal LIHEAP funding under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) in the base period for which resources leveraged by the tribe are reported, and the tribe receives LIHEAP services under section 2602(b) through a directly-funded tribal organization in the award period, the tribal organization will receive leveraging incentive funds on behalf of the tribe for the resources if the tribal organization submits a leveraging report meeting all applicable requirements.

Leveraging Definitions

[*Back to Table of Content](#)

(b) Definitions--(1) Award period means the fiscal year during which leveraging incentive funds are distributed to grantees by the Department, based on the countable leveraging activities they reported to the Department for the preceding fiscal year (the base period).

(2) Base period means the fiscal year for which a grantee's leveraging activities are reported to the Department; grantees' countable leveraging activities during the base period or base year are the basis for the distribution of leveraging incentive funds during the succeeding fiscal year (the award period or award year). Leveraged resources are counted in the base period during which their benefits are provided to low-income households.

(3) Countable loan fund means revolving loan funds and similar loan instruments in which:

- (i) The sources of both the loaned and the repaid funds meet the requirements of this section, including the prohibitions of paragraphs (f)(1), (f)(2), and (f)(3) of this section;
- (ii) Neither the loaned nor the repaid funds are Federal funds or payments from low-income households, and the loans are not made to low-income households; and
- (iii) The benefits provided by the loaned funds meet the requirements of this section for countable leveraged resources and benefits.

(4) Countable petroleum violation escrow funds means petroleum violation escrow (oil overcharge) funds that were distributed to a State or territory by the Department of Energy (DOE) after October 1, 1990, and interest earned in accordance with DOE policies on petroleum violation escrow funds that were distributed to a State or territory by DOE after October 1, 1990, that:

- (i) Were used to assist low-income households to meet the costs of home energy through (that is, within and as a part of) a State or territory's LIHEAP program, another Federal program, or a non-Federal program, in accordance with a submission for use of these petroleum violation escrow funds that was approved by DOE;
- (ii) Were not previously required to be allocated to low-income households; and
- (iii) Meet the requirements of paragraph (d)(1) of this section, and of paragraph (d)(2)(ii) or (d)(2)(iii) or this section.

(5) Home energy means a source of heating or cooling in residential dwellings.

(6) Low-income households means federally eligible (federally qualified) households meeting the standards for LIHEAP income eligibility and/or LIHEAP categorical eligibility as set by section 2605(b)(2) of Public Law 97-35 (42 U.S.C. 8624(b)(2)).

(7) Weatherization means low-cost residential weatherization and other energy-related home repair for low-income households. Weatherization must be directly related to home energy.

LIHEAP Funds Used to Develop Resources

[**Back to Table of Content*](#)

(c) LIHEAP funds used to identify, develop, and demonstrate leveraging programs.

(1) Each fiscal year, States (excluding Indian tribes, tribal organizations, and territories) may spend up to the greater of \$35,000 or 0.08 percent of their net Federal LIHEAP allotments (funds payable) allocated under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) specifically to identify, develop, and demonstrate leveraging programs under section 2607A(c)(2) of Public Law 97-35 (42 U.S.C. 8626a(c)(2)).

Each fiscal year, Indian tribes, tribal organizations, and territories may spend up to the greater of two (2.0) percent or \$100 of their Federal LIHEAP allotments allocated under section 2602(b) of Public law 97-35 (42 U.S.C. 8621(b)) specifically to identify, develop, and demonstrate leveraging programs under section 2607A(c)(2) of Public Law 97-35 (42 U.S.C. 8626a(c)(2)). For the purpose of this paragraph, Federal LIHEAP allotments include funds from regular and supplemental appropriations, with the exception of leveraging incentive funds provided under section 2602(d) of Public Law 97-35 (42 U.S.C. 8621(d)).

(2) LIHEAP funds used under section 2607A(c)(2) of Public Law 97-35 (42 U.S.C. 8626a(c)(2)) specifically to identify, develop, and demonstrate leveraging programs are not subject to the limitation in section 2605(b)(9) of Public Law 97-35 (42 U.S.C. 8624(b)(9)) on the maximum percent of Federal funds that may be used for costs of planning and administration.

Requirements for Leveraged Resources

[**Back to Table of Content*](#)

(d) Basic requirements for leveraged resources and benefits. (1) In order to be counted under the leveraging incentive program, leveraged resources and benefits must meet all of the following five criteria:

(i) They are from non-Federal sources.

(ii) They are provided to the grantee's low-income home energy assistance program, or to federally qualified low-income households as described in section 2605(b)(2) of Public Law 97-35 (42 U.S.C. 8624(b)(2)).

(iii) They are measurable and quantifiable in dollars.

(iv) They represent a net addition to the total home energy resources available to low-income households in excess of the amount of such resources that could be acquired by these households through the purchase of home energy, or the purchase of items that help these households meet the cost of home energy, at commonly available

household rates or costs, or that could be obtained with regular LIHEAP allotments provided under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)).

(v) They meet the requirements for countable leveraged resources and benefits throughout this section and section 2607A of Public Law 97-35 (42 U.S.C. 8626a).

(2) Also, in order to be counted under the leveraging incentive program, leveraged resources and benefits must meet at least one of the following three criteria:

(i) The grantee's LIHEAP program had an active, substantive role in developing and/or acquiring the resource/benefits from home energy vendor(s) through negotiation, regulation, and/or competitive bid. The actions or efforts of one or more staff of the grantee's LIHEAP program--at the central and/or local level--and/or one or more staff of LIHEAP program subrecipient(s) acting in that capacity, were substantial and significant in obtaining the resource/benefits from the vendor(s).

(ii) The grantee appropriated or mandated the resource/benefits for distribution to low-income households through (that is, within and as a part of) its LIHEAP program. The resource/benefits are provided through the grantee's LIHEAP program to low-income households eligible under the grantee's LIHEAP standards, in accordance with the LIHEAP statute and regulations and consistent with the grantee's LIHEAP plan and program policies that were in effect during the base period, as if they were provided from the grantee's Federal LIHEAP allotment.

(iii) The grantee appropriated or mandated the resource/benefits for distribution to low-income households as described in its LIHEAP plan (referred to in section 2605(c)(1)(A) of Public Law 97-35) (42 U.S.C. 8624(c)(1)(A)). The resource/benefits are provided to low-income households as a supplement and/or alternative to the grantee's LIHEAP program, outside (that is, not through, within, or as a part of) the LIHEAP program. The resource/benefits are integrated and coordinated with the grantee's LIHEAP program. Before the end of the base period, the plan identifies and describes the resource/benefits, their source(s), and their integration/coordination with the LIHEAP program. The Department will determine resources/benefits to be integrated and coordinated with the LIHEAP program if they meet at least one of the following eight conditions. If a resource meets at least one of conditions A through F when the grantee's LIHEAP program is operating (and meets all other applicable requirements), the resource also is countable when the LIHEAP program is not operating.

(A) For all households served by the resource, the assistance provided by the resource depends on and is determined by the assistance provided to these households by the grantee's LIHEAP program in the base period. The resource supplements LIHEAP assistance that was not sufficient to meet households' home energy needs, and the type and amount of assistance provided by the resource is directly affected by the LIHEAP assistance received by the households.

(B) Receipt of LIHEAP assistance in the base period is necessary to receive assistance from the resource. The resource serves only households that received LIHEAP assistance in the base period.

(C) Ineligibility for the grantee's LIHEAP program, or denial of LIHEAP assistance in the base period because of unavailability of LIHEAP funds, is necessary to receive assistance from the resource.

(D) For discounts and waivers: eligibility for and/or receipt of assistance under the grantee's LIHEAP program in the base period, and/or eligibility under the Federal standards set by section 2605(b)(2) of Public Law 97-35 (42 U.S.C. 8624(b)(2)), is necessary to receive the discount or waiver.

Countable Resources

[*Back to Table of Content](#)

(E) During the period when the grantee's LIHEAP program is operating, staff of the grantee's LIHEAP program and/or staff assigned to the LIHEAP program by a local LIHEAP administering agency or agencies, and staff assigned to the resource communicate orally and/or in writing about how to meet the home energy needs of specific, individual households. For the duration of the LIHEAP program, this communication takes place before assistance is provided to each household to be served by the resource, unless the applicant for assistance from the resource presents documentation of LIHEAP eligibility and/or the amount of LIHEAP assistance received or to be received.

(F) A written agreement between the grantee's LIHEAP program or local LIHEAP administering agency, and the agency administering the resource, specifies the following about the resource: eligibility criteria; benefit levels; period of operation; how the LIHEAP program and the resource are integrated/coordinated; and relationship between LIHEAP eligibility and/or benefit levels, and eligibility and/or benefit levels for the resource. The agreement provides for annual or more frequent reports to be provided to the LIHEAP program by the agency administering the resource.

(G) The resource accepts referrals from the grantee's LIHEAP program, and as long as the resource has benefits available, it provides assistance to all households that are referred by the LIHEAP program and that meet the resource's eligibility requirements. Under this condition, only the benefits provided to households referred by the LIHEAP program are countable.

