# POLICY DECISIONS

Section C discussed what the law requires, but, under the block grant approach, many decisions are left to the tribe. This section will discuss some things you need to think about and decide in designing your program.

ELIGIBILITY

1. Who do you want to be eligible? You will need to consider the total number of households that are eligible under the law in the area your tribe will serve. Do you want to serve as many households as possible? If yes, the entire eligibility pool as defined in the law (Section 2605(b)(2), see page C-5) may be included. In this situation, benefit levels would need to be set somewhat lower so that funds could be spread to as many eligible households as possible.
2. Do you want to serve only the poorest of the poor, leaving some near-poor out? If so, the eligibility standard should be set lower, for example, at 125 percent of the poverty income guidelines. This reduces the total number of households that would be eligible and allows the benefits available to the eligible households to be larger. (Tribes should note that under the law they cannot set income eligibility standards below 110 percent of the poverty income guidelines.)
3. Do you want to make all or some categorically eligible households automatically eligible for LIHEAP? This means that those households with a member who is receiving TANF, SSI, Food Stamps, and certain Veterans benefits would be eligible for LIHEAP based solely on receiving benefits from these federal programs. Making this group of categoricals automatically eligible for LIHEAP could simplify the processing of applications. On the other hand, to make sure the household is receiving some type of categorical assistance listed above, you may have to coordinate with state and federal government offices, which could add to processing time.

Although categorical eligibility is allowed under LIHEAP, some tribes feel it gives households an unfair advantage and would rather determine eligibility for LIHEAP based on the total income of the household.
4. Do you want to establish additional requirements for households to be eligible for LIHEAP? Some examples of these might be:
5. Responsibility for energy costs (Does the household pay energy costs directly to the vendor or indirectly in its rent payment?);
6. Completion of an application by a certain deadline;
7. A test of assets or other resources (Does a household own property, equipment, vehicles or other items that should be taken into consideration in determining eligibility?); and
8. Age or health problems.
9. Do you want to give special consideration to households who have members who are elderly, handicapped, disabled, include young children, or with medical needs? If yes, you will need to know approximately how many such households the tribe will serve to establish the payment levels. Further discussion of payment levels can be found later in this section.

Example - Some tribes serve all households containing elderly members first or provide higher benefits to the elderly.

1. Do you want to consider vulnerability or responsibility for energy costs in determining eligibility or payment? Vulnerability generally means that when the cost of energy increases the household either (1) pays higher rent (if the utilities are included in the rent) or (2) pays a higher energy bill.
* A household who pays its energy bill directly to a home energy vendor is considered fully vulnerable to the rising cost of home energy and would receive a full LIHEAP benefit.
* A household who pays for energy through its rent payment is fully vulnerable if the rent is increased due to the rising cost of home energy and would also receive a full LIHEAP benefit.
* Two separate households living in one house and sharing the costs of the heating bill may each be considered only partially vulnerable and each household would receive ½ the benefit amount. Or, a tribe may consider the household who is named on the bill as fully vulnerable and the other household would not be considered vulnerable or eligible for benefits.

The tribe may find various living arrangements similar to the one described above. It is important that the tribe determine in these cases its policy for handling these different living arrangements. It is also important that policies in determining vulnerability and eligibility be used consistently throughout the program year.

1. How do you treat households who live in HUD housing?

The Housing and Community Development Act of 1992 and a later amendment in l993 affected the way LIHEAP grantees provide LIHEAP benefits to residents of HUD housing or other subsidized housing units.

The law states that residents of HUD housing who pay energy bills directly to the home energy vendor and who receive federal assistance through utility allowances cannot be excluded from LIHEAP. This means that even when a HUD renter is receiving an allowance to pay his utility bills and pays the vendor directly, a tribe cannot refuse to provide him a LIHEAP benefit if he is otherwise eligible for LIHEAP. However, in determining the amount of the household’s benefit, tribes may take into account the amount of the energy allowance provided to the household and reduce the LIHEAP benefit accordingly.

This law deals only with residents in HUD housing who pay their energy bills directly to energy vendors. The law does not address those households who pay for their home energy through their rent payment. The tribe should be careful, though, in reducing the benefits to HUD residents who pay for their heating costs in their rent payments, since there have been conflicting court decisions concerning the reduction or elimination of LIHEAP benefits to this type of HUD resident.

Example

A HUD household applies for LIHEAP and is determined eligible. The household pays its home energy bills directly to the utility company, and HUD provides an energy allowance by reducing the household’s rent. The tribe determines that the household is not in as great a need for energy assistance as other non-HUD households who are not receiving an energy allowance. The tribe reduces the LIHEAP benefit to the HUD household in relation to the energy allowance received.

8. How are alien households treated in LIHEAP?

 The Personal Responsibility and Work Opportunity Reconciliation Act of l996 (PRWORA) established TANF. It also restricts the access of certain categories of immigrants to specified “Federal Benefits” including some HHS benefits.

Section 403 of PRWORA prohibits most “qualified aliens” who enter the U.S. on or after August 22, l996 from receiving “Federal means-tested public benefits” for five years from the date they enter the U.S. HHS does not consider LIHEAP to be a Federal means-tested public benefit, so “qualified aliens,” if otherwise eligible for LIHEAP, may receive LIHEAP benefits. Qualified aliens are defined in Section 431 of PRWORA and cover the larger groups of legal immigrants that include: legal permanent residents, refugees, asylees, individuals paroled into the U.S. for a period of at least 1 year, individuals whose deportation has been withheld, individuals granted conditional entry, and certain individuals who are victims of domestic abuse.

“Non-qualified aliens” are prohibited to receive any “Federal public benefits.” LIHEAP is considered a “federal public benefit,” so non-qualified aliens should not receive LIHEAP benefits.

LIHEAP grantees are required to verify immigration and citizenship status of applicants in order to ensure that non-qualified aliens do not receive LIHEAP benefits. This process of verification should be enacted within two years of the final rule. **Until the final rule is published, verification is not required at this time.**

There are a few exceptions to verifying the status of immigrants:

1. Providers who are non-profit charitable organizations are exempt from determining status of applicants.
2. Exemptions for providers who: provide in-kind, community based service which are necessary for the protection of life and safety; the provision of emergency medical care and certain other immunizations; the protection of battered alien spouses, battered alien children and alien parents of battered children, and alien children of battered parents.
3. If benefits are not provided to individuals, household or family units, they are not considered “Federal Public Benefits.” In LIHEAP, if funds are provided to a cooling center where client income is not verified, or a multi-family home is weatherized using the 2/3 rule in weatherization, then providers will not have to verify alien status or citizenship. (This exemption does not apply to the weatherization of single family homes.)
4. What does "household" mean? The Low Income Home Energy Assistance Act states the term household "means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent."

Example - If more than one family lives in the same household with each paying rent to the home owner, then some tribes consider each household to be eligible as a renter who pays an undesignated portion of rent to cover energy costs. In order to verify this fact, many tribes use a renter/landlord agreement form such as the one below.

#### Landlord Verification Form

To whom it may concern:

 is a renter and an undesignated portion of his/her rent goes to pay a share of the energy costs.

