



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 (sometimes referred to as formula or block grant 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 FY2008, 53.3% of funds went to pay for heating assistance, 3.1% was used for cooling aid, 19.0% of funds went to crisis assistance, and 10.1% 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. 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 FY2009, the most recent year for which HHS data are available, an estimated 35 million households were eligible for LIHEAP under the federal statutory guidelines (45 million were eligible based on the appropriations provision). According to HHS, 7.4 million households received heating or winter crisis assistance and approximately 900,000 households received cooling assistance that same year.

For FY2012, the House and Senate approved a bill (H.R. 2055) to provide \$3.472 billion for LIHEAP formula grants; there is no appropriation for emergency contingency funds. (As of the date of this report, H.R. 2055 was awaiting the President's signature.) Funding for most federal programs, including LIHEAP, was included in the conference report for H.R. 2055 (H.Rept. 112-331). The amount provided for formula grants in the conference report was \$3.478 billion, but application of an across-the-board rescission of 0.189% for discretionary accounts resulted in the final appropriation of \$3.472 billion. Funding for LIHEAP in FY2012 is about \$1.2 billion less than was provided in FY2011, when Congress appropriated \$4.5 billion for regular funds and \$200 million for emergency contingency funds, but exceeds the President's total request (\$1.98 billion for regular funds and \$590 million for emergency contingency funds) by about \$900 million.

The amount included for LIHEAP in H.Rept. 112-331 resolved differences between proposals in the House (H.R. 3070) and Senate (S. 1599) that would have distributed funds to the states via different applications of the LIHEAP formula. Of the total appropriated as part of H.R. 2055, \$497 million is to be distributed using the statutory, or "new," LIHEAP formula, with the remainder, about \$2.9 billion, distributed according to the proportions of the "old" LIHEAP formula.

This report describes LIHEAP funding, 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 funding for LIHEAP in FY2012 and FY2011. 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. 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. Finally, the **Appendix** contains tables showing recent LIHEAP allocations to the states, as well as appropriations for the program since its inception.

LIHEAP Funding

FY2012 LIHEAP Funding

Funding for LIHEAP in FY2012 was finalized when the House and Senate approved the conference report for H.R. 2055, the FY2012 Consolidated Appropriations Act (H.Rept. 112-331). While the bill itself contained funding for Military Construction and the Department of Veterans Affairs, the conference report provided funding for most other federal programs.

The total for LIHEAP regular funds in FY2012 is approximately \$3.472 billion; no funding was provided for emergency contingency funds. The amount actually provided for formula grants in H.Rept. 112-331 is \$3.478 billion, but application of an across-the-board rescission of 0.189% for discretionary accounts resulted in the final appropriation of \$3.472 billion.² Compared to FY2011, LIHEAP funding is reduced by approximately \$1.2 billion, when Congress appropriated \$4.5 billion for regular funds and \$200 million for emergency contingency funds.

Prior to approval of H.R. 2055, the President had proposed to provide a total of \$2.57 billion for LIHEAP in FY2012—\$1.98 billion for regular funds and \$590 million for emergency contingency funds. According to HHS budget documents, the reason for the proposed reduction compared to FY2011 was that the Administration did not expect energy prices to be as high in FY2012 as they were in FY2008.³ Another proposed change in the budget was to increase the

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).

² See H.Rept. 112-331, Division F, Title V, Section 527.

³ U.S. Department of Health and Human Services, Administration for Children and Families, *FY2012 Congressional Justification*, p. 31, <http://www.acf.hhs.gov/programs/olab/budget/2012/cj/LIHEAP.pdf>. Historical energy prices, as (continued...)

amount of funding for LIHEAP training and technical assistance from the \$300,000 that has been set aside for this purpose to \$3 million.⁴ H.Rept. 112-331 followed this proposal and included \$3 million for training and technical assistance.