(H) Before the grantee's LIHEAP heating, cooling, crisis, and/or weatherization assistance component(s) open and/or after the grantee's LIHEAP heating, cooling, crisis, and/or weatherization assistance component(s) close for the season or for the fiscal year, or before the entire LIHEAP program opens and/or after the entire LIHEAP program closes for the season or for the fiscal year, the resource is made available specifically to fill the gap caused by the absence of the LIHEAP component(s) or program. The resource is not available while the LIHEAP component(s) or program is operating.

(e) Countable leveraged resources and benefits. Resources and benefits that are countable under the leveraging incentive program include but are not limited to the following, provided that they also meet all other applicable requirements:

(1) Cash resources: State, tribal, territorial, and other public and private non-Federal funds, including countable loan funds and countable petroleum violation escrow funds as defined in paragraphs (b)(3) and (b)(4) of this section, that are used for:

(i) Heating, cooling, and energy crisis assistance payments and cash benefits made in the base period to or on behalf of low-income households toward their home energy costs (including home energy bills, taxes on home energy sales/purchases and services, connection and reconnection fees, application fees, late payment charges, bulk fuel tank rental or purchase costs, and security deposits that are retained for six months or longer);

(ii) Purchase of fuels that are provided to low-income households in the base period for home energy (such as fuel oil, liquefied petroleum gas, and wood);

(iii) Purchase of weatherization materials that are installed in recipients' homes in the base period;

(iv) Purchase of the following tangible items that are provided to low-income households and/or installed in recipients' homes in the base period: blankets, space heating devices, equipment, and systems; space cooling devices, equipment, and systems; and other tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department as countable leveraged resources;

(v) Installation, replacement, and repair of the following in the base period: weatherization materials; space heating devices, equipment, and systems; space cooling devices, equipment, and systems; and other tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department;

(vi) The following services, when they are an integral part of weatherization to help low-income households meet the costs of home energy in the base period: installation, replacement, and repair of windows, exterior doors, roofs, exterior walls, and exterior floors; pre-weatherization home energy audits of homes that were weatherized as a result of these audits; and post-weatherization inspection of homes; and

(vii) The following services, when they are provided (carried out) in the base period: installation, replacement, and repair of smoke/fire alarms that are an integral part, and necessary for safe operation, of a home heating or cooling system installed or repaired as a weatherization activity; and asbestos removal and that is an integral part of, and necessary to carry out, weatherization to help low-income households meet the costs of home energy.

(2) Home energy discounts and waivers that are provided in the base period to low-income households and pertain to generally applicable prices, rates, fees, charges, costs, and/or requirements, in the amount of the discount, reduction, waiver, or forgiveness, or that apply to certain tangible fuel and non-fuel items and to certain services, that are provided in the base period to low-income households and help these households meet the costs of home energy, in the amount of the discount or reduction:

(i) Discounts or reductions in utility and bulk fuel prices, rates, or bills;

(ii) Partial or full forgiveness of home energy bill arrearages;

(iii) Partial or full waivers of utility and other home energy connection and reconnection fees, application fees, late payment charges, bulk fuel tank rental or purchase costs, and home energy security deposits that are retained for six months or longer;

(iv) Reductions in and partial or full waivers of non-Federal taxes on home energy sales/purchases and services, and reductions in and partial or full waivers of other non-Federal taxes provided as tax ``credits" to low-income households to offset their home energy costs, except when Federal funds or Federal tax ``credits" provide payment or reimbursement for these reductions/waivers;

(v) Discounts or reductions in the cost of the following tangible items that are provided to low-income households and/or installed in recipients' homes: weatherization materials; blankets; space heating devices, equipment, and systems; space cooling devices, equipment, and systems; and other tangible items that are specifically approved by the Department;

(vi) Discounts or reductions in the cost of installation, replacement, and repair of the following: weatherization materials; space heating devices, equipment, and systems; space cooling devices, equipment, and systems; and other tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department;

(vii) Discounts or reductions in the cost of the following services, when the services are an integral part of weatherization to help low-income households meet the costs of home energy: installation, replacement, and repair of windows, exterior doors, roofs, exterior walls, and exterior floors; pre-weatherization home energy audits of homes that were weatherized as a result of these audits; and post-weatherization inspection of homes; and

(viii) Discounts or reductions in the cost of installation, replacement, and repair of smoke/fire alarms that are an integral part, and necessary for safe operation, of a home heating or cooling system installed or repaired as a weatherization activity; and discounts or reductions in the cost of asbestos removal that is an integral part of, and necessary to carry out, weatherization to help low-income households meet the costs of home energy.

(3) Certain third-party in-kind contributions that are provided in the base period to low-income households:

(i) Donated fuels used by recipient households for home energy (such as fuel oil, liquefied petroleum gas, and wood);

(ii) Donated weatherization materials that are installed in recipients' homes;

(iii) Donated blankets; donated space heating devices, equipment, and systems; donated space cooling devices, equipment, and systems; and other donated tangible items that help low-income households meet the costs of home energy and are specifically approved by the Department as countable leveraged resources;

(iv) Unpaid volunteers' services specifically to install, replace, and repair the following: weatherization materials; space heating devices, equipment, and systems; space cooling devices, equipment, and systems; and other items that help low-income households meet the costs of home energy and are specifically approved by the Department;

(v) Unpaid volunteers' services specifically to provide (carry out) the following, when these services are an integral part of weatherization to help low-income households meet the costs of home energy: installation, replacement, and repair of windows, exterior doors, roofs, exterior walls, and exterior floors; pre-weatherization home energy audits of homes that were weatherized as a result of these audits; and post-weatherization inspection of homes;

(vi) Unpaid volunteers' services specifically to: install, replace, and repair smoke/fire alarms as an integral part, and necessary for safe operation, of a home heating or cooling system installed or repaired as a weatherization activity; and remove asbestos as an integral part of, and necessary to carry out, weatherization to help low-income households meet the costs of home energy;

(vii) Paid staff's services that are donated by the employer specifically to install, replace, and repair the following: weatherization materials; space heating devices, equipment, and systems; space cooling devices, equipment, and systems; and other items that help low-income households meet the costs of home energy and are specifically approved by the Department;

(viii) Paid staff's services that are donated by the employer specifically to provide (carry out) the following, when these services are an integral part of weatherization to help low-income households meet the costs of home energy: installation, replacement, and repair of windows, exterior doors, roofs, exterior walls, and exterior floors; pre-weatherization home energy audits of homes that were weatherized as a result of these audits; and post-weatherization inspection of homes; and

(ix) Paid staff's services that are donated by the employer specifically to: install, replace, and repair smoke/fire alarms as an integral part, and necessary for safe operation, of a home heating or cooling system installed or repaired as a weatherization activity; and remove asbestos as an integral part of, and necessary to carry out, weatherization to help low-income households meet the costs of home energy.

Resources that Cannot be Counted

[*Back to Table of Content](#)

(f) Resources and benefits that cannot be counted. The following resources and benefits are not countable under the leveraging incentive program:

(1) Resources (or portions of resources) obtained, arranged, provided, contributed, and/or paid for, by a low-income household for its own benefit, or which a low-income household is responsible for obtaining or required to provide for its own benefit or for the benefit of others, in order to receive a benefit of some type;

(2) Resources (or portions of resources) provided, contributed, and/or paid for by building owners, building managers, and/or home energy vendors, if the cost of rent, home energy, or other charge(s) to the recipient were or will be increased, or if other charge(s) to the recipient were or will be imposed, as a result;

(3) Resources (or portions of resources) directly provided, contributed, and/or paid for by member(s) of the recipient household's family (parents, grandparents, great-grandparents, sons, daughters, grandchildren, great-grandchildren, brothers, sisters, aunts, uncles, first cousins, nieces, and nephews, and their spouses), regardless of whether the family member(s) lived with the household, unless the family member(s) also provided the same resource to other low-income households during the base period and did not limit the resource to members of their own family;

(4) Deferred home energy obligations;

(5) Projected future savings from weatherization;

(6) Delivery, and discounts in the cost of delivery, of fuel, weatherization materials, and all other items;

(7) Purchase, rental, donation, and loan, and discounts in the cost of purchase and rental, of: supplies and equipment used to deliver fuel, weatherization materials, and all other items; and supplies and equipment used to install and repair weatherization materials and all other items;

(8) Petroleum violation escrow (oil overcharge) funds that do not meet the definition in paragraph (b)(4) of this section;

(9) Interest earned/paid on petroleum violation escrow funds that were distributed to a State or territory by the Department of Energy on or before October 1, 1990;

(10) Interest earned/paid on Federal funds;

(11) Interest earned/paid on customers' security deposits, utility deposits, etc., except when forfeited by the customer and used to provide countable benefits;

(12) Borrowed funds that do not meet the requirements in paragraph (b)(3) above (including loans made by and/or to low-income households), interest paid on borrowed funds, and reductions in interest paid on borrowed funds;

(13) Resources (or portions of resources) for which Federal payment or reimbursement has been or will be provided/received;

(14) Tax deductions and tax credits received from any unit(s) of government by donors/contributors of resources for these donations, and by vendors for providing rate reductions, discounts, waivers, credits, and/or arrearage forgiveness to or for low-income households, etc.;

(15) Funds and other resources that have been or will be used as matching or cost sharing for any Federal program;

(16) Leveraged resources counted under any other Federal leveraging incentive program;

(17) Costs of planning and administration, space costs, and intake costs;

(18) Outreach activities, budget counseling, case management, and energy conservation education;

(19) Training;

(20) Installation, replacement, and repair of lighting fixtures and light bulbs;

(21) Installation, replacement, and repair of smoke/fire alarms that are not an integral part, and necessary for safe operation, of a home heating or cooling system installed or repaired as a weatherization activity;

(22) Asbestos removal that is not an integral part of, and necessary to carry out, weatherization to help low-income households meet the costs of home energy;

(23) Paid services where payment is not made from countable leveraged resources, unless these services are donated as a countable in-kind contribution by the employer;

(24) All in-kind contributions except those described in paragraph (e)(3) of this section; and

(25) All other resources that do not meet the requirements of this section and of section 2607A of Public Law 97-35 (42 U.S.C. 8626a).