Witness Landlord

#### DEFINING INCOME

The law requires that households applying for energy assistance meet income guidelines in order to be eligible for LIHEAP benefits. (Maximum and minimum income guidelines are listed in section 2605(b)(2) of the law, see page C-5.) The law does not define for you what items or sources of funds are to be counted as income, so it is important to define what your tribe will count as income.

Tribal applicants may want to know the tribe's definition of income. Most states and tribes include their definition of income in their program plan or operations manual so it will be available for easy reference. Once a tribe decides on its definition of income, that definition should be applied in the same way for all applicants. This will ensure that all households are treated the same when the tribe determines whether a household is income eligible for LIHEAP benefits.

Listed below are factors to be considered when determining what the tribe will count as income.

NOTE: THIS SECTION CONTAINS MANY EXAMPLES. REMEMBER, THESE ARE ONLY EXAMPLES. YOU MUST DECIDE WHAT TO COUNT AS INCOME BASED ON WHAT IS BEST FOR YOUR TRIBE.

What do you want to count as income? There are four major factors to consider in defining income. These are: (1) what will be counted in the base income, (2) what will not be counted as income (excluded), (3) what will be subtracted from income (deducted), and (4) what time period will be used for counting income.

1. Base Income - Base income is usually defined as the gross countable income of all persons living in the household. For wages or salaries, this usually means income before taxes or other deductions and normally includes the items listed below.

Examples

|  |  |  |
| --- | --- | --- |
| Wages/salaries | TANF | Child support |
| Tips | Veterans Benefits | Alimony |
| Commissions | SSI | Inheritances |
| Employment bonuses | General Assistance | Interest and |
| Sick leave pay | Social Security |  dividends from |
| Disability pay | Railroad Retirement |  savings and |
| Lease money | Other pensions |  investments |
| Some per capita payments | Workman's Compensation | Self-employment |
| Unemployment Compensation | Union compensation during strikes | Individual Indian monies |

Income from self-employment, such as ranching or farming, is usually an exception to the rule for gross income. Some states and tribes use an adjusted gross figure taken from the IRS Form 1040 as the simplest way of obtaining this information on income. Losses from self-employment would not be used to offset income from other sources. In such a case, it would simply not be used in the income calculation.

Example - A household of four applies for energy assistance. The husband is a self-employed farmer who rents a portion of his farm for cash. He also works during the school year as a school bus driver. The wife receives lease payments for her own land twice a year totaling $5,000.

|  |  |
| --- | --- |
| Total capital loss from the farm (IRS Form 1040) | -$20,000 |
| (in this case there would be no self- |  |
| employment income to count) |  |
| Lease payments to the wife | 5,000 |
| Husband's wages for driving a school bus | 2,500 |
| ($250 a month for 10 months)  |  |
| TOTAL | $7,500 |

The loss from this household's farm is not used to offset other basic gross income.

1. Excluded Income (income which is not counted) - Assistance provided through certain federal programs cannot be counted as income. The laws for these programs require that income from these sources be excluded.

## Examples

1. Value of food coupons (Food Stamps), Public Law 95-113
2. Value of food commodities, Public Law 74-320
3. Wages, allowances, or reimbursement for transportation and attendant care costs under title VI of the Rehabilitation Act of 1973, title II, Public Law 95-602
4. Supplemental food program for women, infants, and children (WIC), Public Law 94-105
5. National School Lunch Program, Public Law 90-302
6. Spina Bifida benefit payments made to children of Viet Nam veterans who suffer disabilities from Spina Bifida, Public Law 104-204
7. Some payments distributed per capita or held in trust for members of Indian Tribes specifically identified under Public Law 92-254, 94-540, 93-433, 94-114, or 93-134
8. Tax exempt portions of payments made as a result of the Alaska Native Claims Settlement Act, Public Law 92-203
9. Grants or loans to undergraduate students made or insured under programs administered by the Secretary of Education under section 507 of the Higher Education Amendments of 1968, Public Law 90-575, such as a Basic Education Opportunity Grant, Supplemental Education Opportunity Grant, State Student Incentive Grant, National Direct Student Loan or a Guaranteed Student Loan

Starting on page D-44, we have provided a more complete list compiled by the Social Security Administration of federal program benefits that

should be excluded from income. If you have questions about these or other federal programs that may require exclusions, you may want to call your HHS liaison.

Many states/tribes also exclude other types of income. Types of income most often excluded are described below.

1. Cash over which the household has no control. This usually includes:
2. Reimbursement for expenses incurred in connection with employment, such as travel, mileage and per diem reimbursement;
3. Reimbursements for medical expenses; and
4. Payments made by others on behalf of the household, so long as such payments were not directed or requested by the household, such as assistance provided in an emergency or mortgage payments directed by the court in a divorce decree.
5. Cash that is administratively difficult to consider, compute, and verify. Some examples of these items are:
6. Small or irregular contributions from friends or relatives. You would need to determine what amount you will consider to be "small". "Irregular" is usually defined to mean income that arrives at unscheduled intervals.
7. Small or irregular income from the sale of craft items, hobbies, rummage sales, and odd jobs. Again your definitions of "small" and "irregular" would need to be determined.
8. Lease and/or per capita payments up to a certain value per household per year.
9. Income from treaty rights such as hunting and fishing.
10. Loans from private individuals or commercial institutions if the household must repay the loan.
11. Money received from a one-time lump sum payment, such as:
12. Income tax refunds;
13. Insurance settlements; and
14. Prizes won from games such as Bingo.
15. Foster care payments
16. WIN incentive payments
17. Earnings of minor dependent children living in the home, if they are in school at least part-time and are not working full-time.
18. Deductions (subtractions from base income) - Some tribes allow an income deduction for medical expenses, taxes or elderly and handicapped members living in the household.

Example - The Assiniboine and Sioux Tribes deduct $1,000 from the total base income of any household that includes one or more persons 60 years of age or older who is part of the economic unit and shares (if he/she has income) in the cost of home energy. The income remaining after the $1,000 deduction is used to determine eligibility and amount of benefit. The deduction is intended as an indirect compensation for the fact that elderly people usually have higher medical expenses than the non-elderly and are more subject to the unhealthy effects of cold weather.

1. What time period do you want to use for measuring income?

The time period most often used for calculating income is yearly, but most tribes do not actually verify income for the full year preceding an application. Instead, they verify income for a shorter period and convert the result to an annual figure. One major issue concerning the choice of a time period for measuring income concerns the manageability, i.e., the ease or difficulty of getting verification. Many households will experience changes in amount and source of income over the course of a year. Although it can be difficult and time consuming to verify all income from all sources for a full year, this method more accurately reflects a household's annual income. Income for one month prior to application is the easiest to verify but it can be a disadvantage to the household.

Example - The tribe uses the current one month income to obtain an estimate for the household's yearly income. This income annualized can exceed the income guidelines. This total income amount may be misleading. If the tribe looks at the previous year’s income, it might see that the household’s income is from seasonal work and stops after four months. If the tribe uses last year’s total income amount, this may be a more realistic approach and the household may be eligible.

Example - A one-person household receives income based on an oral agreement with its employer who determined that the income will be paid 4 times a year in partial payments. The household receives a first quarter payment of $3,000, a second quarter payment of $3,000, a third quarter payment of $5,000 and a fourth quarter payment $5,000. Using this example, if the tribe uses the first quarter income (a time period of 3 months) to annualize the household's income, the estimated yearly income would be $12,000.

