

LIHEAP Program Basics (The Assurances)

PART 3

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LIHEAP Program Basics (The Assurances)

Outstanding Questions from Day One (Assurances 1-6)

Outline for this Session

Detailed:

Assurances 8 and 9

Abbreviated:

Assurances 7, 10, 11, 12

Detailed slides for all assurances will be distributed to participants.

Assurance 7—Vendor Payments

Breaking It Down (Key-Takeaways)

Assurance 7: Vendor Payments

[Section 2605\(b\)\(7\) of LIHEAP Act, 42 U.S.C. § 8624\(b\)\(7\)](#)

Grantees who choose to pay home energy suppliers directly must establish procedures to –

- Make sure the household knows how much assistance the vendor received as payment for the household's fuel (each household must receive Notice of Action)
- Make sure that the vendor reduces the household's bill by the amount of its LIHEAP benefit and does not overcharge the household.
- Make sure that the vendor does not treat LIHEAP households adversely or discriminate against LIHEAP households.

The grantee must also ensure that the option to provide vendor payments remains with the state (in consultation with local subgrantees)—and may be contingent on vendors providing special protections, pricing, or services for LIHEAP households.

Assurance 8—Equitable Treatment

Breaking It Down (Key-Takeaways)

Assurance 8: Equitable Treatment

[Section 2605\(b\)\(8\) of LIHEAP Act, 42 U.S.C. § 8624\(b\)\(8\)](#)

- Grantees may not limit eligibility to only those households who are “categorically eligible” for LIHEAP (as discussed in Assurance 2). Grantees must offer households the option of income eligibility as well.
- Owners and renters must be treated equitably. This includes:
 - ✓ Households that own or are buying their home
 - ✓ Households that rent their home and pay separately for energy costs
 - ✓ Households who rent their home and energy costs are included in the rent

Assurance 8—Equitable Treatment

Interpretation and Implementation

How do our policies and procedures differ between homeowners and renters?

- Most grantees treat homeowners and renters who are responsible for paying their own energy costs equally, using the same eligibility and benefit determination procedures.
- “Heat in rent” households have an energy burden that is realized in the form of higher rent payments. In the absence of an energy bill, grantees may use proxy (estimated) energy costs or a percentage of rent to determine a benefit amount.
- When heat is included in rent, grantees may pay the household directly or may pay the landlord. Many grantees may require a copy of the lease or a letter signed by the landlord. This may require the landlord to do one or more of the following:
 - Identify the main heating fuel type used in the home/unit
 - Estimate the portion of the rent payment used for energy costs
 - Guarantee that the LIHEAP benefit will be applied to the client’s energy costs
 - Guarantee that the LIHEAP household will not be evicted for a set period of time
 - Reduce the household’s next rent payment by the amount of the benefit

Assurance 8—Equitable Treatment

Bringing it
Back Home

How will we interpret and implement Assurance 8?

Example Focus Areas, Questions

Access	<ul style="list-style-type: none">• If we automatically enroll households into LIHEAP when they apply for or receive other social service benefits—how are we making sure that households not participating in these programs can just as easily apply?
Household Burden	<ul style="list-style-type: none">• Are we placing a disproportionately high level of burden on non-categorically eligible households or renters in order to apply for and receive services (asking them for unnecessary documentation that categorically eligible households or homeowners are not required to produce?)
Renter Policies, Procedures	<ul style="list-style-type: none">• Do we know what percentage of LIHEAP eligible households in our state, tribe, or territory are renters? Have we taken this into consideration when designing our eligibility and benefit determination policies for renters?
Household Protections	<ul style="list-style-type: none">• If we pay benefits to heat-in-rent households, how are we assuring protections for the household (e.g., landlord applies benefit to rent)?

Assurance 8—Equitable Treatment

POLL QUESTION (Assurance 8)

How do LIHEAP benefits differ between renters and owners in your state? Note—this does not include subsidized housing applicants.

(Check all that apply)

- If the household pays their own utility bill, it doesn't matter whether they are a renter or owner. Their benefit amount is determined using the same benefit matrix
- If the household is a renter and pays their own utility bill, their benefit amount is reduced (for renter households, we use a unique benefit matrix or reduce benefits by a set amount or fraction)
- If a household pays a landlord for utilities, we require a letter from the landlord. However, their benefit amount is determined using the same benefit matrix as everyone else
- If a household pays a landlord for utilities, we require a letter from the landlord AND their benefit is reduced (we use a unique benefit matrix or reduce benefits by a set amount or fraction)
- If a household pays a landlord for utilities, we do not provide them with a LIHEAP benefit
- I'm not sure
- Other:

Assurance 8—Equitable Treatment

QUESTIONS?

