

An hourglass-shaped graphic with a globe inside. The top bulb is dark blue, and the bottom bulb is light blue. The globe is centered in the narrow neck of the hourglass. The text is centered within the hourglass.

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Report RL31865

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

Libby Perl, Domestic Social Policy Division

October 21, 2008

Abstract. The first section of this report describes appropriations of LIHEAP funds for FY2009 and FY2008. It also discusses current issues and legislation related to LIHEAP. 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. Finally, 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.

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CRS Report for Congress

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

Updated October 21, 2008

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Prepared for Members and
Committees of Congress

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

Summary

The Low-Income Home Energy Assistance program (LIHEAP), established in 1981 (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, which are allocated to all states using a statutory formula, and contingency funds, which are allocated to one or more states at the discretion of the Administration. The formula by which regular funds are distributed was changed by Congress in 1984 and is sometimes referred to as the *new* LIHEAP formula. The implementation of the new formula effectively depends on the level of funds appropriated by Congress. As a result, if appropriations for regular funds do not exceed a certain level (about \$2 billion) funds are distributed according to the proportion of funds that each state received in FY1984; this is sometimes referred to as the *old* LIHEAP formula.

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 HHS (for FY2005), the majority of LIHEAP funds — 55.2% — was used to pay for heating assistance, 2.8% of funds was used for cooling aid, 17.6% of funds went to crisis assistance, and 10.6% was used for weatherization. The LIHEAP statute establishes 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 FY2005, an estimated 34.8 million households were eligible for LIHEAP under the federal guidelines. According to HHS, 5.3 million households received heating or winter crisis assistance and approximately 400,000 households received cooling or summer crisis assistance that same year.

On September 27, 2008, Congress passed a continuing resolution for FY2009, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act (H.R. 2638), which the President signed into law on September 30, 2008 (P.L. 110-329). The law appropriated \$5.1 billion for LIHEAP in FY2009, exceeding by nearly \$2 billion the FY2006 appropriation of approximately \$3.2 billion, which previously had been the highest level of funding ever appropriated for the program. Of the \$5.1 billion, approximately \$4.5 billion was appropriated as regular funds and \$590 million as contingency funds. However, P.L. 110-329 further specified that \$840 million of the regular funds was to be distributed according to the *new* LIHEAP formula, while the remainder — approximately \$3.6 billion — was to be distributed according to the *old* LIHEAP formula. In addition, P.L. 110-329 gave states the discretion to serve households with incomes at or below 75% of state median income. All funds, including the contingency funds, were to be released to states, tribes, and territories within 30 days of enactment of P.L. 110-329. On October 16, 2008, HHS announced how the funds would be distributed (see **Table 3**).

This report describes LIHEAP funding, current issues, legislation, program rules, and eligibility. It will be updated as events warrant.

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

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 and contingency funds. Regular funds are allotted to states according to a formula prescribed by the LIHEAP statute.¹ The second type of LIHEAP funding, called 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 appropriations of LIHEAP funds for FY2009 and FY2008. It also discusses current issues and legislation related to LIHEAP. 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. Finally, 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.

LIHEAP Funding and Recent Developments

FY2009 LIHEAP Funding

In FY2009, Congress appropriated \$5.1 billion for LIHEAP, the most funding that has ever been provided for the program, as part of the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act (H.R. 2638), which the President signed into law on September 30, 2008 (P.L. 110-329). The appropriation exceeded the President's FY2009 budget request by \$3.1 billion; the President had requested \$1.7 billion in regular funds and \$300 million in contingency funds. The appropriation also nearly doubled the \$2.57 billion that Congress had provided for the program in FY2008. Previously, the highest level of funding for LIHEAP had

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).

been \$3.16 billion, appropriated in FY2006. In that year, Congress appropriated an additional \$1 billion for LIHEAP on top of the annual appropriation (see **Table 1**).

Of the total amount appropriated in FY2009, \$4.51 billion was allocated to LIHEAP regular funds. The appropriations law further specified the way in which these regular funds were to be distributed:

- Approximately \$840 million was to be distributed according to the *new* LIHEAP formula. The new formula was enacted in 1984 and allocates funds to states on the basis of the heating and cooling costs of low-income households. For more information about the LIHEAP formula, see the section of this report entitled “Funds and Their Distribution.”
- The remaining \$3.67 billion was to be distributed according to the proportion of funds that states received under the *old* LIHEAP formula, which existed prior to the enactment of the new formula in 1984.

Approximately \$590 million of the total \$5.1 billion appropriation was allocated to contingency funds, the same amount that Congress appropriated in FY2008.