FY2012 Congressional proposals for LIHEAP regular funds provided in bills introduced in the House (H.R. 3070) and approved by the Senate Appropriations Committee (S. 1599) were similar to each other. H.R. 3070 would have appropriated \$3.39 billion, while S. 1599 proposed to provide \$3.4 billion (and \$200 million in emergency contingency funds). However, despite the nearly identical proposals, the two bills would have used different applications of the LIHEAP formula to distribute funds to the states. H.R. 3070 would have used the statutory, or “new,” LIHEAP formula to distribute funds, while S. 1599 would have used the proportions of the “old” LIHEAP formula. (For more information on how funds would have been distributed to the states under these proposals, see **Table C-1** of CRS Report RL33275, *The LIHEAP Formula: Legislative History and Current Law*, by Libby Perl.)

The amount included for LIHEAP in H.Rept. 112-331 resolved differences between H.R. 3070 and S. 1599 by using language similar to the appropriations laws for FY2009 through FY2011:

For making payments under subsections (b) and (d) of section 2602 of the Low Income Home Energy Assistance Act of 1981, \$3,478,246,000: Provided, That all but \$497,000,000 of such funds shall be allocated as though the total appropriation for such payments for fiscal year 2012 was less than \$1,975,000,000....

The effect of the appropriations language is that \$497 million of the total appropriated is to be distributed using the “new” LIHEAP formula, with the remainder, about \$2.9 billion, using the “old” formula.

Funding Under the FY2012 Continuing Resolutions

As of the date of this report, H.R. 2055 was awaiting the President’s signature, and LIHEAP was being funded as part of a series of continuing resolutions (CRs) that maintained funding at FY2011 levels through December 23, 2011 (P.L. 112-68).⁵ However, states did not receive the same amount of LIHEAP funding that they received in FY2011 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 2012 because of distributions of funding to States, foreign countries, grantees, or others, such high initial rates of operation or 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.⁶

(...continued)

well as predictions for the next year, are available from the Energy Information Administration. See the Short Term Energy Outlook, <http://www.eia.doe.gov/EMEU/steo/realprices/index.cfm>.

⁴ The \$300,000 set-aside is authorized at 42 U.S.C. §8628a.

⁵ Prior to enactment of P.L. 112-68, LIHEAP had been funded by four other continuing resolutions, P.L. 112-33 (through October 4, 2011), P.L. 112-36 (through November 18, 2011), P.L. 112-55 (through December 16, 2011), and P.L. 112-67 (through December 17, 2011).

⁶ See Section 109 of P.L. 112-36.

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 program “that would otherwise have high initial rates of operation or complete distribution of appropriations” at the beginning of FY2012 as stipulated in the CR.

Because both the Senate Appropriations Committee-passed bill (S. 1599) and the bill introduced in the House (H.R. 3070) proposed lower LIHEAP funding levels for FY2012 compared to FY2011 (\$3.40 billion and \$3.39 billion, respectively), if HHS would have released regular fund allocations at the FY2011 level of \$4.50 billion, and less funding ultimately was enacted (as occurred in FY2012), then states would have received higher allocations than the amount to which they would be entitled under the final appropriation, impinging on “final funding prerogatives.” Further, although the proposed regular fund levels in the Senate and the House were nearly identical to each other, the allocations to the states under each proposal would have been different, which could also have impinged on final funding prerogatives.

As a result, on October 28, 2011, HHS announced that it would base the first-quarter distribution of LIHEAP funds on the President’s funding proposal of \$1.98 billion. States were eligible to receive up to 95% of their first quarter allocation at this level, resulting in a distribution of approximately \$1.7 billion.⁷ However, after both the House and Senate had approved the conference report accompanying H.R. 2055, on December 22, 2011, HHS announced a second release of \$845 million to states, tribes, and territories.⁸ This amount brought grantees’ allocations to 75% of the total that they are to receive pursuant to the FY2012 Consolidated Appropriations Act.

For the amounts distributed to the states, tribes, and territories thus far, see **Table A-1**.

