



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

Office of Community Services | 330 C Street, S.W., Washington, DC 20201  
www.acf.hhs.gov/ocs

## Low Income Home Energy Assistance Program

### Dear Colleague Letter

**DCL#:** LIHEAP-DCL-2020-10

**DATE:** May 8, 2020

**TO:** States, Tribes, and Territories

**SUBJECT:** CARES Act Supplemental FY 2020 LIHEAP Funding Release

**ATTACHMENT(S):** [1. FY 2020 Supplemental Funding Release of LIHEAP Block Grant Funds to States and Territories](#)  
[2. FY 2020 Supplemental Funding Release of LIHEAP Block Grant Funds to Native American Tribes and Tribal Organizations](#)

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Dear Colleagues,

The U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), Office of Community Services (OCS), Division of Energy Assistance (DEA), is releasing \$900 million in supplemental funding for the Low Income Home Energy Assistance Program (LIHEAP) for federal Fiscal Year (FY) 2020.

*Congress appropriated these funds under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136), which the President signed into law on March 27, 2020. This act provided \$900 million of supplemental LIHEAP funding to help “prevent, prepare for, or respond to” home energy needs surrounding the [national emergency](#) created by the Coronavirus Disease 2019 (COVID-19).*

OCS has awarded 100% of the LIHEAP funding available to grantees under the CARES Act. All 50 states, the District of Columbia, five U.S territories, and almost all Native American tribes and tribal organizations that are current LIHEAP grantees received a supplemental award. Grantees may use these funds for any purpose normally authorized under the federal LIHEAP statute (42 USC 8621 et seq.), including heating, cooling, crisis, weatherization assistance, case management for the reduction of home energy burden, and administrative costs.

## **Tribal Awards**

A few tribal grantees, whose agreements with their respective state LIHEAP office include a pre-negotiated fixed award amount, will not receive a supplemental award because the amount they have already received through their negotiated award is greater than the minimum annual amount to which they are entitled under the federal LIHEAP statute. These tribal grantees may contact their respective state LIHEAP offices to negotiate a revised tribe-state LIHEAP agreement for FY 2020, if needed for the tribe to address additional home energy assistance needs created by COVID-19 in the tribal service area. Revised tribe-state LIHEAP agreements must be signed by both parties and sent electronically to our office. ACF can then process negative grant awards for those affected states in order to direct a grant award to such tribes. Alternatively, states can choose to issue subgrants to tribes to provide a supplement to the tribe's LIHEAP to help address coronavirus-related home energy needs in the tribal service area. Such subgrants from the state do not require any approval from ACF.

## **Obligation Period/Carryover of LIHEAP CARES Act Funding**

The CARES Act allows LIHEAP grantees to obligate any portion of these supplemental funds in FY 2020 and/or FY 2021, contingent upon their own rules for obligating their own funds (45 CFR 96.30(a)). This means that LIHEAP grantees may carryover up to 100% of the supplemental funding for obligation in FY 2021—that is, by September 30, 2021.

Grantees must exclude the amount of these supplemental funds from the total amount of the base funding when determining total amount of LIHEAP resources available to carryover to FY 2021. That is because at least 90% of the non-supplemental FY 2020 funding must still be obligated by September 30, 2020 (this fiscal year).

The supplemental CARES Act LIHEAP funding from this award must not be carried over into FY 2022 or beyond, for obligation purposes.

## **LIHEAP Earmarking Caps for FY 2020**

LIHEAP grantees must include the total of their supplemental CARES Act LIHEAP funding with all of their other FY 2020 grant award amounts—including an upcoming anticipated release of reallocation grant awards—for purposes of calculating federal statutory earmarking caps/limits on administrative costs, weatherization activities, Assurance 16-related activities, and leveraging non-federal resources planning costs.

Additionally, LIHEAP grantees that obligate these supplemental funds in both FY 2020 and FY 2021 will need to carefully track the extent to which the grantees' earmarking caps are impacted by carryover of the supplemental funding into FY 2021, while not exceeding the total earmarking caps for each year.