Valuation, Documentation and Offsetting Costs

[*Back to Table of Content](#)

(g) Valuation and documentation of leveraged resources and offsetting costs.

(1) Leveraged cash resources will be valued at the fair market value of the benefits they provided to low-income households, as follows. Payments to or on behalf of low-income households for heating, cooling, and energy crisis assistance will be valued at their actual amount or value at the time they were provided. Purchased fuel, weatherization materials, and other countable tangible items will be valued at their fair market value (the commonly available household rate or cost in the local market area) at the time they were purchased. Installation, replacement, and repair of weatherization materials, and other countable services, will be valued at rates consistent with those ordinarily paid for similar work, by persons of similar skill in this work, in the grantee's or subrecipient's organization in the local area, at the time these services were provided. If the grantee or subrecipient does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work, by persons of similar skill in this work, in the same labor market, at the time these services were provided. Fringe benefits and overhead costs will not be counted.

(2) Home energy discounts, waivers, and credits will be valued at their actual amount or value.

(3) Donated fuel, donated weatherization materials, and other countable donated tangible items will be valued at their fair market value (the commonly available household cost in the local market area) at the time of donation.

(4) Donated unpaid services, and donated third-party paid services that are not in the employee's normal line of work, will be valued at rates consistent with those ordinarily paid for similar work, by persons of similar skill in this work, in the grantee's or

subrecipient's organization in the local area, at the time these services were provided. If the grantee or subrecipient does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work, by persons of similar skill in this work, in the same labor market, at the time these services were provided. Fringe benefits and overhead costs will not be counted. Donated third-party paid services of employees in their normal line of work will be valued at the employee's regular rate of pay, excluding fringe benefits and overhead costs.

(5) Offsetting costs and charges will be valued at their actual amount or value.

(i) Funds from grantees' regular LIHEAP allotments that are used specifically to identify, develop, and demonstrate leveraging programs under section 2607A(c)(2) of Public Law 97-35 (42 U.S.C. 8626a(c)(2)) will be deducted as offsetting costs in the base period in which these funds are obligated, whether or not there are any resulting leveraged benefits. Costs incurred from grantees' own funds to identify, develop, and demonstrate leveraging programs will be deducted in the first base period in which resulting leveraged benefits are provided to low-income households. If there is no resulting leveraged benefit from the expenditure of the grantee's own funds, the grantee's expenditure will not be counted or deducted.

(ii) Any costs assessed or charged to low-income households on a continuing or on-going basis, year after year, specifically to participate in a counted leveraging program or to receive counted leveraged resources/benefits will be deducted in the base period these costs are paid. Any one-time costs or charges to low-income households specifically to participate in a counted leveraging program or to receive counted leveraged resources/benefits will be deducted in the first base period the leveraging program or resource is counted. Such costs or charges will be subtracted from the gross value of a counted resource or benefit for low-income households whose benefits are counted, but not for any households whose benefits are not counted.

(6) Only the amount of the net addition to recipient low-income households' home energy resources may be counted in the valuation of a leveraged resource.

(7) Leveraged resources and benefits, and offsetting costs and charges, will be valued according to the best data available to the grantee.

(8) Grantees must maintain, or have readily available, records sufficient to document leveraged resources and benefits, and offsetting costs and charges, and their valuation. These records must be retained for three years after the end of the base period whose leveraged resources and benefits they document.

Leveraging Report

[*Back to Table of Content](#)

(h) Leveraging report. (1) In order to qualify for leveraging incentive funds, each grantee desiring such funds must submit to the Department a report on the leveraged resources provided to low-income households during the preceeding base period. These reports must contain the following information in a format established by the Department.

(i) For each separate leveraged resource, the report must:

(A) Briefly describe the specific leveraged resource and the specific benefit(s) provided to low-income households by this resource, and state the source of the resource;

(B) State whether the resource was acquired in cash, as a discount/waiver, or as an in-kind contribution;

(C) Indicate the geographical area in which the benefit(s) were provided to recipients;

(D) State the month(s) and year(s) when the benefit(s) were provided to recipients;

(E) State the gross dollar value of the countable benefits provided by the resource as determined in accordance with paragraph (g) of this section, indicate the source(s) of the data used, and describe how the grantee quantified the value and calculated the total amount;

(F) State the number of low-income households to whom the benefit(s) were provided, and state the eligibility standard(s) for the low-income households to whom the benefit(s) were provided;

(G) Indicate the agency or agencies that administered the resource/benefit(s); and

(H) Indicate the criterion or criteria for leveraged resources in paragraph (d)(2) of this section that the resource/benefits meet, and for criteria in paragraphs (d)(2)(i) and (d)(2)(iii) of this section, explain how resources/benefits valued at \$5,000 or more meet the criterion or criteria.

(ii) State the total gross dollar value of the countable leveraged resources and benefits provided to low-income households during the base period (the sum of the amounts listed pursuant to paragraph (h)(1)(i)(E) of this section).

(iii) State in dollars any costs incurred by the grantee to leverage resources, and any costs and charges imposed on low-income households to participate in a counted leveraging program or to receive counted leveraged benefits, as determined in accordance with paragraph (g)(5) of this section. Also state the amount of the grantee's regular LIHEAP allotment that the grantee used during the base period specifically to identify, develop, and demonstrate leveraging programs under section 2607A(c)(2) of Public Law 97-35 (42 U.S.C. 8626a(c)(2)).

(iv) State the net dollar value of the countable leveraged resources and benefits for the base period. (Subtract the amounts in paragraph (h)(1)(iii) of this section from the amount in paragraph (h)(1)(ii) of this section.)

Due Date for Report

[*Back to Table of Content](#)

(2) Leveraging reports must be postmarked or hand-delivered not later than November 30 of the fiscal year for which leveraging incentive funds are requested.

(3) The Department may require submission of additional documentation and/or clarification as it determines necessary to verify information in a grantee's leveraging

report, to determine whether a leveraged resource is countable, and/or to determine the net valuation of a resource. In such cases, the Department will set a date by which it must receive information sufficient to document countability and/or valuation. In such cases, if the Department does not receive information that it considers sufficient to document countability and/or valuation by the date it has set, then the Department will not count the resource (or portion of resource) in question.

Leveraging Award Formula

[**Back to Table of Content*](#)

(i) Determination of grantee shares of leveraging incentive funds. Allocation of leveraging incentive funds to grantees will be computed according to a formula using the following factors and weights:

(1) Fifty (50) percent based on the final net value of countable leveraged resources provided to low-income households during the base period by a grantee relative to its net Federal allotment of funds allocated under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) during the base period, as a proportion of the final net value of the countable leveraged resources provided by all grantees during the base period relative to their net Federal allotment of funds allocated under that section during the base period; and

(2) Fifty (50) percent based on the final net value of countable leveraged resources provided to low-income households during the base period by a grantee as a proportion of the total final net value of the countable leveraged resources provided by all grantees during the base period; except that: No grantee may receive more than twelve (12.0) percent of the total amount of leveraging incentive funds available for distribution to grantees in any award period; and no grantee may receive more than the smaller of its net Federal allotment of funds allocated under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) during the base period, or two times (double) the final net value of its countable leveraged resources for the base period. The calculations will be based on data contained in the leveraging reports submitted by grantees under paragraph (h) of this section as approved by the Department, and allocation data developed by the Department.

Uses of Leveraging Funds

[**Back to Table of Content*](#)

(j) Uses of leveraging incentive funds.

