



The Low Income Home Energy Assistance Program (LIHEAP): Program and Funding

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Summary

The Low Income Home Energy Assistance program (LIHEAP), established in 1981 as part of the Omnibus Budget Reconciliation Act (P.L. 97-35), is a block grant program under which the federal government makes annual grants to states, tribes, and territories to operate home energy assistance programs for low-income households. The LIHEAP statute authorizes two types of funds: regular funds, which are allocated to all states using a statutory formula, and emergency contingency funds, which are allocated to one or more states at the discretion of the Administration in cases of emergency as defined by the LIHEAP statute.

States may use LIHEAP funds to help households pay for heating and cooling costs, for crisis assistance, weatherization assistance, and services (such as counseling) to reduce the need for energy assistance. According to the most recent data available from the Department of Health and Human Services (HHS), in FY2006, 49.6% of funds went to pay for heating assistance, 3.6% of funds was used for cooling aid, 17.8% of funds went to crisis assistance, and 10.0% was used for weatherization. The LIHEAP statute establishes federal eligibility for households with incomes at or below 150% of poverty or 60% of state median income, whichever is higher, although states may set lower limits. However, in both the FY2009 and FY2010 appropriations acts, Congress gave states the authority to raise their LIHEAP eligibility standards to 75% of state median income. In FY2008, the most recent year for which HHS data are available, an estimated 33.5 million households were eligible for LIHEAP under the federal statutory guidelines. According to HHS, 5.4 million households received heating or winter crisis assistance and approximately 600,000 households received cooling assistance that same year.

For FY2011, LIHEAP is funded through March 4, 2011, as part of the Continuing Appropriations and Surface Transportation Extensions Act (P.L. 111-322), which was enacted on December 22, 2010, and amends the Continuing Appropriations Act enacted on September 30, 2010 (P.L. 111-242). Pursuant to P.L. 111-322 (the CR), HHS is required to obligate to states, tribes, and territories the same amount of LIHEAP regular funds as were obligated during the comparable time period in FY2010 (i.e., through March 4, 2010). States request their share of LIHEAP formula grants quarterly, and may request as much as 100% of their grants in the first quarter of the fiscal year. State allocations under the CR therefore depend on the amount of funds that each state requested in the first two quarters of FY2010, when the total amount appropriated for regular funds was \$4.5 billion. On January 13, 2011, HHS issued a press release announcing how funds would be distributed to the states. See column (c) of **Table A-1** for this distribution.

In FY2010, Congress appropriated \$5.1 billion for LIHEAP (P.L. 111-117), the same amount that was appropriated in FY2009. Of this amount, approximately \$4.5 billion was appropriated as regular funds and \$590 million as emergency contingency funds. The FY2010 appropriation also maintained the distribution of regular funds set out in the FY2009 appropriations act, with approximately \$840 million allocated according to the “new” LIHEAP formula and the remainder—approximately \$3.67 billion—distributed according to the proportions of the “old” formula. Three distributions of emergency contingency funds were made during FY2010 (see **Table A-2**).

This report describes LIHEAP funding, current issues, legislation, program rules, and eligibility. It will be updated as events warrant.

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Introduction

The Low Income Home Energy Assistance program (LIHEAP), established by Title XXVI of the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35), is a block grant program under which the federal government gives states, tribes, and territories annual grants to operate home energy assistance programs for low-income households. The LIHEAP statute provides for two types of program funding: regular funds (sometimes referred to in this report as “formula funds”) and emergency contingency funds (sometimes referred to in this report as “contingency funds”). Regular funds are allotted to states according to a formula prescribed by the LIHEAP statute.¹ Contingency funds may be released and allotted to one or more states at the discretion of the President and the Secretary of Health and Human Services (HHS).

The first section of this report describes proposed funding for LIHEAP in FY2011 and enacted funding in FY2010. The second section of this report discusses LIHEAP rules, including household eligibility and how funds may be used, and presents the most recent data available from HHS regarding household characteristics and benefit levels. Finally, the third section discusses how each category of LIHEAP funds is distributed to states, as well as a breakdown of funds to the states during the last several fiscal years.

LIHEAP Funding

LIHEAP Funding Under the FY2011 Continuing Resolutions

In FY2011, LIHEAP has been funded by a series of continuing resolutions (CRs), each of which funded most government programs at FY2010 levels—in the case of LIHEAP, this means \$4.5 billion in regular funds. However, due to language in the CRs, combined with the proposed funding level in the Senate Appropriations Committee-passed bill (S. 3686), as of the date of this report states have not received the exact allocations that they would receive at an appropriation of \$4.5 billion. This is explained below. See **Table A-1** in the **Appendix** of this report to see how funds have been distributed pursuant to the CRs.

The First Three Continuing Resolutions (Through December 21, 2010)

Pursuant to the first three CRs (P.L. 111-242, P.L. 111-290, and P.L. 111-317), which extended funding for most federal programs at FY2010 levels through December 21, 2010, LIHEAP grantees were not able to receive their full allocations of regular funds at the \$4.5 billion level. This was due to a standard provision in continuing resolutions that states the following:

For those programs that would otherwise have high initial rates of operation or complete distribution of appropriations at the beginning of fiscal year 2011 because of distributions of funding to States, foreign countries, grantees, or others, such high initial rates of operation or

¹ See Section 2604(a)-(d) of the Low Income Home Energy Assistance Act (Title XXVI of P.L. 97-35), as amended. The section is codified at 42 U.S.C. § 8623(a)-(d).

complete distribution shall not be made, and no grants shall be awarded for such programs funded by this Act that would impinge on final funding prerogatives.²

The provision is meant to ensure that funds for a program that are released under a CR do not exceed the amount that Congress ultimately appropriates for it. Typically, states are eligible to receive their entire LIHEAP formula allocations in the first quarter of the fiscal year if they so choose, qualifying as a “high initial rate of operation” as stipulated in the CR. Further, the Senate Appropriations Committee-passed FY2011 Departments of Labor, Health and Human Services, and Education Appropriations bill (S. 3686) raised the possibility that Congress might appropriate less funding for LIHEAP in FY2011 than it did in FY2010 (S. 3686 would have appropriated \$2.7 billion in LIHEAP regular funds). If HHS had released regular fund allocations at the \$4.5 billion level, and the appropriation level in the Senate Committee proposal of \$2.7 billion had ultimately been enacted, then states would have received higher allocations than the amount to which they would have been entitled under the final appropriation, impinging on “final funding prerogatives.”

As a result, due to the difference in the level of formula funding for LIHEAP in FY2010 compared to the amount proposed by the Senate Appropriations Committee bill for FY2011, until mid-December 2010 HHS limited LIHEAP state allocations to 75% of the amount they would have received if the Senate Committee-passed appropriations bill was enacted.³ On December 10, 2010, due to concerns that states did not have sufficient funds to assist applicants, HHS announced that states could receive 100% of their allocations at this \$2.7 billion regular fund level.⁴

The Fourth Continuing Resolution

Most recently, a fourth CR, the Continuing Appropriations and Surface Transportation Extensions Act (P.L. 111-322), was enacted on December 22, 2010, and increased the amount of LIHEAP regular funds that states may receive for FY2011. P.L. 111-322, which amends P.L. 111-242, is effective through March 4, 2010, and requires that HHS “obligate the same amount during the period covered by this continuing resolution as was obligated for such purpose during the comparable period during fiscal year 2010.”⁵ The amount that each state receives pursuant to this provision therefore depends on the amount of funding that each state requested in the first two quarters of FY2010 based on a regular fund level of \$4.5 billion.

On January 12, 2011, HHS announced the distribution of funds under the fourth CR.⁶ Most states did not receive exactly the amount that was obligated to them in FY2010 because funds had to be prorated to account for three states (California, North Carolina, and Tennessee) that had requested greater percentage allocations in the first quarter of FY2011 than they had in FY2010 and had therefore already received more in FY2011 under the first three CRs than was obligated to them in the first two quarters of FY2010. For example, in FY2010 California requested 25% of its

² See Section 109 of P.L. 111-242.

³ For state allocations at this rate, see http://www.acf.hhs.gov/programs/ocs/liheap/2011_cr_state_allocations.xls.

