

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 59
“Low-Income Home Energy Assistance Program (LIHEAP)”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 216A
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 216A and PL 97-35
and PL 98-558

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

June 2, 2026
10 a.m.

Microsoft Teams
Meeting ID: 292 485 993 110 827
Passcode: SZ3ZF7WH

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

This proposed rulemaking describes the Department’s administration of the Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP is designed to aid qualifying low-income Iowa households (homeowners and renters) in the payment of a portion of their residential heating costs for the winter heating season; to encourage regular utility payments; to promote energy awareness; and to encourage reduction of energy usage through energy efficiency, client education, and weatherization.

This proposed chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result of the review, the Department removed redundant information and restrictive terms and added pertinent definitions and dates certain. The Department also standardized appeals language to refer to the Department’s uniform rules chapter on contested cases. The Department is concurrently rescinding 421—Chapter 22 (RA 26-62, IAB 5/13/26), which is the legacy Department of Human Rights chapter that outlines LIHEAP.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**
 - **Classes of persons that will bear the costs of the proposed rulemaking:**
There are no costs associated with this proposed rulemaking.
 - **Classes of persons that will benefit from the proposed rulemaking:**

Low-income individuals who meet the criteria for assistance will benefit from the processes outlined in this proposed rulemaking.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• **Quantitative description of impact:**

For LIHEAP program year 2024:

• Iowa received \$58,755,595 in federal funds (\$57,826,941 in regular annual appropriations and \$928,654 in Infrastructure Investment and Jobs Act funds).

- The average statewide one-time LIHEAP benefit was \$466.
- 41.3 percent of households assisted were homeowners.
- 56.5 percent of households assisted were below 100 percent of the federal poverty level.
- 48 percent of households assisted had a member with a disability.
- 38.3 percent of households assisted had an elderly member.
- 4.1 percent of households assisted had a child under six years of age.

• **Qualitative description of impact:**

LIHEAP is designed to aid qualifying low-income Iowa households (homeowners and renters) in the payment of a portion of their residential heating costs for the winter heating season; to encourage regular utility payments; to promote energy awareness; and to encourage reduction of energy usage through energy efficiency, client education, and weatherization.

3. Costs to the State:

• **Implementation and enforcement costs borne by the agency or any other agency:**

The Department incurs personnel and administrative costs to administer the chapter. The Department contracts with local community action agencies (CAAs) to carry out the program activities. For the purposes of this chapter, CAAs are also known as local administering agencies or LAAs. These CAAs also incur personnel and administrative expenses. LIHEAP utilizes the LIHEAP, Emergency Capital Investment Program (ECIP), and Weatherization Assistance Program (WAP) Intake System (LEWIS), which requires annual licensing, maintenance/operation, and enhancement costs.

• **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The guidance provided in these proposed rules is necessary for the public to understand the program.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

Not applicable.

6. Alternative methods considered by the agency:

• **Description of any alternative methods that were seriously considered by the agency:**

Not applicable.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

• Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking’s compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 441—Chapter 59:

CHAPTER 59
LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)

441—59.1(216A,PL97-35,PL98-558) Definitions. For the purposes of this chapter, the following definitions apply:

“*Assurance 16*” means a provision of 42 U.S.C. Sections 8621 through 8630 as amended to August 1, 2026, that provides low-income home energy assistance program (LIHEAP) subrecipients the option of spending no more than 5 percent of their LIHEAP funds on services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance.

“*DHHS*” means the United States Department of Health and Human Services.

“*Energy crisis*” means weather-related (including natural disasters) supply shortage emergencies or other household energy-related emergencies as follows:

1. Nonworking heating unit (there must be a heating unit present).
2. Temporary need for alternate shelter due to lack of energy or fuel source.
3. Disconnected from utility service.
4. Past-due amounts owed create the risk of disconnection or an empty liquid propane (LP) or fuel oil (FO) tank.
5. LP tank 30 percent or less remaining.
6. Window or portable air conditioning unit or repair of existing central air unit, when medically necessary.

“*Household*” includes all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit or a group of unrelated people sharing a housing unit, such as partners or roomers, is also counted as a household.

“*LAA*” means a local administering agency with which the department contracts to administer LIHEAP.

“*Manual*” or “*the manual*” means the LIHEAP Policy and Procedures Manual that is available on the department’s website. All references herein are to those as amended to August 1, 2026.

“*State plan*” means the LIHEAP state plan that is available on the department’s website. All references herein are to those as amended to August 1, 2026.

441—59.2(216A,PL97-35,PL98-558) Household eligibility.

