



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

May 13, 2014

The Honorable Fred Upton  
Chairman  
House Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter concerning oversight of the Low Income Home Energy Assistance Program (LIHEAP). Your letter posed three questions regarding how the U.S. Department of Health and Human Services (HHS) is conducting oversight of LIHEAP since Congress included a statutory change in the Farm Bill. This change increased the minimum energy assistance payment a household must receive in order to qualify automatically for the heating and cooling Standard Utility Allowance (SUA) under the Supplemental Nutrition Assistance Program (SNAP).

HHS maintains a strong commitment to ensure compliance with federal program requirements and continues to explore and implement new methods of strengthening the integrity of LIHEAP. I appreciate the opportunity to address your questions about our approach to this issue. Attached please find specific answers to your questions prepared by the Administration for Children and Families (ACF), which administers LIHEAP, as well as a description of current and planned actions related to the LIHEAP matters raised in your letter.

Please contact me if you have any further concerns or questions. I will also provide this response to the other members of Congress who co-signed your letter.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Sebelius". The signature is fluid and cursive, with the first name "Kathleen" and last name "Sebelius" clearly legible.

Kathleen Sebelius

Enclosure



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

May 13, 2014

The Honorable Frank D. Lucas  
Chairman  
House Committee on Agriculture  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your letter concerning oversight of the Low Income Home Energy Assistance Program (LIHEAP). Your letter posed three questions regarding how the U.S. Department of Health and Human Services (HHS) is conducting oversight of LIHEAP since Congress included a statutory change in the Farm Bill. This change increased the minimum energy assistance payment a household must receive in order to qualify automatically for the heating and cooling Standard Utility Allowance (SUA) under the Supplemental Nutrition Assistance Program (SNAP).

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Enclosure



THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

May 13, 2014

The Honorable Steve King  
Chairman  
Subcommittee on Department Operations,  
Oversight, and Nutrition  
House Committee on Agriculture  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter concerning oversight of the Low Income Home Energy Assistance Program (LIHEAP). Your letter posed three questions regarding how the U.S. Department of Health and Human Services (HHS) is conducting oversight of LIHEAP since Congress included a statutory change in the Farm Bill. This change increased the minimum energy assistance payment a household must receive in order to qualify automatically for the heating and cooling Standard Utility Allowance (SUA) under the Supplemental Nutrition Assistance Program (SNAP).

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Kathleen Sebelius

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THE SECRETARY OF HEALTH AND HUMAN SERVICES  
WASHINGTON, D.C. 20201

May 13, 2014

The Honorable Tim Murphy  
Chairman  
Subcommittee on Oversight and Investigations  
House Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your letter concerning oversight of the Low Income Home Energy Assistance Program (LIHEAP). Your letter posed three questions regarding how the U.S. Department of Health and Human Services (HHS) is conducting oversight of LIHEAP since Congress included a statutory change in the Farm Bill. This change increased the minimum energy assistance payment a household must receive in order to qualify automatically for the heating and cooling Standard Utility Allowance (SUA) under the Supplemental Nutrition Assistance Program (SNAP).

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## Attachment

Prepared by the Department of Health and Human Services' (HHS) Administration for Children and Families (ACF).

Question 1: How will your agency review states' LIHEAP plans that are providing new minimal payments to SNAP households?

Response 1: The LIHEAP law requires states, tribes, and territories—hereafter referenced as states or grantees—to submit a plan that includes a description of the “benefit levels to be used by the State for each type of assistance....” 42 U.S.C. § 8624(c)(1)(B). Every three years, states must submit a Detailed LIHEAP Model Plan (state plan). In the state plan, grantees describe the benefit levels in the state. In the intervening years, grantees must submit an abbreviated state plan that notes any changes to their program for that year. Grantees are required to submit a written amendment if they change their program mid-year. In this case, states should be notifying ACF if they are amending their benefit levels to address the new minimum payment amount related to SNAP. For Fiscal Year (FY) 2015, ACF will issue a new detailed LIHEAP Model Plan that includes a question specifically asking grantees whether they have a minimal payment for SNAP households, and if so, what the benefit amount is. A proposed Plan was published in the Federal Register for public comment on January 27, 2014, and a second Federal Register notice was published on April 24, 2014.

Question 2: What guidelines are you giving states for these payments and what standards must states meet to ensure that such households have energy needs consistent with LIHEAP's statutory purposes?

Response 2: The LIHEAP statute provides broad discretion to states about how to use their funds. The LIHEAP statute requires grantees to ensure that the “highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs or needs in relation to income, taking into account family size....” 42 U.S.C. § 8624(b)(5). The LIHEAP statute defines “highest home energy needs” as the household's home energy burden and the presence of vulnerable members such as the elderly, people with disabilities, and/or young children. 42 U.S.C. § 8622(4). The LIHEAP statute also requires grantees to “treat owners and renters equitably....” 42 U.S.C. § 8624(b)(8)(B). In such cases, the issue is not whether the household has an energy expense, but what level that expense typically represents in the rent and to whom to issue the LIHEAP benefit. For example, it is within the scope of the LIHEAP statute for a state to provide a LIHEAP benefit payment to renters whose heat is included in their rent and to make informed decisions about the appropriate level at which to set the benefit for such households.

With the higher level of Training and Technical Assistance funding that Congress has appropriated to ACF since FY 2012, ACF has initiated a series of national and regional LIHEAP grantee training meetings. ACF staff is conducting four regional LIHEAP grantee training meetings this spring, two of which were held earlier in April, and the remaining training meetings are being held the weeks of May 6 and June 16. Forty-eight states are participating, as are nearly all territories and about half of all tribal grantees.



During these training meetings, ACF is discussing the Farm Bill provision relating to LIHEAP and emphasizing that all grantees must ensure every year in their state plans that they have considered the household's home energy cost or need when determining the LIHEAP benefit level. ACF is also reminding grantees to have reasonable support for the amount of the benefit levels they set statewide, and in relation to different household populations, including subsidized renters whose heat is included in the rent.

Question 3: If states are issuing LIHEAP payments to households with no out of pocket energy expenses, what action will HHS take to remedy this outcome?

Response 3: ACF believes it is important to prevent grantees from setting LIHEAP benefit amounts that are not based in part on home energy cost or need and prevent LIHEAP benefits from being approved for households without any home energy expense. This does not exclude all households that do not have a utility bill, as some households have energy costs included in their rent. To that end, as previously discussed, ACF is seeking to prevent benefits that are not tied to home energy costs by providing training and technical assistance on this issue to grantees.

Additionally, if ACF finds through an OMB Circular A-133 audit report or ACF monitoring review that grantees are providing LIHEAP benefits for households without a home energy expense, ACF may, where appropriate, seek a disallowance of the portion of LIHEAP funding that is attributed to those payments. Typically in such a circumstance, ACF would provide technical assistance to the grantee to amend its benefit plan and/or improve monitoring of intake determinations to prevent benefits not based on home energy expense.