⁴ U.S. Department of Health and Human Services, “HHS Makes Available More Than \$670 Million in Additional LIHEAP Funding,” press release, December 10, 2010, <http://www.hhs.gov/news/press/2010pres/12/20101210b.html>.

⁵ See Section 162 of P.L. 111-322.

⁶ U.S. Department of Health and Human Services, “HHS increases total LIHEAP funding available to help low-income families to \$3.9 billion,” press release, January 12, 2011, <http://www.hhs.gov/news/press/2011pres/01/20110112a.html>.

regular fund allocation in the first quarter; in the first quarter of FY2011, it requested 100% of its allocation at \$2.7 billion, or \$119 million, which exceeded the amount obligated through March 4, 2010 (approximately \$100 million). For the distribution of funds to states under the fourth CR, see **Table A-1**.

Proposals to Fund LIHEAP in FY2011 Prior to Enactment of the Continuing Resolutions

The President's budget proposed to provide \$2.51 billion for LIHEAP regular funds and \$790 million in emergency contingency funds, for a total of \$3.3 billion in discretionary spending. While this represented an increase over the President's FY2010 request for regular and contingency funds (by \$100 million), it would have been a decrease from FY2010 funding levels, in which Congress provided a total of \$5.1 billion for LIHEAP—\$4.51 billion in regular funds and \$590 million in contingency funds. However, as in FY2010, the President proposed a new trigger mechanism for releasing LIHEAP funds. According to the budget, additional funds were to be released "in response to energy price spikes as well as changes in the number of households in poverty."⁷ The budget estimated that the trigger would have resulted in mandatory budget authority of \$2 billion in FY2011. The proposal in the FY2011 budget differed from the FY2010 proposal, which would have triggered increased assistance only in response to energy price increases and did not include an increase in the number of households in poverty as a basis for additional funds to be released.

According to HHS budget documents, FY2011 fund releases would have been triggered if certain benchmarks were met:⁸

- For oil and natural gas, if quarterly prices were at least 15% higher than in the previous year's quarter in either the third or fourth quarters of the calendar year (from July through September and October through December, respectively). Specifically, (1) at a 15% price increase, funds would have been distributed by multiplying the percentage change in price by the greater of \$250 million or 10% of the previous year's regular fund appropriation; (2) at a price increase of 30% or greater, funds would have been distributed by multiplying the percentage increase in price by the greater of \$300 million or 15% of the previous year's regular fund appropriation.
- For electricity, if quarterly prices were at least 10% higher than in the previous year's quarter for any of the four quarters of the calendar year. The amount of funds released would have been the product of the percentage increase in price multiplied by the greater of \$250 million or 10% of the previous year's regular fund appropriation.
- In the case of poverty, if the ratio of the average number of participants in the Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps) to the U.S. population in a fiscal year was at least 30% greater than the

⁷ U.S. Office of Management and Budget, *FY2011 Budget Appendix*, February 2010, p. 494, <http://www.whitehouse.gov/omb/budget/fy2011/assets/hhs.pdf>.

⁸ U.S. Department of Health and Human Services, Administration for Children and Families, *FY2011 Congressional Justification*, pp. 31-32, <http://www.acf.hhs.gov/programs/olab/budget/2011/LIHEAP.pdf>.

ratio of participants for FY2008. The amount of funds released would have been the product of any percentage increase over 30% and \$6.25 billion. For example, an increase of 50% would have resulted in the release of \$1.25 billion (20% * \$6.25 billion).

Under the proposal, funds would have been distributed within 30 days of the time when the requirements of the applicable trigger were met unless there were extenuating circumstances.⁹ In determining how funds would be distributed to states, the Administration would have been required to take into account the price increases or SNAP participation that caused the funds to be released as well as the number of low-income households in each state. In addition, the Administration would have had the discretion to use funds to respond to “extreme heat or cold, energy supply disruptions, or a variety of other energy-related emergencies.”¹⁰

The Senate Appropriations Committee proposed to appropriate \$3.3 billion for LIHEAP in FY2011. The bill, S. 3686, was reported on August 2, 2010, and would have provided \$2.7 billion in regular funds. It would have maintained the proportional split between “old” and “new” formula funds that was implemented in FY2009. Specifically, approximately 20% of regular funds, \$505 million, would have been distributed according to the “new” LIHEAP formula. The remaining \$2.2 billion would have been distributed according to the proportions of the “old” formula. S. 3686 would have appropriated the same level of funding for emergency contingency funds as was appropriated in FY2009 and FY2010—\$590 million. In addition, the Senate Appropriations Committee Report, S.Rept. 111-243, stated that “[t]he Committee recommendation assumes enactment of [the President’s trigger] proposal.” However, neither S. 3686 nor S.Rept. 111-243 contained language to authorize the trigger.

The House Appropriations Subcommittee for the Departments of Labor, Health and Human Services, and Education recommended \$5.1 billion for LIHEAP in FY2011; however, the specifics of the proposal were not provided.¹¹

⁹ Ibid., p. 32.

¹⁰ Ibid.

¹¹ See the Subcommittee Summary Table, available on its website at http://appropriations.house.gov/images/stories/pdf/lhse/FY2011_LHHS_Summary_Table-07.15.2010.pdf.

Table I. FY2011 Proposed LIHEAP Funding

(dollars in millions)

Type of Funding	FY2010 Enacted: P.L. 111-117	FY2011 President's Request	FY2011 House Subcommittee Passed Bill ^a	FY2011 Senate Committee- Passed Bill: S. 3686
LIHEAP Regular Funds ^b	4,510	2,510	—	2,710
<i>Leveraging Incentive/ REACH Grants</i>	27 ^d	27 ^c	—	<i>not specified</i>
Contingency Funds	590	790	—	590
Total Discretionary Funds	5,100	3,300	—	3,300
LIHEAP "Trigger" ^e	0	2,000	—	^f
Total	5,100	5,300	5,100	3,300

Sources: The FY2010 Consolidated Appropriations Act (P.L. 111-117), the FY2011 budget appendix, the FY2011 Department of Health and Human Services (HHS) Congressional Budget Justifications, the FY2011 Departments of Labor, Health and Human Services, and Education (LHE) appropriations bill (S. 3686), and the House LHE Appropriations Subcommittee Summary Table.

- a. As of the date of this report, details about the House Appropriations Subcommittee-passed bill had not been released.
- b. In addition to the set-aside for Leveraging Incentive and REACH grants, the LIHEAP statute gives the HHS Secretary authority to set aside up to \$300,000 from the regular fund appropriation for training and technical assistance. 42 U.S.C. § 8628a.
- c. The amount proposed to be set aside for leveraging incentive grants in FY2011 was noted in the HHS Congressional Budget Justifications and did not appear in the budget appendix.
- d. P.L. 111-117 specified that not more than \$27 million be used for leveraging incentive grants in FY2010.
- e. In FY2010 and FY2011, the President's budget proposed that a trigger mechanism be created whereby funds would be released if energy price increases were to exceed certain levels or, as proposed in FY2011, if participation in the Supplemental Nutrition Assistance Program was to increase above a specified level. In each case, the additional budget authority under the trigger would be mandatory funding.
- f. Regarding the President's proposed LIHEAP trigger, S.Rept. 111-243 stated that the "Committee recommendation assumes enactment of this proposal." However, neither S. 3686 nor S.Rept. 111-243 contained language that would authorize the trigger proposal.

FY2010 Funding

The FY2010 Consolidated Appropriations Act (P.L. 111-117), enacted on December 16, 2009, provided \$5.1 billion for LIHEAP, the same amount that was appropriated in FY2009.¹² The law also maintained the same division of funds as in FY2009, with \$4.51 billion allocated to LIHEAP regular funds and approximately \$590 million to emergency contingency funds. However, unlike the FY2009 appropriation, which specified that the contingency funds be released within 30 days of the law's enactment, under the FY2010 law there was no time frame for releasing the

¹² Prior to enactment of P.L. 111-117, LIHEAP was funded under two continuing resolutions (CRs): P.L. 111-68 and P.L. 111-88. Under the two CRs, states were eligible to receive up to 75% of their regular fund allocations at an appropriation of \$4.51 billion (the FY2009 level).

contingency funds. Regarding the regular funds, P.L. 111-117 distributed funds to the states in the same way as FY2009, as follows:

- Approximately \$840 million was distributed according to the “new” LIHEAP formula. The new formula was enacted in 1984 and allocates funds to states on the basis of the heating and cooling costs of low-income households. For more information about the LIHEAP formula, see the section of this report entitled “Funds and Their Distribution” or, for greater detail, see CRS Report RL33275, *The LIHEAP Formula: Legislative History and Current Law*, by Libby Perl.
- The remaining \$3.67 billion was distributed according to the proportion of funds that states received under the “old” LIHEAP formula, which existed prior to the enactment of the new formula in 1984.