If the household had made application at the end of the year, using the fourth quarter income (a three month period) the yearly income would be $20,000. Thus, the household would be eligible early in the year, but ineligible at the end of the year.

Shorter time periods of 1 to 3 months annualized are generally more manageable and are preferred by many tribes. However, if income varies little from month to month as in the example below, the time period will not matter.

## Example

|  |  |  |  |
| --- | --- | --- | --- |
| Time Period Used toMeasure Eligibility |  Income for Period |  Annualized | Annual Income |
| 12 months prior |  $12,000 |  X 1 |  $12,000 |
| 6 months prior |  $ 6,000 |  X 2 |  $12,000 |
| 3 months prior |  $ 3,000 |  X 4 |  $12,000 |
| 1 month prior |  $ 1,000 |  X 12 |  $12,000 |

Income of a household is often varied throughout the year. The object is to use a time period for measuring income that best reflects the household's ability to pay for fuel during the heating season. In general, a short period (1 month) is more likely to distort the overall picture of household income than a longer one (3 to 6 months). But some households will always be advantaged and others disadvantaged, depending on the time period used.

Example - A household received the following income on a month-by-month basis.

|  |  |  |  |
| --- | --- | --- | --- |
| January | $500 | July | $200 |
| February | $500 | August | $200 |
| March | $500 | September | $200 |
| April | $500 | October | $0 |
| May | $600 | November | $400 |
| June | $600 | December | $400 |

 Let’s see what this household's annual income would be under the various methods of calculation if the household applies for LIHEAP on December 31.

|  |  |  |  |
| --- | --- | --- | --- |
| Time Period Used toMeasure Eligibility | Income for Period |  Annualized | Annual Income |
|  12 months prior |  $4,600 |  X 1 |  $4,600 |
|  6 months prior |  $1,400 |  X 2 |  $2,800 |
|  3 months prior |  $ 800 |  X 4 |  $3,200 |
|  1 month prior |  $ 400 |  X 12 |  $4,800 |

The above example shows how annual income is computed, using different time periods. If an applicant applies during a month, you could work back from the application date or from the end of the last full month. For example, if the time period was 3 months and an application came in on December 12, you could use September, October and November or you could use September 12 through December 12.

 Many tribes attempt to deal with the problem by using more than one measuring period, e.g., 3 months or a year. In some programs, the LIHEAP worker decides which period of time best reflects the household's ability to pay for fuel during the heating season. Some tribes permit the applicant to select the time period to be used which is most advantageous to the household.

 Some tribes use only one period (annualized) for everyone, including self-employment households. They do this because they want to treat all households alike, and think it is easier to explain when individual households are advantaged or disadvantaged.

 No system is perfect, but it is IMPORTANT to decide on a system and stick to it. Remember that if you do give choices as to the period of time to be used to measure income, it should be given to all applicants.

5. How to adjust poverty income guidelines to 110%, 125% and 150% of poverty.

WARNING--THE FIGURES USED IN THIS SECTION ARE TO BE USED FOR FY 2002. ADDITIONALLY, OTHER FIGURES ARE USED FOR ALASKA AND HAWAII. THESE FIGURES WILL CHANGE EACH YEAR WHEN NEW POVERTY INCOME GUIDELINES ARE PUBLISHED IN THE SPRING. CONTACT HHS FOR THE LATEST UPDATE.

 To adjust the poverty income guidelines, you need a current copy of the HHS Poverty Income Guidelines that are published annually in the Federal Register. HHS provides grantees the current update in Information Memorandums (IM). See Appendix III for the most recent poverty income guidelines. These guidelines are also posted on the HHS Web site at http://www.acf.hhs.gov/programs/liheap.

 Using the current poverty level guidelines, the figures for 110% of poverty are obtained by multiplying the figures at 100% of poverty by 1.10 ($8,590 x 1.10 = $9,449, etc). The figures for 125% of poverty are obtained by multiplying the figures at 100% of poverty by 1.25 ($8,590 x 1.25 = $10,738, etc). The figures for 150% of poverty are obtained by multiplying the figures at 100% of poverty by 1.50 ($8,590 x 1.50 = $12,885, etc).

 To compare the different income levels, we have provided a chart below that lists income levels based on 110%, 125% and 150% of the poverty income guideline currently available for use in FY 2002. These numbers change every year so you should contact HHS for the most recent chart.\*\*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  Household Size | 100% of Poverty | 110% of Poverty | 125% of Poverty | 150% of Poverty |
|  |  |  |  |  |
| 1 | $ 8,590 | $ 9,449 | $10,738 | $12,885 |
| 2 |  11,610 |  12,771 |  14,513 |  17,415 |
| 3 |  14,630 |  16,093 |  18,288 |  21,945 |
| 4 |  17,650 |  19,415 |  22,063 |  26,475 |
| 5 |  20,670 |  22,737 |  25,838 |  31,005 |
| 678 |  23,690 26,710 29,730 |  26,059 29,381 32,703 |  29,613 33,388 37,163 |  35,535 40,065 44,595 |
| for each |  |  |  |  |
| Additional |  |  |  |  |
| member add |  $3,020 | $3,322 |  $3,775 |  $4,530 |

\*\*\*NOTE: The law permits LIHEAP grantees to use the larger figure of either 150% of poverty or 60% of the State Median Income when calculating maximum income criteria for LIHEAP eligibility. Additionally, a grantee’s income eligibility guidelines may not be set lower than 110% of poverty. These figures are also listed in Appendix III of this manual and will change annually. It is important that the user of this manual update the guidelines each year when HHS sends out current figures.

SETTING PAYMENT LEVELS

The requirements of the law in section 2605(b)(5) (see page C-9) state that the highest level of assistance must be given to those households which have the lowest incomes and highest energy costs or needs in relation to income taking into consideration the size of the family. The basic items of this section of the law to be considered are: energy costs or needs, income and family size. The tribe should decide before households apply for assistance how these factors will be taken into account. This is most often done with a payment matrix.

A payment matrix is a chart on which all of the required factors--income, energy costs (usually represented by fuel types,) energy needs, and family size--are listed so an intake worker can find the correct benefit level by locating the characteristics of the applicant on the chart. The chart is important, but more important are the decisions that have to be made to correctly fill in the chart. If after reading the explanation below and you still have questions, your HHS liaison may be able to assist you.

##### Steps to Designing a Matrix - In preparation for creating a matrix, the tribe must know:

1. Approximately how much money the tribe will spend for each type of assistance (heating, cooling, crisis, or weatherization).
2. Approximately how many eligible households the tribe plans to serve. The tribe may want to base its payment matrix on the maximum number of households it thinks will be eligible and apply for assistance. (If the tribe has funds left, it can issue additional benefits to all the households or use the funds for other purposes, e.g., crisis, weatherization, carryover, etc.)
3. Heating and/or cooling energy costs for the different types of fuels used by households and an idea of how many households use each type of fuel.
4. Any special energy needs the household may have, such as elderly members, young children or medical problems.

##### Using Known Information to Design a Matrix - Examples A and B on the following pages show ways to design a matrix. Example A can take several tries to develop a good matrix, because this method uses trial and error. It may come out right the first time, or you may need to take several more steps to make further adjustments to stay within your budget. Example B is a more foolproof method and can help you design a matrix that stays within your budget.