FY2011 LIHEAP Funding

In FY2011, LIHEAP was funded by a series of seven continuing resolutions (CRs) through April 14, 2011, prior to enactment of the full-year funding bill. On April 15, 2011, the President signed the full-year appropriations law, the Department of Defense and Full-Year Continuing Appropriations Act (P.L. 112-10), which provided a total of \$4.71 billion for LIHEAP. Of this amount, \$4.51 billion was allocated to regular funds and \$200 million to emergency contingency funds. The appropriation for LIHEAP was also subject to an across-the-board rescission of 0.2% applied to all discretionary accounts, bringing the total for the program to about \$4.70 billion. In distributing the regular funds to states, tribes, and territories, HHS did not reserve funds for leveraging incentive and REACH grants (which had been \$27 million in FY2010). As a result, after reducing the total regular funds for the across-the-board rescission (\$9 million) and subtracting funds for training and technical assistance (\$300,000), approximately \$4.50 billion was distributed to states, tribes, and territories. In addition, \$200 million in emergency

⁷ U.S. Department of Health and Human Services, “HHS provides more than \$1.7 billion to states to help low-income households with energy costs,” press release, October 28, 2011, <http://www.hhs.gov/news/press/2011pres/10/20111028a.html>.

⁸ U.S. Department of Health and Human Services, “HHS releases more than \$845 million to states to help low-income households with energy costs,” press release, December 22, 2011, <http://www.hhs.gov/news/press/2011pres/12/20111222a.html>.

contingency funds was distributed to all grantees in January. For the total amounts of LIHEAP funds distributed to grantees, see **Table A-2**.

FY2011 Emergency Contingency Funds

On January 24, 2011, HHS announced that it would release \$200 million in FY2011 emergency contingency funds. All states, the District of Columbia, tribes, and territories received funding. HHS based allocations on each state's "old" LIHEAP formula percentage (84% of the distribution) as well as the percentage of low-income households in each state that use heating oil or propane to heat their homes (16% of the distribution). For the distributions of funds to the states, see column (b) of **Table A-2**.

Table I. FY2011 Enacted LIHEAP Funding and FY2012 Proposed Funding

(dollars in millions)

Type of Funding	FY2011 Enacted: P.L. 112-10 ^a	FY2012 President's Request	FY2012 Senate Committee-Passed LHE Bill S. 1599	FY2012 LHE Bill Introduced in the House H.R. 3070	FY2012 Consolidated Appropriations Act H.R. 2055 and H.Rept. 112-331 ^b
LIHEAP Regular Funds	4,501	1,980	3,401	3,392	3,472
<i>Training and Technical Assistance</i>	0.3 ^c	3	3	2	3
<i>Leveraging Incentive/ REACH Grants</i>	— ^d	27 ^e	27 ^f	— ^g	— ^g
Contingency Funds	200	590	200	0	0
Total	4,701	2,570	3,601	3,392	3,472

Sources: The FY2010 Consolidated Appropriations Act (P.L. 111-117), the FY2011 Department of Defense and Full-Year Continuing Appropriations Act (P.L. 112-10), the HHS FY2011 Operating Plan for the Administration for Children and Families, the FY2012 budget appendix, the FY2012 HHS Congressional Budget Justifications, the Senate Committee-passed version of the FY2012 Departments of Labor, Health and Human Services, and Education (LHE) Appropriations bill (S. 1599), the version of the LHE bill introduced in the House (H.R. 3070), and the Conference Report to accompany the FY2012 Consolidated Appropriations Act (H.Rept. 112-331).

- P.L. 112-10 imposed an across-the-board rescission of 0.2% on discretionary accounts. HHS reduced the regular fund distribution by the amount of the rescission (approximately \$9 million) to bring the total from \$4.51 billion to \$4.50 billion.
- H.Rept. 112-331 imposed an across-the-board rescission of 0.189% on discretionary accounts, bringing the total available for LIHEAP down from \$3.478 billion to \$3.472 billion. See Division F, Title V, Section 527.
- 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.
- HHS did not reserve funds for leveraging incentive and REACH grants in FY2011.
- The amount proposed to be set aside for leveraging incentive and REACH grants in FY2012 was noted in the HHS Congressional Budget Justifications and did not appear in the budget appendix.

- f. The amount proposed for leveraging incentive and REACH grants appeared in the Senate Appropriations Committee Report, S.Rept. 112-84.
- g. H.R. 3070 and H.Rept. 112-331 did not specify a funding level for leveraging incentive and REACH grants.

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) that 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.⁹ Federal rules also require outreach activities, coordination with the 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.¹⁰

⁹ 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 Networker FY2007 compilation of definitions, available at <http://www.liheap.ncat.org/tables/FY2007/CrisisDef2007.doc>.