The FY2009 Continuing Appropriations Act further specified that states could use these FY2009 funds to serve households with incomes at or below 75% of state median income at their discretion.² Ordinarily, states may set eligibility for LIHEAP assistance at the greater of 60% of state median income or 150% of poverty.³

P.L. 110-329 also required HHS to obligate all FY2009 LIHEAP funds, including the contingency funds, within 30 days of enactment of the law. On October 16, 2008, HHS released tables showing how both LIHEAP regular and contingency funds would be distributed to the states, tribes, and territories. In addition, HHS announced that it would distribute FY2009 leveraging incentive and Residential Energy Assistance Challenge (REACH) grants on the basis of FY2008 applications submitted by states and tribes. In FY2008, Congress did not authorize funds for leveraging incentive and REACH grants in the appropriations law. As a result, no awards were made to grantees. For more information about this issue, see the next section of this report, “FY2008 LIHEAP Funding.”

To see how FY2009 LIHEAP funds were allocated to the states, see **Table 3** at the end of this report.

² HHS annually publishes state median income data in the Federal Register. For FY2009 data, see *Federal Register*, vol. 73, no. 44, March 5, 2008, p. 11924.

³ 42 U.S.C. §8624(b)(2)(B).

FY2008 LIHEAP Funding

Consolidated Appropriations Act (P.L. 110-161). On December 26, 2007, the President signed the FY2008 Consolidated Appropriations Act (P.L. 110-161). The funding bill provided a total of approximately \$2.57 billion for LIHEAP (see Division G of P.L. 110-161). Of this amount, \$1.98 billion was for regular funds, the same amount appropriated in FY2007; \$590 million was allocated for contingency funds.⁴ The regular fund appropriation exceeded the President's FY2008 budget request of \$1.5 billion by \$480 million and his contingency fund request of \$282 million by approximately \$308 million. The regular fund appropriation in P.L. 110-161 was the same amount that was requested in the conference agreement for the FY2008 Departments of Labor, Health and Human Services, and Education Appropriations bill (H.R. 3043, H.Rept. 110-424), which was vetoed by the President on November 13, 2007. For contingency funds, however, the Consolidated Appropriations Act provided \$158 million more than would have been provided in the House and Senate conference agreement, which would have appropriated just under \$432 million. The House-passed version of H.R. 3043 contained \$682 million for contingency funds, while the Senate's substitute version of H.R. 3043 would have provided the same level appropriated in FY2007 — \$181 million.

On June 26, 2008, HHS announced that it would distribute funds that were thought to have been allocated to leveraging incentive and REACH grants in the FY2008 Appropriations Act as part of the regular fund formula grants. Since the early 1990s, leveraging incentive and REACH grants have been made to states and tribes according to their ability to obtain non-LIHEAP resources for energy assistance (leveraging incentive grants) and for increasing the energy efficiency of low-income households (REACH grants). These funds are discussed later in this report. In recent years, Congress has allocated around \$27 million for these two funds, an amount that is taken out of the LIHEAP regular fund appropriation. However, in FY2008, P.L. 110-161 did not appropriate funds for leveraging incentive and REACH grants. When HHS discovered that language to appropriate the funds was missing from the appropriations act, it released to the states the \$26.7 million that would otherwise have been distributed as leveraging incentive and REACH grants under the LIHEAP formula.

Additional LIHEAP Funding Legislation. Some Members of the Senate attempted to add funds to the FY2008 LIHEAP appropriation on three occasions in FY2008. The first attempt was part of the economic stimulus package (H.R. 5140), which was considered by the Senate in early February 2008. However, the LIHEAP

⁴ P.L. 110-161 contained an across the board rescission of 1.747% that reduced the stated amounts appropriated for most Departments of Labor, Health and Human Services, and Education programs. See P.L. 110-161, Division G, Section 528. After application of the rescission, \$1.98 billion is available for regular funds and \$590 million for contingency funds. Prior to application of the rescission, the stated appropriations levels in P.L. 110-161 are \$2.015 billion for LIHEAP regular funds and \$596 million to contingency funds. Of the amount appropriated for contingency funds, \$250 million is designated as emergency spending; the rescission does not apply to the \$250 million in emergency funds.

provisions were ultimately removed from H.R. 5140 prior to the bill's passage by the Senate. An early Senate version of H.R. 5140, which was eventually signed into law on February 13, 2008, as the Economic Stimulus Act of 2008 (P.L. 110-185), contained an additional \$1 billion for LIHEAP. The funds would have been divided evenly between regular and contingency funds. This would have brought the total regular fund allocation for FY2008 to \$2.48 billion and contingency funds to over \$1 billion. The LIHEAP provisions would have required the contingency funds to be distributed within 30 days of the law's enactment and to be distributed according to the *old* LIHEAP formula (see a discussion of the LIHEAP formula later in this report).