(1) Funds awarded to grantees under the leveraging incentive program must be used to increase or maintain heating, cooling, energy crisis, and/or weatherization benefits through (that is, within and as a part of) the grantee's LIHEAP program. These funds can be used for weatherization without regard to the weatherization maximum in section 2605(k) of Public Law 97-35 (42 U.S.C. 8624(k)). However, they cannot be counted in the base for calculation of the weatherization maximum for regular LIHEAP funds authorized under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)). Leveraging incentive funds cannot be used for costs of planning and administration. However, in

either the award period or the fiscal year following the award period, they can be counted in the base for calculation of maximum grantee planning and administrative costs under section 2605(b)(9) of Public Law 97-35 (42 U.S.C. 8624(b)(9)). They cannot be counted in the base for calculation of maximum carryover of regular LIHEAP funds authorized under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)).

Audit of Leveraging Funds

[**Back to Table of Content*](#)

(2) Grantees must include the uses of leveraging incentive funds in their LIHEAP plans (referred to in section 2605(c)(1)(A) of Public Law 97-35) (42 U.S.C. 8624(c)(1)(A)) for the fiscal year in which the grantee obligates these funds. Grantees must document uses of leveraging incentive funds in the same way they document uses of regular LIHEAP funds authorized under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)). Leveraging incentive funds are subject to the same audit requirements as regular LIHEAP funds.

Obligation Period

[**Back to Table of Content*](#)

(k) Period of obligation for leveraging incentive funds. Leveraging incentive funds are available for obligation during both the award period and the fiscal year following the award period, without regard to limitations on carryover of funds in section 2607(b)(2)(B) of Public Law 97-35 (42 U.S.C. 8626(b)(2)(B)). Any leveraging incentive funds not obligated for allowable purposes by the end of this period must be returned to the Department.

Model Plan

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(c)(3)

(3) Not later than April 1 of each fiscal year the Secretary shall make available to the States a model State plan format that may be used, at the option of each State, to prepare the plan required under paragraph (1) for the next fiscal year.

Obligation Time Period

[*Back to Table of Content](#)

LIHEAP Statute Section 2602

(c) Amounts appropriated under this section for any fiscal year for programs and activities under this title shall be made available for obligation in the succeeding fiscal year.

Block grant regulations at 45 CFR 96.14

[*Back to Table of Content](#)

(a) Obligations. Amounts unobligated by the State at the end of the fiscal year in which they were first allotted shall remain available for obligation during the succeeding fiscal year for all block grants except:

(2) Low-income home energy assistance. Regular LIHEAP block grant funds authorized under section 2602(b) of Public Law 97-35 (42 U.S.C. 8621(b)) are available only in accordance with section 2607(b)(2)(B) of Public Law 97-35 (42 U.S.C. 8626(b)(2)(B)), as follows. From allotments for fiscal year 1982 through fiscal year 1984, a maximum of 25 percent may be held available for the next fiscal year. From allotments for fiscal year 1985 through fiscal year 1990, a maximum of 15 percent of the amount payable to a grantee and not transferred to another block grant according to section 2604(f) of Public Law 97-35 (42 U.S.C. 8623(f)) may be held available for the next fiscal year. From allotments for fiscal year 1991 through fiscal year 1993, a maximum of 10 percent of the amount payable to a grantee and not transferred to another block grant according to section 2604(f) of Public Law 97-35 (42 U.S.C. 8623(f)) may be held available for the next fiscal year. Beginning with allotments for fiscal year 1994, a maximum of 10 percent of the amount payable to a grantee may be held available for the next fiscal year. No funds may be obligated after the end of the fiscal year following the fiscal year for which they were allotted.

(b) Expenditure. No limitations exist on the time for expenditure of block grant funds, except those imposed by statute with respect to the community services, maternal and child health services, and social services block grants.

Obligation and Expenditure According to Grantee's Own Rules

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.30(a)

(a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such

funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

Payment to Grantees

[*Back to Table of Content](#)

LIHEAP Statute Section 2607

(a)(1) From its allotment under section 2604, the Secretary shall make payments to each State in accordance with section 203 of the Intergovernmental Cooperation Act of 1968, for use under this title.

Block grant regulations at 45 CFR 96.12

The Secretary will make payments at such times and in such amounts to each State from its awards in advance or by way of reimbursement in accordance with section 203 of the Intergovernmental Cooperation Act (42 U.S.C. 4213) and Treasury Circular No. 1075 (31 CFR Part 205). When matching funds are involved, the Secretary shall take into account the ratio that such payment bears to such State's total expenditures under its awards.

Performance Goals and Measurements

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(b)

Not later than 18 months after the date of the enactment of the Low-Income Home Energy Assistance Amendments of 1994, the Secretary shall develop model performance goals and measurements in consultation with State, territorial, tribal, and local grantees, that the States may use to assess the success of the States in achieving the purposes of this title. The model performance goals and measurements shall be made available to States to be incorporated, at the option of the States, into the plans for fiscal year 1997. The Secretary may request data relevant to the development of model performance goals and measurements.

Public Hearings

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(a)(2)

(a)(2) After the expiration of the first fiscal year for which a State receives funds under this title, no funds shall be allotted to such State for any fiscal year under this title unless such State conduct[s] public hearings with respect to the proposed use and distribution of funds to be provided under this title for such fiscal year.

Public Hearings not Required for Tribes

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.48(d)

(d) The plan required by section 2604(d)(4) of the Reconciliation Act (42 U.S.C. 8623(d)(4)) shall contain the certification and information required for States under section 2605 (b) and (c) of that Act (42 U.S.C. 8624 (b) and (c)). An Indian tribe or tribal organization is not required to comply with section 2605(a)(2) of the Act (42 U.S.C. 8624(a)(2)).

REACH

[**Back to Table of Content*](#)

Purpose

[**Back to Table of Content*](#)

LIHEAP Statute Section 2607B

(a) PURPOSE.--The purpose of the Residential Energy Assistance Challenge (in this section referred to as "R.E.A.Ch.") program is to--

- (1) minimize health and safety risks that result from high energy burdens on low-income Americans;
- (2) prevent homelessness as a result of inability to pay energy bills;
- (3) increase the efficiency of energy usage by low-income families; and
- (4) target energy assistance to individuals who are most in need.

(b) FUNDING.--

(1) ALLOCATION.--For each fiscal year, the Secretary may allocate not more than 25 percent of the amount made available pursuant to section 2602(d) for such fiscal year to a R.E.A.Ch. fund for the purpose of making incentive grants to States that submit qualifying plans that are approved by the Secretary as R.E.A.Ch. initiatives. States may use such grants for the costs of planning, implementing, and evaluating the initiative.

(2) RESERVATION.--The Secretary shall reserve from any funds allocated under this subsection, funds to make additional payments to State R.E.A.Ch. programs that—

Energy Efficiency Education Plan

[**Back to Table of Content*](#)

(A) have energy efficiency education services plans that meet quality standards established by the Secretary in consultation with the Secretary of Energy; and

(B) have the potential for being replicable model designs for other programs. States shall use such supplemental funds for the implementation and evaluation of the energy efficiency education services.

(c) CRITERIA.--

(1) IN GENERAL.--Not later than May 31, 1995, the Secretary shall establish criteria for approving State plans required by subsection (a), for energy efficiency education quality standards described in subsection (b)(2)(A), and for the distribution of funds to States with approved plans.

(2) DOCUMENTATION.--Notwithstanding the limitations of section 2605(b) regarding the authority of the Secretary with respect to plans, the Secretary may require a State to provide appropriate documentation that its R.E.A.Ch. activities conform to the State plan as approved by the Secretary.

(d) FOCUS.--The State may designate all or part of the State, or all or part of the client population, as a focus of its R.E.A.Ch. initiative.

Assurances

[*Back to Table of Content](#)

(e) STATE PLANS.--

(1) IN GENERAL.--Each State plan shall include each of the elements described in paragraph

(2), to be met by State and local agencies. (2) ELEMENTS OF STATE PLANS.--Each State plan shall include—

Delivery through Community-based Nonprofits

[*Back to Table of Content](#)

(A) an assurance that such State will deliver services through community-based nonprofit entities in such State, by--

(i) awarding grants to, or entering into contracts with, such entities for the purpose of providing such services and payments directly to individuals eligible for benefits; or

(ii) if a State makes payments directly to eligible individuals or energy suppliers, making contracts with such entities to administer such programs, including--

(I) determining eligibility;

(II) providing outreach services; and

(III) providing benefits other than payments;

(B) an assurance that, in awarding grants or entering into contracts to carry out its R.E.A.Ch. initiative, the State will give priority to organizations that--

(i) are described in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902(1)), except where significant geographic portions of the State are not served by such entities;

(ii) the Secretary has determined have a record of successfully providing services under the Low-Income Home Energy Assistance Program; and

(iii) receive weatherization assistance program funds under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6863 et seq.); except that a State may not require any such entity to operate a R.E.A.Ch. program;

(C) an assurance that, subject to subparagraph (D), each entity that receives a grant or enters into a contract under subparagraph (A)(i) will provide a variety of services and benefits, including--

(i) payments to, or on behalf of, individuals eligible for residential energy assistance services and benefits under section 2605(b) for home energy costs;

