

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

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FY 2011 Proposed Appropriation Language

ADMINISTRATION FOR CHILDREN AND FAMILIES
Low Income Home Energy Assistance Program

For making payments under subsections (b), (d), and (e) of section 2602 of the Low Income Home Energy Assistance Act of 1981, [~~\$5,100,000,000~~]~~\$3,300,000,000~~, of which [~~\$4,509,672,000~~]~~\$2,510,000,000~~ shall be for payments under subsections (b) and (d) of such section; and of which [~~\$590,328,000~~]~~\$790,000,000~~, *to remain available until expended*, shall be for payments under subsection (e) of such section, to be made notwithstanding the designation requirements of such subsection: *Provided*, [That all but \$839,792,000 of the amount provided in this Act for subsections (b) and (d) shall be allocated as though the total appropriation for such payments for fiscal year 2010 was less than \$1,975,000,000: *Provided further*,]That notwithstanding section 2605(b)(2)(B)(ii) of such Act, a State may use any amount of an allotment from prior appropriations Acts that is available to that State for providing assistance in fiscal year [2010]2011, and any allotment from funds appropriated in this Act or any other appropriations Act for fiscal year [2010]2011, to provide assistance to households whose income does not exceed 75 percent of the State median income. (*Department of Health and Human Services Appropriations Act, 2010*)

LANGUAGE ANALYSIS

Language Provision	Explanation
<p>...; and of which \$790,000,000, <i>to remain available until expended</i>, shall be for payments under subsection (e). ... (<i>Department of Health and Human Services Appropriations Act, 2010.</i>)</p>	<p>“<i>to remain available until expended</i>” language is inserted to extend the availability of the Contingency Fund rather than require obligation by the end of the year for which the funds are appropriated. Extending the availability will provide maximum flexibility to address emergencies when needed.</p>
<p>[That all but \$839,792,000 of the amount provided in this Act for subsections (b) and (d) shall be allocated as though the total appropriation for such payments for fiscal year 2010 was less than \$1,975,000,000: <i>Provided further</i>,]</p>	<p>This language can be deleted because it reflects the FY 2010 language that overrides the authorizing statute for LIHEAP.</p>

ADMINISTRATION FOR CHILDREN AND FAMILIES
Low Income Home Energy Assistance Program

Authorizing Legislation

	FY 2010 Amount Authorized	FY 2010 Budget Estimate	FY 2011 Amount Authorized	FY 2011 Budget Request
1. Low Income Home Energy Assistance Program: Section 2602(b) of the Low Income Home Energy Assistance Act	Such sums	\$4,482,372,000	Such sums	\$2,482,700,000
2. Leveraging Incentive Fund, Section 2602(d) of the Low Income Home Energy Assistance Act	\$30,000,000 (\$50M if amount appropriated under (b) is not less than \$1.4B)	\$27,000,000	\$30,000,000 (\$50M if amount appropriated under (b) is not less than \$1.4B)	\$27,000,000
3. Energy Emergency Contingency Fund, Section 2602(e) of the Low Income Home Energy Assistance Act	Such sums	\$590,328,000	Such sums	\$790,000,000
4. Training and Technical Assistance, Section 2609(a) of the Low Income Home Energy Assistance Act	\$300,000	\$300,000	\$300,000	\$300,000
5. Mandatory LIHEAP Home Energy Automatic Trigger, proposal. ¹			No existing authority	Such sums
Total request level		\$5,100,000,000		\$3,300,000,000 plus such sums as may be necessary for the Mandatory LIHEAP Home Energy Automatic Trigger proposal
Total request level against definite authorizations	\$30,300,000	\$27,300,000	\$30,300,000	\$27,300,000

¹ The budget request includes a legislative proposal to create a new mandatory trigger mechanism to provide automatic increases in energy assistance in response to energy price spikes as well as changes in the number of households in poverty.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Low Income Home Energy Assistance Program

Appropriations Not Authorized by Law

Program	Last Year of Authorization	Authorization Level in Last Year of Authorization	Appropriations in Last Year of Authorization	Appropriations in FY 2010
Low Income Home Energy Assistance Program	FY 2007	Such sums	1,952,478,000	4,482,372,000
Leveraging Incentive Fund	FY 2007	\$30,000,000 (\$50,000,000 if amount appropriated for Block Grant is not less than \$1.4B)	27,225,000	27,000,000
Energy Emergency Contingency Fund	FY 2007	Such sums	181,170,000	590,328,000
Training and Technical Assistance	FY 2007	\$300,000	297,000	300,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Low Income Home Energy Assistance Program