The second attempt to provide funds for LIHEAP was part of the FY2008 Supplemental Appropriations Act (H.R. 2642). In the Senate Appropriations Committee markup, an amendment was adopted that would have provided \$1 billion for LIHEAP, with \$500 million allocated as formula funds and \$500 million as contingency funds. As with the provision in the economic stimulus package, the amendment directed that the contingency funds be distributed according to the *old* LIHEAP formula. However, prior to Senate passage of the bill, the language directing how the contingency funds should be distributed was removed. As passed by the Senate on May 22, 2008, H.R. 2642 would have appropriated \$1 billion for LIHEAP, without specifying if or how the funds would be divided. However, the House removed the funds for LIHEAP from its version of H.R. 2642 prior to approving the bill on June 19, 2008.

The third attempt to appropriate additional funds for LIHEAP was made through S. 3186, the Warm in Winter and Cool in Summer Act. The bill, introduced on June 24, 2008, proposed to add more than \$2.5 billion to the amounts already appropriated for LIHEAP in FY2008. Under S. 3186, funding would have been divided evenly between LIHEAP regular funds and contingency funds, with \$1.265 billion going to each. The bill bypassed committee consideration and went directly to the Senate floor for a cloture vote on July 26, 2008. The cloture vote on S. 3186 failed, however, so the Senate did not consider the bill.

Table 1. Final FY2006-FY2009 LIHEAP Funding

	Regular		Contingency	Total
	State Formula Grants	Set-Asides (Approx. \$300,000 for technical assistance, which is permanently authorized in the statute)		
Final FY2006 Appropriation^a				
P.L. 109-149	1.98 billion	— 27.225 million — leveraging incentive fund	181 million	2.161 billion
P.L. 109-204 ^b	500 million	None	500 million	1.000 billion
Total	2.48 billion	— 27.225 million — leveraging incentive fund	681 million	3.161 billion
Final FY2007 Appropriation				
P.L. 110-5	1.98 billion	— 27.225 million — leveraging incentive fund	181 million	2.161 billion
Final FY2008 Appropriation				
P.L. 110-161 ^c	1.98 billion	Not specified ^d	590 million	2.570 billion
Final FY2009 Appropriation				
P.L. 110-329	4.51 billion	Not specified ^d	590 million	5.1 billion

Source: Congressional Research Service on the basis of P.L. 109-148, P.L. 109-149, P.L. 109-171, P.L. 109-204, P.L. 110-5, P.L. 110-161, and P.L. 110-329.

- a. Under the Department of Defense Appropriations Act (P.L. 109-148), discretionary spending in FY2006 was reduced by 1% through an across-the-board rescission. The amounts in P.L. 109-149 include the rescission.
- b. The funds made available for FY2006 in P.L. 109-204 were originally appropriated for FY2007 in the Deficit Reduction Act of 2005, P.L. 109-171. Congress shifted the funds to FY2006 in P.L. 109-204.
- c. Amounts for Department of Labor, Health and Human Services, and Education programs were subject to a 1.747% rescission. See P.L. 110-161, Division G, Section 528. Amounts in this table represent the amounts available after the rescission.
- d. The FY2008 Consolidated Appropriations Act did not authorize funds for leveraging incentive grants. As a result, funds that would otherwise have been awarded as leveraging incentive grants were distributed to the states as part of LIHEAP regular funds. In FY2009, HHS determined that it would award \$27 million in leveraging incentive grants on the basis of FY2008 applications.

Distribution of LIHEAP Contingency Funds

FY2009 Contingency Funds. In FY2009, Congress appropriated approximately \$590 million in LIHEAP contingency funds as part of P.L. 110-329, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act. The law specified that HHS must obligate the funds to states within 30 days of the law's enactment (September 30, 2008). On October 16, 2008, HHS announced that it would release the contingency funds to all states, tribes, and territories — of the \$590 million, \$490 million would be released to all states according to the proportion

of funds that states received under the *old* LIHEAP formula,⁵ and \$100 million would be released to seven states where at least 30% of low-income households use heating oil to heat their homes. The seven states received funds according to the proportion of funds they received under the old LIHEAP formula weighted by their share of low-income heating oil users. These seven recipient states were Alaska, Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. For the amount of contingency funds received by each state in FY2009, see **Table 3** at the end of this report.

FY2008 Contingency Funds. Congress appropriated just over \$590 million in LIHEAP contingency funds for FY2008 to be released at the discretion of HHS to states according to their energy needs. The Administration has distributed contingency funds on three occasions in FY2008. (For the total amount of funds distributed to each state in FY2008, see **Table 3**.) First, on January 16, 2008, the Administration announced the release of \$450 million to all states, tribes, and territories. The total amount was distributed in three ways.