(ii) energy efficiency education;

(iii) residential energy demand management services, including any other energy related residential repair and energy efficiency improvements in coordination with, or delivered by, Department of Energy weatherization assistance programs at the discretion of the State;

(iv) family services, such as counseling and needs assessment, related to energy budget management, payment plans, and related services; and

(v) negotiation with home energy suppliers on behalf of households eligible for R.E.A.Ch. services and benefits;

(D) a description of the methodology the State and local agencies will use to determine--

(i) which households will receive one or more forms of benefits under the State R.E.A.Ch. initiative;

(ii) the cases in which nonmonetary benefits are likely to provide more cost-effective long-term outcomes than payment benefits alone; and

(iii) the amount of such benefit[s] required to meet the goals of the program;

(E) a method for targeting nonmonetary benefits;

(F) a description of the crisis and emergency assistance activities the State will undertake that are designed to--

(i) discourage family energy crises;

(ii) encourage responsible vendor and consumer behavior; and

(iii) provide only financial incentives that encourage household payment;

(G) a description of the activities the State will undertake to--

(i) provide incentives for recipients of assistance to pay home energy costs; and

(ii) provide incentives for vendors to help reduce the energy burdens of recipients of assistance;

(H) an assurance that the State will require each entity that receives a grant or enters into a contract under this section to solicit and be responsive to the views of individuals

who are financially eligible for benefits and services under this section in establishing its local program;

(I) a description of performance goals for the State R.E.A.Ch. initiative including--

(i) a reduction in the energy costs of participating households over one or more fiscal years;

(ii) an increase in the regularity of home energy bill payments by eligible households; and

(iii) an increase in energy vendor contributions towards reducing energy burdens of eligible households;

(J) a description of the indicators that will be used by the State to measure whether the performance goals have been achieved;

(K) a demonstration that the plan is consistent with section 2603, paragraphs (2), (3), (4), (5), (7), (9), (10), (11), (12), (13), and (14) of section 2605(b), subsections (d), (e), (f), (g), (h), (i), and (j) of section 2605, and section 2606 of this title;

(L) an assurance that benefits and services will be provided in addition to other benefit payments and services provided under this title and in coordination with such benefit payments and services; and

(M) an assurance that no regulated utility covered by the plan will be required to act in a manner that is inconsistent with applicable regulatory requirements.

Not Considered Administrative Costs

[**Back to Table of Content*](#)

(f) COST OR FUNCTION.--None of the costs of providing services or benefits under this section shall be considered to be an administrative cost or function for purposes of any limitation on administrative costs or functions contained in this title.

Residential Energy Assistance Challenge Option

[**Back to Table of Content*](#)

Section 308 of Title III of Public Law 105-285

(a) EVALUATION.--The Comptroller General of the United States shall conduct an evaluation of the Residential Energy Assistance Challenge program described in section 2607B of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626b).

(b) REPORT.--Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit to Congress a report containing--

- (1) the findings resulting from the evaluation described in subsection (a); and
- (2) the State evaluations described in paragraphs (1) and (2) of subsection (b) of such section 2607B.

Reallotment

[**Back to Table of Content*](#)

LIHEAP Statute Section 2607(b)

(b)(1) If--

(A) the Secretary determines that, as of September 1 of any fiscal year, an amount allotted to a State under section 2604 for any fiscal year will not be used by such State during such fiscal year;

(B) the Secretary--

(i) notifies the chief executive officer of such State; and

(ii) publishes a timely notice in the Federal Register; that, after the 30-day period beginning on the date of the notice to such chief executive officer, such amount may be reallotted; and

(C) the State does not request, under paragraph (2), that such amount be held available for such State for the following fiscal year; then such amount shall be treated by the Secretary for purposes of this title as an amount appropriated for the following fiscal year to be allotted under section 2604 for such following fiscal year.

LIHEAP Statute Section 2607(b)(2)(c)

(C) The Secretary shall reallot amounts made available under this paragraph for the fiscal year following the fiscal year of the original allotment in accordance with paragraph (1) of this subsection.

(3) During the 30-day period described in paragraph (1)(B), comments may be submitted to the Secretary. After considering such comments, the Secretary shall notify the chief executive officer of the State of any decision to reallot funds, and shall publish such decision in the Federal Register.

LIHEAP Statute Section 2607(b)(3)

(3) During the 30-day period described in paragraph (1)(B), comments may be submitted to the Secretary. After considering such comments, the Secretary shall notify the chief executive officer of the State of any decision to reallot funds, and shall publish such decision in the Federal Register.

Records

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.16(d)

(d) The social services and low-income home energy assistance programs are subject only to 31 U.S.C. 7304. [Block grant records shall be available to the Comptroller General.]

Repayment of Funds

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(g)

The State shall repay to the United States amounts found not to have been expended in accordance with this title or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this title.

Block grant regulations at 45 CFR 96.32

[**Back to Table of Content*](#)

The State must repay to the Department amounts found after audit resolution to have been expended improperly. In the event that repayment is not made voluntarily, the Department will undertake recovery.

Repealer

[**Back to Table of Content*](#)

LIHEAP Statute Section 2611

Effective October 1, 1981, the Home Energy Assistance Act of 1980 is repealed.

Reports

[**Back to Table of Content*](#)

Report to Congress

[**Back to Table of Content*](#)

LIHEAP Statute Section 2610 (b)

(b)The Secretary shall, no later than June 30 of each fiscal year, submit a report to the Congress containing a detailed compilation of the data under subsection (a) with respect to the prior fiscal year, and a report that describes for the prior fiscal year--

(1) the manner in which States carry out the requirements of clauses (2), (5), (8), and (15) of section 2605(b); and

(2) the impact of each State's program on recipient and eligible households.

Financial

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.30(b)(2) and (4)

(2) Block grants containing time limits only on obligation of funds. After the close of each statutory period for the obligation of block grant funds, each grantee shall report to the Department:

(i) Total funds obligated by the grantee during the applicable statutory period; and

(ii) The date of the last obligation.

(4) Submission of information. Grantees shall submit the information required by paragraph (b)(1), (2), and (3) of this section on OMB Standard Form 269A, Financial Status Report (short form). Grantees are to provide the requested information within 90 days of the close of the applicable statutory grant periods.

Household

[**Back to Table of Content*](#)

LIHEAP Statute Section 2610 (a)

(a) The Secretary, after consultation with the Secretary of Energy, shall provide for the collection of data, including--

(1) information concerning home energy consumption;

(2) the amount, cost and type of fuels used for households eligible for assistance under this title;

- (3) the type of fuel used by various income groups;
- (4) the number and income levels of households assisted by this title;
- (5) the number of households which received such assistance and include one or more individuals who are 60 years or older or disabled or include young children; and
- (6) any other information which the Secretary determines to be reasonably necessary to carry out the provisions of this title. Nothing in this subsection may be construed to require the Secretary to collect data which has been collected and made available to the Secretary by any other agency of the Federal Government.

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.82

(a) Each grantee which is a State or an insular area which receives an annual allotment of at least \$200,000 shall submit to the Department, as part of its LIHEAP grant application, the data required by section 2605(c)(1)(G) of Public Law 97-35 (42 U.S.C. 8624(c)(1)(G)) for the 12-month period corresponding to the Federal fiscal year (October 1-September 30) preceding the fiscal year for which funds are requested. The data shall be reported separately for LIHEAP heating, cooling, crisis, and weatherization assistance.

(b) Each grantee which is an insular area which receives an annual allotment of less than \$200,000 or which is an Indian tribe or tribal organization which receives direct funding from the Department shall submit to the Department, as part of its LIHEAP grant application, data on the number of households receiving LIHEAP assistance during the 12-month period corresponding to the Federal fiscal year (October 1-September 30) preceding the fiscal year for which funds are requested. The data shall be reported separately for LIHEAP heating, cooling, crisis, and weatherization assistance.

(c) Grantees will not receive their LIHEAP grant allotment for the fiscal year until the Department has received the report required under paragraph (a) or (b) of this section.

Renewable Fuels

[*Back to Table of Content](#)

LIHEAP Statute Section 2612

In providing assistance pursuant to this title, a State, or any other person with which the State makes arrangements to carry out the purposes of this title, may purchase renewable fuels, including biomass.

LIHEAP and the Energy Policy Act of 2005 (P.L. 109-58)

Below are the LIHEAP-related provisions of the law, signed by the President on 8/8/05.

Section Title I. Subtitle B

Sec. 121(a) - Increases the authorization of the LIHEAP program to "\$5.1billion for each of fiscal years 2005 through 2007."

Sec. 121(b) - Adds a new Section 2612 to the LIHEAP statute to authorize participants to purchase renewable fuels with LIHEAP benefits.

Sec 121(c) - Requires the Secretary to report to Congress on the use of renewable fuels in providing assistance under the Low-Income Home Energy Assistance Act of 1981.