See column (a) of **Table A-2**, at the end of this report, for the distribution of FY2010 LIHEAP regular funds to the states and tribes.

In addition, P.L. 111-117 gave states the authority to raise eligibility guidelines for LIHEAP to 75% of state median income, a provision that was also included in the FY2009 appropriations act. Ordinarily, states may set eligibility for LIHEAP assistance at the greater of 60% of state median income or 150% of poverty.¹³

The amount for LIHEAP in P.L. 111-117 exceeded the President’s request for LIHEAP regular and contingency funds by \$1.9 billion; the President had proposed to provide \$2.41 billion for regular funds and \$790 million for emergency contingency funds. In addition, P.L. 111-117 did not include the President’s proposal for a new LIHEAP trigger whereby additional funds would have been released “whenever there is a spike in energy costs.”¹⁴ The budget estimated that the trigger would have resulted in mandatory budget authority of \$450 million in FY2010.

Distribution of FY2010 LIHEAP Contingency Funds

The FY2010 Consolidated Appropriations Act (P.L. 111-117) provided \$590 million for LIHEAP contingency funds, the same amount that was appropriated in FY2009. However, unlike FY2009, where the appropriations act required funds to be released within 30 days of the law’s enactment, FY2010 did not require the release of contingency funds within a certain time frame.

The Administration distributed FY2010 contingency funds on two occasions. First, the Administration announced the release of approximately \$490 million of the FY2010 contingency funds on January 20, 2010.

- Of the total, \$450 million was released to all states, tribes, and territories. Each state’s allocation was based on their share of formula funds received in FY2010 weighted by their three-month unemployment rate from September 2009 through November 2009. The allotment to territories was based on their share of formula grants.

¹³ 42 U.S.C. § 8624(b)(2)(B).

¹⁴ Office of Management and Budget, *A New Era of Responsibility, Renewing America’s Promise*, p. 70, http://www.whitehouse.gov/omb/assets/fy2010_new_era/A_New_Era_of_Responsibility2.pdf.

- The remaining \$40 million was released to 14 states where the number of heating degree days (HDDs) from November 1, 2009, through January 9, 2010, exceeded the 30-year norm for the same time period by at least 5%. (HDDs measure the extent to which a day's average temperature falls below 65° Fahrenheit. For example, a day with an average temperature of 50° F results in a measure of 15 heating degree days.) These states then received amounts based on a ratio of the product of total HDDs, the number of households at or below 125% of poverty, and the unemployment rate to the sum of the products for all 14 states.

The second contingency fund distribution was announced on September 20, 2010. The remaining funds—approximately \$101 million—were distributed to all fifty states, the District of Columbia, and the territories based on the proportions of the “old” LIHEAP formula.

Columns (b), (c), and (d) of **Table A-2** (at the end of this report) show the amount of funds that states received under each of the contingency fund distributions.

Program Rules and Benefits

Federal LIHEAP requirements are minimal and leave most important program decisions to the states, the District of Columbia, the territories, and Indian tribes and tribal organizations (collectively referred to as grantees) who receive federal funds. The federal government (HHS) may not dictate how grantees implement “assurances” that they will comply with general federal guidelines.

Federal Eligibility Standards and Grantee Responsibility

Federal law limits LIHEAP eligibility to households with incomes up to 150% of the federal poverty income guidelines (or, if greater, 60% of the state median income). States may adopt lower income limits, but no household with income below 110% of the poverty guidelines may be considered ineligible. States may separately choose to make eligible for LIHEAP assistance any household of which at least one member is a recipient of Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Food Stamps, or certain needs-tested veterans' programs. LIHEAP assistance does not reduce eligibility or benefits under other aid programs.

Within these limits, grantees decide which, if any, assistance categories to include, what income limits to use, and whether to impose other eligibility tests. The statute gives priority for aid to households with the greatest energy needs or cost burdens, especially those that include disabled individuals, frail older individuals, or young children. Federal standards require grantees to treat owners and renters “equitably,” to adjust benefits for household income and home energy costs, and to have a system of “crisis intervention” assistance for those in immediate need. The LIHEAP definition of “energy crisis” leaves room for each state to define the term slightly differently, although generally, crisis assistance is provided to households that are in danger of losing their heating or cooling due to problems with equipment, receipt of a utility shutoff notice, or exhaustion of a fuel supply.¹⁵ Federal rules also require outreach activities, coordination with the

¹⁵ The LIHEAP statute defines an energy crisis as “weather-related and supply shortage emergencies and other household energy-related emergencies.” 42 U.S.C. § 8622(3). For the state definitions of “crisis” see the HHS LIHEAP (continued...)

Department of Energy's Weatherization Assistance Program, annual audits and appropriate fiscal controls, and fair hearings for those aggrieved. Grantees decide the mix and dollar range of benefits, choose how benefits are provided, and decide what agencies will administer the program.¹⁶

Kinds of Energy Assistance Available

Funds are available for four types of energy assistance to eligible households:

- help paying heating or cooling bills;
- low-cost weatherization projects (e.g., window replacement or other home-energy related repair; limited to 15% of allotment unless a grantee has a waiver for up to 25%);
- services to reduce need for energy assistance (e.g., needs assessment, counseling on how to reduce energy consumption; limited to 5% of allotment); and
- help with energy-related emergencies (winter or summer crisis aid).

Use of Funds

The greatest share of LIHEAP funding is used to offset home heating costs. In FY2006, approximately 49.6% of all LIHEAP funds were used to provide heating assistance; all states (including the District of Columbia) provided some heating assistance.¹⁷ Nearly all states also offered crisis assistance, most of which is used for heating needs. In FY2006, 17.8% of LIHEAP funds was used to provide crisis assistance in 48 states. Seven of these 48 states provided summer as well as winter crisis assistance, and one state—Hawaii—provided only summer crisis assistance.¹⁸ Also in FY2006, 3.6% of funds went for cooling aid (offered by 13 states); 10.0% of total LIHEAP funds was used for weatherization services (provided by 45 states); 7.7% of available funds went for administration and planning purposes (51 states), and 1.2% of the FY2006 funds was used to offer services to reduce the need for energy assistance (provided by 24 states).¹⁹

(...continued)

Networker FY2007 compilation of definitions, available at <http://www.liheap.ncat.org/tables/FY2007/CrisisDef2007.doc>.

¹⁶ Information regarding state LIHEAP program characteristics and contacts is available at <http://www.liheap.ncat.org/sp.htm>.

¹⁷ Based on state-reported total LIHEAP obligations for FY2006 of \$3.2 billion. U.S. Department of Health and Human Services, Administration for Children and Families, *Low Income Home Energy Assistance Program Report to Congress for Fiscal Year 2006*, April 22, 2009, p. 16 (hereinafter, *FY2006 LIHEAP Report to Congress*).

¹⁸ *Ibid.*, Table C-3, pp. 61-62.

¹⁹ *Ibid.*, p. 16.

Households Served

In FY2008, it is estimated that 5.4 million households received LIHEAP heating and/or winter crisis assistance.²⁰ This estimate attempts to remove duplication among households that received both heating and winter crisis assistance. The number of households receiving heating and/or winter crisis assistance in FY2008 increased from FY2007, when an estimated 5.3 million households were served. Shortly after LIHEAP began, in FY1983, approximately 6.8 million households received heating and/or winter crisis assistance. Since that time, the number of households receiving assistance declined generally until FY2000, reaching a low of 3.6 million recipients in FY1999. After FY2000, the number of recipient households began increasing again to the current level. (See **Table 2**.)