Appropriations History Table

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
2002				
Block Grant	1,400,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Contingency Fund	300,000,000	300,000,000	300,000,000	300,000,000
Total	1,700,000,000	2,000,000,000	2,000,000,000	2,000,000,000
2003				
Block Grant	1,400,000,000		1,700,000,000	1,800,000,000
Contingency Fund	300,000,000		300,000,000	
Rescission				-11,700,000
Total	1,700,000,000		2,000,000,000	1,788,300,000
2004				
Block Grant	1,700,000,000	1,700,000,000	2,000,000,000	1,800,000,000
Contingency Fund	300,000,000	100,000,000		100,000,000
Rescission				-11,210,000
Total	2,000,000,000	1,800,000,000	2,000,000,000	1,888,790,000
2005				
Block Grant	1,900,500,000	1,911,000,000	1,901,090,000	1,900,000,000
Contingency Fund	300,000,000	100,000,000	99,410,000	300,000,000
Rescission				-17,601,000
Total	2,200,500,000	2,011,000,000	2,000,050,000	2,182,399,000
2006				
Block Grant	1,800,000,000	2,006,799,000	1,883,000,000	2,000,000,000
Contingency Fund	200,000,000		300,000,000	183,000,000
Supplemental				1,000,000,000
Rescission				-21,830,000
Section 202 Transfer				-1,485,000
Total	2,000,000,000	2,006,799,000	2,183,000,000	3,159,685,000
2007				
Block Grant	1,782,000,000			1,980,000,000
Contingency Fund				181,170,000
Total	1,782,000,000			2,161,170,000
2008				
Block Grant	1,500,000,000			2,015,206,000
Contingency Fund	282,000,000			596,379,000
Rescission				-41,257,000
Total	1,782,000,000			2,570,328,000

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
2009				
Block Grant	1,700,000,000	1,980,000,000	1,980,000,000	4,509,672,000
Contingency Fund	300,000,000	790,328,000	590,328,000	590,328,000
Total	2,000,000,000	2,770,328,000	2,570,328,000	5,100,000,000 ¹
2010				
Block Grant	2,410,000,000	4,509,672,000	4,509,672,000	4,509,672,000
Contingency Fund	790,000,000	590,328,000	590,328,000	590,328,000
Total Discretionary Funding	3,200,000,000	5,100,000,000	5,100,000,000	5,100,000,000
2011				
Block Grant	2,510,000,000			
Contingency Fund	790,000,000			
Mandatory Trigger ² (est.)	[2,000,000,000]			
Total Discretionary Funding	3,300,000,000			

¹ The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329, appropriated LIHEAP funding for FY 2009.

² The budget request includes a legislative proposal to create a new mandatory trigger mechanism to provide automatic increases in energy assistance in response to energy price spikes as well as changes in the number of households in poverty. Using probabilistic scoring, we estimate the trigger would cost approximately \$2 billion in FY 2011.

ADMINISTRATION FOR CHILDREN AND FAMILIES
 Low Income Home Energy Assistance Program

Amounts Available for Obligation

	FY 2009	FY 2010	FY 2011	
	<u>Actual</u>	<u>Enacted</u>	<u>Current Law</u>	<u>Estimate</u>
Annual, B.A.	\$5,100,000,000	\$5,100,000,000	\$3,300,000,000	\$3,300,000,000
Mandatory, B.A.				2,000,000,000
Subtotal, Net Budget Authority	\$5,100,000,000	\$5,100,000,000	\$3,300,000,000	\$5,300,000,000
Total Obligations	\$5,100,000,000	\$5,100,000,000	\$3,300,000,000	\$5,300,000,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Low Income Home Energy Assistance Program

Budget Authority by Activity

	FY 2009 <u>Enacted</u>	FY 2010 <u>Enacted</u>	FY 2011	
			<u>Current Law</u>	<u>Estimate</u>
Block Grant				
Grants to States	\$4,482,372,000	\$4,482,372,000	\$2,482,700,000	\$2,482,700,000
Leveraging Incentive Funds	27,000,000	27,000,000	27,000,000	27,000,000
Training & Technical Assistance	300,000	300,000	300,000	300,000
Subtotal, Block Grant	4,509,672,000	4,509,672,000	2,510,000,000	2,510,000,000
Mandatory Trigger	0	0	0	2,000,000,000
Contingency Fund	590,328,000	590,328,000	790,000,000	790,000,000
Contingency Funds Released	[590,328,000]	[490,000,000]	[0]	[0]
Total, Discretionary Budget Authority	\$5,100,000,000	\$5,100,000,000	\$3,300,000,000	\$3,300,000,000
Total, Mandatory Budget Authority	\$0	\$0	\$0	\$2,000,000,000
Total, Budget Authority	\$5,100,000,000	\$5,100,000,000	\$3,300,000,000	\$5,300,000,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Low Income Home Energy Assistance Program