Assurance 9 – Administrative Costs

Breaking It Down (Key-Takeaways)

Assurance 9: ADMINISTRATIVE COSTS

[Section 2605\(b\)\(9\) of LIHEAP Act, 42 U.S.C. § 8624\(b\)\(9\)](#)

- States may not spend more than 10% of their annual allocation on program administration.
- Tribes may spend 20% of the first \$20,000 of their grant on administrative funds and 10% of any funds above \$20,000. A tribe that receives \$100,000 in LIHEAP may spend \$12,000 on administrative costs $(20\% * \$20,000) + (10\% * \$80,000)$
- The administrative funds cap extends to all federal dollars. Grantees may not use other federal funds for administrative costs if the total spent will exceed the 10% administrative cap. They may use state, tribe, or non-governmental funds for administrative costs above the cap.

Assurance 9 – Administrative Costs

Interpretation and Implementation

How do we define administrative costs?

The LIHEAP statute does not define administrative costs. Grantees must develop their own definitions of have their own definition of administrative and program costs.

- Common administrative costs include: salaries for administrative staff, budgeting, monitoring, personnel, and IT maintenance.
- Common program costs include: providing benefits, salaries for program staff (for direct client services), case management, outreach, IT development costs.

Grantees must have clear documentation of their allowable administrative and program costs definitions.

Assurance 9 – Administrative Costs

Bringing it
Back Home

How will we interpret and implement Assurance 9?

Example Focus Areas, Questions

Documentation

- Do I know where to find a clear explanation of allowable program and administrative costs in my state, tribe, or territory?
- When was the last time these cost definitions were reviewed?
- If I use subgrantees to administer LIHEAP, do they know where to find clear allowable cost definitions?

Flexibility

- Are there areas where our program has skimmed because we didn't realize our flexibility in defining program versus administrative costs?
- Have I reviewed [other grantee cost definitions](#) to see how they categorize particular expenses that I'm unclear about?

Assurance 9 – Administrative Costs

POLL QUESTION (Assurance 9)

Which of these best describe your state in terms of LIHEAP Administration?

(Check all that apply)

- We never have enough administrative funding (staffing stretched thin, bare bones program)
- We have to supplement our LIHEAP admin with other non-federal funds
- We have enough admin to cover the program we have now, but cannot add new components
- We have enough admin to cover the basics, but not enough to do the innovative things we'd like to
- We have plenty of administrative funding to run the program we want to run
- We never use the full authorized LIHEAP administrative amount (10%)
- I'm too new to answer this question or I'm just not sure
- Other:

Assurance 9—Administrative Costs

QUESTIONS?

Assurance 10—Program, Fiscal Monitoring, Audits

Breaking It Down (Key-Takeaways)

Assurance 10: Monitoring, Audits

[Section 2605\(b\)\(10\) of LIHEAP Act, 42 U.S.C. § 8624\(b\)\(10\)](#)

The grantee will establish procedures necessary to assure to the proper disbursement of and accounting for Federal LIHEAP funds. More specifically:

- Fiscal control and fund accounting
- Monitoring of the program
- Compliance with the Single Audit Act (31 USC Ch. 75)

Assurance 11—Cooperation with Investigations

Breaking It Down (Key-Takeaways)

Assurance 11: Cooperation with Investigations

[Section 2605\(b\)\(11\) of LIHEAP Act, 42 U.S.C. § 8624\(b\)\(11\)](#)

Grantees must permit and cooperate with Federal investigations undertaken in accordance with Section 2608 of LIHEAP Act (42 U.S. Code § 8624).

This includes:

- Follow-up on *“complaints of a substantial or serious nature that a State has failed to use funds in accordance with the LIHEAP Law or the assurances provided by the State...”*
- Compliance Reviews

Assurance 12—Timely, Meaningful Public Participation

Breaking It Down (Key-Takeaways)

Assurance 12: PUBLIC PARTICIPATION

[Section 2605\(b\)\(12\) of LIHEAP Act, 42 U.S.C. § 8624\(b\)\(12\)](#)

Grantees must provide for timely and meaningful public participation in the development of the LIHEAP model plan.

Interpretation and Implementation

How am I assuring that members of the public, especially those eligible for LIHEAP, have input in how we will spend LIHEAP funds?

Some ways that grantees assure “timely and meaningful” public participation:

- Presenting the plan to existing stakeholder groups (e.g., advisory committees)
- Holding “listening sessions” or hearings in geographically accessible locations
- Allowing alternative forms of feedback (e.g., email, public webinars, online forums)
- Community meetings in under-served locations
- Asking advocates or “gatekeepers” to sponsor meetings in hard-to-reach areas

Assurances 10, 11, and 12

QUESTIONS?