 EXAMPLE A: A tribe's LIHEAP allotment is $60,000. The tribe has about 500 eligible households and hopes to serve all of them. From past energy assistance programs the tribe knows the distribution of eligible households by fuel type and income level. For instance, 75% (375 households) use propane to heat, 15% (75 households) heat with wood, and 10% (50 households) heat with electricity. It also knows that of all 500 households, 20% heat with LPG and have incomes from 0-50% of poverty, etc. Here's how the distribution looks:

|  |  |
| --- | --- |
|   |  |
|  Heating Fuel % of Poverty |  Propane |  Wood |  Electricity |
|  0-50% |  100 households (20 %) |  25 households (5%) |   10 households (2%) |
|  51-100% |  175 households (35%) |   25 households (5%) |   30 households (6%) |
|  101 – 150% |  100 households (20%) |  25 households (5%) |  10 households (2%) |

The tribe will use $8,000 for administration and $7,000 for a crisis intervention assistance program, leaving $45,000 for heating assistance. The tribe has also calculated the average heating energy costs for the household it assists:

1. propane--$440 per year
2. wood--$200 per year
3. electricity--$297 per year

 The tribe has decided that it wants to pay the poorest households, those with income between 0-50% of poverty, a benefit equal to 50% of heating energy costs. Households with incomes between 51-100% of poverty will get a benefit equal to 40% of heating energy costs, and households with incomes between 101-150% of poverty will get a benefit equal to 30% of heating energy costs. Here's how the matrix will look:

|  |  |  |  |
| --- | --- | --- | --- |
|  Heating Fuel% of Poverty |  Propane |  Wood |  Electricity |
|  0-50% |  $220 |  $100 |  $149 |
|  51-100% |  $176 |   $80 |   $119 |
|  101%-150% |  $132 |   $60 |  $89 |

The payment matrix developed by the tribe in Example A looks great, but is the tribe's grant large enough to serve all or most of their 500 households with this matrix? Let's see... Multiplying the benefit levels times the number of households to be served for each cell of the payment matrix yields:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Number of Households |  | Benefit Level |  |  |
| 100 | x | $220 | = | $22,000 |
| 175 | x |  176 | = |  30,800 |
| 100 | x |  132 | = |  13,200 |
|  10 | x |  149 | = |  1,490 |
|  30 | x |  119 | = |  3,570 |
|  10 | x |  89 | = |  890 |
|  25 | x |  100 | = |  2,500 |
|  25 | x |  80 | = |  2,000 |
|  25 | x |  60 | = |  1,500 |
| 500 |  |  |  | $77,950 |

 Unfortunately, the tribe will need an additional $32,950 to serve all 500 household's using the payment matrix developed in Example A. It now has a decision to make:

 (a) It can use the matrix it developed and serve households until it runs out of funds, which means a good number of households will get no assistance; or

 (b) It can decrease the payment levels in the matrix until it finds the right level it needs to serve all 500 households with its $45,000 grant. This is a tedious process that will probably consume a lot of time and have to be done several times before it comes out right. Example B below shows you a more efficient way to develop a matrix that also provides for a fuller utilization of funds.

Using Known Information to Design a Matrix That Stays Within Your Budget - Using the following method to design your matrix will help you eliminate the guess work used in Example A above and help you develop a matrix that stays within your budget.

EXAMPLE B: All the facts for Example B are the same as those in Example A. This method involves four easy steps:

 1. Assigning Value Weights

 2. Computing Matrix Points

 3. Computing the Percent of Funds for Each Matrix Cell

 4. Computing Benefit Levels

1. Assigning Value Weights

One way to create a matrix is to assign value weights for each of the factors you use for varying payments in the payment matrix. Using Example A above, we assign value weights for each income level and for each fuel type. Value weights are a way to designate the relative value of one thing to another. Values are assigned for each fuel type based on the heating costs of the cheapest to the most expensive fuel. Since wood is the cheapest, a value weight of "1" could be assigned. Electricity costs about 1 1/2 times as much as wood and would be assigned a value weight of 1.5. Propane, the most expensive, seems to cost about twice as much as wood and could be assigned a value weight of 2. If this relationship to costs is not the same in your area or there are other fuel types that cost a lot more or a lot less, each could be assigned a value weight in relation to the cheapest fuel cost. You may need to contact various vendors in your area to determine average costs.

Percent of poverty is based on both income and family size. The tribe may create in its matrix any number of categories for income and family size, but most tribes limit themselves to about three categories. Since households with income equal to 0-50% of poverty are the poorest, and one of the objectives in LIHEAP is to pay the highest benefits to households with the lowest incomes, we would assign the highest value weight of 3 to these households. (If we decide to use four income levels in our matrix, then the value weight of 4 would be assigned to the poorest level.) Households with incomes of 51-100% of poverty would be assigned the next highest value weight of 2, and those at 101-150% of poverty are assigned the lowest value weight of 1. Below, using the same known factors for Example A, we have now added in value weights for the percent of income factors and fuel types. We have also placed in each cell of the matrix the percent of households using each fuel type. The matrix now looks like this:

|  |  |  |  |
| --- | --- | --- | --- |
|  Heating Fuel% of Poverty |  **2.0** Propane |  **1.0** Wood |  **1.5** Electricity |
|  **3** 0-50% | 100 households = 20% |  25 households = 5% |  10 households = 2% |
|  **2** 51-100% | 175 households = 35% |   25 households = 5% |   30 households = 6% |
|  **1** 101%-150% | 100 households = 20% |   25 households = 5% |  10 households = 2%  |

It should be noted that the number you assign to a value weight makes a difference mathematically in the size of the benefit levels in the matrix. The numbers used in this example were chosen to simplify the method. The tribe should determine what it feels are the proper relationships between the criteria in their payment matrix and assign value weights accordingly. For example, we used value weights of 3, 2 and 1 for the three income levels. If the tribe wants the benefits for households to be closer in size, then they might use value weights like, 3, 2 1/2 and 2 for the income levels in the example.

1. Computing Matrix Points

Notice that each cell has two value weights assigned to it. For instance, propane users with income between 0-50% of poverty are assigned a 2 value weight for the fuel they use and a 3 value weight for their level of income. If we multiply the two value weights and the percentage of households by each other, we get a new value weight for each cell. If we do this for each cell in the matrix, the sum of all of the new values in the cells add up to 3.6. Here's how the matrix now looks:

|  |  |  |  |
| --- | --- | --- | --- |
|  Heating Fuel % of Poverty |   Propane |  Wood |   Electricity |
|   0-50% |  2.0x3x20%=1.2 |  1.0x3x5%=.15 |  1.5x3x2%=.09 |
|   51-100% |  2.0x2x35%=1.4 |  1.0x2x5%=.10 |  1.5x2x6%=.18 |
|   101%-150% |  2.0x1x20%=.40 |  1.0x1x5%=.05 |  1.5x1x2%=.03 |

Total Points for Matrix =

 1.2 + .15 + .09 + 1.4 + .10 + .18 + .40 + .05 + .03= 3.6

1. Computing the Percent of Funds for Each Matrix Cell

To compute the percent of funds that can be used for each matrix cell, we divided the new value for each cell by the total number of points in the matrix (3.6). For instance, for propane users with incomes between 0-50% of poverty:

 1.2 = .333 or 33.3%

 3.6

For electric users with income between 51-100% of poverty:

 .18

 3.6 = .050 or 5%

If you have followed all steps correctly, all percents in the matrix should add up to 100%. Here's how the matrix will look:

|  |  |  |  |
| --- | --- | --- | --- |
|  Heating Fuel % of Poverty |   Propane |  Wood |   Electricity |
|   0-50% |  33.3% |  4.2% |   2.5% |
|   51-100% |  38.9% |  2.8% |  5.0% |
|   101%-150% |  11.1% |  1.4% |  .8% |

4. Computing Benefit Levels

The percentages computed in the above matrix represent the portion of funds set aside for heating that may be used for each type of fuel at each income level. To find out how many dollars for heating benefits are available for each cell, multiply the percentage in each cell times the total amount of heating assistance funds ($45,000 used in this example).