Title III, Subtitle E -- Production

Sec. 342(j)(1) - Establishes a provision where the Secretary of Interior may distribute oil and gas royalties to subsidize Federal and State low-income energy assistance programs.

Title XVIII - Studies

Sec 1804 - Requires the Secretary of HHS to submit a report on how LIHEAP could be used more effectively to prevent loss of life from extreme temperatures and that HHS should consult with all states on this issue in the preparation of the Report.

Secretary May Not Prescribe

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(b)

The Secretary may not prescribe the manner in which the States will comply with the provisions of this subsection.

Block Grant Policy—Obligation and Expenditure of Funds

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.30

(a) Fiscal control and accounting procedures. Except where otherwise required by Federal law or regulation, a State shall obligate and expend block grant funds in accordance with the laws and procedures applicable to the obligation and expenditure of its own funds. Fiscal control and accounting procedures must be sufficient to (a) permit preparation of reports required by the statute authorizing the block grant and (b) permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statute authorizing the block grant.

Block grant regulations at 45 CFR 96.50(e)

[*Back to Table of Content](#)

The Department recognizes that under the block grant programs the States are primarily responsible for interpreting the governing statutory provisions. As a result, various States may reach different interpretations of the same statutory provisions. This circumstance is consistent with the intent of and statutory authority for the block grant programs. In resolving any issue raised by a complaint or a Federal audit the Department will defer to a State's interpretation of its assurances and of the provisions of the block grant statutes unless the interpretation is clearly erroneous. In any event, the Department will provide copies of complaints to the independent entity responsible for auditing the State's activities under the block grant program involved. Any determination by the Department that a State's interpretation is not clearly erroneous shall not preclude or otherwise prejudice the State auditors' consideration of the question.

Subsidized Housing Benefits

[*Back to Table of Content](#)

Utility Allowances

[*Back to Table of Content](#)

Section 927. CLARIFICATION ON UTILITY ALLOWANCES

(a) ELIGIBILITY.--Tenants who--

(1) are responsible for making out-of-pocket payments for utility bills; and

(2) receive energy assistance through utility allowances that include energy costs under programs identified in subsection c; shall not have their eligibility or benefits under other programs designed to assist low-income people with increases in energy costs since 1978 reduced or eliminated except as provided in subsection (d).

(b) EQUAL TREATMENT IN BENEFIT PROGRAMS.--Tenants described in subsection (a) shall be treated identically with other households eligible for or receiving energy assistance, including in the determination of the home energy costs for which they are individually responsible and in the determination of their incomes for any program in which eligibility or benefits are based on need, except as provided in subsection (d).

(c) APPLICABILITY.--This section applies to programs under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, section 202 of the Housing Act of 1959, and title V of the Housing Act of 1949.

(d) SPECIAL RULE FOR LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM.--For purposes of the Low-Income Home Energy Assistance Program, tenants described in subsection (a)(2) who are responsible for paying some or all heating or cooling costs shall not have their eligibility automatically denied. A state may consider the amount of the heating or cooling component of utility allowances received by tenants described in subsection (a)(2) when setting benefit levels under the Low-Income Home Energy Assistance Program. The size of any reduction in Low-Income Home Energy [Assistance] Program benefits must be reasonably related to the amount of the heating or cooling component of the utility allowance received and must ensure that the highest level of assistance will be furnished to those households with the lowest incomes and the highest energy costs in relation to income, taking into account family size, in compliance with section 2605(b)(5) of the Low-Income Home Energy Assistance Act of 1981.

Target Assistance

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(c)(1)(E)

(E) describes any steps that will be taken (in addition to those necessary to carry out the assurance contained in paragraph (5) of subsection (b)) to target assistance to households with high home energy burdens; [Related to plan.]

Tax Credits for Energy Suppliers

[*Back to Table of Content](#)

LIHEAP Statute Section 2605(l)(1-3)

(l)(1) Any State may use amounts provided under this title for the purpose of providing credits against State tax to energy suppliers who supply home energy at reduced rates to low-income households.

(2) Any such credit provided by a State shall not exceed the amount of the loss of revenue to such supplier on account of such reduced rate.

(3) Any certification for such tax credits shall be made by the State, but such State may use Federal data available to such State with respect to recipients of supplemental security income benefits if timely delivery of benefits to households described in subsection (b) and suppliers will not be impeded by the use of such data.

Technical Assistance

[**Back to Table of Content*](#)

LIHEAP Statute Section 2609A

(a) Of the amounts appropriated under section 2602(b) for any fiscal year, not more than \$300,000 of such amounts may be reserved by the Secretary-

(1) to-

(A) make grants to State and public agencies and private nonprofit organizations; or

(B) enter into contracts or jointly financed cooperative arrangements or interagency agreements with States and public agencies (including Federal agencies) and private nonprofit organizations; to provide for training and technical assistance related to the purposes of this subtitle, including collection and dissemination of information about programs and projects assisted under this subtitle, and ongoing matters of regional or national significance that the Secretary finds would assist in the more effective provision of services under this title; or

(2) to conduct onsite compliance reviews of programs supported under this title.

(b) No provision of this section shall be construed to prevent the Secretary from making a grant pursuant to subsection (a) to one or more private nonprofit organizations that apply jointly with a business concern to receive such grant.

Territories

Rights and Responsibilities

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.84(a)

(a) Rights and responsibilities of territories. Except as otherwise provided, a territory eligible for funds shall have the same rights and responsibilities as a State.

Transfer Authority Ended

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.84(d)

(d) End of transfer authority. Beginning with funds appropriated for FY 1994, grantees may not transfer any funds pursuant to section 2604(f) of Public Law 97-35 (42 U.S.C. 8623(f)) that are payable to them under the LIHEAP program to the block grant programs specified in section 2604(f).

Tribes

[**Back to Table of Content*](#)

Definition of Tribe, State Recognition

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.48(a-c)

- (a) This section applies to direct funding of Indian tribes under the low-income home energy assistance program.
- (b) The terms Indian tribe and tribal organization as used in the Reconciliation Act have the same meaning given such terms in section 4(b) and 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) except that the terms shall also include organized groups of Indians that the State in which they reside has expressly determined are Indian tribes or tribal organizations in accordance with State procedures for making such determinations.
- (c) For purposes of section 2604(d) of the Act (42 U.S.C. 8623(d)), an organized group of Indians is eligible for direct funding based on State recognition if the State has expressly determined that the group is an Indian tribe. A statement by the State's chief executive officer verifying that a tribe is recognized by that State will also be sufficient to verify State recognition for the purpose of direct funding.

Direct Grantee

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.41

(a) The Department has determined that, with the exception of the circumstances addressed in paragraph (c) of this section, Indian tribes and tribal organizations would be better served by means of grants provided directly by the Department to such tribes and organizations out of their State's allotment of block grant funds than if the State were awarded its entire allotment. Accordingly, with the exception of situations described in paragraph (c) of this section, the Department will, upon request of an eligible Indian tribe or tribal organization and where provided for by statute, reserve a portion of the allotment of the State(s) in which the tribe is located, and, upon receipt of a complete application and related submission meeting statutory and regulatory requirements, grant it directly to the tribe or organization.

(b) An Indian tribe or tribal organization may request direct funding under a block grant program included in this subpart regardless of whether the State in which it is located is receiving funds under the block grant program.

(c) The Department has determined that Indian tribal members eligible for the funds or services provided through the block grants would be better served by the State(s) in which the tribe is located rather than by the tribe, where:

(1) The tribe has not used its block grant allotment substantially in accordance with the provisions of the relevant statute(s); and

(2) Following the procedures of 45 CFR 96.51, the Department has withheld tribal funds because of those deficiencies; and

(3) The tribe has not provided sufficient evidence that it has removed or corrected the reason(s) for withholding. In these cases, block grant funds reserved or set aside for a direct grant to the Indian tribe will be awarded to the State(s), and the State(s) will provide block grant services to the service population of the tribe. Before awarding these funds to the State(s), the Department will allow as much time as it determines to be reasonable for the tribe to correct the conditions that led to withholding, consistent with provision of timely and meaningful services to the tribe's service population during the fiscal year. If a State(s) is awarded funds under this paragraph, the State(s) will receive all remaining funds set aside for the tribe for the Federal fiscal year for which the award is made. Where the Department has withheld funds from a tribe and the tribe has not taken satisfactory corrective action by the first day of the following fiscal year, all of the funds to serve the tribe's service population for the following fiscal year will be awarded to the State(s). The State(s) is responsible for providing services to the service population of the tribe in these cases. This paragraph also applies when funds are withheld from a tribal organization.

Public Hearing Not Required for Tribes

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.48(d)

(d) The plan required by section 2604(d)(4) of the Reconciliation Act (42 U.S.C. 8623(d)(4)) shall contain the certification and information required for States under section 2605 (b) and (c) of that Act (42 U.S.C. 8624 (b) and (c)). An Indian tribe or tribal organization is not required to comply with section 2605(a)(2) of the Act (42 U.S.C. 8624(a)(2)).