The same trend can be seen in the percentage of federally eligible households that receive heating and/or winter crisis assistance. In FY1983, the 6.8 million households that received funds represented 31% of federally eligible households. By FY1999, the number of federally eligible households receiving LIHEAP heating and/or winter crisis assistance had dropped to 12%. Since FY2003, the percentage of federally eligible households receiving assistance has hovered between 14% and 16%, settling at 16% for the last three fiscal years for which data are available (FY2006 through FY2008).

The number of households receiving cooling and/or summer crisis assistance reached a high point of 700,000 recipients in both FY2002 and FY2006. However, in FY2007 and FY2008, cooling/summer crisis assistance nearly reached this level, with approximately 600,000 beneficiaries in each year.²¹

HHS estimates that of all households receiving LIHEAP heating assistance, about 31% had at least one member 60 years of age or older; about 30% had at least one member with a disability; and some 21% included at least one child five years of age or younger.²²

Benefit Levels

Apart from federal funding levels, a variety of factors help determine to what extent LIHEAP is able to meet its stated goal of assisting low-income households in meeting their home energy needs. These include the following:

- the cost of energy for a given household (influenced by energy price fluctuations and variation in kinds of fuels used);
- the amount of energy consumed (influenced by severity of the weather, energy efficiency of housing, and expected standards of comfort); and
- the number of eligible households (influenced by population size and health of the economy).

²⁰ U.S. Department of Health and Human Services, Administration for Children and Families, *LIHEAP Home Energy Notebook for Fiscal Year 2008*, May 2010, p. 30 (hereinafter, *FY2008 LIHEAP Home Energy Notebook*).

²¹ See the *FY2008 LIHEAP Home Energy Notebook*, p. 30 and the *FY2007 Home Energy Notebook*, p. 30.

²² *FY2006 LIHEAP Report to Congress*, p. 23.

In FY2008, the constant dollar value of the average LIHEAP heating and winter crisis benefit increased by about \$12 from the previous year, FY2007. Measured in constant 1981 dollars (the year in which LIHEAP was enacted), the average LIHEAP benefit per household in FY2008 was \$151, up from \$139.²³ However, the general trend in the constant dollar value of LIHEAP benefits since the program's beginning has been a decline. In FY1983, the average heating and winter crisis benefit, measured in constant 1981 dollars, was \$209. By FY1998, it had declined to \$117, and although the average benefit reached \$187 in FY2001, it generally declined again thereafter, with the exception of \$171 in FY2006, when funding was higher than in the immediately preceding and subsequent years. (See **Table 2.**)

LIHEAP also covers a smaller portion of home heating bills than in earlier years. In FY2006 (the most recent year in which data are available), the LIHEAP benefit covered 42% of the heating costs of LIHEAP-recipient households, compared to 54% in 1981.²⁴ Between FY1990 and FY2006, the percentage of home heating bills covered by the average LIHEAP benefit has ranged from 40% to 73%.

The constant dollar value of the cooling and summer crisis benefit, which is available to a more limited number of households in far fewer states, has fluctuated over the years. While the average benefit in 1981 was \$129, in the years that followed the average benefit in constant 1981 dollars declined as low as \$57 in FY1983 and \$49 in FY1990. However, the average benefit grew from FY1990 levels, and by FY2000 and FY2001 the average benefit had reached \$107. In recent years, between FY2004 and FY2008, the constant dollar value has ranged from \$91 (in FY2004 and FY2005) up to \$105 in FY2006, and then down to \$74 and \$72 in FY2007 and FY2008 respectively.²⁵

²³ *FY2008 LIHEAP Home Energy Notebook*, p. 32.

²⁴ *FY2006 LIHEAP Report to Congress*, p. 24.

²⁵ For the most recent constant dollar value funding levels, see the *FY2008 LIHEAP Home Energy Notebook*, p. 32.

Table 2. LIHEAP Heating/Winter Crisis Aid for Select Years

	Fiscal Years													
	1983	1990	1993	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Households														
Number receiving aid (millions)	6.8	5.8	5.6	3.9	3.6	3.9	4.8	4.4	4.8	5.0	5.3	5.5	5.3	5.4
Number federally eligible (millions)	22.2	25.4	28.4	29.1	29.0	29.4	30.4	32.7	34.5	35.4	34.8	34.4	33.6	33.5
Federally eligible and receiving aid	31%	23%	20%	13%	12%	13%	16%	13%	14%	14%	15%	16%	16%	16%
Benefit Levels														
Average benefit (nominal \$)	\$225	\$209	\$201	\$213	\$237	\$270	\$364	\$291	\$312	\$277	\$304	\$385	\$320	\$362
Average benefit (constant 1981 \$) ^a	\$209	\$147	\$129	\$117	\$128	\$140	\$187	\$147	\$154	\$132	\$140	\$171	\$139	\$151
LIHEAP Coverage														
LIHEAP household heating expenditures as a percentage of income	7.0%	5.2%	7.1%	5.2%	5.2%	5.2%	7.4%	6.2%	8.6%	8.4%	9.4%	11.2%	6.5%	7.1%
Percentage of heating costs offset by LIHEAP benefit	54%	51%	49%	— ^b	— ^b	73%	68%	64%	48%	43%	40%	42%	— ^c	— ^c

Source: Data on the percentage of heating costs offset and the annual heating costs of LIHEAP households for FY1983, FY1990, and FY1993 come from the LIHEAP Reports to Congress for FY1983 through FY2006. Data regarding benefit levels, average heating expenditures, and annual heating expenditures for FY2000 to the present are drawn from the LIHEAP Home Energy Notebooks for FY1998 through FY2008. As of the date of this report, the FY2007 LIHEAP Report to Congress was not yet available.

- a. The constant dollars are based on the 1981 value of the benefit (using the CPI-U index).
- b. CRS does not have data for heating costs offset in FY1998 and FY1999.
- c. HHS has not yet released reports to Congress for FY2006 and FY2007.

Funds and Their Distribution

The LIHEAP statute authorizes regular funds appropriations, which are allocated to all states on the basis of a statutory formula, and contingency fund appropriations, which are allocated to one or more states at the discretion of the Administration. The statute also authorizes a smaller amount of funds for incentive grants to states that leverage non-federal resources for their energy assistance programs.

Regular Funds

Regular funds are distributed to states according to a three-tier formula in the LIHEAP statute and based on the level of funds appropriated in a given fiscal year.²⁶ The three-tier formula is the result of changes to the LIHEAP statute in 1984 through the Human Services Reauthorization Act (P.L. 98-558). Prior to the changes in P.L. 98-558, LIHEAP allotments to the states were based largely on home heating needs with minimal consideration of cooling costs, and did not provide for the use of updated data, including population and energy costs.

The new distribution formula provides that in determining state allotments the Department of Health and Human Services shall use “the most recent satisfactory data available” and consider home energy costs of low-income households (not simply all households, as was previously the case). These changes to the calculation of state allotments mean that some states will receive a smaller percentage share of regular funds, while some will receive a larger share. In order to offset the losses to certain states resulting from the formula change, and “prevent severe disruption to programs,”²⁷ Congress implemented two “hold harmless” provisions in P.L. 98-558 to prevent states from losing too much funding. This resulted in the three-tier current law formula, which is described in more detail below.

Tier I

The Tier I formula is used to allocate funds when the total LIHEAP regular fund appropriation is less than \$1.975 billion. Neither hold harmless provision applies at the Tier I level, and HHS allocates funds according to the allotment percentages used under the pre-1984 formula. The old formula is used because the amount of appropriated funds required to trigger the new formula is \$1.975 billion. The LIHEAP statute stipulates that for FY1986 and succeeding years, no state shall receive less money than it would have received in FY1984 had the LIHEAP funding in that year been \$1.975 billion.²⁸ According to HHS, then, the LIHEAP statute requires use of the old allotment percentages when funding is less than \$1.975 billion.²⁹ Until FY2006, funding levels

²⁶ States are defined to include the District of Columbia. Indian tribes receive funds out of state allotments that are proportionate to their share of LIHEAP-eligible households in the state. Before state allotments are made, the statute provides that at least one-tenth (but not more than one-half) of 1% of the total appropriation must be set aside for energy assistance in American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

²⁷ Report of the Committee on Energy and Commerce (H.Rept. 98-139, Part 2), to accompany H.R. 2439, May 15, 1984, p. 13.