¹⁰ Information regarding state LIHEAP program characteristics and contacts is available at <http://www.liheap.ncat.org/sp.htm>.

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 FY2008, approximately 53.3% of all LIHEAP funds was used to provide heating assistance; all states (including the District of Columbia) provided some heating assistance.¹¹ Nearly all states also offered crisis assistance, most of which is used for heating needs. In FY2008, 19.0% of LIHEAP funds was used to provide winter/year-round crisis assistance in 48 states and summer crisis assistance in six states.¹² Also in FY2008, 3.1% of funds went for cooling aid (offered by 15 states); 10.1% of total LIHEAP funds was used for weatherization services (provided by 44 states); 8.4% of available funds went for administration and planning purposes (51 states); and 1.2% of the FY2008 funds was used to offer services to reduce the need for energy assistance (provided by 23 states).¹³

Households Served

In FY2009, it is estimated that 7.4 million households received LIHEAP heating and/or winter crisis assistance.¹⁴ 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 FY2009 increased by 2 million compared to FY2008, when an estimated 5.4 million households were served. This was due to an increase in LIHEAP funding that occurred in FY2009, with Congress appropriating \$5.10 billion, compared to \$2.59 billion in FY2008. This represents the largest number of households served since the program was enacted. 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.**)

¹¹ Based on state-reported total LIHEAP obligations for FY2008 of \$2.7 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 2008*, September 6, 2011, p. 16 (hereinafter, *FY2008 LIHEAP Report to Congress*).

¹² *Ibid.*, Table I-8, pp. 17-19 and Table III-11, pp. 45-46.

¹³ *Ibid.*, p. 16.

¹⁴ U.S. Department of Health and Human Services, Administration for Children and Families, *LIHEAP Home Energy Notebook for Fiscal Year 2009*, September 2011, p. 30 (hereinafter, *FY2009 LIHEAP Home Energy Notebook*).

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 hovered between 14% and 16%, settling at 16% for FY2006 through FY2008. However, in FY2009, with increased funding for LIHEAP, 21% of those households *statutorily* eligible for LIHEAP were served. Note that due to a provision in the FY2009 appropriations act (P.L. 110-329) that allowed states to increase household eligibility to 75% of state median income, only 16% of those *federally* eligible were served in FY2009.¹⁵

Prior to FY2009, the number of households receiving cooling and/or summer crisis assistance reached a high point of 700,000 recipients in FY2006. In FY2009, with increased funding, 900,000 households received cooling assistance.¹⁶

HHS estimates that of all households receiving LIHEAP heating assistance in FY2008, about 32% had at least one member 60 years of age or older; about 32% had at least one member with a disability; and some 21% included at least one child five years of age or younger.¹⁷

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).

In FY2009, the constant dollar value of the average LIHEAP heating and winter crisis benefit increased by about \$58 from the previous year. Measured in constant 1981 dollars (the year in which LIHEAP was enacted), the average LIHEAP benefit per household in FY2008 was \$209, up from \$151 in FY2008.¹⁸ Until FY2009, when funding for the program increased by more than \$2 billion compared to the previous fiscal year, the general trend in the constant dollar value of LIHEAP benefits since the program's beginning had been one of 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.**)

¹⁵ Ibid.

¹⁶ See the *FY2009 LIHEAP Home Energy Notebook*, p. 31, and the *FY2006 LIHEAP Home Energy Notebook*, p. 30.

¹⁷ *FY2008 LIHEAP Report to Congress*, p. 49.

¹⁸ *FY2009 LIHEAP Home Energy Notebook*, p. 33.

Through FY2008 (prior to the FY2009 increase in funding), LIHEAP has generally covered a smaller portion of home heating bills than in earlier years. In FY2008, the LIHEAP benefit covered 43% of the heating costs of LIHEAP-recipient households, compared to 54% in 1981.¹⁹ Between FY1990 and FY2008, the percentage of home heating bills covered by the average LIHEAP benefit has ranged from 40% to 73% (a high reached in FY2000).

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 \$72 (in FY2008) to \$105 (in FY2006). In FY2009, when funding for LIHEAP increased significantly, the constant dollar value of cooling benefits rose to \$142.²⁰

¹⁹ *FY2008 LIHEAP Report to Congress*, p. 38.