Example:

Propane users with incomes between 0-50% of poverty the equation would be:

 .333 X $45,000 = $14,985

Wood users with incomes between 0-50% of poverty the equation would be:

 .042 X $45,000 = $ 1,890

Continue to multiply $45,000 by the percentage in each cell. Finally, to compute the benefit levels in the matrix, divide the dollars available in each cell, by the number of households to be assisted. The averages that result are the benefit levels that the tribe can offer with $45,000 of heating assistance funds. Here's how the matrix looks now:

|  |  |
| --- | --- |
|  |  |
|  Heating Fuel % of Poverty |   Propane |  Wood |   Electricity |
|   0-50% | $14,985 = $149.85 100  | $1,890 = $75.60 25 |  $1,125 = $112.50 10 |
|   51-100% | $17,505 = $100.03 175 | $1,260 = $50.40 25 | $2,250 = $75.00 30 |
|   101%-150% | $ 4,995 = $ 49.95 100 | $ 630 = $ 25.20 25 | $ 360 = $36.00 10 |
|  |

Using this matrix, a household that uses propane and is at 0 to 50% of the poverty level will receive a benefit of $149.85. A household that uses electricity and is at 0 to 50% of the poverty level will receive $ 112.50. This matrix indicates by its benefit levels that propane in this area is more expensive than electricity, and both are more expensive than wood.

This method for developing a matrix distributes all heating assistance funds ($45,000) into nine benefits levels, or cells of the matrix. A tribe may want to create a little leeway or reserve for unexpected needs. This can be done easily by making slight reductions in the benefit levels. For instance, the $112.50 benefit level for the poorest electric users could be reduced to $100.00, or for instance, all benefit levels in the matrix could be reduced by a uniform percent.

How To Use Energy Needs in a Matrix

A tribe may want to include a household’s energy needs in the matrix. A household may use more heating or cooling fuels due to the special needs of some of its members. A household may need to keep its home warmer or cooler if there are elderly, young children or someone with medical problems in the family. This family may have higher energy costs than similarly situated households that do not have members with special needs.

The tribe may want to determine the household’s benefits using a matrix similar to those above and then add an additional amount to the benefit to assist households with special needs. For example, a tribe may want to add an extra $50 or more to the benefit amount determined by the matrix for those households with an elderly member. The tribe will need to consider this when it first designs its matrix to make sure that there are extra funds set aside for these households. There is also an example of a matrix on page D-25 that uses points to determine benefit amounts. Additional points are added to increase the benefits for households with special needs.

Place point matrix here

CHOOSING A PAYMENT METHOD

What method do you want to use to pay the household its benefit? Listed below are different types of payment methods used by tribes. These are methods that are used most often.

1. Vendor payment - line of credit

The easiest way to ensure that program benefits are actually applied to fuel bills is to make payments directly to the fuel vendor. Establishing a line of credit in the household's name works best with large firms that use computer billing. This may also work with small firms if properly monitored. Normally, a payment is made to the vendor on a one-time basis for the household's entire LIHEAP benefit. The amount of credit should be indicated on the billing statement and will gradually be reduced as the customer uses more fuel.

The advantages of this system are that it guarantees that payments will only be applied to the fuel bill, and it is relatively simple for the tribe to administer. One of the main disadvantages is that it takes no action by the household to pay the bill. This may create irresponsibility by not making him/her feel responsible for the bills and may eventually create a dependency on the tribe to continue providing the benefit. Also, it may not encourage households to conserve energy because the household may think the energy is being provided for free. Another disadvantage is that most tribes require vendors to reconcile their accounts and return funds not used by the household, e.g., the household moves out of the area. This increases the vendor's paperwork and may discourage him in using this payment method.

1. Vendor payment - reimbursement

Another method of payment to the vendor is direct reimbursement to the vendor for the energy that has been supplied. Normally, the household brings the bill to the LIHEAP office and the tribe makes the payment to the vendor on the household's behalf. The advantages to this are much the same as the line of credit. This method requires more administrative work for the tribe, because households continuously bring in their bills. This system works well with small, independent fuel oil or wood vendors. The disadvantages are much the same as with the line of credit in that it may make the client feel that he/she does not need to be responsible for paying fuel bills. However, it does require that the household take a more active role in seeing that the bill is paid than with the line of credit method.

1. Payment to the household - two-party check with designated vendor

Another method of payment is to make the payment to the household but include the vendor as an endorser on the check as well. This is called a two-party check. The check must be signed by both the LIHEAP household and the vendor. This could be done on a reimbursement basis with checks issued to the household at billing time for the amount of the bill. Some tribes issue the entire LIHEAP benefit in a one-time payment to the household using a two-party check.

The advantages of this system are that most households use the benefit payment for the home energy bill, and the household plays a more active role in the payment of the bill. The disadvantages are that it may cause as much paperwork as direct vendor reimbursement, and sometimes, households are able to get the checks cashed with only one signature, use the money for other purposes, and still owe the energy bill.

1. Payment to the household - two-party check with undesignated vendor

Payment may also be made to the household and an unspecified fuel vendor. This method is often used with small wood dealers. This method can potentially be abused quite easily.

1. Payment directly to the household

Some tribes make the payment directly to the household. This may be made as reimbursement, as a lump sum payment or in periodic installments.

The advantages of this method are that it gives total bill paying responsibility to the household, making recipients more aware of their energy usage and costs. It requires that the household face the consequences if the bill is not paid. However, it allows the household to spend the money on something that may be of a higher priority than home energy and result in a utility shutoff.

Vendor Payments

If the tribe intends to make payments directly to vendors (fuel oil dealers, electric or natural gas utilities, wood dealers, etc.,) the law requires in Section 2605(b)(7) (see page C-11) that certain procedures be established by both the tribe and vendor. These procedures include:

1. Each participating household needs to be made aware of the amount of assistance paid on its behalf. This is normally taken care of by the tribal LIHEAP staff. An example of a notification letter can be found on page
G-44;
2. The home energy vendor must bill the household only the difference between the cost of energy supplied and the amount paid by the tribal LIHEAP; and
3. The home energy supplier must not treat LIHEAP recipients adversely due to the receipt of LIHEAP assistance.

