



**Office of Community Services
Low-Income Household
Water Assistance Program
(LIHWAP)**

**LOW INCOME HOUSEHOLD
WATER ASSISTANCE PROGRAM**

**INFORMATION SESSION ON
ADMINISTRATIVE COSTS AND USE
OF FUNDS**

**ADMINISTRATION FOR CHILDREN
& FAMILIES**

WEDNESDAY, JUNE 3, 2021



Purpose

- Introduce Low Income Household Water Assistance Program (LIHWAP) staff
- Review LIHWAP legislation and use of funds
- Define and review LIHWAP administrative costs
- Discuss the commonalities and differences between LIHEAP and LIHWAP administrative costs
- Discuss reporting requirements
- Share next steps for grantees
- Questions

Our Team



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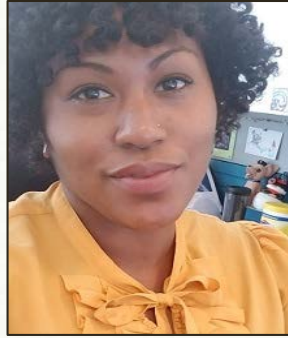


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LIHWAP Implementation: Where are we now?

- Released Consolidated Appropriations Act and American Rescue Plan funding—15% available immediately
- Revised Model LIHWAP Plan with instructions and federal definitions
- Compiled ongoing training and technical assistance (T&TA) needs
- Submitted audit compliance supplement



Legislation

- There is no permanent authorization for LIHWAP.
- Congress appropriated \$638M in the Consolidated Appropriations Act of 2021, and an additional \$500M in the American Rescue Plan Act (ARP) of 2021 for a new emergency water and wastewater assistance program.
- The legislation provides emergency assistance to low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services.
- Grantees must provide funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services.



Legislation

- Up to three (3) percent of the total appropriation shall be set aside for Indian Tribes and tribal organizations.
- Full allocation formula determined by:
 - the percentage of households in the State, or under the jurisdiction of the Indian Tribe, with income equal to or less than 150 percent of the Federal poverty line, and
 - the percentage of such households in the State, or under the jurisdiction of the Indian Tribe, that spend more than 30 percent of monthly income on housing.
- “Use existing processes, procedures, policies, and systems in place to provide assistance to low-income households, including by using existing programs and program announcements, application and approval processes.”



Use of Funds

- Administrative Costs
- Outreach & Eligibility/ Intake Costs
- Benefits to Households:
 1. Arrearages
 2. Reconnection and late fees
 3. Reduction in rate charges



Administrative Cost Differences

	LIHEAP	LIHWAP
Definition	Varies by grantee	Federal
Cost Cap	10% for states/territories; Special formula for tribes	15% for all LIHWAP grantees
Expenditure Deadline	Varies by grantee	December 31, 2023
Cost Principles (45 CFR 75 Subpart E)	Not required	Required of all LIHWAP grantees



Administrative Cost Definition

Expenses by the grantee and its sub-recipient service providers for a portion of general administration and general organizational expenses, such as salaries and expenses of executive officers, personnel administration, accounting, grants management, and reporting. As specified in the LIHWAP Terms and Conditions, administrative costs may not exceed 15 percent of the total award.



Outreach and Intake/Eligibility Cost Definition

Grantee cost and subgrantee costs for staff time and expenses directly related to implementation of a LIHWAP outreach plan, and for any intake service necessary to conduct eligibility and benefit determination activities to assure that households are eligible, to determine the specified benefit amount, and to notify households of an incomplete application status and advise as to the necessary documentation missing as outlined in State, territorial, or tribal policies and procedures.



Administrative vs. Outreach/Eligibility Costs

Administrative Costs	Outreach & Intake/Eligibility Costs
<ul style="list-style-type: none">• Salaries/expenses of executive officers• Personnel administration• Accounting• Grants management• Reporting	<ul style="list-style-type: none">• Staff time/expenses to implement LIHWAP outreach plan• Staff time/expenses for eligibility and benefit determination• Costs to notify households of application status and advise on necessary documentation.
<p><i>Must not exceed 15% of award</i></p>	<p><i>Must be reasonable and necessary (See 45 CFR § 75.404 Reasonable Costs)</i></p>



Similarities/Differences from LIHEAP

- Outreach is **not** considered an administrative cost for either LIHEAP or LIHWAP.
- Eligibility/Intake costs may be treated as administrative costs for LIHEAP depending on the grantee's rules.
- For the LIHWAP effort, OCS has created a general category of outreach/intake



Administrative Cost--Plan

Estimated Funding Allocations

1.4 Estimate what amount of available LIHWAP funds will be used for each component that you will operate: The total of all percentages must add up to 100%. The combined total of Administration (State) and Administration (Subrecipients) must not exceed 15% of the total for either the Consolidated Appropriations Act or the American Rescue Plan Award.