- \$150 million was distributed to all states tribes and territories on the basis of the percentage of funds that each receives under the old LIHEAP formula.⁶
- \$50 million was distributed to 11 states where the percentage of low-income households that use heating oil is 20% or more. The allocations were based on the percentage of funds each state receives under the old LIHEAP formula, weighted by the percentage of low-income heating oil users in the state. The states that received a portion of the \$50 million distribution were Alaska, Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.
- \$250 million was distributed to 26 states where at least 60% of low-income households use either heating oil, natural gas, or propane for heat, and the average temperature between November 1, 2006, and March 1, 2007, was 39° Fahrenheit or lower. Funds were distributed on the basis of the percentage of funds each state receives under the old LIHEAP formula, weighted by the percentage of low-income households using heating oil, natural gas, or propane to heat their homes. Each of the states that received funds under the \$50 million distribution, with the exception of Delaware, received a portion of

⁵ In 1984, Congress changed the way in which LIHEAP funds are to be allocated to the states. This is sometimes referred to as the *new* LIHEAP formula. The way in which funds were distributed to the states prior to this change in the formula is sometimes referred to as the *old* LIHEAP formula. The formula is discussed in greater detail in the section of this report entitled “Funds and Their Distribution.”

⁶ In each case where HHS distributed contingency funds based on the LIHEAP formula in FY2008, grantees received the percentage of funds they receive under the *old* LIHEAP formula. For a discussion of the formula, see the section “Funds and Their Distribution” later in this report.

the \$250 million distribution. The remaining states that received funds were Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, Ohio, South Dakota, Utah, Wisconsin, and Wyoming.

The second FY2008 distribution of contingency funds occurred on February 22, 2008, when the Administration released \$40 million to eleven states on the basis of heating oil usage. States received funds if at least 20% of low-income households use heating oil as their primary heating source. The following states received funds: Alaska, Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

On September 17, 2008, the Administration released the balance of the FY2008 contingency funds — approximately \$101 million — together with \$20 million in contingency funds that remained available from the FY2005 appropriation. Of the total funds released, \$96 million was distributed to all states, tribes, and territories based on the proportions of the old LIHEAP formula. The remaining \$25 million was distributed to seven states where at least 30% of low-income households use heating oil as their primary heating source. Funds were allocated to those seven states based on their share of LIHEAP formula funds under the old formula, weighted by the share of households in the state using heating oil. The states that received funds on this basis were Alaska, Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

LIHEAP Legislation in the 110th Congress

Bills that would affect aspects of LIHEAP have been introduced in the 110th Congress. The following list discusses many of them, but is not an exhaustive list of LIHEAP-related legislation.

- Two bills, H.R. 4275 and S. 2405, both entitled the Keeping Americans Warm Act, would appropriate \$1 billion for LIHEAP contingency funds in addition to amounts otherwise appropriated in FY2008.
- Versions of bills in both the House and Senate, entitled the Warm in Winter and Cool in Summer Act (S. 3186 and H.R. 6427), would appropriate additional funds for LIHEAP for FY2008. They would add \$1.265 billion to the formula grants, for a total of \$3.245 billion in FY2008, and \$1.265 billion to the contingency funds for a total of \$1.855 billion.
- The LIHEAP Equity Act (H.R. 153), would mandate that no more than 50% of the funding provided under LIHEAP be made available for heating purposes.
- S. 669, the LIHEAP Emergency Reform Act, concerns contingency funds. The bill would allow a state governor to apply to the Secretary of Health and Human Services for certification that there is an emergency in his or her state (as defined by the LIHEAP

statute), and for an allotment of contingency funds in response to the emergency.