²⁰ *FY2009 LIHEAP Home Energy Notebook*, p. 33.

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	2009
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	7.4
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	35.0 ^a
Federally eligible and receiving aid	31%	23%	20%	13%	12%	13%	16%	13%	14%	14%	15%	16%	16%	16%	21%
Benefit Levels															
Average benefit (nominal \$)	\$225	\$209	\$201	\$213	\$237	\$270	\$364	\$291	\$312	\$277	\$304	\$385	\$320	\$362	\$502
Average benefit (constant 1981 \$) ^b	\$209	\$147	\$129	\$117	\$128	\$140	\$187	\$147	\$154	\$132	\$140	\$171	\$139	\$151	\$209
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%	6.9%
Percentage of heating costs offset by LIHEAP benefit	54%	51%	49%	— ^c	— ^c	73%	68%	64%	48%	43%	40%	42%	45%	43%	— ^d

Source: Data regarding households assisted, benefit levels, and heating expenditures as a percentage of income for FY2000 to the present are drawn from the LIHEAP Home Energy Notebooks for FY1998 through FY2009. Data for FY1983, FY1990, and FY1993 come from the LIHEAP Reports to Congress.

- a. In FY2009, the appropriations bill (P.L. 110-329) gave states the option of increasing LIHEAP household eligibility to 75% of state median income. This meant that approximately 45 million households were eligible for LIHEAP in FY2009. However, for the sake of comparison, this table includes only those households federally eligible under the LIHEAP statute (those with incomes at or below the greater of 150% of poverty or 60% of state median income).
- b. The constant dollars are based on the 1981 value of the benefit (using the CPI-U index).
- c. CRS does not have data for heating costs offset in FY1998 and FY1999.
- d. As of the date of this report, HHS had not released the FY2009 LIHEAP Report to Congress, the source for heating costs offset by the LIHEAP benefit.

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.²¹ 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,”²² 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.²³ According to HHS, then, the LIHEAP statute requires use of the old allotment percentages when funding is less than \$1.975 billion.²⁴ Until FY2006, funding levels for LIHEAP only twice exceeded the \$1.975 billion level, in FY1985 and FY1986. Thus, from

²¹ 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.

²² Report of the Committee on Energy and Commerce (H.Rept. 98-139, Part 2), to accompany H.R. 2439, May 15, 1984, p. 13.

²³ 42 U.S.C. §8623(a)(2)(A).

²⁴ 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).

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.²⁵ 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.²⁶

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).²⁷ 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.”

²⁵ 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.

²⁶ 42 U.S.C. §8623(a)(3).

²⁷ 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.²⁸ 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.²⁹ In addition, the Social Services Block Grant program allows states to transfer up to 10% of funds to provide low-income home energy assistance,³⁰ while the Temporary Assistance for Needy Families program gives states the discretion to use funds for home heating and cooling costs.³¹

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

²⁸ 42 U.S.C. §8621(d).

²⁹ *FY2004 LIHEAP Report to Congress*, p. 11. For FY2004, \$2 million in oil overcharge funds was available to one state.

³⁰ 42 U.S.C. §1397a(d).

³¹ 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.³² 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,³³ the provision in P.L. 109-58 does not allow a price preference.

³² 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>.

³³ 42 U.S.C. §15902(b)(3)(A).

Appendix. Tables Showing LIHEAP Funding Levels

In this appendix are three tables that show how LIHEAP funds have been distributed to the states, tribes, and territories during recent fiscal years, as well as a table showing historical funding levels from the time the program was created to the present.

Table A-1 shows two first-quarter regular fund distributions to states, tribes, and territories under the FY2012 continuing resolutions. Allocations for the territories are in the next-to-last row, after the states. On October 28, 2011, HHS announced that approximately \$1.7 billion would be distributed to the states, tribes, and territories based on the President's regular fund budget request of \$1.98 billion. Column (a) of **Table A-1** shows this distribution. Then, on December 22, 2011, HHS announced that it would distribute an additional \$845 million to grantees (see column (b)). The second round of allocations brings grantee funding levels to 75% of their total allocation under the FY2012 Consolidated Appropriations Act (H.R. 2055), which was awaiting the President's signature at the time the second release was announced.

