

LIHEAP (Low-Income Home Energy Assistance Program)

The Low-Income Home Energy Assistance Program, or LIHEAP, is a federally funded, state-run program that helps low-income households afford their home heating and cooling bills. LIHEAP includes assistance to avert certain energy-related emergencies such as utility shutoffs and fuel-supply shortages. LIHEAP may also help your clients with other energy-related needs, such as weatherization improvements, repair or replacement of utility equipment (such as a furnace and air-conditioning), and/or budget counseling.¹ In FY 2008, the most recent year for which data are available, LIHEAP provided assistance to almost 6 million low-income households, including families with young children, people with disabilities, and older adults.

Yet the program differs in significant ways from many other public benefits. One important difference is that LIHEAP prioritizes *certain* low-income households, “particularly those with the lowest of incomes that pay a high proportion of household income for home energy, primarily in meeting their immediate home energy needs.”² States have much flexibility in determining which households are most in need.

According to the Campaign for Home Energy Assistance, energy bills can easily reach up to 30% of a low-income household’s monthly income during peak heating and cooling seasons.³ Therefore, LIHEAP can make a significant difference in your clients’ lives so they don’t have to choose between paying their utilities and meeting other basic needs.

Here we review what LIHEAP is, how it works, and how you can help your clients access this critical benefit to keep them safe and healthy in their home.

How LIHEAP Works

LIHEAP is a block-grant program, meaning states are given a specific amount of money from the federal government and generally distribute it to local agencies who will in turn give it to individual applicants. As a block-granted benefit, LIHEAP is typically available on a first-come, first-serve basis. This means that some of your clients who meet the income

¹ http://faq.acf.hhs.gov/app/answers/detail/a_id/257/related/1

² LIHEAP statute, at: <http://www.acf.hhs.gov/programs/ocs/liheap/guidance/statute/statute.html#sec2603>

³ http://www.liheap.org/assets/investment/LIHEAP_investment_june2010.pdf. The Campaign for Home Energy Assistance is a private coalition advocating for adequate LIHEAP funding. Their website is available at www.liheap.org.

eligibility criteria might not be able to receive assistance if the funds have all been given out. In addition, because of the way LIHEAP funds are distributed to states and other grantees, some grantees receive more LIHEAP funds than others and can choose to pay a higher LIHEAP benefit to individual applicants. Every year, states and other grantees run out of LIHEAP funds before they have served every household that is income eligible. Nationally, available LIHEAP funds are sufficient to serve less than 25% of households meeting the federal income eligibility guidelines (low-income households).⁴

LIHEAP is overseen at the federal level by the Administration for Children and Families (ACF) which is part of the U.S. Department of Health and Human Services. The 50 states, the District of Columbia, five U.S. territories (i.e., Puerto Rico, Guam, U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands), Indian tribes, and tribal organizations can apply each year to ACF for LIHEAP grants. Based on a formula in the LIHEAP statute, ACF allocates a certain amount of funds to each grantee that applies for direct funding. LIHEAP is then implemented at the local level, most often through Community Action Agencies (CAA), Area Agencies on Aging (AAAs), or local county Department of Social Service offices that determine eligibility and provide the benefit.

Eligibility

Income Criteria:

Eligibility for LIHEAP is primarily based on income. Under the federal LIHEAP income standards, households can have a maximum income of either 150% of the Federal Poverty Level (FPL) (which in 2012 means up to \$16,755 a year for a 1-person household living in the continental United States), or 60% of the state median income, whichever is greater.⁵ As states have the flexibility to set the income limits lower than these federal parameters, the income tests vary from state to state. However, the income limits may not be set lower than 110% of the FPL (or an annual income of \$12,287 for a 1-person household in 2012). [Find out the guidelines in your state.](#)

Important Note about FPL Guidelines:

The FPLs for the current year are usually publically announced in late January. Unlike other public benefits that use the current year FPLs as a baseline for income eligibility, LIHEAP does not retroactively apply the new (typically higher) FPLs to January 1. Instead,

⁴ "Affordable Home Energy and Health: Making the Connections."
[Research Report No. 2010-05. Washington, DC: AARP, 2010. Lynne Snyder and Chris Baker.](#)

⁵ *Federal Register*, April 18, 2011 (page2), "Estimated 60% State Median Income for Four-Person Household, FY2012," at: <http://edocket.access.gpo.gov/2011/pdf/2011-8993.pdf>

grantees have the discretion to update their guidelines to accord with the new FPL amounts anytime between the publication of the FPLs and either October 1st or the start of their state's fiscal year, whichever occurs later. Many states choose to avoid changing guidelines midway through their program year and wait until the fall to adopt the new FPLs.

For example, many states take applications for winter assistance from November to April. Rather than use 2012 FPLs that come out in late January, they will continue to use the 2011 FPLs when making a determination.

This is one difference to keep in mind about LIHEAP when using a person-centered approach and screening your clients for the core benefits: you may have to refer to different FPLs for LIHEAP than for the Part D Low-Income Subsidy (LIS), and Medicare Savings Programs (MSPs), depending on your state's LIHEAP rules.

