



NATIONAL ENERGY & UTILITY AFFORDABILITY COALITION

LIHEAP FACT SHEET

What is LIHEAP?

The Low-Income Home Energy Assistance Program (LIHEAP) is a block grant that provides critical home energy assistance for millions of vulnerable American families. Congress appropriates funds that are distributed to states, the District of Columbia, U.S. territories, and tribal nations. LIHEAP funding peaked when Congress appropriated \$5.1 billion for the program in FY09 and FY10 during the last economic recession.¹

COVID-19 Response and Recommendations

More than 22 million Americans filed for unemployment in the past four weeks.² With stay-at-home orders in place in many states around the country, the number of newly unemployed individuals is only expected to rise in the coming months. Now more than ever, it is critical to provide a safety net for our most vulnerable American families.

NEUAC fully supports the National Energy Assistance Directors' Association (NEADA) recommendation to **provide an additional \$4.3 billion for LIHEAP** in the fourth coronavirus relief package to address the economic and energy-related repercussions of the COVID-19 pandemic. Specifically, NEADA estimates that these funds would allow states to serve approximately 11 million households, including newly laid off workers, low-income families who were already struggling financially before this crisis, and households with elderly members or pre-existing medical conditions who are sheltering in place with inadequate cooling measures at home.³

In addition, NEUAC supports NEADA's request to raise the state administrative cap to 15 percent to allow states to ramp up their application processes and modify their systems to increase outreach to the newly unemployed.

Current Funding Level

Congress appropriated \$3.74 billion for LIHEAP in FY20.⁴ On March 27, 2020, Congress passed the CARES Act, which appropriated an additional \$900 million for LIHEAP to remain available through September 30, 2021.⁵

To date, the allocation tables and release schedule for the additional \$900 million have not been made available.

Program Eligibility and Flexibility

While states set eligibility rates, the federal LIHEAP statute limits household income to a maximum of 150 percent of the federal poverty guideline, or 60 percent of the state median income. For example, 150 percent of the FY20 poverty guideline for a family of three is \$31,995.⁶ Most LIHEAP recipients earn much less than the maximum thresholds: the latest data show that a typical LIHEAP recipient household had a median income of 83.5 percent of the federal poverty guideline, or \$17,810 for a family of three.⁷

States may use LIHEAP funds for a variety of purposes, including heating and cooling costs, crisis assistance, weatherization assistance, and services to reduce the need for energy assistance. LIHEAP grantees also have significant flexibilities in terms of shifting operations to address recipient needs in the wake of the COVID-19 pandemic. Each grantee has the authority to adjust policies and procedures to allow for remote application intake and processing, and to shift eligibility and documentation requirements as long as they do not exceed the federal statute limitations. Additional information about LIHEAP flexibility amidst COVID-19 is available here: <https://www.acf.hhs.gov/ocs/resource/liheap-dcl-im-acf-oa-2020-1-acf-covid-flexibilities>

Allocation Formulas

There are two formulas used for regular LIHEAP fund allocation. The traditional or “old” formula is based on a predecessor program called the Low-Income Energy Assistance Program (LIEAP) that addressed abnormally high home heating costs during the 1970s oil crisis. LIHEAP was reauthorized in 1984 with a “new” formula that accounts for additional data points to calculate allocations, including heating and cooling expenditures and consumption estimates for each state. Additionally, there are hold harmless provisions in place that affect how funds are allocated.

The LIHEAP statute specifies that appropriations must exceed approximately \$2 billion before the “new” formula can be used. Since FY09, Congress has used appropriations language to indicate how funds are to be divided between the two formulas.⁸

Additional information about the LIHEAP formulas can be found here:

<https://crsreports.congress.gov/product/pdf/RL/RL33275>

Questions? Email info@neuac.org.

NEUAC is a leader in the fields of public policy, advocacy, energy and poverty issues. NEUAC currently serves more than 200 member organizations that span the nation, providing tools to advocate for LIHEAP and other funding to support low-income families. The organization bridges the gap between states, social service organizations, and government to empower them to work together and learn from each other in times of energy and poverty crisis.

Sources

1. https://www.acf.hhs.gov/sites/default/files/ocs/fy10_liheap_rtc_final.pdf
2. <https://www.dol.gov/ui/data.pdf>
3. <https://neada.org/coronavirusneed/>
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6. <https://liheapch.acf.hhs.gov/tables/POP.htm>
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