Rights and Responsibilities

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.42(a)

(a) An Indian tribe or tribal organization applying for or receiving direct funding from the Secretary under a block grant program shall be subject to all statutory and regulatory requirements applicable to a State applying for or receiving block grant funds to the extent that such requirements are relevant to an Indian tribe or tribal organization except where otherwise provided by statute or in this part.

State Responsibility for Tribes

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.42(f)

(f) A State receiving block grant funds is not required to use those funds to provide tangible benefits (e.g., cash or goods) to Indians who are within the service population

of an Indian tribe or tribal organization that received direct funding from the Department under the same block grant program for the same fiscal year. A State, however, may not deny Indians access to intangible services funded by block grant programs (e.g., treatment at a community health center) even if the Indians are members of a tribe receiving direct funding for a similar service. A tribe receiving direct block grant funding is not required to use those funds to provide tangible benefits to non-Indians living within the tribe's service area unless the tribe and the State(s) in which the tribe is located agree in writing that the tribe will do so.

Tribal Members in Multi-States

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.42(c)

(c) If an Indian tribe or tribal organization whose service population resides in more than one State applies for block grant funds that, by statute, are apportioned on the basis of population, the allotment awarded to the tribe or organization shall be taken from the allotments of the various States in which the service population resides in proportion to the number of eligible members or households to be served in each State. If block grant funds are required to be apportioned on the basis of grants during a base year, the allotment to the Indian tribe or tribal organization shall be taken from the allotment of the State whose base year grants included the relevant grants to the tribe or organization.

Tribal Resolutions Required

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.42(b)

(b) A tribal organization representing more than one Indian tribe will be eligible to receive block grant funds on behalf of a particular tribe only if the tribe has by resolution authorized the organization's action.

Tribal Withholding

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.41(c)(1),(2),(3)

(c) The Department has determined that Indian tribal members eligible for the funds or services provided through the block grants would be better served by the State(s) in which the tribe is located rather than by the tribe, where:

(1) The tribe has not used its block grant allotment substantially in accordance with the provisions of the relevant statute(s); and

(2) Following the procedures of 45 CFR 96.51, the Department has withheld tribal funds because of those deficiencies; and

(3) The tribe has not provided sufficient evidence that it has removed or corrected the reason(s) for withholding. In these cases, block grant funds reserved or set aside for a direct grant to the Indian tribe will be awarded to the State(s), and the State(s) will

provide block grant services to the service population of the tribe. Before awarding these funds to the State(s), the Department will allow as much time as it determines to be reasonable for the tribe to correct the conditions that led to withholding, consistent with provision of timely and meaningful services to the tribe's service population during the fiscal year. If a State(s) is awarded funds under this paragraph, the State(s) will receive all remaining funds set aside for the tribe for the Federal fiscal year for which the award is made. Where the Department has withheld funds from a tribe and the tribe has not taken satisfactory corrective action by the first day of the following fiscal year, all of the funds to serve the tribe's service population for the following fiscal year will be awarded to the State(s). The State(s) is responsible for providing services to the service population of the tribe in these cases. This paragraph also applies when funds are withheld from a tribal organization.

Waivers—Weatherization

[*Back to Table of Content](#)

LIHEAP Statute Section 2605 (k)(1)

(k)(1) Except as provided in paragraph (2), not more than 15 percent of the greater of--

(A) the funds allotted to a State under this title for any fiscal year; or

(B) the funds available to such State under this title for such fiscal year; may be used by the State for low-cost residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(2)(A) If a State receives a waiver granted under subparagraph (B) for a fiscal year, the State may use not more than the greater of 25 percent of--

(i) the funds allotted to a State under this title for such fiscal year; or

(ii) the funds available to such State under this title for such fiscal year; for residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(B) For purposes of subparagraph (A), the Secretary may grant a waiver to a State for a fiscal year if the State submits a written request to the Secretary after March 31 of such fiscal year and if the Secretary determines, after reviewing such request and any public comments, that--

(i)(I) the number of households in the State that will receive benefits, other than weatherization and energy-related home repair, under this title in such fiscal year will not be fewer than the number of households in the State that received benefits, other than weatherization and energy-related home repair, under this title in the preceding fiscal year;

(II) the aggregate amounts of benefits that will be received under this title by all households in the State in such fiscal year will not be less than the aggregate amount of such benefits that were received under this title by all households in the State in the preceding fiscal year; and

(III) such weatherization activities have been demonstrated to produce measurable savings in energy expenditures by low-income households; or

(ii) in accordance with rules issued by the Secretary, the State demonstrates good cause for failing to satisfy the requirements specified in clause (i).

Waiver of Assurances Repealed

[*Back to Table of Content](#)

Block grant regulations at 45 CFR 96.15

Applications for waivers that are permitted by statute for the block grants should be submitted to the Director, Centers for Disease Control and Prevention in the case of the preventive health and health services block grant; to the Administrator, Substance Abuse and Mental Health Services Administration in the case of the community mental health services block grant and the substance abuse prevention and treatment block grant; to the Director, Maternal and Child Health Bureau in the case of the maternal and child health services block grant; and to the Director, Office of Community Services in the case of the community services block grant, the low-income home energy assistance program and the social services block grant. Beginning with fiscal year 1986, the Secretary's authority to waive the provisions of section 2605(b) of Public Law 97-35 (42 U.S.C. 8624(b)) under the low-income home energy assistance program is repealed.

Waste, Fraud, and Abuse

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605(b)

The Secretary shall issue regulations to prevent waste, fraud, and abuse in the programs assisted by this title.

Block grant regulations at 45 CFR 96.84(c)

(c) Prevention of waste, fraud, and abuse. Grantees must establish appropriate systems and procedures to prevent, detect, and correct waste, fraud, and abuse in activities funded under the low-income home energy assistance program. The systems and procedures are to address possible waste, fraud, and abuse by clients, vendors, and administering agencies.

Fraud Reporting

[**Back to Table of Content*](#)

Block grant regulations at 45 CFR 96.33

State or tribal officials who have information indicating the commission or potential commission of fraud or other offenses against the United States involving block grant funds should promptly provide the information to the appropriate Regional Office of Investigations of the Department's Office of the Inspector General.

Weatherization

[**Back to Table of Content*](#)

Authorization to Use DOE Rules

[**Back to Table of Content*](#)

LIHEAP Section 2605 (c)(1)(D)

(D) describes weatherization and other energy-related home repair the State will provide under subsection (k), including any steps the State will take to address the weatherization and energy-related home repair needs of households that have high home energy burdens, and describes any rules promulgated by the Department of Energy for administration of its Low Income Weatherization Assistance Program which the State, to the extent permitted by the Secretary to increase consistency between federally assisted programs, will follow regarding the use of funds provided under this title by the State for such weatherization and energy-related home repairs and improvements;

Low Cost Weatherization or Other Energy Related Home Repair

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605 (k)(1)

(k)(1) Except as provided in paragraph (2), not more than 15 percent of the greater of--

(A) the funds allotted to a State under this title for any fiscal year; or

(B) the funds available to such State under this title for such fiscal year; may be used by the State for low-cost residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

(2)(A) If a State receives a waiver granted under subparagraph (B) for a fiscal year, the State may use not more than the greater of 25 percent of--

(i) the funds allotted to a State under this title for such fiscal year; or

(ii) the funds available to such State under this title for such fiscal year; for residential weatherization or other energy-related home repair for low-income households, particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy.

Weatherization Waiver

[**Back to Table of Content*](#)

LIHEAP Statute Section 2605 (k)(1)(B)

(B) For purposes of subparagraph (A), the Secretary may grant a waiver to a State for a fiscal year if the State submits a written request to the Secretary after March 31 of such fiscal year and if the Secretary determines, after reviewing such request and any public comments, that--

(i)(I) the number of households in the State that will receive benefits, other than weatherization and energy-related home repair, under this title in such fiscal year will not be fewer than the number of households in the State that received benefits, other than weatherization and energy-related home repair, under this title in the preceding fiscal year;

(II) the aggregate amounts of benefits that will be received under this title by all households in the State in such fiscal year will not be less than the aggregate amount of such benefits that were received under this title by all households in the State in the preceding fiscal year; and

(III) such weatherization activities have been demonstrated to produce measurable savings in energy expenditures by low-income households; or

(ii) in accordance with rules issued by the Secretary, the State demonstrates good cause for failing to satisfy the requirements specified in clause (i).

Weatherization Waiver Request

Block grant regulations at 45 CFR 96.83

[**Back to Table of Content*](#)

(a) Scope. This section concerns requests for waivers increasing from 15 percent to up to 25 percent of LIHEAP funds allotted or available to a grantee for a fiscal year, the maximum amount that grantees may use for low-cost residential weatherization and other energy-related home repair for low-income households (hereafter referred to as “weatherization”), pursuant to section 2605(k) of Public Law 97-35 (42 U.S.C. 8624(k)).