It should be noted that a formal contractual agreement between the tribe and the vendor is not required by the law. The law only requires that procedures be established to ensure the requirements listed above when the energy vendor is being paid directly by the tribe. Additionally, the provision of vendor agreements is at the Tribe's option and may be made if unregulated utility companies are cooperative in working with the LIHEAP households to decrease their energy burdens and to establish payment plans.

Example - Since the law does not require a formal contract with vendors, one tribe has opted not to establish written documents but only to discuss the requirements with the vendors by telephone and obtain verbal agreements. The vendors agreed to abide by the same guidelines set forth in the law and in their agreements with the state LIHEAP.

Other tribes prefer formal written agreements so there is less chance for misunderstanding about what is required.

Good public relations with the vendors are very important. A good working relationship will help promote vendor agreements as well as provide many benefits throughout the program year. Vendors should be contacted by those program staff who are very well versed in the program requirements. This will allow an opportunity to explain the program and discuss the requirements for vendor agreements and to explain the possible advantages and disadvantages of entering into an agreement. The advantages of establishing vendor payments normally will outweigh the disadvantages. The following facts should be pointed out to the vendor:

1. LIHEAP helps to ensure good credit for many households who have had problems paying bills in the past.
2. Payment may be made in advance through a line of credit for some customers. This may work better with utilities or large vendors with computerized billing systems.
3. Agreements may be made that will allow volume sales by some vendors.

### Examples

An agreement could be made with a particular wood vendor to purchase all LIHEAP wood from that vendor, if the vendor agrees to split and stack the wood for the elderly or handicapped households. Perhaps the vendor would agree to sell wood at a discounted price if it is purchased in volume. (The amount of the discount could be counted as a leveraged resource in the Leveraging Incentive Program that is described in Section K.)

An agreement could be made that all LIHEAP fuel oil purchases would be made from a particular dealer if he/she would agree to make emergency deliveries or deliver fuel in small quantities. However, the tribe should not interfere with households who want to continue to receive services from their current vendors. The client/vendor relationship that has developed over time can be an asset to the household, especially for the elderly and handicapped. In these situations, most vendors will provide services beyond delivery of fuels, such as splitting and stacking wood and lighting pilot lights on gas furnaces.

There also may be some problems that may be encountered by the vendor if he/she has to enter into such a agreement. For example, the possibility of increased paperwork to the vendor may be a problem. Although the problems should minimal, they should be discussed.

Agreements may be informal with only verbal guidelines as previously discussed. The agreement may be formal but left quite simple by only outlining those items required by Section 2605(b)(7), or the agreement may be more complex by outlining all of the necessary steps and procedures for vendor payments.

Payments to Wood Vendors

Some special problems may arise when making payments to small wood dealers. Usually this is caused by misunderstandings between the client and the vendor. Possible problems to watch out for may include:

1. The household may present a phony receipt for wood to the LIHEAP office and expect to be reimbursed for it.
2. The vendor may seek reimbursement for wood never delivered or may claim he delivered more wood than he actually did.
3. The household may receive wood, have LIHEAP reimburse the vendor, and then sell the wood to someone else.
4. The vendor may deliver less wood than agreed upon, or provide wood of poor quality, or wood that is not adequately seasoned.

Some possible solutions to wood vendor problems are discussed below.

1. Allow wood vendors to contract with the program for delivery of wood to LIHEAP clients. Honest, dependable vendors may be selected from each district on a reservation. These wood dealers will deal directly with LIHEAP staff in making authorized deliveries. This method may also give the tribe some leverage in seeking additional services, such as splitting and stacking wood for elderly and handicapped clients. With dependable vendors, this method can be effectively used. In the past, the Yakima Nation has used a designated vendor system.
2. Some tribes operate a wood business. This allows the tribe to become the vendor. This requires access to large trucks, firewood and a secure storage area. The advantage is that it provides a few self-supporting tribal jobs and allows the delivery of wood at a lower cost than most vendors charge.
3. To prevent the selling of LIHEAP supplied wood to others, one tribe has a staff member inspect and spray paint the wood. This would help the staff to monitor the wood and identify those who may sell the wood. WARNING - Burning paint may emit poisonous fumes. It is very important that a non-toxic, non-lead based paint be used. One disadvantage to this is that a household may not want to be identified by the woodpile as being a LIHEAP recipient.
4. The most effective way of preventing wood vendor problems is to provide close staff monitoring. This will ensure that a sufficient quantity and quality of wood is delivered before the vendor is paid.

Similar problems may occur with fuel oil or coal vendors as with wood vendors. Since these businesses also tend to be small and independently owned, there is the same potential for fraud as with wood vendors. Again, the best prevention for these types of problems is to provide close staff monitoring and work with reputable dealers.

ESTABLISHING AN ENERGY CRISIS INTERVENTION PROGRAM

What must be considered when running an Energy Crisis Intervention Program?

1. Funds Set Aside for Crisis

One decision you must make concerns the amount of funds you want to reserve for an energy crisis intervention program. The law states that of the funds available to the tribe for LIHEAP, a reasonable amount, based on data from prior years, is to be reserved until March 15 by the tribe for energy crisis intervention. Many tribes reserve a percent of their allotment for crisis programs. This ensures that the tribe will have funds to respond to emergencies until March 15.

1. Types of Crisis Programs

The law requires tribes to offer assistance for energy crisis situations. A tribe may decide to run a separate LIHEAP crisis program from its heating program. In this case, households would apply for their regular heating benefit and later, if they experience an energy crisis, they could apply for a crisis benefit. Some tribes prefer to run a “fast track crisis program.” In this type of program, tribes only offer a regular heating benefit, but expedite the benefit if the household is experiencing a crisis situation. A crisis benefit or an expedited heating benefit must meet the timeframes described below. Tribes also have the option to provide crisis benefits for cooling emergencies during hot summer months.

1. Time Limits on Responses to Crisis

The law requires that some form of assistance that will resolve the energy crisis must be provided within 48 hours after an eligible household applies for crisis assistance or within 18 hours if the household is in a life-threatening situation. This may create a need for service during evenings and weekends. Tribes need to consider how they will meet these time limits for delivering crisis assistance. To provide assistance quickly, some tribes have agreements with vendors to provide immediate assistance when contacted by the tribal LIHEAP coordinator.

1. Client Accessibility to the Crisis Program

Tribes must accept crisis applications at sites located near (accessible to) the tribal population to be served. They must provide to physically infirm low-income persons the means to submit applications for energy crisis benefits without leaving their homes or to travel to sites where energy crisis applications are accepted. Tribes may need to consider placing intake centers for crisis applications in areas most frequented by their service population and providing home visits for those individuals unable to travel to intake centers.

Exemptions:

In the case of a major disaster or an emergency, HHS may grant an exemption from the following crisis assistance requirements:

* 48 hour and 18 hour time limits;
* accepting applications near the tribal population; and
* providing the low-income physically infirm the means to apply from their home or to travel to intake cites.

To receive an exemption from these requirements, the chief executive officer (tribal chairperson) of the tribe must request an exemption from the Secretary of HHS in accordance with the procedures described in section 96.89 of the block grant regulations. (See Appendix II.)

1. Eligibility

The tribe needs to decide what maximum income level to use for the crisis program. Will it be the same as the guidelines for the heating program or different?