²⁸ 42 U.S.C. § 8623(a)(2)(A).

²⁹ U.S. Department of Health and Human Services, *Low Income Home Energy Assistance Program: Report to Congress for FY1987*, p. 133. The statutory provision that provides for use of the old formula is 42 U.S.C. § 8623(a)(3).

for LIHEAP only twice exceeded the \$1.975 billion level, in FY1985 and FY1986. Thus, from FY1987 through FY2005, states continued to receive the same allotment percentages they received under the previous LIHEAP formula.

Tier II

For appropriations above \$1.975 billion and up to \$2.25 billion, the Tier II rate applies, and HHS uses the formula enacted in 1984 to calculate state allotments. Under the Tier II formula, a hold harmless *level* applies, and no state may receive less funding than it would have received under the Tier I distribution rate as it was in effect for FY1984, assuming a \$1.975 billion appropriation.³⁰ State allotment *percentages* may be different, however. To ensure that states receive their hold harmless levels of funding, those states that gain the most funding under the new formula must have their percentage share of funds ratably reduced to bring other states up to the hold harmless level.³¹

Tier III

The Tier III formula applies to funding levels at or above \$2.25 billion. The Tier III rate uses the Tier II methodology to distribute funds, but adds a second hold-harmless requirement, a hold harmless *rate*. States that would receive less than 1% of a \$2.25 billion appropriation must have their funds allocated using the rate that would have been used at a hypothetical \$2.14 billion appropriation (if this rate is greater than the calculated rate at \$2.25 billion). In both the Tier II and Tier III rates, a state will not be allocated less funds than the state received under the Tier I distribution as it was in effect in FY1984 (had the appropriation level been \$1.975 billion).

Contingency Funds

The statute currently provides an annual authorization of \$600 million for LIHEAP contingency funds (contingency funds are authorized indefinitely).³² Appropriated contingency funds may only be released at the discretion of HHS and may be allocated to one or more states according to their needs. The statute authorizes the appropriation of contingency funds “to meet the additional home energy assistance needs of one or more states arising from a natural disaster or other emergency.” The term “emergency” is defined in the LIHEAP statute to include a natural disaster; a significant home energy supply shortage or disruption; significant increases in the cost of home energy, home energy disconnections, participation in public benefit programs, or unemployment; or an “event meeting such criteria as the [HHS] Secretary may determine to be appropriate.”

³⁰ Since this language was enacted, Congress further provided that HHS could use regular LIHEAP funds appropriations for Training and Technical Assistance (P.L. 99-425). It also authorized Leveraging Incentive Grants (P.L. 101-501) and the REACH option (P.L. 103-252)—both of which it generally funds out of regular LIHEAP funds. These debits on the regular funds account were not in place for FY1984. Because they affect the level of regular funds available for state grant allotments by a little more than \$25 million, it is possible but not certain that HHS would not implement the newer formula before a regular funds appropriation level of approximately \$2.0028 billion.

³¹ 42 U.S.C. § 8623(a)(3).

³² 42 U.S.C. § 8621(e).

Leveraging Incentive and REACH Funds

In 1990, P.L. 101-501 amended the program statute to provide a separate funding authorization of \$50 million (\$30 million if regular funds appropriated are under \$1.4 billion) for incentive grants to states that leverage non-federal resources for their LIHEAP programs.³³ Such resources might include negotiated lower energy rates for low-income households or separate state funds. States are awarded incentive funds in a given fiscal year on the basis of a formula that takes into account their previous fiscal year success in securing non-federal resources for their energy assistance program. In 1994 (P.L. 103-252) the statute was further amended to provide that of any incentive funds appropriated, up to 25% may be set aside for the Residential Energy Assistance Challenge Option (REACH). Under the REACH option states may be awarded competitive grants for their efforts to increase efficiency of energy usage among low-income families and to reduce those families' vulnerability to homelessness and other health and safety risks due to high energy costs. The funding authorization for Leveraging Incentive and REACH grants is separate from regular funds, and the programs were not reauthorized in P.L. 109-58. In practice, however, Congress has funded these initiatives at \$22 million to \$30 million with dollars set-aside out of annual regular fund appropriations.

Other Funds

States are allowed to carry over unused funds from a previous fiscal year (limited to 10% of funds awarded a state). A diminishing amount of money may also be available from previously settled claims of price control violation by oil companies.³⁴ In addition, the Social Services Block Grant program allows states to transfer up to 10% of funds to provide low-income home energy assistance,³⁵ while the Temporary Assistance for Needy Families program gives states the discretion to use funds for home heating and cooling costs.³⁶

Legislative History

Since it was created by the Low Income Home Energy Assistance Act of 1981 (Title XXVI of P.L. 97-35), the LIHEAP program has been reauthorized or amended seven times. The legislation and some of the significant changes made are briefly discussed in the following paragraphs.

In 1984, P.L. 98-558, established a new formula by which regular LIHEAP funds are to be distributed in every year (after FY1985) in which regular appropriations exceed \$1.975 billion. This level of funding was exceeded in FY1986 and again in FY2006.

In 1986, P.L. 99-425 extended the program with few changes. In 1990, P.L. 101-501 created the Incentive Program for Leveraging Non-Federal Resources and authorized a July to June program year (or forward funding) for LIHEAP to allow state program directors to plan for the fall/winter heating season with knowledge of available money. This program year language was

³³ 42 U.S.C. § 8621(d).

³⁴ *FY2004 LIHEAP Report to Congress*, p. 11. For FY2004, \$2 million in oil overcharge funds was available to one state.

³⁵ 42 U.S.C. § 1397a(d).

³⁶ 42 U.S.C. § 604(a)(1).

subsequently removed, although the statute now states that money appropriated in a given fiscal year is to be made available for obligation in the following fiscal year. Congress last provided advance appropriations for LIHEAP in the FY2000 appropriations cycle.

In 1993, P.L. 103-43 extended the authorization of LIHEAP for one year but made no other changes. In 1994 (P.L. 103-252) Congress stipulated that LIHEAP benefits and outreach activities target households with the greatest home energy needs (and costs), and it enacted a separate and permanent contingency funding authorization of \$600 million for each fiscal year. The 1994 law also established the competitive REACH grant option. In 1998, P.L. 105-285 authorized annual regular funding for each of FY2002-FY2004 at \$2 billion and made explicit a wide variety of situations under which HHS is authorized to release LIHEAP contingency funds.

In 2005, the Energy Policy Act (P.L. 109-58) reauthorized the program and raised the LIHEAP regular funds authorization level for FY2005 through FY2007 to \$5.1 billion. It also explicitly permitted the purchase of renewable fuels as part of providing LIHEAP assistance; required the Department of Energy to report on use of renewable fuels in provision of LIHEAP aid; and required HHS to report (within one year of the legislation's enactment) on ways that the program could more effectively prevent loss of life due to extreme temperatures. The law also allowed the Secretary of the Interior, when disposing of royalty-in-kind oil and gas taken as payment from lessees using federal land, to grant a preference for the purpose of providing additional resources to support federal low-income energy assistance programs. (Lessees of federal land may pay royalties to the U.S. government in oil and natural gas rather than cash payments.) However, the Government Accountability Office issued a decision determining that the law did not give the Interior Department sufficient authority to grant such a preference.³⁷ Because of a provision in existing law that the Interior Department cannot sell oil and gas obtained as in-kind royalties for less than market price,³⁸ the provision in P.L. 109-58 does not allow a price preference.

³⁷ U.S. Government Accountability Office, *Department of Interior—Royalty-in-Kind Oil and Gas Preferences*, B-307767, November 13, 2006, available at <http://www.gao.gov/decisions/appro/307767.pdf>.

³⁸ 42 U.S.C. § 15902(b)(3)(A).

Appendix. Tables Showing LIHEAP Funding Levels

In this Appendix are four tables that show how LIHEAP funds have been distributed to the states, tribes, and territories during the last several fiscal years, as well as historical funding levels from the time the program was created to the present.