- The Home Energy Assistance Targeted for Seniors Act (H.R. 2984) would rename LIHEAP the “Low Income and Senior Home Energy Assistance Act” and make eligible for benefits households with incomes at or below state median income, as long as at least 50% of the household’s income was attributable to persons age 65 and older. (Currently households may not have incomes above 60% of state median income and still be eligible for LIHEAP.)
- The Federal Price Gouging Prevention Act (H.R. 1252) would make it illegal to charge excessive prices for various types of fuel if an “energy emergency” is declared by the President. The illegal practices would include selling oil, gasoline, natural gas, or petroleum at unconscionably excessive prices; intentionally reporting false price information; or manipulating the market. Penalties imposed for violations of these provisions would be used to provide LIHEAP assistance. On May 23, 2007, the bill bypassed committee consideration and went straight to the House floor, where it passed under suspension of the rules. A similar bill with the same title (H.R. 6346) was introduced by the same sponsor, Representative Bart Stupak, on June 23, 2008. The next day, a motion to pass H.R. 6346 under suspension of the rules failed.
- Two other bills would similarly use penalties imposed on energy providers to fund LIHEAP. The Federal Energy Price Protection Act (H.R. 2460) would penalize oil, gas, and petroleum suppliers for price gouging with the fees going to LIHEAP, while the Clean, Reliable, Efficient and Secure Energy Act of 2007 (S. 1602) would give a portion of penalties collected from energy suppliers to LIHEAP.
- The Low Carbon Economy Act (S. 1766) would set greenhouse gas emissions targets for entities such as natural gas processing plants, electric power plants, and refineries. Under the program, these regulated entities would trade allowances that entitle them to emit a certain amount of greenhouse gases. A portion of the proceeds from the auction of these allowances would be allocated to fund LIHEAP. Another bill that would seek to cap carbon emissions and devote a portion of proceeds from the sale of allowances is the Investing in Climate Action and Protection Act (H.R. 6186).
- America’s Climate Security Act (S. 2191) would set up a system under which regulated entities would trade allowances to emit greenhouse gases. During the years 2012 to 2050, a portion of proceeds from the auctions (20%) would be allocated to an Energy Assistance Fund, of which 50% would be available to the LIHEAP program. On December 5, 2007, the Senate Committee on Environment and Public Works reported S. 2191. On May 20, 2008,

S. 3036, the Lieberman-Warner Climate Security Act was introduced in the Senate. It is identical to S. 2191, but contains provisions to make the bill deficit neutral. The Senate debated S. 3036 in early June 2008. However, after several days of consideration, the Senate was not able to invoke cloture on June 6, 2008. (For more information about the cap-and-trade provisions of these bills, as well as those in S. 1766 and H.R. 6186, see CRS Report RL33846, *Greenhouse Gas Reduction: Cap-and-Trade Bills in the 110th Congress*, by Larry Parker, Brent D. Yacobucci, and Jonathan L. Ramseur.)

- Another bill, the Energy Security and Corporate Accountability Act (S. 1238) would not affect LIHEAP, but would create a program for LIHEAP-eligible households called the Low-Income Transportation Energy Assistance Fund. The program would give funds to families to assist in purchasing gasoline or passes for public transportation. A similar bill in the Senate, the Low Income Gasoline Assistance Program Act (S. 2968) would make grants to states that would then be used to assist low-income households with the purchase of gasoline.
- The Consumer Reasonable Energy Price Protection Act of 2008 (H.R. 5800) would impose a windfall profits tax on the sale of oil and natural gas. A “windfall profit” is defined by the act as an amount that exceeds a reasonable profit as determined by a “Reasonable Profits Board,” to be established pursuant to H.R. 5800. Proceeds under the windfall profits tax would be allocated to LIHEAP. Another bill, the Renewable Investment and Consumer Protection Act (H.R. 6155), would tax stock repurchase transactions made by oil companies and give 40% of the proceeds to LIHEAP.

Report to Congress on Preventing Loss of Life Because of Extreme Indoor Air Temperatures

The Energy Policy Act of 2005 (P.L. 109-58) required HHS to report to Congress on how LIHEAP “could be used more effectively to prevent loss of life from extreme temperatures.” On February 15, 2007, HHS released a report in which it summarized state recommendations for ways to use LIHEAP funds to prevent heat- and cold-related deaths due to indoor air temperature.⁷ Recommendations were in five categories:

- Education and outreach;
- Weatherization and energy-related home repairs;
- Special assistance for vulnerable populations;

⁷ U.S. Department of Health and Human Services, Administration for Children and Families, *Low Income Home Energy Assistance Program Report to Congress on: Preventing Loss of Life Due to Extreme Indoor Temperatures*, February 15, 2007.

- Partnerships with other social services programs and energy providers; and
- Research on the needs of, and best practices for helping, vulnerable households.

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) who 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.⁸ 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

⁸ 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>].

benefits, choose how benefits are provided, and decide what agencies will administer the program.⁹

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 majority of LIHEAP funding is used to offset home heating costs. In FY2005, the most recent year for which data regarding total obligations are available, approximately 55.2% of all LIHEAP funds were used to provide heating assistance; all states (including the District of Columbia) provided some heating assistance.¹⁰ Nearly all states also offered crisis assistance, most of which is used for heating needs. In FY2005, 17.6% of LIHEAP funds were used to provide crisis assistance in 47 states. Six of these 47 states provided summer as well as winter crisis assistance, and one state — Hawaii — provided only summer crisis assistance.¹¹ Also in FY2005, 2.8% of funds were used for cooling aid (offered by 13 states); 10.6% of total LIHEAP funds were used for weatherization services (provided by 44 states); 8.1% of available funds were used for administration and planning purposes (51 states), and 1.2% of the FY2005 funds were used to offer services to reduce the need for energy assistance (provided by 24 states).¹²

Households Served

In FY2005, it is estimated that 5.3 million households received LIHEAP heating or winter crisis assistance.¹³ This estimate attempts to remove duplication among

⁹ Information regarding state LIHEAP program characteristics and contacts is available at [<http://www.liheap.ncat.org/sp.htm>].