1. Definition of a Crisis

The statute at Section 2603(2) defines an “energy crisis” to mean:

**“…weather-related and supply shortage emergencies and other household energy-related emergencies.”**

The tribe needs to decide what types of energy crisis situations will the tribe assist under LIHEAP? The tribe needs to define what is a crisis situation and when does the crisis become life-threatening?

1. Use of Funds After March 15

Tribes need to decide how they will use crisis funds that are not spent on emergencies after March 15. The tribe may continue to use the funds for crisis assistance but also may use the funds for heating assistance, cooling assistance, weatherization, or be included in the 10% carryover amount for the next fiscal year.

1. Crisis Benefits

Some tribes offer assistance in the amount to relieve the emergency up to a specific limit. The following is a list of what types of assistance crisis programs may provide. These are examples and may not include all benefits that can be provided under crisis programs. If you have any questions about other benefits you would like to provide, contact your HHS liaison.

1. cash to meet the emergency
2. delivery of fuel
3. repair or replacement of furnace, heater, stovepipe, chimney or other equipment
4. purchase or loan of space heaters, oil tanks, blankets, sleeping bags or warm clothing
5. emergency lodging relating to loss of household heat
6. prevention of shutoffs
7. payment of reconnection charges
8. purchase or loan of air conditioners or fans
9. assistance with vendors, budget counseling, and case management
10. other energy-related crisis assistance approved at the tribal level

#### ESTABLISHING A WEATHERIZATION PROGRAM

Do you want to use some of the funds for a weatherization program to provide low-cost residential weatherization and other energy related home repair?

The law permits tribes to use up to 15% of the LIHEAP funds allotted to the tribe or 15% of the LIHEAP funds available to the tribe under this title for such fiscal year, whichever is greater, for low-cost residential weatherization or other energy related home repair for low income households. Most tribes interpret "funds allotted" to be the amount of their LIHEAP allocation and "funds available" to be the amount of their LIHEAP allocation plus the amount of any funds transferred into LIHEAP or carried over from the prior year. (Leveraging incentive award funds may not be included in the base amount used to determine your 15% for weatherization but can be used for LIHEAP weatherization and other energy related home repair, not subject to the 15% limitation.)

This is an optional program. Some tribes have decided to provide emergency heating repairs or replacement or the installation of air conditioners under their crisis assistance program. This allows the tribe to provide these benefits without being limited by the 15% cap on the weatherization program.

Final block grant regulations issued in May 1995 permit tribes to request a waiver of the 15% limit to increase the amount to be used for weatherization up to 25%, if certain conditions are met. See the Weatherization Waivers section on page D-36 for the conditions necessary and procedures to request a weatherization waiver.

Many tribes use LIHEAP funds for weatherization believing that in the long run it will lower the need for energy assistance. If a tribe decides to run its own LIHEAP Weatherization Program, LIHEAP statutory rules and regulations apply to the use of those funds. If LIHEAP funds are used to supplement a tribe’s existing DOE (Department of Energy) weatherization program, the tribe has the choice to follow the DOE Weatherization Assistance Program rules, or all the LIHEAP rules, or parts of both.

Listed below are some examples of how tribes have used LIHEAP funds to provide for weatherization services:

1. caulking
2. weatherstripping
3. insulation
4. storm windows
5. heating system repairs or replacement
6. conservation education
7. easy do-it-yourself weatherization kits

Some tribes have increased the amount of funds for their weatherization programs through the use of funds granted by the Community Services Block Grant (CSBG) or private utility companies. Tribes should note, however, that other federal funds may not be used to supplement funds used for administrative costs of the LIHEAP program. (Any non-federal funds added to the Weatherization program to provide benefits to LIHEAP-eligible households could be reported under the Leveraging Incentive Program described in Section K.)

WEATHERIZATION WAIVERS

The LIHEAP statute allows grantees to use up to 15% of the annual LIHEAP allotment for weatherization and other energy related home repairs as explained above. Grantees may use up to 25% for weatherization if they request and receive a waiver. Providing a weatherization program through LIHEAP is optional. Some tribes do not have a separate weatherization program but do provide energy-related home repair or weatherization through their LIHEAP crisis assistance program. This section explains how to request a weatherization waiver to use up to 25% of your LIHEAP allotment for weatherization or other energy related home repairs.

A grantee may request a waiver after March 31 in the fiscal year in which the additional weatherization funds are needed. A waiver request must be in writing. The waiver request does not increase the overall amount of funds granted to the tribe, but increases the amount of funds the tribe may use in its weatherization program. The criteria for requesting a waiver are listed in the block grant regulations at 45 CFR 96.83, a copy of which may be found in Appendix II. Below, we explain parts of these regulations and provide a checklist to guide you when applying for a waiver. If you still have questions after reading this section, please contact HHS.

TYPES OF WEATHERIZATION WAIVERS

There are two types of waiver requests. In the first type, a grantee must meet certain conditions, and this is called a “Standard Waiver.” If one of the conditions is not met, the grantee may apply for a “Good Cause Waiver.”

WHO SIGNS THE WAIVER REQUEST?

Waivers must be signed by the tribal chairperson or the chief executive officer of a tribal consortium or a tribal organization. Or, these officials may designate someone else to sign the request. If a designee signs the waiver request, a written delegation of authority signed by the chairperson or chief executive officer must be provided.

WHEN CAN WAIVERS BE SUBMITTED?

Waiver requests must be submitted after March 31 in the fiscal year in which the additional weatherization funds are needed. If a grantee wishes to apply for a waiver before March 31 of the fiscal year in which they are requesting the waiver, they may do so between February 1 and March 31. This request is called a “preliminary waiver request.” This request must include information needed under paragraphs (c)(1) through (c)(6) of section 96.83, and then after March 31, the tribe must submit information required in paragraphs (c)(7) through (c)(10) of section 96.83 of the block grant regulations (see page D-41).

WHERE DO YOU SUBMIT WAIVERS?

Once you have completely filled out the information needed for a standard waiver, a good cause waiver, or a preliminary waiver request, you must submit it to:

Director

Division of Energy Assistance

Office of Community Services, ACF, HHS

370 L’Enfant Plaza Promenade, S.W., 5TH Floor West

Washington, D.C. 20447

HOW DO YOU KNOW A WAIVER IS APPROVED?

The waiver request will be reviewed by HHS, and you may be contacted for more information or clarifications. HHS will then determine whether you meet the criteria for a waiver and will provide the decision to you in writing.

WHAT INFORMATION IS NEEDED FOR A WAIVER REQUEST?

On the following pages we have provided a checklist that contains all the information needed by HHS to evaluate your waiver request. You may copy this for use in submitting your waiver request.