Table A-2 shows how LIHEAP regular funds and emergency contingency funds were distributed in FY2011.

- Column (a) of **Table A-2** shows the amount of regular funds distributed to states and tribes within the states. 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.
- Column (b) shows the amount of emergency contingency funds allocated to each state and tribe on January 24, 2011, when HHS announced the release of \$200 million.
- Column (c) shows total FY2011 funding to the states.
- 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. FY2012 LIHEAP Regular Fund Allotments to States, Tribes, and Territories as of December 22, 2012

(dollars in millions)

State	State and Tribal Regular Fund Allotments		
	Distribution Announced 10-28-11: \$1.72 billion (a)	Distribution Announced 12-22-11: \$845 million (b)	Total Distributed: \$2.56 billion (c)
Alabama	7.594	27.961	35.556
Alaska	10.156	3.158	13.314
Arizona	2.488	15.401	17.889
Arkansas	9.585	11.818	21.403
California	85.357	30.577	115.933
Colorado	29.761	5.720	35.481
Connecticut	36.781	22.868	59.649
Delaware	4.340	3.814	8.154
District of Columbia	6.030	1.986	8.015
Florida	23.851	33.354	57.205
Georgia	18.858	27.419	46.277
Hawaii	0.528	4.053	4.580
Idaho	7.539	7.893	15.432
Illinois	107.460	31.803	139.263
Indiana	48.655	11.349	60.004
Iowa	32.667	8.442	41.110
Kansas	15.836	8.214	24.049
Kentucky	23.987	9.498	33.485
Louisiana	15.410	17.156	32.566
Maine	23.877	6.219	30.096
Maryland	29.727	22.615	52.343
Massachusetts	77.662	21.886	99.548
Michigan	70.052	60.035	130.087
Minnesota	73.502	14.127	87.629
Mississippi	12.924	10.768	23.693
Missouri	42.924	8.250	51.173
Montana	12.434	4.485	16.918
Nebraska	15.258	7.411	22.669
Nevada	3.614	4.788	8.402

State	State and Tribal Regular Fund Allotments		Total Distributed: \$2.56 billion (c)
	Distribution Announced 10-28-11: \$1.72 billion (a)	Distribution Announced 12-22-11: \$845 million (b)	
New Hampshire	14.700	4.841	19.541
New Jersey	72.097	30.462	102.559
New Mexico	9.633	3.185	12.818
New York	235.408	46.375	281.782
North Carolina	35.083	27.175	62.258
North Dakota	14.792	4.872	19.663
Ohio	75.051	49.047	124.098
Oklahoma	13.927	12.498	26.425
Oregon	23.066	4.433	27.499
Pennsylvania	113.138	44.023	157.161
Rhode Island	12.784	4.647	17.431
South Carolina	6.651	20.552	27.202
South Dakota	11.493	4.477	15.970
Tennessee	21.599	19.955	41.554
Texas	37.475	59.899	97.374
Utah	8.829	4.555	13.384
Vermont	11.018	3.629	14.647
Virginia	24.776	24.116	48.892
Washington	37.941	7.413	45.354
West Virginia	14.110	8.164	22.275
Wisconsin	66.162	12.716	78.879
Wyoming	5.537	1.824	7.361
Subtotal to states	1,714.124	841.929	2,556.053
Territories	2.509	3.246	5.754
Total	1,716.633	845.175	2,561.807

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

Note: The table does not include approximately \$36,000 in recovered no-year funds that were released as part of the 10-28-11 distribution.