States can establish other eligibility criteria, such as receipt of a utility disconnection notice or requiring applicants to meet a resource (or asset) test. According to the LIHEAP Clearinghouse, eleven states currently have an asset test.⁶ [See this link for a list of all the state asset limits.](#) States have different rules on what they count as assets, and some states allow a higher asset test if someone in the household is over the age of 60.

LIHEAP Benefits

LIHEAP assists with the cost of home heating and cooling. Usually LIHEAP is paid directly to energy suppliers like oil companies or electric utilities, but it was never intended to cover an individual's entire home energy bill. Therefore, your clients generally must still pay a portion of their heating or cooling bill even if they receive LIHEAP.

The type and amount of LIHEAP benefit depends on such factors as:

- Where your client lives
- Your client's household income
- Household size
- The amount of your client's heating or cooling bill
- Your client's assets, in certain states

⁶ LIHEAP Heating Assistance Eligibility: State Asset Tests, at: <http://liheap.ncat.org/tables/FY2012/assets.htm>.

- Whether your client has received a utility disconnection notice

Usually states authorize local agencies such as Community Action Agencies to make LIHEAP eligibility decisions. The local agencies make eligibility determinations and, for those who qualify, provide your clients with bill payment assistance, energy crisis assistance, weatherization services, and/or energy-related home repairs or replacements (e.g., furnaces, air conditioners, etc.). Payments are usually made directly to local utility companies (e.g., regulated electric and gas companies) or fuel vendors (e.g., fuel oil, propane, wood, and other deliverable fuels).

State Allocation of LIHEAP Funds:

The latest data on how states allocated their LIHEAP funds can be found in the LIHEAP Clearinghouse and are from Fiscal Year 2011.

[Find out what heating and crisis benefits your state provided in FY2011.](#)

[Find out what cooling benefits your state provided in FY2011.](#)

How to Apply

Each state LIHEAP agency administers its own program ([Find your state's LIHEAP agency](#)). Consequently, the LIHEAP application process differs depending on where your client lives. States may offer an online application, mailed applications, or require your clients to apply in person. In many cases, homebound clients are allowed to apply for LIHEAP by mail even in places that ordinarily require a face to face interview. Some states will set priority/early application periods for certain households, such as those with an elderly member or young child. Learn about the application process in your state by visiting that state's web site.

How You Can Help Your Clients

Research shows that people over the age of 65 are more vulnerable to suffering from a heating or cooling related health risk since we lose our ability to control body temperature as we age.⁷ That is why it is important that older adults have access to adequate heat in the winter and a cooling system in the summer. And nearly half of all seniors and most adults with disabilities, almost 25 million people, live at or below 200% of the FPL.⁸

⁷ ACF, Needs of Vulnerable Households, Elderly Households, at:
http://www.acf.hhs.gov/programs/ocs/liheap/targeting_report.html

⁸ Kaiser Family Foundation, "Medicare at a Glance Fact Sheet," November 2011:
<http://kff.org/medicare/upload/1066-14.pdf>.

Many of your clients are likely to be income eligible for LIHEAP. Yet a disproportionate percentage of the older population does not apply for this benefit. What can benefits counselors do to increase the number of seniors who benefit from LIHEAP?

The most significant thing you can for your clients is help them navigate the LIHEAP application process. In many states, there are only certain times of the year—in many cases *very* limited times— when your clients can apply for LIHEAP heating or cooling benefits. A few states provide year-round energy assistance.

It is important for your clients to apply for LIHEAP as early as possible, because benefits are not guaranteed as LIHEAP is not an entitlement program. Most LIHEAP funds are usually spent in the winter, and it is possible for states to run out of grant money.

For example, in West Virginia in 2012, there was a ten-day window in January to apply for assistance with heating.⁹ In other states, the window might last a month or several months.

Your clients may be unaware of these limited opportunities to apply. According to ACF, older adults who consistently pay their utility bills may be less likely to apply for LIHEAP at the beginning of the season even though their income and high energy costs likely make them eligible.¹⁰ By the time your clients do realize how the application process works and how soon they must apply, LIHEAP funds may be gone.

You can help your clients by making them aware of this program, whether during the year in a mailing or at the start of the Part D Open Enrollment Period. Explain how the program works and that they have a limited opportunity to apply.

To find out the application process in your state, visit your state LIHEAP website or contact your state LIHEAP Director. You can find this information through the [LIHEAP State Directory](#). The directory includes: a link to the state LIHEAP website; the state LIHEAP coordinator's name, address, and telephone number; and, if available, the LIHEAP program's email address, public inquiry telephone numbers, and LIHEAP grantee websites.

⁹ West Virginia Department of Health and Human Resources web site, at: http://www.wvdhhr.org/bcf/family_assistance/utility.asp

¹⁰ ACF, Findings on General Outreach and Intake Strategies, Specific Enrollment Strategies, Increasing the Target Index for Elderly Households, at: http://www.acf.hhs.gov/programs/ocs/liheap/targeting_report.html

You can also learn more about LIHEAP in your state at the LIHEAP Clearinghouse website. Check out the [State Snapshots](#) for a quick overview of the LIHEAP funding levels, income eligibility criteria, and average LIHEAP benefits in your state.

References

For more on LIHEAP, see ACF's LIHEAP website at:

<http://www.acf.hhs.gov/programs/ocs/liheap/>, and the LIHEAP Clearinghouse's website at: <http://liheap.ncat.org/>.

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