## **Accounting and Reporting on LIHEAP CARES Act Funding**

LIHEAP grantees must track, account for, and report on, the LIHEAP CARES Act supplemental funding separate from the rest of their FY 2020 funding. There will be additional reporting requirements specific to this supplemental funding. Additional guidance on reporting will be forthcoming.

## **Drawing Down LIHEAP CARES Act Funding**

ACF has assigned a unique CAN in the federal Payment Management System (PMS) for LIHEAP grantees to draw down (access) this supplemental LIHEAP funding separate from the rest of the FY 2020 funding. ACF has also established a separate grant identification number on the LIHEAP Notice of Award (NOA) letter for this supplemental award.

## **Additional CARES Act Terms and Conditions**

ACF has noted additional, special Terms and Conditions that are specific to the CARES Act supplemental LIHEAP funding. The special Terms and Conditions are explained on the NOA letter for this supplemental award. These special Terms and Conditions are in addition to the normal sets of general [Terms and Conditions for mandatory/formula ACF programs](#) and [the LIHEAP-specific Terms and Conditions](#).

## **LIHEAP Income Eligibility under CARES Act Funding**

### **Stimulus Payment from the Internal Revenue Service (IRS)**

LIHEAP grantees should not consider the economic impact payments (up to \$1,200 for qualifying individuals and an additional \$500 per child) as income for eligibility. These payments count as a rebate or advance payment of a credit that are exempted as income. Section 103(d) of the American Taxpayer Relief Act amended the relevant statutory provision, 26 U.S.C. § 6409, and specifies that, "... any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of such individual (or any other individual) for benefits or assistance (or the amount or extent of benefits or assistance) under any Federal program or under any State or local program financed in whole or in part with Federal funds."

### **Supplemental CARES Act-funded Unemployment Compensation Payments**

With respect to the supplemental CARES Act-funded unemployment compensation payments, each LIHEAP grantee retains the authority under the federal LIHEAP statute to define "income" for the purpose of determining income eligibility for the program, in accordance with how each

grantee treats income for state-funded assistance programs (42 USC 8624(b)(2) and 45 CFR 96.30(a)).

Therefore, each LIHEAP grantee must decide whether to include or exclude such CARES-Act funded supplemental unemployment compensation payments from the LIHEAP income eligibility calculation. If a grantee rule allows it, grantees may treat these supplemental payments differently than the regular Unemployment Insurance Benefits.

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

ACF has released several LIHEAP Dear Colleague Letters in recent weeks regarding LIHEAP flexibilities available to help support your program's response to the COVID-19 pandemic. Please continue to regularly check our LIHEAP Dear Colleague Letter web site [here](#) to review those guidance documents—particularly [LIHEAP-DCL-2020-07](#)—and any forthcoming guidance documents. We also want to highlight again some resources that may be helpful to you and your LIHEAP partners, including community-based information from the CDC at <https://www.cdc.gov/coronavirus/2019-ncov/community/index.html> and the toll-free Disaster

Distress Hotline that anyone can reach at 1-800-985-5990 and or by texting TalkWithUs to 66746 in order to connect with a trained crisis counselor.

### **Summary**

For further details of award amounts by LIHEAP grantee name, see the attached tables that show the release amounts for [states and territories](#) and [Native American tribes and tribal organizations](#).

Please contact your [DEA federal liaison](#) if you have any questions, updates or feedback.

We know that each of you is personally impacted by this pandemic. We hope that you and your families are remaining healthy, physically and emotionally, during these challenging times. We applaud the extraordinary efforts you, your teams, and program partners have been making to ensure continuity of LIHEAP operations so that the most vulnerable individuals can receive assistance to stay healthy in their homes.

Thank you for your attention.

/s/

Lauren Christopher  
Director, Division of Energy Assistance  
Office of Community Services