Table A-2. FY2011 LIHEAP Regular and Contingency Fund Allotments to States, Tribes, and Territories

(dollars in millions)

State	Regular Funds		Emergency Contingency Funds		Total Funds Distributed: \$4.70 Billion (c)
	Total State & Tribal Regular Fund Allotments: \$4.50 billion (tribal set-aside, if any) (a)		January 2011: Total State & Tribal Contingency Fund Allotments: \$200 million (tribal set-aside, if any) (b)		
Alabama	59.419	(0.409)	2.151	(0.015)	61.570
Alaska	23.667	(9.340)	1.060	(0.414)	24.727
Arizona	32.922	(2.707)	0.923	(0.075)	33.844
Arkansas	34.985		1.416		36.401
California	202.843	(1.726)	8.711	(0.074)	211.554
Colorado	62.139		2.896		65.035
Connecticut	98.254		4.665		102.919
Delaware	15.172		0.682		15.854
District of Columbia	14.051		0.590		14.641
Florida	107.714	(0.028)	3.069	(0.001)	110.783
Georgia	85.164		2.697		87.862
Hawaii	6.027		0.208		6.235
Idaho	27.052	(1.316)	1.147	(0.056)	28.199
Illinois	238.712		10.228		248.941
Indiana	102.749	(0.007)	4.834	^a	107.584
Iowa	68.137		3.452		71.589
Kansas	42.327		1.597		43.924
Kentucky	58.335		2.776		61.111
Louisiana	53.164		1.731		54.895
Maine	53.539	(2.074)	3.002	(0.110)	56.541
Maryland	85.523		3.403		88.926
Massachusetts	175.178	(0.074)	8.676	(0.003)	183.854
Michigan	228.294	(1.186)	10.131	(0.058)	238.425
Minnesota	145.241		7.318		152.559
Mississippi	38.834	(0.078)	1.801	(0.003)	40.635
Missouri	95.596		4.597		100.193
Montana	31.730	(5.819)	1.342	(0.235)	33.072
Nebraska	39.738		1.708		41.447
Nevada	15.462		0.406		15.868

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

State	Regular Funds	Emergency Contingency Funds		Total Funds Distributed: \$4.70 Billion (c)
	Total State & Tribal Regular Fund Allotments: \$4.50 billion (tribal set-aside, if any) (a)	January 2011: Total State & Tribal Contingency Fund Allotments: \$200 million (tribal set-aside, if any) (b)		
New Hampshire	34.255	1.795		36.050
New Jersey	180.991	7.801		188.792
New Mexico	22.448 (1.875)	1.094 (0.087)		23.543
New York	495.801 (0.269)	26.125 (0.014)		521.925
North Carolina	111.263 (1.979)	4.942 (0.088)		116.205
North Dakota	34.469 (7.895)	1.467 (0.317)		35.936
Ohio	225.398	9.477		234.875
Oklahoma	47.717 (4.378)	1.661 (0.152)		49.378
Oregon	45.579 (0.732)	2.282 (0.036)		47.861
Pennsylvania	280.478	14.008		294.486
Rhode Island	29.790 (0.089)	1.484 (0.004)		31.274
South Carolina	46.909	1.740		48.649
South Dakota	27.995 (5.117)	1.265 (0.225)		29.259
Tennessee	71.595	2.796		74.390
Texas	179.200	5.001		184.201
Utah	32.228 (0.521)	1.309 (0.022)		33.537
Vermont	25.675	1.284		26.959
Virginia	102.839	4.375		107.215
Washington	74.971 (3.197)	3.717 (0.151)		78.688
West Virginia	39.047	1.739		40.786
Wisconsin	130.738	6.652		137.390
Wyoming	12.904 (0.438)	0.540 (0.018)		13.444
Subtotal to states	4,494.258 (51.252)	199.772 (2.158)		4,694.030
Territories	6.095	0.228		6.322
Total	4,500.353	200.000		4,700.353

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

a. The tribal allotment for Indiana was less than \$1,000.

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.

- a. 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.
- b. 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).
- c. 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 FY2012

(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 ^q	— ⁿ	2,510,000 ^r	4,500,653	790,000	200,000	200,000	4,700,653
2012	— ⁿ	1,980,000	—	590,000	—	—	—

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 was not authorized in FY2008, FY2009, or FY2010 and has not been authorized for FY2011 or FY2012.
- 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. P.L. 112-10 imposed an across-the-board rescission of 0.2% on discretionary accounts. As a result, the regular fund allocation was reduced from approximately \$4.51 billion to \$4.50 billion.
- r. 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 have released funds when participation in SNAP (formerly known as Food Stamps) increased above a certain level. The Administration estimated that this trigger would have resulted in mandatory budget authority of \$2 billion. This estimate is not included in the table.

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