
FISCAL TOPICS

Fiscal Services Division

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Low Income Home Energy Assistance Program (LIHEAP)

The Low Income Home Energy Assistance Program (LIHEAP) is a federally funded block grant through the United States Department of Health and Human Services (HHS). It was established in 1981 in the [Omnibus Budget Reconciliation Act](#), which provided block grant funding for all 50 states, the District of Columbia, U.S. territories, and tribes and tribal organizations to aid qualifying households with a portion of their winter residential heating costs.¹ At the State level, the LIHEAP is administered through the Iowa Department of Human Rights (DHR) Division of Community Action Agencies. The DHR contracts with 16 local [community action agencies](#) for local administration of the program.

Under the LIHEAP, payments are made on a one-time increment to the applicant's heating utility provider. Households may apply for funding through their local community action agencies from November 1 through April 30 each year with the exception of individuals 60 years of age or older or disabled individuals, who may begin applying October 1. In FY 2022, to be eligible for LIHEAP, the total household income for applicants had to be at or below 200.0% of the federal poverty guidelines. Under Iowa Code section [476.20](#), households that are receiving LIHEAP are protected from disconnection of gas or electric service from November 1 until April 1. Applications are accepted on a first-come, first-served basis.

LIHEAP funding is also utilized for an Emergency Crisis Intervention Program (ECIP), which is a program used for a heating or cooling crisis, such as emergency repairs or replacement of systems. The amount of funding for the ECIP is based on data from previous years. A portion of the LIHEAP funding may be also be used for assessment and resolution of energy problems. However, the amount that can be used for this purpose is limited in the [Federal Block Grant Appropriations Acts](#) to not more than 5.0% of the amount of LIHEAP Block Grants the State has received. Assessment and resolution activities include energy conservation education, referrals, needs and use assessments, budget counseling, vendor negotiation, energy use planning, and low-cost energy efficiency measures.²

Weatherization Assistance Program

Individuals who apply to the LIHEAP are also simultaneously making an application to the [Weatherization Assistance Program](#). The Weatherization Assistance Program is a federal grant program, administered under the U.S. Department of Energy, established to assist low-income persons with the installation of energy efficient measures, such as insulation and infiltration, in their homes to reduce long-term heating and cooling costs and improve the health and safety of the homes. The Program utilizes a computerized energy audit to determine the measures to be applied to each house and performs safety checks on weatherized homes.

The Weatherization Assistance Program receives annual funding from the LIHEAP, the United States Department of Energy, and investor-owned utility companies. The LIHEAP funding includes up to 15.0%

¹ sgp.fas.org/crs/misc/RL31865.pdf

² www.legis.iowa.gov/docs/publications/DF/1138376.pdf

More Information

Iowa Department of Human Rights: humanrights.iowa.gov/dcaa/liheap

National Conference of State Legislatures: ncsl.org/research/energy/bolstering-federal-energy-assistance-and-weatherization-with-state-clean-energy-programs.aspx

Department of Energy Low-Income Energy Affordability Data (LEAD) Tool: energy.gov/eere/slsc/maps/lead-tool

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of the LIHEAP Block Grant funds and up to 25.0% if a waiver is approved by the U.S. Department of Health and Human Services. Of these funds, up to 10.0% may be used for administrative purposes.