Summary of Changes

FY 2010 Enacted		
Total estimated budget authority		\$5,100,000,000
(Obligations)		(\$5,100,000,000)
FY 2011 Estimate		
Total estimated budget authority		\$5,300,000,000
(Obligations)		(\$5,300,000,000)
Net change		+\$200,000,000

	<u>FY 2010 Enacted</u>	<u>Change from Base</u>
<u>Increases:</u>		
A. <u>Program:</u>		
1) LIHEAP Contingency Fund: Increased funding maximizes flexibilities to address energy-related emergencies.	\$590,328,000	+\$199,672,000
2) LIHEAP Home Energy Automatic Trigger: Increased funding support reproposal of automatic home energy trigger with broader set of criterion.	\$0	+\$2,000,000,000
Subtotal, Program Increases		+\$2,199,672,000
<u>Decreases:</u>		
A. <u>Program:</u>		
1) LIHEAP Block Grant: Set funding at a level consistent with current energy prices.	\$4,509,672,000	-\$1,999,672,000
Subtotal, Program Decreases		-\$1,999,672,000
Net Change		+\$200,000,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Low Income Home Energy Assistance Program

Justification

	FY 2009 Enacted	FY 2010 Enacted	FY 2011 Estimate	Increase or Decrease
Discretionary, BA	\$5,100,000,000	\$5,100,000,000	\$3,300,000,000	-\$1,800,000,000
Mandatory Proposal, BA	\$0	\$0	\$2,000,000,000	+\$2,000,000,000

Authorizing Legislation – Section 2602(b), (d) and (e) of the Low Income Energy Assistance Act of 1981. Authorizing legislation is required for the proposed mandatory trigger.

2011 AuthorizationSuch sums as may be appropriated pending Congressional action

Allocation Method Formula Grant/Other

General Statement

The Low Income Home Energy Assistance Program (LIHEAP) provides assistance to low-income households in meeting the costs of heating and cooling their homes consistent with the Administration for Children and Families’ strategic goal to build healthy, safe and supportive communities and tribes. For FY 2006, approximately 30 percent of LIHEAP heating recipients were elderly households and 22 percent were households including young children.

States are encouraged to use LIHEAP funds to target assistance to households with high energy burdens or need in accordance with legislation enacted in 1994. Through a collaborative process, the program has defined national reciprocity targeting indexes for both elderly (60 years and older) and young child (under six years old) households to track the rate at which these two vulnerable populations are served compared to the total number that these households represent in the LIHEAP income eligible population.

LIHEAP also includes the Leveraging and Residential Energy Assistance Challenge (REACH) grant programs. Leveraging is an incentive fund that has been successful in encouraging states and utility companies to add non-federal energy assistance resources to low-income households beyond what could be provided with federal LIHEAP resources. REACH became a component of the leveraging incentive fund in FY 1996. REACH assists a limited number of LIHEAP grantees in developing and operating programs to help LIHEAP-eligible households reduce their energy vulnerability.

Program Description and Accomplishments

LIHEAP Block Grant – LIHEAP provides home energy assistance to low-income households through payments to eligible households or their home energy suppliers. Funds are provided through the block grant to states, Indian tribes and tribal organizations, Puerto Rico and four other insular areas for their use in programs tailored to meet the unique requirements of their jurisdictions. This program assists eligible households in meeting the costs of home energy, defined by the statute to include sources of residential heating and cooling.

States may give priority to households with the highest home energy costs or need in relation to income. States are allowed flexibility in determining payment levels and types of payments, including unrestricted cash payments, payments to vendors on behalf of eligible households, or energy vouchers. Generally, states elect to provide benefits in the form of payments to vendors on behalf of recipient households. Up to ten percent of the funds payable to a state may be used to pay planning and administrative costs. States may request that up to ten percent of the funds be held available for obligation in the subsequent year.