Table A-1 shows how LIHEAP regular funds have been distributed thus far under a series of FY2011 Continuing Resolutions (CRs). The table shows *net* funding to the states, which means that funds provided to tribes (if any) within each state are not included in the total. Instead, a separate row at the end of the table shows the total amount of funds distributed to all tribes that choose to receive LIHEAP funds separately. This is due to the fact that HHS did not provide a separate breakout of tribal funding by state for the two FY2011 LIHEAP distributions shown in columns (b) and (c). For a more comprehensive discussion of FY2011 funding levels, see the section of this report entitled “LIHEAP Funding Under the FY2011 Continuing Resolutions.”

- Column (a) of **Table A-1** shows the amount of regular funds that states received in FY2010 for comparison purposes.
- Column (b) shows the amount of funds that states received under the first three Continuing Resolutions (P.L. 111-242, P.L. 111-290, and P.L. 111-317). Initially, states were eligible to receive up to 75% of their allocation at a total funding level of \$2.7 billion. However, in mid-December HHS allowed states to receive 100% of their allocation at \$2.7 billion if they chose. Column (b) shows this latter funding level.
- The fourth Continuing Resolution (P.L. 111-322) directs that HHS obligate to states the same amount of funds that were obligated in FY2010 through the date of the CR. So the amounts states receive depend on the percentage that each requested during the first two quarters of FY2010. Column (c) shows the amounts that HHS distributed to states under the terms of the fourth CR.

Table A-2 provides a specific breakdown of LIHEAP funds distributed in FY2010.

- In column (a), the first number shows the total amount of regular funds distributed to each state and the tribes within the state, while the second number, in parenthesis and italics, breaks out the amount set aside for tribes within each state. Tribes may operate their own LIHEAP programs if they wish. Their allotments are taken from the state’s award of LIHEAP regular and contingency funds based on the number of LIHEAP-eligible households in the tribe. Not all states have funds set aside for tribes.
- Columns (b) and (c) show the two January 2010 contingency fund distributions of \$450 million and \$40 million; in columns (b) and (c), tribal funds are not broken out separately because HHS did not make the separate breakdowns available.
- In column (d), the first number shows the total amount of contingency funds distributed to states and tribes in January 2010 (\$490 million), while the second number, in parenthesis and italics, breaks out the total amount of contingency funds (from both January distributions) set aside for tribes in each state.

- Column (e) shows the total amount of contingency funds distributed to states and tribes in September 2010—approximately \$101 million. As of the date of this report, HHS had not released a breakdown of funds between states and tribes.
- Column (f) shows total funds, regular and contingency, distributed to the states in FY2010.
- Finally, allocations to the territories are in the next-to-last row, after the states.

Table A-3 shows the total amount of LIHEAP regular and contingency funds distributed to each state from FY2006 through FY2010; the totals include funds distributed to tribes within the states.

Table A-4 provides historic funding levels for LIHEAP from the time the program was initially funded, in FY1982, through FY2011. The table shows authorization levels for LIHEAP regular funds, Administration budget requests for both regular and contingency funds, the total amount of regular and contingency funds appropriated in each fiscal year, and the total amount of contingency funds distributed.

Table A-1. Net State LIHEAP Formula Grant Funding (Less Tribes) Under the FY2011 Continuing Resolutions (CRs)

(dollars in millions)

State	FY2010 Formula Funding: \$4.5 Billion (a)	FY2011 Formula Funding Under the First Three CRs: \$2.7 Billion (b)	FY2011 Formula Funding Under the Fourth CR: Based on Obligations Through 3/4/10 (c)
Alabama	58.394	18.471	51.908
Alaska	16.293	4.196	13.670
Arizona	31.171	4.903	15.393
Arkansas	35.773	15.692	35.333
California	201.024	118.597	118.597
Colorado	64.257	31.488	50.773
Connecticut	96.942	38.795	95.749
Delaware	15.189	7.839	13.502
District of Columbia	13.992	8.108	13.820
Florida	110.326	62.470	98.071
Georgia	87.252	49.405	86.178
Hawaii	6.023	0.981	3.026
Idaho	25.632	8.912	22.785
Illinois	232.865	135.916	229.999
Indiana	104.144	40.034	82.290
Iowa	67.803	36.483	66.968
Kansas	41.678	26.248	41.165
Kentucky	57.742	30.478	57.032
Louisiana	51.870	32.018	46.109
Maine	52.324	28.668	51.680
Maryland	82.002	41.074	76.943
Massachusetts	175.454	100.529	173.294
Michigan	232.323	84.245	183.570
Minnesota	144.528	86.408	142.749
Mississippi	39.586	22.250	39.098
Missouri	95.257	32.703	70.563
Montana	26.075	12.844	25.754
Nebraska	39.533	20.603	39.046
Nevada	15.841	9.967	15.646
New Hampshire	34.112	19.768	33.692
New Jersey	177.196	109.542	175.015

State	FY2010 Formula Funding: \$4.5 Billion (a)	FY2011 Formula Funding Under the First Three CRs: \$2.7 Billion (b)	FY2011 Formula Funding Under the Fourth CR: Based on Obligations Through 3/4/10 (c)
New Mexico	20.575	11.923	20.322
New York	479.270	276.595	473.102
North Carolina	107.395	72.422	72.422
North Dakota	27.299	15.595	26.963
Ohio	223.108	99.575	110.181
Oklahoma	43.484	26.064	38.692
Oregon	44.640	23.876	44.091
Pennsylvania	282.279	135.631	267.652
Rhode Island	29.582	12.857	29.217
South Carolina	47.311	16.289	23.364
South Dakota	22.921	11.955	22.187
Tennessee	72.092	40.787	40.787
Texas	183.593	98.181	181.333
Utah	31.596	10.962	28.086
Vermont	25.568	14.372	22.728
Virginia	100.856	22.936	75.707
Washington	71.568	42.784	70.687
West Virginia	38.884	18.026	38.405
Wisconsin	130.096	77.780	128.494
Wyoming	12.527	6.490	12.372
Subtotal to states	4,427.245	2,220.418	3,896.213
Tribes	49.057	30.085	48.776
Territories	6.070	3.633	5.573
Total	4,482.372	2,254.136	3,950.562

Source: Funding levels for FY2010 and under the Continuing Resolutions for FY2011 are from the U.S. Department of Health and Human Services (HHS), Administration for Children and Families.

Table A-2. FY2010 LIHEAP Regular and Contingency Fund Allotments to States, Tribes, and Territories

(dollars in millions)

State	Regular Funds		Contingency Funds				Total Funds Distributed \$5.073 Billion (f)
	Total State & Tribal Regular Fund Allotments		January 2010: Two Contingency Fund Distributions to States & Tribes (tribes not broken out separately)		January 2010: Breakdown of State & Tribal Contingency Funds	September 2010: State & Tribal Contingency Funds ^a	
	\$4.48 Billion (tribal set-aside, if any) ^b (a)		\$450 Million ^c (b)	\$40 Million ^d (c)	\$490 Million (tribal set-aside, if any) (d)	\$101 Million ^e (e)	
Alabama	58.799	(0.340)	6.714	2.639	9.353 (0.064)	0.865	69.016
Alaska	25.308	(9.025)	2.322		2.322 (0.828)	0.552	28.182
Arizona	33.729	(2.558)	3.275		3.275 (0.248)	0.418	37.422
Arkansas	35.773		2.825	0.743	3.568	0.660	40.000
California	202.749	(1.720)	26.827		26.827 (0.228)	4.639	234.215
Colorado	64.257		4.800		4.800	1.617	70.675
Connecticut	96.942		8.793		8.793	2.110	107.845
Delaware	15.189		1.378		1.378	0.280	16.847
District of Columbia	13.992		1.747		1.747	0.328	16.067
Florida	110.354	(0.028)	13.307	3.985	17.292 (0.004)	1.368	129.014
Georgia	87.252		9.404	4.354	13.758	1.082	102.091
Hawaii	6.023		0.456		0.456	0.109	6.589
Idaho	26.939	(1.307)	2.587		2.587 (0.126)	0.631	30.158
Illinois	232.865		26.837		26.837	5.840	265.542
Indiana	104.151	(0.007)	10.780		10.780 (0.001)	2.644	117.575
Iowa	67.803		4.848		4.848	1.874	74.524
Kansas	41.757	(0.079)	2.941	0.703	3.644 (0.007)	0.861	46.262
Kentucky	57.742		6.716	1.998	8.714	1.376	67.832
Louisiana	51.870		3.985	2.314	6.299	0.884	59.054
Maine	54.309	(1.985)	4.752		4.752 (0.174)	1.367	60.428
Maryland	82.002		6.388		6.388	1.616	90.005
Massachusetts	175.524	(0.070)	16.857		16.857 (0.007)	4.221	196.602
Michigan	233.524	(1.202)	37.379		37.379 (0.192)	5.545	276.447
Minnesota	144.528		11.567		11.567	3.995	160.089
Mississippi	39.661	(0.075)	4.021	2.228	6.248 (0.012)	0.741	46.650
Missouri	95.257		9.555		9.555	2.333	107.145