¹⁰ Based on state-reported total LIHEAP obligations for FY2005 of \$2.224 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 2005*, April 24, 2008, p. 14 (hereafter *FY2005 LIHEAP Report to Congress*).

¹¹ *Ibid.*, Table C-3, pp. 57-58.

¹² *Ibid.*, p. 14.

¹³ U.S. Department of Health and Human Services, Administration for Children and Families (continued...)

households that received both heating and winter crisis assistance; the estimate is derived from the 4.9 million households that received heating assistance and the 1.3 million that received winter or year round crisis assistance in FY2005. The number of households receiving heating or winter crisis assistance in FY2005 increased from FY2004, when an estimated 5.0 million households were served. When LIHEAP began in FY1983, approximately 6.8 million households received heating 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. (See **Table 3.**)

The same trend can be seen in the percentage of federally eligible households that receive heating 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 or winter crisis assistance had dropped to 12%. In FY2004, 14% of federally eligible households received assistance, and in FY2005, that number increased to 15%.

The number of households receiving cooling assistance reached its high point in FY2002, with more than half a million recipients. In FY2005, approximately 400,000 households received cooling or summer crisis assistance.¹⁴ This estimate of de-duplicated households is derived from the 337,000 households that received cooling aid and the 93,000 households that received summer crisis aid in FY2005. Also in that year, 104,000 households received weatherization assistance.¹⁵

HHS estimates that of all households receiving LIHEAP heating assistance, about 32% had at least one member 60 years of age or older; about 31% had at least one member with a disability; and some 22% included at least one child five years of age or younger.¹⁶

Benefit Levels

The constant dollar value of LIHEAP heating and winter crisis benefits has declined, generally, from the program's beginning, as has the portion of home heating bills covered by LIHEAP. 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 value of benefits went up from FY1999 through FY2001, it declined again thereafter, and in FY2005 the average constant dollar benefit was \$140.¹⁷ (See **Table 3.**) In addition, the LIHEAP heating and winter crisis benefit now covers a

¹³ (...continued)

Families, *FY2005 LIHEAP Home Energy Notebook*, May 2007, p 28 (hereafter *FY2005 LIHEAP Home Energy Notebook*).

¹⁴ *Ibid.*, p. 29.

¹⁵ *FY2005 LIHEAP Report to Congress*, p. 19.

¹⁶ *Ibid.*, pp. 21-22.

¹⁷ *FY2005 LIHEAP Home Energy Notebook*, p. 30.

smaller portion of home heating bills than in earlier years. In FY2005, the LIHEAP benefit covered 8% of the combined home heating costs of all households federally eligible for LIHEAP, compared to 18% in FY1983.¹⁸ This estimate includes the heating costs of households that were eligible for LIHEAP based on the federal guidelines, but did not receive LIHEAP assistance.

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, had largely risen from the program's beginning until FY2002. In FY1983, the constant dollar value of LIHEAP cooling benefits (in 1981 dollars) was \$57. By FY2000 and FY2001, the average benefit had reached \$107. However, by FY2004 and FY2005, the average cooling or summer crisis benefit had declined to \$91.¹⁹

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.²⁰ 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).

¹⁸ Ibid., p. 31.

¹⁹ Ibid., p. 30.

²⁰ See also CRS Report RS20761, *LIHEAP and Residential Energy Costs*, by Bernard Gelb.

Table 2. LIHEAP Heating/Winter Crisis Aid, Selected Years

	Fiscal Year										
	1983	1990	1993	1998	1999	2000	2001	2002	2003	2004	2005
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
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
Federally eligible and receiving aid	31%	23%	20%	13%	12%	13%	16%	13%	14%	14%	15%
Benefit Levels											
Average benefit (nominal \$)	\$225	\$209	\$201	\$213	\$237	\$270	\$364	\$291	\$312	\$277	\$304
Average benefit (constant 1981 \$) ^a	\$209	\$147	\$129	\$117	\$128	\$140	\$187	\$147	\$154	\$132	\$140
LIHEAP Coverage											
Portion of winter heating bill covered by LIHEAP (for all federally eligible households) ^b	18%	15%	11%	9%	9%	11%	14%	12%	NA ^c	8%	8%

Source: Table compiled by Congressional Research Service (CRS) on the basis of information provided by or included in the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services, Division of Energy Assistance, *LIHEAP Home Energy Assistance Notebooks* for FY1998, FY2000, FY2001, FY2002, FY2003, FY2004 and FY2005.