LIHEAP Contingency Fund – The LIHEAP Contingency Fund is designed to provide additional funds to states, tribes and territories that are adversely affected by extreme heat or cold, or other causes of energy-related emergencies. The authorizing statute gives the Secretary the discretion in determining how Contingency Funds should be disbursed.

Over the past few years, several Contingency Fund disbursements have occurred. In 2005, \$250 million was released due to higher than normal energy prices. In addition, \$27 million was released in September 2005 to assist states hit hardest by Hurricane Katrina. In 2006, there were three releases for a total of \$680 million due to higher than normal energy prices. In 2007, \$50 million was released to address record high summer temperatures, and \$131 million was released to help low-income households cope with the anticipated high costs of winter fuel. In January and February 2008, there were two releases for a total of \$490 million to provide heating assistance for the winter. In September 2008, \$121 million was released to help low income households prepare for the upcoming winter. In October 2008, the \$590 million appropriated for FY 2009 was released, as directed by Congress in the FY 2009 Continuing Resolution. In that release, \$490 million was available to help individuals in all 50 states, and \$100 million was targeted to assist eligible households in states that predominantly use heating oil. In January 2010, \$490 million was released to address a very cold winter in much of the country along with high unemployment rates.

Budget Request – The FY 2011 request for LIHEAP is \$5,300,000,000 and includes:

LIHEAP Block Grant funded at \$2,510,000,000, is a \$1,999,672,000 decrease from the FY 2010 enacted level. This funding level reflects the drop in oil prices resulting from the global economic downturn and decreased demand for energy.

LIHEAP Contingency Fund funded at \$790,000,000, is a \$199,672,000 increase from the FY 2010 enacted level. This increase in funding will provide maximum flexibility to address energy related emergencies on a more targeted basis. Recognizing that energy related emergencies may not occur every year, appropriations bill language allows LIHEAP Contingency funds to remain available until expended.

LIHEAP Home Energy Assistance Trigger is a re-proposal and expansion of legislation requested in the FY 2010 President's Budget to establish a new mandatory funding stream to enable almost immediate response to changes in energy prices as well as changes in the number of households in poverty. The FY 2011 request of \$2,000,000,000 is based on probabilistic scoring.

The trigger would be a permanent, indefinite appropriation that would automatically become available for obligation in an amount defined by formula when specified trigger thresholds are met. The normal appropriations process cannot always respond to the volatile market or economy on a timely basis; the trigger will ensure a prompt and potentially significant increase in funds in response to a rapid future rise in energy costs or households in poverty during periods of economic downturn. *(For more information see discussion of proposed legislation at the end of the chapter.)*

Outputs and Outcomes

LIHEAP underwent a program assessment in CY 2003. The assessment cited as a strong attribute the program’s targeting of low-income, high energy burden households and vulnerable households with children, disabled and elderly individuals. As a result of the program assessment, the program is working with external stakeholders, especially state LIHEAP grantees, to develop long term outcome measures that the states are willing to adopt, and identify states’ best strategies for targeting. ACF is funding a study to determine the feasibility of new data collection activities that it can engage in to bolster information on program outcomes. This study will explore existing federal surveys and the possibility of a new ACF survey on energy assistance. The study is expected to be completed in spring, 2010.

Results indicate that LIHEAP continues to provide effective outreach to eligible households with a child five years or younger, as the reciprocity targeting index score remains well over 100, but has not met its goal of 122 for the targeting index value for these households. In FY 2008, the program achieved a 110 targeting index value, which reflects that the program maintained a consistent level of targeting performance from the prior year. In an effort to reach the FY 2011 goal of improving by two percent over the previous year’s result, the program studied the structure and outreach efforts of a range of federal programs and has collaborated with the Office of Head Start since the spring of 2007 to target young child households.

In FY 2008, the ratio of LIHEAP households assisted per \$100 of LIHEAP administrative costs was 3.04, short of the target of 3.88. Looking at trend data, the actual results have remained above 3.0 for the past two years which showed an improvement from FY 2006. The accuracy of this cost effectiveness measure will be improved beginning in FY 2011 when unduplicated counts of the total number of LIHEAP assisted households will be collected from state grantees.