Consolidated Appropriations Act of 2021 Percentage (%) American Rescue Plan Grant Percentage %

Household Benefits	81.50%	81.50%
Outreach/Eligibility Determination	3.50%	3.50%
Administration - State	5.00%	5.00%
Administration - Subrecipients	10.00%	10.00%
Total	100%	100%

Percentages are examples for illustration purposes only.



Arrearages & Rate Reduction Definitions

- **Arrearage:** For the purposes of LIHWAP, arrearage refers to an unpaid past due bill for household drinking water and/or wastewater utility services. LIHWAP grant resources can be used to pay for arrearages incurred at any point in time by households that meet LIHWAP eligibility criteria and may include reconnection charges, fees and penalties.
- **Rate Reduction:** For the purposes of LIHWAP, rate reduction refers to full or partial payment of a currently due bill charged to a household for drinking water or wastewater services and may include standard charges and fees included in the household water bill.



Categorical Eligibility & Income Eligibility Definitions

- **Categorical Eligibility:** In the LIHWAP Model Plan, categorical eligibility refers to a determination that a household is eligible for LIHWAP assistance based on enrollment in another means-tested program including the Low-Income Home Energy Assistance Program (LIHEAP), the Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), or Means-tested Veterans Programs. If a household is determined by the grantee to be categorically eligible, that means that the grantee or subgrantee's intake staff do not need to repeat the income test for purposes of the household qualifying for LIHWAP assistance. The intake staff would move forward to the benefit determination calculation by looking at the total household income as reported on the LIHWAP application.
- **Income Eligibility:** For the purposes of LIHWAP, income eligibility means that a household has qualified for water utility (LIHWAP) assistance based on an intake worker's review of the total household income of all household members and any other eligibility criteria required by the state/tribe/territory, plus a determination that the total household income is below the eligibility threshold established by the state, territory, or tribe (e.g., at or below 150 percent of the Federal Poverty Line, at or below 60 percent of the State Median Income, or another lower poverty threshold established by the state, territory, or tribe).



Other Definitions

- **Household Drinking Water Burden:** The proportion (amount) of total household income spent on drinking water utility bills during a specific timeframe set by the grantee in its written policies (e.g., monthly, quarterly, or annual). This burden may be calculated based on gross income or net income depending upon the policies, procedures and requirements of the state, territory or tribe. It is also calculated based on the amount billed to the household for such services.
- **Household Wastewater Burden:** The proportion (amount) of total household income spent on wastewater bills during a specific timeframe set by the grantee in its written policies (e.g., monthly, quarterly, or annual). This burden may be calculated based on gross income or net income depending upon the policies, procedures and requirements of the state, territory, or tribe. It is also calculated based on the amount billed to the household for such services.



Other Definitions

- **Stormwater Fee:** A fee charged to property owners for costs related to pollution in stormwater drainage.
- **Wastewater:** Water that has been used in a household. This may include stormwater charges, as noted above. Note: For LIHWAP purposes, a wastewater payment may be made on behalf of an eligible household to the owners and operators of water treatment works.

Reporting Requirements

- Track and report separately:
 - Two CANs: 2021 CAN and ARP CAN (Common Account Number)
 - Track CANs separately in PMS
 - Upload two SF-425 in PMS
 - One for 2021 CAN
 - One for ARP Can
 - Annually, complete and submit LIHWAP Performance Data Form



Next Steps for Grantees

- Release Model LIHWAP Plan, obtain public input, and submit the LIHWAP Plan to OCS.
- Develop written LIHWAP policies and procedures for allowable cost categories: administrative costs, outreach, and eligibility/intake services.
 - Develop a written policy manual.
 - Create program integrity rules (internal controls) that include the consequences of improper payments related to these cost categories.
- Update or create a template for agreements with sub-grantees that includes terms and conditions about these cost categories, if applicable.
- Establish vendor agreements with water utility providers



Next Steps (Continued)

- Update or create a written tool(s) that the program and fiscal staff can use to track the different costs and analyze the spending/obligation rates throughout the project period.
- Update or create IT data collection system(s) or tool(s) to capture, analyze and report data to the federal government.
- Develop and implement training to grantee and sub-grantee staff. Share with OCS POC.

Anticipated Technical Assistance and Resources

Input suggests the following types of assistance would be most helpful and which we intend to offer:

- Model LIHWAP Plans with definitions
- Day-to-day technical assistance from Federal LIHWAP Team
- Templates for vendor agreements
- Benefit Matrix templates or examples
- Written guidance
- Webinars
- Consultation services
- Online tools

LIHWAP Communication

Effective 06/03/2021:

- Any questions, concerns, or feedback should be sent directly to your designated LIHWAP program specialist.
- For official document submissions only (i.e., LIHWAP Plan), reach out to LIHWAPStates@acf.hhs.gov or LIHWAPTribes@acf.hhs.gov



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Questions and Answers