59.2(1) Households with incomes at or below the annually determined federal poverty guidelines, but not to exceed 150 percent of the guidelines, or an amount equal to 60 percent of the state median income for the state, according to DHHS, that are published annually in the Federal Register, may be eligible for assistance under LIHEAP. To receive benefits, an application must be

made, eligibility must be determined, and program funds must be available before any payments may be made.

59.2(2) Proof of income eligibility is required as outlined in the manual. Any individual listed on a LIHEAP-approved application for the current fiscal year will not be listed on another application unless an exception is granted by the department.

59.2(3) Income criteria and guidelines are contained in the state plan and the manual.

59.2(4) All households applying for assistance under LIHEAP will simultaneously be making application for weatherization assistance, and 441—Chapter 63 will govern weatherization applications.

441—59.3(216A,PL97-35,PL98-558) LAAs.

59.3(1) The department shall administer the LIHEAP program by contracting with LAAs that meet program and fiscal guidelines as required by federal law.

59.3(2) Each LAA will conduct outreach activities to ensure that eligible households are made aware of the program. In addition to its normal outreach functions, each LAA will authorize its workers to take applications in an applicant’s home and other locations specified in the manual. A notice of the appeal and hearing procedure pursuant to 441—Chapter 2506 must be posted at each intake site, and a copy of the appeal and hearing procedure and any other state-required handouts must be given to each client at the time of application or determination.

441—59.4(216A,PL97-35,PL98-558) Application period. The application period for the program is between October 1, or the first working day of October, and April 30, or the last working day of April, or as defined in the manual.

441—59.5(216A,PL97-35,PL98-558) Payments.

59.5(1) *Types of payments.* The following types of energy assistance payments may be made:

a. Payments may be made to suppliers on behalf of eligible households. The client’s assistance shall remain as a credit on the client account until the program assistance is expended or the account is terminated.

b. Eligible households that pay an undesignated portion of the rent toward energy costs will receive assistance sent directly to the secondary vendor.

c. Direct payments may be made to eligible households as outlined in the manual.

59.5(2) *Duplicate and fraudulent payment control.* Each LAA is required to monitor, refer to the department, and prevent possible duplicate and other fraudulent applications and payments pursuant to the federal Office of Management and Budget guidance on the Payment Integrity Information Act of 2019 (PL 116-117) as amended to August 1, 2026, and the manual.

441—59.6(216A,PL97-35,PL98-558) Change in status. The level of assistance for the program year will be determined based on the household’s circumstances at the time of approval. If a household moves, a household of one passes away, or a household moves to a different service territory, etc., after applying for the program, the process outlined in the manual is to be followed.

441—59.7(216A,PL97-35,PL98-558) Vendor agreement. A signed utility vendor agreement must be on file with the LAA before payments may be made to the vendor. If a fuel supplier does not sign a vendor agreement, a direct payment may be made to the eligible applicant. In cases where a vendor has not complied with all provisions of the vendor agreement, the state may approve direct payments to clients as an alternative.

441—59.8(216A,PL97-35,PL98-558) Crisis assistance.

59.8(1) *Eligibility.* To be eligible for crisis assistance, a household must file an application, meet the income guidelines of LIHEAP, and meet the definition of “energy crisis.”

59.8(2) Evaluation. Each crisis application will be evaluated individually by the LAA, which shall determine the appropriate resolution and the amount of assistance to be provided as defined by the manual.

441—59.9(216A,PL97-35,PL98-558) Assurance 16 activities. LIHEAP customer services that encourage and enable households to reduce their home energy needs, and thereby reduce their need for energy assistance, shall be provided as Assurance 16 activities as outlined in the manual.

441—59.10(216A,PL97-35,PL98-558) Grievances and appeals. Each LAA shall have a grievance process and procedures approved by the department for nonappealable actions. The following appeal and hearing procedures shall be used:

59.10(1) An applicant may initiate an appeal:

- a.* If an application is denied.
- b.* If an application is not acted upon within the required time frame.
- c.* If the benefit awarded is less than expected or less than previously notified.
- d.* If immediate or emergency support is refused or delayed beyond 48 hours or 18 hours for an energy crisis.

59.10(2) The department will process appeals pursuant to 441—Chapter 2506.

441—59.11(216A,PL97-35,PL98-558) Further criteria. The state plan, the manual, and assistance award criteria for the program are incorporated by reference as part of these rules. If any rule in this chapter conflicts with federal law or rule, federal law or rule shall prevail.

These rules are intended to implement Iowa Code chapter 216A, PL 97-35 and PL 98-558.