Outputs and Outcomes Table

Measure	Most Recent Result ¹	FY 2010 Target	FY 2011 Target	FY 2011 +/- FY 2010
1.1LT and 1A: Increase the reciprocity targeting index score of LIHEAP households having at least one member 60 years or older. ² <i>(Outcome)</i>	FY 2008: 76 (Target Not Met)	Prior Result +2% ³	Prior Result +2%	N/A
1.1LT and 1B: Maintain the reciprocity targeting index score of LIHEAP households having at least one member five years or younger. ² <i>(Outcome)</i>	FY 2008: 110 (Target Not Met)	110 ³	110	Maintain

¹ The FY 2008 actual results for all LIHEAP outcome and output measures are preliminary pending final validation.

² This measure is calculated using only heating-assisted homes.

³ The FY 2010 target for this measure has been updated based on recent data trends.

Measure	Most Recent Result¹	FY 2010 Target	FY 2011 Target	FY 2011 +/- FY 2010
<u>1C</u> : Increase the ratio of LIHEAP households assisted (heating, cooling, crisis, and weatherization assistance) per \$100 of LIHEAP administrative costs. (<i>Efficiency</i>)	FY 2008: 3.04 (Target Not Met)	Prior Result +1% ³	Prior Result +1%	N/A
<u>1i</u> : Number of heating assistance households with at least one member 60 years or older (millions). (<i>Output</i>)	FY 2008: 1.6 million (Historical Actual)	N/A	N/A	N/A
<u>1ii</u> : Number of heating assistance households served with at least one member five years or younger (millions). (<i>Output</i>)	FY 2008: 1.1 million (Historical Actual)	N/A	N/A	N/A
Program Level Funding (\$ in millions)	N/A	\$5,100	\$5,300	+\$200

Resource and Program Data
LIHEAP Block Grant

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimate
<u>Resource Data:</u>			
Service Grants			
Formula	\$4,482,372,000	\$4,482,372,000	\$2,482,700,000
Discretionary	27,000,000	27,000,000	27,000,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	283,000	271,000	271,000
Program Support	17,000	29,000	29,000
Total, Resources	\$4,509,672,000	\$4,509,672,000	\$2,510,000,000
<u>Program Data:</u>			
Number of Grants	243	243	243
New Starts			
#	243	243	243
\$	\$4,509,372,000	\$4,509,372,000	\$2,509,700,000
Continuations			
#	0	0	0
\$	\$0	\$0	\$0
Contracts			
#	2	3	3
\$	\$283,000	\$271,000	\$271,000
Interagency Agreements			
#	0	0	0
\$	\$0	\$0	\$0

Notes:

1. Discretionary – The Secretary has authority to set aside up to 25 percent of Leveraging funding for the Residential Energy Assistance Challenge program (REACH). We estimate that \$1.5 million will be needed for REACH in FY 2010.
2. Program Support – Includes funding for travel.

Resource and Program Data
LIHEAP Contingency Fund

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Estimate
<u>Resource Data:</u>			
Service Grants			
Formula			
Discretionary	\$590,328,000	\$590,328,000	\$790,000,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$590,328,000	\$590,328,000	\$790,000,000
<u>Program Data:</u>			
Number of Grants	202	202	202
New Starts			
#	202	202	202
\$	\$590,328,000	\$590,328,000	\$790,000,000
Continuations			
#	0	0	0
\$	\$0	\$0	\$0
Contracts			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements			
#	0	0	0
\$	\$0	\$0	\$0

Notes:

1. Discretionary – FY 2009 includes the release of \$590.3 million with no remaining available appropriation. FY 2010 does not reflect any release of contingency funds since no decisions have been made at this time.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2011 DISCRETIONARY STATE/FORMULA GRANTS

PROGRAM: Low Income Home Energy Assistance Program - Block Grants (CFDA # 93.568)