- The constant dollars are based on the 1981 value of the benefit (using the CPI-U index).
- These percentages represent the estimated portion of combined home heating costs for all households federally eligible for LIHEAP that was offset by LIHEAP heating/winter crisis assistance.
- HHS did not make FY2003 data for these trends available.

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

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.

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 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

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).

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.

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.”

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

²⁶ 42 U.S.C. §8623(a)(3).

²⁷ 42 U.S.C. §8621(e).

²⁸ 42 U.S.C. §8621(d).

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 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

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).

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).

Table 3. LIHEAP Funding by State, FY2006 to FY2009

(Funding Shown for Each State Does Not Include Distributions to Tribes)

(dollars in millions)

State	Total Funds Distributed ^a (Regular and Contingency)			Regular Allotment	Contingency Distributed	Total
	FY2006	FY2007	FY2008			
Alabama	31.787	22.077	19.090	59.649	4.182	63.832
Alaska	12.839	8.631	11.681	16.333	5.100	21.433
Arizona	14.230	7.856	8.591	26.844	1.882	28.726
Arkansas	23.336	15.749	14.667	36.497	3.213	39.711
California	156.441	94.089	102.250	223.989	22.402	246.391
Colorado	44.806	33.073	41.326	63.474	7.877	71.352
Connecticut	71.106	48.102	65.618	95.783	30.104	125.887
Delaware	10.954	5.727	6.929	17.384	1.364	18.748
District of Columbia	8.165	6.700	7.284	14.653	1.596	16.249
Florida	49.785	27.970	30.406	95.013	6.662	101.675
Georgia	40.026	28.564	24.047	75.141	5.269	80.410
Hawaii	2.567	2.228	2.403	4.652	0.531	5.182
Idaho	14.055	12.275	13.241	25.632	2.924	28.556
Illinois	193.814	119.418	149.216	237.236	28.443	265.679
Indiana	75.327	54.062	67.552	103.602	12.877	116.479
Iowa	52.054	38.319	47.881	67.803	9.127	76.929
Kansas	27.709	19.727	22.083	45.308	4.188	49.496
Kentucky	45.320	32.010	30.588	68.353	6.702	75.055
Louisiana	32.671	22.499	19.651	57.196	4.305	61.502
Maine	43.496	32.487	44.835	47.649	28.644	76.293
Maryland	61.889	33.036	35.913	101.296	7.868	109.164
Massachusetts	126.425	93.757	126.442	162.916	50.499	213.414
Michigan	153.615	112.509	140.589	221.244	26.862	248.106
Minnesota	110.849	81.681	102.063	144.528	19.455	163.982
Mississippi	27.415	17.838	16.448	38.937	3.604	42.541
Missouri	78.220	52.645	59.603	103.541	11.361	114.902
Montana	19.259	12.487	15.602	26.075	2.974	29.049
Nebraska	28.634	18.940	23.660	39.558	4.512	44.070
Nevada	7.247	4.016	4.366	13.643	0.957	14.599
New Hampshire	27.740	18.769	25.635	34.112	13.624	47.737
New Jersey	114.759	79.920	108.707	166.690	19.083	185.773
New Mexico	11.555	9.867	10.711	22.919	2.347	25.266
New York	381.719	261.178	359.046	475.409	62.240	537.649
North Carolina	71.125	45.156	41.629	121.051	9.121	130.172
North Dakota	19.272	13.446	16.426	27.299	3.114	30.413
Ohio	164.226	105.643	132.004	220.588	25.162	245.750
Oklahoma	26.921	17.517	16.048	44.572	3.521	48.092
Oregon	24.575	25.035	27.010	44.640	6.009	50.650
Pennsylvania	202.324	140.520	191.759	274.925	33.469	308.394
Rhode Island	23.066	15.428	20.816	30.123	8.420	38.544
South Carolina	25.279	17.636	15.266	47.702	3.345	51.047

State	Total Funds Distributed ^a (Regular and Contingency)			Regular Allotment	Contingency Distributed	Total
	FY2006	FY2007	FY2008			
South Dakota	16.540	10.977	13.715	22.921	2.614	25.536
Tennessee	47.139	33.568	30.985	73.723	6.789	80.512
Texas	84.005	46.545	50.599	158.110	11.086	169.196
Utah	22.848	15.062	18.823	31.646	3.609	35.255
Vermont	20.903	14.162	19.370	25.568	10.587	36.156
Virginia	75.053	40.241	43.746	118.084	9.585	127.668
Washington	39.631	40.443	43.626	71.568	9.634	81.201
West Virginia	24.543	18.621	20.157	40.584	4.435	45.019
Wisconsin	99.837	73.525	91.872	130.096	17.512	147.608
Wyoming	8.987	5.932	7.415	12.640	1.442	14.081
Subtotal	3,096	2,108	2,559	4,428.898	582.230	5,011.128
Tribes ^b	32.897	23.201	27.983	47.403	7.434	54.837
Territories ^c	3.456	2.788	3.014	6.070	0.664	6.734
Leveraging/REACH ^d	27.225	27.225	— ^f	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	4,509.672	590.328	5,100