(b) Public inspection and comment. Before submitting waiver requests to the Department, grantees must make proposed waiver requests available for public inspection within their jurisdictions in a manner that will facilitate timely and meaningful review of, and comment upon, these requests. Written public comments on proposed waiver requests must be made available for public inspection upon their receipt by grantees, as must any summaries prepared of written comments, and transcripts and/or summaries of verbal comments made on proposed requests at public meetings or hearings. Proposed waiver requests, and any preliminary waiver requests, must be made available for public inspection and comment until at least March 15 of the fiscal year for which the waiver is to be requested. Copies of actual waiver requests must be made available for public inspection upon submission of the requests to the Department.

(c) Waiver request. After March 31 of each fiscal year, the chief executive officer (or his or her designee) may request a waiver of the weatherization obligation limit for this fiscal year, if the grantee meets criteria in paragraphs (c)(2)(i), (c)(2)(ii), and (c)(2)(iii) of

this section, or can show "good cause" for obtaining a waiver despite a failure to meet one or more of these criteria. (If the request is made by the chief executive officer's designee and the Department does not have on file written evidence of the designation, the request also must include evidence of the appropriate delegation of authority.)

Waiver requests must be in writing and must include the information specified in paragraphs (c)(1) through (c)(6) of this section. The grantee may submit a preliminary waiver request for a fiscal year, between February 1 and March 31 of the fiscal year for which the waiver is requested. If a grantee chooses to submit a preliminary waiver request, the preliminary request must include the information specified in paragraphs (c)(1) through (c)(6) of this section; in addition, after March 31 the chief executive officer (or his or her designee) must submit the information specified in paragraphs (c)(7) through (c)(10) of this section, to complete the preliminary waiver request.

(1) A statement of the total percent of its LIHEAP funds allotted or available in the fiscal year for which the waiver is requested, that the grantee desires to use for weatherization.

(2) A statement of whether the grantee has met each of the following three criteria:

(i) In the fiscal year for which the waiver is requested, the combined total (aggregate) number of households in the grantee's service population that will receive LIHEAP heating, cooling, and crisis assistance benefits that are provided from Federal LIHEAP allotments from regular and supplemental appropriations will not be fewer than the combined total (aggregate) number that received such benefits in the preceding fiscal year;

(ii) In the fiscal year for which the waiver is requested, the combined total (aggregate) amount, in dollars, of LIHEAP heating, cooling, and crisis assistance benefits received by the grantee's service population that are provided from Federal LIHEAP allotments from regular and supplemental appropriations will not be less than the combined total (aggregate) amount received in the preceding fiscal year; and

(iii) All LIHEAP weatherization activities to be carried out by the grantee in the fiscal year for which the waiver is requested have been shown to produce measurable savings in energy expenditures.

(3) With regard to criterion in paragraph (c)(2)(i) of this section, a statement of the grantee's best estimate of the appropriate household totals for the fiscal year for which the waiver is requested and for the preceding fiscal year.

(4) With regard to criterion in paragraph (c)(2)(ii) of this section, a statement of the grantee's best estimate of the appropriate benefit totals, in dollars, for the fiscal year for which the waiver is requested and for the preceding fiscal year.

(5) With regard to criterion in paragraph (c)(2)(iii) of this section, a description of the weatherization activities to be carried out by the grantee in the fiscal year for which the waiver is requested (with all LIHEAP funds proposed to be used for weatherization, not just with the amount over 15 percent), and an explanation of the specific criteria under which the grantee has determined whether these activities have been shown to produce measurable savings in energy expenditures.

(6) A description of how and when the proposed waiver request was made available for timely and meaningful public review and comment, copies and/or summaries of public comments received on the request (including transcripts and/or summaries of any comments made on the request at public meetings or hearings), a statement of the method for reviewing public comments, and a statement of the changes, if any, that were made in response to these comments.

(7) To complete a preliminary waiver request: Official confirmation that the grantee wishes approval of the waiver request.

(8) To complete a preliminary waiver request: A statement of whether any public comments were received after preparation of the preliminary waiver request and, if so, copies and/or summaries of these comments (including transcripts and/or summaries of any comments made on the request at public meetings or hearings), and a statement of the changes, if any, that were made in response to these comments.

(9) To complete a preliminary waiver request: A statement of whether any material/substantive changes of fact have occurred in information included in the preliminary waiver request since its submission, and, if so, a description of the change(s).

(10) To complete a preliminary waiver request: A description of any other changes to the preliminary request.

(d) "Standard" waiver. If the Department determines that a grantee has met the three criteria in paragraph (c)(2) of this section, has provided all information required by paragraph (c) of this section, has shown adequate concern for timely and meaningful public review and comment, and has proposed weatherization that meets all relevant requirements of title XXVI of Public Law 97-35 (42 U.S.C. 8621 et seq.) and 45 CFR part 96, the Department will approve a "standard" waiver.

(e) "Good cause" waiver. (1) If a grantee does not meet one or more of the three criteria in paragraph (c)(2) of this section, then the grantee may submit documentation that demonstrates good cause why a waiver should be granted despite the grantee's failure to meet this criterion or these criteria. "Good cause" waiver requests must include the following information, in addition to the information specified in paragraph (c) of this section:

(i) For each criterion under paragraph (c)(2) of this section that the grantee does not meet, an explanation of the specific reasons demonstrating good cause why the grantee does not meet the criterion and yet proposes to use additional funds for weatherization, citing measurable, quantified data, and stating the source(s) of the data used;

(ii) A statement of the grantee's LIHEAP heating, cooling, and crisis assistance eligibility standards (eligibility criteria) and benefits levels for the fiscal year for which the waiver is requested and for the preceding fiscal year; and, if eligibility standards were less restrictive and/or benefit levels were higher in the preceding fiscal year for one or more of these program components, an explanation of the reasons demonstrating good cause why a waiver should be granted in spite of this fact;

(iii) A statement of the grantee's opening and closing dates for applications for LIHEAP heating, cooling, and crisis assistance in the fiscal year for which the waiver is

requested and in the preceding fiscal year, and a description of the grantee's outreach efforts for heating, cooling, and crisis assistance in the fiscal year for which the waiver is requested and in the preceding fiscal year, and, if the grantee's application period was longer and/or outreach efforts were greater in the preceding fiscal year for one or more of these program components, an explanation of the reasons demonstrating good cause why a waiver should be granted in spite of this fact; and

(iv) If the grantee took, or will take, other actions that led, or will lead, to a reduction in the number of applications for LIHEAP heating, cooling, and/or crisis assistance, from the preceding fiscal year to the fiscal year for which the waiver is requested, a description of these actions and an explanation demonstrating good cause why a waiver should be granted in spite of these actions.

(2) If the Department determines that a grantee requesting a "good cause" waiver has demonstrated good cause why a waiver should be granted, has provided all information required by paragraphs (c) and (e)(1) of this section, has shown adequate concern for timely and meaningful public review and comment, and has proposed weatherization that meets all relevant requirements of title XXVI of Public Law 97-35 (42 U.S.C. 8621 et seq.) and 45 CFR part 96, the Department will approve a "good cause" waiver.

(f) Approvals and disapprovals. After receiving the grantee's complete waiver request, the Department will respond in writing within 45 days, informing the grantee whether the request is approved on either a "standard" or "good cause" basis. The Department may request additional information and/or clarification from the grantee. If additional information and/or clarification is requested, the 45-day period for the Department's response will start when the additional information and/or clarification is received. No waiver will be granted for a previous fiscal year.

(g) Effective period. Waivers will be effective from the date of the Department's written approval until the funds for which the waiver is granted are obligated in accordance with title XXVI of Public Law 97-35 (42 U.S.C. 8621 et seq.) and 45 CFR part 96. Funds for which a weatherization waiver was granted that are carried over to the following fiscal year and used for weatherization shall not be considered "funds allotted" or "funds available" for the purposes of calculating the maximum amount that may be used for weatherization in the succeeding fiscal year.

Withholding of Funds

[**Back to Table of Content*](#)

LIHEAP Statute Section 2608

(a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State which does not utilize its allotment substantially in accordance with the provisions of this title and the assurances such State provided under section 2605.

(2) The Secretary shall respond in writing in no more than 60 days to matters raised in complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this title or the assurances provided by the State under section 2605. For purposes of this paragraph, a violation of any one of the assurances contained in section 2605(b) that constitutes a disregard of such assurance shall be considered a serious complaint.

(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this title in order to evaluate compliance with the provisions of this title.

(2) Whenever the Secretary determines that there is a pattern of complaints from any State in any fiscal year, the Secretary shall conduct an investigation of the use of funds received under this title by such State in order to ensure compliance with the provisions of this title.

(3) The Comptroller General of the United States may conduct an investigation of the use of funds received under this title by a State in order to ensure compliance with the provisions of this title.

(c) Pursuant to an investigation conducted under subsection (b), a State shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

(d) In conducting any investigation under subsection (b), the Secretary may not request any information not readily available to such State or require that any information be compiled, collected, or transmitted in any new form not already available.