STATE/TERRITORY	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	Increase or Decrease
Alabama	\$59,715,834	\$58,394,085	\$38,958,930	-\$19,435,155
Alaska	16,332,944	16,293,248	9,179,511	-7,113,737
Arizona	26,844,071	31,170,582	18,626,333	-12,544,249
Arkansas	36,497,448	35,772,847	21,912,959	-13,859,888
California	223,977,935	200,945,403	110,069,632	-90,875,771
Colorado	63,474,192	64,257,383	33,046,624	-31,210,759
Connecticut	95,782,640	96,941,803	54,678,854	-42,262,949
Delaware	17,384,291	15,188,888	9,305,375	-5,883,513
District of Columbia	14,652,784	13,992,080	7,554,005	-6,438,075
Florida	95,012,713	110,326,101	65,926,609	-44,399,492
Georgia	75,141,381	87,252,067	52,138,460	-35,113,607
Hawaii	4,651,781	6,023,285	3,721,083	-2,302,202
Idaho	25,632,242	25,632,242	13,838,264	-11,793,978
Illinois	237,236,454	232,865,292	120,071,512	-112,793,780
Indiana	103,601,934	104,144,178	53,225,814	-50,918,364
Iowa	67,802,538	67,802,538	36,762,408	-31,040,130
Kansas	45,270,329	41,677,866	24,178,155	-17,499,711
Kentucky	68,353,278	57,742,307	30,826,607	-26,915,700
Louisiana	57,196,338	51,870,421	32,835,668	-19,034,753
Maine	47,649,042	52,324,193	26,910,726	-25,413,467
Maryland	101,296,011	82,001,914	48,724,429	-33,277,485
Massachusetts	162,915,645	175,454,084	93,116,975	-82,337,109
Michigan	221,244,243	232,322,665	124,093,428	-108,229,237
Minnesota	144,527,532	144,527,532	78,362,555	-66,164,977
Mississippi	38,937,118	39,585,616	24,105,187	-15,480,429
Missouri	103,541,119	95,256,956	49,938,266	-45,318,690
Montana	26,074,726	26,074,726	14,077,150	-11,997,576
Nebraska	39,532,670	39,532,670	21,324,383	-18,208,287
Nevada	13,642,522	15,841,314	9,466,157	-6,375,157
New Hampshire	34,112,375	34,112,375	18,416,494	-15,695,881
New Jersey	166,690,291	177,196,090	99,047,184	-78,148,906
New Mexico	22,918,844	20,574,983	11,107,966	-9,467,017
New York	475,381,949	479,270,169	250,840,602	-228,429,567
North Carolina	121,050,820	107,394,674	67,364,633	-40,030,041
North Dakota	27,298,921	27,298,921	14,738,066	-12,560,855

STATE/TERRITORY	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	Increase or Decrease
Ohio	220,588,408	223,108,497	121,307,553	-101,800,944
Oklahoma	44,571,562	43,483,537	27,802,495	-15,681,042
Oregon	44,640,467	44,640,467	24,022,150	-20,618,317
Pennsylvania	274,925,363	282,279,092	148,578,621	-133,700,471
Rhode Island	30,123,062	29,581,537	15,970,398	-13,611,139
South Carolina	47,702,000	47,311,305	31,696,507	-15,614,798
South Dakota	22,921,427	22,921,427	12,374,756	-10,546,671
Tennessee	73,722,827	72,092,209	43,222,582	-28,869,627
Texas	158,109,984	183,592,887	109,708,005	-73,884,882
Utah	31,595,538	31,595,538	16,961,085	-14,634,453
Vermont	25,568,440	25,568,440	13,803,818	-11,764,622
Virginia	118,083,836	100,856,426	60,206,413	-40,650,013
Washington	71,567,612	71,567,612	38,799,952	-32,767,660
West Virginia	40,583,710	38,883,930	20,992,548	-17,891,382
Wisconsin	130,095,532	130,095,532	70,537,552	-59,557,980
Wyoming	12,639,776	12,526,594	6,614,121	-5,912,473
Subtotal	4,428,814,499	4,427,166,528	2,451,089,560	-1,976,076,968
Tribes	47,487,114	49,135,085	28,248,169	-20,886,916
American Samoa	100,421	100,420	55,621	-44,799
Guam	220,167	220,167	121,946	-98,221
Northern Mariana Islands	76,470	76,470	42,355	-34,115
Puerto Rico	5,465,138	5,465,138	3,027,035	-2,438,103
Virgin Islands	208,191	208,192	115,314	-92,878
Subtotal	53,557,501	55,205,472	31,610,440	-23,595,032
Total States/Territories	4,482,372,000	4,482,372,000	2,482,700,000	-1,999,672,000
Discretionary Funds	27,000,000	27,000,000	27,000,000	0
Technical Assistance	299,991	300,000	300,000	0
Subtotal adjustments	27,299,991	27,300,000	27,300,000	0
TOTAL RESOURCES	\$4,509,671,991	\$4,509,672,000	\$2,510,000,000	-\$1,999,672,000

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2011 DISCRETIONARY STATE/FORMULA GRANTS

PROGRAM: Low Income Home Energy Assistance Program - Contingency Funds (CFDA #93.568)