Source: Table 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 (net of the direct awards to tribes) and any contingency funds awarded to the state in that year.
- b. This funding is made directly available to or for tribes but is reserved out of a given state's allotment amount. As prescribed in the statute, the tribal set-aside from a state gross allotment is based on tribal households in that state.
- c. 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).
- d. 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.
- 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.
- f. The FY2008 Appropriations Act (P.L. 110-161) did not specify funds for leveraging incentive and REACH grants.

Table 4. LIHEAP Funding: FY1982 to FY2009
(dollars in thousands)

Fiscal Year	Regular Funds ^a			Contingency Funds ^a		Total Distributed
	President's Request	Authorized	Appropriated	Appropriated	Distributed	
1982	1,400,000	1,875,000	1,875,000	—	—	1,875,000
1983	1,300,000	1,875,000	1,975,000	—	—	1,975,000
1984	1,300,000	1,875,000	2,075,000	—	—	2,075,000
1985	1,875,000	2,140,000	2,100,000	—	—	2,100,000
1986	2,097,765	2,275,000	2,100,000	—	—	2,100,000
1987	2,097,642	2,050,000	1,825,000	—	—	1,825,000
1988	1,237,000	2,132,000	1,531,840	—	—	1,531,840
1989	1,187,000	2,218,000	1,383,200	—	—	1,383,200
1990	1,100,000	2,307,000	1,443,000	—	—	1,443,000
1991	1,050,000	2,150,000	1,415,055	195,180	195,180	1,610,235
1992	925,000	2,230,000	1,500,000	300,000	0	1,500,000
1993	1,065,000	<i>ssan^b</i>	1,346,030	595,200	0	1,346,030
1994	1,507,408	<i>ssan^b</i>	1,437,402	600,000	300,000	1,737,402
1995	1,475,000	2,000,000	1,319,202	600,000	100,000	1,419,202
1996	1,319,204	2,000,000	900,000	180,000	180,000	1,080,000
1997	1,000,000	2,000,000	1,000,000	420,000	215,000	1,215,000
1998	1,000,000	2,000,000	1,000,000	300,000	160,000	1,160,000
1999	1,000,000	2,000,000	1,100,000	300,000	175,299	1,275,299
2000	1,100,000	<i>ssan^b</i>	1,100,000	900,000	744,350 ^c	1,844,350 ^c
2001	1,100,000	<i>ssan^b</i>	1,400,000	600,000	455,650	1,855,650
2002	1,400,000	2,000,000	1,700,000	300,000	100,000 ^d	1,800,000
2003	1,400,000	2,000,000	1,788,300 ^e	0	200,000 ^f	1,988,300
2004	1,700,000	2,000,000	1,789,380	99,410	99,410	1,888,790
2005	1,900,500 ^{g, h}	5,100,000	1,884,799	297,600	277,250	2,162,050
2006	1,800,000 ^g	5,100,000	2,480,000	681,000	679,960	3,160,000
2007	1,782,000	5,100,000	1,980,000	181,000	181,000	2,161,000
2008	1,500,000	— ⁱ	1,980,000	590,328	610,678 ^j	2,590,678
2009	1,700,000	— ⁱ	4,509,672	590,328	590,328	5,100,000

Source: Table prepared by the Congressional Research Service (CRS) on the basis of HHS data.

- a. Amounts listed under the Regular Funds heading are for *regular* funding only. 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. Such sums as necessary.
- c. President Clinton released \$400 million of these FY2000 contingency funds in late September 2000 making it effectively available to states in FY2001.
- d. These funds were distributed out of the total FY2002 contingency appropriation (P.L. 107-116). With the end of FY2002, the remaining \$200 million of these contingency funds expired.
- e. The final 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).
- f. These funds were distributed out of contingency dollars appropriated as part of the FY2001 supplemental (P.L. 107-20). That law provided that the funds were “available until expended.” Congress subsequently converted some of these dollars into regular funds (see tablenote).
- g. Of the amounts requested by the President in FY2005 and FY2006, \$500,000 was to be set aside for a national evaluation.

- h. 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.
- i. LIHEAP is unauthorized in FY2008 and FY2009.
- j. 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.