# WEATHERIZATION WAIVER REQUEST

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_submits a request for a weatherization waiver. The tribe requests to use \_\_\_\_\_\_\_\_\_\_\_\_\_ percent of its funds for weatherization in FY \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Tribal Chairman, CEO or designee Date

Tribal Contact, name and telephone number

STANDARD WAIVER

Provide the following information for a STANDARD WAIVER:

(c)(1) What percent of the tribe’s allocation will be used for

 weatherization? (not to exceed 25%) \_\_\_\_\_\_\_\_\_\_\_\_

(c)(2)(i) Is the total number of households (in heating, cooling

and crisis components) the same or more than last year? \_\_\_\_\_\_\_\_\_\_\_\_

 yes/ no

Number of households served in current year\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (for heating, cooling and crisis components)

Number of households served in previous year\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (for heating, cooling and crisis components)

(c)(2)(ii) Is the total dollar amount spent this year for all LIHEAP

(c)(4) benefits (heating, cooling and crisis) the same or more

than last year? \_\_\_\_\_\_\_\_\_\_\_\_

 yes/no

Total amount of benefits paid in current year \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(for heating, cooling and crisis components)

Total amount of benefits paid in previous year \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(for heating, cooling and crisis components)

(c)(2)(iii) Describe the weatherization activities to be provided by all

(c)(5) weatherization funds for the current year:

Provide an explanation of how the types of weatherization to be provided are determined to produce measurable cost savings:

(c)(6) Describe how and when the waiver request was made available for timely and meaningful review and public comment:

 Describe the method used for reviewing public comments and any changes made due to those comments:

If a tribe cannot answer yes to (c)(2)(i) and (c)(2)(ii) above and provide weatherization that is proven to provide measurable cost savings as required by (c)(2)(iii) listed above, then the tribe may want to apply for a GOOD CAUSE WAVIER, see below.

## GOOD CAUSE WAIVER

A tribe need only apply for a good cause waiver if they cannot answer yes to (c)(2)(i) and (c)(2)(ii) above and provide weatherization that is proven to provide measurable cost savings as required by (c)(2)(iii) listed above.

Paragraph (e) of section 96.83 of the block grant regulations provide the criteria for apply for a GOOD CAUSE WAIVER. **To apply, the tribe must provide**:

(e) All the information listed above for a STANDARD WAIVER;

(e)(i) Provide an explanation of the specific reasons that demonstrate good cause why the tribe cannot meet one or more of the 3 conditions in (c)(2) listed above, but still wishes to increase its funds for weatherization. Cite measurable and quantifiable data and source of data used;

(e)(ii) Provide the tribe’s LIHEAP eligibility criteria and benefit levels for heating, cooling and crisis intervention assistance for the fiscal year in which the tribe is requesting a waiver and the preceding fiscal year. If the eligibility criteria were lower or benefits levels were higher in the preceding fiscal year for one or more program components, explain why the tribe should receive a waiver;

(e)(iii) Provide the opening and closing dates of your LIHEAP heating , cooling and crisis intervention programs for the fiscal year in which the tribe is requesting a waiver and the preceding fiscal year. Also provide a description of the outreach efforts for each type of LIHEAP assistance provided for the fiscal year in which the tribe is requesting a waiver and the preceding fiscal year. If the application period was longer and outreach efforts were greater in the preceding fiscal year for one or more LIHEAP components, provide reasons demonstrating good cause as to why a waiver should be granted; and

(e)(iv) Describe any actions the tribe took that led or will lead to less applications being made in the heating, cooling or crisis component of the LIHEAP program in the fiscal year in which the waiver is requested as compared to the preceding fiscal year. Provide reasons demonstrating good cause as to why a waiver should be granted.

PRELIMINARY WAIVER REQUEST (OPTIONAL)

A grantee may submit a PRELIMINARY WAIVER REQUEST after February 1 and before March 31 of the year in which the waiver is needed. A preliminary waiver request is OPTIONAL, and is needed only when a grantee wants to submit its waiver request earlier than after March 31.

To request a PRELIMINARY WAIVER REQUEST, a tribe must:

Provide all the information listed above for a **standard waiver** or a **good cause waiver** and AFTER March 31, the following information:

(c)(7) Official confirmation that the tribe still wants the waiver;

(c)(8) A statement whether public comments were received after the waiver was submitted, copies of the comments or summaries of the comments, and a description of any changes that were made as a result of the comments;

(c)(9) A statement whether any material changes of fact have occurred in the information previously submitted in the preliminary waiver request, and if so, a description of the changes; and

(c)(10) A description of any other changes to the preliminary request.

###### CONTINGENCY FUNDS

The President of the United States has the authority to release Contingency Funds to be used in LIHEAP at any time during a fiscal year as a result of an energy emergency. Usually, Congress appropriates $300 million for such emergencies, but more funds may be appropriated if the need arises. The release of funds is usually based on written requests from state governors, congressmen, and interest groups to either the President or to HHS. Depending on the nature of the emergency, the President may authorize funds to all grantees or to a smaller group of grantees affected by the emergency. There is no formal application process.

The amount of funds authorized is determined by the President after consultation with the Office of Management and Budget and HHS, Division of Energy Assistance. The factors that determine the amount of a grantee’s contingency grant award or awards are based on the type of emergency, how many states are affected, and how much contingency funds are available. Tribes receive the same proportion of the state’s contingency funds that they do of regular LIHEAP funds regardless of how the tribe’s regular allocation is determined.

Although funds are appropriated by Congress annually, they will not be released unless the President determines that there is an emergency that warrants their release. Tribes need to be aware that these funds may or may not be awarded during a program year. For example, in FY 2000, there were many releases of contingency funds, but not all grantees received funds each time there was a release. For example, the first release was early in the year to one state, New Jersey. Some later releases went to all grantees due to the sharp rise in heating fuel costs. Funds released during the summer went to California, due to escalating prices of electricity experienced in one county, some southern states due to extreme hot weather, and to Alaska where some Native American communities could not purchase heating fuel prior to the onset of winter when fuel deliveries would be impossible. If these types of energy emergencies do not occur in subsequent years, there will be no need to release emergency funds.

Usually, contingency funds have the same requirements as regular LIHEAP funds. They can be expended for any LIHEAP purpose and can be added to the base of funds to determine the amounts for administrative costs, the 15 percent limit on weatherization, and the 10 percent limit on carryover. Any different requirements for the use of contingency funds will be noted in the notice of grant award and will also be explained in Information Memoranda provided to grantees by HHS. In the past, some contingency funds could be carried over to the following fiscal year without regard to the 10 percent limit on carryover funds. In this case, the contingency grant award could not be added to the base to compute the 10 percent carryover amount. Grantees should read the notice of grant award for any specific requirements or contact your HHS liaison if you have questions.

Tribes may need to consider ways to expend contingency funds quickly to respond to the emergency and to make sure 90 percent of funds are obligated prior to the end of the fiscal year. If 90 percent of the funds are not obligated by the end of the fiscal year (September 30), then the unobligated amount must be returned to the federal government. Some ways tribes may want to change their LIHEAP programs to obligate and expend contingency funds are listed below.

* Add to "regular" heating, cooling, crisis, and/or weatherization components to keep programs operating longer.
* Expand outreach efforts to encourage more households to apply.
* Increase income eligibility levels, within the federal maximum, for all or for vulnerable groups (e.g., elderly, disabled, and/or households with young children or high energy burdens).
* Increase benefit levels for all, for affected groups (e.g., natural gas or oil users), or for vulnerable groups.
* Add other forms of assistance that may include the installation of air conditioners and heating appliances, furnace repairs, and "summer fill" programs.

**PLEASE NOTE**: If you make changes to your LIHEAP program due to the receipt of contingency funds, don’t forget to submit an amendment to HHS to amend your plan.