STATE/TERRITORY	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	Increase or Decrease
Alabama	\$4,187,012	\$9,288,506	n/a	n/a
Alaska	5,100,014	1,494,291	n/a	n/a
Arizona	1,882,189	3,026,810	n/a	n/a
Arkansas	3,213,444	3,567,833	n/a	n/a
California	22,400,914	26,599,893	n/a	n/a
Colorado	7,877,322	4,799,767	n/a	n/a
Connecticut	30,103,919	8,792,838	n/a	n/a
Delaware	1,363,974	1,377,666	n/a	n/a
District of Columbia	1,595,918	1,746,897	n/a	n/a
Florida	6,661,874	17,287,451	n/a	n/a
Georgia	5,268,583	13,757,596	n/a	n/a
Hawaii	530,575	456,342	n/a	n/a
Idaho	2,923,579	2,461,662	n/a	n/a
Illinois	28,442,870	26,836,606	n/a	n/a
Indiana	12,877,305	10,779,678	n/a	n/a
Iowa	9,126,905	4,847,522	n/a	n/a
Kansas	4,184,185	3,637,374	n/a	n/a
Kentucky	6,701,737	8,714,012	n/a	n/a
Louisiana	4,305,439	6,299,469	n/a	n/a
Maine	28,643,659	4,578,419	n/a	n/a
Maryland	7,868,391	6,387,721	n/a	n/a
Massachusetts	50,498,727	16,850,200	n/a	n/a
Michigan	26,862,174	37,186,209	n/a	n/a
Minnesota	19,454,863	11,566,739	n/a	n/a
Mississippi	3,603,719	6,236,463	n/a	n/a
Missouri	11,361,193	9,554,845	n/a	n/a
Montana	2,974,048	1,808,557	n/a	n/a
Nebraska	4,509,043	2,391,010	n/a	n/a
Nevada	956,554	2,180,620	n/a	n/a
New Hampshire	13,624,352	2,511,656	n/a	n/a
New Jersey	19,082,949	18,341,081	n/a	n/a
New Mexico	2,346,755	1,712,510	n/a	n/a
New York	62,236,352	45,005,140	n/a	n/a
North Carolina	9,120,746	15,610,584	n/a	n/a
North Dakota	3,113,678	1,223,471	n/a	n/a

STATE/TERRITORY	FY 2009 Actual	FY 2010 Estimate	FY 2011 Estimate	Increase or Decrease
Ohio	25,161,970	24,759,879	n/a	n/a
Oklahoma	3,520,708	4,078,641	n/a	n/a
Oregon	6,009,057	5,335,140	n/a	n/a
Pennsylvania	33,468,972	26,205,777	n/a	n/a
Rhode Island	8,420,498	4,072,016	n/a	n/a
South Carolina	3,344,655	8,234,059	n/a	n/a
South Dakota	2,614,388	1,198,496	n/a	n/a
Tennessee	6,788,716	11,412,626	n/a	n/a
Texas	11,085,977	26,937,759	n/a	n/a
Utah	3,603,743	2,124,052	n/a	n/a
Vermont	10,587,163	1,773,441	n/a	n/a
Virginia	9,584,580	7,103,078	n/a	n/a
Washington	9,633,722	7,025,922	n/a	n/a
West Virginia	4,435,048	3,568,352	n/a	n/a
Wisconsin	17,512,170	11,522,310	n/a	n/a
Wyoming	1,441,676	754,963	n/a	n/a
Subtotal	582,218,004	485,023,949	0	0
Tribes	7,445,955	4,366,625	n/a	n/a
American Samoa	10,985	10,081	n/a	n/a
Guam	24,084	22,103	n/a	n/a
Northern Mariana Islands	8,365	7,678	n/a	n/a
Puerto Rico	597,833	548,663	n/a	n/a
Virgin Islands	22,774	20,901	n/a	n/a
Subtotal	8,109,996	4,976,051	0	0
Contingency Fund Balance	n/a	100,328,000	n/a	n/a
Total States/Territories	590,328,000	590,328,000	790,000,000	300,000,000
TOTAL RESOURCES	\$590,328,000	\$590,328,000	\$790,000,000	\$300,000,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Low Income Home Energy Assistance Program

Proposed Legislation
(in millions)

Mandatory LIHEAP Funding Trigger:	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	5-YEAR	10-YEAR
Budget Authority	\$2,000	\$1,500	\$1,000	\$500	\$250	\$5,250	\$6,500
Outlays	\$1,460	\$1,475	\$1,115	\$690	\$373	\$5,113	\$6,406

Explanation of Proposed Legislation:

The FY 2011 Budget proposes to create a new mandatory trigger mechanism to provide automatic increases in energy assistance in response to energy price spikes as well as changes in the number of households in poverty. The trigger would be a permanent, indefinite appropriation that would automatically become available for obligation in an amount defined by formula when specified trigger thresholds were met.