Iowa Utilities Board — Customer Contribution Funds

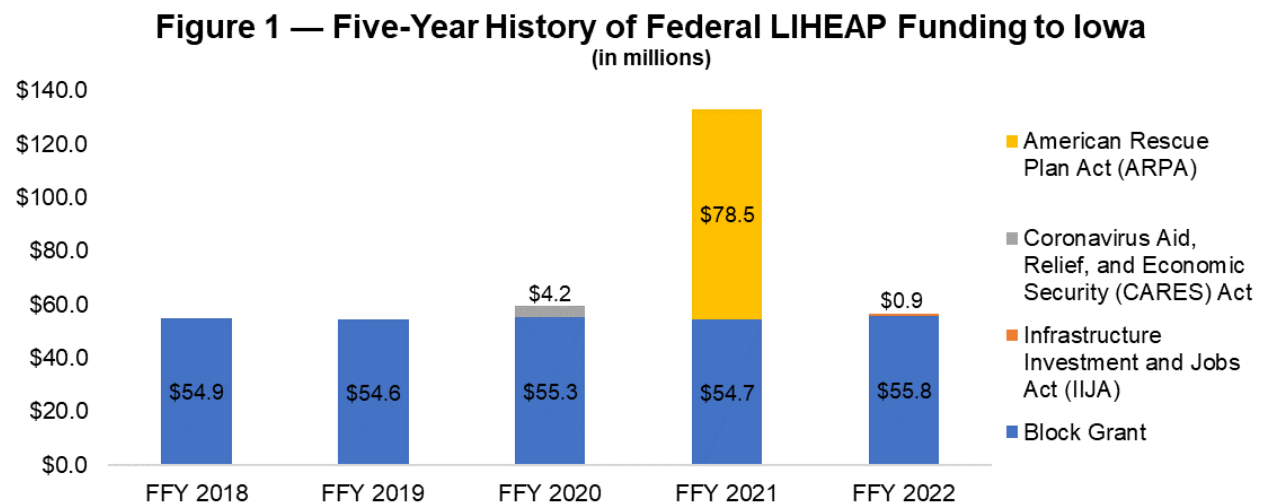
Iowa Code section [476.66](#) requires each electric and gas public utility to establish a voluntary customer contribution fund whose purposes include the receiving of contributions to assist the utility's low-income customers with weatherization measures to improve energy efficiency related to winter heating and summer cooling, and to supplement the energy assistance received under the LIHEAP for the payment of winter heating electric or gas utility bills. A board or committee established by the utility, comprised of representatives from community or regional organizations active in assisting citizens with payment of winter heating bills, is responsible for the appropriate distribution of the funds. In FY 2021, the Iowa Utilities Board [reported](#) that there were net contributions of approximately \$872,000 through customer contribution funds.

Low-Income Household Water Assistance Program (LIHWAP)

In 2021, the federal government established the Low-Income Household Water Assistance Program (LIHWAP) in the 2021 [Consolidated Appropriations Act](#). LIHWAP is a new program to provide water bill assistance to low-income households, with benefit payments made directly to water vendors for past-due charges, fees, and taxes. The eligibility for LIHWAP mirrors that of LIHEAP, and the Program is also administered through local community action agencies. The DHR received approximately \$5.7 million in funds under the 2021 Consolidated Appropriations Act and approximately \$4.4 million in funds under the [American Rescue Plan Act \(ARPA\)](#) for LIHWAP.³ The DHR opened applications through community action agencies beginning October 8, 2021, and the application period will run until September 30, 2023, or until funds are expended.⁴

Funding

The DHR receives annual funding for LIHEAP through the Federal Block Grant funds. Of this funding, 15.0% can be allocated for residential weatherization or other related home repairs, and up to 10.0% may be used for administrative costs associated with the LIHEAP. No more than 10.0% of this funding can be carried forward to the next federal fiscal year. **Figure 1** includes a five-year history of federal LIHEAP funding to Iowa, including funding through the annual block grant and supplemental funding through the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), the ARPA, and the [Infrastructure Investment and Jobs Act \(IIJA\)](#).



According to the DHR's [FY 2021 Annual Report](#), the average statewide LIHEAP benefit amount was \$455 in federal fiscal year (FFY) 2021, and 76,656 households received assistance through the regular block

³ www.acf.hhs.gov/sites/default/files/documents/ocs/RPT_LIHWAP_Profile%20Summary_IA_FY2022.pdf

⁴ humanrights.iowa.gov/

grant funding. With the additional approximately \$78.5 million in LIHEAP funding through the ARPA, the funds were used to increase the average benefit per household and to serve additional households.

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