The Low Income Home Energy Assistance Program (LIHEAP): Program and Funding

State	Regular Funds		Contingency Funds				Total Funds Distributed \$5.073 Billion (f)
	Total State & Tribal Regular Fund Allotments		January 2010: Two Contingency Fund Distributions to States & Tribes (tribes not broken out separately)		January 2010: Breakdown of State & Tribal Contingency Funds	September 2010: State & Tribal Contingency Funds ^a	
	\$4.48 Billion (tribal set-aside, if any) ^b (a)		\$450 Million ^c (b)	\$40 Million ^d (c)	\$490 Million (tribal set-aside, if any) (d)	\$101 Million ^e (e)	
Montana	31.598	(5.524)	2.192		2.192 (0.383)	0.740	34.530
Nebraska	39.573	(0.040)	2.027	0.367	2.393 (0.002)	0.927	42.893
Nevada	15.841		2.181		2.181	0.196	18.218
New Hampshire	34.112		2.512		2.512	0.799	37.423
New Jersey	177.196		18.341		18.341	3.918	199.455
New Mexico	22.355	(1.780)	1.861		1.861 (0.148)	0.524	24.739
New York	479.526	(0.255)	45.029		45.029 (0.024)	12.794	537.348
North Carolina	109.339	(1.945)	12.601	3.292	15.893 (0.283)	1.907	127.139
North Dakota	34.325	(7.026)	1.538		1.538 (0.315)	0.804	36.668
Ohio	223.108		24.760		24.760	5.166	253.035
Oklahoma	47.902	(4.336)	3.578	0.915	4.493 (0.414)	0.795	53.190
Oregon	45.355	(0.715)	5.421		5.421 (0.085)	1.254	52.029
Pennsylvania	282.279		26.206		26.206	6.872	315.357
Rhode Island	29.666	(0.084)	4.084		4.084 (0.012)	0.695	34.444
South Carolina	47.311		6.058	2.176	8.234	0.687	56.232
South Dakota	27.878	(4.957)	1.458		1.458 (0.259)	0.653	29.989
Tennessee	72.092		8.001	3.412	11.413	1.394	84.899
Texas	183.593		16.065	10.873	26.938	2.276	212.807
Utah	32.094	(0.499)	2.158		2.158 (0.034)	0.752	35.003
Vermont	25.568		1.773		1.773	0.599	27.941
Virginia	100.856		7.103		7.103	1.968	109.927
Washington	74.603	(3.035)	7.324		7.324 (0.298)	2.062	83.989
West Virginia	38.884		3.568		3.568	0.911	43.363
Wisconsin	130.096		11.522		11.522	3.596	145.214
Wyoming	12.850	(0.210)	0.974		0.974 (0.219)	0.301	14.124
Subtotal to States and Tribes	4,476.302	(48.800)	449.391	40.000	489.391 (4.367)	100.542	5,066.234
Territories	6.070		0.609	—	0.609	0.136	6.816
Total	4,482.372		450.000	40.000	490.000	100.678	5,073.050

Source: Compiled by the Congressional Research Service (CRS) using U.S. Department of Health and Human Services (HHS) data.

- a. As of the date of this report, CRS had not received a breakout of tribal emergency contingency funds.
- b. Tribes may operate their own LIHEAP programs if they wish. Their allotments are taken from the state's award of LIHEAP regular and contingency funds based on the number of LIHEAP-eligible household in the tribe. In columns (a) and (d) of this table, the first number represents the total amount of regular or contingency funds awarded to each state, including any amounts for tribes, while the number in parenthesis is the total amount allotted to a tribe or tribes within the state.
- c. In January 2010, HHS awarded \$450 million in contingency funds to all states, tribes, and territories based on their share of FY2010 formula grants weighted by the unemployment rate.
- d. In January 2010, HHS awarded \$40 million in contingency funds to 14 states where the number of heating degree days (HDDs) from November 1, 2009, through January 9, 2010, exceeded the 30-year norm by at least 5%. These states then received amounts based on the ratio of the product of total HDDs, the number of households at or below 125% of poverty, and the unemployment rate to the sum of the products for all 14 states.
- e. In September 2010, HHS awarded \$101 million to all states, tribes, and territories based on the proportions of the "old" LIHEAP formula.

Table A-3. LIHEAP Funding by State FY2006 to FY2010

(dollars in millions)

State (includes tribal allotments)	Total Funds Distributed ^a (regular and contingency)				
	FY2006	FY2007	FY2008	FY2009	FY2010
Alabama	31.972	22.205	19.221	64.274	69.016
Alaska	18.473	12.454	16.856	30.928	28.182
Arizona	15.399	8.551	9.296	31.084	37.422
Arkansas	23.336	15.749	14.667	39.711	40.000
California	157.626	94.855	103.117	248.487	234.215
Colorado	44.842	33.073	41.326	71.352	70.675
Connecticut	71.106	48.102	65.618	125.887	107.845
Delaware	10.954	5.727	6.929	18.748	16.847
District of Columbia	8.165	6.700	7.284	16.249	16.067
Florida	49.798	27.977	30.414	101.701	129.014
Georgia	40.026	28.564	24.047	80.410	102.091
Hawaii	2.567	2.228	2.403	5.182	6.589
Idaho	14.772	12.901	13.916	30.012	30.158
Illinois	193.814	119.418	149.216	265.679	265.542
Indiana	75.336	54.069	67.561	116.487	117.575
Iowa	52.054	38.319	47.881	76.929	74.524
Kansas	27.722	19.746	22.137	49.541	46.262
Kentucky	45.320	32.010	30.588	75.055	67.832
Louisiana	32.671	22.499	19.651	61.502	59.054
Maine	45.146	33.719	46.536	79.187	60.428
Maryland	61.889	33.036	35.913	109.164	90.005
Massachusetts	126.476	93.795	126.492	213.500	196.602
Michigan	154.671	113.377	141.667	249.416	276.447
Minnesota	110.849	81.681	102.063	163.982	160.089
Mississippi	27.467	17.871	16.479	42.622	46.650
Missouri	78.220	52.645	59.603	114.902	107.145
Montana	22.789	15.132	18.907	35.202	34.530
Nebraska	28.643	18.950	23.679	44.086	42.893
Nevada	7.247	4.016	4.366	14.599	18.218
New Hampshire	27.740	18.769	25.635	47.737	37.423
New Jersey	115.046	80.120	108.707	185.773	199.455
New Mexico	12.491	10.705	11.638	27.451	24.739

State (includes tribal allotments)	Total Funds Distributed ^a (regular and contingency)				
	FY2006	FY2007	FY2008	FY2009	FY2010
New York	382.251	261.604	359.628	538.243	537.348
North Carolina	72.413	45.974	42.383	132.528	127.139
North Dakota	24.680	16.438	20.539	38.240	36.668
Ohio	164.226	105.643	132.004	245.750	253.035
Oklahoma	29.543	19.282	17.668	52.878	53.190
Oregon	25.116	25.633	27.650	51.460	52.029
Pennsylvania	202.324	140.520	191.759	308.394	315.357
Rhode Island	23.131	15.471	20.875	38.653	34.444
South Carolina	25.279	17.636	15.266	51.047	56.232
South Dakota	20.117	13.350	16.681	31.058	29.989
Tennessee	47.139	33.568	30.985	80.512	84.899
Texas	84.005	46.545	50.599	169.196	212.807
Utah	23.285	15.369	19.204	35.755	35.003
Vermont	20.903	14.162	19.370	36.156	27.941
Virginia	75.053	40.241	43.746	127.668	109.927
Washington	41.226	42.163	45.481	84.645	83.989
West Virginia	24.543	18.621	20.157	45.019	43.363
Wisconsin	99.837	73.525	91.872	147.608	145.214
Wyoming	9.284	6.153	7.689	14.315	14.124
Subtotal to states and tribes	3,128.981	2,130.860	2,587.373	5,065.966	5,066.234
Territories ^b	3.456	2.788	3.014	6.734	6.816
Leveraging/REACH ^c	27.225	27.225	— ^d	27.000	27.000
Training/tech. asst. ^e	0.297	0.297	0.292	0.300	0.300
Total	3,160	2,161	2,591	5,100	5,100.350

Source: Compiled by the Congressional Research Service (CRS) using U.S. Department of Health and Human Services (HHS) data.