Under the Administration’s enhanced preliminary design, additional funds would be triggered when quarterly energy prices are higher than quarterly prices in the previous year, or when participation in the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) is expected to be significantly higher than in FY 2008.

- Oil and natural gas: Additional funds would be provided in tiers, if quarterly oil or natural gas prices are at least 15 percent (tier 1) or 30 percent (tier 2) higher than prices in the prior year. This trigger would be in effect for the discrete quarters ending in September (Q3) and December (Q4). Oil prices would be based on the West Texas Intermediate crude oil spot price, in dollars per barrel; natural gas prices would be based on the Henry Hub spot price, in dollars per thousand cubic meters, as published by the U.S. Department of Energy.

If the tier 1 threshold is met, the amount of funding released by the trigger would equal the percent change in quarterly energy prices, times \$250 million (or if higher, times 10 percent of the amount appropriated, prior to enactment of the trigger, for block grant allocations in the previous year). If the tier 2 threshold is met, the amount of funding released by the trigger would equal the percent change in quarterly energy prices, times \$300 million (or if higher, times 15 percent of the amount appropriated, prior to enactment of the trigger, for block grant allocations in the previous year). Funding would be calculated for each applicable quarter the trigger threshold is met. For example, if 2010 Q3 natural gas prices increase by 50% relative to 2009 Q3, then the trigger would provide \$328 million (50% x \$4.51B x 15% = \$338M).

- Electricity: Additional funds would be provided if quarterly electricity prices are at least 10 percent higher than quarterly prices in the prior year. This trigger would be in effect for all four calendar quarters. Electricity prices would be based on average retail prices for the residential sector, in cents per kilowatt hour, as determined by the U.S. Department of Energy.

If the electricity threshold is met, the amount of funding released by the trigger would equal the percent change in quarterly electricity prices, times \$250 million (or if higher, times 10 percent of

the amount appropriated, prior to enactment of the trigger, for block grant allocations in the previous year). Funding would be calculated in each quarter the trigger threshold is met.

- Households in Poverty: Additional funds would be provided if the ratio of average number of SNAP participants in the fiscal year to the average U.S. resident population is at least 30 percent higher than the equivalent ratio for fiscal year 2008. SNAP participation estimates would be as determined by the U.S. Department of Agriculture. Population estimates would be as determined by the U.S. Census Bureau.

If the SNAP participant threshold is met, the amount of funding released by the trigger would equal \$6,250 million times the difference between the actual increase in the SNAP ratio and the threshold of 1.30. For example, if FY 2011 SNAP participation as a percent of the population is 1.48 times as high as in FY 2008, the trigger would release \$1.125 billion ($1.48 - 1.30 = 0.18$ times $\$6.25B = \$1.125B$).

The Administration proposes that any triggered funds must be allocated to states within 30 days unless the Secretary determines there are extenuating circumstances that would justify additional time, but in no case would the release be delayed more than 45 days following the publication of applicable quarterly price data, or in the case of the SNAP trigger, following the beginning of the fiscal year. The allocation among states would be determined by the Administration using an approach that takes into account the impact of the energy price and/or SNAP increases that triggered the release and the percent of low-income households in the state. However, the Administration would have discretion to use a portion of these funds to provide additional assistance to states, territories, and tribes adversely impacted by extreme heat or cold, energy supply disruptions, or a variety of other energy-related emergencies. Likewise, states would retain the flexibility to use triggered funds in a manner that best meets the particular energy assistance needs of their low-income populations.

The Administration will work with Congress to finalize a trigger design within the resources provided in the FY 2011 budget.

Estimated Costs:

Using probabilistic scoring, the mandatory trigger is expected increase costs by \$2 billion in FY 2011 and \$6.5 billion over ten years. Specifically, Federal outlays are expected to increase by \$1.460 billion in FY 2011 and by \$6.406 billion over ten years. Probabilistic methods project the cost of the proposal under a number of possible scenarios for oil, natural gas, and electricity prices, and SNAP participation levels, and weigh the cost in each scenario by the assumed probability the scenario will occur. During an actual energy price spike or economic downturn, the amount of triggered funds could be significantly higher, as determined by the formula.