- The totals shown in these columns include regular fund allocations to states and tribes, and any contingency funds awarded to states and tribes in that year.
- The statute provides that HHS must set aside not less than one-tenth of 1% and not more than one-half of 1% for use in the territories (American Samoa, Guam, Puerto Rico, Northern Mariana Islands, and the U.S. Virgin Islands).
- The statute provides a separate funding authorization for competitive grants under the leveraging incentive program (designed to encourage states to increase non-federal support for energy assistance). It also provides that up to 25% of any leveraging funds made available may be reserved for competitive REACH grants (for state efforts to increase efficient use of energy among low-income households and to reduce their vulnerability to homelessness and other problems due to high energy costs). Congress has in recent years stipulated that a certain portion of the LIHEAP regular funds be set aside for leveraging grants and, of this amount, HHS has reserved 25% for REACH grants.

- d. The FY2008 Consolidated Appropriations Act (P.L. 110-161) did not specify funds for leveraging incentive and REACH grants.
- e. The statute provides that HHS may reserve up to \$300,000 for making grants or entering into contracts with states, public agencies, or private nonprofits that provide training and technical assistance related to achieving the purposes of the LIHEAP program.

Table A-4. LIHEAP Funding: FY1982 to FY2011

(dollars in thousands)

Fiscal Year	Regular Funds			Contingency Funds ^a			Total Distributed
	Authorized	President's Request	Appropriated	President's Request	Appropriated	Distributed	
1982	1,875,000	1,400,000	1,875,000	—	—	—	1,875,000
1983	1,875,000	1,300,000	1,975,000	—	—	—	1,975,000
1984	1,875,000	1,300,000	2,075,000	—	—	—	2,075,000
1985	2,140,000	1,875,000	2,100,000	—	—	—	2,100,000
1986	2,275,000	2,097,765	2,100,000	—	—	—	2,100,000
1987	2,050,000	2,097,642	1,825,000	—	—	—	1,825,000
1988	2,132,000	1,237,000	1,531,840	—	—	—	1,531,840
1989	2,218,000	1,187,000	1,383,200	—	—	—	1,383,200
1990	2,307,000	1,100,000	1,443,000	—	—	—	1,443,000
1991	2,150,000	1,050,000	1,415,055	NA ^b	195,180	195,180	1,610,235
1992	2,230,000	925,000	1,500,000	100,000	300,000	0	1,500,000
1993	ssan ^c	1,065,000	1,346,030	0	595,200	0	1,346,030
1994	ssan ^c	1,507,408	1,437,402	0	600,000	300,000	1,737,402
1995	2,000,000	1,475,000	1,319,202	^d	600,000	100,000	1,419,202
1996	2,000,000	1,319,204	900,000	^e	180,000	180,000	1,080,000
1997	2,000,000	1,000,000	1,000,000	300,000	420,000	215,000	1,215,000
1998	2,000,000	1,000,000	1,000,000	300,000	300,000	160,000	1,160,000
1999	2,000,000	1,000,000	1,100,000	300,000	300,000	175,299	1,275,299
2000	ssan ^c	1,100,000	1,100,000	300,000	900,000	744,350 ^f	1,844,350 ^f
2001	ssan ^c	1,100,000	1,400,000	300,000	600,000 ^g	455,650 ^h	1,855,650
2002	2,000,000	1,400,000	1,700,000	300,000	300,000	100,000 ⁱ	1,800,000
2003	2,000,000	1,400,000	1,788,300 ^j	300,000	0	200,000 ^k	1,988,300
2004	2,000,000	1,700,000	1,789,380	300,000	99,410	99,410	1,888,790
2005	5,100,000	1,900,500 ^{l,m}	1,884,799	200,000	297,600	277,250	2,162,050
2006	5,100,000	1,800,000 ^l	2,480,000	200,000	681,000	679,960	3,160,000
2007	5,100,000	1,782,000	1,980,000	0	181,000	181,000	2,161,000
2008	— ⁿ	1,500,000	1,980,000	282,000	590,328	610,678 ^o	2,590,678
2009	— ⁿ	1,700,000	4,509,672	300,000	590,328	590,328	5,100,000
2010	— ⁿ	2,410,000 ^p	4,509,672	790,000	590,328	590,678	5,100,350
2011	—	2,510,000 ^q	—	790,000	—	—	—

Source: Prepared by the Congressional Research Service (CRS) on the basis of HHS data.

a. In 1994, Congress enacted a permanent \$600 million annual authorization for contingency funding. As shown, however, before this authorization contingency funds were sometimes made available.

- b. Congress first allocated emergency contingency funds in January of 1991 due to the price of home heating oil (P.L. 101-517). Funds were not requested in the President's budget until FY1992.
- c. Such sums as necessary.
- d. The President's FY1995 request would have made the unallocated contingency funds that were appropriated in FY1994 (P.L. 103-112) available until expended.
- e. The President's FY1996 request would have made the unallocated contingency funds that were appropriated in FY1995 (P.L. 103-333) available until expended.
- f. The Administration released \$400 million of the FY2000 contingency funds in late September 2000, making them effectively available to states in FY2001.
- g. The initial contingency fund appropriation for FY2001 was \$300 million (P.L. 106-554). The Administration released the entire amount by December 30, 2000. On July 24, 2001, the 2001 Supplemental Appropriations Act (P.L. 107-20) provided an additional \$300 million in contingency funds.
- h. The distributed contingency funds in FY2001 included the \$300 million appropriated in P.L. 106-554 and the amount remaining from FY2000 (approximately \$156 million). The \$300 million that was appropriated as part of P.L. 107-20 was made available until expended; a portion was distributed in FY2003 and the remainder was converted to regular funds that same year.
- i. The FY2002 contingency funds were distributed out of the total FY2002 contingency appropriation (P.L. 107-116). With the end of FY2002, the remainder of the contingency funds expired (\$200 million).
- j. The FY2003 appropriations act (P.L. 108-7) included \$1.688 billion in new regular funds and converted into regular funds \$100 million of remaining contingency funds originally appropriated in FY2001 (P.L. 107-20).
- k. FY2003 contingency funds were distributed out of contingency dollars appropriated as part of the FY2001 supplemental (P.L. 107-20).
- l. Of the amounts requested by the President in FY2005 and FY2006, \$500,000 was to be set aside for a national evaluation.
- m. In FY2005, the President's initial budget request for LIHEAP regular funds was \$1,800,000,500. However, on November 14, 2004, the President submitted a budget amendment to Congress, requesting \$1,900,000,500 for LIHEAP regular funds.
- n. LIHEAP has not been authorized in FY2008, FY2009, and FY2010.
- o. Of the contingency funds distributed in FY2008, \$20 million came from funds appropriated in the FY2005 Departments of Labor, Health and Human Services, and Education Appropriations Act (P.L. 108-447). Contingency funds in P.L. 108-447 were made available until expended.
- p. In FY2010, the President proposed that a mechanism be created whereby additional LIHEAP funds would be released when energy price increases reached certain levels; the proposal was not adopted by Congress. The Administration estimated that this "trigger" would have resulted in mandatory budget authority of \$450 million. This estimate is not included in the table.
- q. In FY2011, the President again proposed a trigger to release additional LIHEAP funds. In addition to proposing that funds be released when energy prices increase, the FY2011 proposal would release funds when participation in SNAP (formerly known as Food Stamps) increases above a certain level. The Administration estimates that this trigger would result in mandatory budget authority of \$2 billion. This estimate is not included in the table.

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